



U.S. Department of Transportation

Maritime Administration

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Substandard Foreign-Flag Vessels, Owners, Operators Prohibited From Carrying Government Impelled Cargo

From: Tony Padilla, Director, Office of Cargo and Commercial Sealift

To: All Shippers and Carriers of Government-Impelled Cargo

IMPORTANT NOTICE

This notice provides guidance to comply with the Cargo Preference Laws of the United States regarding substandard vessels.

46 U.S.C. § 2302(e) prohibits substandard vessels and vessels operated by operators of substandard vessels from carrying Government-impelled cargo for up to one year after such determination has been published electronically.

The law defines a vessel that may not carry Government-impelled cargoes as (a) a vessel that has been detained and determined to be substandard for violation of an international safety convention to which the United States is a party, or (b) a vessel whose operator has on more than one occasion had a vessel detained and determined to be substandard. In both such situations the name of the vessel owner shall be published.

The prohibition against a specific vessel or an operator expires the earlier of either one year after electronic publication of the prohibition or any date on which the owner or operator prevails in an appeal of the violation.

46 U.S.C. §2302(e)(3) defines "Government-impelled cargo" as: *"cargo for which a Federal agency contracts directly for shipping by water or for which (or the freight of which) a Federal*

agency provides financing, including financing by grant, loan or loan guarantee, resulting in shipment of the cargo by water."

This prohibition applies to foreign-flag vessels and their owners only; it does not apply to U.S.-flag vessels. The Coast Guard does not interpret 46 U.S.C. §2302(e) as applying to U.S. Flag vessels, since they are not subject to detention under the U.S. Port State Control Program for violations of international safety conventions.

A list of vessels and owners ineligible to carry government cargo can be found in the General Information section of the U.S. Coast Guard Port State Control web site at:
<https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/Foreign-Offshore-Compliance-Division/Port-State-Control/ProCargo/>.

Shippers of Government-impelled cargoes are cautioned to check the Coast Guard's web site prior to fixing or loading cargo aboard a vessel to determine if the vessel is disqualified either specifically or because of being operated by a disqualified owner or operator. In addition, shippers might wish to consider requiring carriers to stipulate in tender offers, charter parties, contracts of affreightment, or other documents that the vessel(s) or owner(s) or operator(s) are not disqualified.

Carriers are cautioned to check these lists to be sure they do not charter, relay, transship, or ship as part of a consortium, government-impelled cargoes on a vessel disqualified either specifically or because of being operated by a disqualified owner or operator.

Questions regarding cargo preference should be directed to the Maritime Administration's Office of Cargo and Commercial Sealift at 202-366-4610 or email CARGO.MARAD@dot.gov. Questions regarding disqualified vessels or owners or operators should be directed to the Coast Guard Office of Compliance at their email: PORTSTATECONTROL@USCG.MIL.

In addition, other laws prohibit transactions with Blocked, Denied, Debarred, or Entity listed parties. Related links to these sites may be accessed via the Department of Homeland Security's [CBP webpage](#). Search using keywords: "Blocked, Denied, Entity and Debarred Persons Lists".

Sincerely,

Tony Padilla

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