§ 7234. Submarine safety programs: participation of NATO naval personnel

(a) ACCEPTANCE OF ASSIGNMENT OF FOREIGN NAVAL PERSONNEL.—In order to facilitate the development, standardization, and interoperability of submarine vessel safety and rescue systems and procedures, the Secretary of the Navy may conduct a program under which members of the naval service of any of the member nations of the North Atlantic Treaty Organization may be assigned to United States commands to work on such systems and procedures.

(b) RECIPROCITY NOT REQUIRED.—The authority under subsection (a) is not an exchange program. Reciprocal assignments of members of the Navy to the naval service of a foreign country is not a condition for the exercise of such authority.

(c) COSTS FOR FOREIGN PERSONNEL.—(1) The United States may not pay the following costs for a member of a foreign naval service sent to the United States under the program authorized by this section:
   (A) Salary.
   (B) Per diem.
   (C) Cost of living.
   (D) Travel costs.
   (E) Cost of language or other training.
   (F) Other costs.

(2) Paragraph (1) does not apply to the following costs, which may be paid by the United States:
   (A) The cost of temporary duty directed by the Secretary of the Navy or an officer of the Navy authorized to do so.
   (B) The cost of training programs conducted to familiarize, orient, or certify members of foreign naval services regarding unique aspects of their assignments.
   (C) Costs incidental to the use of the facilities of the Navy in the performance of assigned duties.

(d) RELATIONSHIP TO OTHER AUTHORITY.—The provisions of this section shall apply in the exercise of any authority of the Secretary of the Navy to enter into an agreement with the government of a foreign country, subject to the concurrence of the Secretary of State, to provide for the assignment of members of the naval service of the foreign country to a Navy submarine safety program. The Secretary of the Navy may prescribe regulations for the application of this section in the exercise of such authority.

(e) TERMINATION OF AUTHORITY.—The Secretary of the Navy may not accept the assignment of a member of the naval service of a foreign country under this section after September 30, 2008.


for "Examination by board: unfit vessel stricken" in item 7304, "Vessels stricken from Naval Vessel Register: sale" for "Sale of vessel stricken from Naval Vessel Register" in item 7305, and "Vessels stricken from Naval Vessel Register; captured vessels: transfer by gift or otherwise" for "Use for experimental purposes" in item 7304, added item 7306a, substituted "Disposals to foreign nations" for "Restriction on disposal" in item 7307, "Chief of Naval Operations: certification required for disposal of combatant vessels" for "Transfer or gift of obsolete, condemned, or captured vessels" in item 7308, "Construction of vessels in foreign shipyards: prohibition" for "Restrictions on construction or repair of vessels in foreign shipyards" in item 7309, and "Overhaul, repair, etc. of vessels in foreign shipyards: restrictions" for "Policy in constructing combatant vessels" in item 7310.


1988—Pub. L. 100–456, div. A, title XII, §§1223(b)(2), 1225(a)(2), Sept. 29, 1988, 102 Stat. 2054, 2055, substituted "Restrictions on construction or repair" for "Restriction on construction" in item 7309 and added item 7313 "Overhaul of naval vessels: competition between public and private shipyards".

Pub. L. 100–370, §103(b)(2), July 19, 1988, 102 Stat. 850, added item 7313 "Ship overhaul work: availability of appropriations for unusual cost overruns and for changes in scope of work".


§ 7291. Classification

The President may establish, and from time to time modify, as the needs of the service require, a classification of naval vessels.

(Aug. 10, 1956, ch. 1041, 70A Stat. 448.)

HISTORICAL AND REVISION NOTES

Revised section Source (U.S. Code) Source (Statutes at Large)

PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS


VESSEL SCRAPPING PILOT PROGRAM

Pub. L. 105–262, title VIII, §8124, Oct. 17, 1998, 112 Stat. 2333, provided that: "The Secretary of the Navy may carry out a competitively awarded vessel scrapping pilot program during fiscal years 1999 and 2000 using funds made available in this Act under the heading 'Operation and Maintenance, Navy' (112 Stat. 2282): Provided, That the Secretary of the Navy shall define the program scope sufficient to gather data on the cost of scrapping Government vessels and to demonstrate cost-effective technologies and techniques to scrap such vessels in a manner that is protective of worker safety and health and the environment."

CONSIDERATION OF VESSEL LOCATION FOR AWARD OF LAYBERTH CONTRACTS FOR SEALIFT VESSELS


"(a) CONSIDERATION OF VESSEL LOCATION IN THE AWARD OF LAYBERTH CONTRACTS.—As a factor in the evaluation of bids and proposals for the award of contracts to layberth sealift vessels of the Department of the Navy, the Secretary of the Navy shall include the location of the vessels, including whether the vessels should be layberthed at locations where:

"(1) members of the Armed Forces are likely to be loaded onto the vessels; and

"(2) layberthing the vessels maximizes the ability of the vessels to meet mobility and training needs of the Department of Defense.

(b) ESTABLISHMENT OF LOCATION AS A MAJOR CRITERION.—In the evaluation of bids and proposals referred to in subsection (a), the Secretary of the Navy shall give the same level of consideration to the location of the vessels as the Secretary gives to other major factors established by the Secretary.

(c) APPLICABILITY.—Subsection (a) shall apply to any solicitation for bids or proposals issued after the end of the 120-day period beginning on the date of the enactment of this Act [Oct. 23, 1992]."

REVITALIZATION OF UNITED STATES SHIPBUILDING INDUSTRY


"(a) IN GENERAL.—The Secretary of Defense shall require that all sealift ships built under the fast sealift program established in section 1424 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 102–150; 104 Stat. 1383) [set out below] shall be constructed and designed to commercial specifications.

(b) INTERAGENCY WORKING GROUP TO FORMULATE A PROGRAM TO PRESERVE SHIPYARD INDUSTRIAL BASE.—(1) Not later than March 1, 1993, the President shall establish an interagency working group for the sole purpose of developing and implementing a comprehensive plan to enable and ensure that domestic shipyards can compete effectively in the international shipbuilding market.

"(2) The working group shall include representatives from all appropriate agencies, including the Department of Defense, the Department of Commerce, the Department of Transportation, the Department of Labor, the Office of the United States Trade Representative, and the Maritime Administration.

"(3) The President shall submit to Congress the comprehensive plan developed by the working group not later than October 1, 1993.

(c) REPORT ON SHIP DUMPING PRACTICES.—The Secretary of Transportation shall prepare a report on the countries that provide subsidies for the construction or repair of vessels in foreign shipyards or that engage in ship dumping practices.

(d) REPORT ON DEFENSE CONTRACTS.—The Secretary of Defense shall prepare a report on—

"(1) the amount of Department of Defense contracts that were awarded to companies physically located or headquartered in the countries identified in the Secretary of Transportation’s report under subsection (d) for the most recent year for which data is available; and

"(2) the effect on defense programs of a prohibition of awarding contracts to companies physically lo-
cated or headquartered in the countries identified in the Secretary of Transportation’s report under subsection (d).

§ 7291 TITLE 10—ARMED FORCES Page 1786

EPORT ON ADEQUACY OF UNITED STATES SHIPBUILDING INDUSTRY.—The Secretary of Defense shall prepare a report on—

“(1) the adequacy of United States shipbuilding industry to meet military requirements, including sealift, during the period of 1994 through 1998; and

“(2) the causes of any inadequacy identified and actions that could be taken to correct such inadequacies.

“(f) SUBMISSION OF REPORTS.—The report under subsections (c), (d), and (e) shall be submitted to Congress with the President’s budget for fiscal year 1994.

“(g) PENALTY FOR FAILURE TO COMPLY.—(1) Except as provided in paragraph (2), if the President fails to submit to Congress a comprehensive plan as required by subsection (c) or (d), or (e), the Secretary of Defense shall notify the President that a penalty for failure to comply is to be imposed.

“(2) The causes of any inadequacy identified and actions that could be taken to correct such inadequacies.

“(3) The term ‘vessel’ means any self-propelled, seagoing vessel—

“(A) of not less than 100 gross tons, as measured under the International Convention of Tonnage Measurement of Ships, 1969; and

“(B) not exempt from entry under section 411 of the Tariff Act of 1930 (19 U.S.C. 1431).”

FAST SEALIFT PROGRAM


“(a) ACQUISITION AND CONVERSION OF U.S. BUILT VESSELS.—Notwithstanding any other provision of law, the Secretary of the Navy may use funds available for the Fast Sealift Program—

“(1) to acquire vessels for the program from among available vessels built in United States shipyards; and

“(2) to convert in United States shipyards vessels built in United States shipyards.

“(b) ACQUISITION OF FIVE FOREIGN-BUILT VESSELS.—Notwithstanding any other provision of law, funds available for the Fast Sealift Program may be used for the acquisition of five vessels built in foreign shipyards and for conversion of those vessels in United States shipyards if the Secretary of the Navy determines that acquisition of those vessels is necessary to expedite the availability of vessels for sealift.


“(a) ESTABLISHMENT OF PROGRAM.—The Secretary of the Navy shall establish a program for the construction and operation, or conversion and operation, of cargo vessels that incorporate features essential for military use of the vessels.

“(b) PROGRAM REQUIREMENTS.—The program under this section shall be carried out as follows:

“(1) The Secretary of the Navy shall establish the design requirements for vessels to be constructed or converted under the program.

“(2) In establishing the design requirements for vessels to be constructed or converted under the program, the Secretary shall use commercial design standards and shall consult with the Administrator of the Maritime Administration.

“(3) Construction or conversion of the vessels shall be accomplished in private United States shipyards.

“(4) The vessels constructed or converted under the program shall incorporate propulsion systems whose main components (that is, the engines, reduction gears, and propellers) are manufactured in the United States.

“(5) The vessels constructed or converted under the program shall incorporate bridge and machinery control systems and interior communications equipment which—

“(A) are manufactured in the United States; and

“(B) have more than half of their value, in terms of cost, added in the United States.
“(b) APPLICABILITY.—Subsection (a) shall apply only with respect to appropriations for a fiscal year after fiscal year 1990.”

DEPOT-LEVEL MAINTENANCE OF SHIPS

Pub. L. 101–189, div. A, title XVI, § 1614(a), (b), Nov. 29, 1989, 103 Stat. 1601, directed Secretary of the Navy to require that, to the extent feasible and consistent with policies of the Navy regarding family separations, not less than one-half of the depot-level maintenance work for naval vessels that was scheduled as of Oct. 1, 1989, to be carried out in Japan during fiscal years 1990, 1991, and 1992, was to be carried out in shipyards in the United States. Similar provisions were contained in Pub. L. 100–456, div. A, title XII, § 1226, Sept. 29, 1988, 102 Stat. 2055, which was repealed by Pub. L. 101–189, div. A, title XVI, § 1614(c), Nov. 29, 1989, 103 Stat. 1601.

REPORTS ON EFFECTS OF NAVAL SHIPBUILDING PLANS ON MARITIME INDUSTRIES

Pub. L. 100–456, div. A, title XII, § 1227, Sept. 29, 1988, 102 Stat. 2055, directed Secretary of Defense to submit to Congress in 1989, 1990, and 1991 a report on how, under the current Five-Year Defense Program of Department of Defense, programs for naval shipbuilding and conversion, for naval vessel repair, and for procurement of support equipment for naval vessels could be expected to affect private-sector shipbuilding and ship repair industries of United States in terms of effectiveness and preparedness of those industries for mobilization in their role in the sealift component of the conventional deterrent of the United States.

REPAIR OF VESSELS IN FOREIGN SHIPYARDS


ENCOURAGEMENT OF CONSTRUCTION IN UNITED STATES SHIPYARDS OF COMBATANT VESSELS FOR UNITED STATES NAVY

Pub. L. 99–145, title XIV, §1445, Nov. 8, 1985, 99 Stat. 761, provided that:

“(a) IN GENERAL.—The Secretary of the Navy shall take such steps as necessary—

(1) to encourage United States shipyards to construct combatant vessels for nations friendly to the United States, subject to the requirement to safeguard sensitive warship technology; and

(2) to ensure that no effort is made by any element of the Department of the Navy to inhibit, delay, or halt the provision of any United States naval system to a nation allied with the United States if that system is approved for export to a foreign nation, unless approval of such system for export is withheld solely for the purpose of safeguarding sensitive warship technology.

“(b) If opportunities arise to construct combatant vessels (including diesel submarines) outside the United States in a shipyard of a friendly foreign nation, with some or all of the costs provided by United States funds—

(A) to encourage United States firms to participate in such construction to the maximum extent possible, subject to the requirement to safeguard sensitive warship technology; and

(B) to ensure, whenever practicable, that at least 51 percent of the dollar value of such construction is provided by United States firms.

“(b) DEFINITION.—For the purposes of this section, the term ‘sensitive warship technology’ means technology relating to the design or construction of a combatant naval vessel that is determined by the Secretary of Defense to be vital to United States security.”

FUNDING FOR SHIP PRODUCTION ENGINEERING


“(a) CATEGORY FOR FUNDING.—Any request submitted to Congress for appropriations for ship production engineering necessary to support the procurement of any ship included (at the time the request is submitted) in the five-year shipbuilding and conversion plan of the Navy shall be set forth in the budget in a special section labeled ‘Conversion account of the Navy (rather than in research and development accounts).”
SIX-HUNDRED-SHIP GOAL FOR NAVY; SENSE OF CONGRESS

"(1) A larger and stronger American Navy is needed as an essential ingredient of our Armed Forces, in order to fulfill its basic missions of (A) protecting the sea lanes to preserve the safety of the free world's commerce, (B) assuring continued access to raw materials essential to the well-being of the free world, (C) enhancing our capacity to project effective American forces into regions of the world where the vital interests of the United States must be protected, (D) engaging the Navy of the Soviet Union or any other potential adversary successfully, (E) continuing to serve as a viable leg of our strategic triad, and (F) providing visible evidence of American diplomatic, economic and military commitments throughout the world.

"(2) In order to conduct the numerous and growing missions of the modern American Navy, a goal of a naval inventory of approximately six hundred active ships of various types by the end of the century at the least, is highly desirable, the exact figure to be flexible to accommodate new designs as the specific details of our naval missions evolve to meet various contingencies.

"(3) The Secretary of Defense comply with section 808 of Public Law 94–106, the Department of Defense Appropriation Authorization Act of 1976 [set out as a note under this section], in order that the Congress may more properly appropriate the funds necessary to reach a six hundred-ship goal at least by the end of the present century."

CONSTRUCTION OF ADVANCED, VERSATILE, SURVIVABLE, AND COST-EFFECTIVE COMBATANT SHIPS; PLANS AND PROGRAMS; PRESIDENTIAL CONCLUSIONS AND RECOMMENDATIONS TO ACCOMPANY SHIP AUTHORIZATION REQUESTS
Pub. L. 95–485, title VIII, §810(a), (b), Oct. 20, 1978, 92 Stat. 1623, which declared it the policy of the United States to construct more survivable, less costly, and more combat effective ships, and directed the President to include in any request for authorization of a ship his conclusions on the ship's possession of the above qualities and whether and why the ship should be nuclear powered, was repealed and rescinded as section 7310 of this title by Pub. L. 97–295, §§1(48)(A), 6(b), Oct. 12, 1982, 96 Stat. 1298, 1315.

CONVERSION, OVERHAUL, OR REPAIR WORK UNDER SERVICE LIFE EXTENSION PROGRAM OR DDG–2 MODERNIZATION PROGRAM; USE OF PUBLIC OR PRIVATE SHIPYARDS; ADDITIONAL PERSONNEL; LEAST-COST APPROACH STUDY; REPORT TO CONGRESS; ADVANCED PLANNING OR PURCHASING LONG LEAD ITEMS
Pub. L. 95–485, title VIII, §811, Oct. 20, 1978, 92 Stat. 1624, prohibited Secretary of the Navy, with certain exceptions, from taking any action with respect to the use of either public shipyards or private shipyards for conversion, overhaul, or repair work under Service Life Extension Program (SLEP) or under program for modernization of DDG–2 class guided missile destroyers, or for the employment of additional personnel for, or the transfer of additional personnel to, any public shipyard as part of the necessary buildup of manpower for carrying out either such program, until a comprehensive least-cost approach study was conducted and a written report of such study was submitted after Oct. 20, 1978, to Congress.

NAVAL SHIP NEW CONSTRUCTION AND CONVERSION PROGRAM; REPORTS TO CONGRESSIONAL COMMITTEES

NUCLEAR POWERED MAJOR COMBATANT VESSELS; CONSTRUCTION; DEFINITIONS; REPORT TO CONGRESS BY SECRETARY OF DEFENSE; LIMITATIONS ON AUTHORIZATION OR APPROPRIATION REQUESTS; REPORT TO CONGRESS BY PRESIDENT OF ALTERNATE PROGRAM
Pub. L. 93–365, title VIII, §§801–804, Aug. 5, 1974, 88 Stat. 408, 409, authorized construction of nuclear powered major combatant vessels for the strike forces of the United States Navy and an adequate industrial base for research, design, maintenance, etc., of these vessels, defined the term "major combatant vessels for the strike forces of the United States Navy", required the Secretary of Defense to report to Congress each calendar year on the application of nuclear propulsion to these vessels, and provided all requests for authorizations or appropriations for these vessels be for the construction of nuclear powered vessels unless the President advises Congress that such construction would not be in the national interest and includes for consideration by Congress an alternate program of nuclear powered ships, prior to repeal by Pub. L. 95–485, title VIII, §810(c), Oct. 20, 1978, 92 Stat. 1623.

TONNAGE BALANCE FOR CONSTRUCTION OF SHIPS; REPEAL

CONSTRUCTION OF ALTERNATE VESSELS IN GOVERNMENT NAVY YARDS; PUBLIC INTERESTS

CONVERSION, ALTERATION, AND REPAIR PROJECTS; CONSIDERATIONS AND REQUIREMENTS
Pub. L. 89–37, title III, §303, June 11, 1965, 79 Stat. 128, which provided that assignment of naval ship conversion, alteration, and repair projects would be made on basis of economic and military considerations and which would not be restricted by requirements that certain portions of such naval shipwork be assigned to particular types of shipyards or to particular geographical areas or by similar requirements, was repealed and restated as section 7289a of this title by Pub. L. 97–295, §§1(48)(A), 6(b), Oct. 12, 1982, 96 Stat. 1298, 1314.

§ 7292. Naming
(a) Not more than one vessel of the Navy may have the same name.
(b) Each battleship shall be named for a State. However, if the names of all the States are in use, a battleship may be named for a city, place, or person.
(c) The Secretary of the Navy may change the name of any vessel bought for the Navy.

(Aug. 10, 1956, ch. 1041, 70A Stat. 448.)

HISTORICAL AND REVISION NOTES

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In subsection (c) the words “by authority of law” are omitted as surplusage.

§ 7293. Number in service in time of peace

In time of peace, the President may keep in service such vessels of the Navy as are required and keep the rest in reserve.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

In case of a treaty for the limitation of naval armament to which the United States is a signatory, the President may suspend so much of the authorized naval construction as is necessary to bring the naval vessels of the United States within the limitations agreed upon. Such a suspension does not apply to vessels under construction at the time the suspension is made.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

The words “vessels of the Navy” are substituted for the words “of the public armed vessels”. The words “actual”, “in his opinion”, and “by the nature of the service” are omitted as surplusage. The words “in reserve” are substituted for the words “to be laid up in ordinary in convenient ports” to conform to modern terminology.

§ 7294. Suspension of construction in case of treaty

In case of a treaty for the limitation of naval armament to which the United States is a signatory, the President may suspend so much of the authorized naval construction as is necessary to bring the naval vessels of the United States within the limitations agreed upon. Such a suspension does not apply to vessels under construction at the time the suspension is made.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

The words “the United States would welcome and support an international conference for naval limitations” are omitted as a declaration of purpose without permanent or general significance. The word “further” is omitted since there is no such agreement in existence today. The word “international” is omitted as unnecessary since the word “treaty” necessarily involves an international understanding. The word “may” is substituted for the words “is hereby authorized and empowered to” for brevity.

§ 7295. Vessels: under-age

Vessels of the following types are considered under-age for the period after completion indicated below:
(1) Battleships—26 years.

(2) Aircraft carriers—20 years.

(3) Cruisers—20 years.

(4) Submarines—13 years.

(5) Other combatant surface vessels—16 years.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

Section
Source (U.S. Code)
Source (Statutes at Large)


7292(c) ....... 34 U.S.C. 463. R.S. 1533.


HISTORICAL AND REVISION NOTES—CONTINUED

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§ 7296. Combatant surface vessels: notice before reduction in number; preservation of surge capability

(a) NOTICE-AND-WAIT BEFORE REDUCTIONS.—(1) A reduction described in paragraph (2) in the number of combatant surface vessels may only be carried out after—
(A) the Secretary of the Navy submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written notification of the proposed reduction; and
(B) a period of 90 days has expired after the date on which such notification is received.
(2) A reduction described in this paragraph in the number of combatant surface vessels is a reduction—
(A) from 116, or a number greater than 116, to a number less than 116; or
(B) from a number less than 116 to a lesser number.
(b) CONTENT OF NOTIFICATION.—Any notification under subsection (a)(1)(A) shall include the following:
(1) The schedule for the proposed reduction.
(2) The number of vessels that are to comprise the force of combatant surface vessels after the reduction.
(3) A risk assessment for a force of combatant surface vessels of the number specified under paragraph (2) that is based on the same assumptions as were applied in the QDR 2001 combatant surface force risk assessment.
(c) DEFINITIONS.—In this section:
(1) The term “combatant surface vessels” means cruisers, destroyers, and frigates that are in active service in the Navy or in active reserve service in the Navy.


Prior Provisions
CHAPTER 42A
SEC. 2223.

(a) The Secretary of the Navy, in effecting budgetary, procurement, and other decisions, shall have regard for the need to maintain a sufficient number of combatant surface vessels to enable the Navy to regain a force of combatant surface vessels numbering not less than 116 within 120 days after the date of any decision by the President to increase the number of combatant surface vessels.

(b) The Secretary of the Navy shall maintain on the Naval Vessel Register a designated subpars. (A) to (C) as pars. (1) to (3), respectively, for paragraph (2) for subparagraph (B) of subsection (a)(1).

(c) §116 Stat. 2639, provided that: "The provisions of paragraph (2) for subparagraph (B) of subsection (a)(1) of section 7296 of title 10, United States Code, as added by subsection (b)(1) of this section, shall apply only with respect to notifications submitted under subparagraph (A) of that subsection or on or after January 15, 2003."

§ 7297. Changing category or type: limitations

Unless they have been specifically made available for the purpose, funds appropriated for the repair or alteration of naval vessels may not be used to make repairs or alterations of any vessel that would change its category or type.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

HISTORICAL AND REVISION NOTES

Revised section Source (U.S. Code) Source (Statutes at Large)


§ 7299. Contracts: applicability of Walsh-Healey Act

Each contract for the construction, alteration, furnishing, or equipping of a naval vessel is subject to the Walsh-Healey Act (41 U.S.C. 15 et seq.), unless the President determines that this requirement is not in the interest of national defense.

(Aug. 10, 1956, ch. 1041, 70A Stat. 449.)

HISTORICAL AND REVISION NOTES

Revised section Source (U.S. Code) Source (Statutes at Large)

In subsection (a), the words "combatant vessels" are substituted for "warships" for consistency in title 10 and because of 1:3. The words "for which appropriations are authorized by this Act and hereafter" are omitted as unnecessary.

AMENDMENTS

1992—Subsec. (a). Pub. L. 102±484, §1016(a), (b)(1), redesignated subsec. (b) as (a) and struck out former sub-
section 2553.”

Sale by a naval shipyard of articles or services of this title and subsections (a)(1) and (c)(1)(A) of Defense contract with respect to a nuclear private shipyard’s fulfillment of a Department of the private shipyard in order to facilitate the


“(A) in the case of voyage repairs; or

“(B) in the case of a vessel that is assigned to the Naval Reserve force and homeported on the West Coast of the United States.”

1987—Subsec. (d), Pub. L. 100–180 amended subsec. (d) generally. Prior to amendment, subsec. (d) read as follows:

“(1) Notwithstanding subsections (b) and (c), the Secretary may award a contract for short-term work for the overhaul, repair, or maintenance of a naval vessel only to a contractor that is able to perform the work at the homeport of the vessel, if the Secretary determines that adequate competition is available among firms able to perform the work at the homeport of the vessel.

“(2) In this subsection, the term ‘short-term work’ means work that will be for a period of six months or less.

1986—Subsecs. (c), (d), Pub. L. 99–661 added subsecs. (c) and (d).

DELEGATION OF AUTHORITY

For delegation of authority of President under subsec. (a) of this section, see section 2 of Ex. Ord. No. 12765, June 11, 1991, 56 F.R. 27601, set out as a note under section 113 of this title.

§ 7300. Contracts for nuclear ships; sales of naval shipyard articles and services to private shipyards

The conditions set forth in section 2208(j)(1)(B) of this title and subsections (a)(1) and (c)(1)(A) of section 2563 of this title shall not apply to a sale by a naval shipyard of articles or services to a private shipyard that is made at the request of the private shipyard in order to facilitate the private shipyard’s fulfillment of a Department of Defense contract with respect to a nuclear ship. This section does not authorize a naval shipyard to construct a nuclear ship for the private shipyard, to perform a majority of the work called for in a contract with a private entity, or to provide articles or services not requested by the private shipyard.


PRIOR PROVISIONS


AMENDMENTS


Section, act Aug. 10, 1956, ch. 1041, 70A Stat. 451, directed Department of the Navy to construct on U.S. Pacific Coast such vessels as President determined necessary to maintain shipyard facilities there adequate to meet requirements of national defense.

§ 7303. Model Basin; investigation of hull designs

(a) An office or agency in the Department of the Navy designated by the Secretary of the Navy shall conduct at the David W. Taylor Model Basin, Carderock, Maryland, investigations to determine the most suitable shapes and forms for United States vessels and aircraft and investigations of other problems of their design.

(b) The Secretary of the Navy may authorize experiments to be made at the Model Basin for private persons. The costs of experiments made for private persons shall be paid by those persons under regulations prescribed by the Secretary. The results of private experiments are confidential and may not be divulged without the consent of the persons for whom they are made. However, the data obtained from such experiments may be used by the Secretary for governmental purposes, subject to the patent laws of the United States.


HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)

In subsection (a) the authority to purchase a site and construct the model basin is omitted as executed. The words “David W. Taylor Model Basin, Carderock, Maryland” are inserted to designate the model basin established under this authority. The words “investigations to determine” are substituted for the words “work of investigating and determining.” The phrase “vessels, including aircraft” is changed to read “vessels and aircraft,” and the words “their design” are substituted for “ship design”.

AMENDMENTS

1966—Subsec. (a). Pub. L. 89–718 substituted “An officer or agency of the Department of the Navy designated by the Secretary of the Navy” for “The Bureau of Ships”.

§ 7304. Examination of vessels; striking of vessels from Naval Vessel Register

(a) BOARDS OF OFFICERS TO EXAMINE NAVAL VESSELS.—The Secretary of the Navy shall designate boards of naval officers to examine naval vessels, including unfinished vessels, for the purpose of making a recommendation to the Secretary as to which vessels, if any, should be stricken from the Naval Vessel Register. Each vessel shall be examined at least once every three years if practicable.
§ 7305

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(b) ACTIONS BY BOARD.—A board designated under subsection (a) shall submit to the Secretary in writing its recommendations as to which vessels, if any, among those it examined should be stricken from the Naval Vessel Register.

(c) ACTION BY SECRETARY.—If the Secretary concurs with a recommendation by a board that a vessel should be stricken from the Naval Vessel Register, the Secretary shall strike the name of that vessel from the Naval Vessel Register.


§ 7305. Vessels stricken from Naval Vessel Register: sale

(a) APPRAISAL OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.—The Secretary of the Navy shall appraise each vessel stricken from the Naval Vessel Register under section 7304 of this title.

(b) AUTHORITY TO SELL VESSEL.—If the Secretary considers that the sale of the vessel is in the national interest, the Secretary may sell the vessel. Any such sale shall be in accordance with regulations prescribed by the Secretary for the purposes of this section.

(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

(2) In such a case, the Secretary may—

(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

(d) APPLICABILITY.—This section does not apply to a vessel the disposal of which is authorized by subtitle I of title 40 and title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), if it is to be disposed of under subtitle I of title 40 and such title III.


AMENDMENTS


1997—Subsec. (c). Pub. L. 105-85 amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows:

“(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section. In such a case, the Secretary may sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after the vessel is publicly advertised for sale for a period of not less than 30 days.

“(2) If the Secretary determines that the bid prices for a vessel received after advertising under paragraph (1) are not acceptable and that readvertising will serve no useful purpose, the Secretary may sell the vessel by negotiation to the highest acceptable bidder if—

“(A) each responsible bidder has been notified of intent to negotiate and has been given a reasonable opportunity to negotiate; and

“(B) the negotiated price is—

“(i) higher than the highest rejected price of any responsible bidder; or

“(ii) reasonable and in the national interest.”

EXECUTIVE ORDER NO. 11765

Ex. Ord. No. 11765, Jan. 21, 1974, 39 F.R. 2577, related to sale of vessels of the Navy stricken from Naval Vessel Register pursuant to section 7304 of this title regardless of their appraised value under authority of former subsec. (l) of this section.

§ 7305a. Vessels stricken from Naval Vessel Register: contracts for dismantling on net-cost basis

(a) AUTHORITY FOR NET-COST BASIS CONTRACTS.—When the Secretary of the Navy awards a contract for the dismantling of a vessel stricken from the Naval Vessel Register, the Secretary may award the contract on a net-cost basis.

(b) RETENTION BY CONTRACTOR OF PROCEEDS OF SALE OF SCRAP AND REUSABLE ITEMS.—When the Secretary awards a contract on a net-cost basis under subsection (a), the Secretary shall provide in the contract that the contractor may retain...
the proceeds from the sale of scrap and reusable items removed from the vessel dismantled under the contract.

(c) **Definitions.**—In this section:

(1) The term “net-cost basis”, with respect to a contract for the dismantling of a vessel, means that the amount to be paid to the contractor under the contract for dismantling and for removal and disposal of hazardous waste material is discounted by the offeror’s estimate of the value of scrap and reusable items that the contractor will remove from the vessel during performance of the contract.

(2) The term “scrap” means personal property that has no value except for its basic material content.

(3) The term “reusable item” means a demilitarized component or a removable portion of a vessel or equipment that the Secretary of the Navy has identified as excess to the needs of the Navy but which has potential resale value on the open market.


### §7306. Vessels stricken from Naval Vessel Register; captured vessels: transfer by gift or otherwise

(a) **Authority to Make Transfer.**—Subject to section 113 of title 40, the Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register, or any captured vessel, to—

(1) any State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof;

(2) the District of Columbia; or

(3) any not-for-profit or nonprofit entity.

(b) **Vessel to Be Maintained in Condition Satisfactory to Secretary.**—An agreement for the transfer of a vessel under subsection (a) shall include a requirement that the transferee will maintain the vessel in a condition satisfactory to the Secretary.

(c) **Transfers to Be at No Cost to United States.**—Any transfer of a vessel under this section shall be made at no cost to the United States.

(d) **Congressional Notice-and-Wait Period.**—

(1) A transfer under this section may not take effect until—

(A) the Secretary submits to Congress notice of the proposed transfer; and

(B) 30 days of a session of Congress have expired following the date on which the notice is sent to Congress.

(2) For purposes of paragraph (1)(B)—

(A) the period of a session of Congress is broken only by an adjournment of Congress sine die at the end of the final session of a Congress; and

(B) any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain, or because of an adjournment sine die at the end of the first session of a Congress, shall be excluded in the computation of such 30-day period.


### Prior Provisions


### Amendments

2002—Subsec. (a). Pub. L. 107–217 substituted “section 113 of title 40” for “subsections (c) and (d) of section 602 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474)”.

1999—Subsec. (d). Pub. L. 106–65 amended heading and text of subsec. (d) generally. Text read as follows:

“(3) No transfer under this section takes effect unless—

“(A) notice of the proposal to make the transfer is sent to Congress; and

“(B) 60 days of continuous session of Congress have expired following the date on which such notice is sent to Congress.

“(2) For purposes of paragraph (1)(B), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.”

### §7306a. Vessels stricken from Naval Vessel Register: use for experimental purposes

(a) **Authority.**—The Secretary of the Navy may use for experimental purposes any vessel stricken from the Naval Vessel Register.

(b) **Stripping and Environmental Remediation of Vessel.**—(1) Before using a vessel for an experimental purpose pursuant to subsection (a), the Secretary shall carry out such stripping of the vessel as is practicable and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes.

(2) Material and equipment stripped from a vessel under paragraph (1) may be sold by the contractor or by a sales agent approved by the Secretary.

(3) Amounts received as proceeds from the stripping of a vessel pursuant to this subsection shall be credited to appropriations available for the procurement of services needed for such stripping and for environmental remediation required for the use of the vessel for experimental purposes. Amounts received in excess of amounts needed for reimbursement of those costs shall be deposited into the account from which the stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes.

(c) **Use for Experimental Purposes Defined.**—In this section, the term “use for experimental purposes”, with respect to a vessel, includes use of the vessel in a Navy sink exercise or for target purposes.


PRIOR PROVISIONS

Provisions similar to those in this section were contained in section 7306 of this title prior to repeal by Pub. L. 103–160.

AMENDMENTS


Subsec. (b)(1), Pub. L. 108–136, §1012(a)(2), inserted before period at end “and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes”.


Subsec. (b)(3), Pub. L. 108–136, §1012(b)(1), redesignated par. (2) as (3) and substituted “services needed for such stripping and for environmental remediation required for the use of the vessel for experimental purposes. Amounts received in excess of amounts needed for reimbursement of those costs shall be deposited into the account from which the stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes” for “scraping services needed for such stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes”.

Subsec. (c), Pub. L. 108–136, §1012(c), added subsec. (c).

§ 7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs

(a) Authority To Make Transfer.—The Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register to any State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, for use as provided in subsection (b).

(b) Vessel To Be Used As Artificial Reef.—An agreement for the transfer of a vessel under subsection (a) shall require that—

(1) the recipient use, site, construct, monitor, and manage the vessel only as an artificial reef in accordance with the requirements of the National Fishing Enhancement Act of 1984 (33 U.S.C. 2101 et seq.), except that the recipient may use the artificial reef to enhance diving opportunities if that use does not have an adverse effect on fishery resources (as that term is defined in section 2(14) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(14)); and

(2) the recipient obtain, and bear all responsibility for complying with, applicable Federal, State, interstate, and local permits for using, siting, constructing, monitoring, and managing the vessel as an artificial reef.

(c) Preparation of Vessel for Use As Artificial Reef.—The Secretary shall ensure that the preparation of a vessel transferred under subsection (a) for use as an artificial reef is conducted in accordance with—

(1) the environmental best management practices developed pursuant to section 3504(b) of the Bob Stump National Defense Authori-
by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 30-day period.


REFERENCES IN TEXT


PRIORITY PROVIDED


AMENDMENTS


PRIORITY PROVIDED


(b) PRESIDENTIAL WAIVER FOR NATIONAL SECURITY INTEREST.—(1) The President may authorize exceptions to the prohibition in subsection (a) when the President determines that it is in the national security interest of the United States to do so. (2) The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date on which the notice of the determination is received by Congress.

(c) EXCEPTION FOR INFLATABLE BOATS.—An inflatable boat or a rigid inflatable boat, as defined by the Secretary of the Navy, is not a vessel for the purpose of the restriction in subsection (a).


DELEGATION OF AUTHORITY

For delegation of authority of President under subsection (b), see section 3 of Ex. Ord. No. 12765, June 11, 1991, 56 F.R. 27401, set out as a note under section 113 of this title.

§7310. Overhaul, repair, etc. of vessels in foreign shipyards: restrictions

(a) VESSELS WITH HOMPORT IN UNITED STATES.—A naval vessel (or any other vessel under the jurisdiction of the Secretary of the Navy) the homeport of which is in the United States may not be overhauled, repaired, or maintained in a shipyard outside the United States or Guam, other than in the case of voyage repairs.

(b) VESSEL CHANGING HOMPORTS.—(1) In the case of a naval vessel the homeport of which is not in the United States (or a territory of the United States), the Secretary of the Navy may not during the 15-month period preceding the planned reassignment of the vessel to a homeport in the United States (or a territory of the United States) begin any work for the overhaul, repair, or maintenance of the vessel that is scheduled to be for a period of more than six months. (2) In the case of a naval vessel the homeport of which is in the United States (or a territory of the United States), the Secretary of the Navy shall during the 15-month period preceding the planned reassignment of the vessel to a homeport in the United States (or a territory of the United States) perform in the United States (or a territory of the United States) any work for the overhaul, repair, or maintenance of the vessel that is scheduled—
(A) to begin during the 15-month period; and
(B) to be for a period of more than six months.


PRIOR PROVISIONS


AMENDMENTS


1993—Subsec. (b). Pub. L. 103–160, §367, amended subsec. (b) generally, designating existing provisions as par. (1) and adding par. (2).

§7311. Repair or maintenance of naval vessels: handling of hazardous waste

(a) CONTRACTUAL PROVISIONS.—The Secretary of the Navy shall ensure that each contract entered into for work on a naval vessel (other than new construction) includes the following provisions:

(1) IDENTIFICATION OF HAZARDOUS WASTES.—A provision in which the Navy identifies the types and amounts of hazardous wastes that are required to be removed by the contractor from the vessel, or that are expected to be generated, during the performance of work under the contract, with such identification by the Navy to be in a form sufficient to enable the contractor to comply with Federal and State laws and regulations on the removal, handling, storage, transportation, or disposal of hazardous waste.

(2) COMPENSATION.—A provision specifying that the contractor shall be compensated under the contract for work performed by the contractor for duties of the contractor specified under paragraph (3).

(3) STATEMENT OF WORK.—A provision specifying the responsibilities of the Navy and of the contractor, respectively, for the removal (including the handling, storage, transportation, and disposal) of hazardous wastes.

(4) ACCOUNTABILITY FOR HAZARDOUS WASTES.—(A) A provision specifying the following:

(i) In any case in which the Navy is the sole generator of hazardous waste that is removed, handled, stored, transported, or disposed of by the contractor in the performance of the contract, all contracts, manifests, invoices, and other documents related to the removal, handling, storage, transportation, and disposal of such hazardous waste shall bear a generator identification number issued to the Navy pursuant to applicable law.

(ii) In any case in which the contractor is the sole generator of hazardous waste that is removed, handled, stored, transported, or disposed of by the contractor in the performance of the contract, all contracts, manifests, invoices, and other documents related to the removal, handling, storage, transportation, or disposal of such hazardous waste shall bear a generator identification number issued to the contractor pursuant to applicable law.

(3) In any case in which both the Navy and the contractor are generators of hazardous waste that is removed, handled, stored, transported, or disposed of by the contractor in the performance of the contract, all contracts, manifests, invoices, and other documents related to the removal, handling, storage, transportation, or disposal of such hazardous waste shall bear both a generator identification number issued to the Navy and a generator identification number issued to the contractor pursuant to applicable law.

(b) RENEGOTIATION OF CONTRACT.—The Secretary of the Navy shall renegotiate a contract described in subsection (a) if—

(1) the contractor, during the performance of work under the contract, discovers hazardous wastes different in type or amount from those identified in the contract; and

(2) those hazardous wastes originated on, or resulted from material furnished by the Government for, the naval vessel on which the work is being performed.

(c) REMOVAL OF WASTES.—The Secretary of the Navy shall remove known hazardous wastes from a vessel before the vessel’s arrival at a maintenance or disposal of such hazardous waste shall bear a generator identification number issued to the contractor pursuant to applicable law.

(d) RELATIONSHIP TO SOLID WASTE DISPOSAL ACT.—Nothing in this section shall be construed as altering or otherwise affecting those provisions of the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) that relate to generators of hazardous waste. For purposes of this section, any term used in this section for which a definition is provided by the Solid Waste Disposal Act (or regulations promulgated pursuant to such Act) has the meaning provided by that Act or regulations.


REFERENCES IN TEXT

§ 7312. Service craft stricken from Naval Vessel Register; obsolete boats: use of proceeds from exchange or sale

(a) EXCHANGE OR SALE OF SIMILAR ITEMS.—When the Secretary of the Navy sells an obsolete service craft or an obsolete boat, or exchanges such a craft or boat in a transaction for which a similar craft or boat is acquired, the Secretary may retain the proceeds of the sale or the exchange allowance from the exchange, as the case may be, and apply the proceeds of sale or the exchange allowance for any of the following purposes:

1. For payment, in whole or in part, for a similar service craft or boat acquired as a replacement, as authorized by section 503 of title 40.

2. For reimbursement, to the extent practicable, of the appropriate accounts of the Navy for the full costs of preparation of such obsolete craft or boat for such sale or exchange.

3. For deposit to the special account established under subsection (b), to be available in accordance with that subsection.

(b) SPECIAL ACCOUNT.—Amounts retained under subsection (a) that are not applied as provided in paragraph (1) or (2) of that subsection shall be deposited into a special account. Amounts in the account shall be available under subsection (c) without regard to fiscal year limitation. Amounts in the account that the Secretary of the Navy determines are not needed for the purpose stated in subsection (c) shall be deposited into a special account.

(c) COSTS OF PREPARATION OFObsolete SERVICE CRAFT AND BOATS FOR FUTURE SALE OR EXCHANGE.—The Secretary may use amounts in the account under subsection (b) for payment, in whole or in part, for the full costs of preparation of obsolete service craft and obsolete boats for future sale or exchange.

(d) COSTS OF PREPARATION FOR SALE OR EXCHANGE.—In this section, the term "full costs of preparation" means the full costs (direct and indirect) incurred by the Navy in preparing an obsolete service craft or an obsolete boat for exchange or sale, including the cost of the following:

1. Towing.

2. Storage.

3. Defueling.

4. Removal and disposal of hazardous wastes.

5. Environmental surveys to determine the presence of regulated materials containing polychlorinated biphenyl (PCB) and, if such materials are found, the removal and disposal of such materials.

6. Other costs related to such preparation.

(e) OBSOLETE SERVICE CRAFT.—For purposes of this section, an obsolete service craft is a service craft that has been stricken from the Naval Vessel Register.

(f) INAPPLICABILITY OF ADVERTISING REQUIREMENT.—Section 3709 of the Revised Statutes (41 U.S.C. 5) does not apply to sales of service craft and boats described in subsection (a). The Secretary of the Navy shall prescribe regulations for the purposes of this section.


§ 7313. Ship overhaul work; availability of appropriations for unusual cost overruns and for changes in scope of work

(a) UNUSUAL COST OVERRUNS.—(1) Appropriations available to the Department of Defense for a fiscal year may be used for payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for a vessel inducted into an industrial-fund activity or contracted for during a prior fiscal year.

(2) The Secretary of Defense shall notify Congress promptly before an obligation is incurred for any payment under paragraph (1).

(b) CHANGES IN SCOPE OF WORK.—An appropriation available to the Department of Defense for a fiscal year may be used after the otherwise-applicable expiration of the availability for obligation of that appropriation—

1. For payments to an industrial-fund activity for amounts required because of changes in the scope of work for ship overhaul, maintenance, and repair, in the case of work inducted into the industrial-fund activity during the fiscal year; and

2. For payments under a contract for amounts required because of changes in the scope of work, in the case of a contract entered into during the fiscal year for ship overhaul, maintenance, and repair.


HISTORICAL AND REVISION NOTES

In two instances, the source law to be codified by the bill includes provisions that on their face require that the Department of Defense notify Congress of certain actions. These notification requirements were terminated by section 602 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433), which terminated all recurring reporting requirements applicable to the Department of Defense except for those requirements that were specifically exempted in that section. The source law sections are sections 809(c) and 809(j) (proviso) of the FY86 defense appropriations Act (Public Law 100-619), enacted December 19, 1986, which would be codified as section 2201 of title 10 (by section 1(d) of the bill) and section 7313(a) of title 10 (by section 1(n) of the bill). In codifying the authorities provided the Department of Defense by these two provisions of law, the committee believes that it is appropriate to reinstate the congressional notification requirements that go with those authorities. These sections were recurring annual appropriation provisions for many years and were made permanent only months before the enactment of the 1986 Reorganization Act. It is the committee’s belief that the failure to exempt these provisions from the general reports termination provision was inadvertent and notes that the notification provisions had in fact previously applied to the Department of Defense for many years. The action of the committee restores the status quo as it existed before the Reorganization Act.

CODIFICATION

Another section 7313 of this title was renumbered section 7314.

§ 7314. Overhaul of naval vessels: competition between public and private shipyards

The Secretary of the Navy should ensure, in any case in which the Secretary awards a contract for repair, alteration, overhaul, or conversion of a naval vessel following competition between public and private shipyards, that each of the following criteria is met:

(1) The bid of any public shipyard for the award includes:
   (A) the full costs to the United States associated with future retirement benefits of civilian employees of that shipyard consistent with computation methodology established by Office of Management and Budget Circular A-76; and
   (B) in a case in which equal access to the Navy supply system is not allowed to public and private shipyards, a pro rata share of the costs of the Navy supply system.

(2) Costs applicable to oversight of the contract by the appropriate Navy supervisor of shipbuilding, conversion, and repair are added to the bid of any private shipyard for the purpose of comparability analysis.

(3) The award is made using the results of the comparability analysis.


AMENDMENTS

1989—Pub. L. 101–189 renumbered section 7313 of this title as this section.

EFFECTIVE DATE

Section 1225(b) of Pub. L. 100–456 provided that: “‘Section 7313 [now 7314] of title 10, United States Code, as added by subsection (a), applies to any award by the Secretary of the Navy made after the end of the 30-day period beginning on the date of the enactment of this Act (Sept. 29, 1988) for repair, alteration, overhaul, or conversion of a naval vessel following competition between public and private shipyards.’”

§ 7315. Preservation of Navy shipbuilding capability

(a) Shipbuilding capability preservation agreements.—The Secretary of the Navy may enter into an agreement, to be known as a “shipbuilding capability preservation agreement”, with a shipbuilder under which the cost reimbursement rules described in subsection (b) shall be applied to the shipbuilder under a Navy contract for the construction of a ship. Such an agreement may be entered into in any case in which the Secretary determines that the application of such cost reimbursement rules would facilitate the achievement of the policy objectives set forth in section 2501(b) of this title.

(b) Cost reimbursement rules.—The cost reimbursement rules applicable under an agreement entered into under subsection (a) are as follows:

(1) The Secretary of the Navy shall, in determining the reimbursement due a shipbuilder for its indirect costs of performing a contract for the construction of a ship for the Navy, allow the shipbuilder to allocate indirect costs to its private sector work only to the extent of the shipbuilder’s allocable indirect private sector costs, subject to paragraph (3).

(2) For purposes of paragraph (1), the allocable indirect private sector costs of a shipbuilder are those costs of the shipbuilder that are equal to the sum of:
   (A) The incremental indirect costs attributable to such work.
   (B) The amount by which the revenue attributable to such private sector work exceeds the sum of—
      (i) the direct costs attributable to such private sector work; and
      (ii) the incremental indirect costs attributable to such private sector work.

(3) The total amount of allocable indirect private sector costs for a contract covered by the agreement may not exceed the amount of indirect costs that a shipbuilder would have allocated to its private sector work during the period covered by the agreement in accordance with the shipbuilder’s established accounting practices.

(c) Authority to modify cost reimbursement rules.—The cost reimbursement rules set forth in subsection (b) may be modified by the Secretary of the Navy for a particular agreement if the Secretary determines that modifications are appropriate to the particular situation to facilitate achievement of the policy set forth in section 2501(b) of this title.

(d) Applicability.—(1) An agreement entered into with a shipbuilder under subsection (a) shall apply to each of the following Navy contracts with the shipbuilder:
   (A) A contract that is in effect on the date on which the agreement is entered into.
   (B) A contract that is awarded during the term of the agreement.
(2) In a shipbuilding capability preservation agreement applicable to a shipbuilder, the Secretary may agree to apply the cost reimbursement rules set forth in subsection (b) to allocations of indirect costs to private sector work performed by the shipbuilder only with respect to costs that the shipbuilder inured on or after November 18, 1997, under a contract between the shipbuilder and a private sector customer of the shipbuilder that became effective on or after January 26, 1996.


AMENDMENTS

PROCEDURES FOR APPLICATIONS AND FOR CONSIDERATION OF AGREEMENTS
Section 1027(b) of Pub. L. 105–85 provided that: “Not later than 30 days after the date of the enactment of this Act [Nov. 18, 1997], the Secretary of the Navy shall establish application procedures and procedures for expeditious consideration of shipbuilding capability preservation agreements as authorized by section 7315 of title 10, United States Code, as added by subsection (a).”

§7316. Support for transfers of decommissioned vessels and shipboard equipment

(a) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the Navy may provide an entity described in subsection (b) with assistance in support of a transfer of a vessel or shipboard equipment described in such subsection that is being executed under section 2572, 7306, 7307, or 7545 of this title, or under any other authority.

(b) COVERED VESSELS AND EQUIPMENT.—The authority under this section applies—

(1) in the case of a decommissioned vessel that—

(A) is owned and maintained by the Navy, is located at a Navy facility, and is not in active use; and

(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the vessel; and

(2) in the case of any shipboard equipment that—

(A) is on a vessel described in paragraph (1)(A); and

(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the equipment.

(c) REIMBURSEMENT.—The Secretary may require a recipient of assistance under subsection (a) to reimburse the Navy for amounts expended by the Navy in providing the assistance.

(d) DEPOSIT OF FUNDS RECEIVED.—Funds received in a fiscal year under subsection (c) shall be credited to the appropriation available for such fiscal year for operation and maintenance for the office of the Navy managing inactive ships, shall be merged with other sums in the appropriation that are available for such office, and shall be available for the same purposes and period as the sums with which merged.

§7361. Authority to provide for necessary salvage facilities

(a) AUTHORITY.—The Secretary of the Navy may provide, by contract or otherwise, necessary salvage facilities for public and private vessels.

(b) COORDINATION WITH SECRETARY OF HOMELAND SECURITY.—The Secretary shall submit to the Secretary of Homeland Security for comment each proposed contract for salvage facilities that affects the interests of the Department of Homeland Security.

§7363. Settlement of claims.

§7364. Disposition of receipts.

AMENDMENTS


§7361. Authority to provide for necessary salvage facilities

(a) AUTHORITY.—The Secretary of the Navy may provide, by contract or otherwise, necessary salvage facilities for public and private vessels.

(b) COORDINATION WITH SECRETARY OF HOMELAND SECURITY.—The Secretary shall submit to the Secretary of Homeland Security for comment each proposed contract for salvage facilities that affects the interests of the Department of Homeland Security.

(c) LIMITATION.—The Secretary of the Navy may enter into a term contract under subsection (a) only if the Secretary determines that available commercial salvage facilities are inadequate to meet the requirements of national defense.

(d) PUBLIC NOTICE.—The Secretary may not enter into a contract under subsection (a) until the Secretary has provided public notice of the intent to enter into such a contract.