

(e) LIMITATION.—

(1) IN GENERAL.—Amounts made available to the Secretary for maritime activities by this section or any other law may not be used to pay for a vessel described in paragraph (2) unless the compensation to be paid is computed under section 56303 of this title as that section is interpreted by the Comptroller General.

(2) APPLICABLE VESSELS.—Paragraph (1) applies to a vessel—

- (A) the title to which is acquired by the Government by requisition or purchase;
- (B) the use of which is taken by requisition or agreement; or
- (C) lost while insured by the Government.

(3) NONAPPLICABLE VESSELS.—Paragraph (1) does not apply to a vessel under a construction-differential subsidy contract.

(f) AVAILABILITY FOR ADDITIONAL PURPOSES.—The Fund is available for—

(1) necessary expenses incurred in the protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage foreclosure or forfeiture proceedings instituted by the Government, including payment of prior claims and liens, expenses of sale, or other related charges;

(2) necessary expenses incident to the redelivery and lay-up, in the United States, of vessels chartered as of June 20, 1956, under agreements not calling for their return to the Government;

(3) the activation, repair, and deactivation of merchant vessels chartered for limited emergency purposes during fiscal year 1957 under the jurisdiction of the Secretary; and

(4) payment of expenses of custody and maintenance of Government-owned vessels not in the National Defense Reserve Fleet.

(g) EXPENSES AND RECEIPTS RELATED TO CHARTER OPERATIONS.—The Fund is available for expenses incurred in activating, repairing, and deactivating merchant vessels chartered under the jurisdiction of the Secretary. Receipts from charter operations of Government-owned vessels under the jurisdiction of the Secretary shall be credited to the Fund.

(Pub. L. 109–304, §8(b), Oct. 6, 2006, 120 Stat. 1562.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
50301(a) .....	46 App.:1241a (1st sentence).	June 2, 1951, ch. 121 (pars. under heading “Vessel Operations Revolving Fund”), 65 Stat. 59; Pub. L. 97–31, §12(128), Aug. 6, 1981, 95 Stat. 165; Pub. L. 108–271, §8(b), July 7, 2004, 118 Stat. 814.
50301(b) .....	46 App.:1241a (2d sentence words before 2d proviso).	
50301(c) .....	46 App.:1241a (2d sentence 2d proviso).	
50301(d) .....	46 App.:1241a (2d sentence last proviso).	
50301(e) .....	46 App.:1241a (last sentence).	
50301(f) .....	46 App.:1241b.	June 20, 1956, ch. 415, title I, §101 (4th complete par. on p. 319), 70 Stat. 319; Pub. L. 97–31, §12(129), Aug. 6, 1981, 95 Stat. 165.
	46 App.:1241b note.	

HISTORICAL AND REVISION NOTES—CONTINUED

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
50301(g) .....	46 App.:1241c.	Aug. 1, 1956, ch. 846, 70 Stat. 897; Pub. L. 97–31, §12(130), Aug. 6, 1981, 95 Stat. 165.

In subsection (c), the words “Director of the Office of Management and Budget” are substituted for “Bureau of the Budget” in the Act of June 2, 1951 (ch. 121, 65 Stat. 59), because of sections 101 and 102 of Reorganization Plan No. 2 of 1970 (5 App. U.S.C.) and 31 U.S.C. ch. 5. The words “for the purposes of that appropriation” are omitted for clarity and for consistency in the subsection.

In subsection (d), the words “notwithstanding any other provisions of law” and “and consolidated with” are omitted as unnecessary.

In subsection (e), in paragraph (1), the words “Comptroller General” are substituted for “Government Accountability Office” for consistency in the revised title. Paragraph (3) is substituted for “(except in cases where section 1212 of this Appendix is applicable)” because section 1212 applies to all vessels under a construction-differential subsidy contract.

In subsection (f), the words “On and after June 20, 1956”, and the last proviso in the 4th complete par. at 70 Stat. 319 (46 App. U.S.C. 1241b note), are omitted as obsolete.

In subsection (g), the words “beginning July 1, 1956” and “after July 1, 1956” are omitted as obsolete.

REFERENCES IN TEXT

Sections 1(a) and (c), 3(c), and 4 of the Act of March 24, 1943 (50 App. U.S.C. 1291(a), (c), 1293(c), 1294), referred to in subsec. (b), are sections 1(a) and (c), 3(c), and 4 of act Mar. 24, 1943, ch. 26, 57 Stat. 45, 47, 49, 51, which were formerly classified to sections 1291(a), (c), 1293(c), and 1294 of the former Appendix to Title 50, War and National Defense, prior to editorial reclassification as sections 4701(a), (c), 4703(c), and 4704, respectively, of Title 50.

§ 50302. Port development

(a) GENERAL REQUIREMENTS.—With the objective of promoting, encouraging, and developing ports and transportation facilities in connection with water commerce over which the Secretary of Transportation has jurisdiction, the Secretary, in cooperation with the Secretary of the Army, shall—

(1) investigate territorial regions and zones tributary to ports, taking into consideration the economies of transportation by rail, water, and highway and the natural direction of the flow of commerce;

(2) investigate the causes of congestion of commerce at ports and applicable remedies;

(3) investigate the subject of water terminals, including the necessary docks, warehouses, and equipment, to devise and suggest the types most appropriate for different locations and for the most expeditious and economical transfer or interchange of passengers or property between water carriers and rail carriers;

(4) consult with communities on the appropriate location and plan of construction of wharves, piers, and water terminals;

(5) investigate the practicability and advantages of harbor, river, and port improvements in connection with foreign and coastwise trade; and

(6) investigate any other matter that may tend to promote and encourage the use by ves-

sels of ports adequate to care for the freight that naturally would pass through those ports.

(b) **SUBMISSION OF FINDINGS TO SURFACE TRANSPORTATION BOARD.**—After an investigation under subsection (a), if the Secretary of Transportation believes that the rates or practices of a rail carrier subject to the jurisdiction of the Surface Transportation Board are detrimental to the objective specified in subsection (a), or that new rates or practices, new or additional port terminal facilities, or affirmative action by a rail carrier is necessary to promote that objective, the Secretary may submit findings to the Board for action the Board considers appropriate under existing law.

(c) **PORT AND INTERMODAL IMPROVEMENT PROGRAM.**—

(1) **GENERAL AUTHORITY.**—Subject to the availability of appropriations, the Secretary of Transportation shall make grants, on a competitive basis, to eligible applicants to assist in funding eligible projects for the purpose of improving the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports.

(2) **ELIGIBLE APPLICANT.**—The Secretary may make a grant under this subsection to the following:

- (A) A State.
- (B) A political subdivision of a State, or a local government.
- (C) A public agency or publicly chartered authority established by 1 or more States.
- (D) A special purpose district with a transportation function.
- (E) An Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304), without regard to capitalization), or a consortium of Indian Tribes.
- (F) A multistate or multijurisdictional group of entities described in this paragraph.
- (G) A lead entity described in subparagraph (A), (B), (C), (D), (E), or (F) jointly with a private entity or group of private entities.

(3) **ELIGIBLE PROJECTS.**—The Secretary may make a grant under this subsection—

- (A) for a project, or package of projects, that—
  - (i) is either—
    - (I) within the boundary of a port; or
    - (II) outside the boundary of a port, but is directly related to port operations or to an intermodal connection to a port; and
  - (ii) will be used to improve the safety, efficiency, or reliability of—
    - (I) the loading and unloading of goods at the port, such as for marine terminal equipment;
    - (II) the movement of goods into, out of, around, or within a port, such as for highway or rail infrastructure, intermodal facilities, freight intelligent transportation systems, and digital infrastructure systems; or
    - (III) environmental mitigation measures and operational improvements directly related to enhancing the effi-

ciency of ports and intermodal connections to ports; or

(B) notwithstanding paragraph (6)(A)(v), to provide financial assistance to 1 or more projects under subparagraph (A) for development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, and preliminary engineering and design work.

(4) **PROHIBITED USES.**—A grant award under this subsection may not be used—

(A) to finance or refinance the construction, reconstruction, reconditioning, or purchase of a vessel that is eligible for such assistance under chapter 537, unless the Secretary determines such vessel—

- (i) is necessary for a project described in paragraph (3)(A)(ii)(III) of this subsection; and
- (ii) is not receiving assistance under chapter 537; or

(B) for any project within a small shipyard (as defined in section 54101).

(5) **APPLICATIONS AND PROCESS.**—

(A) **APPLICATIONS.**—To be eligible for a grant under this subsection, an eligible applicant shall submit to the Secretary an application in such form, at such time, and containing such information as the Secretary considers appropriate.

(B) **SOLICITATION PROCESS.**—Not later than 60 days after the date that amounts are made available for grants under this subsection for a fiscal year, the Secretary shall solicit grant applications for eligible projects in accordance with this subsection.

(6) **PROJECT SELECTION CRITERIA.**—

(A) **IN GENERAL.**—The Secretary may select a project described in paragraph (3) for funding under this subsection if the Secretary determines that—

- (i) the project improves the safety, efficiency, or reliability of the movement of goods through a port or intermodal connection to a port;
- (ii) the project is cost effective;
- (iii) the eligible applicant has authority to carry out the project;
- (iv) the eligible applicant has sufficient funding available to meet the matching requirements under paragraph (8);
- (v) the project will be completed without unreasonable delay; and
- (vi) the project cannot be easily and efficiently completed without Federal funding or financial assistance available to the project sponsor.

(B) **ADDITIONAL CONSIDERATIONS.**—In selecting projects described in paragraph (3) for funding under this subsection, the Secretary shall give substantial weight to—

- (i) the utilization of non-Federal contributions; and
- (ii) the net benefits of the funds awarded under this subsection, considering the cost-benefit analysis of the project, as applicable.

(C) **SMALL PROJECTS.**—The Secretary may waive the cost-benefit analysis under sub-

paragraph (A)(ii), and establish a simplified, alternative basis for determining whether a project is cost effective, for a small project described in paragraph (7)(B).

(7) ALLOCATION OF FUNDS.—

(A) GEOGRAPHIC DISTRIBUTION.—Not more than 25 percent of the amounts made available for grants under this subsection for a fiscal year may be used to make grants for projects in any 1 State.

(B) SMALL PROJECTS.—The Secretary shall reserve 25 percent of the amounts made available for grants under this subsection each fiscal year to make grants for eligible projects described in paragraph (3)(A) that request the lesser of—

- (i) 10 percent of the amounts made available for grants under this subsection for a fiscal year; or
- (ii) \$10,000,000.

(C) DEVELOPMENT PHASE ACTIVITIES.—Not more than 10 percent of the amounts made available for grants under this subsection for a fiscal year may be used to make grants for development phase activities under paragraph (3)(B).

(8) FEDERAL SHARE OF TOTAL PROJECT COSTS.—

(A) TOTAL PROJECT COSTS.—To be eligible for a grant under this subsection, an eligible applicant shall submit to the Secretary an estimate of the total costs of a project under this subsection based on the best available information, including any available engineering studies, studies of economic feasibility, environmental analyses, and information on the expected use of equipment or facilities.

(B) FEDERAL SHARE.—

(i) IN GENERAL.—Except as provided in clause (ii), the Federal share of the total costs of a project under this subsection shall not exceed 80 percent.

(ii) RURAL AREAS.—The Secretary may increase the Federal share of costs above 80 percent for a project located in a rural area.

(9) PROCEDURAL SAFEGUARDS.—The Secretary shall issue guidelines to establish appropriate accounting, reporting, and review procedures to ensure that—

- (A) grant funds are used for the purposes for which those funds were made available;
- (B) each grantee properly accounts for all expenditures of grant funds; and
- (C) grant funds not used for such purposes and amounts not obligated or expended are returned.

(10) GRANT CONDITIONS.—

(A) IN GENERAL.—The Secretary shall require as a condition of making a grant under this subsection that a grantee—

- (i) maintain such records as the Secretary considers necessary;
- (ii) make the records described in clause (i) available for review and audit by the Secretary; and
- (iii) periodically report to the Secretary such information as the Secretary considers necessary to assess progress.

(B) ADDITIONAL REQUIREMENT.—The Secretary shall apply the same requirements of section 117(k) of title 23, United States Code, to a port project assisted in whole or in part under this section as the Secretary does a port-related freight project under section 117 of title 23, United States Code.

(C) CONSTRUCTION, REPAIR, OR ALTERATION OF VESSELS.—With regard to the construction, repair, or alteration of vessels, the same requirements of section 117(k) of title 23, United States Code, shall apply regardless of whether the location of contract performance is known when bids for such work are solicited.

(11) ADMINISTRATION.—

(A) ADMINISTRATIVE AND OVERSIGHT COSTS.—The Secretary may retain not more than 2 percent of the amounts appropriated for each fiscal year under this subsection for the administrative and oversight costs incurred by the Secretary to carry out this subsection.

(B) AVAILABILITY.—

(i) IN GENERAL.—Amounts appropriated for carrying out this subsection shall remain available until expended.

(ii) UNEXPENDED FUNDS.—Amounts awarded as a grant under this subsection that are not expended by the grantee during the 5-year period following the date of the award shall remain available to the Secretary for use for grants under this subsection in a subsequent fiscal year.

(12) DEFINITIONS.—In this subsection:

(A) APPROPRIATE COMMITTEES OF CONGRESS.—The term “appropriate committees of Congress” means—

- (i) the Committee on Commerce, Science, and Transportation of the Senate; and
- (ii) the Committee on Transportation and Infrastructure of the House of Representatives.

(B) PORT.—The term “port” includes—

- (i) any port on the navigable waters of the United States; and
- (ii) any harbor, marine terminal, or other shore side facility used principally for the movement of goods on inland waters.

(C) PROJECT.—The term “project” includes construction, reconstruction, environmental rehabilitation, acquisition of property, including land related to the project and improvements to the land, equipment acquisition, and operational improvements.

(D) RURAL AREA.—The term “rural area” means an area that is outside an urbanized area.

(d) ADDITIONAL AUTHORITY OF THE SECRETARY.—In carrying out this section, the Secretary may—

- (1) coordinate with other Federal agencies to expedite the process established under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for the improvement of port facilities to improve the efficiency of the transportation system, to increase port secu-

rity, or to provide greater access to port facilities;

(2) seek to coordinate all reviews or requirements with appropriate Federal, State, and local agencies; and

(3) in addition to any financial assistance provided under subsection (c), provide such technical assistance to port authorities or commissions or their subdivisions and agents.

(Pub. L. 109-304, §8(b), Oct. 6, 2006, 120 Stat. 1564; Pub. L. 111-84, div. C, title XXXV, §3512, Oct. 28, 2009, 123 Stat. 2722; Pub. L. 113-66, div. C, title XXXV, §3505(b), Dec. 26, 2013, 127 Stat. 1086; Pub. L. 116-92, div. C, title XXXV, §3514(b), Dec. 20, 2019, 133 Stat. 1980.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
50302(a) .....	46 App.:867 (words before proviso).	June 5, 1920, ch. 250, §8, 41 Stat. 992; Exec. Order No. 6166, June 10, 1933, §12; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(40), Aug. 6, 1981, 95 Stat. 156; Pub. L. 104-88, §321(1), Dec. 29, 1995, 109 Stat. 949.
50302(b) .....	46 App.:867 (proviso).	

In subsection (a), before paragraph (1), the words “Secretary of the Army” are substituted for “Secretary of War” in section 8 of the Merchant Marine Act, 1920 (ch. 250, 41 Stat. 992) because of section 205(a) of the National Security Act of 1947 (ch. 343, 61 Stat. 501). See 10 U.S.C. 3011 et seq. In paragraph (3), the words “apparatus” and “appliances” are omitted as unnecessary. In paragraph (4), the words “consult with” are substituted for “advise with” as being more grammatical.

In subsection (b), the words “rates or practices” are substituted for “rates, charges, rules, or regulations” for consistency in the revised title and with other titles of the United States Code.

REFERENCES IN TEXT

The National Environmental Policy Act of 1969, referred to in subsec. (d)(1), is Pub. L. 91-190, Jan. 1, 1970, 83 Stat. 852, which is classified generally to chapter 55 (§4321 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4321 of Title 42 and Tables.

AMENDMENTS

2019—Subsecs. (c), (d). Pub. L. 116-92 added subsecs. (c) and (d) and struck out former subsec. (c), which established and set out parameters for a port infrastructure development program.

2013—Subsec. (c)(2)(D). Pub. L. 113-66 inserted “and financial assistance, including grants,” after “technical assistance”.

2009—Subsec. (c). Pub. L. 111-84 added subsec. (c).

SAVINGS CLAUSE

Pub. L. 116-92, div. C, title XXXV, §3514(c), Dec. 20, 2019, 133 Stat. 1984, provided that:

“A repeal made by subsection (b) of this section [amending this section] shall not affect amounts apportioned or allocated before the effective date of the repeal. Such apportioned or allocated funds shall continue to be subject to the requirements to which the funds were subject under—

“(1) section 50302(c) of title 46, United States Code, as in effect on the day before the date of enactment of this title [Dec. 20, 2019];

“(2) section 9008 of the SAFETEA-LU Act (Public Law 109-59; 119 Stat. 1926);

“(3) section 10205 of the SAFETEA-LU Act (Public Law 109-59; 119 Stat. 1934); and

“(4) section 3512 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (48 U.S.C. 1421r).”

STRATEGIC SEAPORTS

Pub. L. 113-66, div. C, title XXXV, §3505(a), Dec. 26, 2013, 127 Stat. 1086, provided that:

“(1) IN GENERAL.—Under the port infrastructure development program established under section 50302(c) of title 46, United States Code, the Maritime Administrator, in consultation with the Secretary of Defense, may give priority to providing funding to strategic seaports in support of national security requirements.

“(2) STRATEGIC SEAPORT DEFINED.—In this subsection the term ‘strategic seaport’ means a military port or and [sic] commercial port that is subject to a port planning order or Basic Ordering Agreement (or both) that is projected to be used for the deployment of forces and shipment of ammunition or sustainment supplies in support of military operations.”

§ 50303. Operating property and extending term of notes

(a) GENERAL AUTHORITY.—The Secretary of Transportation may—

(1) operate or lease docks, wharves, piers, vessels, or real property under the Secretary’s control, except that the prior consent of the Secretary of Defense for such use shall be required with respect to any vessel in the Ready Reserve Force or in the National Defense Reserve Fleet which is maintained in a retention status for the Department of Defense; and

(2) make extensions and accept renewals of—

(A) promissory notes and other evidences of indebtedness on property; and

(B) mortgages and other contracts securing the property.

(b) TERMS OF TRANSACTIONS.—A transaction under subsection (a) shall be on terms the Secretary considers necessary to carry out the purposes of this subtitle, but consistent with sound business practice.

(c) AVAILABILITY OF AMOUNTS.—Amounts received by the Secretary from a transaction under this section are available for expenditure by the Secretary as provided in this subtitle.

(Pub. L. 109-304, §8(b), Oct. 6, 2006, 120 Stat. 1564; Pub. L. 110-181, div. C, title XXXV, §3512, Jan. 28, 2008, 122 Stat. 594.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
50303 .....	46 App.:1112.	June 29, 1936, ch. 858, title II, §202, 49 Stat. 1986; Aug. 26, 1937, ch. 822, §1, 50 Stat. 839; June 23, 1938, ch. 600, §1, 52 Stat. 953; Pub. L. 97-31, §12(60), Aug. 6, 1981, 95 Stat. 158.

In subsection (a), the words “Notwithstanding any other provision of law” are omitted as unnecessary. In paragraph (1), the word “lands” is omitted as included in “real property”. In paragraph (2)(A), the word “promissory” is added for clarity. The words “hereby transferred”, referring to the transfer under the first sentence of section 202 of the Merchant Marine Act, 1936 (repealed by section 12(60)(A) of Public Law 97-31), are omitted as obsolete.

Subsection (b) is substituted for “in accordance with good business methods and on such terms and condi-