

changes such a craft or boat in a transaction for which a similar craft or boat is acquired, the Secretary may retain the proceeds of the sale or the exchange allowance from the exchange, as the case may be, and apply the proceeds of sale or the exchange allowance for any of the following purposes:

(1) For payment, in whole or in part, for a similar service craft or boat acquired as a replacement, as authorized by section 503 of title 40.

(2) For reimbursement, to the extent practicable, of the appropriate accounts of the Navy for the full costs of preparation of such obsolete craft or boat for such sale or exchange.

(3) For deposit to the special account established under subsection (b), to be available in accordance with that subsection.

(b) SPECIAL ACCOUNT.—Amounts retained under subsection (a) that are not applied as provided in paragraph (1) or (2) of that subsection shall be deposited into a special account. Amounts in the account shall be available under subsection (c) without regard to fiscal year limitation. Amounts in the account that the Secretary of the Navy determines are not needed for the purpose stated in subsection (c) shall be transferred at least annually to the General Fund of the Treasury.

(c) COSTS OF PREPARATION OF OBSOLETE SERVICE CRAFT AND BOATS FOR FUTURE SALE OR EXCHANGE.—The Secretary may use amounts in the account under subsection (b) for payment, in whole or in part, for the full costs of preparation of obsolete service craft and obsolete boats for future sale or exchange.

(d) COSTS OF PREPARATION FOR SALE OR EXCHANGE.—In this section, the term “full costs of preparation” means the full costs (direct and indirect) incurred by the Navy in preparing an obsolete service craft or an obsolete boat for exchange or sale, including the cost of the following:

- (1) Towing.
- (2) Storage.
- (3) Defueling.
- (4) Removal and disposal of hazardous wastes.
- (5) Environmental surveys to determine the presence of regulated materials containing polychlorinated biphenyl (PCB) and, if such materials are found, the removal and disposal of such materials.
- (6) Other costs related to such preparation.

(e) OBSOLETE SERVICE CRAFT.—For purposes of this section, an obsolete service craft is a service craft that has been stricken from the Naval Vessel Register.

(f) INAPPLICABILITY OF ADVERTISING REQUIREMENT.—Section 6101 of title 41 does not apply to sales of service craft and boats described in subsection (a).

(g) REGULATIONS.—The Secretary of the Navy shall prescribe regulations for the purposes of this section.

(Added Pub. L. 108-375, div. A, title X, §1012(a)(1), Oct. 28, 2004, 118 Stat. 2039, §7312; amended Pub. L. 113-291, div. A, title X, §1071(a)(12), Dec. 19, 2014, 128 Stat. 3505; renum-

bered §8682, Pub. L. 115-232, div. A, title VIII, §807(d)(2), Aug. 13, 2018, 132 Stat. 1836.)

PRIOR PROVISIONS

A prior section 8682, act Aug. 10, 1956, ch. 1041, 70A Stat. 535, provided that in computing length of service, no commissioned officer of Air Force could be credited with service as a cadet at the Military Academy or the Air Force Academy, or as a midshipman at the Naval Academy, if he was appointed as a cadet or midshipman after Aug. 24, 1912, prior to repeal by Pub. L. 90-235, §6(a)(2), Jan. 2, 1968, 81 Stat. 761. See section 971 of this title.

AMENDMENTS

2018—Pub. L. 115-232 renumbered section 7312 of this title as this section.

2014—Subsec. (f). Pub. L. 113-291 substituted “Section 6101 of title 41” for “Section 3709 of the Revised Statutes (41 U.S.C. 5)”.

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.

EFFECTIVE DATE

Pub. L. 108-375, div. A, title X, §1012(b), Oct. 28, 2004, 118 Stat. 2040, provided that: “Section 7312 of title 10, United States Code, as added by subsection (a), shall apply with respect to amounts received on or after the date of the enactment of this Act [Oct. 28, 2004] and to amounts received before the date of the enactment of this Act and not obligated as of that date.”

§ 8683. Ship overhaul work: availability of appropriations for unusual cost overruns and for changes in scope of work

(a) UNUSUAL COST OVERRUNS.—(1) Appropriations available to the Department of Defense for a fiscal year may be used for payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for a vessel inducted into an industrial-fund activity or contracted for during a prior fiscal year.

(2) The Secretary of Defense shall notify Congress promptly before an obligation is incurred for any payment under paragraph (1).

(b) CHANGES IN SCOPE OF WORK.—An appropriation available to the Department of Defense for a fiscal year may be used after the otherwise-applicable expiration of the availability for obligation of that appropriation—

(1) for payments to an industrial-fund activity for amounts required because of changes in the scope of work for ship overhaul, maintenance, and repair, in the case of work inducted into the industrial-fund activity during the fiscal year; and

(2) for payments under a contract for amounts required because of changes in the scope of work, in the case of a contract entered into during the fiscal year for ship overhaul, maintenance, and repair.

(c) TREATMENT OF AMOUNTS APPROPRIATED AFTER END OF PERIOD OF OBLIGATION.—In the application of section 1553(c) of title 31 to funds appropriated in the Operation and Maintenance, Navy account that are available for ship overhaul, the Secretary of the Navy may treat the limitation specified in paragraph (1) of such section to be “\$10,000,000” rather than “\$4,000,000”.

(Added Pub. L. 100-370, §1(n)(1), July 19, 1988, 102 Stat. 850, §7313; renumbered §8683, Pub. L. 115-232, div. A, title VIII, §807(d)(2), Aug. 13, 2018, 132 Stat. 1836; amended Pub. L. 116-283, div. A, title III, §367, Jan. 1, 2021, 134 Stat. 3551.)

HISTORICAL AND REVISION NOTES

Section is based on Pub. L. 99-190, §101(b) [title VIII, §8005(j), (k)], Dec. 19, 1985, 99 Stat. 1185, 1203.

In two instances, the source law to be codified by the bill includes provisions that on their face require that the Department of Defense notify Congress of certain actions. These notification requirements were terminated by section 602 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433), which terminated all recurring reporting requirements applicable to the Department of Defense except for those requirements that were specifically exempted in that section. The source law sections are sections 8009(c) and 8005(j) (proviso) of the FY86 defense appropriations Act (Public Law 99-190), enacted December 19, 1985, which would be codified as section 2201 of title 10 (by section 1(d) of the bill) and section 7313(a) of title 10 (by section 1(n) of the bill). In codifying the authorities provided the Department of Defense by these two provisions of law, the committee believes that it is appropriate to reinstate the congressional notification requirements that go with those authorities. These sections were recurring annual appropriation provisions for many years and were made permanent only months before the enactment of the 1986 Reorganization Act. It is the committee's belief that the failure to exempt these provisions from the general reports termination provision was inadvertent and notes that the notification provisions had in fact previously applied to the Department of Defense for many years. The action of the committee restores the status quo as it existed before the Reorganization Act.

PRIOR PROVISIONS

A prior section 8683, acts Aug. 10, 1956, ch. 1041, 70A Stat. 535; Sept. 2, 1958, Pub. L. 85-861, §1(156), 72 Stat. 1513; Aug. 25, 1959, Pub. L. 86-197, §1(7), 73 Stat. 426, related to service credit for certain service as a nurse, woman medical specialist, or civilian employee of Army Medical Department, prior to repeal by Pub. L. 99-145, title XIII, §1301(d)(1)(A), Nov. 8, 1985, 99 Stat. 736.

AMENDMENTS

2021—Subsec. (c). Pub. L. 116-283 added subsec. (c).

2018—Pub. L. 115-232 renumbered section 7313 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.

§ 8684. Overhaul of naval vessels: competition between public and private shipyards

The Secretary of the Navy should ensure, in any case in which the Secretary awards a project for repair, alteration, overhaul, or conversion of a naval vessel following competition between public and private shipyards, that each of the following criteria is met:

(1) The bid of any public shipyard for the award includes—

(A) the full costs to the United States associated with future retirement benefits of civilian employees of that shipyard consistent with computation methodology established by Office of Management and Budget Circular A-76; and

(B) in a case in which equal access to the Navy supply system is not allowed to public and private shipyards, a pro rata share of the costs of the Navy supply system.

(2) Costs applicable to oversight of the contract by the appropriate Navy supervisor of shipbuilding, conversion, and repair are added to the bid of any private shipyard for the purpose of comparability analysis.

(3) The award is made using the results of the comparability analysis.

(Added Pub. L. 100-456, div. A, title XII, §1225(a)(1), Sept. 29, 1988, 102 Stat. 2054, §7313; renumbered §7314, Pub. L. 101-189, div. A, title XVI, §1622(a), Nov. 29, 1989, 103 Stat. 1604; renumbered §8684, Pub. L. 115-232, div. A, title VIII, §807(d)(2), Aug. 13, 2018, 132 Stat. 1836.)

PRIOR PROVISIONS

A prior section 8684 was renumbered section 9252 of this title.

AMENDMENTS

2018—Pub. L. 115-232 renumbered section 7314 of this title as this section.

1989—Pub. L. 101-189 renumbered section 7313 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.

EFFECTIVE DATE

Pub. L. 100-456, div. A, title XII, §1225(b), Sept. 29, 1988, 102 Stat. 2055, provided that: "Section 7313 [now 8684] of title 10, United States Code, as added by subsection (a), applies to any award by the Secretary of the Navy made after the end of the 30-day period beginning on the date of the enactment of this Act [Sept. 29, 1988] for repair, alteration, overhaul, or conversion of a naval vessel following competition between public and private shipyards."

§ 8684a. Repair, maintenance, or overhaul of naval vessels: rate for progress payments

The Secretary of the Navy shall provide that the rate for progress payments on any contract awarded by the Secretary for repair, maintenance, or overhaul of a naval vessel shall be not less than—

(1) 95 percent, in the case of a firm considered to be a small business; and

(2) 90 percent, in the case of any other firm.

(Added and amended Pub. L. 116-283, div. A, title XVIII, §1876(a), Jan. 1, 2021, 134 Stat. 4291.)

CODIFICATION

The text of subsec. (g)(1) of section 2307 of this title, which was transferred to this section and amended by Pub. L. 116-283, §1876(a)(2), was based on Pub. L. 103-355, title II, §2001(g), Oct. 13, 1994, 108 Stat. 3302.

AMENDMENTS

2021—Pub. L. 116-283, §1876(a)(2), transferred text of subsec. (g)(1) of section 2307 of this title to this section and redesignated subpars. (A) and (B) as pars. (1) and (2), respectively.

EFFECTIVE DATE

Section and amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed im-