

§ 57301. Definitions

In this chapter:

(1) NEW VESSEL.—The term “new vessel” means a vessel—

(A) constructed under this subtitle and acquired within 2 years after the date of completion; or

(B) constructed in a domestic shipyard on private account and not under this subtitle, and documented under the laws of the United States.

(2) OBSOLETE VESSEL.—The term “obsolete vessel” means a vessel that—

(A) is of at least 1,350 gross tons;

(B) the Secretary of Transportation believes should, because of its age, obsolescence, or other reasons, be replaced in the public interest; and

(C) has been owned by a citizen of the United States for at least 3 years immediately before its acquisition under this chapter.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 57301 details historical sources for the definition of 'new vessel'.

In paragraph (1)(A), the words “or is purchased under section 1204 of this Appendix, as amended, by the person turning in an obsolete vessel under this section” are omitted because the purchase authority under 46 App. U.S.C. 1204 was impliedly repealed by section 14 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1735 note).

§ 57302. Authority to acquire vessels

To promote the construction of new, safe, and efficient vessels to carry the domestic and foreign waterborne commerce of the United States, the Secretary of Transportation may acquire an obsolete vessel in exchange for an allowance of credit toward the cost of construction or purchase of a new vessel as provided in this chapter.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 57302 details historical sources for the authority to acquire vessels.

The words “toward the cost of construction or purchase of a new vessel” are added for clarity. The text of 46 App. U.S.C. 1160(b) (last sentence) is omitted as obsolete.

§ 57303. Utility value and tonnage requirements

(a) UTILITY VALUE.—The utility value of a new vessel to be acquired under this chapter for operation in the domestic or foreign commerce of the United States may not be substantially less than that of the obsolete vessel acquired in exchange under this chapter.

(b) TONNAGE.—If the Secretary of Transportation finds that the new vessel will have a utility value at least equal to that of the obsolete vessel, the new vessel may be of lesser gross tonnage than the obsolete vessel. However, the gross tonnage of the new vessel must be at least one-third the gross tonnage of the obsolete vessel.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 57303 details historical sources for utility value and tonnage requirements.

§ 57304. Eligible acquisition dates

At the option of the owner, the acquisition of an obsolete vessel under this chapter shall occur—

(1) when the owner contracts for the construction or purchase of a new vessel; or

(2) within 5 days of the actual date of delivery of the new vessel to the owner.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 57304 details historical sources for eligible acquisition dates.

The words “At the option of the owner” are substituted for “if the owner so requests” for clarity.

§ 57305. Determination of trade-in allowance

(a) IN GENERAL.—The Secretary of Transportation shall determine the trade-in allowance for an obsolete vessel at the time of acquisition of the vessel. The allowance shall be the fair value of the vessel. In determining the value, the Secretary shall consider—

(1) the scrap value of the obsolete vessel in American and foreign markets;

(2) the depreciated value based on a 20-year or 25-year life, whichever applies to the obsolete vessel; and

(3) the market value of the obsolete vessel for operation in world commerce or in the domestic or foreign commerce of the United States.

(b) USE OF OBSOLETE VESSELS.—If acquisition of the obsolete vessel occurs when the owner contracts for the construction of the new vessel,