

“(2) AGREEMENT WITH VESSEL CONSTRUCTION MANAGER.—Notwithstanding section 8679 of title 10, United States Code, and subject to the availability of appropriations made specifically available for reimbursements to the Ready Reserve Force, Maritime Administration account of the Department of Transportation for programs, projects, activities, and expenses related to the National Defense Reserve Fleet, the Secretary of the Transportation, in consultation with the Secretary of the Navy, shall seek to enter into an agreement with an appropriate vessel construction manager under which the vessel construction manager shall enter into a contract for the construction of not more than ten such vessels in accordance with this section.

“(b) CONSTRUCTION AND DOCUMENTATION REQUIREMENTS.—A vessel constructed pursuant to this section shall meet the requirements for, and be issued a certificate of, documentation and a coastwise endorsement under chapter 121 of title 46, United States Code.

“(c) DESIGN STANDARDS AND CONSTRUCTION PRACTICES.—Subject to subsection (b), a vessel constructed pursuant to this section shall be constructed using commercial design standards and commercial construction practices that are consistent with the best interests of the Federal Government.

“(d) CONSULTATION WITH OTHER FEDERAL ENTITIES.—The Secretary of Transportation shall consult and coordinate with the Secretary of the Navy and may consult with the heads of other appropriate Federal agencies regarding the vessel described in subsection (a) and activities associated with such vessel.

“(e) LIMITATION ON USE OF FUNDS FOR USED VESSELS.—None of the funds authorized to be appropriated by this Act or otherwise made available to carry out this section may be used for the procurement of any used vessel.

“(f) LIMITATION.—Of the amounts authorized to be appropriated by this Act [see Tables for classification] or otherwise made available for fiscal year 2024 for the Secretary of the Navy for travel expenses, not more than 50 percent may be obligated or expended until the Secretary of the Navy submits to the congressional defense committees [Committee on Armed Services and Committee on Appropriations of the Senate and House of Representatives] a report that includes a detailed description of the acquisition strategy for the execution of the authority under subsection (a).”

VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM

Pub. L. 104-239, §16, Oct. 8, 1996, 110 Stat. 3138, provided that:

“(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using renewable contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and within 6 months after the date of the enactment of this Act [Oct. 8, 1996], shall award 9 contracts for this purpose.

“(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

“(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

“(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and drydocking) for 1 vessel in the Ready Reserve Force that is outported in the geographical vicinity of the shipyard;

“(2) be effective for 1 fiscal year; and

“(3) be renewable, subject to the availability of appropriations, for each subsequent fiscal year through fiscal year 1998.

“(d) LIMITATION OF WORK UNDER CONTRACTS.—A contract under this section may not provide for the pro-

urement of operation or manning for a vessel that may be procured under another contract for the vessel to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) [probably means “(50 U.S.C. App. 1744(d)(2))”, now 46 U.S.C. 57100(c)(2)] applies.

“(e) GEOGRAPHIC DISTRIBUTION.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

“(f) REPORTS.—The Secretary shall submit to the Congress—

“(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act [Oct. 8, 1996]; and

“(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.”

§ 57101. Placement of vessels in National Defense Reserve Fleet

(a) IN GENERAL.—Any vessel acquired by the Maritime Administration of 1,500 gross tons or more or such other vessels as the Secretary of Transportation determines are appropriate shall be placed in the National Defense Reserve Fleet.

(b) REMOVAL FROM FLEET.—A vessel placed in the Fleet under subsection (a) may not be traded out or sold from the Fleet, except as provided in section 57102, 57103, or 57104 or chapter 533, 537, 573, or 575 of this title, or section 308704 of title 54.

(c) AUTHORITY OF FEDERAL ENTITIES TO TRANSFER VESSELS.—All Federal entities are authorized to transfer vessels to the National Defense Reserve Fleet without reimbursement subject to the approval of the Secretary of Transportation and the Secretary of the Navy with respect to Ready Reserve Force vessels and the Secretary of Transportation with respect to all other vessels.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1658; Pub. L. 112-213, title IV, §§406, 407, Dec. 20, 2012, 126 Stat. 1571; Pub. L. 115-91, div. C, title XXXV, §3502(b)(7), Dec. 12, 2017, 131 Stat. 1911; Pub. L. 118-31, div. C, title XXXV, §3514(j)(3), Dec. 22, 2023, 137 Stat. 811.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57101	46 App.:1160(j).	June 29, 1936, ch. 858, title V, §510(j), as added Pub. L. 89-254, §2, Oct. 10, 1965, 79 Stat. 980; Pub. L. 97-31, §12(91), Aug. 6, 1981, 95 Stat. 161.

In subsection (a), the words “vessel acquired by the Maritime Administration” are substituted for “vessel heretofore or hereafter acquired under this section, or otherwise acquired by the Maritime Administration of the Department of Transportation under any other authority” to eliminate unnecessary words.

In subsection (b), the words “except as provided in section 57102, 57103, or 57104 or chapter 533, 537, 573, or 575 of this title” are substituted for “except as provided for in subsections (g) and (i) of this section. This limitation shall not affect the rights of the Secretary of Transportation to dispose of a vessel as provided in other sections of this subchapter or in subchapters VII or XI of this chapter” because of the restatement.

Editorial Notes

AMENDMENTS

2023—Subsec. (b). Pub. L. 118–31 inserted “, or section 308704 of title 54” before period at end.

2017—Subsec. (a). Pub. L. 115–91, which directed striking out “maintained under section 11 of the Merchant Ship Sales Act of 1946 (50 App. 1744)”, was executed by striking out “maintained under section 11 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1744)” before period at end, to reflect the probable intent of Congress.

2012—Subsec. (a). Pub. L. 112–213, § 406, inserted “of 1,500 gross tons or more or such other vessels as the Secretary of Transportation determines are appropriate” after “Administration”.

Subsec. (c). Pub. L. 112–213, § 407, added subsec. (c).

§ 57102. Disposition of vessels

(a) IN GENERAL.—If the Secretary of Transportation determines that a vessel is an obsolete vessel, the Secretary may dispose of such vessel (by sale or by purchase of disposal services).

(b) SELLING PROCEDURE.—The sale of a vessel under subsection (a) shall be made on a best value basis. The purchaser does not have to be a citizen of the United States. The purchaser shall provide a surety bond, with a surety approved by the Secretary, to ensure that the vessel will not be operated in the foreign trade of the United States at any time within 10 years after the sale, in competition with a vessel owned by a citizen of the United States and documented under the laws of the United States.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1658; Pub. L. 118–31, div. C, title XXXV, § 3514(j)(4), Dec. 22, 2023, 137 Stat. 811.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57102, 46 App.:1158(a.), June 29, 1936, ch. 858, title V, § 508(a), 49 Stat. 2000; Pub. L. 97–31, § 12(89), Aug. 6, 1981, 95 Stat. 161; Pub. L. 108–136, title XXXV, § 3512(1), Nov. 24, 2003, 117 Stat. 1789.

In subsection (a), the words “vessel owned by the Maritime Administration” are substituted for “vessel transferred to the Maritime Administration of the Department of Transportation by section 1112 of this Appendix, or hereafter acquired” to eliminate unnecessary words.

In subsection (b), the words “The sale of a vessel under section (a) shall be made on the basis of competitive sealed bids, after an appraisal and due advertisement. The purchaser does not have to be a citizen of the United States.” are substituted for “after appraisal and due advertisement, and upon competitive sealed bids, either to citizens of the United States or to aliens” for clarity. The words “provide a surety bond, with a surety approved by the Secretary, to ensure that” are substituted for “enter into an undertaking with sureties approved by the Secretary of Transportation that” for clarity.

Editorial Notes

AMENDMENTS

2023—Pub. L. 118–31, § 3514(j)(4)(A), struck out “not worth preserving” after “Disposition of vessels” in section catchline.

Subsec. (a). Pub. L. 118–31, § 3514(j)(4)(B), substituted “is an obsolete vessel, the Secretary may dispose of

such vessel (by sale or by purchase of disposal services).” for “owned by the Maritime Administration is of insufficient value for commercial or military operation to warrant its further preservation, the Secretary may scrap the vessel or sell the vessel for cash.”

Subsec. (b). Pub. L. 118–31, § 3514(j)(4)(C), substituted “on a best value basis” for “on the basis of competitive sealed bids, after an appraisal and due advertisement”.

Statutory Notes and Related Subsidiaries

LIMITATION ON EXPORT OF VESSELS OWNED BY THE GOVERNMENT OF THE UNITED STATES FOR THE PURPOSE OF DISMANTLING, RECYCLING, OR SCRAPPING

Pub. L. 110–417, div. C, title XXXV, § 3502, Oct. 14, 2008, 122 Stat. 4761, provided that:

“(a) IN GENERAL.—Except as provided in subsection (b), no vessel that is owned by the Government of the United States shall be approved for export to a foreign country for purposes of dismantling, recycling, or scrapping.

“(b) EXCEPTION.—Subsection (a) shall not apply with respect to a vessel if the Administrator of the Maritime Administration certifies to the Committee on Armed Services of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that—

- “(1) a compelling need for dismantling, recycling, or scrapping the vessel exists;
“(2) there is no available capacity in the United States to conduct the dismantling, recycling, or scrapping of the vessel;
“(3) any dismantling, recycling, or scrapping of the vessel in a foreign country will be conducted in full compliance with environmental, safety, labor, and health requirements for ship dismantling, recycling, or scrapping that are equivalent to the laws of the United States; and
“(4) the export of the vessel under this section will only be for dismantling, recycling, or scrapping of the vessel.

“(c) UNITED STATES DEFINED.—In this section the term ‘United States’ means the States of the United States, Puerto Rico, and Guam.”

VESSEL DISPOSAL PROGRAM

Pub. L. 110–181, div. C, title XXXV, § 3503, Jan. 28, 2008, 122 Stat. 592, provided that:

“(a) IN GENERAL.—Within 30 days after the date of the enactment of this Act [Jan. 28, 2008], the Secretary of Transportation shall convene a working group to review and make recommendations on best practices for the storage and disposal of obsolete vessels owned or operated by the Federal Government. The Secretary shall invite senior representatives from the Maritime Administration, the Coast Guard, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the United States Navy to participate in the working group. The Secretary may request the participation of senior representatives of any other Federal department or agency, as appropriate, and may also request participation from concerned State environmental agencies.

“(b) SCOPE.—Among the vessels to be considered by the working group are Federally owned or operated vessels that are—

- “(1) to be scrapped or recycled;
“(2) to be used as artificial reefs; or
“(3) to be used for the Navy’s SINKEX program.

“(c) PURPOSE.—The working group shall—

- “(1) examine current storage and disposal policies, procedures, and practices for obsolete vessels owned or operated by Federal agencies;
“(2) examine Federal and State laws and regulations governing such policies, procedures, and practices and any applicable environmental laws; and
“(3) within 90 days after the date of enactment of the [this] Act [Jan. 28, 2008], submit a plan to the Committee on Armed Services and the Committee on