

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57306	46 App.:1160(b) (4th-7th sentences).	June 29, 1936, ch. 858, title V, § 510(b) (4th-7th 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, §§ 12(b), 35(a), Oct. 21, 1970, 84 Stat. 1022, 1035; Pub. L. 97-31, § 12(91), Aug. 6, 1981, 95 Stat. 161.

In subsection (b), the words “acquisition of the obsolete vessel occurs” are substituted for “title to the obsolete vessel is acquired” for consistency in the chapter.

§ 57307. Recognition of gain for tax purposes

The owner of an obsolete vessel does not recognize a gain under the Federal income tax laws when the vessel is transferred to the Secretary of Transportation in exchange for a trade-in allowance under this chapter. The basis of the new vessel acquired with the allowance is the same as the basis of the obsolete vessel—

- (1) increased by the difference between the cost of the new vessel and the trade-in allowance of the obsolete vessel; and
- (2) decreased by the amount of loss recognized on the transfer.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1663.)

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Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57307	46 App.:1160(e).	June 29, 1936, ch. 858, title V, § 510(e), as added Aug. 4, 1939, ch. 417, § 7, 53 Stat. 1184; Pub. L. 97-31, § 12(91), Aug. 6, 1981, 95 Stat. 161.

The words “for gain or loss upon a sale or exchange and for depreciation under the applicable Federal income-tax laws” and “or vessels exchanged for credit upon the acquisition of such new vessel” are omitted as unnecessary. In paragraph (1), the words “the difference between the cost of the new vessel and the trade-in allowance of the obsolete vessel” are substituted for “the amount of the cost of such vessel (other than the cost represented by such obsolete vessel or vessels)” for clarity.

§ 57308. Use of vessels at least 25 years old

An obsolete vessel acquired under this chapter that is or becomes at least 25 years old may not be used for commercial operation. However, the vessel may be used—

- (1) during a period in which vessels may be requisitioned under chapter 563 of this title; or
- (2) except as otherwise provided in this subtitle, on trade routes serving only the foreign trade of the United States.

(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)
57308	46 App.:1160(g).	June 29, 1936, ch. 858, title V, § 510(g), as added Aug. 4, 1939, ch. 417, § 7, 53 Stat. 1185; Pub. L. 86-518, § 1, June 12, 1960, 74 Stat. 216; Pub. L. 97-31, § 12(91), Aug. 6, 1981, 95 Stat. 161.

The words “and vessels presently in the Secretary’s laid-up fleet which are or become twenty-five years old or more” and “or any such vessel in the laid-up fleet” are omitted as obsolete. In paragraph (2), the words “for the employment of the Secretary’s vessels in steamship lines” are omitted as unnecessary.

CHAPTER 575—CONSTRUCTION, CHARTER, AND SALE OF VESSELS

SUBCHAPTER I—GENERAL

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 - 57502. Construction, reconditioning, and remodeling of vessels.
 - 57503. Competitive bidding.
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 - 57505. Employment of vessels on foreign trade routes.
 - 57506. Minimum selling price of vessels.
- SUBCHAPTER II—CHARTERS
- 57511. Demise charters.
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 - 57514. Qualifications of bidders.
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 - 57520. Vessel maintenance.
 - 57521. Termination of charter during national emergency.
 - 57522. Books and records, balance sheets, and inspection and auditing.
- SUBCHAPTER III—MISCELLANEOUS
- 57531. Construction and charter of vessels for unsuccessful routes.
 - 57532. Operation of experimental vessels.
 - 57533. Vessel chartering authority.

Editorial Notes

AMENDMENTS

- 2018—Pub. L. 115-232, div. C, title XXXV, § 3546(t), Aug. 13, 2018, 132 Stat. 2327, inserted period at end of item 57533.
- 2016—Pub. L. 114-120, title III, § 313(c)(2), Feb. 8, 2016, 130 Stat. 59, added item 57522.
- 2008—Pub. L. 110-181, div. C, title XXXV, § 3511(b), Jan. 28, 2008, 122 Stat. 594, added item 57533.

SUBCHAPTER I—GENERAL

§ 57501. Completion of long-range program

Whenever the Secretary of Transportation determines that the objectives and policies declared in sections 50101 and 50102 of this title cannot be fully realized within a reasonable time under title V of the Merchant Marine Act, 1936, and the President approves the determination, the Secretary, in accordance with this chapter, shall complete the long-range program described in section 50102 of this title.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1664; Pub. L. 114-120, title III, § 313(b)(1), Feb. 8, 2016, 130 Stat. 58.)

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Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57501	46 App.:1191.	June 29, 1936, ch. 858, title VII, § 701, 49 Stat. 2008; Pub. L. 97-31, § 12(103), Aug. 6, 1981, 95 Stat. 162.