

**§ 57502. Construction, reconditioning, and remodeling of vessels**

(a) IN GENERAL.—The Secretary of Transportation may have new vessels constructed, and have old vessels reconditioned or remodeled, as the Secretary determines necessary to carry out the objectives of this subtitle.

(b) PLACE OF WORK.—Construction, reconditioning, and remodeling of vessels under subsection (a) shall take place in shipyards in the continental United States (including Alaska and Hawaii). However, if satisfactory contracts cannot be obtained from private shipbuilders, the Secretary may have the work done in navy yards.

(c) APPLICABILITY OF CONSTRUCTION-DIFFERENTIAL SUBSIDY PROVISIONS.—Contracts for the construction, reconstruction, or reconditioning of a vessel by a private shipbuilder under this chapter are subject to the provisions of title V of the Merchant Marine Act, 1936, applicable to a contract with a private shipbuilder for the construction of a vessel under title V of that Act.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1664.)

HISTORICAL AND REVISION NOTES

| Revised Section | Source (U.S. Code) | Source (Statutes at Large)   |
|-----------------|--------------------|--|
| 57502(a), (b)   | 46 App.:1192.      | June 29, 1936, ch. 858, title VII, §702, 49 Stat. 2008; Pub. L. 85-191, Aug. 28, 1957, 71 Stat. 471; Pub. L. 86-624, §35(c), July 12, 1960, 74 Stat. 421; Pub. L. 97-31, §12(104), Aug. 6, 1981, 95 Stat. 162. |
| 57502(c) .....  | 46 App.:1193(b).   | June 29, 1936, ch. 858, title VII, §703(b), 49 Stat. 2008.   |

In subsection (b), the words “for such new construction or reconstruction, in accordance with the provisions of this chapter” are omitted as unnecessary.

REFERENCES IN TEXT

The Merchant Marine Act, 1936, referred to in subsection (c), is act June 29, 1936, ch. 858, 49 Stat. 1985. Title V of the Act enacted provisions set out as notes under section 53101 of this title. For complete classification of this Act to the Code, see Short Title of 1936 Amendment note set out under section 101 of this title and Tables.

**§ 57503. Competitive bidding**

(a) ADVERTISEMENT AND BIDDING.—The Secretary of Transportation may make a contract with a private shipbuilder for the construction of a new vessel, or for the reconstruction or reconditioning of an existing vessel, only after due advertisement and upon sealed competitive bids.

(b) OPENING OF BIDS.—Bids required under this section shall be opened at the time and place stated in the advertisement for bids. All interested persons, including representatives of the press, shall be permitted to attend. The results of the bidding shall be publicly announced.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1665.)

HISTORICAL AND REVISION NOTES

| Revised Section | Source (U.S. Code)  | Source (Statutes at Large)  |
|-----------------|---|---|
| 57503(a) .....  | 46 App.:1193(a).  | June 29, 1936, ch. 858, title VII, §703(a), (c) (related to construction, reconstruction, or reconditioning), 49 Stat. 2008; Pub. L. 97-31, §12(105), Aug. 6, 1981, 95 Stat. 163. |
| 57503(b) .....  | 46 App.:1193(c) (related to construction, reconstruction, or reconditioning). |   |

In subsection (b), the words “Bids required under this section” are substituted for “All bids required by the Secretary of Transportation for the construction, reconstruction, or reconditioning of vessels” to eliminate unnecessary words. The word “hour” is omitted as covered by “time”.

**§ 57504. Charter or sale of vessels acquired by Department of Transportation**

Vessels transferred to or otherwise acquired by the Department of Transportation in any manner may be chartered or sold by the Secretary of Transportation as provided in this chapter.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1665.)

HISTORICAL AND REVISION NOTES

| Revised Section | Source (U.S. Code) | Source (Statutes at Large)  |
|-----------------|--------------------|---|
| 57504 .....     | 46 App.:1194.      | June 29, 1936, ch. 858, title VII, §704, 49 Stat. 2008; Apr. 1, 1937, ch. 64, 50 Stat. 57; Pub. L. 97-31, §12(106), Aug. 6, 1981, 95 Stat. 163. |

**§ 57505. Employment of vessels on foreign trade routes**

(a) IN GENERAL.—The Secretary of Transportation shall arrange for the employment of the Department of Transportation’s vessels in steamship lines on such trade routes, exclusively serving the foreign trade of the United States, as the Secretary determines are essential for the development and maintenance of the commerce of the United States and the national defense. However, the Secretary shall first determine that those routes are not being adequately served by existing steamship lines privately owned and operated by citizens of the United States and documented under the laws of the United States.

(b) POLICY TO ENCOURAGE PRIVATE OPERATION.—The Secretary shall have a policy of encouraging private operation of each essential steamship line now owned by the United States Government by—

(1) selling the line to a citizen of the United States; or

(2) demising the Secretary’s vessels on bareboat charter to citizens of the United States who agree to maintain the line in the manner provided in this chapter.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1665.)