

## **§1503. License for ownership, construction, and operation of deepwater port**

### **(a) Requirement**

No person may engage in the ownership, construction, or operation of a deepwater port except in accordance with a license issued pursuant to this chapter. No person may transport or otherwise transfer any oil or natural gas between a deepwater port and the United States unless such port has been so licensed and the license is in force.

### **(b) Issuance, transfer, amendment, or reinstatement**

The Secretary may—

- (1) on application, issue a license for the ownership, construction, and operation of a deepwater port; and
- (2) on petition of the licensee, amend, transfer, or reinstate a license issued under this chapter.

### **(c) Conditions for issuance**

The Secretary may issue a license in accordance with the provisions of this chapter if—

- (1) he determines that the applicant is financially responsible and will meet the requirements of section 2716 of this title <sup>1</sup>
- (2) he determines that the applicant can and will comply with applicable laws, regulations, and license conditions;
- (3) he determines that the construction and operation of the deepwater port will be in the national interest and consistent with national security and other national policy goals and objectives, including energy sufficiency and environmental quality;
- (4) he determines that the deepwater port will not unreasonably interfere with international navigation or other reasonable uses of the high seas, as defined by treaty, convention, or customary international law;
- (5) he determines, in accordance with the environmental review criteria established pursuant to section 1505 of this title, that the applicant has demonstrated that the deepwater port will be constructed and operated using best available technology, so as to prevent or minimize adverse impact on the marine environment;
- (6) he has not been informed, within 45 days of the last public hearing on a proposed license for a designated application area, by the Administrator of the Environmental Protection Agency that the deepwater port will not conform with all applicable provisions of the Clean Air Act, as amended [42 U.S.C. 7401 et seq.], the Federal Water Pollution Control Act, as amended [33 U.S.C. 1251 et seq.], or the Marine Protection, Research and Sanctuaries Act, as amended [16 U.S.C. 1431 et seq., 1447 et seq.; 33 U.S.C. 1401 et seq., 2801 et seq.];
- (7) he has consulted with the Secretary of the Army, the Secretary of State, and the Secretary of Defense, to determine their views on the adequacy of the application, and its effect on programs within their respective jurisdictions;
- (8) the Governor of the adjacent coastal State of States, pursuant to section 1508 of this title, approves, or is presumed to approve, issuance of the license; and
- (9) the adjacent coastal State to which the deepwater port is to be directly connected by pipeline has developed, or is making, at the time the application is submitted, reasonable progress, as determined in accordance with section 1508(c) of this title, toward developing, an approved coastal zone management program pursuant to the Coastal Zone Management Act of 1972 [16 U.S.C. 1451 et seq.].

### **(d) Application for license subject to examination and comparison of economic, social, and environmental effects of deepwater port facility and deep draft channel and harbor; finality of determination**

If an application is made under this chapter for a license to construct a deepwater port facility off the coast of a State, and a port of the State which will be directly connected by pipeline with such deepwater port, on the date of such application—

- (1) has existing plans for construction of a deep draft channel and harbor; and
- (2) has either (A) an active study by the Secretary of the Army relating to the construction of a deep draft channel and harbor, or (B) a pending application for a permit under section 403 of this title for such construction; and
- (3) applies to the Secretary for a determination under this section within 30 days of the date of the license application;

the Secretary shall not issue a license under this chapter until he has examined and compared the economic, social, and environmental effects of the construction and operation of the deepwater port with the economic, social and environmental effects of the construction, expansion, deepening, and operation of such State port, and has determined which project best serves the national interest or that both developments are warranted. The Secretary's determination shall be discretionary and nonreviewable.

**(e) Additional conditions; removal requirements, waiver; Outer Continental Shelf Lands Act applicable to utilization of components upon waiver of removal requirements**

(1) In issuing a license for the ownership, construction, and operation of a deepwater port, the Secretary shall prescribe those conditions which the Secretary deems necessary to carry out the provisions and requirements of this chapter <sup>2</sup> or which are otherwise required by any Federal department or agency pursuant to the terms of this chapter.<sup>2</sup> To the extent practicable, conditions required to carry out the provisions and requirements of this chapter <sup>2</sup> shall be addressed in license conditions rather than by regulation and, to the extent practicable, the license shall allow a deepwater port's operating procedures to be stated in an operations manual, approved by the Coast Guard, in accordance with section 1509(a) of this title, rather than in detailed and specific license conditions or regulations; except that basic standards and conditions shall be addressed in regulations. On petition of a licensee, the Secretary shall review any condition of a license issued under this chapter to determine if that condition is uniform, insofar as practicable, with the conditions of other licenses issued under this chapter, reasonable, and necessary to meet the objectives of this chapter. The Secretary shall amend or rescind any condition that is no longer necessary or otherwise required by any Federal department or agency under this chapter.

(2) No license shall be issued, transferred, or renewed under this chapter unless the licensee or transferee first agrees in writing that (A) there will be no substantial change from the plans, operational systems, and methods, procedures, and safeguards set forth in his license, as approved, without prior approval in writing from the Secretary; and (B) he will comply with any condition the Secretary may prescribe in accordance with the provisions of this chapter.

(3) The Secretary shall establish such bonding requirements or other assurances as he deems necessary to assure that, upon the revocation or termination of a license, the licensee will remove all components of the deepwater port. In the case of components lying in the subsoil below the seabed, the Secretary is authorized to waive the removal requirements if he finds that such removal is not otherwise necessary and that the remaining components do not constitute any threat to navigation or to the environment. At the request of the licensee, the Secretary, after consultation with the Secretary of the Interior, is authorized to waive the removal requirement as to any components which he determines may be utilized in connection with the transportation of oil, natural gas, or other minerals, pursuant to a lease granted under the provisions of the Outer Continental Shelf Lands Act [43 U.S.C. 1331 et seq.], after which waiver the utilization of such components shall be governed by the terms of the Outer Continental Shelf Lands Act.

**(f) Amendments, transfers, and reinstatements**

The Secretary may amend, transfer, or reinstate a license issued under this chapter <sup>2</sup> if the Secretary finds that the amendment, transfer, or reinstatement is consistent with the requirements of this chapter.

**(g) Eligible citizens**

Any citizen of the United States who otherwise qualifies under the terms of this chapter shall be eligible to be issued a license for the ownership, construction, and operation of a deepwater port.

### **(h) Term of license**

A license issued under this chapter remains in effect unless suspended or revoked by the Secretary or until surrendered by the licensee.

### **(i) Liquefied natural gas facilities**

To promote the security of the United States, the Secretary shall give top priority to the processing of a license under this chapter for liquefied natural gas facilities that will be supplied with or that will supply liquefied natural gas by United States flag vessels.

(Pub. L. 93–627, §4, Jan. 3, 1975, 88 Stat. 2128; Pub. L. 98–419, §2(b)–(e), Sept. 25, 1984, 98 Stat. 1607; Pub. L. 101–380, title II, §2003(a)(1), Aug. 18, 1990, 104 Stat. 507; Pub. L. 104–324, title V, §504, Oct. 19, 1996, 110 Stat. 3926; Pub. L. 107–295, title I, §106(a)(2), Nov. 25, 2002, 116 Stat. 2086; Pub. L. 109–241, title III, §304(b), July 11, 2006, 120 Stat. 527; Pub. L. 113–281, title III, §307(c), Dec. 18, 2014, 128 Stat. 3045.)

## **References in Text**

The Clean Air Act, referred to in subsec. (c)(6), is act July 14, 1955, ch. 360, 69 Stat. 322, as amended, which is classified generally to chapter 85 (§7401 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

The Federal Water Pollution Control Act, as amended, referred to in subsec. (c)(6), is act June 30, 1948, ch. 758, as amended generally by Pub. L. 92–500, §2, Oct. 18, 1972, 86 Stat. 816, which is classified generally to chapter 26 (§1251 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1251 of this title and Tables.

The Marine Protection, Research and Sanctuaries Act, referred to subsec. (c)(6), probably means Pub. L. 92–532, Oct. 23, 1972, 86 Stat. 1052, as amended, known as the Marine Protection, Research, and Sanctuaries Act of 1972, which is classified generally to chapters 27 (§1401 et seq.) and 41 (§2801 et seq.) of this title and chapters 32 (§1431 et seq.) and 32A (§1447 et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title note set out under section 1401 of this title and Tables.

The Coastal Zone Management Act of 1972, referred to in subsec. (c)(9), is title III of Pub. L. 89–454, as added by Pub. L. 92–583, Oct. 27, 1972, 86 Stat. 1280, as amended, which is classified generally to chapter 33 (§1451 et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title note set out under section 1451 of Title 16 and Tables.

This chapter, referred to first three times in subsec. (e)(1) and first time in subsec. (f), was in the original "this title" and was translated as reading "this Act", meaning Pub. L. 93–627, which is classified generally to this chapter, to reflect the probable intent of Congress, because Pub. L. 93–627 does not contain titles.

The Outer Continental Shelf Lands Act, referred to in subsec. (e)(3), is act Aug. 7, 1953, ch. 345, 67 Stat. 462, as amended, which is classified generally to subchapter III (§1331 et seq.) of chapter 29 of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1301 of Title 43 and Tables.

## **Amendments**

**2014**—Subsec. (i). Pub. L. 113–281 inserted "or that will supply" after "be supplied with".

**2006**—Subsec. (i). Pub. L. 109–241 added subsec. (i).

**2002**—Subsec. (a). Pub. L. 107–295 inserted "or natural gas" after "oil".

**1996**—Subsec. (a). Pub. L. 104–324, §504(a), struck out at end "A deepwater port, licensed pursuant to the provisions of this chapter, may not be utilized—

"(1) for the loading and unloading of commodities or materials (other than oil) transported from the United States, other than materials to be used in the construction, maintenance, or operation of the high seas oil port, to be used as ship supplies, including bunkering for vessels utilizing the high seas oil port,

"(2) for the transshipment of commodities or materials, to the United States, other than oil,

"(3) except in cases where the Secretary otherwise by rule provides, for the transshipment of oil, destined for locations outside the United States."

Subsec. (c)(7) to (10). Pub. L. 104–324, §504(b), redesignated pars. (8) to (10) as (7) to (9), respectively, and struck out former par. (7) which read as follows: "he has received the opinions of the Federal Trade Commission and the Attorney General, pursuant to section 1506 of this title, as to whether issuance of the license would adversely affect competition, restrain trade, promote monopolization, or otherwise create a situation in contravention of the antitrust laws;".

Subsec. (e)(1). Pub. L. 104–324, §504(c), substituted "In issuing a license for the ownership, construction, and operation of a deepwater port, the Secretary shall prescribe those conditions which the Secretary deems necessary to carry out the provisions and requirements of this chapter or which are otherwise required by any Federal department or agency pursuant to the terms of this chapter. To the extent practicable, conditions required to carry out the provisions and requirements of this chapter shall be addressed in license conditions rather than by regulation and, to the extent practicable, the license shall allow a deepwater port's operating procedures to be stated in an operations manual, approved by the Coast Guard, in accordance with section 1509(a) of this title, rather than in detailed and specific license conditions or regulations; except that basic standards and conditions shall be addressed in regulations." for "In issuing a license for the ownership, construction, and operation of a deepwater port, the Secretary shall prescribe any conditions which he deems necessary to carry out the provisions of this chapter, or which are otherwise required by any Federal department or agency pursuant to the terms of this chapter."

Subsec. (e)(2). Pub. L. 104–324, §504(d), substituted "his license" for "his application".

Subsec. (f). Pub. L. 104–324, §504(e), inserted heading and amended text generally. Prior to amendment, text read as follows: "The Secretary may amend, transfer, or reinstate a license issued under this chapter if the amendment, transfer, or reinstatement is consistent with the findings made at the time the license was issued."

**1990**—Subsec. (c)(1). Pub. L. 101–380 substituted "section 2716 of this title" for "section 1517(l) of this title;".

**1984**—Subsec. (b). Pub. L. 98–419, §2(b), substituted provisions authorizing the Secretary, on application, to issue a license for the ownership, construction, and operation of a deepwater port and, on petition of the licensee, to amend, transfer, or reinstate a license issued under this chapter for provisions which had authorized the Secretary, upon application and in accordance with the provisions of this chapter, to issue, transfer, amend, or renew a license for the ownership, construction, and operation of a deepwater port.

Subsec. (e)(1). Pub. L. 98–419, §2(e), inserted provision that on petition of a licensee, the Secretary shall review any condition of a license issued under this chapter to determine if that condition is uniform, insofar as practicable, with the conditions of other licenses issued under this chapter and is reasonable, and necessary to meet the objectives of this chapter, and that the Secretary shall amend or rescind any condition that is no longer necessary or otherwise required by any Federal department or agency under this chapter.

Subsec. (f). Pub. L. 98–419, §2(c), substituted provisions authorizing the Secretary to amend, transfer, or reinstate a license issued under this chapter if the amendment, transfer, or reinstatement is consistent with the findings made at the time the license was issued for provisions which had authorized the Secretary to transfer such licenses if the Secretary determined that such transfer was in the public interest and that the transferee met the requirements of this chapter and the prerequisites to issuance under subsec. (c) of this section.

Subsec. (h). Pub. L. 98–419, §2(d), substituted provision that a license issued under this chapter remain in effect unless suspended or revoked by the Secretary or until surrendered by the licensee for provisions which had limited the terms of licenses to not more than 20 years and which had granted each licensee a preferential right of renewal for not more than 10 years, subject to subsec. (c), upon such conditions and for such term as determined by the Secretary to be reasonable and appropriate.

## **Effective Date of 1990 Amendment**

Amendment by Pub. L. 101–380 applicable to incidents occurring after Aug. 18, 1990, see section 1020 of Pub. L. 101–380, set out as an Effective Date note under section 2701 of this title.

## **Transfer of Functions**

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

## **LNG Tankers**

Pub. L. 114–120, title III, §312, Feb. 8, 2016, 130 Stat. 58, provided that: "Not later than 180 days after the date of the enactment this Act [Feb. 8, 2016], the Secretary of Transportation shall—

"(1) develop guidelines to implement the program authorized under section 304(a) of the Coast Guard and Maritime Transportation Act of 2006 (Public Law 109–241) [set out below], including specific actions to ensure the future availability of able and credentialed United States licensed and unlicensed seafarers including—

"(A) incentives to encourage partnership agreements with operators of foreign-flag vessels that carry liquefied natural gas, that provide no less than one training billet per vessel for United States merchant mariners in order to meet minimum mandatory sea service requirements;

"(B) development of appropriate training curricula for use by public and private maritime training institutions to meet all United States merchant mariner license, certification, and document laws and requirements under the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978; and

"(C) steps to promote greater outreach and awareness of additional job opportunities for sea service veterans of the United States Armed Forces; and

"(2) submit such guidelines to the Committee [on] Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate."

Pub. L. 109–241, title III, §304(a), July 11, 2006, 120 Stat. 527, as amended by Pub. L. 113–281, title III, §307(b), Dec. 18, 2014, 128 Stat. 3045, provided that: "The Secretary of Transportation shall develop and implement a program to promote the transportation of liquefied natural gas to and from the United States on United States flag vessels."

<sup>1</sup> [So in original. Probably should be followed by a semicolon.](#)

<sup>2</sup> [See References in Text note below.](#)