

retary considers appropriate to carry out the purposes of this subtitle. A bareboat charter under this section shall be at reasonable rates and include restrictions the Secretary considers appropriate to protect the public interest, including provisions for recapture of profits under section 57517 of this title. A charter or general agency agreement under this section shall be reviewed annually to determine whether conditions exist to justify continuance of the charter or agreement.

(d) RIGHTS OF SEAMEN.—A seaman engaged in vessel operations of the Secretary under this section and employed through a general agent in connection with a charter or agreement under this section is entitled to all the rights and remedies provided in sections 1(a) and (c), 3(c), and 4 of the Act of March 24, 1943 (50 App. U.S.C. 1291(a), (c), 1293(c), 1294).¹

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1670.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57532	46 App.:1205.	June 29, 1936, ch. 858, title VII, §715, as added July 11, 1956, ch. 574, 70 Stat. 531; Pub. L. 97–31, §12(117), Aug. 6, 1981, 95 Stat. 164.

Subsection (d) is substituted for “Those provisions of law prescribed or incorporated under section 1241a of this Appendix, which relate to vessel operating activities of the Secretary of Transportation and to employment of seamen through general agents, shall be applicable in connection with charters and agreements entered into under this section” for clarity.

REFERENCES IN TEXT

Sections 1(a) and (c), 3(c), and 4 of the Act of March 24, 1943 (50 App. U.S.C. 1291(a), (c), 1293(c), 1294), referred to in subsec. (d), are sections 1(a) and (c), 3(c), and 4 of act Mar. 24, 1943, ch. 26, 57 Stat. 45, 47, 49, 51, which were formerly classified to sections 1291(a), (c), 1293(c), and 1294 of the former Appendix to Title 50, War and National Defense, prior to editorial reclassification as sections 4701(a), (c), 4703(c), and 4704, respectively, of Title 50.

§ 57533. Vessel chartering authority

The Secretary of Transportation may enter into contracts or other agreements on behalf of the United States to purchase, charter, operate, or otherwise acquire the use of any vessels documented under chapter 121 of this title and any other related real or personal property. The Secretary is authorized to use this authority as the Secretary deems appropriate.

(Added Pub. L. 110–181, div. C, title XXXV, §3511(a), Jan. 28, 2008, 122 Stat. 593.)

PART G—RESTRICTIONS AND PENALTIES

CHAPTER 581—RESTRICTIONS AND PENALTIES

Sec.	
58101.	Operating in domestic intercoastal or coastwise service.
58102.	Default on payment or maintenance of reserves.
58103.	Employing another person as managing or operating agent.

Sec.	
58104.	Willful violation constitutes breach of contract or charter.
58105.	Preferences for cargo in which charterer has interest.
58106.	Concerted discriminatory activities.
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58109.	Penalties.

§ 58101. Operating in domestic intercoastal or coastwise service

(a) PROHIBITION.—A subsidy may not be awarded or paid to a contractor under the operating-differential subsidy program, and a vessel may not be chartered to a person under chapter 575 of this title, if the contractor or charterer, or a holding company, subsidiary, affiliate, or associate of the contractor or charterer, or an officer, director, agent, or executive thereof, directly or indirectly—

(1) owns, charters, or operates a vessel engaged in the domestic intercoastal or coastwise service; or

(2) owns a pecuniary interest in a person that owns, charters, or operates a vessel in the domestic intercoastal or coastwise service.

(b) WAIVER.—A person may apply to the Secretary of Transportation for a waiver of subsection (a). Before deciding on the waiver, the Secretary shall give the applicant and other interested persons an opportunity for a hearing. The Secretary may not grant the waiver if the Secretary finds it would—

(1) result in unfair competition to a person operating exclusively in the domestic intercoastal or coastwise service; or

(2) be prejudicial to the objectives and policy of this subtitle.

(c) CONTINUOUS OPERATION SINCE 1935.—The Secretary shall grant an application under subsection (b) without requiring further proof that the public interest and convenience will be served and without further proceedings as to the competition in the route or trade, if the contractor or other person, or a predecessor in interest, was in bona-fide operation as a common carrier by water in the domestic intercoastal or coastwise trade in 1935 over the route or in the trade for which the application is made and has so operated since that time or, if engaged in furnishing seasonal service only, was in bona-fide operation in 1935 during the season ordinarily covered by its operation, except in either event as to interruptions of service over which the applicant or its predecessor in interest had no control.

(d) DIVERSION INTO INTERCOASTAL OR COASTWISE OPERATIONS.—If an application under subsection (b) is approved, a person referred to in this section may not divert, directly or indirectly, money, property, or any other thing of value, used in a foreign-trade operation for which a subsidy is paid by the United States Government, into intercoastal or coastwise operations.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1670.)

¹ See References in Text note below.