

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53731(a)	46 App.:1279c(a) (1st sentence), (1), (4).	June 29, 1936, ch. 858, title XI, §1110, as added Pub. L. 96-320, title II, §203(a), Aug. 3, 1980, 94 Stat. 992; Pub. L. 97-31, §12(136), Aug. 6, 1981, 95 Stat. 166; Pub. L. 97-35, title XVI, §1606(f), Aug. 13, 1981, 95 Stat. 752; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 104-239, §11(3), Oct. 8, 1996, 110 Stat. 3134.
53731(b)	46 App.:1279c(a) (2d sentence words before (1)).	
53731(c)	46 App.:1279c(a)(2).	
53731(d)	46 App.:1279c(b).	
53731(e)	46 App.:1279c(a)(3).	
53731(f)	46 App.:1279c(c).	
53731(g)	46 App.:1279c(d).	
53731(h)	46 App.:1279c(e).	

In subsection (a), the words “upon such terms as he shall prescribe” are omitted as unnecessary because section 53702(a) of the revised title provides the Secretary authority to prescribe the terms. The text of 46 App. U.S.C. 1279c(a)(1) is omitted as obsolete.

In subsection (f)(1), the words “account established under section 53717(b)(1) of this title” are substituted for “Federal Ship Financing Fund” because the accounts under section 53717 replace the Federal Ship Financing Fund. See the explanation for section 53717.

In subsection (f)(2)(B), the word “conversion” is substituted for “conversional” to correct an apparent error.

AMENDMENTS

2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(a)(2)(H). See 2006 Amendment note below.

Pub. L. 110-181, §3522(a)(9)(D), incorporated the substance of the amendment by Pub. L. 109-163, §3507(a)(2)(H), into this section by substituting “Administrator” for “Secretary” wherever appearing, except when followed by “of Energy”. See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109-163, §3507(a)(2)(H), which directed the amendment of section 1279c of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, §3522(b). See 2008 Amendment notes and Historical and Revision notes above.

§ 53732. Eligible export vessels

(a) APPLICABLE TERMS.—The Administrator may guarantee an obligation for an eligible export vessel in accordance with—

- (1) the terms applicable under this chapter for vessels documented under the laws of the United States; or
- (2) other terms the Administrator determines are more favorable than those terms and compatible with export credit terms offered by foreign governments for the sale of vessels built in foreign shipyards.

(b) INTERAGENCY COUNCIL.—

- (1) ESTABLISHMENT.—There is an interagency council to carry out this section.
- (2) COMPOSITION.—The council is composed of the following individuals or their designees:
 - (A) The Administrator, who is the chairman of the council.
 - (B) The Secretary of the Treasury.
 - (C) The Secretary of State.
 - (D) The Assistant to the President for Economic Policy.

(E) The United States Trade Representative.

(F) The President and Chairman of the Export-Import Bank of the United States.

(3) FUNCTIONS.—The council shall—

- (A) obtain information on shipbuilding loan guarantees, direct and indirect subsidies, and other favorable treatment of shipyards provided by foreign governments to shipyards in competition with United States shipyards;
- (B) consult regularly with United States shipbuilders to obtain the essential information about international shipbuilding competition on which to set terms for loan guarantees under subsection (a)(2); and
- (C) provide guidance to the Administrator in establishing terms for loan guarantees under subsection (a)(2).

(4) ANNUAL REPORT.—Not later than January 31 of each year, the Administrator shall submit to Congress a report on activities of the Administrator under this section during the preceding year. The report shall include—

- (A) documentation of sources of information about assistance by governments of other countries to shipyards in those countries; and
- (B) a summary of recommendations made to the Administrator during the preceding year about applications submitted to the Administrator during that year for loan guarantees to construct eligible export vessels.

(c) REQUIRED FINDINGS.—

(1) BENEFIT TO SHIPBUILDING INDUSTRY.—The Administrator may not guarantee or make a commitment to guarantee an obligation for an eligible export vessel unless the Administrator finds that the construction, reconstruction, or reconditioning of the vessel will aid in the transition of United States shipyards to commercial activities or will preserve shipbuilding assets that would be essential in time of war or national emergency.

(2) PRIORITY OF DOCUMENTED VESSELS.—The Administrator may not make a commitment to guarantee an obligation for an eligible export vessel unless the Administrator determines that making the commitment will not result in denial of an economically sound application for a commitment to guarantee an obligation for a vessel documented under the laws of the United States and operating in the domestic or foreign commerce of the United States. The Administrator has sole discretion in making the determination. In making the determination, the Administrator shall consider—

- (A) the status and economic soundness of pending applications for commitments to guarantee obligations for vessels documented under the laws of the United States that are operating or will be operating in the domestic or foreign commerce of the United States; and
- (B) the amount of guarantee authority available.

(d) RESTRICTION ON TRANSFER OF VESSEL.—The Administrator may not guarantee or make a

commitment to guarantee an obligation for an eligible export vessel unless the owner of the vessel agrees with the Administrator that the vessel will not be transferred to a country designated by the Secretary of Defense as a country whose interests are hostile to the interests of the United States.

(e) REVIEW BY SECRETARY OF DEFENSE.—

(1) NOTIFICATION.—The Administrator shall promptly notify the Secretary of Defense of the receipt of an application for a loan guarantee for an eligible export vessel.

(2) DISAPPROVAL.—The Secretary of Defense, within 30 days after receiving the notice, may disapprove the guarantee based on an assessment of the potential use of the vessel in a manner that may harm the national security interests of the United States. The Secretary of Defense may not disapprove a guarantee solely because of the type of vessel to be constructed.

(3) DELEGATION.—The authority of the Secretary of Defense to disapprove a guarantee under this subsection may be delegated only to a civilian officer of the Department of Defense appointed by the President by and with the advice and consent of the Senate.

(4) PROHIBITION.—The Administrator may not make a loan guarantee disapproved by the Secretary of Defense under this subsection.

(f) EXPIRATION OF AUTHORITY.—The Administrator may not issue a commitment to guarantee an obligation for an eligible export vessel under this chapter after the last date on which such a commitment may be issued under any treaty or convention entered into after November 30, 1993, that prohibits guarantee of such an obligation.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1621; Pub. L. 109–163, div. C, title XXXV, § 3507(a)(1)(C), (D), (2)(E), (F), (I), (J), (b)(3)(A), (5), (8), Jan. 6, 2006, 119 Stat. 3555, 3556; Pub. L. 110–181, div. C, title XXXV, § 3522(a)(8), (9)(E), (b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53732(a)	46 App.:1279d(a).	June 29, 1936, ch. 858, title XI, §1111, as added Pub. L. 103–160, div. A, title XIII, §1355(a), Nov. 30, 1993, 107 Stat. 1811.
53732(b)	46 App.:1279d(b).	June 29, 1936, ch. 858, title XI, §1104A(d)(3), (j), as added Pub. L. 103–160, div. A, title XIII, §1356(3)(D), (E), Nov. 30, 1993, 107 Stat. 1813, 1814.
53732(c)(1) ..	46 App.:1274(d)(3)(A).	
53732(c)(2) ..	46 App.:1273(g)(1).	June 29, 1936, ch. 858, title XI, §1103(g), as added Pub. L. 103–160, div. A, title XIII, §1356(2)(B), Nov. 30, 1993, 107 Stat. 1812.
53732(d)	46 App.:1274(d)(3)(B).	
53732(e)	46 App.:1274(j).	
53732(f)	46 App.:1273(g)(2).	

In subsection (f), the source provides that the authority to issue commitments to guarantee obligations for eligible export vessels expires after the later of three events. The first event, which is “(A) the 5th anniversary of the date on which the Secretary publishes final regulations setting forth the application procedures for the issuance of commitments to guarantee obligations for eligible export vessels”, is omitted because the final

regulations were published on September 16, 1994. See 59 Fed. Reg. 47548. The second event, which is “(B) the last day of any 5-year period in which funding and guarantee authority for obligations for eligible export vessels have been continuously available”, is omitted because that date was November 11, 1998, five years after enactment of the Department of Defense Appropriations Act, 1994 (Pub. L. 103–139, Nov. 11, 1993, 107 Stat. 1418).

AMENDMENTS

2008—Pub. L. 110–181, §3522(b), repealed Pub. L. 109–163, §3507(a)(1)(C), (D), (2)(E), (F), (I), (J), (b)(3)(A), (5), (8). See 2006 Amendment note below.

Pub. L. 110–181, §3522(a)(8), (9)(E), incorporated the substance of the amendment by Pub. L. 109–163, §3507(a)(1)(C), (D), (2)(E), (F), (I), (J), (b)(3)(A), (5), (8), into this section by substituting “Administrator” for “Secretary of Transportation” in subsec. (b)(2)(A) and “Administrator” for “Secretary” wherever else appearing, except where “Secretary” was followed by “of the Treasury”, “of State”, or “of Defense”, and by inserting “of Defense” after “United States. The Secretary” in subsec. (e)(2). See 2006 Amendment note below and section 18(a) of Pub. L. 109–304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109–163, §3507(a)(1)(C), (D), (2)(E), (F), (I), (J), (b)(3)(A), (5), (8), which directed the amendment of sections 1273(g), 1274(d)(1)(A), (3), (j)(1), (2), and 1279d(a), (b)(1), (2), (4) of the former Appendix to this title from which this section was derived in part, was repealed by Pub. L. 110–181, §3522(b). See 2008 Amendment notes and Historical and Revision notes above.

§ 53733. Shipyard modernization and improvement

(a) DEFINITIONS.—In this section:

(1) ADVANCED SHIPBUILDING TECHNOLOGY.—The term “advanced shipbuilding technology” includes—

(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving shipbuilding and related industrial production that advance the state-of-the-art; and

(B) novel techniques and processes designed to improve shipbuilding quality, productivity, and practice, and to promote sustainable development, including engineering design, quality assurance, concurrent engineering, continuous process production technology, energy efficiency, waste minimization, design for recyclability or parts reuse, inventory management, upgraded worker skills, and communications with customers and suppliers.

(2) GENERAL SHIPYARD FACILITY.—The term “general shipyard facility” means—

(A) for operations on land—

(i) a structure or appurtenance thereto designed for the construction, reconstruction, repair, rehabilitation, or refurbishment of a vessel, including a graving dock, building way, ship lift, wharf, or pier crane;

(ii) the land necessary for the structure or appurtenance; and

(iii) equipment that is for use with the structure or appurtenance and that is necessary for performing a function referred to in clause (i); and