

coastal, or coastwise trade” for consistency in the section.

In subsection (d), the words “and whosoever shall violate this provision shall be guilty of a misdemeanor” are omitted because section 3559 of title 18 provides for the classification of offenses. See the revision notes for section 58109 of the revised title.

§ 58102. Default on payment or maintenance of reserves

The Secretary of Transportation may supervise the number and compensation of all officers and employees of a contractor under the operating-differential subsidy program or a charterer under chapter 575 of this title, receiving an operating-differential subsidy, if the contractor or charterer—

(1) is in default on a mortgage, note, purchase contract, or other obligation to the Secretary; or

(2) has not maintained, in a manner satisfactory to the Secretary, all of the reserves provided for in this subtitle.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1671.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
58102	46 App.:1223(b).	June 29, 1936, ch. 858, title VIII, §805(b), 49 Stat. 2012; Pub. L. 97–31, §12(122), Aug. 6, 1981, 95 Stat. 164; Pub. L. 104–239, §4(b)(2), Oct. 8, 1996, 110 Stat. 3131.

The words “contractor under the operating-differential subsidy program or a charterer under chapter 575 of this title, receiving an operating-differential subsidy” are substituted for “contractor under part A of subchapter VI of this chapter or subchapter VII of this chapter receiving an operating-differential subsidy” for the reasons explained under section 58101.

§ 58103. Employing another person as managing or operating agent

(a) PROHIBITION.—Except with the written consent of the Secretary of Transportation, a contractor holding a contract under the operating-differential subsidy program or under chapter 575 of this title may not—

(1) employ another person as the managing or operating agent of the operator; or

(2) charter a vessel, on which an operating-differential subsidy is to be paid, for operation by another person.

(b) APPLICABILITY OF PROVISIONS TO CHARTERER.—If a charter prohibited by this section is made, the person operating the chartered vessel is subject to all the provisions of this subtitle and the operating-differential subsidy program, including limitations of profits and salaries.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1671.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
58103	46 App.:1223(d).	June 29, 1936, ch. 858, title VIII, §805(d), 49 Stat. 2013; June 23, 1938, ch. 600, §36, 37, 52 Stat. 963; Pub. L. 91–603, §4(e), Dec. 31, 1970, 84 Stat. 1675; Pub. L. 97–31, §12(122), Aug. 6, 1981, 95 Stat. 164; Pub. L. 104–239, §4(b)(2), Oct. 8, 1996, 110 Stat. 3131.

In subsection (a), the words “contractor holding a contract under the operating-differential subsidy program or under chapter 575 of this title” are substituted for “contractor holding a contract authorized under part A of subchapter VI or VII of this chapter” for the reasons explained under section 58101.

§ 58104. Willful violation constitutes breach of contract or charter

A willful violation of any provision of sections 58101–58103 of this title constitutes a breach of the contract or charter. On determining that a violation has occurred, the Secretary of Transportation may declare the contract or charter rescinded.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1672.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
58104	46 App.:1223(f).	June 29, 1936, ch. 858, title VIII, §805(f), 49 Stat. 2014; Pub. L. 97–31, §12(122), Aug. 6, 1981, 95 Stat. 164.

The words “in force under this chapter” and “forthwith” are omitted as unnecessary. The words “and any person willfully violating the provisions of this section shall be guilty of a misdemeanor” are omitted because section 3559 of title 18 provides for the classification of offenses. See the revision notes for section 58109 of the revised title.

§ 58105. Preferences for cargo in which charterer has interest

A contractor receiving an operating-differential subsidy, or a charterer under chapter 575 of this title, may not unjustly discriminate in any manner so as to give preference, directly or indirectly, to cargo in which the contractor or charterer has a direct or indirect ownership, purchase, or vending interest.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1672.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
58105	46 App.:1226.	June 29, 1936, ch. 858, title VIII, §808, 49 Stat. 2015.

The words “and whosoever shall violate this provision shall be guilty of a misdemeanor” are omitted because section 3559 of title 18 provides for the classification of offenses. See the revision notes for section 58109 of the revised title.

§ 58106. Concerted discriminatory activities

(a) PROHIBITION.—A contractor receiving an operating-differential subsidy, or a charterer under chapter 575 of this title, may not continue as a party to or conform to an agreement with another carrier by water, or engage in a practice in concert with another carrier by water, that is unjustly discriminatory or unfair to any other citizen of the United States operating a common carrier by water employing only vessels documented under the laws of the United States on an established trade route from and to a United States port.

(b) GOVERNMENT PAYMENT PROHIBITED.—No payment or subsidy of any kind may be paid, directly or indirectly, out of funds of the United