

(3) If routine port or airport services are furnished under this section by a working-capital fund activity of the Navy established under section 2208 of this title and such activity is not reimbursed directly for the costs incurred by the activity in furnishing those services by reason of paragraph (2), the working-capital fund activity shall be reimbursed for such costs out of operating funds currently available to the Navy.

(c) Payments for supplies and services furnished under this section may be credited to current appropriations so as to be available for the same purpose as the appropriation initially charged.

(Aug. 10, 1956, ch. 1041, 70A Stat. 447; Pub. L. 86-55, §1, June 23, 1959, 73 Stat. 89; Pub. L. 98-94, title XII, §1219(a), Sept. 24, 1983, 97 Stat. 691; Pub. L. 98-525, title XIV, §1405(49), Oct. 19, 1984, 98 Stat. 2625; Pub. L. 102-190, div. A, title X, §1048, Dec. 5, 1991, 105 Stat. 1468.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7227	34 U.S.C. 555d, 34 U.S.C. 555e.	May 27, 1953, ch. 67, 67 Stat. 34.

AMENDMENTS

1991—Subsec. (a). Pub. L. 102-190, §1048(a), struck out “friendly” before “foreign country” in introductory provisions and “friendly” before “foreign countries” in pars. (1) to (4).

Subsec. (b)(2). Pub. L. 102-190, §1048(b), struck out subpar. (A) designation, substituted “naval vessels of a foreign country” for “naval vessels of an allied country”, inserted after first sentence “When furnishing routine airport services under this section to military aircraft of a foreign country, the Secretary may furnish such services without reimbursement if such services are provided under an agreement that provides for the reciprocal furnishing by such country of routine airport services to military aircraft of the United States without reimbursement.”, designated last sentence relating to furnishing of routine services by a working-capital fund activity of the Navy as par. (3), and struck out former subpar. (B) which defined “allied country”.

Subsec. (b)(3). Pub. L. 102-190, §1048(b)(5), designated last sentence of par. (2) relating to furnishing of routine services by a working-capital fund activity of the Navy as par. (3) and substituted “port or airport services” for “port services” and “paragraph (2)” for “this paragraph”.

1984—Subsec. (a)(1), (2). Pub. L. 98-525, §1405(49)(A), (C), in cls. (1) and (2), substituted “Routine” for “routine” and a period for the semicolon at the end.

Subsec. (a)(3). Pub. L. 98-525, §1405(49)(B), (D), substituted “Miscellaneous” for “miscellaneous” and a period for “; and”.

1983—Subsec. (b). Pub. L. 98-94 designated existing provisions as par. (1) and added par. (2).

1959—Pub. L. 86-55 authorized supplies and services to be furnished by any United States naval vessel or activity, and the furnishing of supplies and services to aircraft, eliminated provisions which limited the furnishing of supplies on a reimbursable basis to ships of foreign countries that had entered into a prior reciprocal agreement, and which permitted services, including overhauling, repairs, alterations and installation of equipment, to be furnished only if funds to cover the estimated cost thereof were advanced, and permitted the furnishing of routine port and airport services at no cost where such services are without direct cost to the Navy.

EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 98-94, title XII, §1219(b), Sept. 24, 1983, 97 Stat. 691, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on October 1, 1983.”

§ 7228. Merchant vessels: supplies

(a) The Secretary of the Navy, under such regulations as he prescribes, may sell to a merchant ship such fuel and other supplies as may be required to meet its necessities if the ship is unable—

(1) to procure the supplies from other sources at its present location; and

(2) to proceed to the nearest port where they may be obtained without endangering the safety of the ship, the health and comfort of its personnel, or the safe condition of the property carried on it.

(b) Sales under this section shall be at such prices as the Secretary considers reasonable. Payment shall be made on a cash basis or on such other basis as will reasonably assure prompt payment. Amounts received from such a sale shall, unless otherwise directed by another provision of law, be credited to the current appropriation concerned and are available for the same purposes as that appropriation.

(Aug. 10, 1956, ch. 1041, 70A Stat. 448.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7228	34 U.S.C. 555f.	June 4, 1954, ch. 264, §3, 68 Stat. 176.

§ 7229. Purchase of fuel

In buying fuel, the Secretary of the Navy may, in any manner he considers proper, buy the kind of fuel that is best adapted to the purpose for which it is to be used.

(Aug. 10, 1956, ch. 1041, 70A Stat. 448.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7229	34 U.S.C. 580.	R.S. 3728.

The first sentence is omitted as covered by §2 of the Act of Mar. 3, 1933, ch. 212 (41 U.S.C. 10a). The words “for the Navy, or for naval stations and yards” are omitted, since R.S. 3728 has been interpreted as authorizing the Armed Services Petroleum Purchasing Agency to negotiate contracts for the purchase of fuel, not only when acting as a procuring activity for the Navy, but also when filling the consolidated fuel requirements of the armed forces. The word “may” is substituted for the words “shall have the power to” for uniformity. The words “discriminate and” are omitted as surplusage.

[§ 7230. Repealed. Pub. L. 103-160, div. A, title VIII, § 824(a)(4), Nov. 30, 1993, 107 Stat. 1707]

Section, added Pub. L. 85-43, §1(1), May 31, 1957, 71 Stat. 44; amended Pub. L. 87-651, title I, §125, Sept. 7, 1962, 76 Stat. 514, related to sale of degaussing equipment.

§ 7231. Accounting for expenditures for obtaining information

When the Secretary of the Navy decides that an expenditure by the Department of the Navy from an appropriation for obtaining information from anywhere in the world may be made public, the expenditure shall be accounted for specifically. When the Secretary decides that an expenditure should not be made public, the Secretary shall make a certificate on the amount of the expenditure. The certificate is a sufficient voucher for the amount stated to have been spent.

(Added Pub. L. 97-258, § 2(b)(11)(B), Sept. 13, 1982, 96 Stat. 1057.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7231	31:108.	Aug. 29, 1916, ch. 417 (2d proviso under heading "Pay, Miscellaneous"), 39 Stat. 557.

The words "anywhere in the world" are substituted for "abroad and at home", and the words "decides that an expenditure should not be made public" are substituted for "may think it advisable not to specify", for clarity and consistency.

§ 7233.¹ Auxiliary vessels: extended lease authority

(a) AUTHORIZED CONTRACTS.—Subject to subsection (b), the Secretary of the Navy may enter into contracts with private United States shipyards for the construction of new surface vessels to be acquired on a long-term lease basis by the United States from the shipyard or other private person for any of the following:

- (1) The combat logistics force of the Navy.
- (2) The strategic sealift force of the Navy.
- (3) Other auxiliary support vessels for the Department of Defense.

(b) CONTRACTS REQUIRED TO BE AUTHORIZED BY LAW.—A contract may be entered into under subsection (a) with respect to a specific vessel only if the Secretary is specifically authorized by law to enter into such a contract with respect to that vessel. As part of a request to Congress for enactment of any such authorization by law, the Secretary of the Navy shall provide to Congress the Secretary's findings under subsection (g).

(c) TERM OF CONTRACT.—In this section, the term "long-term lease" means a lease, bareboat charter, or conditional sale agreement with respect to a vessel the term of which (including any option period) is for a period of 20 years or more.

(d) OPTION TO BUY.—A contract entered into under subsection (a) may include options for the United States to purchase one or more of the vessels covered by the contract at any time during, or at the end of, the contract period (including any option period) upon payment of an amount equal to the lesser of (1) the unamortized portion of the cost of the vessel plus amounts incurred in connection with the termination of the financing arrangements associated

with the vessel, or (2) the fair market value of the vessel.

(e) DOMESTIC CONSTRUCTION.—The Secretary shall require in any contract entered into under this section that each vessel to which the contract applies—

- (1) shall have been constructed in a shipyard within the United States; and
- (2) upon delivery, shall be documented under the laws of the United States.

(f) VESSEL OPERATION.—(1) The Secretary may operate a vessel held by the Secretary under a long-term lease under this section through a contract with a United States corporation with experience in the operation of vessels for the United States. Any such contract shall be for a term as determined by the Secretary.

(2) The Secretary may provide a crew for any such vessel using civil service mariners only after an evaluation taking into account—

- (A) the fully burdened cost of a civil service crew over the expected useful life of the vessel;
- (B) the effect on the private sector manpower pool; and
- (C) the operational requirements of the Department of the Navy.

(g) CONTINGENT WAIVER OF OTHER PROVISIONS OF LAW.—(1) The Secretary may waive the applicability of subsections (e)(2) and (f) of section 2401 of this title to a contract authorized by law as provided in subsection (b) if the Secretary makes the following findings with respect to that contract:

(A) The need for the vessels or services to be provided under the contract is expected to remain substantially unchanged during the contemplated contract or option period.

(B) There is a reasonable expectation that throughout the contemplated contract or option period the Secretary of the Navy (or, if the contract is for services to be provided to, and funded by, another military department, the Secretary of that military department) will request funding for the contract at the level required to avoid contract cancellation.

(C) The timeliness of consideration of the contract by Congress is such that such a waiver is in the interest of the United States.

(2) The Secretary shall submit a notice of any waiver under paragraph (1) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(h) SOURCE OF FUNDS FOR TERMINATION LIABILITY.—If a contract entered into under this section is terminated, the costs of such termination may be paid from—

- (1) amounts originally made available for performance of the contract;
- (2) amounts currently available for operation and maintenance of the type of vessels or services concerned and not otherwise obligated; or
- (3) funds appropriated for those costs.

(Added Pub. L. 106-65, div. A, title X, § 1014(a)(1), Oct. 5, 1999, 113 Stat. 741.)

EFFECTIVE DATE

Pub. L. 106-65, div. A, title X, § 1014(c), Oct. 5, 1999, 113 Stat. 742, provided that: "Section 7233 of title 10, United

¹ So in original. No section 7232 has been enacted.