

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 vessel 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.	June 29, 1936, ch. 858, title II, §215, as added June 23, 1936, 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.
	46 App.:1125 note.	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 improvement. During that period, it shall be operated on voyages that are not exclusively coastwise.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1661.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57106	46 App.:371.	June 5, 1920, ch. 250, §12, 41 Stat. 993; June 6, 1924, ch. 273, §2, 43 Stat. 468; Feb. 11, 1927, ch. 104, §1 (last par. under heading “United States Shipping Board”), 44 Stat. 1083; Exec. Order No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(43), Aug. 6, 1981, 95 Stat. 157.
	46 App.:391b.	May 22, 1928, ch. 675, title II, §202, 45 Stat. 690; Exec. Order No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(51), Aug. 6, 1981, 95 Stat. 157.

This section is substituted for the source provisions to eliminate obsolete and unnecessary provisions.

§ 57107. Vessels for other agencies

(a) IN GENERAL.—The Secretary of Transportation may construct, reconstruct, repair, equip, and outfit, by contract or otherwise, vessels or parts thereof, for any other department or agency of the United States Government to the extent the other department or agency is authorized by law to do so for its own account.

(b) EFFECT ON CONTRACT AUTHORIZATION.—An obligation incurred or expenditure made by the Secretary under this section does not affect any contract authorization of the Secretary, but instead shall be charged against the existing appropriation or contract authorization of the department or agency.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1661.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57107	46 App.:1125a.	Feb. 6, 1941, ch. 5, §4, 55 Stat. 6; Pub. L. 97-31, §12(74), Aug. 6, 1981, 95 Stat. 160.

In subsection (b), the words “heretofore or hereafter”, “diminish or otherwise”, and “and, to the amount of such obligation or expenditure, diminish” are omitted as unnecessary.

§ 57108. Consideration of ballast and equipment in determining selling price

The Maritime Administration may not sell a vessel until its ballast and equipment have been inventoried and their value considered in determining the selling price of the vessel.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1661.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57108, 46 App.:864b., June 29, 1949, ch. 281, §1 (proviso), 63 Stat. 349; Pub. L. 97–31, §12(36), Aug. 6, 1981, 95 Stat. 156.

§ 57109. Operation of vessels purchased, chartered, or leased from Secretary of Transportation

Unless otherwise authorized by the Secretary of Transportation, a vessel purchased, chartered, or leased from the Secretary may be operated only under a certificate of documentation with a registry or coastwise endorsement. Such a vessel, while employed solely as a merchant vessel, is subject to the laws, regulations, and liabilities governing merchant vessels, whether the United States Government has an interest in the vessel as an owner or holds a mortgage, lien, or other interest.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1661.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57109, 46 App.:808(b), Sept. 7, 1916, ch. 451, §9(b), 39 Stat. 730; July 15, 1918, ch. 152, §3, 40 Stat. 900; re-stated June 5, 1920, ch. 250, §18, 41 Stat. 994; Ex. Ord. No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97–31, §12(26), Aug. 6, 1981, 95 Stat. 155; Pub. L. 100–710, title I, §104(b)(2), Nov. 23, 1988, 102 Stat. 4750.

The words “only under a certificate of documentation with a registry or coastwise endorsement” are substituted for “only under such registry or enrollment and license” for clarity and to use the appropriate current language.

CHAPTER 573—VESSEL TRADE-IN PROGRAM

- Sec. 57301. Definitions.
57302. Authority to acquire vessels.
57303. Utility value and tonnage requirements.
57304. Eligible acquisition dates.
57305. Determination of trade-in allowance.
57306. Payment of trade-in allowance.
57307. Recognition of gain for tax purposes.
57308. Use of vessels at least 25 years old.

§ 57301. Definitions

In this chapter:

(1) NEW VESSEL.—The term “new vessel” means a vessel—

(A) constructed under this subtitle and acquired within 2 years after the date of completion; or

(B) constructed in a domestic shipyard on private account and not under this subtitle, and documented under the laws of the United States.

(2) OBSOLETE VESSEL.—The term “obsolete vessel” means a vessel that—

(A) is of at least 1,350 gross tons;

(B) the Secretary of Transportation believes should, because of its age, obsolescence, or other reasons, be replaced in the public interest; and

(C) has been owned by a citizen of the United States for at least 3 years immediately before its acquisition under this chapter.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57301, 46 App.:1160(a), June 29, 1936, ch. 858, title V, §510(a), as added Aug. 4, 1939, ch. 417, §7, 53 Stat. 1183; July 17, 1952, ch. 939, §7, 66 Stat. 762; Pub. L. 85–332, Feb. 20, 1958, 72 Stat. 17; Pub. L. 87–755, Oct. 5, 1962, 76 Stat. 751; Pub. L. 91–469, §12(a), Oct. 21, 1970, 84 Stat. 1022; Pub. L. 97–31, §12(91), Aug. 6, 1981, 95 Stat. 161.

In paragraph (1)(A), the words “or is purchased under section 1204 of this Appendix, as amended, by the person turning in an obsolete vessel under this section” are omitted because the purchase authority under 46 App. U.S.C. 1204 was impliedly repealed by section 14 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1735 note).

§ 57302. Authority to acquire vessels

To promote the construction of new, safe, and efficient vessels to carry the domestic and foreign waterborne commerce of the United States, the Secretary of Transportation may acquire an obsolete vessel in exchange for an allowance of credit toward the cost of construction or purchase of a new vessel as provided in this chapter.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57302, 46 App.:1160(b) (1st, last sentences), June 29, 1936, ch. 858, title V, §510(b) (1st, last sentences), as added Aug. 4, 1939, ch. 417, §7, 53 Stat. 1184; Pub. L. 87–401, subd. (1), Oct. 5, 1961, 75 Stat. 833; Pub. L. 91–469, §35(a), Oct. 21, 1970, 84 Stat. 1035; Pub. L. 97–31, §12(91), Aug. 6, 1981, 95 Stat. 161.

The words “toward the cost of construction or purchase of a new vessel” are added for clarity. The text of 46 App. U.S.C. 1160(b) (last sentence) is omitted as obsolete.

§ 57303. Utility value and tonnage requirements

(a) UTILITY VALUE.—The utility value of a new vessel to be acquired under this chapter for op-