

chapter, and subject to agreement by the program participant of the vessel, the Secretary of Transportation is authorized, subject to the concurrence of the Secretary of Defense, acquire the vessel being replaced for inclusion in the National Defense Reserve Fleet.

(b) REQUIREMENTS.—To be eligible for acquisition by the Secretary of Transportation under this section a vessel shall—

(1) have been covered by an operating agreement under this chapter for not less than 3 years; and

(2) meet recapitalization requirements for the Ready Reserve Force.

(c) FAIR MARKET VALUE.—A fair market value shall be established by the Maritime Administration for acquisition of an eligible vessel under this section.

(d) APPROPRIATIONS.—Vessel acquisitions under this section shall be subject to the availability of appropriations. Amounts made available to carry out this section shall be derived from amounts authorized to be appropriated for the National Defense Reserve Fleet. Amounts authorized to be appropriated to carry out the Maritime Security Program may not be used to carry out this section.

(Added Pub. L. 116-283, div. C, title XXXV, § 3511(a), Jan. 1, 2021, 134 Stat. 4418.)

## CHAPTER 535—CAPITAL CONSTRUCTION FUNDS

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### § 53501. Definitions

In this chapter:

(1) AGREEMENT VESSEL.—The term “agreement vessel” means—

(A) an eligible vessel or a qualified vessel that is subject to an agreement under this chapter; and

(B) a barge or container that is part of the complement of a vessel described in subparagraph (A) if provided for in the agreement.

(2) ELIGIBLE VESSEL.—The term “eligible vessel” means—

(A) a vessel—

(i) constructed in the United States (and, if reconstructed, reconstructed in the United States), constructed outside the United States but documented under the laws of the United States on April 15, 1970, or constructed outside the United States for use in the United States foreign trade pursuant to a contract made before April 15, 1970;

laws of the United States on April 15, 1970, or constructed outside the United States for use in the United States foreign trade pursuant to a contract made before April 15, 1970;

(ii) documented under the laws of the United States; and

(iii) operated in the foreign or domestic trade of the United States or in the fisheries of the United States; and

(B) a commercial fishing vessel—

(i) constructed in the United States and, if reconstructed, reconstructed in the United States;

(ii) of at least 2 net tons but less than 5 net tons;

(iii) owned by a citizen of the United States;

(iv) having its home port in the United States; and

(v) operated in the commercial fisheries of the United States.

(3) JOINT REGULATIONS.—The term “joint regulations” means regulations prescribed jointly by the Secretary and the Secretary of the Treasury under section 53502(b) of this title.

(4) NONCONTIGUOUS TRADE.—The term “non-contiguous trade” means—

(A) trade between—

(i) one of the contiguous 48 States; and

(ii) Alaska, Hawaii, Puerto Rico, or an insular territory or possession of the United States; and

(B) trade between—

(i) a place in Alaska, Hawaii, Puerto Rico, or an insular territory or possession of the United States; and

(ii) another place in Alaska, Hawaii, Puerto Rico, or an insular territory or possession of the United States.

(5) QUALIFIED VESSEL.—The term “qualified vessel” means—

(A) a vessel—

(i) constructed in the United States (and, if reconstructed, reconstructed in the United States), constructed outside the United States but documented under the laws of the United States on April 15, 1970, or constructed outside the United States for use in the United States foreign trade pursuant to a contract made before April 15, 1970;

(ii) documented under the laws of the United States; and

(iii) agreed, between the Secretary and the person maintaining the capital construction fund established under section 53503 of this title, to be operated in the foreign or domestic trade of the United States or in the fisheries of the United States; and

(B) a commercial fishing vessel—

(i) constructed in the United States and, if reconstructed, reconstructed in the United States;

(ii) of at least 2 net tons but less than 5 net tons;

(iii) owned by a citizen of the United States;

HISTORICAL AND REVISION NOTES—CONTINUED		
Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53501(2) .....	46 App.:1177(k)(1). 46 App.:1177-1.	Pub. L. 94-455, title VIII, § 807, Oct. 4, 1976, 90 Stat. 1606.
53501(3) .....	46 App.:1177(k)(6).	
53501(4) .....	46 App.:1177(k)(8).	
53501(5) .....	46 App.:1177(k)(1) (last sentence), (2). 46 App.:1177-1.	
53501(6) .....	46 App.:1177(k)(9).	
53501(7) .....	46 App.:1177(k)(5).	
53501(8) .....	46 App.:1177(k)(7).	
The codification of the laws in this chapter is not intended to alter the existing jurisdictional relationship of the Secretaries who administer those laws.		
In paragraph (2)(A)(iii), the word “trade” is substituted for “commerce” for consistency in the chapter.		
<b>Editorial Notes</b>		
REFERENCES IN TEXT		
Section 506 of the Merchant Marine Act, 1936, referred to in par. (8), is section 506 of act June 29, 1936, ch. 858, 49 Stat. 1985, which is set out as a note under section 53101 of this title.		
<b>AMENDMENTS</b>		
2022—Par. (5)(A)(iii). Pub. L. 117-263 substituted “foreign or domestic trade of the United States” for “United States foreign, Great Lakes, noncontiguous domestic, or short sea transportation trade”.		
2018—Par. (5)(A)(iii). Pub. L. 115-232, § 3546(q)(1), substituted “transportation trade or” for “transportation trade or”.		
Par. (7). Pub. L. 115-232, § 3546(q)(3), struck out par. (7), as added by Pub. L. 109-304, § 8(c), which read as follows: “The term ‘United States foreign trade’ includes those areas in domestic trade in which a vessel built with a construction-differential subsidy is allowed to operate under the first sentence of section 506 of the Merchant Marine Act, 1936.”		
Pars. (8), (9). Pub. L. 115-232, § 3546(q)(2), (4), added par. (8) and redesignated former par. (8) as (9).		
2007—Par. (5)(A)(iii). Pub. L. 110-140, § 1122(a)(1), substituted “noncontiguous domestic, or short sea transportation trade” for “or noncontiguous domestic”.		
Par. (7). Pub. L. 110-140, § 1122(a)(2), added par. (7) relating to short sea transportation trade.		
<b>Statutory Notes and Related Subsidiaries</b>		
EFFECTIVE DATE OF 2007 AMENDMENT		
Amendment by Pub. L. 110-140 effective on the date that is 1 day after Dec. 19, 2007, see section 1601 of Pub. L. 110-140, set out as an Effective Date note under section 1824 of Title 2, The Congress.		
<b>§ 53502. Regulations</b>		
(a) IN GENERAL.—Except as provided in subsection (b), the Secretary shall prescribe regulations to carry out this chapter.		
(b) TAX LIABILITY.—The Secretary and the Secretary of the Treasury shall prescribe joint regulations for the determination of tax liability under this chapter.		
(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1593.)		

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)	
53501(1) .....	46 App.:1177(b)(3), (k)(3).	June 29, 1936, ch. 858, title VI, § 607(b)(3), (k)(1)-(3), (5)-(9), 49 Stat. 2005; June 23, 1938, ch. 600, §§ 23-28, 52 Stat. 960; Aug. 4, 1939, ch. 417, § 10, 53 Stat. 1185; July 17, 1952, ch. 939, §§ 17-19, 66 Stat. 764; Pub. L. 85-637, Aug. 14, 1958, 72 Stat. 592; Pub. L. 86-518, § 1, June 12, 1960, 74 Stat. 216; Pub. L. 87-45, § 6, May 27, 1961, 75 Stat. 91; Pub. L. 87-271, Sept. 21, 1961, 75 Stat. 570; restated Pub. L. 91-469, § 21(a), Oct. 21, 1970, 84 Stat. 1027, 1031, 1032; Pub. L. 93-116, Oct. 1, 1973, 87 Stat. 421; Pub. L. 97-31, § 12(97), Aug. 6, 1981, 95 Stat. 162; Pub. L. 115-232, div. C, title XXXV, § 3546(q), Aug. 13, 2018, 132 Stat. 2327.	