

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

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
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.

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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

Commerce, Science and Transportation of the Senate and the Committee on Armed Services of the House of Representatives to improve and harmonize practices for storage and disposal of such vessels, including the interim transportation of such vessels.

“(d) CONTENTS OF PLAN.—The working group shall include in the plan submitted under subsection (c)(3)—

“(1) a description of existing measures for the storage, disposal, and interim transportation of obsolete vessels owned or operated by Federal agencies in compliance with Federal and State environmental laws in a manner that protects the environment;

“(2) a description of Federal and State laws and regulations governing the current policies, procedures, and practices for the storage, disposal, and interim transportation of such vessels;

“(3) recommendations for environmental best practices that meet or exceed, and harmonize, the requirements of Federal environmental laws and regulations applicable to the storage, disposal, and interim transportation of such vessels;

“(4) recommendations for environmental best practices that meet or exceed the requirements of State laws and regulations applicable to the storage, disposal, and interim transportation of such vessels;

“(5) procedures for the identification and remediation of any environmental impacts caused by the storage, disposal, and interim transportation of such vessels; and

“(6) recommendations for necessary steps, including regulations if appropriate, to ensure that best environmental practices apply to all such vessels.

“(e) IMPLEMENTATION OF PLAN.—

“(1) IN GENERAL.—As soon as practicable after the date of enactment of the [this] Act [Jan. 28, 2008], the head of each Federal department or agency participating in the working group, in consultation with the other Federal departments and agencies participating in the working group, shall take such action as may be necessary, including the promulgation of regulations, under existing authorities to ensure that the implementation of the plan provides for compliance with all Federal and State laws and for the protection of the environment in the storage, interim transportation, and disposal of obsolete vessels owned or operated by Federal agencies.

“(2) ARMED SERVICES VESSELS.—The Secretary and the Secretary of Defense, in consultation with the Administrator of the Environmental Protection Agency, shall each ensure that environmental best practices are observed with respect to the storage, disposal, and interim transportation of obsolete vessels owned or operated by the Department of Defense.

“(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to supersede, limit, modify, or otherwise affect any other provision of law, including environmental law.”

§ 57103. Donation of vessels in the National Defense Reserve Fleet

(a) IN GENERAL.—The Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel, if the recipient—

(1) is a non-profit organization, a State, or a municipal corporation or political subdivision of a State;

(2) agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

(3) agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

(4) agrees to hold the Government harmless for any claims arising from exposure to asbes-

tos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

(5) has a conveyance plan and a business plan that describes the intended use of the vessel, each of which has been submitted to and approved by the Secretary;

(6) has provided proof, as determined by the Secretary, of resources sufficient to accomplish the transfer, necessary repairs and modifications, and initiation of the intended use of the vessel; and

(7) agrees that when the recipient no longer requires the vessel for use as described in the business plan required under paragraph (5)—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)), or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes.

(b) OTHER EQUIPMENT.—At the Secretary’s discretion, additional equipment from other obsolete vessels of the Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.

(c) ADDITIONAL TERMS.—The Secretary may require any additional terms the Secretary considers appropriate.

(d) DELIVERY OF VESSEL.—If conveyance is made under this section, the vessel shall be delivered to the recipient at a time and place to be determined by the Secretary. The vessel shall be conveyed in an “as is” condition.

(e) LIMITATIONS.—If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of the vessel would better serve the interests of the Government, the Secretary shall pursue the more favorable disposition of the obsolete vessel and shall not be liable for any damages that may result from an intended recipient’s reliance upon a proposed transfer.

(f) REVERSION.—The Secretary shall include in any conveyance under this section terms under which all right, title, and interest conveyed by the Secretary shall revert to the Government if the Secretary determines the vessel has been used other than as described in the business plan required under subsection (a)(5).

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1659; Pub. L. 112–213, title IV, §408(a), Dec. 20, 2012, 126