

route, or line in the foreign commerce of the United States, as determined under section 50103 of this title;

(2) the vessel was constructed in the United States; and

(3) the Secretary of the Navy has certified to the Secretary of Transportation that the vessel is suitable for economical and speedy conversion into a naval or military auxiliary or otherwise suitable for use by the United States Government in time of war or national emergency.

(b) PRICE.—The price paid for the vessel shall be based on a fair and reasonable valuation. However, the price may not exceed by more than 5 percent the cost of the vessel to the owner (excluding any construction-differential subsidy and the cost of national defense features paid by the Secretary of Transportation) plus the actual cost previously expended for reconditioning, less depreciation based on a 25-year life for a dry-cargo or passenger vessel and a 20-year life for a tanker or other liquid bulk carrier vessel.

(c) DOCUMENTATION.—A vessel acquired under this section that is not documented under the laws of the United States at the time of acquisition shall be so documented as soon as practicable.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1660.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57105	46 App.:1125.	June 29, 1936, ch. 858, title II, §215, as added June 23, 1938, ch. 600, §4, 52 Stat. 954; Pub. L. 86-518, §1, June 12, 1960, 74 Stat. 216; Pub. L. 97-31, §12(73), Aug. 6, 1981, 95 Stat. 160.
	46 App.:1125 note.	Pub. L. 86-518, §9, June 12, 1960, 74 Stat. 217.

In subsection (a), the words “and to pay for the same out of his construction fund” are omitted as obsolete because the construction fund established under 46 App. U.S.C. 1116 was impliedly abolished by 46 App. U.S.C. 1119, as amended.

In subsection (b), the words “less depreciation based on a 25-year life for a dry-cargo or passenger vessel and a 20-year life for a tanker or other liquid bulk carrier vessel” are substituted for “less depreciation based upon a twenty-five year life expectancy of the vessel” because of section 9 of Public Law 86-518 (June 12, 1960, 74 Stat. 217), which provided that “Nothing in any amendment made by this Act [including section 1 substituting ‘twenty-five’ for ‘twenty’ in 46 App. U.S.C. 1125] shall operate or be interpreted to change from twenty to twenty-five years the provisions of the Merchant Marine Act, 1936, as amended, relating to the commercial expectancy or period of depreciation of any tanker or other liquid bulk carrier.”

§ 57106. Maintenance, improvement, and operation of vessels

(a) IN GENERAL.—The Secretary of Transportation may maintain, repair, recondition, remodel, and improve vessels owned by the United States Government and in the possession or under the control of the Secretary, to equip them adequately for competition in the foreign trade of the United States. The Secretary may operate such a vessel or charter the vessel on terms and conditions the Secretary considers appropriate to carry out the purposes of this subtitle.

(b) DOCUMENTATION AND RESTRICTIONS ON OPERATION.—A vessel reconditioned, remodeled, or improved under subsection (a) shall be documented under the laws of the United States and remain so documented for at least 5 years after completion of the reconditioning, remodeling, or improvement. During that period, it shall be operated on voyages that are not exclusively coastwise.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1661.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57106	46 App.:871.	June 5, 1920, ch. 250, §12, 41 Stat. 993; June 6, 1924, ch. 273, §2, 43 Stat. 468; Feb. 11, 1927, ch. 104, §1 (last par. under heading “United States Shipping Board”), 44 Stat. 1063; Exec. Order No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(43), Aug. 6, 1981, 95 Stat. 157.
	46 App.:891b.	May 22, 1928, ch. 675, title II, §202, 45 Stat. 690; Exec. Order No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(51), Aug. 6, 1981, 95 Stat. 157.

This section is substituted for the source provisions to eliminate obsolete and unnecessary provisions.

§ 57107. Vessels for other agencies

(a) IN GENERAL.—The Secretary of Transportation may construct, reconstruct, repair, equip, and outfit, by contract or otherwise, vessels or parts thereof, for any other department or agency of the United States Government to the extent the other department or agency is authorized by law to do so for its own account.

(b) EFFECT ON CONTRACT AUTHORIZATION.—An obligation incurred or expenditure made by the Secretary under this section does not affect any contract authorization of the Secretary, but instead shall be charged against the existing appropriation or contract authorization of the department or agency.

(c) SALVAGING CARGOES.—

(1) REIMBURSABLE AGREEMENTS.—The Secretary of Transportation, acting through the Administrator of the Maritime Administration, may enter into reimbursable agreements with other Federal entities to provide legal services to such entities relating to the salvaging of cargoes for which such entities have custody, or control, or for which for such entities have trustee responsibilities from vessels in the custody or control of the Maritime Administration or its predecessor agencies. The Secretary may receive and retain reimbursement from such entities for all costs incurred related to the provision of such services.

(2) AMOUNTS RECEIVED.—Amounts received as reimbursements under this subsection shall be credited to the fund or account that was used to cover the costs incurred by the Secretary or, if the period of availability of obligations for that appropriation has expired, to the appropriation of funds that is currently avail-