

(A) loaded at a port in the United States and unloaded either at another port in the United States or at a port in Canada located in the Great Lakes Saint Lawrence Seaway System; or

(B) loaded at a port in Canada located in the Great Lakes Saint Lawrence Seaway System and unloaded at a port in the United States.

(Added Pub. L. 110-140, title XI, §1121(a), Dec. 19, 2007, 121 Stat. 1761; amended Pub. L. 112-213, title IV, § 405(b), Dec. 20, 2012, 126 Stat. 1571.)

AMENDMENTS

2012—Pub. L. 112-213, which directed amendment of section 55605, without specifying the title to be amended, by substituting “by a documented vessel” for “by vessel” in the matter preceding par. (1), was executed to this section, to reflect the probable intent of Congress.

PART E—CONTROL OF MERCHANT MARINE CAPABILITIES

CHAPTER 561—RESTRICTIONS ON TRANSFERS

- Sec. 56101. Approval required to transfer vessel to non-citizen.
- 56102. Additional controls during war or national emergency.
- 56103. Conditional approvals.
- 56104. Penalty for false statements.
- 56105. Forfeiture procedure.

§ 56101. Approval required to transfer vessel to noncitizen

(a) RESTRICTIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, section 12119 of this title, or section 611 of the Merchant Marine Act, 1936, a person may not, without the approval of the Secretary of Transportation—

- (A) sell, lease, charter, deliver, or in any other manner transfer, or agree to sell, lease, charter, deliver, or in any other manner transfer, to a person not a citizen of the United States, an interest in or control of—
  - (i) a documented vessel owned by a citizen of the United States; or
  - (ii) a vessel last documented under the laws of the United States; or
- (B) place under foreign registry, or operate under the authority of a foreign country, a documented vessel or a vessel last documented under the laws of the United States.

(2) EXCEPTIONS.—Paragraph (1)(A) does not apply to a vessel that has been operated only for pleasure or only as a fishing vessel, fish processing vessel, or fish tender vessel (as defined in section 2101 of this title).

(b) APPROVAL BEFORE DOCUMENTATION.—To promote financing with respect to a vessel to be documented under chapter 121 of this title, the Secretary may grant approval under subsection (a) before the vessel is documented.

(c) EXCEPTIONS.—Notwithstanding any other provision of this subtitle, the Merchant Marine Act, 1936, or any contract with the Secretary made under this subtitle or that Act, a person

may place a vessel under foreign registry without the approval of the Secretary if—

(1)(A) the Secretary, in conjunction with the Secretary of Defense, determines that at least one replacement vessel of equal or greater military capability and of a capacity that is equivalent or greater, as measured by dead-weight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of this title by the owner of the vessel placed under foreign registry; and

(B) the replacement vessel is not more than 10 years old on the date of that documentation; or

(2) an operating agreement covering the vessel under chapter 531 of this title has expired.

(d) STATUS OF PROHIBITED TRANSACTION.—A charter, sale, or transfer of a vessel, or of an interest in or control of a vessel, in violation of this section is void.

(e) PENALTIES.—

(1) CRIMINAL PENALTY.—A person that knowingly sells, charters, or transfers a vessel, or an interest in or control of a vessel, in violation of this section shall be fined under title 18, imprisoned for not more than 5 years, or both.

(2) CIVIL PENALTY.—A person that sells, charters, or transfers a vessel, or an interest in or control of a vessel, in violation of this section is liable to the United States Government for a civil penalty of not more than \$10,000 for each violation.

(3) FORFEITURE.—A documented vessel may be seized by and forfeited to the Government if, in violation of this section, a person—

(A) knowingly sells, charters, or transfers the vessel or an interest in or control of the vessel; or

(B) places the vessel under foreign registry or operates the vessel under the authority of a foreign country.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1651.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
56101(a) .....	46 App.:308(c).	Sept. 7, 1916, ch. 451, §9(c), (d), 39 Stat. 730; July 15, 1918, ch. 152, §3, 40 Stat. 900; June 5, 1920, ch. 250, §18, 41 Stat. 994; Exec. Order No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; June 23, 1938, ch. 600, §42, 52 Stat. 964; Pub. L. 89-346, §1, Nov. 8, 1965, 79 Stat. 1305; Pub. L. 97-31, §12(26), Aug. 6, 1981, 95 Stat. 155; Pub. L. 100-710, title I, §104(b)(3), Nov. 23, 1988, 102 Stat. 4750; Pub. L. 101-225, title III, §304(a), Dec. 12, 1989, 103 Stat. 1924; Pub. L. 104-324, title XI, [§]1113(c), (e), Oct. 19, 1996, 110 Stat. 3970, 3971; Pub. L. 107-295, title II, §205(d), Nov. 25, 2002, 116 Stat. 2096.
	46 App.:308a.	Pub. L. 98-454, title III, §302, Oct. 5, 1984, 98 Stat. 1734.
56101(b) .....	46 App.:308(f)	Sept. 7, 1916, ch. 451, §9(f), as added Pub. L. 104-324, title XI, §1136(b), Oct. 19, 1996, 110 Stat. 3987; Pub. L. 108-136, title XXXV, §3532(a)(1), Nov. 24, 2003, 117 Stat. 1817.