

“(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

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
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 of Representatives to improve and harmonize practices for storage and disposal of such vessels, including the interim transportation of such vessels.

“(d) CONTENTS OF PLAN.—The working group shall include in the plan submitted under subsection (c)(3)—

“(1) a description of existing measures for the storage, disposal, and interim transportation of obsolete vessels owned or operated by Federal agencies in compliance with Federal and State environmental laws in a manner that protects the environment;

“(2) a description of Federal and State laws and regulations governing the current policies, procedures, and practices for the storage, disposal, and interim transportation of such vessels;

“(3) recommendations for environmental best practices that meet or exceed, and harmonize, the requirements of Federal environmental laws and regu-

lations applicable to the storage, disposal, and interim transportation of such vessels;

“(4) recommendations for environmental best practices that meet or exceed the requirements of State laws and regulations applicable to the storage, disposal, and interim transportation of such vessels;

“(5) procedures for the identification and remediation of any environmental impacts caused by the storage, disposal, and interim transportation of such vessels; and

“(6) recommendations for necessary steps, including regulations if appropriate, to ensure that best environmental practices apply to all such vessels.

“(e) IMPLEMENTATION OF PLAN.—

“(1) IN GENERAL.—As soon as practicable after the date of enactment of the [this] Act [Jan. 28, 2008], the head of each Federal department or agency participating in the working group, in consultation with the other Federal departments and agencies participating in the working group, shall take such action as may be necessary, including the promulgation of regulations, under existing authorities to ensure that the implementation of the plan provides for compliance with all Federal and State laws and for the protection of the environment in the storage, interim transportation, and disposal of obsolete vessels owned or operated by Federal agencies.

“(2) ARMED SERVICES VESSELS.—The Secretary and the Secretary of Defense, in consultation with the Administrator of the Environmental Protection Agency, shall each ensure that environmental best practices are observed with respect to the storage, disposal, and interim transportation of obsolete vessels owned or operated by the Department of Defense.

“(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to supersede, limit, modify, or otherwise affect any other provision of law, including environmental law.”

§ 57103. Donation of nonretention vessels in the National Defense Reserve Fleet

(a) IN GENERAL.—The Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if the recipient—

(1) is a non-profit organization, a State, or a municipal corporation or political subdivision of a State;

(2) agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

(3) agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

(4) agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

(5) has a conveyance plan and a business plan that describes the intended use of the vessel, each of which has been submitted to and approved by the Secretary;

(6) has provided proof, as determined by the Secretary, of resources sufficient to accomplish the transfer, necessary repairs and modifications, and initiation of the intended use of the vessel; and

(7) agrees that when the recipient no longer requires the vessel for use as described in the business plan required under paragraph (5)—