

ted as obsolete. In paragraph (1)(A), the words “or, with the approval of the Secretary of Transportation, for a part interest in a new vessel or for the reconstruction or reconditioning of a new vessel” are substituted for “(or in the discretion of the Secretary of Transportation, for a part interest therein), or, with the approval of the Secretary of Transportation, for the reconstruction or reconditioning of a new vessel or vessels” to eliminate unnecessary words.

In subsection (c), the proviso in 46 App. U.S.C. 1161(h) is omitted as obsolete.

**§ 53311. Taxation of deposits on failure of conditions**

A deposited gain, if otherwise taxable income under the law applicable to the taxable year in which the gain was realized, shall be included in gross income for that taxable year, except for purposes of the declared value excess profits tax and the capital stock tax, if—

- (1) the deposited gain is not expended or obligated within the appropriate period under section 53310 of this title;
- (2) the deposited gain is withdrawn before the end of that period;
- (3) the construction related to that deposited gain has not progressed to the extent of 5 percent of completion within the appropriate period under section 53310 of this title; or
- (4) the Secretary of Transportation finds and certifies to the Secretary of the Treasury that, for causes within the control of the taxpayer, the entire construction related to that deposited gain is not completed with reasonable dispatch.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1590.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53311 .....	46 App.:1161(i).	June 29, 1936, ch. 858, title V, §511(i), as added Oct. 10, 1940, ch. 849, 54 Stat. 1107; July 17, 1952, ch. 939, §13(b), 66 Stat. 764; Pub. L. 97-31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.

The last sentence of 46 App. U.S.C. 1161(i) is omitted as obsolete.

**§ 53312. Assessment and collection of deficiency tax**

Notwithstanding any other provision of law, a deficiency in tax for a taxable year resulting from the inclusion of an amount in gross income as provided by section 53311 of this title, and the amount to be treated as a deficiency under section 53311 instead of as an adjustment for the declared value excess profits tax, may be assessed or a civil action may be brought to collect the deficiency without assessment, at any time. Interest on a deficiency or amount to be treated as a deficiency does not begin until the date the deposited gain or part of the deposited gain in question is required to be included in gross income under section 51111.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1590.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53312 .....	46 App.:1161(j).	June 29, 1936, ch. 858, title V, §511(j), as added Oct. 10, 1940, ch. 849, 54 Stat. 1108.

**CHAPTER 534—TANKER SECURITY FLEET**

- Sec.<sup>1</sup>
- 53401. Definitions.
- 53402. Establishment of the Tanker Security Fleet.
- 53403. Award of operating agreements.
- 53404. Effectiveness of operating agreements.
- 53405. Obligations and rights under operating agreements.
- 53406. Payments.
- 53407. National security requirements.
- 53408. Regulatory relief.
- 53409. Special rule regarding age of participating Fleet vessels.
- 53410. Regulations.
- 53411. Authorization of appropriations.
- 53412. Acquisition of Fleet vessels.

**§ 53401. Definitions**

In this chapter:

(1) FOREIGN COMMERCE.—The term “foreign commerce” means—

(A) commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

(B) commerce or trade between foreign countries.

(2) PARTICIPATING FLEET VESSEL.—The term “participating Fleet vessel” means any product tank vessel covered by an operating agreement under this chapter on or after January 1, 2022, that—

(A) meets the requirements of one of paragraphs (1) through (4) of section 53402(b) of this title; and

(B) is no more than 20 years of age.

(3) PERSON.—The term “person” includes corporations, partnerships, and associations existing under, or authorized by, laws of the United States, or any State, territory, district, or possession thereof, or any foreign country.

(4) PRODUCT TANK VESSEL.—The term “product tank vessel” means a double-hulled tank vessel capable of carrying simultaneously more than 2 separated grades of refined petroleum products.

(5) PROGRAM PARTICIPANT.—The term “program participant” means an owner or operator of a vessel that enters into an operating agreement covering a participating fleet vessel with the Secretary under section 53403.

(6) SECRETARY.—The term “Secretary” means the Secretary of Transportation, unless the context indicates otherwise.

(7) UNITED STATES CITIZEN TRUST.—The term “United States citizen trust”—

(A) means a trust for which—

(i) each of the trustees is a citizen of the United States; and

(ii) the application for documentation of the vessel under chapter 121 of this title

<sup>1</sup> Editorially supplied.

includes an affidavit of each trustee stating that the trustee is not aware of any reason involving a beneficiary of the trust that is not a citizen of the United States, or involving any other person who is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States;

(B) does not include a trust for which any person that is not a citizen of the United States has authority to direct, or participate in directing, a trustee for a trust in matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States or in removing a trustee without cause, either directly or indirectly through the control of another person, unless the trust instrument provides that persons who are not citizens of the United States may not hold more than 25 percent of the aggregate authority to so direct or remove a trustee; and

(C) may include a trust for which a person who is not a citizen of the United States holds more than 25 percent of the beneficial interest in the trust.

(8) LONG TERM CHARTER.—The term “long term charter” means any time charter of a product tank vessel to the United States Government that, together with options, occurs for a continuous period of more than 180 days.

(Added Pub. L. 116-283, div. C, title XXXV, § 3511(a), Jan. 1, 2021, 134 Stat. 4408; amended Pub. L. 117-81, div. C, title XXXV, § 3515(a), Dec. 27, 2021, 135 Stat. 2243.)

#### Editorial Notes

##### AMENDMENTS

2021—Par. (8). Pub. L. 117-81 added par. (8).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Pub. L. 116-283, div. C, title XXXV, § 3511(d), Jan. 1, 2021, 134 Stat. 4419, provided that:

“(1) IN GENERAL.—This section [enacting this chapter and provisions set out as a note under section 53402 of this title] shall take effect on the date on which the Secretary of Defense—

“(A) has completed the report on United States flagged fuel tanker vessel capacity as required by section 3519 of the National Defense Authorization Act for Fiscal Year 2020 [Pub. L. 116-92, 133 Stat. 1987];

“(B) has submitted that report to the appropriate committees of Congress;

“(C) publishes certification—

“(i) that a program for United States-flagged fuel tanker vessels as prescribed in chapter 534 of title 46, United States Code, as amended by this section, for the purpose of providing additional United States-flagged fuel tanker vessels is in the national security interest of the United States; and

“(ii) of the number of such additional tankers covered under such a program that could be necessary to meet Department of Defense wartime requirements.

“(2) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section the term ‘appropriate committees of Congress’ means—

“(A) the Committee on Commerce, Science, and Transportation and the Committee on Armed Services of the Senate; and

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

#### § 53402. Establishment of the Tanker Security Fleet

(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall establish a fleet of active, commercially viable, militarily useful, privately owned product tank vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The fleet shall consist of privately owned vessels of the United States for which there are in effect operating agreements under this chapter, and shall be known as the “Tanker Security Fleet” (hereafter in this chapter referred to as the “Fleet”).

(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if the vessel—

(1) meets the requirements under paragraph (1), (2), (3), or (4) of subsection (c);

(2) is operated (or in the case of a vessel to be constructed, will be operated) in providing transportation in United States foreign commerce;

(3) is self-propelled;

(4) is not more than 10 years of age on the date the vessel is first included in the Fleet;

(5) is determined by the Secretary of Defense to be suitable for use by the United States for national defense or military purposes in time of war or national emergency;

(6) is commercially viable, as determined by the Secretary of Transportation; and

(7) is—

(A) a vessel of the United States; or

(B) not a vessel of the United States, but—

(i) the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of this title if it is included in the Fleet; and

(ii) at the time an operating agreement is entered into under this chapter, the vessel is eligible for documentation under chapter 121 of this title.

(c) REQUIREMENTS REGARDING CITIZENSHIP OF OWNERS, CHARTERERS, AND OPERATORS.—

(1) VESSELS OWNED AND OPERATED BY SECTION 50501 CITIZENS.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by one or more persons that are citizens of the United States under section 50501 of this title.

(2) VESSELS OWNED BY A SECTION 50501 CITIZEN, OR UNITED STATES CITIZEN TRUST, AND CHARTERED TO A DOCUMENTATION CITIZEN.—A vessel meets the requirements of this paragraph if—

(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be—

(i) owned by a person that is a citizen of the United States under section 50501 of