

[§ 7301. Repealed. Pub. L. 103-160, div. A, title VIII, § 824(a)(7), Nov. 30, 1993, 107 Stat. 1707]

Section, act Aug. 10, 1956, ch. 1041, 70A Stat. 450, related to estimates required for bids on construction of naval vessels.

[§ 7302. Repealed. Pub. L. 103-355, title III, § 3024(a), Oct. 13, 1994, 108 Stat. 3334]

Section, act Aug. 10, 1956, ch. 1041, 70A Stat. 451, directed Department of the Navy to construct on U.S. Pacific Coast such vessels as President determined necessary to maintain shipyard facilities there adequate to meet requirements of national defense.

§ 7303. Model Basin; investigation of hull designs

(a) An office or agency in the Department of the Navy designated by the Secretary of the Navy shall conduct at the David W. Taylor Model Basin, Carderock, Maryland, investigations to determine the most suitable shapes and forms for United States vessels and aircraft and investigations of other problems of their design.

(b) The Secretary of the Navy may authorize experiments to be made at the Model Basin for private persons. The costs of experiments made for private persons shall be paid by those persons under regulations prescribed by the Secretary. The results of private experiments are confidential and may not be divulged without the consent of the persons for whom they are made. However, the data obtained from such experiments may be used by the Secretary for governmental purposes, subject to the patent laws of the United States.

(Aug. 10, 1956, ch. 1041, 70A Stat. 451; Pub. L. 89-718, § 41, Nov. 2, 1966, 80 Stat. 1120.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7303	5 U.S.C. 430a.	May 6, 1936, ch. 333, 49 Stat. 1263; June 20, 1940, ch. 400, § 1(a), (b), 54 Stat. 492.

In subsection (a) the authority to purchase a site and construct the model basin is omitted as executed. The words "David W. Taylor Model Basin, Carderock, Maryland" are inserted to designate the model basin established under this authority. The words "investigations to determine" are substituted for the words "work of investigating and determining." The phrase "vessels, including aircraft" is changed to read "vessels and aircraft", and the words "their design" are substituted for "ship design".

AMENDMENTS

1966—Subsec. (a). Pub. L. 89-718 substituted "An officer or agency of the Department of the Navy designated by the Secretary of the Navy" for "The Bureau of Ships".

§ 7304. Examination of vessels; striking of vessels from Naval Vessel Register

(a) **BOARDS OF OFFICERS TO EXAMINE NAVAL VESSELS.**—The Secretary of the Navy shall designate boards of naval officers to examine naval vessels, including unfinished vessels, for the purpose of making a recommendation to the Secretary as to which vessels, if any, should be stricken from the Naval Vessel Register. Each vessel shall be examined at least once every three years if practicable.

(b) **ACTIONS BY BOARD.**—A board designated under subsection (a) shall submit to the Secretary in writing its recommendations as to which vessels, if any, among those it examined should be stricken from the Naval Vessel Register.

(c) **ACTION BY SECRETARY.**—If the Secretary concurs with a recommendation by a board that a vessel should be stricken from the Naval Vessel Register, the Secretary shall strike the name of that vessel from the Naval Vessel Register.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1708.)

PRIOR PROVISIONS

A prior section 7304, act Aug. 10, 1956, ch. 1041, 70A Stat. 451, related to examination of vessels by board and striking of unfit vessels from Naval Vessel Register, prior to repeal by Pub. L. 103-160, § 824(b).

§ 7305. Vessels stricken from Naval Vessel Register: sale

(a) **APPRAISAL OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.**—The Secretary of the Navy shall appraise each vessel stricken from the Naval Vessel Register under section 7304 of this title.

(b) **AUTHORITY TO SELL VESSEL.**—If the Secretary considers that the sale of the vessel is in the national interest, the Secretary may sell the vessel. Any such sale shall be in accordance with regulations prescribed by the Secretary for the purposes of this section.

(c) **PROCEDURES FOR SALE.**—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

(2) In such a case, the Secretary may—

(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(d) **APPLICABILITY.**—This section does not apply to a vessel the disposal of which is authorized by subtitle I of title 40 and division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1708; amended Pub. L.

105–85, div. A, title X, §1021, Nov. 18, 1997, 111 Stat. 1875; Pub. L. 107–217, §3(b)(28), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 108–136, div. A, title X, §1045(a)(7), Nov. 24, 2003, 117 Stat. 1612; Pub. L. 111–350, §5(b)(53), Jan. 4, 2011, 124 Stat. 3847.)

PRIOR PROVISIONS

A prior section 7305, acts Aug. 10, 1956, ch. 1041, 70A Stat. 451; Dec. 12, 1980, Pub. L. 96–513, title V, §513(27), 94 Stat. 2933, related to sale of vessels stricken from Naval Vessel Register, prior to repeal by Pub. L. 103–160, §824(b).

AMENDMENTS

2011—Subsec. (d). Pub. L. 111–350 substituted “division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions” for “title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), if it is to be disposed of under subtitle I of title 40 and such title III”.

2003—Subsec. (d). Pub. L. 108–136 inserted “such” before “title III”.

2002—Subsec. (d). Pub. L. 107–217 inserted “subtitle I of title 40 and title III of” before “the Federal Property and Administrative Services Act of 1949” and substituted “(41 U.S.C. 251 et seq.)” for “(40 U.S.C. 471 et seq.)” and “subtitle I of title 40 and title III” for “that Act”.

1997—Subsec. (c). Pub. L. 105–85 amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows:

“(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section. In such a case, the Secretary may sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after the vessel is publicly advertised for sale for a period of not less than 30 days.

“(2) If the Secretary determines that the bid prices for a vessel received after advertising under paragraph (1) are not acceptable and that readvertising will serve no useful purpose, the Secretary may sell the vessel by negotiation to the highest acceptable bidder if—

“(A) each responsible bidder has been notified of intent to negotiate and has been given a reasonable opportunity to negotiate; and

“(B) the negotiated price is—

“(i) higher than the highest rejected price of any responsible bidder; or

“(ii) reasonable and in the national interest.”

EXECUTIVE ORDER No. 11765

Ex. Ord. No. 11765, Jan. 21, 1974, 39 F.R. 2577, related to sale of vessels of the Navy stricken from Naval Vessel Register pursuant to section 7304 of this title regardless of their appraised value under authority of former subsec. (l) of this section.

§ 7305a. Vessels stricken from Naval Vessel Register: contracts for dismantling on net-cost basis

(a) AUTHORITY FOR NET-COST BASIS CONTRACTS.—When the Secretary of the Navy awards a contract for the dismantling of a vessel stricken from the Naval Vessel Register, the Secretary may award the contract on a net-cost basis.

(b) RETENTION BY CONTRACTOR OF PROCEEDS OF SALE OF SCRAP AND REUSABLE ITEMS.—When the Secretary awards a contract on a net-cost basis under subsection (a), the Secretary shall provide in the contract that the contractor may retain the proceeds from the sale of scrap and reusable items removed from the vessel dismantled under the contract.

(c) DEFINITIONS.—In this section:

(1) The term “net-cost basis”, with respect to a contract for the dismantling of a vessel, means that the amount to be paid to the contractor under the contract for dismantling and for removal and disposal of hazardous waste material is discounted by the offeror’s estimate of the value of scrap and reusable items that the contractor will remove from the vessel during performance of the contract.

(2) The term “scrap” means personal property that has no value except for its basic material content.

(3) The term “reusable item” means a demilitarized component or a removable portion of a vessel or equipment that the Secretary of the Navy has identified as excess to the needs of the Navy but which has potential resale value on the open market.

(Added Pub. L. 108–375, div. A, title X, §1011(a), Oct. 28, 2004, 118 Stat. 2038.)

§ 7306. Vessels stricken from Naval Vessel Register; captured vessels: transfer by gift or otherwise

(a) AUTHORITY TO MAKE TRANSFER.—Subject to section 113 of title 40, the Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register, or any captured vessel, to—

(1) any State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof;

(2) the District of Columbia; or

(3) any not-for-profit or nonprofit entity.

(b) VESSEL TO BE MAINTAINED IN CONDITION SATISFACTORY TO SECRETARY.—An agreement for the transfer of a vessel under subsection (a) shall include a requirement that the transferee will maintain the vessel in a condition satisfactory to the Secretary.

(c) TRANSFERS TO BE AT NO COST TO UNITED STATES.—Any transfer of a vessel under this section shall be made at no cost to the United States.

(d) CONGRESSIONAL NOTICE-AND-WAIT PERIOD.—(1) A transfer under this section may not take effect until—

(A) the Secretary submits to Congress notice of the proposed transfer; and

(B) 30 days of a session of Congress have expired following the date on which the notice is sent to Congress.

(2) For purposes of paragraph (1)(B)—

(A) the period of a session of Congress is broken only by an adjournment of Congress sine die at the end of the final session of a Congress; and

(B) any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain, or because of an adjournment sine die at the end of the first session of a Congress, shall be excluded in the computation of such 30-day period.

(Added Pub. L. 103–160, div. A, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1709; amended Pub. L. 106–65, div. A, title X, §1011, Oct. 5, 1999, 113 Stat. 739; Pub. L. 107–217, §3(b)(29), Aug. 21, 2002, 116 Stat. 1297.)