

(c) USE OF FUNDS.—

(1) IN GENERAL.—Assistance provided under this section may be used—

(A) to make capital and related improvements in small shipyards located in or near maritime communities;

(B) to provide training for workers in communities whose economies are related to the maritime industry; and

(C) for such other purposes as the Administrator determines to be consistent with and supplemental to such activities.

(2) ADMINISTRATIVE COSTS.—Not more than 2 percent of amounts made available to carry out the program may be used for the necessary costs of grant administration.

(d) PROHIBITED USES.—Grants awarded under this section may not be used to construct buildings or other physical facilities or to acquire land unless such use is specifically approved by the Administrator in support of subsection (c)(1)(C).

(e) MATCHING REQUIREMENTS; ALLOCATION.—

(1) FEDERAL FUNDING.—Except as provided in paragraph (2), Federal funds for any eligible project under this section shall not exceed 75 percent of the total cost of such project.

(2) EXCEPTION.—If the Administrator determines that a proposed project merits support and cannot be undertaken without a higher percentage of Federal financial assistance, the Administrator may award a grant for such project with a lesser matching requirement than is described in paragraph (1).

(3) ALLOCATION OF FUNDS.—The Administrator may not award more than 25 percent of the funds appropriated to carry out this section for any fiscal year to any small shipyard in one geographic location that has more than 600 employees.

(f) APPLICATIONS.—

(1) IN GENERAL.—To be eligible for assistance under this section, an applicant shall submit an application, in such form, and containing such information and assurances as the Administrator may require, within 60 days after the date of enactment of the appropriations Act for the fiscal year concerned.

(2) MINIMUM STANDARDS FOR PAYMENT OR REIMBURSEMENT.—Each application submitted under paragraph (1) shall include—

(A)¹ a comprehensive description of—

(i) the need for the project;

(ii) the methodology for implementing the project; and

(iii) any existing programs or arrangements that can be used to supplement or leverage assistance under the program.

(3) PROCEDURAL SAFEGUARDS.—The Administrator, in consultation with the Office of the Inspector General, shall issue guidelines to establish appropriate accounting, reporting, and review procedures to ensure that—

(A) grant funds are used for the purposes for which they were made available;

(B) grantees have properly accounted for all expenditures of grant funds; and

(C) grant funds not used for such purposes and amounts not obligated or expended are returned.

(4) PROJECT APPROVAL REQUIRED.—The Administrator may not award a grant under this section unless the Administrator determines that—

(A) sufficient funding is available to meet the matching requirements of subsection (e);

(B) the project will be completed without unreasonable delay; and

(C) the recipient has authority to carry out the proposed project.

(g) AUDITS AND EXAMINATIONS.—All grantees under this section shall maintain such records as the Administrator may require and make such records available for review and audit by the Administrator.

(h) SMALL SHIPYARD DEFINED.—In this section, the term “small shipyard” means a shipyard facility in one geographic location that does not have more than 1,200 employees.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator of the Maritime Administration for each of fiscal years 2009 through 2013 to carry out this section—

(1) \$5,000,000 for training grants; and

(2) \$25,000,000 for capital and related improvements.

(Added Pub. L. 110-417, div. C, title XXXV, § 3508(a), Oct. 14, 2008, 122 Stat. 4767.)

PRIOR PROVISIONS

A prior section 54101, added and amended Pub. L. 110-181, div. C, title XXXV, § 3523(a)(6)(B)-(D), Jan. 28, 2008, 122 Stat. 599, which related to assistance for small shipyards and maritime communities, was repealed by Pub. L. 110-417, div. C, title XXXV, § 3508(b), Oct. 14, 2008, 122 Stat. 4769, as amended by Pub. L. 111-84, div. A, title X, § 1073(c)(14), Oct. 28, 2009, 123 Stat. 2475, effective Oct. 14, 2008, and as if included in Pub. L. 110-417 as enacted.

PART D—PROMOTIONAL PROGRAMS

CHAPTER 551—COASTWISE TRADE

Sec.	
55101.	Application of coastwise laws.
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55119.	Yukon River.
55120.	Transshipment of imported merchandise intended for immediate exportation.

¹ So in original. There is no subpar. (B).

Sec. 55121. Transportation of merchandise and passengers on Canadian vessels.

AMENDMENTS

2008—Pub. L. 110-181, div. C, title XXXV, § 3527(b)(2), Jan. 28, 2008, 122 Stat. 602, inserted “valueless material or” before “dredged material” in item 55110.

§ 55101. Application of coastwise laws

(a) IN GENERAL.—Except as provided in subsection (b), the coastwise laws apply to the United States, including the island territories and possessions of the United States.

(b) EXCEPTIONS.—The coastwise laws do not apply to—

- (1) American Samoa;
(2) the Northern Mariana Islands, except as provided in section 502(b) of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (48 U.S.C. 1801 note); or
(3) the Virgin Islands until the President declares by proclamation that the coastwise laws apply to the Virgin Islands.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1632; Pub. L. 110-181, div. C, title XXXV, § 3527(a), Jan. 28, 2008, 122 Stat. 602.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Rows include 55101(a) through 55101(b)(4).

In subsection (a), the words “apply to the United States, including” are substituted for “extend to” for clarity. The words “From and after February 1, 1922” and “not covered thereby on June 5, 1920” are omitted as obsolete.

Subsection (b)(2) is based on section 503(b) of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (48 U.S.C. 1801 note).

Subsection (b)(3) is based on Proc. No. 3215, Dec. 12, 1957, 72 Stat. c19, which provided that the President, “under and by virtue of the authority vested in me by the aforesaid section 21 of the Merchant Marine Act, 1920 [46 App. U.S.C. 877], do hereby declare and proclaim that the period for the establishment of an adequate shipping service for Canton Island is extended until further notice by proclamation of the President, and that the extension of the coastwise laws of the United States to Canton Island is deferred until it is declared by proclamation of the President that such adequate shipping service has been established”.

In subsection (b)(4), the words “and fix a date for the going into effect of same” are omitted as surplus.

The provisos of 46 App. U.S.C. 877 relating to the Philippine Islands are omitted as obsolete because of the independence of the Philippine Islands. See Proc. No. 2695, July 4, 1946, 60 Stat. 1352 (22 U.S.C. 1394 note).

REFERENCES IN TEXT

Section 502(b) of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America, referred to in subsec. (b)(2), is contained in section 1 of Pub. L. 94-241, set out as a note under section 1801 of Title 48, Territories and Insular Possessions.

AMENDMENTS

2008—Subsec. (b). Pub. L. 110-181 inserted “or” after semicolon at end of par. (2), redesignated par. (4) as (3), and struck out former par. (3) which read as follows: “Canton Island until the President declares by proclamation that the coastwise laws apply to Canton Island; or”.

§ 55102. Transportation of merchandise

(a) DEFINITION.—In this section, the term “merchandise” includes—

- (1) merchandise owned by the United States Government, a State, or a subdivision of a State; and
(2) valueless material.

(b) REQUIREMENTS.—Except as otherwise provided in this chapter or chapter 121 of this title, a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port, unless the vessel—

- (1) is wholly owned by citizens of the United States for purposes of engaging in the coastwise trade; and
(2) has been issued a certificate of documentation with a coastwise endorsement under chapter 121 or is exempt from documentation but would otherwise be eligible for such a certificate and endorsement.

(c) PENALTY.—Merchandise transported in violation of subsection (b) is liable to seizure by and forfeiture to the Government. Alternatively, an amount equal to the value of the merchandise (as determined by the Secretary of Homeland Security) or the actual cost of the transportation, whichever is greater, may be recovered from any person transporting the merchandise or causing the merchandise to be transported.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1632.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row includes 55102.

In subsection (a)(1), the words “(as defined in section 2101 of the [sic] title 46)” are omitted because the definition of “State” is being moved to chapter 1 and will apply to the entire title.

In subsection (b), the words “may not provide any part of the transportation of” are substituted for “No . . . shall be transported” and “or for any part of the transportation” because of the reorganization of the language. The words “including Districts, Territories,