

(ii) a qualified account control agreement.

(3) **QUALIFIED ACCOUNT CONTROL AGREEMENT.**—The term “qualified account control agreement”, with respect to a guarantee of a donor, means an agreement among the donor, the Secretary of the Navy, and a major United States investment management firm that—

(A) ensures the availability of sufficient funds or other financial resources to pay the amount guaranteed during the period of the guarantee;

(B) provides for the perfection of a security interest in the assets of the account for the United States for the benefit of the Naval Academy with the highest priority available for liens and security interests under applicable law;

(C) requires the donor to maintain in an account with the investment management firm assets having a total value that is not less than 130 percent of the amount guaranteed; and

(D) requires the investment management firm, at any time that the value of the account is less than the value required to be maintained under subparagraph (C), to liquidate any noncash assets in the account and reinvest the proceeds in Treasury bills issued under section 3104 of title 31.

(4) **MAJOR UNITED STATES COMMERCIAL BANK.**—The term “major United States commercial bank” means a commercial bank that—

(A) is an insured bank (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));

(B) is headquartered in the United States; and

(C) has net assets in a total amount considered by the Secretary of the Navy to qualify the bank as a major bank.

(5) **MAJOR UNITED STATES INVESTMENT MANAGEMENT FIRM.**—The term “major United States investment management firm” means any broker, dealer, investment adviser, or provider of investment supervisory services (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) or section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2)) or a major United States commercial bank that—

(A) is headquartered in the United States; and

(B) holds for the account of others investment assets in a total amount considered by the Secretary of the Navy to qualify the firm as a major investment management firm.

(Added Pub. L. 106-65, div. B, title XXVIII, §2871(b)(1), Oct. 5, 1999, 113 Stat. 873; amended Pub. L. 106-398, §1 [[div. A], title X, §1087(a)(17)], Oct. 30, 2000, 114 Stat. 1654, 1654A-291.)

#### PRIOR PROVISIONS

A prior section 6975, added Pub. L. 103-337, div. A, title V, §556(b)(1), Oct. 5, 1994, 108 Stat. 2774, related to position of athletic director of Naval Academy and to administration of nonappropriated fund account for athletics program of Naval Academy, prior to repeal by

Pub. L. 104-106, div. A, title V, §533(b), Feb. 10, 1996, 110 Stat. 315; Pub. L. 105-85, div. A, title X, §1073(d)(1)(C), Nov. 18, 1997, 111 Stat. 1905, effective Oct. 5, 1994.

#### AMENDMENTS

2000—Subsec. (e)(5). Pub. L. 106-398 inserted a closing parenthesis after “80b-2)” in introductory provisions.

#### § 6976. Operation of Naval Academy dairy farm

(a) **DISCRETION REGARDING CONTINUED OPERATION.**—(1) Subject to paragraph (2), the Secretary of the Navy may terminate or reduce the dairy or other operations conducted at the Naval Academy dairy farm located in Gambrills, Maryland.

(2) Notwithstanding the termination or reduction of operations at the Naval Academy dairy farm under paragraph (1), the real property containing the dairy farm (consisting of approximately 875 acres)—

(A) may not be declared to be excess real property to the needs of the Navy or transferred or otherwise disposed of by the Navy or any Federal agency; and

(B) shall be maintained in its rural and agricultural nature.

(b) **LEASE AUTHORITY.**—(1) Subject to paragraph (2), to the extent that the termination or reduction of operations at the Naval Academy dairy farm permit, the Secretary of the Navy may lease the real property containing the dairy farm, and any improvements and personal property thereon, to such persons and under such terms as the Secretary considers appropriate. In leasing any of the property, the Secretary may give a preference to persons who will continue dairy operations on the property.

(2) Any lease of property at the Naval Academy dairy farm shall be subject to a condition that the lessee maintain the rural and agricultural nature of the leased property.

(c) **LEASE PROCEEDS.**—All money received from a lease entered into under subsection (b) shall be retained by the Superintendent of the Naval Academy and shall be available to cover expenses related to the property described in subsection (a), including reimbursing nonappropriated fund instrumentalities of the Naval Academy.

(d) **EFFECT OF OTHER LAWS.**—Nothing in section 6971 of this title shall be construed to require the Secretary of the Navy or the Superintendent of the Naval Academy to operate a dairy farm for the Naval Academy in Gambrills, Maryland, or any other location.

(Added Pub. L. 105-85, div. B, title XXVIII, §2871(a)(1), Nov. 18, 1997, 111 Stat. 2014; amended Pub. L. 106-65, div. B, title XXVIII, §2814, Oct. 5, 1999, 113 Stat. 851.)

#### AMENDMENTS

1999—Subsecs. (c), (d). Pub. L. 106-65 added subsec. (c) and redesignated former subsec. (c) as (d).

#### § 6977. Grants for faculty research for scientific, literary, and educational purposes: acceptance; authorized grantees

(a) **ACCEPTANCE OF RESEARCH GRANTS.**—The Secretary of the Navy may authorize the Superintendent of the Academy to accept qualifying

research grants under this section. Any such grant may only be accepted if the work under the grant is to be carried out by a professor or instructor of the Academy for a scientific, literary, or educational purpose.

(b) **QUALIFYING GRANTS.**—A qualifying research grant under this section is a grant that is awarded on a competitive basis by an entity referred to in subsection (c) for a research project with a scientific, literary, or educational purpose.

(c) **ENTITIES FROM WHICH GRANTS MAY BE ACCEPTED.**—A grant may be accepted under this section only from a corporation, fund, foundation, educational institution, or similar entity that is organized and operated primarily for scientific, literary, or educational purposes.

(d) **ADMINISTRATION OF GRANT FUNDS.**—The Secretary shall establish an account for administering funds received as research grants under this section. The Superintendent shall use the funds in the account in accordance with applicable regulations and the terms and conditions of the grants received.

(e) **RELATED EXPENSES.**—Subject to such limitations as may be provided in appropriations Acts, appropriations available for the Academy may be used to pay expenses incurred by the Academy in applying for, and otherwise pursuing, award of a qualifying research grant.

(f) **REGULATIONS.**—The Secretary of the Navy shall prescribe regulations for the administration of this section.

(Added Pub. L. 105-261, div. A, title X, §1063(b)(1), Oct. 17, 1998, 112 Stat. 2130.)

**CHAPTER 605—UNITED STATES NAVAL POSTGRADUATE SCHOOL**

Sec.	
7041.	Function.
7042.	Superintendent; assistants.
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7045.	Officers of the other armed forces; enlisted members: admission.
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7049.	Defense industry civilians: admission to defense product development program.

**AMENDMENTS**

2000—Pub. L. 106-398, §1 [[div. A], title V, §535(a)(2)], Oct. 30, 2000, 114 Stat. 1654, 1654A-113, added item 7049.

1997—Pub. L. 105-85, div. A, title V, §551(b)(2), Nov. 18, 1997, 111 Stat. 1748, substituted "Officers of the other armed forces; enlisted members:" for "Officers of Army, Air Force, and Coast Guard:" in item 7045.

1992—Pub. L. 102-484, div. A, title X, §1073(b), Oct. 23, 1992, 106 Stat. 2511, added item 7047 and redesignated former item 7047 as 7048.

**CHAPTER REFERRED TO IN OTHER SECTIONS**

This chapter is referred to in section 1552 of this title.

**§ 7041. Function**

There is a United States Naval Postgraduate School for the advanced instruction and technical education of commissioned officers of the naval service in their practical and theoretical duties.

(Aug. 10, 1956, ch. 1041, 70A Stat. 437.)

**HISTORICAL AND REVISION NOTES**

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7041 .....	34 U.S.C. 1076.	July 31, 1947, ch. 420, §1, 61 Stat. 705.

The words "There is a" are substituted for the words "That the Secretary of the Navy is hereby authorized and directed to establish the", as the Postgraduate School is in operation. The words "technical education" are substituted for the word "training" to describe more aptly the higher level of instruction at the Postgraduate School. The words "naval service" are substituted for the words "Regular Navy and Marine Corps and the reserve components thereof". The word "their" is substituted for the words "of commissioned officers".

**§ 7042. Superintendent; assistants**

(a) The Secretary of the Navy shall detail as Superintendent of the Naval Postgraduate School an officer on the active-duty list in the line of the Navy eligible for command at sea not below the grade of captain. The Superintendent has military command of the Postgraduate School.

(b) The Secretary shall detail officers of the Navy and the Marine Corps of appropriate grades and qualifications to assist the Superintendent in—

- (1) the advanced instruction and technical education of students; and
- (2) the administration of the Postgraduate School.

(Aug. 10, 1956, ch. 1041, 70A Stat. 437; Pub. L. 96-513, title V, §503(53), Dec. 12, 1980, 94 Stat. 2915.)

**HISTORICAL AND REVISION NOTES**

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7042 .....	34 U.S.C. 1076a.	July 31, 1947, ch. 420, §2, 61 Stat. 705.

In subsection (a) the word "Regular" is omitted as covered by the term "active list".

In subsection (b) the words "line and staff" and "as may be necessary" are omitted as surplusage. The word "grades" is substituted for the word "ranks". The words "advanced instruction and technical education" are substituted for the words "training \* \* \* in the practical and theoretical duties of commissioned naval officers".

**AMENDMENTS**

1980—Subsec. (a). Pub. L. 96-513 substituted "active-duty list" for "active list".

**EFFECTIVE DATE OF 1980 AMENDMENT**

Amendment by Pub. L. 96-513 effective Sept. 15, 1981, see section 701 of Pub. L. 96-513, set out as a note under section 101 of this title.

**§ 7043. Academic Dean**

(a) There is at the Naval Postgraduate School the civilian position of Academic Dean. The Academic Dean shall be appointed, to serve for periods of not more than five years, by the Secretary of the Navy upon the recommendation of the Postgraduate School Council consisting of the Superintendent, the Deputy Superintendent,