

**§ 2631. Supplies: preference to United States vessels**

(a) Only vessels of the United States or belonging to the United States may be used in the transportation by sea of supplies bought for the Army, Navy, Air Force, or Marine Corps. However, if the President finds that the freight charged by those vessels is excessive or otherwise unreasonable, contracts for transportation may be made as otherwise provided by law. Charges made for the transportation of those supplies by those vessels may not be higher than the charges made for transporting like goods for private persons.

(b)(1) In each request for proposals to enter into a time-charter contract for the use of a vessel for the transportation of supplies under this section, the Secretary of Defense shall require that any reflagging or repair work on a vessel for which a proposal is submitted in response to the request for proposals be performed in the United States (including any territory of the United States).

(2) In paragraph (1), the term “reflagging or repair work” means work performed on a vessel—

(A) to enable the vessel to meet applicable standards to become a vessel of the United States; or

(B) to convert the vessel to a more useful military configuration.

(3) The Secretary of Defense may waive the requirement described in paragraph (1) if the Secretary determines that such waiver is critical to the national security of the United States. The Secretary shall immediately notify the Congress of any such waiver and the reasons for such waiver.

(Aug. 10, 1956, ch. 1041, 70A Stat. 146; Pub. L. 103-160, div. A, title III, §315(a), Nov. 30, 1993, 107 Stat. 1619.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2631 .....	10:1365. 34:528.	Apr. 28, 1904, ch. 1766, 33 Stat. 518.

The word “supplies” is substituted for the words “coal, provisions, fodder, or supplies of any description”, in 10:1365 and 34:528. The words “pursuant to law” and “the use of”, in 10:1365 and 34:528, are omitted as surplusage. The words “as otherwise provided by law”, in 10:1365 and 34:528, are used rather than the words “under the law as it now exists”, in section 1 of the Act of April 28, 1904, ch. 1766, 33 Stat. 518. The word “may” is substituted for the word “shall”. The words “However, if” are substituted for the words “unless \* \* \* in which case”. The words “private persons” are substituted for the words “private parties or companies”, in 10:1365 and 34:528. The last sentence is substituted for the proviso of 10:1365 and 34:528.

AMENDMENTS

1993—Pub. L. 103-160 designated existing provisions as subsec. (a) and added subsec. (b).

EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-160, div. A, title III, §315(b), Nov. 30, 1993, 107 Stat. 1619, provided that: “The amendment made by subsection (a) [amending this section] shall apply to a vessel for which reflagging or repair work is necessary

to be performed after the date of the enactment of this Act [Nov. 30, 1993].”

OBTAINING CARRIAGE BY VESSEL: CRITERION REGARDING OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN THE UNITED STATES

Pub. L. 109-364, div. A, title X, §1017, Oct. 17, 2006, 120 Stat. 2379, as amended by Pub. L. 110-181, div. A, title X, §1063(c)(9), div. C, title XXXV, §3526(a), Jan. 28, 2008, 122 Stat. 323, 601, provided that:

“(a) ACQUISITION POLICY.—In order to maintain the national defense industrial base, the Secretary of Defense shall issue an acquisition policy that establishes, as a criterion required to be considered in obtaining carriage by vessel of cargo for the Department of Defense, the extent to which an offeror of such carriage had overhaul, repair, and maintenance work for covered vessels of the offeror performed in shipyards located in the United States.

“(b) COVERED VESSELS.—A vessel is a covered vessel of an offeror under this section if the vessel is—

“(1) owned, operated, or controlled by the offeror; and

“(2) qualified to engage in the carriage of cargo in the coastwise or non-contiguous trade under sections 12112 and 50501 and chapter 551 of title 46, United States Code.

“(c) APPLICATION OF POLICY.—The acquisition policy shall include rules providing for application of the policy to covered vessels as expeditiously as is practicable based on the nature of carriage obtained, and by no later than June 1, 2007.

“(d) REGULATIONS.—

“(1) IN GENERAL.—The Secretary shall prescribe regulations as necessary to carry out the acquisition policy and submit such regulations to the Committees on Armed Services of the Senate and the House of Representatives, by not later than June 1, 2007.

“(2) INTERIM REGULATIONS.—

“(A) IN GENERAL.—The Secretary may prescribe interim regulations as necessary to carry out the acquisition policy. For this purpose, the Secretary is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code.

“(B) SUBMISSION TO CONGRESS.—Upon the issuance of interim regulations under this paragraph, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives the interim regulations and a description of the acquisition policy developed (or being developed) under subsection (a).

“(C) EXPIRATION.—All interim regulations prescribed under the authority of this paragraph that are not earlier superseded by final regulations shall expire no later than June 1, 2007.

“(e) ANNUAL REPORT.—The Secretary, acting through the United States Transportation Command, shall annually submit to the Committees on Armed Services of the Senate and the House of Representatives a report regarding overhaul, repair, and maintenance performed on covered vessels of each offeror of carriage to which the acquisition policy applies.

“(f) DEFINITIONS.—In this section:

“(1) FOREIGN SHIPYARD.—The term ‘foreign shipyard’ means a shipyard that is not located in the United States.

“(2) UNITED STATES.—The term ‘United States’ means—

“(A) any State of the United States; and

“(B) Guam.”

[Pub. L. 110-181, div. C, title XXXV, §3526(a), Jan. 28, 2008, 122 Stat. 601, which directed amendment of section 1017(b)(2) of Pub. L. 109-364, set out above, by substituting “sections 12112, 50501, and 55102 of title 46, United States Code” for “section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), section 12106 of title 46, United States Code, and section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)”, could not be executed because those words did not appear subsequent to amendment by sec-

tion 1063(c)(9) of Pub. L. 110-181, which was effective as of Oct. 17, 2006, and as if included in Pub. L. 109-364 as enacted. See Effective Date of 2008 Amendment note under section 624 of this title.]

DELEGATION OF AUTHORITY UNDER THE CARGO  
PREFERENCE ACT

Memorandum of the President of the United States, Aug. 7, 1985, 50 F.R. 36565, provided:

Memorandum for the Honorable Caspar W. Weinberger, the Secretary of Defense

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 301 of Title 3 of the United States Code, I hereby delegate to the Secretary of Defense all the functions vested in me by the Cargo preference Act of 1904, 10 U.S.C. 2631. This authority may be redelegated.

This memorandum shall be published in the Federal Register.

RONALD REAGAN.

**§ 2631a. Contingency planning: sealift and related intermodal transportation requirements**

(a) CONSIDERATION OF PRIVATE CAPABILITIES.—The Secretary of Defense shall ensure that all studies and reports of the Department of Defense, and all actions taken in the Department of Defense, concerning sealift and related intermodal transportation requirements take into consideration the full range of the transportation and distribution capabilities that are available from operators of privately owned United States flag merchant vessels.

(b) PRIVATE CAPACITIES PRESENTATIONS.—The Secretary shall afford each operator of a vessel referred to in subsection (a), not less often than annually, an opportunity to present to the Department of Defense information on its port-to-port and intermodal transportation capacities.

(Added Pub. L. 103-160, div. A, title XI, §1173(a), Nov. 30, 1993, 107 Stat. 1767.)

**§ 2632. Transportation to and from certain places of employment and on military installations**

(a)(1) Whenever the Secretary of the military department concerned determines that it is necessary for the effective conduct of the affairs of his department, the Secretary may provide the transportation described in paragraph (2).

(2) Transportation that may be provided under this subsection is assured and adequate transportation by motor vehicle or water carrier as follows:

(A) Transportation among places on a military installation (including any subinstallation of a military installation).

(B) Transportation to and from their places of duty or employment on a military installation for persons covered by this subsection.

(C) Transportation to and from a military installation for persons covered by this subsection and their dependents, in the case of a military installation located in an area determined by the Secretary concerned not to be adequately served by regularly scheduled, and timely, commercial or municipal mass transit services.

(D) Transportation to and from their places of employment for persons attached to, or employed in, a private plant that is manufacturing material for that department, but only

during a war or a national emergency declared by Congress or the President.

(3) Except as provided under subsection (b)(3), transportation under this subsection shall be provided at reasonable rates of fare under regulations prescribed by the Secretary of Defense.

(4) Persons covered by this subsection, in the case of any military installation, are members of the armed forces, employees of the military department concerned, and other persons attached to that department who are assigned to or employed at that installation.

(b)(1) Transportation described in subparagraphs (B), (C), and (D) of subsection (a)(2) may not be provided unless the Secretary concerned, or an officer of the department concerned designated by the Secretary, determines that—

(A) other facilities are inadequate and cannot be made adequate;

(B) a reasonable effort has been made to induce operators of private facilities to provide the necessary transportation; and

(C) the service to be furnished will make proper use of transportation facilities and will supply the most efficient transportation to the persons concerned.

(2) The Secretary of Defense shall require that, in determining whether to provide transportation described in subsection (a)(2)(A) at any military installation, the Secretary of the military department concerned shall give careful consideration to the potential for saving energy and reducing air pollution.

(3) In providing transportation described in subsection (a)(2)(A) at any military installation, the Secretary concerned may not require a fare for the transportation of members of the armed forces if the transportation is incident to the performance of duty. In providing transportation described in subsection (a)(2)(C) to and from any military installation, the Secretary concerned (under regulations prescribed under subsection (a)(3)) may waive any requirement for a fare.

(4) The authority under subsection (a) to enter into contracts under which the United States is obligated to make outlays shall be effective for any fiscal year only to the extent that the budget authority for such outlays is provided in advance by appropriation Acts.

(c) To provide transportation under subsection (a), the department may—

(1) buy, lease, or charter motor vehicles or water carriers having a seating capacity of 12 or more passengers;

(2) maintain and operate that equipment by—

(A) enlisted members of the Army, Navy, Air Force, Marine Corps, or the Coast Guard, as the case may be;

(B) employees of the department concerned; and

(C) private persons under contract; and

(3) lease or charter the equipment to private or public carriers for operation under terms that are considered necessary by the Secretary or by an officer of the department designated by the Secretary, and that may provide for the pooling of Government-owned and privately owned equipment and facilities and for the reciprocal use of that equipment.