

§ 57112. Requirements for purchasing federally auctioned vessels

(a) IN GENERAL.—To be eligible to purchase a covered vessel from the Federal Government, a person shall provide proof of—

- (1) liability insurance for the operator of such covered vessel;
(2) financial resources sufficient to cover maintenance costs of such covered vessel; and
(3) with respect to a covered vessel requiring documentation under chapter 121, an admiralty bond or stipulation.

(b) COVERED VESSEL DEFINED.—In this section, the term “covered vessel” means—

- (1) a government owned vessel disposed of in accordance with this part and section 548 of title 40;
(2) a vessel seized or forfeited pursuant to any law, and auctioned by the Federal Government, including a vessel seized or forfeited pursuant to section 7301 or 7302 of the Internal Revenue Code of 1986; or
(3) a fishing vessel seized or forfeited pursuant to section 310 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1860).

(Added Pub. L. 118-159, div. C, title XXXV, § 3532(a), Dec. 23, 2024, 138 Stat. 2312.)

Editorial Notes

REFERENCES IN TEXT

Sections 7301 and 7302 of the Internal Revenue Code of 1986, referred to in subsec. (b)(2), are classified to sections 7301 and 7302, respectively, of Title 26, Internal Revenue Code.

CHAPTER 573—VESSEL TRADE-IN PROGRAM

- Sec.
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§ 57301. Definitions

In this chapter:

- (1) NEW VESSEL.—The term “new vessel” means a vessel—
(A) constructed under this subtitle and acquired within 2 years after the date of completion; or
(B) constructed in a domestic shipyard on private account and not under this subtitle, and documented under the laws of the United States.
(2) OBSOLETE VESSEL.—The term “obsolete vessel” means a vessel that—
(A) is of at least 1,350 gross tons;
(B) the Secretary of Transportation believes should, because of its age, obsolescence, or other reasons, be replaced in the public interest; and
(C) has been owned by a citizen of the United States for at least 3 years immediately before its acquisition under this chapter.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57301, 46 App.:1160(a), June 29, 1936, ch. 858, title V, § 510(a), as added Aug. 4, 1939, ch. 417, § 7, 53 Stat. 1183; July 17, 1952, ch. 939, § 7, 66 Stat. 762; Pub. L. 85-332, Feb. 20, 1958, 72 Stat. 17; Pub. L. 87-755, Oct. 5, 1962, 76 Stat. 751; Pub. L. 91-469, § 12(a), Oct. 21, 1970, 84 Stat. 1022; Pub. L. 97-31, § 12(91), Aug. 6, 1981, 95 Stat. 161.

In paragraph (1)(A), the words “or is purchased under section 1204 of this Appendix, as amended, by the person turning in an obsolete vessel under this section” are omitted because the purchase authority under 46 App. U.S.C. 1204 was impliedly repealed by section 14 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1735 note).

§ 57302. Authority to acquire vessels

To promote the construction of new, safe, and efficient vessels to carry the domestic and foreign waterborne commerce of the United States, the Secretary of Transportation may acquire an obsolete vessel in exchange for an allowance of credit toward the cost of construction or purchase of a new vessel as provided in this chapter.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 57302, 46 App.:1160(b) (1st, last sentences), June 29, 1936, ch. 858, title V, § 510(b) (1st, last sentences), as added Aug. 4, 1939, ch. 417, § 7, 53 Stat. 1184; Pub. L. 87-401, subd. (1), Oct. 5, 1961, 75 Stat. 833; Pub. L. 91-469, § 35(a), Oct. 21, 1970, 84 Stat. 1035; Pub. L. 97-31, § 12(91), Aug. 6, 1981, 95 Stat. 161.

The words “toward the cost of construction or purchase of a new vessel” are added for clarity. The text of 46 App. U.S.C. 1160(b) (last sentence) is omitted as obsolete.

§ 57303. Utility value and tonnage requirements

(a) UTILITY VALUE.—The utility value of a new vessel to be acquired under this chapter for operation in the domestic or foreign commerce of the United States may not be substantially less than that of the obsolete vessel acquired in exchange under this chapter.

(b) TONNAGE.—If the Secretary of Transportation finds that the new vessel will have a utility value at least equal to that of the obsolete vessel, the new vessel may be of lesser gross tonnage than the obsolete vessel. However, the gross tonnage of the new vessel must be at least one-third the gross tonnage of the obsolete vessel.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1662.)