

**§ 282.11**

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to verify the liner services offered by foreign-flag operators.

(b) The U.S. import/export data shall be compiled by reference to countries actually served by the subsidized operator, using the subsidized operator's

own competition data for each country to eliminate the flags which are not substantial competitors with the subsidized vessels. An example of the weighting procedure follows:

EXAMPLE

	Country A	Country B	Country C	Total
<b>I. Determination of U.S.-Flag Weights:</b>				
U.S. Subsidized Carrier .....	300	500	200	1,000
Percent .....	30	50	20	100
<b>II. Actual Foreign-Flag Carryings:</b>				
Flag 1 .....	1,500	500	1,000	3,000
Flag 2 .....	4,000	6,000	0	10,000
Flag 3 .....	5,000	2,000	5,000	12,000
<b>III. Adjusted Foreign-Flag Carrying (Actual Foreign × U.S. wts):</b>				
Flag 1 .....	450	250	200	900
Flag 2 .....	1,200	3,000	0	4,200
Flag 3 .....	1,500	1,000	1,000	3,500
<b>IV. Competition Computation:</b>				
		Actual percent		8,600
Flag 2 .....	4200/8600	49.0		55.0
Flag 3 .....	3500/8600	41.0		45.0
		90.0		100.0

(c) The principal foreign flags shall be those countries whose cargo carrying would rank the flag among those carriers that aggregate at least 50 percent of the total foreign-flag carryings.

(d) The total cargo carryings of each principal foreign flag shall be expressed as a percentage of total cargo carryings of all principal flags on the service. The resultant ratio shall be applied to the costs of that principal flag for determining its portion of the composite foreign cost, which shall be used for establishing the cost disadvantage of U.S. vessels in the service.

(e) The determination of the principal competitors and competition weight factors shall be based upon the import/export data for the twelve months of the penultimate calendar year preceding January 1 of the subsidized year to allow several months to collect foreign cost data.

**§ 282.11 Ranking of flags.**

The operators under each principal foreign flag shall be ranked as predominant, secondary, etc., for the purpose of establishing the priority of costs which are representative of the flag. For liner cargo vessels, the rank-

ing of operators shall be based on the long tons of cargo carried.

(a) If the predominant operator is an agent, charterer or a joint venture in which the vessels are owned by two or more lines, under the name of such agent, charterer or joint venture, the predominant operator shall be the owner whose vessels carried the most cargo.

(b) If cost experience cannot be obtained for the foreign-flag operators in the subsidized service, MARAD may use the costs of another service, following the same ranking of operators, if possible.

**Subpart C—Calculation of Subsidy Rates**

**§ 282.20 Amount of subsidy payable.**

(a) *Daily Rates.* Daily ODS rates shall be used to quantify the amount of ODS payable. The daily ODS rate represents the cost differential between the subsidized vessel and its foreign-flag competition. A daily rate shall be calculated for each subsidized item of expense identified in the ODSA, and the total of all items is the daily amount