

Representatives of the amendments made under paragraph (1).”

**§ 665. Restriction on construction of vessels in foreign shipyards**

(a) Except as provided in subsection (b), no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard.

(b) The President may authorize exceptions to the prohibition in subsection (a) when the President determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date the notice of such determination is received by Congress.

(Added Pub. L. 100-448, §26(a), Sept. 28, 1988, 102 Stat. 1847.)

**§ 666. Local hire**

(a) Notwithstanding any other law, each contract awarded by the Coast Guard for construction or services to be performed in whole or in part in a State that has an unemployment rate in excess of the national average rate of unemployment (as determined by the Secretary of Labor) shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are local residents and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills. The Secretary of the department in which the Coast Guard is operating may waive the requirements of this subsection in the interest of national security or economic efficiency.

(b) LOCAL RESIDENT DEFINED.—As used in this section, “local resident” means a resident of, or an individual who commutes daily to, a State described in subsection (a).

(Added Pub. L. 101-225, title II, §206(a), Dec. 12, 1989, 103 Stat. 1912; amended Pub. L. 107-296, title XVII, §1704(a), Nov. 25, 2002, 116 Stat. 2314; Pub. L. 112-213, title II, §217(10), Dec. 20, 2012, 126 Stat. 1558.)

AMENDMENTS

2012—Subsec. (a). Pub. L. 112-213 substituted “of the department in which the Coast Guard is operating” for “of Homeland Security”.

2002—Subsec. (a). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 107-296, set out as a note under section 101 of Title 10, Armed Forces.

**§ 667. Vessel construction bonding requirements**

The Secretary or the Commandant may require bid, payment, performance, payment and performance, or completion bonds or other financial instruments from contractors for construction, alteration, repair, or maintenance of Coast Guard vessels if—

(1) the bond is required by law; or

(2) the Secretary or Commandant determines after investigation that the amount of the bond in excess of 20 percent of the value of the base contract quantity excluding options, would not prevent a responsible bidder or offeror from competing for award of the contract.

(Added Pub. L. 101-595, title III, §306(a), Nov. 16, 1990, 104 Stat. 2985.)

**§ 668. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care**

(a) The Secretary may contract for the delivery of health care to which covered beneficiaries are entitled under chapter 55 of title 10. The Secretary may enter into a contract under this section with any of the following:

(1) Health maintenance organizations.

(2) Preferred provider organizations.

(3) Individual providers, individual medical facilities, or insurers.

(4) Consortiums of these providers, facilities, or insurers.

(b) A contract entered into under this section may provide for the delivery of—

(1) selected health care services;

(2) total health care services for selected covered beneficiaries; or

(3) total health care services for all covered beneficiaries who reside in a geographic area designated by the Secretary.

(c) The Secretary may prescribe a premium, deductible, copayment, or other change for health care provided under this section.

(Added Pub. L. 101-595, title III, §319(a), Nov. 16, 1990, 104 Stat. 2989.)

**§ 669. Telephone installation and charges**

Under regulations prescribed by the Secretary, amounts appropriated to the Department of Homeland Security are available to install, repair, and maintain telephone wiring in residences owned or leased by the United States Government and, if necessary for national defense purposes in other private residences.

(Added Pub. L. 102-587, title V, §5204(a), Nov. 4, 1992, 106 Stat. 5074; amended Pub. L. 107-296, title XVII, §1704(a), Nov. 25, 2002, 116 Stat. 2314.)

AMENDMENTS

2002—Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

EFFECTIVE DATE OF 2002 AMENDMENT

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**§ 670. Procurement authority for family housing**

(a) The Secretary is authorized—

(1) to acquire, subject to the availability of appropriations sufficient to cover its full obligations, real property or interests therein by purchase, lease for a term not to exceed 5 years, or otherwise, for use as Coast Guard