

planning, U.S.-flag service can generally be obtained at fair and reasonable rates. Early planning and coordination are the key factors to meeting cargo preference requirements in Title XI, as in all Federal programs.

In evaluating whether U.S.-flag vessels are available at fair and reasonable rates, MARAD may consider, at its discretion: (1) U.S.-flag rates offered in response to the shipper's solicitation; (2) U.S.-flag commercial rates being offered on the same trade route under similar circumstances taking into account, as available, information obtained from interviews with U.S.-flag carriers, historic rates, published rates, and applicable index rates; (3) As available and applicable, guideline rates calculated under 46 CFR part 382; and (4) Whether the shipper has made a demonstrably diligent effort to obtain U.S.-flag service, including evidence of advanced planning and requests for proposals for ocean transportation issued by the shipper. Vessel availability is assessed in consideration of shipper's reasonable required laycan and delivery dates.

#### Section 5: What if non-compliance with Cargo Preference requirements occurs?

At MARAD's direction, as the administrator of the Title XI program, non-compliant parties may be denied a letter commitment or, consistent with 46 U.S.C. 55305(d)(2)(B), may be required to provide make-up cargoes for carriage aboard U.S.-flag vessels to offset the lost cargo carriage supporting work under the Title XI financing application. Where knowing and willful violations occur, consistent with 46 U.S.C. 55305(d)(2)(C), MARAD may issue a civil penalty of not more than \$25,000 for each violation, with each day of a continuing violation following the date of shipment counting as a separate violation. Additionally, CPA 1954 requirements are incorporated into Title XI letter commitments; therefore, failure to properly adhere to cargo preference requirements could impact MARAD's ability to close on a Title XI guarantee because the recipient has not met its obligations under the letter commitment. However, with early planning and coordination with MARAD, no CPA 1954 violations need occur.

#### Section 6: What is the purpose of Cargo Preference?

The CPA 1954 provides cargo that helps to retain and encourage a privately-owned and operated U.S.-flag merchant fleet. The U.S.-flag fleet is a vital resource, providing essential sealift capability to globally project and sustain

the U.S. Armed Forces or support other national emergencies, maintaining a cadre of skilled seafarers available in time of national emergencies, and helping to protect U.S. economic interests. The U.S. maritime industry also supports thousands of sea-going, shore-based, and secondary, associated jobs, supporting the Nation's economic growth. It is imperative that Federal programs, such as Title XI, and beneficiary Title XI applicants and shipyards, as members of the U.S. maritime industry, support this national priority through proper adherence to cargo preference requirements. Therefore, while the use of U.S.-flag vessels to carry 50 percent of the gross tons of ocean borne cargoes is the statutory minimum, MARAD, as the agency charged with administering both Title XI and the CPA 1954, encourages the use of U.S.-flag vessels for greater than the minimum whenever possible.

**Authority:** 46 U.S.C. 55305; 46 U.S.C. Ch. 537.

By Order of the Maritime Administrator,  
**T. Mitchell Hudson, Jr.,**  
Secretary, Maritime Administration.

[FR Doc. 2016-28863 Filed 11-30-16; 8:45 am]

**BILLING CODE 4910-81-P**

## DEPARTMENT OF TRANSPORTATION

### Maritime Administration

[Docket No. MARAD-2016 0117]

#### Requested Administrative Waiver of the Coastwise Trade Laws: Vessel CRACKER JACK; Invitation for Public Comments

**AGENCY:** Maritime Administration, Department of Transportation.

**ACTION:** Notice.

**SUMMARY:** The Secretary of Transportation, as represented by the Maritime Administration (MARAD), is authorized to grant waivers of the U.S.-build requirement of the coastwise laws under certain circumstances. A request for such a waiver has been received by MARAD. The vessel, and a brief description of the proposed service, is listed below.

**DATES:** Submit comments on or before January 3, 2017.

**ADDRESSES:** Comments should refer to docket number MARAD-2016-0117. Written comments may be submitted by hand or by mail to the Docket Clerk, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590. You may also

send comments electronically via the Internet at <http://www.regulations.gov>. All comments will become part of this docket and will be available for inspection and copying at the above address between 10 a.m. and 5 p.m., E.T., Monday through Friday, except federal holidays. An electronic version of this document and all documents entered into this docket is available on the World Wide Web at <http://www.regulations.gov>.

#### FOR FURTHER INFORMATION CONTACT:

Bianca Carr, U.S. Department of Transportation, Maritime Administration, 1200 New Jersey Avenue SE., Room W23-453, Washington, DC 20590. Telephone 202-366-9309, Email [Bianca.carr@dot.gov](mailto:Bianca.carr@dot.gov).

**SUPPLEMENTARY INFORMATION:** As described by the applicant the intended service of the vessel CRACKER JACK is:

*Intended Commercial Use of Vessel:* "Charter fishing 6 passengers locally".

*Geographic Region:* "Florida, Georgia, Alabama, North Carolina".

The complete application is given in DOT docket MARAD-2016-0117 at <http://www.regulations.gov>. Interested parties may comment on the effect this action may have on U.S. vessel builders or businesses in the U.S. that use U.S.-flag vessels. If MARAD determines, in accordance with 46 U.S.C. 12121 and MARAD's regulations at 46 CFR part 388, that the issuance of the waiver will have an unduly adverse effect on a U.S.-vessel builder or a business that uses U.S.-flag vessels in that business, a waiver will not be granted. Comments should refer to the docket number of this notice and the vessel name in order for MARAD to properly consider the comments. Comments should also state the commenter's interest in the waiver application, and address the waiver criteria given in § 388.4 of MARAD's regulations at 46 CFR part 388.

#### Privacy Act

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477-78).

By Order of the Maritime Administrator.

Dated: November 10, 2016.

**T. Mitchell Hudson, Jr.,**  
Secretary, Maritime Administration.

[FR Doc. 2016-28212 Filed 11-30-16; 8:45 am]

**BILLING CODE 4910-81-P**