

105TH CONGRESS
1ST SESSION

S. 1138

To reform the coastwise, intercoastal, and noncontiguous trade shipping laws,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31, 1997

Mr. HELMS (for himself, Mr. BROWNBACK, Mr. BURNS, Mr. HAGEL, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To reform the coastwise, intercoastal, and noncontiguous
trade shipping laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Freedom to Ship Act
5 of 1997”.

6 **SEC. 2. MISCELLANEOUS AMENDMENTS TO DEFINITIONS IN**

7 **TITLE 46, UNITED STATES CODE.**

8 Section 2101 of title 46, United States Code, is
9 amended—

1 (1) in each of paragraphs (1) through (45), by
2 striking the period at the end and inserting a semi-
3 colon;

4 (2) in paragraph (46), by striking the period at
5 the end and inserting “; and”;

6 (3) by striking paragraph (3a) and inserting
7 the following:

8 “(3a) ‘citizen of the United States’ means—

9 “(A)(i) a national of the United States, as
10 defined in section 101(a)(22) of the Immigra-
11 tion and Nationality Act (8 U.S.C.
12 1101(a)(22));

13 “(ii) a corporation established under the
14 laws of the United States or under the laws of
15 a State, territory, district, or possession of the
16 United States, that has—

17 “(I) a president or other chief execu-
18 tive officer and chairman of the board of
19 directors of that corporation who are citi-
20 zens of the United States; and

21 “(II) a board of directors, on which
22 two-thirds of the number of directors nec-
23 essary to constitute a quorum are citizens
24 of the United States;

1 “(iii) a partnership existing under the laws
2 of a State, territory, district, or possession of
3 the United States that has at least two-thirds
4 of the general partners who are citizens of the
5 United States;

6 “(iv) a trust that has at least two-thirds of
7 the trustees who are citizens of the United
8 States; or

9 “(v) an association, joint venture, limited
10 liability company or partnership, or other entity
11 that has at least two-thirds of the members who
12 are citizens of the United States; but

13 “(B) such term does not include—

14 “(i) with respect to a person or entity
15 under clause (ii), (iii), or (v) of subpara-
16 graph (A), any parent corporation, part-
17 nership, or other person (other than an in-
18 dividual) or entity that is a second-tier
19 owner (as that term is defined by the Sec-
20 retary) of the person or entity involved; or

21 “(ii) with respect to a trust under
22 clause (iv), any beneficiary of the trust.”;

23 (4) by inserting after paragraph (4) the follow-
24 ing new paragraph:

25 “(4a) ‘coastwise trade’—

1 “(A) subject to subparagraph (B), means
2 the transportation by water of merchandise or
3 passengers, the towing of a vessel by a towing
4 vessel, or dredging operations embraced within
5 the coastwise laws of the United States—

6 “(i) between points in the United
7 States (including any district, territory, or
8 possession of the United States);

9 “(ii) on the Great Lakes (including
10 any tributary or connecting waters of the
11 Great Lakes and the Saint Lawrence Sea-
12 way);

13 “(iii) on the subjacent waters of the
14 Outer Continental Shelf subject to the
15 Outer Continental Shelf Lands Act (43
16 U.S.C. 1331 et seq.); and

17 “(iv) in the noncontiguous trade; and

18 “(B) does not include the activities speci-
19 fied in subparagraph (A) on the navigable wa-
20 ters included in the inland waterways trade ex-
21 cept for activities specified in subparagraph (A)
22 that occur on mixed waters.”;

23 (5) by inserting after paragraph (11c) the fol-
24 lowing new paragraph:

1 “(11d) ‘foreign qualified vessel’ means a ves-
2 sel—

3 “(A) registered in a foreign country; and

4 “(B) the owner, operator, or charterer of
5 which is a citizen of the United States or—

6 “(i) has qualified to engage in busi-
7 ness in a State and has an agent in that
8 State upon whom service of process may be
9 made;

10 “(ii) is subject to the laws of the
11 United States in the same manner as any
12 foreign person doing business in the Unit-
13 ed States; and

14 “(iii) either—

15 “(I) employs vessels in the coast-
16 wise trade regularly or from time to
17 time as part of a regularly scheduled
18 freight service in the foreign ocean
19 (including the Great Lakes) trades of
20 the United States; or

21 “(II) offers passage or cruises on
22 passenger vessels the owner, operator,
23 or charterer employs in the coastwise
24 trade or in the coastwise trade as part
25 of those cruises offered in the foreign

1 ocean (including the Great Lakes)
2 trades of the United States.”;

3 (6) by redesignating paragraph (14a) as para-
4 graph (14b);

5 (7) by inserting after paragraph (14) the fol-
6 lowing new paragraph:

7 “(14a) ‘inland waterways trade’—

8 “(A) means—

9 “(i) the transportation of merchandise
10 or passengers on the navigable rivers, ca-
11 nals, lakes other than the Great Lakes, or
12 other waterways inside the Boundary Line;

13 “(ii) the towing of barges by towing
14 vessels in the waters specified in clause (i);

15 or

16 “(iii) engaging in dredging operations
17 in the waters specified in clause (i); and

18 “(B) includes any activity specified in sub-
19 paragraph (A) that is conducted in mixed wa-
20 ters.”;

21 (8) by redesignating paragraph (15a) as para-
22 graph (15b);

23 (9) by inserting after paragraph (15) the fol-
24 lowing:

25 “(15a) ‘mixed waters’ means—

1 “(A) the harbors and ports on the coasts
2 and Great Lakes of the United States; and

3 “(B) the rivers, canals, and other water-
4 ways tributary to the Great Lakes or to the
5 coastal harbors and coasts of the United States
6 inside the Boundary Line,

7 that the Secretary of Transportation determines to
8 be navigable by oceangoing vessels.”;

9 (10) by redesignating paragraph (17a) as para-
10 graph (17b);

11 (11) by inserting after paragraph (17) the fol-
12 lowing:

13 “(17a) ‘noncontiguous trade’ means transpor-
14 tation by water of merchandise or passengers, or
15 towing by towing vessels—

16 “(A) between—

17 “(i) a point in the 48 continental
18 States and the District of Columbia; and

19 “(ii) a point in Hawaii, Alaska, Puer-
20 to Rico, Guam, the Virgin Islands, Amer-
21 ican Samoa, the Northern Mariana Is-
22 lands, or any other noncontiguous territory
23 or possession of the United States, as em-
24 braced within the coastwise laws of the
25 United States; or

1 “(B) between 2 points described in sub-
2 paragraph (A)(ii).”;

3 (12) in paragraph (21)(A)—

4 (A) in clause (ii), by striking “or” after
5 the semicolon;

6 (B) in clause (iii), by inserting “or” after
7 the semicolon; and

8 (C) by adding at the end the following new
9 clause:

10 “(iv) an individual who—

11 “(I) is a member of the family or
12 a guest of the owner or charterer; and

13 “(II) is not a passenger for
14 hire;”;

15 (13) by striking paragraph (40) and inserting
16 the following:

17 “(40) ‘towing vessel’ means any commercial
18 vessel engaged in, or that a person intends to use to
19 engage in, the service of—

20 “(A) towing, pulling, pushing, or hauling
21 alongside (or any combination thereof); or

22 “(B) assisting in towing, pulling, pushing,
23 or hauling alongside;”;

24 (14) by inserting after paragraph (40) the fol-
25 lowing new paragraphs:

1 “(40a) ‘towing of a vessel by a towing vessel be-
2 tween points’ means attaching a towing vessel to a
3 towed vessel (including any barge) at 1 point and re-
4 leasing the towed vessel from the towing vessel at
5 another point, regardless of the origin or ultimate
6 destination of either the towed vessel or the towing
7 vessel; and

8 “(40b) ‘transportation of merchandise or pas-
9 sengers by water between points’ means, without re-
10 gard to the origin or ultimate destination of the
11 merchandise or passengers involved—

12 “(A) in the case of merchandise, loading
13 merchandise at 1 point and permanently un-
14 loading the merchandise at another point; or

15 “(B) in the case of passengers, embarking
16 passengers at 1 point and permanently dis-
17 embarking the passengers at another point.”.

18 **SEC. 3. DOCUMENTATION.**

19 (a) DEFINITIONS.—Section 12101(b)(2) of title 46,
20 United States Code, is amended—

21 (1) by striking paragraph (2) and inserting the
22 following:

23 “(2) ‘license’, ‘enrollment and license’, ‘license
24 for the coastwise (or coasting) trade’, ‘enrollment
25 and license for the coastwise (or coasting) trade’,

1 and ‘enrollment and license to engage in the foreign
2 and coastwise (or coasting) trade on the northern,
3 northeastern, and northwestern frontiers, otherwise
4 than by sea’ mean a coastwise endorsement provided
5 in section 12106.”;

6 (2) by striking paragraph (3); and

7 (3) by redesignating paragraph (4) as para-
8 graph (3).

9 (b) VESSELS ELIGIBLE FOR DOCUMENTATION.—Sec-
10 tion 12102(a) of title 46, United States Code, is amend-
11 ed—

12 (1) by striking all that precedes paragraph (5)
13 and inserting the following:

14 “(a) A vessel of at least 5 net tons that is not reg-
15 istered under the laws of a foreign country or that is not
16 titled in a State is eligible for documentation if—

17 “(1)(A) the vessel is owned by an individual
18 who is a citizen of the United States, or a corpora-
19 tion, association, trust, joint venture, partnership,
20 limited liability company, or other entity that is a
21 citizen of the United States; and

22 “(B) the owner of the vessel is capable of hold-
23 ing title to a vessel under the laws of the United
24 States or under the laws of a State;” and

1 (2) by redesignating paragraphs (5) and (6) as
2 paragraphs (2) and (3), respectively.

3 (c) COASTWISE ENDORSEMENTS.—Section 12106 of
4 title 46, United States Code, is amended to read as fol-
5 lows:

6 **“§ 12106. Coastwise endorsements and certificates**

7 “(a) IN GENERAL.—A certificate of documentation
8 may be endorsed with a coastwise endorsement for a vessel
9 that is eligible for documentation.

10 “(b) ELIGIBILITY.—

11 “(1) IN GENERAL.—Any of the following vessels
12 may be issued a certificate to engage in the coast-
13 wise trade if the Secretary of Transportation makes
14 a finding, pursuant to information obtained and fur-
15 nished by the Secretary of State, that the govern-
16 ment of the nation of registry of such vessel extends
17 reciprocal privileges to vessels of the United States
18 to engage in the transportation of merchandise or
19 passengers (or both) in its coastwise trade:

20 “(A) A foreign qualified vessel (as defined
21 in section 2101(11d)).

22 “(B) A vessel of foreign registry—

23 “(i) if the vessel is subject to a demise
24 or bareboat charter, for the duration of
25 that charter, to a person or entity that

1 would be eligible to document that vessel if
2 that person or entity were the owner of the
3 vessel; or

4 “(ii) that engages irregularly in the
5 coastwise trade of the United States.

6 “(2) VESSEL ENGAGING IRREGULARLY IN THE
7 COASTWISE TRADE.—For purposes of this sub-
8 section, a vessel engages irregularly in the coastwise
9 trade of the United States if that vessel—

10 “(A) during any 60-day period does not
11 make, in the aggregate, more than 4 calls to
12 United States ports; and

13 “(B) during any calendar year does not
14 make, in the aggregate, more than 6 calls to
15 United States ports.

16 “(c) EMPLOYMENT IN THE COASTWISE TRADE.—
17 Subject to the applicable laws of the United States regu-
18 lating the coastwise trade and trade with Canada, only
19 a vessel with a certificate of documentation endorsed with
20 a coastwise endorsement or with a certificate issued under
21 subsection (b) may be employed in the coastwise trade.”.

22 “(d) INLAND WATERWAYS ENDORSEMENTS.—Section
23 12107 of title 46, United States Code, is amended to read
24 as follows:

1 **“§ 12107. Inland waterways endorsements**

2 “A certificate of documentation may be endorsed with
3 an inland waterways endorsement for a vessel that—

4 “(1) is eligible for documentation; and

5 “(2)(A) was built in the United States; or

6 “(B) was not built in the United States; but

7 was—

8 “(i) captured in war by citizens of the
9 United States and lawfully condemned as prize;

10 “(ii) adjudged to be forfeited for a breach
11 of the laws of the United States; or

12 “(iii) is qualified for documentation under
13 section 4136 of the Revised Statutes (46 App.
14 U.S.C. 14).”.

15 (e) LIMITATIONS ON OPERATIONS AUTHORIZED BY
16 CERTIFICATES.—Section 12110(b) of title 46, United
17 States Code, is amended—

18 (1) by striking “coastwise trade” and inserting
19 “coastwise trade or inland waterways trade”; and

20 (2) by striking “that trade” and inserting
21 “those trades”.

1 **SEC. 4. TRANSPORTATION OF MERCHANDISE IN THE**
2 **COASTWISE AND INLAND WATERWAYS**
3 **TRADES.**

4 (a) IN GENERAL.—Section 27 of the Merchant Ma-
5 rine Act, 1920 (46 U.S.C. App. 883) is amended to read
6 as follows:

7 **“SEC. 27. PROHIBITION.**

8 “No merchandise, including merchandise owned by
9 the United States Government, a State (as defined in sec-
10 tion 2101 of title 46, United States Code), or a political
11 subdivision of a State, and including material without
12 value, shall be transported by water, on penalty of forfeit-
13 ure of the merchandise (or a monetary amount not to ex-
14 ceed the value of the merchandise, as determined by the
15 Secretary of the Treasury, or the actual cost of the trans-
16 portation, whichever is greater, to be recovered from any
17 cosigner, seller, owner, importer, consignee, agent, or
18 other person that transports or causes the merchandise
19 to be transported by water)—

20 “(1) in the coastwise trade, in any vessel other
21 than—

22 “(A) a vessel documented with a coastwise
23 endorsement under section 12106(a) of title 46,
24 United States Code; or

25 “(B) a vessel that has been issued coast-
26 wise certification under section 12106(b) of title

1 46, United States Code, that is in effect for en-
2 gaging in the transportation of merchandise; or
3 “(2) in the inland waterways trade in any vessel
4 other than a vessel documented with an inland wa-
5 terways endorsement under section 12107 of title
6 46, United States Code.”.

7 (b) REPEAL.—Section 27A of the Merchant Marine
8 Act, 1920 (46 App. U.S.C. 883–1) is repealed.

9 **SEC. 5. TRANSPORTATION OF PASSENGERS.**

10 (a) IN GENERAL.—Section 8 of the Act of June 19,
11 1886 (24 Stat. 81, chapter 421; 46 U.S.C. App. 289) is
12 amended to read as follows:

13 **“SEC. 8. PROHIBITION.**

14 “No passengers shall be transported by water, on
15 penalty of \$200 for each passenger so transported or the
16 actual cost of the transportation, whichever is greater, to
17 be recovered from the vessel so transporting the pas-
18 senger—

19 “(1) in the coastwise trade, in any vessel other
20 than—

21 “(A) a vessel documented with a coastwise
22 endorsement under section 12106 of title 46,
23 United States Code; or

24 “(B) a vessel that has been issued a coast-
25 wise certification under section 12106(b) of title

1 46, United States Code, that is in effect for en-
2 gaging in the transportation of merchandise;
3 and

4 “(2) in the inland waterways trade, in any ves-
5 sel other than a vessel documented with an inland
6 waterways endorsement under section 12107 of title
7 46, United States Code.”.

8 (b) REPEALS.—The following provisions are repealed:

9 (1) The Act of April 26, 1938 (52 Stat. 223,
10 chapter 174; 46 U.S.C. App. 289a).

11 (2) Section 12(22) of the Maritime Act of 1981
12 (46 U.S.C. App. 289b).

13 (3) Public Law 98–563 (46 U.S.C. App. 289c).

14 **SEC. 6. TOWING AND SALVAGING OPERATIONS.**

15 Section 4370(a) of the Revised Statutes (46 U.S.C.
16 App. 316(a)) is amended to read as follows:

17 “(a)(1) No vessel (including any barge), other than
18 a vessel in distress, may be towed—

19 “(A) in the coastwise trade by any vessel other
20 than—

21 “(i) a vessel documented with a coastwise
22 endorsement under section 12106(a) of title 46,
23 United States Code; or

24 “(ii) a vessel registered in a foreign coun-
25 try, if the Secretary of the Treasury finds, pur-

1 suant to information furnished by the Secretary
2 of State, that the government of that foreign
3 country and the government of the country of
4 which each ultimate owner of the towing vessel
5 is a citizen extend reciprocal privileges to ves-
6 sels of the United States to tow vessels (includ-
7 ing barges) in the coastal waters of that coun-
8 try; or

9 “(B) in the inland waterways trade by any ves-
10 sel other than a vessel documented with an inland
11 waterways endorsement under section 12107 of title
12 46, United States Code.

13 “(2)(A) The owner and master of any vessel that
14 tows another vessel (including a barge) in violation of this
15 section shall each be liable to the United States Govern-
16 ment for a civil penalty in an amount not less than \$250
17 and not greater than \$1,000. The penalty shall be enforce-
18 able through the district court of the United States for
19 any district in which the offending vessel is found.

20 “(B) A penalty specified in subparagraph (A) shall
21 constitute a lien upon the offending vessel, and that vessel
22 shall not be granted clearance until that penalty is paid.

23 “(C) In addition to the penalty specified in subpara-
24 graph (A), the offending vessel shall be liable to the Unit-
25 ed States Government for a civil penalty in an amount

1 equal to \$50 per ton of the measurement of the vessel
 2 towed in violation of this section, which shall be recover-
 3 able in a libel or other enforcement action conducted
 4 through the district court for the United States for the
 5 district in which the offending vessel is found.”.

6 **SEC. 7. CITIZENSHIP AND TRANSFER PROVISIONS.**

7 (a) CITIZENSHIP OF CORPORATIONS, PARTNERSHIPS,
 8 AND ASSOCIATIONS.—Section 2 of the Shipping Act, 1916
 9 (46 U.S.C. App. 802) is amended—

10 (1) in subsection (a)—

11 (A) by inserting a period after “possession
 12 thereof”; and

13 (B) by striking all that follows the period
 14 inserted in subparagraph (A) through the end
 15 of the subsection; and

16 (2) by striking subsection (c).

17 (b) APPROVAL OF TRANSFER OF REGISTRY OR OP-
 18 ERATION UNDER AUTHORITY OF A FOREIGN COUNTRY OR
 19 FOR SCRAPPING IN A FOREIGN COUNTRY; PENALTIES.—
 20 Section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808)
 21 is amended—

22 (1) by striking subsection (c) and inserting the
 23 following:

24 “(c) Except as provided in section 611 of the Mer-
 25 chant Marine Act, 1936 (46 U.S.C. App. 1181) and sec-

1 tion 31322(a)(1)(D) of title 46, United States Code, a
 2 person may not, without the approval of the Secretary of
 3 Transportation—

4 “(1) place under foreign registry—

5 “(A) a documented vessel; or

6 “(B) a vessel with respect to which the last
 7 documentation was made under the laws of the
 8 United States;

9 “(2) operate a vessel referred to in paragraph
 10 (1) under the authority of a foreign government; or

11 “(3) scrap or transfer for scrapping a vessel re-
 12 ferred to in paragraph (1) in a foreign country.”;

13 and

14 (2) by striking subsection (d) and inserting the
 15 following:

16 “(d)(1) A person that places a documented vessel
 17 under foreign registry, operates that vessel under the au-
 18 thority of a foreign country, or scraps or transfers for
 19 scrapping that vessel in a foreign country—

20 “(A) in violation of this section and knowing
 21 that that placement, operation, scrapping, or trans-
 22 fer for scrapping is a violation of this section shall,
 23 upon conviction, be fined under title 18, United
 24 States Code, imprisoned for not more than 5 years,
 25 or both; or

1 “(B) otherwise in violation of this section shall
2 be liable to the United States Government for a civil
3 penalty of not more than \$10,000 for each violation.

4 “(2) A documented vessel may be seized by, and for-
5 feited to, the United States Government if that vessel is
6 placed under foreign registry, operated under the author-
7 ity of a foreign country, or scrapped or transferred for
8 scrapping in a foreign country in violation of this sec-
9 tion.”.

10 **SEC. 8. LABOR PROVISIONS.**

11 (a) LIABILITY FOR INJURY OR DEATH OF MASTER
12 OR CREW MEMBER.—Section 20(a) of the Act of March
13 4, 1915 (38 Stat. 1185, chapter 153; 46 U.S.C. App.
14 688(a)), is amended—

15 (1) by inserting “(1)” after “(a)”;

16 (2) by adding at the end of paragraph (1) (as
17 designated under paragraph (1) of this subsection)
18 the following new sentence: “In an action brought
19 under this subsection against a defendant employer
20 that does not reside or maintain an office in the
21 United States (including any territory or possession
22 of the United States) and that engages in any enter-
23 prise that makes use of 1 or more ports in the Unit-
24 ed States (as defined in section 2101 of title 46,
25 United States Code), jurisdiction shall be under the

1 district court most proximate to the place of the oc-
2 currence of the personal injury or death that is the
3 subject of the action.”; and

4 (3) by adding at the end the following new
5 paragraph:

6 “(2)(A) The employer of a master or member of the
7 crew of a vessel—

8 (i) may, at the election of the employer, par-
9 ticipate in an authorized compensation plan under
10 the Longshore and Harbor Workers’ Compensation
11 Act (33 U.S.C. 901 et seq.); and

12 (ii) if the employer makes an election under
13 clause (i), notwithstanding section 2(3)(G) of the
14 Longshore and Harbor Workers’ Compensation Act
15 (33 U.S.C. 902(3)(G)), shall be subject to that Act.

16 “(B) If an employer makes an election, in accordance
17 with subparagraph (A), to participate in an authorized
18 compensation plan under the Longshore and Harbor
19 Workers’ Compensation Act—

20 (i) a master or crew member employed by that
21 employer shall be considered to be an employee for
22 the purposes of that Act; and

23 (ii) the liability of that employer under that
24 Act to the master or crew member, or to any person
25 otherwise entitled to recover damages from the em-

1 ployer based on the injury, disability, or death of the
2 master or crew member, shall be exclusive and in
3 lieu of all other liability.”.

4 (b) **MINIMUM REQUIREMENTS.**—All vessels, whether
5 documented in the United States or not, operating in the
6 coastwise trade of the United States shall be subject to
7 minimum international labor standards for seafarers
8 under international agreements in force for the United
9 States, as determined by the Secretary of Transportation
10 on the advice of the Secretaries of Labor and Defense.

11 **SEC. 9. REGULATIONS REGARDING VESSELS.**

12 (a) **APPLICABLE MINIMUM REQUIREMENTS.**—Except
13 as provided in paragraph (2), the minimum requirements
14 for vessels engaging in the transportation of cargo or mer-
15 chandise in the United States coastwise trade shall be the
16 recognized international standards in force for the United
17 States (as determined by the Secretary of the department
18 in which the Coast Guard is operating, in consultation
19 with any other official of the Federal Government that the
20 Secretary determines to be appropriate).

21 (b) **CONSISTENCY IN APPLICATION OF STAND-**
22 **ARDS.**—In any case in which any minimum requirement
23 for vessels referred to in paragraph (1) is inconsistent with
24 a minimum that is applicable to vessels that are docu-
25 mented in a foreign country and that are admitted to en-

1 gage in the transportation of cargo and merchandise in
2 the United States coastwise trade, the standard applicable
3 to United States documented vessels shall be deemed to
4 be the standard applicable to vessels that are documented
5 in a foreign country.

6 (c) **MINIMUM REQUIREMENTS FOR VESSELS.**—As
7 used in this subsection, the term “minimum requirements
8 for vessels” means, with respect to vessels (including Unit-
9 ed States documented vessels and foreign documented ves-
10 sels), all safety, manning, inspection, construction, and
11 equipment requirements applicable to those vessels in
12 United States coastwise passenger trade, to the extent
13 that those requirements are consistent with applicable
14 international law and treaties to which the United States
15 is a signatory.

16 **SEC. 10. ENVIRONMENT.**

17 All vessels, whether documented under the laws of the
18 United States or not, regularly engaging in the United
19 States coastwise trade shall comply with all applicable
20 State and Federal environmental statutes.

21 **SEC. 11. GENERAL REQUIREMENTS.**

22 Each person or entity that is not a citizen of the
23 United States, as defined in section 2101(3a) of title 46,
24 United States Code, that owns or operates vessels that

1 regularly engage in the United States domestic coastwise
2 trade shall—

3 (1) establish a corporation or other corporate
4 entity and qualify under the laws of that State
5 where the corporation or corporate entity is estab-
6 lished to do business in the United States;

7 (2) name an officer of the corporation or cor-
8 porate entity upon whom process may be served;

9 (3) abide by all applicable laws of the United
10 States and the State where the corporation or cor-
11 porate entity is established; and

12 (4) post evidence of—

13 (A) financial responsibility in amounts as
14 considered necessary by the Secretary of Trans-
15 portation for the business activities of the cor-
16 poration or corporate entity; and

17 (B) compliance with all applicable United
18 States laws.

○