

Editorial Notes

REFERENCES IN TEXT

The Neutrality Act of 1939, referred to in subsec. (a)(1)(A), (3), is act Nov. 4, 1939, ch. 2, 54 Stat. 4, which is classified generally to subchapter II (§441 et seq.) of chapter 9 of Title 22, Foreign Relations and Inter-course. For complete classification of this Act to the Code, see Short Title note set out under section 441 of Title 22 and Tables.

§ 56503. Types of adjustments and arrangements

(a) **SUSPENSION REQUIREMENTS.**—An adjust-ment or arrangement under this chapter shall include suspension of—

- (1) the requirement to operate the vessel in foreign trade under the applicable operating-differential or construction-differential sub-sidy contract or mortgage or other agreement; and
- (2) the right to operating-differential sub-sidy for the vessel.

(b) **DISCRETIONARY ADJUSTMENTS AND AR-RANGEMENTS.**—To the extent the Secretary of Transportation considers appropriate to carry out the purposes of this subtitle, an adjustment or arrangement under this chapter may include any of the following:

- (1) Lay-up of the vessel by the owner or in the custody of the Secretary, with payment or reimbursement by the Secretary of necessary and proper expenses (including reasonable overhead and insurance) or a fixed periodic al-lowance instead of payment or reimburse-ment.
- (2) Postponement, for not more than the total period of the lay-up, of the maturity date of each installment of the principal of ob-ligations to the United States Government for the vessel (regardless of whether the maturity date is during a lay-up period), or rearrange-ment of those maturities.
- (3) Postponement or cancellation of interest accruing on the obligations during a lay-up pe-riod.
- (4) Extension, for not more than the total period of the lay-up, of the 20-year life limita-tion for the vessel and other limitations and provisions of this subtitle based on a 20-year life.
- (5) Provision for temporary or emergency employment of the vessel (instead of lay-up) as may be practicable, with such arrange-ments for management of the vessel, payment of expenses, and application of the proceeds of the employment, as the Secretary may ap-prove, with any period of operation being in-cluded as part of the lay-up period.
- (6) Payment to the Secretary, on termi-nation of the arrangements with the appli-cant, of the applicant's net profits (earned while the arrangements were in effect) in ex-cess of 10 percent a year on the capital nec-essarily employed in the applicant's business, as reimbursement for obligations postponed or canceled and expenses incurred or paid by the Secretary under this section.

(c) **LAI-UP VESSELS.**—Under subsection (b)(6), capital of the applicant represented by a vessel of the applicant laid-up or operated under this section shall be included in capital necessarily

employed in the applicant's business. The Sec-etary may require a vessel laid-up or operated under this section to be security for reimburse-ment.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1657.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56503	46 App.:1242a(c).	June 29, 1940, ch. 442, subdiv. (c), 54 Stat. 685; Pub. L. 97-31, §12(132), Aug. 6, 1981, 95 Stat. 165.

§ 56504. Changes in adjustments and arrange-ments

The Secretary of Transportation may change an adjustment or arrangement made under this chapter as the Secretary considers necessary to carry out this chapter.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1658.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
56504	46 App.:1242a(d).	June 29, 1940, ch. 442, subdiv. (d), 54 Stat. 686; Pub. L. 97-31, §12(132), Aug. 6, 1981, 95 Stat. 165.

**PART F—GOVERNMENT-OWNED
MERCHANT VESSELS
CHAPTER 571—GENERAL AUTHORITY**

Sec.	
57100.	National Defense Reserve Fleet.
57101.	Placement of vessels in National Defense Re-serve Fleet.
57102.	Disposition of vessels.
57103.	Donation of vessels in the National Defense Reserve Fleet.
57104.	Acquisition of vessels from sale of obsolete vessels.
57105.	Acquisition of vessels for essential services, routes, or lines.
57106.	Maintenance, improvement, and operation of vessels.
57107.	Vessels for other agencies.
57108.	Consideration of ballast and equipment in de-termining selling price.
57109.	Operation of vessels purchased, chartered, or leased from Secretary of Transportation.
57110.	Salvage recoveries for subrogated ownership of vessels and cargoes.
57111.	Definition of obsolete vessel.
57112.	Requirements for purchasing federally auc-tioned vessels.

Editorial Notes

AMENDMENTS

- 2024—Pub. L. 118-159, div. C, title XXXV, §3532(b), Dec. 23, 2024, 138 Stat. 2313, added item 57112.
- 2023—Pub. L. 118-31, div. C, title XXXV, §3514(j)(6), Dec. 22, 2023, 137 Stat. 812, added items 57102, 57103, and 57111, struck out former items 57102 “Disposition of ves-sels not worth preserving” and 57103 “Donation of non-retention vessels in the National Defense Reserve Fleet”, and renumbered former item 57111 as 57110.
- 2019—Pub. L. 116-92, div. C, title XXXV, §3509(b), Dec. 20, 2019, 133 Stat. 1977, added item 57111.
- 2017—Pub. L. 115-91, div. C, title XXXV, §3502(b)(9), Dec. 12, 2017, 131 Stat. 1911, added item 57100.
- 2012—Pub. L. 112-213, title IV, §408(b), Dec. 20, 2012, 126 Stat. 1571, substituted “Donation of nonretention ves-