

AMENDMENTS

2012—Pub. L. 112-213 substituted “Donation of non-retention vessels in the National Defense Reserve Fleet” for “Sale of obsolete vessels in National Defense Reserve Fleet” in section catchline.

§ 57104. Acquisition of vessels from sale of obsolete vessels

(a) **IN GENERAL.**—The Secretary of Transportation may acquire suitable documented vessels with amounts in the Vessel Operations Revolving Fund derived from the sale of obsolete vessels in the National Defense Reserve Fleet.

(b) **VALUATION.**—The acquired and obsolete vessels shall be valued at their scrap value in domestic or foreign markets as of the date of the acquisition for or sale from the Fleet. However, the value assigned to those vessels shall be determined on the same basis, with consideration given to the fair value of the cost of moving the vessel sold from the Fleet to the place of scrapping.

(c) **COSTS INCIDENT TO LAY-UP.**—Costs incident to the lay-up of the vessel acquired under this section may be paid from amounts in the Fund.

(d) **TRANSFERS TO NON-CITIZENS.**—A vessel sold from the Fleet under this section may be scrapped in an approved foreign market without obtaining additional separate approval from the Secretary to transfer the vessel to a person not a citizen of the United States.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1660.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57104	46 App.:1160(i).	June 29, 1936, ch. 858, title V, §510(i), as added Pub. L. 86-575, July 5, 1960, 74 Stat. 312; Pub. L. 89-254, §1, Oct. 10, 1965, 79 Stat. 960; Pub. L. 91-469, §13, Oct. 21, 1970, 84 Stat. 1022; Pub. L. 93-605, §1, Jan. 2, 1975, 88 Stat. 1965; Pub. L. 95-177, Nov. 15, 1977, 91 Stat. 1368; Pub. L. 97-31, §12(91), Aug. 6, 1981, 95 Stat. 161; Pub. L. 101-595, title VII, §704, Nov. 16, 1990, 104 Stat. 2994.

In subsection (b), the words “vessel sold from the Fleet” are substituted for “traded-out vessel” for clarity and consistency.

In subsection (d), the words “without obtaining additional separate approval from the Secretary to transfer the vessel to a person not a citizen of the United States” are substituted for “Notwithstanding the provisions of sections 808 and 835 of this Appendix” for clarity and to avoid the cross references.

§ 57105. Acquisition of vessels for essential services, routes, or lines

(a) **IN GENERAL.**—The Secretary of Transportation may acquire a vessel, by purchase or otherwise, if—

- (1) the Secretary considers the vessel necessary to establish, maintain, improve, or serve as a replacement on an essential service, route, or line in the foreign commerce of the United States, as determined under section 50103 of this title;
- (2) the vessel was constructed in the United States; and
- (3) the Secretary of the Navy has certified to the Secretary of Transportation that the ves-

sel is suitable for economical and speedy conversion into a naval or military auxiliary or otherwise suitable for use by the United States Government in time of war or national emergency.

(b) **PRICE.**—The price paid for the vessel shall be based on a fair and reasonable valuation. However, the price may not exceed by more than 5 percent the cost of the vessel to the owner (excluding any construction-differential subsidy and the cost of national defense features paid by the Secretary of Transportation) plus the actual cost previously expended for reconditioning, less depreciation based on a 25-year life for a dry-cargo or passenger vessel and a 20-year life for a tanker or other liquid bulk carrier vessel.

(c) **DOCUMENTATION.**—A vessel acquired under this section that is not documented under the laws of the United States at the time of acquisition shall be so documented as soon as practicable.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1660.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57105	46 App.:1125. 46 App.:1125 note.	June 29, 1936, ch. 858, title II, §215, as added June 23, 1938, ch. 600, §4, 52 Stat. 954; Pub. L. 86-518, §1, June 12, 1960, 74 Stat. 216; Pub. L. 97-31, §12(73), Aug. 6, 1981, 95 Stat. 160. Pub. L. 86-518, §9, June 12, 1960, 74 Stat. 217.

In subsection (a), the words “and to pay for the same out of his construction fund” are omitted as obsolete because the construction fund established under 46 App. U.S.C. 1116 was impliedly abolished by 46 App. U.S.C. 1119, as amended.

In subsection (b), the words “less depreciation based on a 25-year life for a dry-cargo or passenger vessel and a 20-year life for a tanker or other liquid bulk carrier vessel” are substituted for “less depreciation based upon a twenty-five year life expectancy of the vessel” because of section 9 of Public Law 86-518 (June 12, 1960, 74 Stat. 217), which provided that “Nothing in any amendment made by this Act [including section 1 substituting ‘twenty-five’ for ‘twenty’ in 46 App. U.S.C. 1125] shall operate or be interpreted to change from twenty to twenty-five years the provisions of the Merchant Marine Act, 1936, as amended, relating to the commercial expectancy or period of depreciation of any tanker or other liquid bulk carrier.”

§ 57106. Maintenance, improvement, and operation of vessels

(a) **IN GENERAL.**—The Secretary of Transportation may maintain, repair, recondition, remodel, and improve vessels owned by the United States Government and in the possession or under the control of the Secretary, to equip them adequately for competition in the foreign trade of the United States. The Secretary may operate such a vessel or charter the vessel on terms and conditions the Secretary considers appropriate to carry out the purposes of this subtitle.

(b) **DOCUMENTATION AND RESTRICTIONS ON OPERATION.**—A vessel reconditioned, remodeled, or improved under subsection (a) shall be documented under the laws of the United States and remain so documented for at least 5 years after completion of the reconditioning, remodeling, or