

of act June 29, 1936, ch. 858, 49 Stat. 2015, which was classified to section 1242 of the former Appendix to this title prior to repeal and restatement as chapter 563 of this title by Pub. L. 109-304, §§8(c), 19, Oct. 6, 2006, 120 Stat. 1654, 1713.

CODIFICATION

Section, as added and amended by Pub. L. 115-91, is based on act Mar. 8, 1946, ch. 82, §11, 60 Stat. 49; June 28, 1947, ch. 161, §1, 61 Stat. 190; Feb. 27, 1948, ch. 78, §1(a), 62 Stat. 38; Feb. 28, 1949, ch. 12, 63 Stat. 9; June 29, 1949, ch. 281, §1, 63 Stat. 349; June 30, 1950, ch. 427, §2, 64 Stat. 308; Pub. L. 97-31, §12(157), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-115, §6, Oct. 13, 1989, 103 Stat. 693; Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925; Pub. L. 102-241, §57, Dec. 19, 1991, 105 Stat. 2234; Pub. L. 102-587, title VI, §6205(a), Nov. 4, 1992, 106 Stat. 5094; Pub. L. 104-106, div. A, title X, §1014(b), Feb. 10, 1996, 110 Stat. 424; Pub. L. 104-239, §9, Oct. 8, 1996, 110 Stat. 3133; Pub. L. 109-364, div. C, title XXXV, §3503, Oct. 17, 2006, 120 Stat. 2516; Pub. L. 110-181, div. C, title XXXV, §§3513, 3516, Jan. 28, 2008, 122 Stat. 594, 595; Pub. L. 112-81, div. C, title XXXV, §3502, Dec. 31, 2011, 125 Stat. 1716; Pub. L. 112-213, title IV, §410, Dec. 20, 2012, 126 Stat. 1572; Pub. L. 114-328, div. C, title XXXV, §3504, Dec. 23, 2016, 130 Stat. 2776, which was formerly classified to section 4405 of Title 50, War and National Defense, before being transferred to this chapter and renumbered as this section.

AMENDMENTS

2018—Subsec. (d)(1). Pub. L. 115-232 substituted “section 8680 of title 10” for “section 7310 of title 10, United States Code.”

2017—Pub. L. 115-91, §3502(b)(6)(A), inserted section enumerator and catchline.

Pub. L. 115-91, §3502(a)(3), transferred section 11 of act Mar. 8, 1946, to this chapter and renumbered it as this section. See Codification note above.

Subsec. (a). Pub. L. 115-91, §3502(b)(6)(A), inserted heading.

Subsec. (b). Pub. L. 115-91, §3502(b)(6)(B), inserted heading.

Subsec. (e). Pub. L. 115-91, §3502(b)(6)(C), inserted heading and struck out “of title 46, United States Code” after “section 3703a” in text.

Statutory Notes and Related Subsidiaries

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 Title 10, Armed Forces.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM

Pub. L. 104-239, §16, Oct. 8, 1996, 110 Stat. 3138, provided that:

“(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using renewable contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and within 6 months after the date of the enactment of this Act [Oct. 8, 1996], shall award 9 contracts for this purpose.

“(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

“(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

“(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and drydocking) for 1 vessel in the Ready Reserve Force that is outported in the geographical vicinity of the shipyard;

“(2) be effective for 1 fiscal year; and

“(3) be renewable, subject to the availability of appropriations, for each subsequent fiscal year through fiscal year 1998.

“(d) LIMITATION OF WORK UNDER CONTRACTS.—A contract under this section may not provide for the procurement of operation or manning for a vessel that may be procured under another contract for the vessel to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) [probably means “(50 U.S.C. App. 1744(d)(2))”, now 46 U.S.C. 57100(c)(2)] applies.

“(e) GEOGRAPHIC DISTRIBUTION.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

“(f) REPORTS.—The Secretary shall submit to the Congress—

“(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act [Oct. 8, 1996]; and

“(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.”

§ 57101. Placement of vessels in National Defense Reserve Fleet

(a) IN GENERAL.—Any vessel acquired by the Maritime Administration of 1,500 gross tons or more or such other vessels as the Secretary of Transportation determines are appropriate shall be placed in the National Defense Reserve Fleet.

(b) REMOVAL FROM FLEET.—A vessel placed in the Fleet under subsection (a) may not be traded out or sold from the Fleet, except as provided in section 57102, 57103, or 57104 or chapter 533, 537, 573, or 575 of this title.

(c) AUTHORITY OF FEDERAL ENTITIES TO TRANSFER VESSELS.—All Federal entities are authorized to transfer vessels to the National Defense Reserve Fleet without reimbursement subject to the approval of the Secretary of Transportation and the Secretary of the Navy with respect to Ready Reserve Force vessels and the Secretary of Transportation with respect to all other vessels.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1658; Pub. L. 112-213, title IV, §§406, 407, Dec. 20, 2012, 126 Stat. 1571; Pub. L. 115-91, div. C, title XXXV, §3502(b)(7), Dec. 12, 2017, 131 Stat. 1911.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57101 .....	46 App.:1160(j).	June 29, 1936, ch. 858, title V, §510(j), as added Pub. L. 89-254, §2, Oct. 10, 1965, 79 Stat. 980; Pub. L. 97-31, §12(91), Aug. 6, 1981, 95 Stat. 161.

In subsection (a), the words “vessel acquired by the Maritime Administration” are substituted for “vessel heretofore or hereafter acquired under this section, or otherwise acquired by the Maritime Administration of the Department of Transportation under any other authority” to eliminate unnecessary words.

In subsection (b), the words “except as provided in section 57102, 57103, or 57104 or chapter 533, 537, 573, or 575 of this title” are substituted for “except as provided for in subsections (g) and (i) of this section. This limitation shall not affect the rights of the Secretary of Transportation to dispose of a vessel as provided in other sections of this subchapter or in subchapters VII or XI of this chapter” because of the restatement.

**Editorial Notes**

**AMENDMENTS**

2017—Subsec. (a). Pub. L. 115–91, which directed striking out “maintained under section 11 of the Merchant Ship Sales Act of 1946 (50 App. 1744)”, was executed by striking out “maintained under section 11 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1744)” before period at end, to reflect the probable intent of Congress.

2012—Subsec. (a). Pub. L. 112–213, §406, inserted “of 1,500 gross tons or more or such other vessels as the Secretary of Transportation determines are appropriate” after “Administration”.

Subsec. (c). Pub. L. 112–213, §407, added subsec. (c).

**§ 57102. Disposition of vessels not worth preserving**

(a) **IN GENERAL.**—If the Secretary of Transportation determines that a vessel owned by the Maritime Administration is of insufficient value for commercial or military operation to warrant its further preservation, the Secretary may scrap the vessel or sell the vessel for cash.

(b) **SELLING PROCEDURE.**—The sale of a vessel under subsection (a) shall be made on the basis of competitive sealed bids, after an appraisal and due advertisement. The purchaser does not have to be a citizen of the United States. The purchaser shall provide a surety bond, with a surety approved by the Secretary, to ensure that the vessel will not be operated in the foreign trade of the United States at any time within 10 years after the sale, in competition with a vessel owned by a citizen of the United States and documented under the laws of the United States.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1658.)

**HISTORICAL AND REVISION NOTES**

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
57102 .....	46 App.:1158(a).	June 29, 1936, ch. 858, title V, §508(a), 49 Stat. 2000; Pub. L. 97–31, §12(89), Aug. 6, 1981, 95 Stat. 161; Pub. L. 108–136, title XXXV, §3512(1), Nov. 24, 2003, 117 Stat. 1789.

In subsection (a), the words “vessel owned by the Maritime Administration” are substituted for “vessel transferred to the Maritime Administration of the Department of Transportation by section 1112 of this Appendix, or hereafter acquired” to eliminate unnecessary words.

In subsection (b), the words “The sale of a vessel under section (a) shall be made on the basis of competitive sealed bids, after an appraisal and due advertisement. The purchaser does not have to be a citizen of the United States.” are substituted for “after appraisal and due advertisement, and upon competitive

sealed bids, either to citizens of the United States or to aliens” for clarity. The words “provide a surety bond, with a surety approved by the Secretary, to ensure that” are substituted for “enter into an undertaking with sureties approved by the Secretary of Transportation that” for clarity.

**Statutory Notes and Related Subsidiaries**

**LIMITATION ON EXPORT OF VESSELS OWNED BY THE GOVERNMENT OF THE UNITED STATES FOR THE PURPOSE OF DISMANTLING, RECYCLING, OR SCRAPPING**

Pub. L. 110–417, div. C, title XXXV, §3502, Oct. 14, 2008, 122 Stat. 4761, provided that:

“(a) **IN GENERAL.**—Except as provided in subsection (b), no vessel that is owned by the Government of the United States shall be approved for export to a foreign country for purposes of dismantling, recycling, or scrapping.

“(b) **EXCEPTION.**—Subsection (a) shall not apply with respect to a vessel if the Administrator of the Maritime Administration certifies to the Committee on Armed Services of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that—

“(1) a compelling need for dismantling, recycling, or scrapping the vessel exists;

“(2) there is no available capacity in the United States to conduct the dismantling, recycling, or scrapping of the vessel;

“(3) any dismantling, recycling, or scrapping of the vessel in a foreign country will be conducted in full compliance with environmental, safety, labor, and health requirements for ship dismantling, recycling, or scrapping that are equivalent to the laws of the United States; and

“(4) the export of the vessel under this section will only be for dismantling, recycling, or scrapping of the vessel.

“(c) **UNITED STATES DEFINED.**—In this section the term ‘United States’ means the States of the United States, Puerto Rico, and Guam.”

**VESSEL DISPOSAL PROGRAM**

Pub. L. 110–181, div. C, title XXXV, §3503, Jan. 28, 2008, 122 Stat. 592, provided that:

“(a) **IN GENERAL.**—Within 30 days after the date of the enactment of this Act [Jan. 28, 2008], the Secretary of Transportation shall convene a working group to review and make recommendations on best practices for the storage and disposal of obsolete vessels owned or operated by the Federal Government. The Secretary shall invite senior representatives from the Maritime Administration, the Coast Guard, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the United States Navy to participate in the working group. The Secretary may request the participation of senior representatives of any other Federal department or agency, as appropriate, and may also request participation from concerned State environmental agencies.

“(b) **SCOPE.**—Among the vessels to be considered by the working group are Federally owned or operated vessels that are—

“(1) to be scrapped or recycled;

“(2) to be used as artificial reefs; or

“(3) to be used for the Navy’s SINKEX program.

“(c) **PURPOSE.**—The working group shall—

“(1) examine current storage and disposal policies, procedures, and practices for obsolete vessels owned or operated by Federal agencies;

“(2) examine Federal and State laws and regulations governing such policies, procedures, and practices and any applicable environmental laws; and

“(3) within 90 days after the date of enactment of the [this] Act [Jan. 28, 2008], submit a plan to the Committee on Armed Services and the Committee on Commerce, Science and Transportation of the Senate and the Committee on Armed Services of the House