

Region Director, and in such cases the voyage termination date shall be as approved by the Region Director. The Region Director shall promptly advise the operator of his determination approving or disapproving any request filed under this paragraph (b), and the Region Director's decision as to such termination shall prevail, provided that all terminations shall be as of midnight of the day specified.

(c) *Idle status periods.* Idle status periods shall be identified separately, whether occurring during or between voyages, and, if occurring during a voyage shall be identified with the applicable voyage number. A separate accounting period shall be created to cover each idle status period, and all such periods shall be reported to the Region Director.

(d) *Excessive delays.* Whenever a vessel is delayed in port for a period of 10 days or more in excess of its normal period of operations in said port, the operator immediately shall report said circumstances, together with all pertinent facts, to the Region Director. The Region Director shall determine whether or not said delay was justified and if operating costs for said period were reduced to a minimum in accordance with sound commercial practice.

[G.O. 27, Rev. 2, 37 FR 18466, Sept. 12, 1972]

§ 281.4 Treatment of subsidy during idle status and off-hire period.

During an idle status period, subsidy shall be payable only for such subsidizable items of expenses as are determined by the Maritime Administrator, after presentation by the operator of the facts relating to such idle status period, to be necessary for the maintenance, preservation, repair, or husbanding of the vessel during and under the circumstances involved; however, the Maritime Subsidy Board reserves the right to suspend at any time the payment of subsidy on idle vessels when, after consideration of the facts and circumstances regarding such period, it determines that an unreasonable period has elapsed or such idle period was not warranted: *Provided*, That as to a chartered ship operated under a "Use Agreement", operating-differential subsidy shall cease to accrue to the ship simultaneously with the time it

goes "off hire" and subsidy shall not again accrue to said ship until it is re-employed in the subsidized service as determined in accordance with § 281.3. Nothing herein shall limit any other rights of the United States with respect to the payment or nonpayment of subsidy.

[G.O. 27, Rev. 2, 37 FR 18466, Sept. 12, 1972]

§ 281.5 Right of Maritime Administrator to recover subsidy for any period of idleness.

The Maritime Administrator may, prior to payment of subsidy for any voucher period which includes a period of idleness, require the operator to establish to the satisfaction of the Maritime Administrator that such period of idleness could not have been prevented in whole or in part through efficient and economical operation. The Maritime Administrator may recover any payment of subsidy for any item of expense allocable to such period of idleness which in the opinion of the Maritime Administrator could have been avoided by efficient and economical operation.

[G.O. 27, Rev. 2, 37 FR 18466, Sept. 12, 1972]

§ 281.6 Interpretation.

All questions of interpretation arising under the sections of this part shall be submitted to the Maritime Administrator for determination, whose decision thereon shall be final.

[G.O. 27, Rev. 2, 37 FR 18466, Sept. 12, 1972]

PART 282—OPERATING-DIFFERENTIAL SUBSIDY FOR LINER VESSELS ENGAGED IN ESSENTIAL SERVICES IN THE FOREIGN COMMERCE OF THE UNITED STATES

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AUTHORITY: Secs. 204(b), 603, 606 Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1114(b), 1173, 1176); 49 CFR 1.66.

SOURCE: 51 FR 34609, Sept. 30, 1986, unless otherwise noted.

Subpart A—Introduction

§ 282.1 Purpose.

This part prescribes regulations implementing Title VI of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1171–1176 and 1178–1181) governing operating-differential subsidy for liner vessels engaged in essential services in the foreign commerce of the United States.

§ 282.2 Definitions.

When used in this part:

- (a) *Act* means the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101–1294).
- (b) *Board* means the Maritime Subsidy Board of the Maritime Administration (MARAD).
- (c) *Contracting Officer* means the Associate Administrator for Maritime Aids.
- (d) *Fiscal Period* means any annual period beginning on July 1 and ending on June 30.
- (e) *Foreign-flag competition* means those foreign-flag vessels deemed by the Maritime Administrator to be competitive with the subsidized vessel.
- (f) *Maritime Administrator* means the Maritime Administrator, Maritime Administration of the Department of Transportation.
- (g) *Operating day* means any day or part of a day during which a subsidized vessel is operated in accordance with the terms and conditions of an operating-differential subsidy agreement.
- (h) *Operating-differential subsidy (ODS)* means, except as the operator

and the United States Government should agree upon a lesser amount, the excess of cost of subsidizable items of expense incurred in the operation under United States registry of a vessel over the estimated fair and reasonable cost of the same items of expense (excluding any increase in the cost of such items necessitated by features incorporated for national defense), if such vessel were operated under the registry of a foreign country whose vessels are substantial competitors of the vessel.

(i) *Operating-differential subsidy agreement (ODSA)* means the Agreement entered into by the operator and the United States Government for the payment of operating-differential subsidy.

(j) *ODS rate* means the method adopted by the Maritime Administrator for determining the amount of ODS that is to be paid for an item of subsidizable expense.

(k) *Operator* means any individual, partnership, corporation or association that contracts with the United States Government under Title VI of the Act to receive ODS.

(l) *Reduced crew period* means a period in port between or during voyages when the subsidized vessel's approved crew complement is reduced by 10 percent or more and division of wages (wages of an absent seaman are divided among the seamen who provide the absent seaman's work) is not paid for the missing men.

(m) *Region Director* means the Region Director of the Maritime Administration within whose region the principal office of the operator is located.

(n) *Subsidized service* means the operation of a vessel, other than in the coastal or intercoastal trade, in accordance with the terms and conditions of the ODSA.

(o) *Subsidized vessel* means a vessel covered by an ODSA.

(p) *U.S. foreign commerce* means the commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country.

(q) *Vessel* means subsidized vessel, unless otherwise specified.

§ 282.3 Waivers.

In special circumstances and for good cause shown, the procedures prescribed