

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

(B) for operations not on land, a vessel, floating drydock, or barge built in the United States and used for, equipped to be used for, or of a type normally used for, performing a function referred to in subparagraph (A)(i).

(3) MODERN SHIPBUILDING TECHNOLOGY.—The term “modern shipbuilding technology” means the best available proven technology, techniques, and processes appropriate to enhancing the productivity of shipyards.

(b) GENERAL AUTHORITY.—Under subchapter I of this chapter, the Administrator may guarantee or make a commitment to guarantee the payment of the principal of and interest on an obligation for advanced shipbuilding technology and modern shipbuilding technology of a general shipyard facility in the United States. Only a private shipyard is eligible to receive a guarantee.

(c) APPLICABILITY OF OTHER PROVISIONS.—Except as otherwise provided in this section, a guarantee or commitment to guarantee under this section is subject to all the provisions applicable to a guarantee or commitment to guarantee under subchapter I of this chapter.

(d) AMOUNT OF OBLIGATION.—The principal amount of an obligation guaranteed under this chapter may not exceed 87.5 percent of the actual cost of the advanced shipbuilding technology or modern shipbuilding technology.

(e) TRANSFER OF AMOUNTS.—The Administrator may accept the transfer of amounts from a department, agency, or instrumentality of the United States Government and may use those amounts to cover the cost (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of making guarantees or commitments to guarantee under this section.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1623; Pub. L. 109–163, div. C, title XXXV, §3507(a)(2)(K), Jan. 6, 2006, 119 Stat. 3555; Pub. L. 110–181, div. C, title XXXV, §3522(a)(9)(F), (b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53733(a)	46 App.:1279e(d).	June 29, 1936, ch. 858, title XI, §1112, as added Pub. L. 103–160, div. A, title XIII, §1357(a), Nov. 30, 1993, 107 Stat. 1814.
53733(b)	46 App.:1279e(a). 46 App.:1280a.	Pub. L. 103–160, title XIII, §1358, Nov. 30, 1993, 107 Stat. 1816.
53733(c)	46 App.:1279e(b) (words before “except”).	
53733(d)	46 App.:1279e(b) (words beginning with “except”).	
53733(e)	46 App.:1279e(c).	

In subsection (a)(2)(A)(i), the words “(as defined in title 1)” are omitted as unnecessary because chapter 1 of the revised title contains a title-wide definition of “vessel” that incorporates the definition in title 1, United States Code.

In subsection (b), the words “and subject to the terms the Secretary shall be prescribe” are omitted as unnecessary because section 53702(a) of the revised title provides the Secretary authority to prescribe the terms. The words “Only a private shipyard is eligible to receive a guarantee” are substituted for 46 App. U.S.C. 1280a to eliminate unnecessary words.

AMENDMENTS

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

Subsecs. (b), (e). Pub. L. 110–181, §3522(a)(9)(F), incorporated the substance of the amendment by Pub. L. 109–163, §3507(a)(2)(K), into this section by substituting “Administrator” for “Secretary”. 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)(K), which directed the amendment of section 1279e 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 note for subsecs. (b), (e) and Historical and Revision notes above.

§53734. Replacement of vessels because of changes in operating standards

(a) GENERAL AUTHORITY.—Notwithstanding any other provision of this chapter, the Secretary or Administrator, on terms the Secretary or Administrator may prescribe, may guarantee or make a commitment to guarantee the payment of the principal of and interest on an obligation that aids in financing or refinancing (including reimbursement of an obligor for expenditures previously made for) a contract for the construction or reconstruction of a vessel if—

(1) the vessel is designed and to be used for commercial use in coastwise, intercoastal, or foreign trade;

(2) the construction or reconstruction is necessary to replace a vessel that cannot continue to be operated because of a change required by law in the standards for the operation of vessels, and the applicant for the guarantee or commitment would not otherwise legally be able to continue operating vessels in the trades in which the applicant operated vessels before the change;

(3) the applicant is presently engaged in transporting cargoes in vessels of the type and class that will be constructed or reconstructed under this section and agrees to employ vessels constructed or reconstructed under this section as replacements only for vessels made obsolete by the change in operating standards;

(4) the capacity of the vessels to be constructed or reconstructed under this section will not increase the cargo carrying capacity of the vessels being replaced;

(5) the Secretary or Administrator has not determined that the market demand for the vessel over its useful life will diminish so as to make granting the guarantee fiduciarily imprudent;

(6) the vessel, if to be reconstructed, will have a useful life of at least 15 years after the reconstruction; and

(7) the Secretary or Administrator has considered the criteria specified in section 53708(a)(3)–(5) of this title.

(b) TERM AND AMOUNT OF OBLIGATION.—

(1) TERM.—The term of an obligation guaranteed under this section may not exceed 25 years.

(2) AMOUNT.—The amount of an obligation guaranteed under this section may not exceed 87.5 percent of the actual cost or depreciated actual cost to the applicant for the construction or reconstruction of the vessel. The Sec-