

quate to cover damages claimed against and losses sustained by the chartered vessel arising during the term of the charter. The insurance shall be in such form, in such amount, and with such companies as the Secretary of Transportation may require. In accordance with law, any of the insurance risks may be underwritten by the Secretary.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1667.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57519	46 App.:1202(a).	June 29, 1936, ch. 858, title VII, §712(a), 49 Stat. 2010; Aug. 7, 1939, ch. 555, §1, 53 Stat. 1254; Pub. L. 97–31, §12(114), Aug. 6, 1981, 95 Stat. 163.

§ 57520. Vessel maintenance

(a) IN GENERAL.—A charter under this chapter shall require the charterer, at the charterer's expense, to—

(1) keep the chartered vessel in good repair and efficient operating condition; and

(2) make any repairs required by the Secretary of Transportation.

(b) INSPECTION.—The charter shall provide that the Secretary has the right to inspect the vessel at any time to ascertain its condition.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1668.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57520	46 App.:1202(b), (c).	June 29, 1936, ch. 858, title VII, §712(b), (c), 49 Stat. 2010; Aug. 7, 1939, ch. 555, §1, 53 Stat. 1254; Pub. L. 97–31, §12(114), Aug. 6, 1981, 95 Stat. 163.

§ 57521. Termination of charter during national emergency

A charter under this chapter shall provide that during a national emergency proclaimed by the President or a period for which the President has proclaimed that the security of the national defense makes it advisable, the Secretary of Transportation may terminate the charter without cost to the United States Government on such notice to the charterer as the President determines.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1668.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57521	46 App.:1202(d).	June 29, 1936, ch. 858, title VII, §712(d), 49 Stat. 2010; Aug. 7, 1939, ch. 555, §1, 53 Stat. 1254; Pub. L. 97–31, §12(114), Aug. 6, 1981, 95 Stat. 163.

§ 57522. Books and records, balance sheets, and inspection and auditing

Every contract executed by the Secretary of Transportation under this chapter shall contain provisions requiring (1) that, the contractor and

every affiliate, domestic agent, subsidiary, or holding company connected with, or directly or indirectly controlling or controlled by, the contractor, to keep its books, records, and accounts, relating to the maintenance, operation, and servicing of the vessels, services, routes, and lines covered by the contract, in such form and under such regulations as may be prescribed by the Secretary of Transportation; (2) that the contractor and every affiliate, domestic agent, subsidiary, or holding company connected with, or directly or indirectly controlling or controlled by, the contractor, to file, upon notice from the Secretary of Transportation, balance sheets, profit and loss statements, and such other statements of financial operations, special report, memoranda of any facts and transactions, which in the opinion of the Secretary of Transportation affect the financial results in, the performance of, or transactions or operations under, such contract; (3) that the Secretary of Transportation shall be authorized to examine and audit the books, records, and accounts of all persons referred to in this section whenever he may deem it necessary or desirable; and (4) that upon the willful failure or refusal of any person described in this section to comply with the contract provisions required by this section, the Secretary of Transportation shall have the right to rescind the contract, and upon such rescission, the United States shall be relieved of all further liability on such contract.

(Added and amended Pub. L. 114–120, title III, §313(c)(1), Feb. 8, 2016, 130 Stat. 58.)

CODIFICATION

Section consists of text of act June 29, 1936, ch. 858, title VIII, §801, 49 Stat. 2011, as amended by Pub. L. 97–31, §12(119), Aug. 6, 1981, 95 Stat. 164. Section 801 of act June 29, 1936, ch. 858, which was formerly set out as a note under section 53101 of this title, was transferred to this section by Pub. L. 114–120, title III, §313(c)(1)(A), Feb. 8, 2016, 130 Stat. 58.

AMENDMENTS

2016—Pub. L. 114–120, §313(c)(1)(B)(i), inserted “Books and records, balance sheets, and inspection and auditing” in section catchline.

Pub. L. 114–120, §313(c)(1)(B)(ii), which directed substitution of “this chapter” for “the provision of title VI or VII of this Act”, was executed by making the substitution for “the provisions of title VI or VII of this Act” to reflect the probable intent of Congress.

Pub. L. 114–120, §313(c)(1)(B)(iii), struck out “: *Provided*, That the provisions of this paragraph shall not require the duplication of books, records, and accounts required to be kept in some other form by the Interstate Commerce Commission” after “prescribed by the Secretary of Transportation”.

SUBCHAPTER III—MISCELLANEOUS

§ 57531. Construction and charter of vessels for unsuccessful routes

(a) IN GENERAL.—If the Secretary of Transportation finds that a trade route determined to be essential under section 50103 of this title cannot be successfully developed and maintained and the Secretary's replacement program cannot be achieved under private operation of the trade route by a citizen of the United States with vessels documented under chapter 121 of this title, without further aid by the United States Gov-