

118TH CONGRESS  
1ST SESSION

# H. R. 2588

To amend title 46, United States Code, to allow transportation of merchandise in noncontiguous trade on foreign-flag vessels, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2023

Mr. CASE (for himself and Mr. MOYLAN) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 46, United States Code, to allow transportation of merchandise in noncontiguous trade on foreign-flag vessels, 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 “Noncontiguous Ship-  
5 ping Relief Act of 2023”.

6 **SEC. 2. TRANSPORTATION OF CERTAIN MERCHANDISE.**

7 (a) IN GENERAL.—Section 55102 of title 46, United  
8 States Code, is amended by redesignating subsection (c)

1 as subsection (d) and by inserting after subsection (b) the  
2 following:

3 “(c) NONCONTIGUOUS TRADE EXEMPTION.—

4 “(1) IN GENERAL.—Subsection (b) shall not  
5 apply with respect to transportation in noncontig-  
6 uous trade of merchandise on a foreign qualified  
7 freight vessel for which the Secretary of Transpor-  
8 tation has issued a certificate of documentation  
9 under chapter 121.

10 “(2) DEFINITIONS.—In this subsection:

11 “(A) FOREIGN QUALIFIED FREIGHT VES-  
12 SEL.—The term ‘foreign qualified freight vessel’  
13 means a freight vessel (as that term is defined  
14 in section 2101) of not less than 1,000 gross  
15 tons that—

16 “(i) was not built in the United States  
17 (or if rebuilt, not rebuilt in the United  
18 States);

19 “(ii) is registered in a foreign country;  
20 and

21 “(iii) employs United States citizens  
22 to the extent required of vessels registered  
23 under section 12102.

1           “(B) NONCONTIGUOUS TRADE.—The term  
2           ‘noncontiguous trade’ has the meaning given  
3           such term in section 53501.”.

4           (b)       COASTWISE       ENDORSEMENTS.—Section  
5           12112(a)(2)(B) of title 46, United States Code, is amend-  
6           ed—

7                   (1) in clause (ii), by striking “or”;

8                   (2) in clause (iii), by striking “and” and insert-  
9           ing “or”; and

10                   (3) by adding at the end the following:

11                           “(iv) is a foreign qualified freight vessel  
12                           (as defined in section 55102(c)) used for trans-  
13                           portation referred to in section 55102(c) for  
14                           which the Secretary of Transportation has  
15                           issued a certificate of documentation; and”.

16           (c) FOREIGN TRANSFER.—Section 56101(a)(2) of  
17           title 46, United States Code, is amended—

18                   (1) by striking “Paragraph (1)(A)” and insert-  
19           ing:

20                           “(A)       FISHING       VESSEL.—Paragraph  
21                           (1)(A)”;

22                   (2) by adding at the end the following:

23                           “(B) FOREIGN QUALIFIED FREIGHT VES-  
24                           SEL.—Paragraph (1) does not apply with re-  
25                           spect to a foreign qualified freight vessel for

1           which the Secretary has issued a certificate of  
2           documentation after the date of enactment of  
3           the Noncontiguous Shipping Relief Act of 2023  
4           and that is used solely for transportation re-  
5           ferred to in section 55102(c).

6           “(C) FOREIGN REGISTRY.—A foreign  
7           qualified freight vessel may be placed under for-  
8           eign registry without the approval of the Sec-  
9           retary at any time after such vessel is issued a  
10          certificate of documentation. At such time as  
11          such vessel is placed under foreign registry, the  
12          Secretary shall revoke the certificate of docu-  
13          mentation issued by the Secretary.”.

14 **SEC. 3. CITIZENSHIP AND TRANSFER PROVISIONS.**

15          (a) CITIZENSHIP OF CORPORATIONS, PARTNERSHIPS,  
16          AND ASSOCIATIONS.—Section 50501 of title 46, United  
17          States Code, is amended by adding at the end the fol-  
18          lowing:

19          “(e) EXCEPTIONS.—Subsection (c) and paragraphs  
20          (2) and (3) of subsection (b) shall not apply to a foreign  
21          qualified freight vessel (as such term is defined in section  
22          55102(c)) used for transportation referred to in section  
23          55102(c)(2)(B).”.

24          (b) APPROVAL OF TRANSFER OF REGISTRY OR OP-  
25          ERATION UNDER AUTHORITY OF A FOREIGN COUNTRY OR

1 FOR SCRAPPING IN A FOREIGN COUNTRY; PENALTIES.—  
2 Section 56101 of title 46, United States Code, is amended  
3 by adding at the end the following:

4 “(f) TRANSFER OF FOREIGN QUALIFIED FREIGHT  
5 VESSELS.—To promote the transfer of foreign qualified  
6 freight vessels to be documented under chapter 121 of this  
7 title for use for transportation referred to in section  
8 55102(c)(2)(B) of this title, the Secretary may grant ap-  
9 proval under subsection (a) with respect to such a vessel  
10 before the date the vessel is documented.

11 “(g) FOREIGN QUALIFIED FREIGHT VESSEL DE-  
12 FINED.—In this section, the term ‘foreign qualified freight  
13 vessel’ has the meaning given such term in section  
14 55102(c) of this title.”.

15 **SEC. 4. LABOR PROVISIONS.**

16 (a) LIABILITY FOR INJURY OR DEATH OF MASTER  
17 OR CREW MEMBER.—Section 30104(a) of title 46, United  
18 States Code, is amended by adding at the end the fol-  
19 lowing: “In an action brought under this section against  
20 a defendant employer that does not reside or maintain an  
21 office in the United States (including any territory or pos-  
22 session of the United States) and that engages in any en-  
23 terprise that makes use of one or more ports in the United  
24 States (as defined in section 2101 of this title) jurisdiction  
25 shall be under the district court most proximate to the

1 place of the occurrence of the personal injury or death that  
2 is the subject of the action.”.

3 (b) ELECTION TO UNDER PARTICIPATE LONGSHORE  
4 AND HARBOR WORKERS’ COMPENSATION ACT.—Section  
5 30104 of title 46, United States Code, is amended by add-  
6 ing at the end the following:

7 “(c) PARTICIPATION IN AN AUTHORIZED COMPENSA-  
8 TION PLAN.—The employer of a master or member of the  
9 crew of a vessel may participate in an authorized com-  
10 pensation plan under the Longshore and Harbor Workers’  
11 Compensation Act (33 U.S.C. 901 et seq.). An employer  
12 that participates in such a plan is subject to such Act.  
13 If an employer participates in an authorized compensation  
14 plan under such Act—

15 “(1) a master or crew member employed by  
16 such employer shall be considered to be an employee  
17 for the purposes of such Act; and

18 “(2) the liability of that employer under such  
19 Act to the master or crew member, or to any person  
20 otherwise entitled to recover damages from the em-  
21 ployer based on the injury, disability, or death of the  
22 master or crew member, shall be exclusive and in  
23 lieu of all other liability.”.

24 (c) MINIMUM REQUIREMENTS.—All vessels, whether  
25 documented in the United States or not, operating in the

1 coastwise trade of the United States shall be subject to  
2 minimum international labor standards for seafarers  
3 under international agreements in force for the United  
4 States, as determined by the Secretary of Transportation  
5 on the advice of the Secretaries of Labor and Defense.

6 **SEC. 5. REGULATIONS REGARDING VESSELS.**

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

16 (b) CONSISTENCY IN APPLICATION OF STAND-  
17 ARDS.—In any case in which any minimum requirement  
18 for vessels referred to in subsection (a) establishes a lower  
19 standard than a minimum that is applicable to vessels that  
20 are documented in a foreign country and that are admit-  
21 ted to engage in the transportation of cargo and merchan-  
22 dise in the United States coastwise trade, the standard  
23 applicable to such vessels that are documented in a foreign  
24 country shall be the standard to be applied to United  
25 States documented vessels.

1 **SEC. 6. ENVIRONMENTAL STANDARDS.**

2 All vessels, whether documented under the laws of the  
3 United States or not, engaging in the United States coast-  
4 wise trade shall comply with all applicable United States  
5 and international environmental standards in force for the  
6 United States.

7 **SEC. 7. REQUIREMENTS FOR CERTAIN NONCITIZENS IR-**  
8 **REGULARLY ENGAGING IN DOMESTIC COAST-**  
9 **WISE TRADE.**

10 (a) **IN GENERAL.**—Each person or entity that is not  
11 a citizen of the United States, as defined in section 104  
12 of title 46, United States Code, that owns or operates ves-  
13 sels that irregularly engage in the United States domestic  
14 coastwise trade shall—

15 (1) name an agent upon whom process may be  
16 served;

17 (2) abide by all applicable laws of the United  
18 States, including applicable environmental and tax  
19 laws; and

20 (3) post evidence of documentation and en-  
21 dorsements aboard such vessel indicating the owner  
22 or owners of such vessel, including any person con-  
23 trolling vessels and the number of port calls and  
24 coastwise trips made during that calendar year.

25 (b) **PERSONS TREATED AS SINGLE EMPLOYER.**—For  
26 purposes of paragraph (3) of subsection (a), all persons



1 treated as a single employer under subsection (a) or (b)  
2 of section 52 of the Internal Revenue Code of 1986 shall  
3 be treated as 1 person.

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