

tions 508 and 510 of the Merchant Marine Act of 1936 (46 U.S.C. App. 1158, 1160), shall be deposited in the Fund”.

Subsec. (f)(1). Pub. L. 109-163 substituted “A vessel built in a foreign ship yard may not be” for “Not more than a total of five vessels built in foreign ship yards may be” and inserted “, unless specifically authorized by law” before period at end.

2003—Subsec. (l)(4), (5). Pub. L. 108-136 redesignated par. (5) as (4) and struck out former par. (4) which read as follows: “The term ‘congressional defense committees’ means—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.”

2001—Subsec. (d)(1). Pub. L. 107-107 struck out “for fiscal years after fiscal year 1993” after “Department of Defense” in introductory provisions.

2000—Subsec. (k)(1). Pub. L. 106-398, §1 [[div. A], title X, §1011(1)], inserted at end “As consideration for a contract with the head of an agency under this subsection, the company entering into the contract shall agree with the Secretary of Defense to make any vessel covered by the contract available to the Secretary, fully crewed and ready for sea, at any time at any port determined by the Secretary, and for whatever duration the Secretary determines necessary.”

Subsec. (k)(2)(E). Pub. L. 106-398, §1 [[div. A], title X, §1011(2)], added subpar. (E).

Subsec. (k)(6). Pub. L. 106-398, §1 [[div. A], title X, §1011(3)], added par. (6).

1999—Subsec. (k). Pub. L. 106-65, §1015(a)(2), added subsec. (k). Former subsec. (k) redesignated (l).

Subsec. (k)(2). Pub. L. 106-65, §1014(b), substituted “that is any of the following:” for “that is—” in introductory provisions, substituted “A” for “a” and a period for the semicolon in subpars. (A) and (B), “An” for “an” and a period for the semicolon in subpar. (C), “An” for “an” and a period for “; or” in subpar. (D), and “A” for “a” in subpar. (E), and added subpars. (F) to (I).

Subsec. (l). Pub. L. 106-65, §1015(a)(1), redesignated subsec. (k) as (l).

Subsec. (l)(4)(B). Pub. L. 106-65, §1067(1), substituted “Committee on Armed Services” for “Committee on National Security”.

Subsec. (l)(5). Pub. L. 106-65, §1015(b), added par. (5).

1996—Subsec. (c)(1). Pub. L. 104-106, §1014(a)(1)(A), substituted “only for the following purposes:” for “only for—”.

Subsec. (c)(1)(A). Pub. L. 104-106, §1014(a)(1)(B), (C), substituted “Construction” for “construction” and “vessels.” for “vessels;”.

Subsec. (c)(1)(B). Pub. L. 104-106, §1014(a)(1)(B), (C), substituted “Operation” for “operation” and “purposes.” for “purposes;”.

Subsec. (c)(1)(C). Pub. L. 104-106, §1014(a)(1)(B), (D), substituted “Installation” for “installation” and “States.” for “States; and”.

Subsec. (c)(1)(D). Pub. L. 104-106, §1014(a)(1)(B), substituted “Research” for “research”.

Subsec. (c)(1)(E). Pub. L. 104-106, §1014(a)(1)(E), added subpar. (E).

Subsec. (i). Pub. L. 104-106, §1014(a)(2), inserted “(other than subsection (c)(1)(E))” after “Nothing in this section”.

Subsec. (j). Pub. L. 104-106, §1502(a)(15)(A), substituted “the congressional defense committees” for “the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives”.

Subsec. (k)(4). Pub. L. 104-106, §1502(a)(15)(B), added par. (4).

1992—Subsec. (c)(2). Pub. L. 102-396 substituted “in amounts authorized by law” for “for programs, projects, and activities and only in amounts authorized in, or otherwise permitted under, an Act other than an appropriations Act”. See Codification note above.

## Statutory Notes and Related Subsidiaries

### EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by section 1806(e)(1)(A) of Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as a note preceding section 3001 of this title.

### EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-92, div. A, title X, §1031(b), Dec. 20, 2019, 133 Stat. 1579, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on October 1, 2019, and shall apply with respect to fiscal years beginning on or after that date.”

### EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by section 809(a) of Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective Dec. 31, 2021, of provisions in subsec. (h) of this section relating to submitting budget requests to Congress, see section 1061 of Pub. L. 114-328, set out as a note under section 111 of this title.

### COMPLIANCE BY READY RESERVE FLEET VESSELS WITH SOLAS LIFEBOATS AND FIRE SUPPRESSION REQUIREMENTS

Pub. L. 115-232, div. C, title XXXV, §3502, Aug. 13, 2018, 132 Stat. 2308, provided that: “The Secretary of Defense shall, consistent with section 2244a of title 10, United States Code, use authority under section 2218 of such title to make such modifications to Ready Reserve Fleet vessels as are necessary for such vessels to comply [with] requirements for lifeboats and fire suppression under the International Convention for the Safety of Life at Sea by not later than October 1, 2021.”

## § 2218a. National Sea-Based Deterrence Fund

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the “National Sea-Based Deterrence Fund”.

(b) ADMINISTRATION OF FUND.—The Secretary of Defense shall administer the Fund consistent with the provisions of this section.

(c) FUND PURPOSES.—(1) Funds in the Fund shall be available for obligation and expenditure only for construction (including design of vessels), purchase, alteration, and conversion of national sea-based deterrence vessels.

(2) Funds in the Fund may not be used for a purpose or program unless the purpose or program is authorized by law.

(d) DEPOSITS.—There shall be deposited in the Fund all funds appropriated to the Department of Defense for construction (including design of vessels), purchase, alteration, and conversion of national sea-based deterrence vessels.

(e) EXPIRATION OF FUNDS AFTER 5 YEARS.—No part of an appropriation that is deposited in the Fund pursuant to subsection (d) shall remain available for obligation more than five years after the end of fiscal year for which appropriated except to the extent specifically provided by law.

(f) AUTHORITY TO ENTER INTO ECONOMIC ORDER QUANTITY CONTRACTS.—(1) The Secretary of the Navy may use funds deposited in the Fund to enter into contracts known as “economic order

quantity contracts” with private shipyards and other commercial or government entities to achieve economic efficiencies based on production economies for major components or subsystems. The authority under this subsection extends to the procurement of parts, components, and systems (including weapon systems) common with and required for other nuclear powered vessels under joint economic order quantity contracts.

(2) A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose, and that total liability to the Government for termination of any contract entered into shall be limited to the total amount of funding obligated at time of termination.

(g) **AUTHORITY TO BEGIN MANUFACTURING AND FABRICATION EFFORTS PRIOR TO SHIP AUTHORIZATION.**—(1) The Secretary of the Navy may use funds deposited into the Fund to enter into contracts for advance construction of national sea-based deterrence vessels to support achieving cost savings through workload management, manufacturing efficiencies, or workforce stability, or to phase fabrication activities within shipyard and manage sub-tier manufacturer capacity.

(2) A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose, and that total liability to the Government for termination of any contract entered into shall be limited to the total amount of funding obligated at time of termination.

(h) **AUTHORITY TO USE INCREMENTAL FUNDING TO ENTER INTO CONTRACTS FOR CERTAIN ITEMS.**—(1) The Secretary of the Navy may use funds deposited into the Fund to enter into incrementally funded contracts for—

(A) advance procurement of high value, long lead time items for nuclear powered vessels to better support construction schedules and achieve cost savings through schedule reductions and properly phased installment payments; and

(B) construction of the first two Columbia class submarines.

(2) A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose, and that total liability to the Government for termination of any contract entered into shall be limited to the total amount of funding obligated at time of termination.

(i) **AUTHORITY FOR MULTIYEAR PROCUREMENT OF CRITICAL COMPONENTS TO SUPPORT CONTINUOUS PRODUCTION.**—(1) To implement the continuous production of critical components, the Secretary of the Navy may use funds deposited in the Fund, in conjunction with funds appropriated for the procurement of other nuclear-powered vessels, to enter into one or more multiyear contracts (including economic ordering quantity contracts), for the procurement of critical contractor-furnished and Government-furnished components for critical components of national sea-based deterrence vessels. The au-

thority under this subsection extends to the procurement of equivalent critical components common with and required for other nuclear-powered vessels.

(2) In each annual budget request submitted to Congress, the Secretary shall clearly identify funds requested for critical components and the individual ships and programs for which such funds are requested.

(3) Any contract entered into pursuant to paragraph (1) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose and that the total liability to the Government for the termination of the contract shall be limited to the total amount of funding obligated for the contract as of the date of the termination.

(j) **BUDGET REQUESTS.**—Budget requests submitted to Congress for the Fund shall separately identify the amount requested for programs, projects, and activities for construction (including design of vessels), purchase, alteration, and conversion of national sea-based deterrence vessels.

(k) **DEFINITIONS.**—In this section:

(1) The term “Fund” means the National Sea-Based Deterrence Fund established by subsection (a).

(2) The term “national sea-based deterrence vessel” means any submersible vessel constructed or purchased after fiscal year 2016 that is owned, operated, or controlled by the Department of Defense and that carries operational intercontinental ballistic missiles.

(3) The term “critical component” means any of the following:

(A) A common missile compartment component.

(B) A spherical air flask.

(C) An air induction diesel exhaust valve.

(D) An auxiliary seawater valve.

(E) A hovering valve.

(F) A missile compensation valve.

(G) A main seawater valve.

(H) A launch tube.

(I) A trash disposal unit.

(J) A logistics escape trunk.

(K) A torpedo tube.

(L) A weapons shipping cradle weldment.

(M) A control surface.

(N) A launcher component.

(O) A propulsor.

(P) Major bulkheads and tanks.

(Q) All major pumps and motors.

(R) Large vertical array.

(S) Atmosphere control equipment.

(T) Diesel systems and components.

(U) Hydraulic valves and components.

(V) Bearings.

(W) Major air and blow valves and components.

(X) Decks and superstructure.

(Y) Castings, forgings, and tank structure.

(Z) Hatches and hull penetrators.

(Added Pub. L. 113–291, div. A, title X, §1022(a)(1), Dec. 19, 2014, 128 Stat. 3486; amended Pub. L. 114–92, div. A, title X, §1022(a), Nov. 25, 2015, 129 Stat. 965; Pub. L. 114–328, div. A, title X, §1023, Dec. 23, 2016, 130 Stat. 2388; Pub. L. 115–91, div. A, title X, §1022, Dec. 12, 2017, 131 Stat. 1548;

Pub. L. 116-283, div. A, title X, § 1023(a), Jan. 1, 2021, 134 Stat. 3840; Pub. L. 118-31, div. A, title X, § 1016, Dec. 22, 2023, 137 Stat. 382.)

### Editorial Notes

#### AMENDMENTS

2023—Subsec. (k)(3)(P) to (Z). Pub. L. 118-31 added subpars. (P) to (Z).

2021—Subsec. (h)(1). Pub. L. 116-283 substituted “incrementally funded contracts for—” for “incrementally funded contracts for advance procurement of high value, long lead time items for nuclear powered vessels to better support construction schedules and achieve cost savings through schedule reductions and properly phased installment payments.” and added subpars. (A) and (B).

2017—Subsec. (i). Pub. L. 115-91, § 1022(c), struck out “of the Common Missile Compartment” after “Continuous Production” in heading.

Subsec. (i)(1). Pub. L. 115-91, § 1022(a)(2), substituted “equivalent critical components” for “equivalent critical parts, components, systems, and subsystems”.

Pub. L. 115-91, § 1022(a)(1), which directed the substitution of “critical components” for “the common missile compartment” wherever appearing, was executed by making the substitution for “the common missile compartment” the first time appearing and for “the common missile compartments” the second time appearing, to reflect the probable intent of Congress.

Subsec. (i)(2). Pub. L. 115-91, § 1022(a)(1), substituted “critical components” for “the common missile compartment”.

Subsec. (k)(3). Pub. L. 115-91, § 1022(b), added par. (3). 2016—Subsecs. (i), (j). Pub. L. 114-328, § 1023(a), added subsec. (i) and redesignated former subsec. (i) as (j). Former subsec. (j) redesignated (k).

Subsec. (k). Pub. L. 114-328, § 1023(a)(1), redesignated subsec. (j) as (k).

Subsec. (k)(2). Pub. L. 114-328, § 1023(b), substituted “any submersible vessel constructed or purchased after fiscal year 2016 that is” for “any vessel” and inserted “and” before “that carries”.

2015—Subsecs. (f) to (j). Pub. L. 114-92 added subsecs. (f) to (h) and redesignated former subsecs. (f) and (g) as (i) and (j), respectively.

### § 2219. Grants for improvement of Navy ship repair or alterations capability

(a) ASSISTANCE AUTHORIZED.—(1) Subject to the availability of appropriations, the Secretary of the Navy may make grants to an eligible entity for the purpose of carrying out—

(A) a capital improvement project; or

(B) a maritime training program designed to foster technical skills and operational productivity.

(2) The amount of a grant under this section may not exceed 75 percent of the total cost of the project or program funded by the grant.

(3) A grant provided under this section may not be used to construct buildings or other physical facilities, except for piers, dry docks, and structures in support of piers and dry docks, or to acquire land.

(4) The Secretary may not award a grant to an eligible entity under this section unless the Secretary determines that—

(A) the entity has access to sufficient non-Federal funding to meet the requirement under paragraph (2);

(B) the entity has authority to carry out the proposed project; and

(C) the project or program would improve—  
(i) efficiency, competitive operations, capability, or quality of United States Navy ship repair or alterations; or

(ii) employee, or potential employee, skills and enhanced productivity related to United States Navy ship repair or alterations.

(b) ELIGIBILITY.—To be eligible for a grant under this section, an entity shall—

(1) be a shipyard or other entity that provides ship repair or alteration for non-nuclear ships;

(2) submit an application, at such time, in such form, and containing such information and assurances as the Secretary may require, including a comprehensive description of—

(A) the need for the project or program proposed to be funded under the grant;

(B) the methodology to be used to implement the project or program; and

(C) any existing programs or arrangements that could be used to supplement or leverage a grant provided under this section; and

(3) enter into an agreement with the Secretary under which the entity agrees—

(A) to complete the project or program funded by the grant within a certain timeframe and without unreasonable delay and the Secretary determines such project or program is likely to be completed within the timeframe provided in such agreement;

(B) to return to the Secretary any amount of the grant that is—

(i) not used by the grant recipient for the purpose for which the grant was awarded; or

(ii) not obligated or expended within the timeframe provided in the agreement;

(C) to maintain such records as the Secretary may require and make such records available for review and audit by the Secretary; and

(D) not to purchase any product or material for the project or program using grant funds, including any commercially available off-the-shelf item, unless such product or material is—

(i) an unmanufactured article, material, or supply that has been mined or produced in the United States; or

(ii) a manufactured article, material, or supply that has been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States.

(c) GUIDELINES.—The Secretary shall issue guidelines to establish appropriate accounting, reporting, and review procedures to ensure that—

(1) amounts awarded as grants under this section are used for the purposes for which such amounts were made available; and

(2) an entity that receives a grant under this section complies with the terms of the agreement such entity enters into with the Secretary pursuant to subsection (b)(3).

(d) DEFINITIONS.—In this section:

(1) The term “commercially available off-the-shelf item”—

(A) means any item of supply (including construction material) that is—

(i) a commercial item, as defined by section 2.101 of title 48, Code of Federal Regu-