

retary or Administrator may not establish a percentage under this paragraph that is to be applied uniformly to all guarantees or commitments to guarantee made under this section.

(c) **APPLICABILITY OF OTHER PROVISIONS.**—A guarantee or commitment to guarantee under this section is also subject to sections 53701, 53702(a), 53704, 53705, 53707(a), 53708(d) and (e), 53709(a), 53710(a)(1), (2), and (4) and (c), 53711(a), 53713, 53714, 53717, and 53721–53725 of this title.

(d) **SECURITY AGAINST DEFAULT.**—The Secretary or Administrator shall require by regulation that an applicant under this section provide adequate security against default.

(e) **GUARANTEE FEES.**—The Secretary or Administrator may establish a fee for the guarantee of an obligation under this section that is in addition to the fee established under section 53714 of this title. The fee may be—

(1) an annual fee of not more than an additional 1 percent added to the fee established under section 53714 of this title; or

(2) a fee based on the amount of the obligation versus the percentage of the obligor's fleet being replaced by vessels constructed or reconstructed under this section.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1624; Pub. L. 109–163, div. C, title XXXV, §3507(a)(1)(E), Jan. 6, 2006, 119 Stat. 3555; Pub. L. 110–181, div. C, title XXXV, §3522(a)(10)(B), (b), Jan. 28, 2008, 122 Stat. 598.)

#### HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53734(a) .....	46 App.:1274a(a), (b)(3).	June 29, 1936, ch. 858, title XI, §1104B, as added Pub. L. 101–380, title IV, §4115(f)(2), Aug. 18, 1990, 104 Stat. 521; amended Pub. L. 102–587, title VI, §6204, Nov. 4, 1992, 106 Stat. 5094; Pub. L. 103–160, div. A, title XIII, §1356(4), Nov. 30, 1993, 107 Stat. 1814; Pub. L. 104–239, §11(2), Oct. 8, 1996, 110 Stat. 3134.
53734(b) .....	46 App.:1274a(b) (less (3)).	
53734(c) .....	46 App.:1274a(d).	
53734(d) .....	46 App.:1274a(c)(1) (1st sentence).	
53734(e) .....	46 App.:1274a(c)(1) (2d sentence), (2).	

In subsection (a), in paragraph (1), the words “as defined in section 1244 of this Appendix” are omitted because the definition of “foreign commerce or trade” in chapter 1 of the revised title applies without having to say so specifically. Paragraph (6) is substituted for 46 App. U.S.C. 1274a(b)(3) to improve the organization of the source provisions.

In subsection (b)(2), the words “by rule, regulation, or procedure” are omitted as unnecessary and for consistency with section 53709(d) of the revised title.

In subsections (c) and (e), the language concerning the Vessel Replacement Guarantee Fund and the Federal Ship Financing Fund is omitted as obsolete. See the explanation for section 53717.

#### AMENDMENTS

2008—Pub. L. 110–181, §3522(b), repealed Pub. L. 109–163, §3507(a)(1)(E). See 2006 Amendment note below.

Pub. L. 110–181, §3522(a)(10)(B), incorporated the substance of the amendment by Pub. L. 109–163, §3507(a)(1)(E), into this section by inserting “or Administrator” after “Secretary” wherever appearing. See

2006 Amendment note below and section 18(a) of Pub. L. 109–304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109–163, §3507(a)(1)(E), which directed the amendment of section 1274a of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110–181, §3522(b). See 2008 Amendment notes and Historical and Revision notes above.

#### § 53735. Fisheries financing and capacity reduction

(a) **DEFINITION.**—In this section, the term “program” means a fishing capacity reduction program established under section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a).

(b) **GUARANTEE AUTHORITY.**—The Secretary may guarantee the repayment of debt obligations issued by entities under this section. Debt obligations to be guaranteed may be issued by any entity that has been approved by the Secretary and has agreed with the Secretary to conditions the Secretary considers necessary for this section to achieve the objective of the program and to protect the interest of the United States.

(c) **REQUIREMENTS OF OBLIGATIONS.**—A debt obligation guaranteed under this section shall—

(1) be treated in the same manner and to the same extent as other obligations guaranteed under this chapter, except with respect to provisions of this chapter that by their nature cannot be applied to obligations guaranteed under this section;

(2) have the fishing fees established under the program paid into a separate subaccount of the fishing capacity reduction fund established under this section;

(3) not exceed \$100,000,000 in an unpaid principal amount outstanding at any one time for a program;

(4) have such maturity (not to exceed 20 years), take such form, and contain such conditions as the Secretary determines necessary for the program to which they relate;

(5) have as the exclusive source of repayment (subject to the second sentence of subsection (d)(2)) and as the exclusive payment security, the fishing fees established under the program; and

(6) at the discretion of the Secretary be issued in the public market or sold to the Federal Financing Bank.

(d) **FISHING CAPACITY REDUCTION FUND.**—

(1) **IN GENERAL.**—There is a separate account in the Treasury, known as the Fishing Capacity Reduction Fund. Within the Fund, at least one subaccount shall be established for each program into which shall be paid all fishing fees established under the program and other amounts authorized for the program.

(2) **AVAILABILITY OF AMOUNTS.**—Amounts in the Fund shall be available, without appropriation or fiscal year limitation, to the Secretary to pay the cost of the program, including payments to financial institutions to pay debt obligations incurred by entities under this section. Funds available for this purpose from other amounts available for the program may also be used to pay those debt obligations.

(3) INVESTMENT.—Amounts in the Fund that are not currently needed for the purpose of this section shall be kept on deposit or invested in obligations of the United States Government.

(e) REGULATIONS.—The Secretary shall prescribe regulations the Secretary considers necessary to carry out this section.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1625; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(H), (d), Jan. 6, 2006, 119 Stat. 3555, 3557; Pub. L. 110-181, div. C, title XXXV, §3522(b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53735(a) .....	46 App.:1279f(e).	June 29, 1936, ch. 858, title XI, §1111, as added Pub. L. 104-297, title III, §303, Oct. 11, 1996, 110 Stat. 3616; Pub. L. 104-208, title I, §101 [title II, §211(b)], Sept. 30, 1996, 110 Stat. 3009-41.
53735(b) .....	46 App.:1279f(a).	
53735(c) .....	46 App.:1279f(b).	
53735(d) .....	46 App.:1279f(c).	
53735(e) .....	46 App.:1279f(d).	

CODIFICATION

This section was derived from section 1111 of act June 29, 1936, as added by Pub. L. 104-297, §303, which was classified to section 1279f of the former Appendix to this title. Section 1111 was renumbered section 1113 of the Act by Pub. L. 109-163, div. C, title XXXV, §3507(d), Jan. 6, 2006, 119 Stat. 3557, which was repealed by Pub. L. 110-181, div. C, title XXXV, §3522(b), Jan. 28, 2008, 122 Stat. 598. See Historical and Revision notes above and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

AMENDMENTS

2008—Pub. L. 110-181 repealed Pub. L. 109-163, §3507(a)(1)(H), (d). See 2006 Amendment note below and Codification note above.

2006—Pub. L. 109-163, §3507(a)(1)(H), which directed the amendment of section 1279f of the former Appendix to this title from which this section was derived by substituting “Secretary or Administrator” for “Secretary” wherever appearing, was repealed by Pub. L. 110-181, §3522(b). See Historical and Revision notes above.

CHAPTER 539—WAR RISK INSURANCE

Sec.	
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§ 53901. Definitions

In this chapter:

(1) AMERICAN VESSEL.—The term “American vessel” includes—

(A) a documented vessel with a registry or coastwise endorsement under chapter 121 of this title;

(B) an undocumented vessel owned or chartered by or made available to the United States Government; and

(C) a tug, barge, or other watercraft (whether or not documented) owned by a citizen of the United States and used in essential water transportation or in the fisheries, except only for sport fishing.

(2) CARGO.—The term “cargo” includes a loaded or empty container on a vessel.

(3) TRANSPORTATION IN THE WATERBORNE COMMERCE OF THE UNITED STATES.—The term “transportation in the waterborne commerce of the United States” includes the operation of a vessel in the fisheries, except only for sport fishing.

(4) WAR RISKS.—The term “war risks” includes, to the extent the Secretary of Transportation determines—

(A) any part of a loss excluded from marine insurance coverage under a “free of capture or seizure” clause or analogous clause; and

(B) any other loss from a hostile act, including confiscation, expropriation, nationalization, or deprivation.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1626.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53901(1) .....	46 App.:1281(a).	June 29, 1936, ch. 858, title XII, §§1201(a), (b), as added Sept. 7, 1950, ch. 906, 64 Stat. 773.
53901(2) .....	46 App.:1283(b) (last sentence).	June 29, 1936, ch. 858, title XII, §1203(b) (last sentence), as added Sept. 7, 1950, ch. 906, 64 Stat. 774; Pub. L. 94-523, §2, Oct. 17, 1976, 90 Stat. 2474.
53901(3) .....	46 App.:1281(b).	
53901(4) .....	46 App.:1281(c).	June 29, 1936, ch. 858, title XII, §1201(c), as added Sept. 7, 1950, ch. 906, 64 Stat. 773; restated Pub. L. 107-107, title XXXV, §3502, Dec. 28, 2001, 115 Stat. 1392.

In paragraph (1)(A), the words “a documented vessel with a registry or coastwise endorsement under chapter 121 of this title” are substituted for “any vessel registered, enrolled, or licensed under the laws of the United States” because of 46 U.S.C. 12101(b).

In paragraph (1)(B), the words “or any department or agency thereof” are omitted as surplus.

In paragraph (1)(C), the word “fisheries” is substituted for “fishing trade or industry” because of the definition of “fisheries” in chapter 1 of the revised title.

§ 53902. Authority to provide insurance

(a) IN GENERAL.—With the approval of the President, and after such consultation with interested agencies of United States Government as the President may require, the Secretary of Transportation may provide insurance and reinsurance against loss or damage from war risks as provided by this chapter whenever it appears to the Secretary that insurance adequate for the needs of the waterborne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do insurance business in a State of the United States.

(b) CONSIDERATION OF RISK.—Insurance or reinsurance under this chapter shall be based, inso-