

The Marine Mammal Protection Act of 1972, referred to in subsec. (f)(2)(B), is Pub. L. 92-522, Oct. 21, 1972, 86 Stat. 1027, which is classified generally to chapter 31 (§1361 et seq.) of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title note set out under section 1361 of Title 16 and Tables.

Section 315 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, referred to in subsec. (f)(4), is section 315 of Pub. L. 107-314, which is set out as a note under section 703 of Title 16, Conservation.

### CHAPTER 633—NAVAL VESSELS

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#### AMENDMENTS

2013—Pub. L. 113-66, div. A, title X, §1022(e)(2), Dec. 26, 2013, 127 Stat. 846, substituted “Vessels stricken from Naval Vessel Register; captured vessels: conveyance by donation” for “Vessels stricken from Naval Vessel Register; captured vessels: transfer by gift or otherwise” in item 7306.

2011—Pub. L. 112-81, div. A, title X, §1061(27)(B), Dec. 31, 2011, 125 Stat. 1584, struck out item 7296 “Combatant surface vessels: notice before reduction in number; preservation of surge capability”.

Pub. L. 111-350, §5(b)(51), Jan. 4, 2011, 124 Stat. 3846, substituted “chapter 65 of title 41” for “Walsh-Healey Act” in item 7299.

2009—Pub. L. 111-84, div. A, title X, §1073(a)(30), Oct. 28, 2009, 123 Stat. 2474, inserted period after “thereof” in item 7317.

2008—Pub. L. 110-417, [div. A], title VIII, §825(b), Oct. 14, 2008, 122 Stat. 4534, added item 7317.

2004—Pub. L. 108-375, div. A, title X, §§1011(b), 1012(a)(2), Oct. 28, 2004, 118 Stat. 2039, 2040, added items 7305a and 7312.

2003—Pub. L. 108-136, div. A, title X, §§1013(b), 1015(b), Nov. 24, 2003, 117 Stat. 1591, 1592, added items 7306b and 7316.

2002—Pub. L. 107-314, div. A, title X, §1021(b)(2), Dec. 2, 2002, 116 Stat. 2639, added item 7296.

1999—Pub. L. 106-65, div. A, title X, §1016(b), Oct. 5, 1999, 113 Stat. 744, added item 7300.

1997—Pub. L. 105-85, div. A, title X, §1027(a)(2), Nov. 18, 1997, 111 Stat. 1879, added item 7315.

1996—Pub. L. 104-106, div. A, title VIII, §815(b), Feb. 10, 1996, 110 Stat. 396, added item 7299.

1994—Pub. L. 103-355, title II, §2001(j)(3)(A), title III, §§3023(b), 3024(b), Oct. 13, 1994, 108 Stat. 3303, 3333, 3334, struck out items 7299 “Contracts: application of Public Contracts Act”, 7302 “Construction on Pacific Coast”, and 7312 “Repair or maintenance of naval vessels: progress payments under certain contracts”.

1993—Pub. L. 103-160, div. A, title VIII, §828(a)(7), (c)(7), Nov. 30, 1993, 107 Stat. 1713, 1714, struck out items 7296 “Appropriations: available for other purposes”, 7298 “Conversion of combatants and auxiliaries”, and 7301 “Bids on construction: estimates required”, substituted “Examination of vessels; striking of vessels” 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 7306, 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.

1989—Pub. L. 101-189, div. A, title XVI, §1622(a), Nov. 29, 1989, 103 Stat. 1604, redesignated item 7313 “Overhaul of naval vessels: competition between public and private shipyards” as 7314.

1988—Pub. L. 100-456, div. A, title XII, §§1224(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, §1(n)(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”.

1987—Pub. L. 100-180, div. A, title XI, §1102(a)(2), Dec. 4, 1987, 101 Stat. 1145, added item 7312.

1986—Pub. L. 99-661, div. A, title XII, §1202(b), Nov. 14, 1986, 100 Stat. 3968, added item 7311.

1985—Pub. L. 99-145, title XIII, §1303(a)(24)(B), Nov. 8, 1985, 99 Stat. 740, struck out “naval” before “vessels” in item 7309.

1982—Pub. L. 97-295, §1(48)(B), Oct. 12, 1982, 96 Stat. 1298, added item 7299a.

Pub. L. 97-295, §1(49)(B), Oct. 12, 1982, 96 Stat. 1299, added item 7310.

Pub. L. 97-252, title XI, §1127(b), Sept. 8, 1982, 96 Stat. 759, added item 7309.

1981—Pub. L. 97-86, title IX, §911(b)(2), Dec. 1, 1981, 95 Stat. 1122, struck out item 7300 “Contracts for construction: profit limitation”.

**§ 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)
7291 .....	34 U.S.C. 451 (as applicable to classification of vessels).	Mar. 3, 1901, ch. 852 (last par. as applicable to classification of vessels), 31 Stat. 1133.

METERING OF NAVY PIERS TO ACCURATELY MEASURE ENERGY CONSUMPTION

Pub. L. 112-81, div. B, title XXVIII, §2828, Dec. 31, 2011, 125 Stat. 1694, provided that:

“(a) METERING REQUIRED.—The Secretary of the Navy shall meter Navy piers so that the energy consumption of naval vessels while in port can be accurately measured and captured and steps taken to improve the efficient use of energy by naval vessels while in port.

“(b) PROGRESS REPORTS.—In each of the Department of Defense energy management reports submitted to Congress during fiscal years 2012 through 2017 under section 2925(a) of title 10, United States Code, the Secretary of the Navy shall include information on the progress being made to implement the metering of Navy piers, including information on any reductions in energy consumption achieved through the use of such metering.”

ADVANCE PROCUREMENT FUNDING

Pub. L. 111-84, div. A, title I, §124(a), Oct. 28, 2009, 123 Stat. 2214, provided that:

“(a) ADVANCE PROCUREMENT.—With respect to a naval vessel for which amounts are authorized to be appropriated or otherwise made available for fiscal year 2010 or any fiscal year thereafter for advance procurement in shipbuilding and conversion, Navy, the Secretary of the Navy may enter into a contract, in advance of a contract for construction of any vessel, for any of the following:

- “(1) Components, parts, or materiel.
- “(2) Production planning and other related support services that reduce the overall procurement lead time of such vessel.”

PROCUREMENT PROGRAMS FOR FUTURE NAVAL SURFACE COMBATANTS

Pub. L. 111-84, div. A, title I, §125, Oct. 28, 2009, 123 Stat. 2214, related to procurement programs for future naval surface combatants, prior to repeal by Pub. L. 113-66, div. A, title I, §122, Dec. 26, 2013, 127 Stat. 693.

ASSESSMENTS REQUIRED PRIOR TO START OF CONSTRUCTION ON FIRST SHIP OF A SHIPBUILDING PROGRAM

Pub. L. 110-181, div. A, title I, §124, Jan. 28, 2008, 122 Stat. 28, provided that:

“(a) IN GENERAL.—Concurrent with approving the start of construction of the first ship for any major shipbuilding program, the Secretary of the Navy shall—

- “(1) submit a report to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] on the results of any production readiness review; and
- “(2) certify to the congressional defense committees that the findings of any such review support commencement of construction.

“(b) REPORT.—The report required by subsection (a)(1) shall include, at a minimum, an assessment of each of the following:

- “(1) The maturity of the ship’s design, as measured by stability of the ship contract specifications and

the degree of completion of detail design and production design drawings.

“(2) The maturity of developmental command and control systems, weapon and sensor systems, and hull, mechanical and electrical systems.

“(3) The readiness of the shipyard facilities and workforce to begin construction.

“(4) The Navy’s estimated cost at completion and the adequacy of the budget to support the estimate.

“(5) The Navy’s estimated delivery date and description of any variance to the contract delivery date.

“(6) The extent to which adequate processes and metrics are in place to measure and manage program risks.

“(c) APPLICABILITY.—This section applies to each major shipbuilding program beginning after the date of the enactment of this Act [Jan. 28, 2008].

“(d) DEFINITIONS.—For the purposes of subsection (a):

“(1) START OF CONSTRUCTION.—The term ‘start of construction’ means the beginning of fabrication of the hull and superstructure of the ship.

“(2) FIRST SHIP.—The term ‘first ship’ applies to a ship if—

“(A) the ship is the first ship to be constructed under that shipbuilding program; or

“(B) the shipyard at which the ship is to be constructed has not previously started construction on a ship under that shipbuilding program.

“(3) MAJOR SHIPBUILDING PROGRAM.—The term ‘major shipbuilding program’ means a program for the construction of combatant and support vessels required for the naval vessel force, as reported within the annual naval vessel construction plan required by section 231 of title 10, United States Code.

“(4) PRODUCTION READINESS REVIEW.—The term ‘production readiness review’ means a formal examination of a program prior to the start of construction to determine if the design is ready for production, production engineering problems have been resolved, and the producer has accomplished adequate planning for the production phase.”

POLICY RELATING TO MAJOR COMBATANT VESSELS OF THE STRIKE FORCES OF THE UNITED STATES NAVY

Pub. L. 110-181, div. A, title X, §1012, Jan. 28, 2008, 122 Stat. 303, as amended by Pub. L. 110-417, [div. A], title X, §1015, Oct. 14, 2008, 122 Stat. 4586; Pub. L. 112-239, div. A, title X, §1013, Jan. 2, 2013, 126 Stat. 1908; Pub. L. 113-66, div. A, title X, §1027, Dec. 26, 2013, 127 Stat. 849, provided that:

“(a) REQUIREMENT TO REQUEST NUCLEAR VESSELS.—If a request is submitted to Congress in the budget for a fiscal year for construction of a new class of major combatant vessel for the strike forces of the United States, the request shall include a specific assessment of such a vessel with an integrated nuclear power system in the analysis of alternatives, unless the Secretary of the Navy notifies the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] that, as a result of a cost-benefit analysis, it would not be practical for the Navy to design the class of ships with an integrated nuclear power system.

“(b) DEFINITIONS.—In this section:

“(1) MAJOR COMBATANT VESSELS OF THE STRIKE FORCES OF THE UNITED STATES NAVY.—The term ‘major combatant vessels of the strike forces of the United States Navy’ means the following:

- “(A) Submarines.
- “(B) Aircraft carriers.
- “(C) Cruisers, battleships, or other large surface combatants whose primary mission includes protection of carrier strike groups, expeditionary strike groups, and vessels comprising a sea base.

“(D) Amphibious assault ships, including dock landing ships (LSD), amphibious transport-dock ships (LPD), helicopter assault ships (LHA/LHD), and amphibious command ships (LCC), if such vessels exceed 15,000 dead weight ton light ship displacement.

“(2) INTEGRATED NUCLEAR POWER SYSTEM.—The term ‘integrated nuclear power system’ means a ship engineering system that uses a naval nuclear reactor as its energy source and generates sufficient electric energy to provide power to the ship’s electrical loads, including its combat systems and propulsion motors.

“(3) BUDGET.—The term ‘budget’ means the budget that is submitted to Congress by the President under section 1105(a) of title 31, United States Code.”

[Pub. L. 113-66, div. A, title X, §1027(2)(B), Dec. 26, 2013, 127 Stat. 849, which directed insertion of “in the analysis of alternatives” after “nuclear power system” in subsec. (a) of section 1012 of Pub. L. 110-181 (as redesignated by section 1027(1) of Pub. L. 113-66), set out above, was executed by making the insertion after “nuclear power system” the first time appearing to reflect the probable intent of Congress.]

#### ALTERNATIVE TECHNOLOGIES FOR FUTURE SURFACE COMBATANTS

Pub. L. 109-364, div. A, title I, §128, Oct. 17, 2006, 120 Stat. 2109, provided that:

“(a) FINDINGS.—Congress makes the following findings:

“(1) Securing and maintaining access to affordable and plentiful sources of energy is a vital national security interest for the United States.

“(2) The Nation’s dependence upon foreign oil is a threat to national security due to the inherently volatile nature of the global oil market and the political instability of some of the world’s largest oil producing states.

“(3) Given the recent increase in the cost of crude oil, which cannot realistically be expected to improve over the long term, other energy sources must be seriously considered.

“(4) Alternate propulsion sources such as nuclear power offer many advantages over conventional power for major surface combatant ships of the Navy, including—

“(A) virtually unlimited high-speed endurance;

“(B) elimination of vulnerable refueling; and

“(C) reduction in the requirement for replenishment vessels and the need to protect those vessels.

“(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the Navy should make greater use of alternative technologies, including expanded application of integrated power systems, fuel cells, and nuclear power, for propulsion of future major surface combatant ships.

“(c) REQUIREMENT.—The Secretary of the Navy shall include integrated power systems, fuel cells, and nuclear power as propulsion alternatives to be evaluated within the analysis of alternatives for future major surface combatant ships.”

#### PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS

Pub. L. 108-136, div. A, title I, §126, Nov. 24, 2003, 117 Stat. 1410, authorized the Secretary of the Navy to carry out a pilot program for flexible funding of cruiser conversions and overhauls, prior to repeal by Pub. L. 108-287, title VIII, §8099 [part], Aug. 5, 2004, 118 Stat. 994, and Pub. L. 108-375, div. A, title I, §122, Oct. 28, 2004, 118 Stat. 1828.

#### VESSEL SCRAPPING PILOT PROGRAM

Pub. L. 105-262, title VIII, §8124, Oct. 17, 1998, 112 Stat. 2333, authorized the Secretary of the Navy to carry out a competitively awarded vessel scrapping pilot program during fiscal years 1999 and 2000 using funds made available in Pub. L. 105-262 under the heading “Operation and Maintenance, Navy” (112 Stat. 2282).

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

Pub. L. 102-484, div. A, title III, §375, Oct. 23, 1992, 106 Stat. 2385, provided that:

“(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

Pub. L. 102-484, div. A, title X, §1031, Oct. 23, 1992, 106 Stat. 2489, provided that:

“(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 101-510; 104 Stat. 1683) [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 State, 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 located or headquartered in the countries identified in the Secretary of Transportation’s report under subsection (d).

“(e) REPORT 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 1999; and

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

“(f) SUBMISSION OF REPORTS.—The reports 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 sub-

mit to Congress a comprehensive plan as required by subsection (b) by October 1, 1993, no funds appropriated to the Department of Defense for fiscal year 1994 may be used to enter into a contract for the construction, repair, or purchase of any product or service with any company that has headquarters in any country that continues to provide a subsidy to a foreign shipyard for the construction or repair of vessels or that engages in ship dumping practices.

“(2) Paragraph (1) shall not apply if the President—

“(A) notifies Congress that he is unable to submit the plan by the time required under subsection (c); and

“(B) includes with the notice a brief explanation of the reasons for the delay and a statement that the plan will be submitted by April 15, 1994.

“(h) DEFINITIONS.—For purposes of subsection (c):

“(1) The term ‘foreign shipyard’ includes a ship construction or repair facility located in a foreign country that is directly or indirectly owned, controlled, managed, or financed by a foreign shipyard that receives or benefits from a subsidy.

“(2) The term ‘subsidy’ includes any of the following:

“(A) Officially supported export credits and development assistance.

“(B) Direct official operating support to the commercial shipbuilding and repair industry, or to a related entity that favors the operation of shipbuilding and repair, including—

“(i) grants;

“(ii) loans and loan guarantees other than those available on the commercial market;

“(iii) forgiveness of debt;

“(iv) equity infusions on terms inconsistent with commercially reasonable investment practices;

“(v) preferential provision of goods and services; and

“(vi) public sector ownership of commercial shipyards on terms inconsistent with commercially reasonable investment practices.

“(C) Direct official support for investment in the commercial shipbuilding and repair industry, or to a related entity that favors the operation of shipbuilding and repair, including the kinds of support listed in clauses (i) through (v) of subparagraph (B), and any restructuring support, except public support for social purposes directly and effectively linked to shipyard closures.

“(D) Assistance in the form of grants, preferential loans, preferential tax treatment, or otherwise, that benefits or is directly related to shipbuilding and repair for purposes of research and development that is not equally open to domestic and foreign enterprises.

“(E) Tax policies and practices that favor the shipbuilding and repair industry, directly or indirectly, such as tax credits, deductions, exemptions and preferences, including accelerated depreciation, if the benefits are not generally available to persons or firms not engaged in shipbuilding or repair.

“(F) Any official regulation or practice that authorizes or encourages persons or firms engaged in shipbuilding or repair to enter into anticompetitive arrangements.

“(G) Any indirect support directly related, in law or in fact, to shipbuilding and repair at national yards, including any public assistance favoring shipowners with an indirect effect on shipbuilding or repair activities, and any assistance provided to suppliers of significant inputs to shipbuilding, which results in benefits to domestic shipbuilders.

“(H) Any export subsidy identified in the Illustrative List of Export Subsidies in the Annex to the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade or any other export subsidy that may be prohibited as a result of the Uruguay Round of trade negotiations.

“(3) The term ‘vessel’ means any self-propelled, sea-going 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 441 of the Tariff Act of 1930 (19 U.S.C. 1431).”

#### FAST SEALIFT PROGRAM

Pub. L. 102-484, div. A, title X, §1021, Oct. 23, 1992, 106 Stat. 2485, provided that:

“(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.”

Pub. L. 101-510, div. A, title XIV, §1424, Nov. 5, 1990, 104 Stat. 1683, as amended by Pub. L. 102-190, div. A, title X, §1015, Dec. 5, 1991, 105 Stat. 1458; Pub. L. 102-484, div. A, title X, §1022, Oct. 23, 1992, 106 Stat. 2485; Pub. L. 103-337, div. A, title I, §125, Oct. 5, 1994, 108 Stat. 2683, provided that:

“(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.

“(6) The Secretary of Defense may waive the requirement of paragraph (5) with respect to a system or equipment described in that paragraph if—

“(A) the system or equipment is not available; or

“(B) the costs of compliance would be unreasonable compared to the costs of purchase from a foreign manufacturer.

“(c) CHARTER OF VESSELS CONSTRUCTED.—(1) Except when the Secretary determines that having a vessel immediately available with a full or partial crew is in the national interest, the Secretary, in consultation with the Administrator of the Maritime Administration, shall charter each vessel constructed before October 1, 1995, under the program for commercial operation. Any such charter—

“(A) shall not permit the operation of the vessel other than in the foreign commerce of the United States;

“(B) may be made only with an individual or entity that is a citizen of the United States (which, in the case of a corporation, partnership, or association, shall be determined in the manner specified in section 2 of the Shipping Act, 1916 ([former] 46 U.S.C. App. 802)) [see 46 U.S.C. 50501]; and

“(C) shall require that the vessel be documented (and remain documented) under the laws of the United States.

“(2) The Secretary may enter into a charter under paragraph (1) only through the use of competitive bidding procedures that ensure that the highest charter rates are obtained by the United States consistent with good business practice, except that the Secretary may operate the vessel (or contract to have the vessel operated) in direct support of United States military forces during a time of war or national emergency and at other times when the Administrator of the Maritime Administration determines that that operation would not unfairly compete with another United States-flag vessel.

“(3) If the Secretary determines that a vessel previously chartered under the program no longer has commercial utility, the Secretary may transfer the vessel to the National Defense Reserve Fleet.

“(4) A contract for the charter of a vessel under paragraph (1) shall include a provision that the charter may be terminated for national security reasons without cost to the United States.

“(d) REPORTS TO CONGRESS.—(1) Not later than six months after the date of the enactment of this Act [Nov. 5, 1990], the Secretary of the Navy shall submit to Congress a report describing the Secretary’s plan for implementing the fast sealift program authorized by this section.

“(2) Not later than three years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the implementation of the plan described in the report submitted under paragraph (1). The report shall include a description of vessels built or under contract to be built pursuant to this section, the use of such vessels, and the operating experience and manning of such vessels.

“(3) The reports under paragraphs (1) and (2) shall be prepared in consultation with the Administrator of the Maritime Administration.

“(e) AVAILABILITY OF FUNDS.—Amounts appropriated to the Department of Defense for any fiscal year for acquisition of fast sealift vessels may be used for the program under this section.”

#### FUNDING FOR SHIP PRODUCTION ENGINEERING

Pub. L. 101-189, div. A, title XVI, § 1613, Nov. 29, 1989, 103 Stat. 1601, provided that:

“(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 Shipbuilding and Conversion account of the Navy (rather than in research and development accounts).

“(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

Pub. L. 99-500, § 101(c) [title IX, § 9101], Oct. 18, 1986, 100 Stat. 1783-82, 1783-118, and Pub. L. 99-591, § 101(c) [title IX, § 9101], Oct. 30, 1986, 100 Stat. 3341-82, 3341-118, provided that: “No naval vessel or any vessel owned and operated by the Department of Defense homeported in the United States may be overhauled, repaired, or maintained in a foreign owned and operated shipyard located outside of the United States, except for voyage repairs.”

#### ENCOURAGEMENT OF CONSTRUCTION IN UNITED STATES SHIPYARDS OF COMBATANT VESSELS FOR UNITED STATES ALLIES

Pub. L. 99-145, title XIV, § 1455, 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;

“(3) 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.”

#### SIX-HUNDRED-SHIP GOAL FOR NAVY; SENSE OF CONGRESS

Pub. L. 97-114, title VII, § 791, Dec. 29, 1981, 95 Stat. 1593, provided that: “It is the sense of the Congress that—

“(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 latest, 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 reenacted as section 7310 of this title by Pub. L. 97-295, §§1(49)(A), 6(b), Oct. 12, 1982, 96 Stat. 1298, 1315.

CONVERSION, OVERHAUL, OR REPAIR WORK UNDER SERVICE LIFE EXTENSION PROGRAM OR DDG-2 DESTROYER 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 a 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

Pub. L. 94-106, title VIII, §808, Oct. 7, 1975, 89 Stat. 539, directed Secretary of Defense to submit a five-year naval ship new construction and conversion program with President's budget for fiscal year beginning Oct. 1, 1976, and to report annually thereafter on changes in the program, prior to repeal by Pub. L. 101-510, div. A, title XIII, §1322(g), Nov. 5, 1990, 104 Stat. 1672.

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

Pub. L. 89-37, title III, §301, June 11, 1965, 79 Stat. 128, provided that: “Outstanding tonnage balances remaining in law for construction of Navy ships are hereby repealed.”

CONSTRUCTION OF ALTERNATE VESSELS IN GOVERNMENT NAVY YARDS; PUBLIC INTERESTS

Pub. L. 89-37, title III, §302, June 11, 1965, 79 Stat. 128, which provided that construction of warships and escort vessels follow alternate vessel Navy yard construction requirement of Act of Mar. 27, 1934, 48 Stat. 503, except in any year President finds it inconsistent with public interests, was repealed and restated as section 7299a(a) of this title by Pub. L. 97-295, §§1(48)(A), 6(b), Oct. 12, 1982, 96 Stat. 1298, 1314.

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 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 7299a(b) 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; Pub. L. 112-239, div. A, title X, §1018(b), Jan. 2, 2013, 126 Stat. 1910; Pub. L. 113-291, div. A, title X, §1071(f)(27), Dec. 19, 2014, 128 Stat. 3511; Pub. L. 114-92, div. A, title X, §1074(a), Nov. 25, 2015, 129 Stat. 996.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7292(a) .....	34 U.S.C. 462.	R.S. 1532.
7292(b) .....	34 U.S.C. 461.	May 4, 1898, ch. 234, 30 Stat. 390 (2d sentence under “Armor and Armament”); May 13, 1908, ch. 166, 35 Stat. 159; June 29, 1949, ch. 278, 63 Stat. 300 (6th par.).
7292(c) .....	34 U.S.C. 463.	R.S. 1533.

In subsection (a) the words “care shall be taken that” are omitted as surplusage.

In subsection (b) the words “first class” are omitted as obsolete.

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

## AMENDMENTS

2015—Subsec. (d). Pub. L. 114–92 struck out subsec. (d) which read as follows:

“(1) The Secretary of the Navy may not announce or implement any proposal to name a vessel of the Navy until 30 days after the date on which the Secretary submits to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth such proposal.

“(2) Each report under this subsection shall describe the justification for the proposal covered by such report in accordance with the standards referred to in section 1018(a) of the National Defense Authorization Act for Fiscal Year 2013.”

2014—Subsec. (d)(2). Pub. L. 113–291 substituted “section 1018(a)” for “section 1024(a)”.

2013—Subsec. (d). Pub. L. 112–239 added subsec. (d).

## EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112–239, div. A, title X, §1018(c), Jan. 2, 2013, 126 Stat. 1911, provided that: “This section [amending this section and enacting provisions set out as a note under this section] and the amendment made by this section shall go into effect on the date that is 30 days after the date of the enactment of this Act [Jan. 2, 2013].”

## FINDINGS

Pub. L. 112–239, div. A, title X, §1018(a), Jan. 2, 2013, 126 Stat. 1910, provided that: “Congress makes the following findings:

“(1) The Navy traces its ancestry to October 13, 1775, when an Act of the Continental Congress authorized the first vessel of a navy for the United Colonies. Vessels of the Continental Navy were named for early patriots and military heroes, Federal institutions, colonial cities, and positive character traits representative of naval and military virtues.

“(2) An Act of Congress on March 3, 1819, made the Secretary of the Navy responsible for assigning names to vessels of the Navy. Traditional sources for vessel names customarily encompassed such categories as geographic locations in the United States; historic sites, battles, and ships; naval and military heroes and leaders; and noted individuals who made distinguished contributions to United States national security.

“(3) These customs and traditions provide appropriate and necessary standards for the naming of vessels of the Navy.”

**§ 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.)

## HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7293 .....	34 U.S.C. 452.	R.S. 1534.

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.)

## HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7294 .....	34 U.S.C. 498h (as applicable to vessels).	May 17, 1938, ch. 243, §9 (as applicable to vessels), 52 Stat. 403.

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.)

## HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7295 .....	34 U.S.C. 498g-1.	June 14, 1940, ch. 364, §7, 54 Stat. 395.

**[§ 7296. Repealed. Pub. L. 112–81, div. A, title X, § 1061(27)(A), Dec. 31, 2011, 125 Stat. 1584]**

Section, added Pub. L. 107–314, div. A, title X, §1021(b)(1), Dec. 2, 2002, 116 Stat. 2638; amended Pub. L. 108–136, div. A, title X, §1011, Nov. 24, 2003, 117 Stat. 1589, required notice before reduction in number of combatant surface vessels.

## PRIOR PROVISIONS

A prior section 7296, act Aug. 10, 1956, ch. 1041, 70A Stat. 449, related to availability for other purposes of appropriations for construction or conversion of vessels, prior to repeal by Pub. L. 103–160, div. A, title VIII, §824(a)(5), Nov. 30, 1993, 107 Stat. 1707.

**§ 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

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7297 .....	34 U.S.C. 490.	June 12, 1948, ch. 452, §2, 62 Stat. 382.

**[§ 7298. Repealed. Pub. L. 103-160, div. A, title VIII, § 824(a)(6), Nov. 30, 1993, 107 Stat. 1707]**

Section, act Aug. 10, 1956, ch. 1041, 70A Stat. 449, related to conversion of combatant and auxiliary naval vessels.

**§ 7299. Contracts: applicability of chapter 65 of title 41**

Each contract for the construction, alteration, furnishing, or equipping of a naval vessel is subject to chapter 65 of title 41 unless the President determines that this requirement is not in the interest of national defense.

(Added Pub. L. 104-106, div. A, title VIII, § 815(a), Feb. 10, 1996, 110 Stat. 396; amended Pub. L. 111-350, § 5(b)(52), Jan. 4, 2011, 124 Stat. 3846.)

**PRIOR PROVISIONS**

A prior section 7299, acts Aug. 10, 1956, ch. 1041, 70A Stat. 449; Aug. 25, 1958, Pub. L. 85-747, 72 Stat. 839; Dec. 12, 1980, Pub. L. 96-513, title V, § 513(26), 94 Stat. 2932; Oct. 12, 1982, Pub. L. 97-295, § 1(47), 96 Stat. 1298, directed that each contract for construction, alteration, furnishing, or equipping of naval vessel was subject to the Walsh-Healey Act, unless President determined that such requirement was not in interest of national defense, prior to repeal by Pub. L. 103-355, title III, § 3023(a), Oct. 13, 1994, 108 Stat. 3333.

**AMENDMENTS**

2011—Pub. L. 111-350 substituted “chapter 65 of title 41” for “Walsh-Healey Act” in section catchline and for “the Walsh-Healey Act (41 U.S.C. 35 et seq.)” in text.

**§ 7299a. Construction of combatant and escort vessels and assignment of vessel projects**

(a) The assignment of naval vessel conversion, alteration, and repair projects shall be based on economic and military considerations and may not be restricted by a requirement that certain parts of naval shipwork be assigned to a particular type of shipyard or geographical area or by a similar requirement.

(b) In evaluating bids or proposals for a contract for the overhaul, repair, or maintenance of a naval vessel, the Secretary of the Navy shall, in determining the cost or price of work to be performed in an area outside the area of the homeport of the vessel, consider foreseeable costs of moving the vessel and its crew from the homeport to the outside area and from the outside area back to the homeport at the completion of the contract.

(c)(1) Before issuing a solicitation for a contract for short-term work for the overhaul, repair, or maintenance of a naval vessel, the Secretary of the Navy shall determine if there is adequate competition available among firms able to perform the work at the homeport of the vessel. If the Secretary determines that there is adequate competition among such firms, the Secretary—

(A) shall issue such a solicitation only to firms able to perform the work at the homeport of the vessel; and

(B) may not award such contract to a firm other than a firm that will perform the work at the homeport of the vessel.

(2) Paragraph (1) applies notwithstanding subsection (a) or any other provision of law.

(3) Paragraph (1) does not apply in the case of voyage repairs.

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

(Added Pub. L. 97-295, § 1(48)(A), Oct. 12, 1982, 96 Stat. 1298; amended Pub. L. 99-661, div. A, title XII, § 1201(a), Nov. 14, 1986, 100 Stat. 3967; Pub. L. 100-180, div. A, title XI, § 1101, Dec. 4, 1987, 101 Stat. 1145; Pub. L. 101-510, div. A, title XIV, § 1422, Nov. 5, 1990, 104 Stat. 1682; Pub. L. 102-484, div. A, title X, § 1016, Oct. 23, 1992, 106 Stat. 2485.)

**HISTORICAL AND REVISION NOTES**

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7299a .....	10:7291 (note).	June 11, 1965, Pub. L. 89-37, §§ 302, 303, 79 Stat. 128.

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 subsec. (a) which read as follows: “The distribution of assignments and contracts for the construction of combatant vessels and escort vessels is subject to the Act of March 27, 1934 (ch. 95, 48 Stat. 503), requiring that the first and each succeeding alternate vessel be constructed in a Navy yard. However, the President may direct that a vessel be constructed in a Navy or private yard if the requirement of this subsection is inconsistent with the public interest.”

Subsec. (b). Pub. L. 102-484, § 1016(b)(1), redesignated subsec. (c) as (b). Former subsec. (b) redesignated (a).

Subsecs. (c), (d). Pub. L. 102-484, § 1016(b), redesignated subsec. (d) as (c) and substituted “subsection (a)” for “subsection (b)” in par. (2). Former subsec. (c) redesignated (b).

1990—Subsec. (d)(3). Pub. L. 101-510 substituted “apply in the case of voyage repairs.” for “apply—

“(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. 27401, 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.

(Added Pub. L. 106-65, div. A, title X, §1016(a), Oct. 5, 1999, 113 Stat. 744; amended Pub. L. 106-398, §1 [(div. A), title X, §1033(c)(3)], Oct. 30, 2000, 114 Stat. 1654, 1654A-261.)

#### PRIOR PROVISIONS

A prior section 7300, act Aug. 10, 1956, ch. 1041, 70A, Stat. 450, related to profit limitations on contracts for construction of naval vessels, prior to repeal by Pub. L. 97-86, title IX, §911(b)(1), Dec. 1, 1981, 95 Stat. 1122.

#### AMENDMENTS

2000—Pub. L. 106-398 substituted “section 2563” for “section 2553”.

#### **[§ 7301. Repealed. Pub. L. 103-160, div. A, title VIII, § 824(a)(7), Nov. 30, 1993, 107 Stat. 1707]**

Section, act Aug. 10, 1956, ch. 1041, 70A Stat. 450, related to estimates required for bids on construction of naval vessels.

#### **[§ 7302. Repealed. Pub. L. 103-355, title III, § 3024(a), Oct. 13, 1994, 108 Stat. 3334]**

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.

(Aug. 10, 1956, ch. 1041, 70A Stat. 451; Pub. L. 89-718, §41, Nov. 2, 1966, 80 Stat. 1120.)

#### HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7303 .....	5 U.S.C. 430a.	May 6, 1936, ch. 333, 49 Stat. 1263; June 20, 1940, ch. 400, §1(a), (b), 54 Stat. 492.

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.

(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.

(Added Pub. L. 103-160, div. A, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1708.)

#### PRIOR PROVISIONS

A prior section 7304, act Aug. 10, 1956, ch. 1041, 70A Stat. 451, related to examination of vessels by board and striking of unfit vessels from Naval Vessel Register, prior to repeal by Pub. L. 103-160, §824(b).

#### **§ 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 division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions.

(Added Pub. L. 103-160, div. A, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1708; amended Pub. L. 105-85, div. A, title X, §1021, Nov. 18, 1997, 111 Stat. 1875; Pub. L. 107-217, §3(b)(28), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 108-136, div. A, title X, §1045(a)(7), Nov. 24, 2003, 117 Stat. 1612; Pub. L. 111-350, §5(b)(53), Jan. 4, 2011, 124 Stat. 3847.)

#### PRIOR PROVISIONS

A prior section 7305, acts Aug. 10, 1956, ch. 1041, 70A Stat. 451; Dec. 12, 1980, Pub. L. 96-513, title V, §513(27), 94 Stat. 2933, related to sale of vessels stricken from Naval Vessel Register, prior to repeal by Pub. L. 103-160, §824(b).

#### AMENDMENTS

2011—Subsec. (d). Pub. L. 111-350 substituted “division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, if it is to be disposed of under those provisions” for “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”.

2003—Subsec. (d). Pub. L. 108-136 inserted “such” before “title III.”.

2002—Subsec. (d). Pub. L. 107-217 inserted “subtitle I of title 40 and title III of” before “the Federal Property and Administrative Services Act of 1949” and substituted “(41 U.S.C. 251 et seq.)” for “(40 U.S.C. 471 et seq.)” and “subtitle I of title 40 and title III” for “that Act”.

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. (1) 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.

(Added Pub. L. 108-375, div. A, title X, §1011(a), Oct. 28, 2004, 118 Stat. 2038.)

#### § 7306. Vessels stricken from Naval Vessel Register; captured vessels: conveyance by donation

(a) AUTHORITY TO MAKE TRANSFER.—The Secretary of the Navy may convey, by donation, all right, title, and interest to any vessel stricken from the Naval Vessel Register or any captured vessel, for use as a museum or memorial for public display in the United States, to—

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

(2) any nonprofit entity.

(b) LIMITATIONS ON LIABILITY AND RESPONSIBILITY.—(1) The United States and all departments and agencies thereof, and their officers and employees, shall not be liable at law or in equity for any injury or damage to any person or property occurring on a vessel donated under this section.

(2) Notwithstanding any other law, the Department of Defense, and the officers and employees of the Department of Defense, shall have no responsibility or obligation to make, engage in, or provide funding for, any improvement, upgrade, modification, maintenance, preservation, or repair to a vessel donated under this section.

(c) TRANSFERS TO BE AT NO COST TO DEPARTMENT OF DEFENSE.—Any transfer of a vessel under this section, the maintenance and preservation of that vessel as a museum or memorial, and the ultimate disposal of that vessel, including demilitarization of Munitions List items at the end of the useful life of the vessel as a museum or memorial, shall be made at no cost to the Department of Defense.

(d) APPLICATION OF ENVIRONMENTAL LAWS.—Nothing in this section shall affect the applicability of Federal, State, interstate, and local environmental laws and regulations, including the Toxic Substances Control Act (15 U.S.C. 2601 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), to the Department of Defense or to a donee.

(e) DEFINITIONS.—In this section:

(1) The term “nonprofit entity” means any entity qualifying as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986.

(2) The term “Munitions List” means the United States Munitions List created and controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(3) The term “donee” means any entity receiving a vessel pursuant to subsection (a).

(Added Pub. L. 103-160, div. A, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1709; amended Pub. L. 106-65, div. A, title X, §1011, Oct. 5, 1999, 113 Stat. 739; Pub. L. 107-217, §3(b)(29), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 113-66, div. A, title X, §1022(a)-(e)(1), Dec. 26, 2013, 127 Stat. 845, 846; Pub. L. 114-92, div. A, title X, §1074(b), Nov. 25, 2015, 129 Stat. 996.)

#### REFERENCES IN TEXT

The Toxic Substances Control Act, referred to in subsec. (d), is Pub. L. 94-469, Oct. 11, 1976, 90 Stat. 2003, which is classified generally to chapter 53 (§2601 et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 2601 of Title 15 and Tables.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, referred to in subsec. (d), is Pub. L. 96-510, Dec. 11, 1980, 94 Stat. 2767, which is classified principally to chapter 103 (§9601 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 9601 of Title 42 and Tables.

Section 501(c)(3) of the Internal Revenue Code of 1986, referred to in subsec. (e)(1), is classified to section 501(c)(3) of Title 26, Internal Revenue Code.

#### PRIOR PROVISIONS

A prior section 7306, acts Aug. 10, 1956, ch. 1041, 70A Stat. 452; Nov. 8, 1965, Pub. L. 89-348, §1(10), 79 Stat. 1311; Nov. 2, 1966, Pub. L. 89-718, §42, 80 Stat. 1120; Nov. 29, 1989, Pub. L. 101-189, div. A, title XVI, §1616, 103 Stat. 1602, related to use of vessels stricken from the Naval Vessel Register for experimental purposes, prior to repeal by Pub. L. 103-160, §824(b). See section 7306a of this title.

#### AMENDMENTS

2015—Subsecs. (d) to (f). Pub. L. 114-92 redesignated subsecs. (e) and (f) as (d) and (e), respectively, and struck out former subsec. (d) which related to congressional notice-and-wait period.

2013—Pub. L. 113-66, §1022(e)(1), substituted “Vessels stricken from Naval Vessel Register; captured vessels: conveyance by donation” for “Vessels stricken from Naval Vessel Register; captured vessels: transfer by gift or otherwise” in section catchline.

Subsec. (a). Pub. L. 113-66, §1022(a), amended subsec. (a) generally. Prior to amendment, text read as follows: “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.”

Subsec. (b). Pub. L. 113-66, §1022(b), amended subsec. (b) generally. Prior to amendment, text read as follows: “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.”

Subsec. (c). Pub. L. 113-66, §1022(c), in heading, substituted “Department of Defense” for “United States” and in text, inserted “, the maintenance and preservation of that vessel as a museum or memorial, and the ultimate disposal of that vessel, including demilitarization of Munitions List items at the end of the useful life of the vessel as a museum or memorial,” after “under this section” and substituted “the Department of Defense” for “the United States”.

Subsecs. (e), (f). Pub. L. 113-66, §1022(d), added subsecs. (e) and (f).

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:

“(1) 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.

(Added Pub. L. 103–160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1709; amended Pub. L. 108–136, div. A, title X, § 1012, Nov. 24, 2003, 117 Stat. 1589.)

#### 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

2003—Subsec. (b). Pub. L. 108–136, § 1012(a)(1), inserted “and Environmental Remediation of” before “Vessel” in heading.

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)(2). Pub. L. 108–136, § 1012(b)(2), added par. (2). Former par. (2) redesignated (3).

Subsec. (b)(3). Pub. L. 108–136, § 1012(b)(1), (3), 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 “scrapping services needed for such stripping. Amounts received which are in excess of amounts needed for procuring such services shall be deposited into the general fund of the Treasury”.

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 3(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 Authorization Act for Fiscal Year 2003 (Public Law 107–314; 16 U.S.C. 1220 note); and

(2) any applicable environmental laws.

(d) COST SHARING.—The Secretary may share with the recipient of a vessel transferred under subsection (a) any costs associated with transferring the vessel under that subsection, including costs of the preparation of the vessel under subsection (c).

(e) NO LIMITATION ON NUMBER OF VESSELS TRANSFERABLE TO PARTICULAR RECIPIENT.—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may be the recipient of more than one vessel transferred under subsection (a).

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a transfer authorized by subsection (a) as the Secretary considers appropriate.

(g) CONSTRUCTION.—Nothing in this section shall be construed to establish a preference for the use as artificial reefs of vessels stricken from the Naval Vessel Register in lieu of other authorized uses of such vessels, including the domestic scrapping of such vessels, or other disposals of such vessels, under this chapter or other applicable authority.

(Added Pub. L. 108–136, div. A, title X, § 1013(a), Nov. 24, 2003, 117 Stat. 1590; amended Pub. L. 109–364, div. A, title X, § 1071(a)(36), Oct. 17, 2006, 120 Stat. 2400; Pub. L. 111–84, div. A, title X, § 1073(a)(31), Oct. 28, 2009, 123 Stat. 2474.)

#### REFERENCES IN TEXT

The National Fishing Enhancement Act of 1984, referred to in subsec. (b)(1), is title II of Pub. L. 98–623, Nov. 8, 1984, 98 Stat. 3394, which enacted chapter 35 (§ 2101 et seq.) of Title 33, Navigation and Navigable Waters, and section 1220d of Title 16, Conservation, and amended sections 1220 to 1220c of Title 16. For complete classification of this Act to the Code, see Short Title note set out under section 2101 of Title 33 and Tables.

#### AMENDMENTS

2009—Subsec. (b)(1). Pub. L. 111–84 substituted “1802(14))” for “1802(14)”.

2006—Subsec. (b)(1). Pub. L. 109–364 substituted “3(14)” for “2(14)”.

#### § 7307. Disposals to foreign nations

(a) LARGER OR NEWER VESSELS.—A naval vessel that is in excess of 3,000 tons or that is less

than 20 years of age may not be disposed of to another nation (whether by sale, lease, grant, loan, barter, transfer, or otherwise) unless the disposal of that vessel, or of a vessel of the class of that vessel, is authorized by law enacted after August 5, 1974. A lease or loan of such a vessel under such a law may be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.). In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilities as the named vessel. In the case of an authorization by law for the disposal of vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the number of such vessels specified in that law as being authorized for disposal.

(b) OTHER VESSELS.—(1) A naval vessel not subject to subsection (a) may be disposed of to another nation (whether by sale, lease, grant, loan, barter, transfer, or otherwise) in accordance with applicable provisions of law, but only after—

(A) the Secretary of the Navy notifies the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives in writing of the proposed disposition; and

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

(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 30-day period.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1709; amended Pub. L. 104-106, div. A, title XV, § 1502(a)(1), Feb. 10, 1996, 110 Stat. 502; Pub. L. 106-65, div. A, title X, § 1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 109-364, div. A, title X, § 1013, Oct. 17, 2006, 120 Stat. 2376.)

#### REFERENCES IN TEXT

The Arms Export Control Act, referred to in subsec. (a), is Pub. L. 90-629, Oct. 22, 1968, 82 Stat. 1320, as amended. Chapter 6 of that Act is classified generally to subchapter VI (§ 2796 et seq.) of chapter 39 of Title 22, Foreign Relations and Intercourse. For complete classification of this Act to the Code, see Short Title note set out under section 2751 of Title 22 and Tables.

The Foreign Assistance Act of 1961, referred to in subsec. (a), is Pub. L. 87-195, Sept. 4, 1961, 75 Stat. 424, as amended. Chapter 2 of part II of that Act is classified generally to part II (§ 2311 et seq.) of subchapter II of chapter 32 of Title 22. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of Title 22 and Tables.

#### PRIOR PROVISIONS

A prior section 7307, acts Aug. 10, 1956, ch. 1041, 70A Stat. 452; Aug. 5, 1974, Pub. L. 93-365, title VII, § 702, 88 Stat. 405; Oct. 5, 1976, Pub. L. 94-457, § 2, 90 Stat. 1938;

Dec. 12, 1980, Pub. L. 96-513, title V, § 513(28), 94 Stat. 2933; Aug. 8, 1985, Pub. L. 99-83, title I, § 122, 99 Stat. 204; Nov. 5, 1990, Pub. L. 101-510, div. A, title XIV, § 1484(b)(4), 104 Stat. 1716, related to restrictions on disposal of certain Navy ships, prior to repeal by Pub. L. 103-160, § 824(b).

#### AMENDMENTS

2006—Subsec. (a). Pub. L. 109-364 substituted “disposal of that vessel, or of a vessel of the class of that vessel, is authorized” for “disposition of that vessel is approved” and inserted at end “In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilities as the named vessel. In the case of an authorization by law for the disposal of vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the number of such vessels specified in that law as being authorized for disposal.”

1999—Subsec. (b)(1)(A). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1996—Subsec. (b)(1)(A). Pub. L. 104-106 substituted “Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives” for “Committees on Armed Services of the Senate and House of Representatives”.

#### § 7308. Chief of Naval Operations: certification required for disposal of combatant vessels

Notwithstanding any other provision of law, no combatant vessel of the Navy may be sold, transferred, or otherwise disposed of unless the Chief of Naval Operations certifies that it is not essential to the defense of the United States.

(Added Pub. L. 103-160, div. A, title VIII, § 824(b), Nov. 30, 1993, 107 Stat. 1710.)

#### PRIOR PROVISIONS

A prior section 7308, acts Aug. 10, 1956, ch. 1041, 70A Stat. 453; Dec. 12, 1980, Pub. L. 96-513, title V, § 513(29), 94 Stat. 2933; Sept. 29, 1988, Pub. L. 100-456, div. A, title XII, § 1234(a)(6), 102 Stat. 2059; Nov. 5, 1990, Pub. L. 101-510, div. A, title XIV, § 1427, 104 Stat. 1685, related to transfer or gift of obsolete, condemned, and captured vessels, prior to repeal by Pub. L. 103-160, § 824(b).

#### § 7309. Construction of vessels in foreign shipyards: prohibition

(a) PROHIBITION.—Except as provided in subsection (b), no vessel to be constructed for any of the armed forces, and no major component of the hull or superstructure of any such vessel, may be constructed in a foreign shipyard.

(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).

(Added Pub. L. 103-160, div. A, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1710.)

PRIOR PROVISIONS

A prior section 7309, added Pub. L. 97-252, title XI, §1127(a), Sept. 8, 1982, 96 Stat. 758; amended Pub. L. 98-473, title I, §101(h)[title VIII, §8095], Oct. 12, 1984, 98 Stat. 1904, 1941; Pub. L. 99-145, title XIII, §1303(a)(24)(A), Nov. 8, 1985, 99 Stat. 740; Pub. L. 100-180, div. A, title XI, §1103, Dec. 4, 1987, 101 Stat. 1146; Pub. L. 100-456, div. A, title XII, §1224(a), (b)(1), Sept. 29, 1988, 102 Stat. 2054; Pub. L. 101-189, div. A, title XVI, §1622(c)(8), Nov. 29, 1989, 103 Stat. 1604; Pub. L. 102-190, div. A, title X, §1017, Dec. 5, 1991, 105 Stat. 1459; Pub. L. 102-484, div. A, title X, §1012, Oct. 23, 1992, 106 Stat. 2483, related to restrictions on construction and repair of vessels in foreign shipyards, prior to repeal by Pub. L. 103-160, §824(b).

DELEGATION OF AUTHORITY

For delegation of authority of President under subsec. (b) of this section, 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 HOMEPORT IN UNITED STATES OR GUAM.**—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 or Guam 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 HOMEPORTS.**—(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 not 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.

(c) **REPORT.**—(1) The Secretary of the Navy shall submit to Congress each year, at the time that the President's budget is submitted to Congress that year under section 1105(a) of title 31, a report listing all repairs and maintenance performed on any covered naval vessel that has undergone work for the repair of the vessel in any shipyard outside the United States or Guam (in this section referred to as a "foreign shipyard") during the fiscal year preceding the fiscal year in which the report is submitted.

(2) The report shall include the percentage of the annual ship repair budget of the Navy that was spent on repair of covered naval vessels in

foreign shipyards during the fiscal year covered by the report.

(3) Except as provided in paragraph (4), the report also shall include the following with respect to each covered naval vessel:

(A) The justification under law and operational justification for the repair in a foreign shipyard.

(B) The name and class of vessel repaired.

(C) The category of repair and whether the repair qualified as voyage repair as defined in Commander Military Sealift Command Instruction 4700.15C (September 13, 2007) or Joint Fleet Maintenance Manual (Commander Fleet Forces Command Instruction 4790.3 Revision A, Change 7), Volume III. Scheduled availabilities are to be considered as a composite and reported as a single entity without individual repair and maintenance items listed separately.

(D) The shipyard where the repair work was carried out.

(E) The number of days the vessel was in port for repair.

(F) The cost of the repair and the amount (if any) that the cost of the repair was less than or greater than the cost of the repair provided for in the contract.

(G) The schedule for repair, the amount of work accomplished (stated in terms of work days), whether the repair was accomplished on schedule, and, if not so accomplished, the reason for the schedule over-run.

(H) The homeport or location of the vessel prior to its voyage for repair.

(I) Whether the repair was performed under a contract awarded through the use of competitive procedures or procedures other than competitive procedures.

(4) In the case of a covered vessel described in subparagraph (C) of paragraph (5), the report shall not be required to include the information described in subparagraphs (A), (E), (F), (G), and (I) of paragraph (3).

(5) In this subsection, the term "covered naval vessel" means any of the following:

(A) A naval vessel.

(B) Any other vessel under the jurisdiction of the Secretary of the Navy.

(C) A vessel not described in subparagraph (A) or (B) that is operated pursuant to a contract entered into by the Secretary of the Navy and the Maritime Administration or the United States Transportation Command in support of Department of Defense operations.

(Added and amended Pub. L. 103-160, div. A, title III, §367, title VIII, §824(b), Nov. 30, 1993, 107 Stat. 1632, 1710; Pub. L. 104-106, div. A, title X, §1017, Feb. 10, 1996, 110 Stat. 425; Pub. L. 109-364, div. A, title X, §1014, Oct. 17, 2006, 120 Stat. 2376; Pub. L. 110-417, [div. A], title X, §1012, Oct. 14, 2008, 122 Stat. 4584; Pub. L. 112-239, div. A, title III, §344, Jan. 2, 2013, 126 Stat. 1700.)

PRIOR PROVISIONS

A prior section 7310, added Pub. L. 97-295, §1(49)(A), Oct. 12, 1982, 96 Stat. 1298, related to policy for constructing combatant vessels, prior to repeal by Pub. L. 103-160, §824(a)(8).

## AMENDMENTS

2013—Subsec. (c)(3). Pub. L. 112-239, §344(1)(A), substituted “Except as provided in paragraph (4), the report” for “The report” in introductory provisions.

Subsec. (c)(3)(A). Pub. L. 112-239, §344(1)(B), inserted “and operational justification” after “justification under law”.

Subsec. (c)(4). Pub. L. 112-239, §344(3), added par. (4). Former par. (4) redesignated (5).

Subsec. (c)(5). Pub. L. 112-239, §344(2), redesignated par. (4) as (5).

Subsec. (c)(5)(C). Pub. L. 112-239, §344(4), added subpar. (C).

2008—Subsec. (c). Pub. L. 110-417 added subsec. (c).

2006—Subsec. (a). Pub. L. 109-364 inserted “or Guam” after “United States” in heading and after “in the United States” in text.

1996—Subsec. (a). Pub. L. 104-106 inserted “or Guam” after “outside the United States”.

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, or 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, transpor-

tation, or disposal of such hazardous waste shall bear a generator identification number issued to the contractor pursuant to applicable law.

(iii) 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) A determination under this paragraph of whether the Navy is a generator, a contractor is a generator, or both the Navy and a contractor are generators, shall be made in the same manner provided under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.) and regulations promulgated under that subtitle.

(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 contractor's facility for performance of a contract, to the extent such removal is feasible.

(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.

(Added Pub. L. 99-661, div. A, title XII, §1202(a), Nov. 14, 1986, 100 Stat. 3967; amended Pub. L. 101-189, div. A, title XVI, §1611(a), Nov. 29, 1989, 103 Stat. 1599.)

## REFERENCES IN TEXT

The Solid Waste Disposal Act, referred to in subsecs. (a)(4)(B) and (d), is title II of Pub. L. 89-272, Oct. 20, 1965, 79 Stat. 997, as amended generally by Pub. L. 94-580, §2, Oct. 21, 1976, 90 Stat. 2795, which is classified generally to chapter 82 (§6901 et seq.) of Title 42, The Public Health and Welfare. Subtitle C of the Solid Waste Disposal Act is classified generally to subchapter III (§6921 et seq.) of chapter 82 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 6901 of Title 42 and Tables.

## AMENDMENTS

1989—Pub. L. 101-189 amended section generally, substituting subsecs. (a) to (d) for former subsecs. (a) relat-

ing to contractual provisions, and (b) relating to renegotiation of contract.

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-189, div. A, title XVI, §1611(b), Nov. 29, 1989, 103 Stat. 1601, provided that: "The amendment made by subsection (a) [amending this section] shall apply with respect to any contract for work on a naval vessel (other than new construction) entered into after the end of the 90-day period beginning on the date of the enactment of this Act [Nov. 29, 1989]."

**§ 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 transferred at least annually to the General Fund of the Treasury.

(c) COSTS OF PREPARATION OF OBSOLETE 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 6101 of title 41 does not apply to sales of service craft and boats described in subsection (a).

(g) REGULATIONS.—The Secretary of the Navy shall prescribe regulations for the purposes of this section.

(Added Pub. L. 108-375, div. A, title X, §1012(a)(1), Oct. 28, 2004, 118 Stat. 2039; amended Pub. L. 113-291, div. A, title X, §1071(a)(12), Dec. 19, 2014, 128 Stat. 3505.)

PRIOR PROVISIONS

A prior section 7312, added Pub. L. 100-180, div. A, title XI, §1102(a)(1), Dec. 4, 1987, 101 Stat. 1145; amended Pub. L. 100-456, div. A, title XII, §1223, Sept. 29, 1988, 102 Stat. 2054; Pub. L. 101-189, div. A, title XVI, §1612, Nov. 29, 1989, 103 Stat. 1601, related to progress payments under certain contracts for repair or maintenance of naval vessels, prior to repeal by Pub. L. 103-355, title II, §2001(j)(1), title X, §10001, Oct. 13, 1994, 108 Stat. 3303, 3404, effective Oct. 13, 1994, except as otherwise provided. See section 2307(g) of this title.

AMENDMENTS

2014—Subsec. (f). Pub. L. 113-291 substituted "Section 6101 of title 41" for "Section 3709 of the Revised Statutes (41 U.S.C. 5)".

EFFECTIVE DATE

Pub. L. 108-375, div. A, title X, §1012(b), Oct. 28, 2004, 118 Stat. 2040, provided that: "Section 7312 of title 10, United States Code, as added by subsection (a), shall apply with respect to amounts received on or after the date of the enactment of this Act [Oct. 28, 2004] and to amounts received before the date of the enactment of this Act and not obligated as of that date."

**§ 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.

(Added Pub. L. 100-370, §1(n)(1), July 19, 1988, 102 Stat. 850.)

#### HISTORICAL AND REVISION NOTES

Section is based on Pub. L. 99-190, §101(b) [title VIII, §8005(j), (k)], Dec. 19, 1985, 99 Stat. 1185, 1203.

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 8009(c) and 8005(j) (proviso) of the FY86 defense appropriations Act (Public Law 99-190), enacted December 19, 1985, 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 project 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.

(Added Pub. L. 100-456, div. A, title XII, §1225(a)(1), Sept. 29, 1988, 102 Stat. 2054, §7313; renumbered §7314, Pub. L. 101-189, div. A, title XVI, §1622(a), Nov. 29, 1989, 103 Stat. 1604.)

#### AMENDMENTS

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

#### EFFECTIVE DATE

Pub. L. 100-456, div. A, title XII, §1225(b), Sept. 29, 1988, 102 Stat. 2055, 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 the following:

(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 incurred 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.

(Added Pub. L. 105–85, div. A, title X, §1027(a)(1), Nov. 18, 1997, 111 Stat. 1878; amended Pub. L. 106–65, div. A, title X, §1066(a)(29), Oct. 5, 1999, 113 Stat. 772.)

#### AMENDMENTS

1999—Subsec. (d)(2). Pub. L. 106–65 substituted “November 18, 1997,” for “the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998”.

#### PROCEDURES FOR APPLICATIONS AND FOR CONSIDERATION OF AGREEMENTS

Pub. L. 105–85, div. A, title X, §1027(b), Nov. 18, 1997, 111 Stat. 1880, 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.

(Added Pub. L. 108–136, div. A, title X, §1015(a), Nov. 24, 2003, 117 Stat. 1591.)

#### § 7317. Status of Government rights in the designs of vessels, boats, and craft, and components thereof

(a) **IN GENERAL.**—Government rights in the design of a vessel, boat, or craft, and its components, including the hull, decks, superstructure, and all shipboard equipment and systems, shall be determined solely as follows:

(1) In the case of a vessel, boat, craft, or component procured through a contract, in accordance with the provisions of section 2320 of this title.

(2) In the case of a vessel, boat, craft, or component procured through an instrument not governed by section 2320 of this title, by the terms of the instrument (other than a contract) under which the design for such vessel, boat, craft, or component, as applicable, was developed for the Government.

(b) **CONSTRUCTION OF SUPERSEDING AUTHORITIES.**—This section may be modified or superseded by a provision of statute only if such provision expressly refers to this section in modifying or superseding this section.

(Added Pub. L. 110–417, [div. A], title VIII, §825(a), Oct. 14, 2008, 122 Stat. 4534.)

#### [CHAPTER 635—REPEALED]

#### [§§ 7341 to 7345. Repealed. Pub. L. 103–160, div. A, title VIII, §824(a)(9), Nov. 30, 1993, 107 Stat. 1708]

Section 7341, act Aug. 10, 1956, ch. 1041, 70A Stat. 453, related to authorized number of naval airplanes and lighter-than-air crafts.

Section 7342, act Aug. 10, 1956, ch. 1041, 70A Stat. 454, related to percentage of naval aircraft required to be constructed or manufactured in United States plants.

Section 7343, act Aug. 10, 1956, ch. 1041, 70A Stat. 454, related to manufacture of naval aircraft at plants owned by United States under certain circumstances.

Section 7344, act Aug. 10, 1956, ch. 1041, 70A Stat. 454, related to suspension of naval aircraft construction in case of treaty for limitation of naval armament.

Section 7345, added Pub. L. 101–189, div. A, title I, §153(a)(1), Nov. 29, 1989, 103 Stat. 1387, related to submission of annual reports to Armed Services and Appropriations Committees of Senate and House of Representatives addressing aircraft requirements of the Navy.

#### CHAPTER 637—SALVAGE FACILITIES

Sec. 7361.	Authority to provide for necessary salvage facilities.
7362.	Acquisition and transfer of vessels and equipment.
7363.	Settlement of claims.
7364.	Disposition of receipts.

#### AMENDMENTS

1996—Pub. L. 104–106, div. A, title X, §1015, Feb. 10, 1996, 110 Stat. 424, amended analysis generally, adding