

distribution through Federal, State, and private relief channels: *Provided*, That none of the funds made available to the Secretary of Agriculture under this section and section 713c-3 of this title shall be used to purchase any of the commodities designated in this section and section 713c-3 of this title which may have been produced in any foreign country. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this section and section 713c-3 of this title.

(Aug. 11, 1939, ch. 696, §1, 53 Stat. 1411; 1940 Reorg. Plan No. III, §5, eff. June 30, 1940, 5 F.R. 2108, 54 Stat. 1232; 1946 Reorg. Plan No. 3, §501, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1100.)

CODIFICATION

The first part of this section originally read: "Any part of the funds not to exceed \$1,500,000 per year, transferred by the Secretary of Agriculture to the Federal Surplus Commodities Corporation created under and to carry out the provisions of section 612c of title 7 may also be used by such Corporation", etc., and the reference in the proviso to the Secretary of Agriculture originally read: "Federal Surplus Commodities Corporation". See Transfer of Functions note below.

TRANSFER OF FUNCTIONS

Functions of all officers, agencies, and employees of Department of Agriculture transferred, with certain exceptions, to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

For transfer of functions of Federal Surplus Commodities Corporation, see Transfer of Functions note set out under section 712a of this title.

SIMILAR PROVISIONS

Earlier provisions on this subject were contained in act Mar. 5, 1937, ch. 29, 50 Stat. 27, and in Joint Res. Apr. 12, 1937, ch. 73, 50 Stat. 61. The former forbade acquisition of commodities thereunder after 90 days after its enactment, but permitted distribution of commodities after such period. The latter made funds available to be used in accordance with the provisions of the former.

Joint Res. Apr. 12, 1937, ch. 73, 50 Stat. 61, provided as follows: "That not to exceed \$1,000,000 of the funds available to the Federal Surplus Commodities Corporation may be used by such Corporation for the purpose of diverting surplus fish (including shellfish) and the products thereof from the normal channels of trade and commerce by the acquisition and distribution thereof in accordance with the provisions of the Act entitled 'An Act to authorize the purchase and distribution of products of the fishing industry', approved March 5, 1937."

Act Mar. 5, 1937, ch. 29, 50 Stat. 27, provided as follows: "That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000,000 for the purpose of enabling the Federal Surplus Commodities Corporation to divert surplus fish (including shellfish) and the products thereof from the normal channels of trade and commerce by acquiring them and providing for their distribution through Federal, State, and private relief agencies. No commodities shall be acquired under this Act after ninety days after the date of its enactment: *Provided, however*, That distribution thereof may extend beyond said period. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this Act."

§ 713c-3. Promotion of the free flow of domestically produced fishery products

(a) Definitions

As used in this section—

(1) The term "person" means—

(A) any individual who is a citizen or national of the United States or a citizen of the Northern Mariana Islands;

(B) any fishery development foundation or other private nonprofit corporation located in Alaska; and

(C) any corporation, partnership, association, or other entity (including, but not limited to, any fishery development foundation or other private nonprofit corporation not located in Alaska), nonprofit or otherwise, if such entity is a citizen of the United States within the meaning of section 50501 of title 46 and for purposes of applying such section 50501 with respect to this section—

(i) the term "State" as used therein includes any State referred to in paragraph (3),

(ii) citizens of the United States must own not less than 75 percent of the interest in the entity or, in the case of a nonprofit entity, exercise control in the entity that is determined by the Secretary to be the equivalent of such ownership, and

(iii) nationals of the United States and citizens of the Northern Mariana Islands shall be treated as citizens of the United States in meeting the ownership and control requirements referred to in clause (ii).

(2) The term "Secretary" means the Secretary of Commerce.

(3) The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands of the United States, Guam, the Northern Mariana Islands, and any other Commonwealth, territory, or possession of the United States.

(4) The term "United States fishery" means any fishery, including any tuna fishery, that is, or may be, engaged in by citizens or nationals of the United States or citizens of the Northern Mariana Islands.

(5) The term "citizen of the Northern Mariana Islands" means—

(A) an individual who qualifies as such under section 8 of the Schedule on Transitional Matters attached to the Constitution of the Northern Mariana Islands; or

(B) a corporation, partnership, association, or other entity organized or existing under the laws of the Northern Mariana Islands, not less than 75 percent of the interest in which is owned by individuals referred to in subparagraph (A) or citizens or nationals of the United States, in cases in which "owned" is used in the same sense as in section 50501 of title 46.

(b) Transfer of funds

(1) The Secretary of Agriculture shall transfer to the Secretary each fiscal year, beginning with the fiscal year commencing July 1, 1954, and ending on June 30, 1957, from moneys made available to carry out the provisions of section

612c of title 7, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals, and any products thereof, including processed and manufactured products), which shall be maintained in a separate fund only for—

(A) use by the Secretary—

(i) to provide financial assistance for the purpose of carrying out fisheries research and development projects approved under subsection (c) of this section,¹

(ii) to implement the national fisheries research and development program provided for under subsection (d) of this section;

(iii) to implement the Northwest Atlantic Ocean Fisheries Reinvestment Program established under section 1863 of title 16; and

(iv) to fund the Federal share of a fishing capacity reduction program established under section 1861a of title 16; and

(B) the provision of moneys, subject to paragraph (2), to carry out the purposes of the Fisheries Promotion Fund established under section 208(a)² of the Fish and Seafood Promotion Act of 1986 [16 U.S.C. 4008(a)].

(2) There are transferred from the fund established under paragraph (1) to the Fisheries Promotion Fund referred to in paragraph (1)(B) \$750,000 in fiscal year 1987, \$3,000,000 in each of fiscal years 1988 and 1989, and \$2,000,000 in each of fiscal years 1990 and 1991.

(c) Fisheries research and development projects

(1) The Secretary shall make grants from the fund established under subsection (b) of this section to assist persons in carrying out research and development projects addressed to any aspect of United States fisheries, including, but not limited to, harvesting, processing, marketing, and associated infrastructures.

(2) The Secretary shall—

(A) at least once each fiscal year, receive, during a 60-day period specified by him, applications for grants under this subsection;

(B) prescribe the form and manner in which applications for grants under this subsection must be made, including, but not limited to, the specification of the information which must accompany applications to ensure that the proposed projects comply with Federal law and can be evaluated in accordance with paragraph (3)(B); and

(C) approve or disapprove each such application before the close of the 120th day after the last day of the 60-day period (specified under subparagraph (a)) in which the application was received.

(3) No application for a grant under this subsection may be approved unless the Secretary—

(A) is satisfied that the applicant has the requisite technical and financial capability to carry out the project; and

(B) evaluates the proposed project as to—

(i) soundness of design,

(ii) the possibilities of securing productive results,

(iii) minimization of duplication with other fisheries research and development projects,

(iv) the organization and management of the project,

(v) methods proposed for monitoring and evaluating the success or failure of the project, and

(vi) such other criteria as the Secretary may require.

(4) Each grant made under this subsection shall be subject to such terms and conditions as the Secretary may require to protect the interests of the United States, including, but not limited to, the following:

(A) The recipient of the grant must keep such records as the Secretary shall require as being necessary or appropriate for disclosing the use made of grant funds and shall allow the Secretary and the Comptroller General of the United States, or any of their authorized representatives, access to such records for purposes of audit and examination.

(B) The amount of a grant may not be less than 50 percent of the estimated cost of the project.

(C) The recipient of the grant must submit to the Secretary periodic project status reports.

(5)(A) If the cost of a project will be shared by the grant recipient, the Secretary shall accept, as a part or all of that share, the value of in-kind contributions made by the recipient, or made available to, and applied by, the recipient, with respect to the project.

(B) For purposes of subparagraph (A), in-kind contributions may be in the form of, but are not limited to, personal services rendered in carrying out functions related to, and permission to use real or personal property owned by others (for which consideration is not required) in carrying out the project. The Secretary shall establish (i) the training, experience, and other qualifications which shall be required in order for services to be considered as in-kind contributions; and (ii) the standards under which the Secretary will determine the value of in-kind contributions for purposes of subparagraph (A).

(C) Any valuation determination made by the Secretary for purposes of this paragraph shall be conclusive.

(d) National fisheries research and development program

(1) The Secretary shall carry out a national program of research and development addressed to such aspects of United States fisheries (including, but not limited to, harvesting, processing, marketing, and associated infrastructures) if not adequately covered by projects assisted under subsection (c) of this section, as the Secretary deems appropriate.

(2) The Secretary shall, after consultation with appropriate representatives of the fishing industry, submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives, an annual report, that must be submitted not later than 60 days before the close of each fiscal year, containing—

¹ So in original. The comma probably should be a semicolon.

² So in original. Probably should be section "209(a)".

(A) the fisheries development goals and funding priorities under paragraph (1) for the next fiscal year;

(B) a description of all pending projects assisted under subsection (c) of this section or carried out under paragraph (1), in addition to—

- (i) a list of those applications approved and those disapproved under subsection (c) of this section, and the total amount of grants made, for the current fiscal year, and
- (ii) a statement of the extent to which available funds were not obligated or expended by the Secretary for grants under subsection (c) of this section during the current fiscal year; and

(C) an assessment of each project assisted under subsection (c) of this section or carried out under paragraph (1) that was completed in the preceding fiscal year regarding the extent to which (i) the objectives of the project were attained, and (ii) the project contributed to fishery development.

(e) Allocation of fund moneys

(1) Notwithstanding any other provision of law, all moneys in the fund shall be used exclusively for the purpose of promoting United States fisheries in accordance with the provisions of this section, and no such moneys shall be transferred from the fund for any other purpose. With respect to any fiscal year, all moneys in the fund, including the sum of all unexpended moneys carried over into that fiscal year and all moneys transferred to the fund under subsection (b) of this section or any other provision of law with respect to that fiscal year, shall be allocated as follows:

(A) the Secretary shall use no less than 60 per centum of such moneys to make direct industry assistance grants to develop the United States fisheries and to expand domestic and foreign markets for United States fishery products pursuant to subsection (c) of this section; and

(B) the Secretary shall use the balance of the moneys in the fund to finance those activities of the National Marine Fisheries Service which are directly related to development of the United States fisheries pursuant to subsection (d) of this section.

(2) The Secretary shall, consistent with the number of meritorious applications received with respect to any fiscal year, obligate or expend all of the moneys in the fund described in paragraph (1). Any such moneys which are not expended in a given fiscal year shall remain available for expenditure in accordance with this section without fiscal year limitation, except that the Secretary shall not obligate such moneys at a rate less than that necessary to prevent the balance of moneys in the fund from exceeding \$3,000,000 at the end of any fiscal year.

(Aug. 11, 1939, ch. 696, § 2, 53 Stat. 1412; July 1, 1954, ch. 447, 68 Stat. 376; Aug. 8, 1956, ch. 1036, § 12(b), 70 Stat. 1124; Pub. L. 89-348, § 1(13), Nov. 8, 1965, 79 Stat. 1311; Pub. L. 96-561, title II, § 210, Dec. 22, 1980, 94 Stat. 3287; Pub. L. 97-424, title IV, § 423(a), Jan. 6, 1983, 96 Stat. 2164; Pub. L. 99-659, title II, § 209(e), Nov. 14, 1986, 100 Stat.

3721; Pub. L. 101-627, title VII, § 703, Nov. 28, 1990, 104 Stat. 4463; Pub. L. 102-567, title IX, § 902(c), Oct. 29, 1992, 106 Stat. 4319; Pub. L. 104-208, div. A, title I, § 101(a) [title II, § 211(b)], Sept. 30, 1996, 110 Stat. 3009, 3009-41; Pub. L. 104-297, title I, § 116(c), Oct. 11, 1996, 110 Stat. 3603.)

CODIFICATION

“Section 50501 of title 46” substituted for “section 2 of the Shipping Act, 1916 (46 U.S.C. 802)” in subsec. (a)(1)(C) and (5)(B) and “such section 50501” substituted for “such section 2” in subsec. (a)(1)(C) on authority of Pub. L. 109-304, § 18(c), Oct. 6, 2006, 120 Stat. 1709, section 8(b) of which enacted parts A and B of subtitle V of Title 46, Shipping.

AMENDMENTS

1996—Subsec. (b)(1)(A)(iii). Pub. L. 104-208 made technical amendment to reference in original act which appears in text as reference to section 1863 of title 16.

Subsec. (b)(1)(A)(iv). Pub. L. 104-297 added cl. (iv).
Pub. L. 104-208 made technical amendment to reference in original act which appears in text as reference to section 1861a of title 16.

1992—Subsec. (b)(1)(A). Pub. L. 102-567 struck out “and” at end of cl. (i) and added cl. (iii).

1990—Subsec. (b)(2). Pub. L. 101-627 substituted “each of fiscal years 1990 and 1991” for “fiscal year 1990”.

1986—Subsec. (b). Pub. L. 99-659 designated existing provisions as introductory provisions and subpar. (A) of par. (1) and added pars. (1)(B) and (2).

1983—Subsec. (e). Pub. L. 97-424 amended subsec. (e) generally, which formerly had provided:

“(1) With respect to any fiscal year, not less than 50 percent of—

“(A) the moneys transferred to the fund under subsection (b) of this section or any other provision of law with respect to that fiscal year; and

“(B) such existing fund moneys carried over into that fiscal year;

shall be used by the Secretary during that fiscal year to provide financial assistance for projects under subsection (c) of this section; and the remainder of such moneys in the fund shall be used to implement the national fisheries research and development program established under subsection (d) of this section during that fiscal year.

“(2) Moneys accruing to the fund established under subsection (b) of this section for any fiscal year and not expended with respect to that year shall remain available for expenditure under this section without fiscal year limitation.”

1980—Subsec. (a). Pub. L. 96-561, § 210(2), (3), added subsec. (a) and redesignated former subsec. (a) as (b).

Subsec. (b). Pub. L. 96-561, § 210(1), (2), (4), redesignated subsec. (a) as (b), substituted “transfer to the Secretary” for “transfer to the Secretary of Commerce”, “only for use by the Secretary” for “and used by the Secretary of Commerce”, and provision directing that the fund be used to provide financial assistance for carrying out fisheries research and development projects and to implement the national fisheries research and development program for provision directing that the fund be used to promote free flow of domestically produced fisheries products by conducting a fishery educational service and fishery technological, biological, and related research programs, to acquire, construct, or maintain vessels and other facilities necessary for conducting research, to develop and increase markets for fishery products of domestic origin, and to conduct any biological, technological, or other research pertaining to American fisheries, and struck out former subsec. (b) which authorized any agency or wholly owned government corporation of the United States to transfer to the Secretary of Commerce any vessels or equipment excess to its needs.

Subsec. (c). Pub. L. 96-561, § 210(1), (5), added subsec. (c) and struck out former subsec. (c) which directed the Secretary of Commerce to cooperate with other Fed-

eral, State, and local agencies for promotion of free flow of domestically produced fishery products and provided for the appointment of an advisory committee of the American fisheries industry to advise the Secretary in formulation of policy, rules, and regulations.

Subsec. (d). Pub. L. 96-561, § 210(1), (5), added subsec. (d) and struck out former subsec. (d) which authorized the Secretary of Commerce to retransfer any funds available under this section, not to exceed \$1,500,000, to the Secretary of Agriculture to be used for the purposes specified in section 713c-2 of this title.

Subsec. (e). Pub. L. 96-561, § 210(1), (5), added subsec. (e) and struck out former subsec. (e) which provided that the special fund created for use of the Secretary of Commerce under subsec. (a) of this section and the annual accruals thereto be available for each year until expended by the Secretary.

1965—Subsec. (f). Pub. L. 89-348 repealed subsec. (f) which required an annual report to the appropriate committees of Congress on the use of the separate fund.

1956—Subsec. (e). Act Aug. 8, 1956, struck out provisions which limited expenditures to not more than \$3,000,000 in any fiscal year, restricted the balance of the fund to not more than \$5,000,000 at the end of any fiscal year, and required the Secretary of the Interior to retransfer funds in excess of the \$5,000,000 to the Secretary of Agriculture.

1954—Act July 1, 1954, amended section generally, to encourage the distribution of fishery products.

EFFECTIVE DATE OF 1996 AMENDMENT

Section 101(a) [title II, § 211(b)] of div. A of Pub. L. 104-208 provided that the amendment made by that section is effective 15 days after Oct. 11, 1996.

EFFECTIVE DATE OF 1983 AMENDMENT

Section 423(b) of Pub. L. 97-424 provided that: "The amendment made by subsection (a) of this section [amending this section] shall take effect on October 1, 1983."

SHORT TITLE

Section 2 of act Aug. 11, 1939, which enacted this section, is popularly known as the "Saltonstall-Kennedy Act".

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (d)(2) of this section relating to submitting annual report to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 50 of House Document No. 103-7.

ABOLITION OF HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

Committee on Merchant Marine and Fisheries of House of Representatives abolished and its jurisdiction transferred by House Resolution No. 6, One Hundred Fourth Congress, Jan. 4, 1995. Committee on Merchant Marine and Fisheries of House of Representatives treated as referring to Committee on Resources of House of Representatives in case of provisions relating to fisheries, wildlife, international fishing agreements, marine affairs (including coastal zone management) except for measures relating to oil and other pollution of navigable waters, or oceanography by section 1(b)(3) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Resources of House of Representatives changed to Committee on Natural Resources of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007.

TRANSFER OF FUNCTIONS

Functions of all officers, agencies, and employees of Department of Agriculture transferred, with certain exceptions, to Secretary of Agriculture by Reorg. Plan

No. 2 of 1953, § 1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

CONTINUATION OF AUTHORIZATION FOR TRANSFER OF FUNDS

Section 12(a) of act Aug. 8, 1956, provided that: "The authorization for the transfer of certain funds from the Secretary of Agriculture to the Secretary of the Interior and their maintenance in a separate fund as contained in section 2(a) of the Act of August 11, 1939, as amended July 1, 1954 (68 Stat. 376), [now subsec. (b) of this section], shall be continued for the year ending June 30, 1957, and each year thereafter."

TERMINATION OF ADVISORY COMMITTEES

Advisory committees in existence on Jan. 5, 1973, to terminate not later than the expiration of the 2-year period following Jan. 5, 1973, unless, in the case of a committee established by the President or an officer of the Federal Government, such committee is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a committee established by the Congress, its duration is otherwise provided by law. See section 14 of Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 776, set out in the Appendix to Title 5, Government Organization and Employees.

SUBCHAPTER II—COMMODITY CREDIT CORPORATION

§ 714. Creation and purpose of Corporation

For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers (hereinafter collectively referred to as "agricultural commodities"), and of facilitating the orderly distribution of agricultural commodities, there is created a body corporate to be known as Commodity Credit Corporation (hereinafter referred to as the "Corporation"), which shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary").

(June 29, 1948, ch. 704, § 2, 62 Stat. 1070; June 7, 1949, ch. 175, § 1, 63 Stat. 154.)

AMENDMENTS

1949—Act June 7, 1949, placed the general supervision and direction of the Commodity Credit Corporation in the Secretary of Agriculture.

EFFECTIVE DATE

Section 18 of act June 29, 1948, provided that sections 714 to 714o of this title shall take effect as of midnight June 30, 1948.

SHORT TITLE

Congress in enacting sections 714 to 714p of this title provided by section 1 of act June 29, 1948, that they should be popularly known as the "Commodity Credit Corporation Charter Act".

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

For exception of functions of corporations of Department of Agriculture from transfer of functions to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, see Exceptions From Transfer of Functions note set out under section 712a of this title.

ESTABLISHING QUALITY AS GOAL FOR COMMODITY CREDIT CORPORATION PROGRAMS

Pub. L. 101-624, title XXV, § 2517, formerly § 2518, Nov. 28, 1990, 104 Stat. 4078, as renumbered by Pub. L. 104-66,