

tation routes as extensions of the surface transportation system to focus public and private efforts to use the waterways to relieve landside congestion along coastal corridors or to promote short sea transportation. The Secretary may collect and disseminate data for the designation and delineation of short sea transportation routes.

(d) **PROJECT DESIGNATION.**—The Secretary may designate a project to be a short sea transportation project if the Secretary determines that the project uses documented vessels and—

- (1) mitigates landside congestion; or
- (2) promotes short sea transportation.

(e) **ELEMENTS OF PROGRAM.**—For a short sea transportation project designated under this section, the Secretary may—

- (1) promote the development of short sea transportation services;
- (2) coordinate, with ports, State departments of transportation, localities, other public agencies, and the private sector and on the development of landside facilities and infrastructure to support short sea transportation services; and
- (3) develop performance measures for the short sea transportation program.

(f) **MULTISTATE, STATE AND REGIONAL TRANSPORTATION PLANNING.**—The Secretary, in consultation with Federal entities and State and local governments, may develop strategies to encourage the use of short sea transportation for transportation of passengers and cargo. The Secretary may—

- (1) assess the extent to which States and local governments include short sea transportation and other marine transportation solutions in their transportation planning;
- (2) encourage State departments of transportation to develop strategies, where appropriate, to incorporate short sea transportation, ferries, and other marine transportation solutions for regional and interstate transport of freight and passengers in their transportation planning; and
- (3) encourage groups of States and multi-State transportation entities to determine how short sea transportation can address congestion, bottlenecks, and other interstate transportation challenges.

(g) **GRANTS.**—

(1) **IN GENERAL.**—The Secretary shall establish and implement a short sea transportation grant program to implement projects or components of a project designated under subsection (d).

(2) **APPLICATIONS.**—In order to receive a grant under the program, an applicant shall—

- (A) submit an application to the Secretary, in such form and manner, at such time, and containing such information as the Secretary may require; and
- (B) demonstrate to the satisfaction of the Secretary that—
 - (i) the project is financially viable;
 - (ii) the funds received will be spent efficiently and effectively; and
 - (iii) a market exists for the services of the proposed project as evidenced by contracts or written statements of intent from potential customers.

(3) **NON-FEDERAL SHARE.**—An applicant shall provide at least 20 percent of the project costs from non-Federal sources. In awarding grants under the program, the Secretary shall give a preference to those projects or components that present the most financially viable transportation services and require the lowest percentage Federal share of the costs.

(Added Pub. L. 110–140, title XI, § 1121(a), Dec. 19, 2007, 121 Stat. 1760; amended Pub. L. 111–84, div. C, title XXXV, § 3515, Oct. 28, 2009, 123 Stat. 2724; Pub. L. 112–213, title IV, § 405(a), Dec. 20, 2012, 126 Stat. 1571.)

AMENDMENTS

2012—Subsec. (a). Pub. L. 112–213, § 405(a)(1), substituted “landside congestion or to promote short sea transportation.” for “landside congestion.”

Subsec. (c). Pub. L. 112–213, § 405(a)(2), substituted “coastal corridors or to promote short sea transportation” for “coastal corridors”.

Subsec. (d). Pub. L. 112–213, § 405(a)(3), substituted “that the project uses documented vessels and—” for “that the project may—” in introductory provisions, added pars. (1) and (2), and struck out former pars. (1) and (2) which read as follows:

“(1) offer a waterborne alternative to available landside transportation services using documented vessels; and

“(2) provide transportation services for passengers or freight (or both) that may reduce congestion on landside infrastructure using documented vessels.”

Subsec. (f). Pub. L. 112–213, § 405(a)(4), substituted “may” for “shall” in two places in introductory provisions.

2009—Subsec. (g). Pub. L. 111–84 added subsec. (g).

EFFECTIVE DATE

Section effective 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110–140, set out as a note under section 1824 of Title 2, The Congress.

REGULATIONS

Pub. L. 110–140, title XI, § 1121(c), Dec. 19, 2007, 121 Stat. 1762, provided that:

“(1) **INTERIM REGULATIONS.**—Not later than 90 days after the date of enactment of this Act [Dec. 19, 2007], the Secretary of Transportation shall issue temporary regulations to implement the program under this section. Subchapter II of chapter 5 of title 5, United States Code, does not apply to a temporary regulation issued under this paragraph or to an amendment to such a temporary regulation.

“(2) **FINAL REGULATIONS.**—Not later than October 1, 2008, the Secretary of Transportation shall issue final regulations to implement the program under this section.”

§ 55602. Cargo and shippers

(a) **MEMORANDUMS OF AGREEMENT.**—The Secretary of Transportation shall enter into memorandums of understanding with the heads of other Federal entities to transport federally owned or generated cargo using a short sea transportation project designated under section 55601 when practical or available.

(b) **SHORT-TERM INCENTIVES.**—The Secretary shall consult shippers and other participants in transportation logistics and develop proposals for short-term incentives to encourage the use of short sea transportation.

(Added Pub. L. 110–140, title XI, § 1121(a), Dec. 19, 2007, 121 Stat. 1761.)

EFFECTIVE DATE

Section effective 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as a note under section 1824 of Title 2, The Congress.

§ 55603. Interagency coordination

The Secretary of Transportation shall establish a board to identify and seek solutions to impediments hindering effective use of short sea transportation. The board shall include representatives of the Environmental Protection Agency and other Federal, State, and local governmental entities and private sector entities.

(Added Pub. L. 110-140, title XI, §1121(a), Dec. 19, 2007, 121 Stat. 1761.)

EFFECTIVE DATE

Section effective 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as a note under section 1824 of Title 2, The Congress.

§ 55604. Research on short sea transportation

The Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, may conduct research on short sea transportation, regarding—

- (1) the environmental and transportation benefits to be derived from short sea transportation alternatives for other forms of transportation;
- (2) technology, vessel design, and other improvements that would reduce emissions, increase fuel economy, and lower costs of short sea transportation and increase the efficiency of intermodal transfers; and
- (3) solutions to impediments to short sea transportation projects designated under section 55601.

(Added Pub. L. 110-140, title XI, §1121(a), Dec. 19, 2007, 121 Stat. 1761.)

EFFECTIVE DATE

Section effective 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as a note under section 1824 of Title 2, The Congress.

§ 55605. Short sea transportation defined

In this chapter, the term “short sea transportation” means the carriage by a documented vessel of cargo—

- (1) that is—
 - (A) contained in intermodal cargo containers and loaded by crane on the vessel;
 - (B) loaded on the vessel by means of wheeled technology;
 - (C) shipped in discrete units or packages that are handled individually, palletized, or unitized for purposes of transportation; or
 - (D) freight vehicles carried aboard commuter ferry boats; and

(2) that is—

- (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; Pub. L. 114-92, div. C, title XXXV, §3508, Nov. 25, 2015, 129 Stat. 1223.)

AMENDMENTS

2015—Par. (1)(C), (D). Pub. L. 114-92 added subpars. (C) and (D).

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.

EFFECTIVE DATE

Section effective 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as a note under section 1824 of Title 2, The Congress.

PART E—CONTROL OF MERCHANT MARINE CAPABILITIES

CHAPTER 561—RESTRICTIONS ON TRANSFERS

Sec.

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§ 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—