

of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

§ 8674. Examination of vessels; striking of vessels from Naval Vessel Register

(a) **BOARDS OF OFFICERS TO EXAMINE NAVAL VESSELS.**—(1) The Secretary of the Navy shall designate boards of naval officers to examine naval vessels, including unfinished vessels, for the purpose of making a recommendation to the Secretary as to which vessels, if any, should be stricken from the Naval Vessel Register. Each vessel shall be examined at least once every three years if practicable.

(2)(A) Except as provided in subparagraph (B), any naval vessel examined under this section on or after January 1, 2020, shall be examined with minimal notice provided to the crew of the vessel.

(B) Subparagraph (A) shall not apply to a vessel undergoing necessary trials before acceptance into the fleet.

(b) **ACTIONS BY BOARD.**—A board designated under subsection (a) shall submit to the Secretary in writing its recommendations as to which vessels, if any, among those it examined should be stricken from the Naval Vessel Register.

(c) **ACTION BY SECRETARY.**—If the Secretary concurs with a recommendation by a board that a vessel should be stricken from the Naval Vessel Register, the Secretary shall strike the name of that vessel from the Naval Vessel Register.

(d) **ANNUAL REPORT.**—(1) Not later than March 1 each year, the board designated under subsection (a) shall submit to the congressional defense committees a report setting forth the following:

(A) An overall narrative summary of the material readiness of Navy ships as compared to established material requirements standards.

(B) The overall number and types of vessels inspected during the preceding fiscal year.

(C) For in-service vessels, material readiness trends by inspected functional area as compared to the previous five years.

(2) Each report under this subsection shall be submitted in an unclassified form that is releasable to the public without further redaction.

(3) No report shall be required under this subsection after October 1, 2021.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1708, § 7304; renumbered § 8674 and amended Pub. L. 115-232, div. A, title III, § 322, title VIII, § 807(d)(2), Aug. 13, 2018, 132 Stat. 1719, 1836.)

AMENDMENTS

2018—Pub. L. 115-232, § 807(d)(2), renumbered section 7304 of this title as this section.

Subsec. (a). Pub. L. 115-232, § 322(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (d). Pub. L. 115-232, § 322(b), added subsec. (d).

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by section 807(d)(2) of Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

§ 8675. Vessels stricken from Naval Vessel Register: sale

(a) **APPRAISAL OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.**—The Secretary of the Navy shall appraise each vessel stricken from the Naval Vessel Register under section 8674 of this title.

(b) **AUTHORITY TO SELL VESSEL.**—If the Secretary considers that the sale of the vessel is in the national interest, the Secretary may sell the vessel. Any such sale shall be in accordance with regulations prescribed by the Secretary for the purposes of this section.

(c) **PROCEDURES FOR SALE.**—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

(2) In such a case, the Secretary may—

(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(d) **APPLICABILITY.**—This section does not apply to a vessel the disposal of which is authorized by subtitle I of title 40 and division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1708, § 7305; amended Pub. L. 105-85, div. A, title X, § 1021, Nov. 18, 1997, 111 Stat. 1875; Pub. L. 107-217, § 3(b)(28), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 108-136, div. A, title X, § 1045(a)(7), Nov. 24, 2003, 117 Stat. 1612; Pub. L. 111-350, § 5(b)(53), Jan. 4, 2011, 124 Stat. 3847; renumbered § 8675 and amended Pub. L. 115-232, div. A, title VIII, §§ 807(d)(2), 809(a), Aug. 13, 2018, 132 Stat. 1836, 1840.)

AMENDMENTS

2018—Pub. L. 115-232, § 807(d)(2), renumbered section 7305 of this title as this section.

Subsec. (a). Pub. L. 115-232, § 809(a), substituted “section 8674” for “section 7304”.

2011—Subsec. (d). Pub. L. 111-350 substituted “division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions” for “title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), if it is to be disposed of under subtitle I of title 40 and such title III”.

2003—Subsec. (d). Pub. L. 108-136 inserted “such” before “title III.”

2002—Subsec. (d). Pub. L. 107-217 inserted “subtitle I of title 40 and title III of” before “the Federal Property and Administrative Services Act of 1949” and substituted “(41 U.S.C. 251 et seq.)” for “(40 U.S.C. 471 et seq.)” and “subtitle I of title 40 and title III” for “that Act”.

1997—Subsec. (c). Pub. L. 105-85 amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows:

“(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section. In such a case, the Secretary may sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after the vessel is publicly advertised for sale for a period of not less than 30 days.

“(2) If the Secretary determines that the bid prices for a vessel received after advertising under paragraph (1) are not acceptable and that readvertising will serve no useful purpose, the Secretary may sell the vessel by negotiation to the highest acceptable bidder if—

“(A) each responsible bidder has been notified of intent to negotiate and has been given a reasonable opportunity to negotiate; and

“(B) the negotiated price is—

“(i) higher than the highest rejected price of any responsible bidder; or

“(ii) reasonable and in the national interest.”

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

§ 8675a. Vessels stricken from Naval Vessel Register: contracts for dismantling on net-cost basis

(a) AUTHORITY FOR NET-COST BASIS CONTRACTS.—When the Secretary of the Navy awards a contract for the dismantling of a vessel stricken from the Naval Vessel Register, the Secretary may award the contract on a net-cost basis.

(b) RETENTION BY CONTRACTOR OF PROCEEDS OF SALE OF SCRAP AND REUSABLE ITEMS.—When the Secretary awards a contract on a net-cost basis under subsection (a), the Secretary shall provide in the contract that the contractor may retain the proceeds from the sale of scrap and reusable items removed from the vessel dismantled under the contract.

(c) DEFINITIONS.—In this section:

(1) The term “net-cost basis”, with respect to a contract for the dismantling of a vessel, means that the amount to be paid to the contractor under the contract for dismantling and for removal and disposal of hazardous waste material is discounted by the offeror’s estimate of the value of scrap and reusable items that the contractor will remove from the vessel during performance of the contract.

(2) The term “scrap” means personal property that has no value except for its basic material content.

(3) The term “reusable item” means a demilitarized component or a removable portion of a vessel or equipment that the Secretary of the Navy has identified as excess to the needs of the Navy but which has potential resale value on the open market.

(Added Pub. L. 108-375, div. A, title X, §1011(a), Oct. 28, 2004, 118 Stat. 2038, §7305a; renumbered

§8675a, Pub. L. 115-232, div. A, title VIII, §807(d)(2), Aug. 13, 2018, 132 Stat. 1836.)

AMENDMENTS

2018—Pub. L. 115-232 renumbered section 7305a of this title as this section.

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

§ 8676. Vessels stricken from Naval Vessel Register; captured vessels: conveyance by donation

(a) AUTHORITY TO MAKE TRANSFER.—The Secretary of the Navy may convey, by donation, all right, title, and interest to any vessel stricken from the Naval Vessel Register or any captured vessel, for use as a museum or memorial for public display in the United States, to—

- (1) any State, the District of Columbia, any Commonwealth or possession of the United States, or any municipal corporation or political subdivision thereof; or
- (2) any nonprofit entity.

(b) LIMITATIONS ON LIABILITY AND RESPONSIBILITY.—(1) The United States and all departments and agencies thereof, and their officers and employees, shall not be liable at law or in equity for any injury or damage to any person or property occurring on a vessel donated under this section.

(2) Notwithstanding any other law, the Department of Defense, and the officers and employees of the Department of Defense, shall have no responsibility or obligation to make, engage in, or provide funding for, any improvement, upgrade, modification, maintenance, preservation, or repair to a vessel donated under this section.

(c) TRANSFERS TO BE AT NO COST TO DEPARTMENT OF DEFENSE.—Any transfer of a vessel under this section, the maintenance and preservation of that vessel as a museum or memorial, and the ultimate disposal of that vessel, including demilitarization of Munitions List items at the end of the useful life of the vessel as a museum or memorial, shall be made at no cost to the Department of Defense.

(d) APPLICATION OF ENVIRONMENTAL LAWS.—Nothing in this section shall affect the applicability of Federal, State, interstate, and local environmental laws and regulations, including the Toxic Substances Control Act (15 U.S.C. 2601 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), to the Department of Defense or to a donee.

(e) DEFINITIONS.—In this section:

(1) The term “nonprofit entity” means any entity qualifying as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986.

(2) The term “Munitions List” means the United States Munitions List created and controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(3) The term “donee” means any entity receiving a vessel pursuant to subsection (a).