

(subject to subparagraph (B)) by the Operating Agency.

(B) **ADDITIONAL TERMS.**—The Operating Agency and a Contractor may agree to additional or modifying terms appropriate to the Contractor’s circumstances.

(c) **DEFENSE MEASURES AGAINST UNAUTHORIZED SEIZURES.**—(1) The Contingency Agreement shall require that any vessel operating under the direction of the Operating Agency operating in an area that is designated by the Coast Guard as an area of high risk of piracy shall be equipped with, at a minimum, appropriate non-lethal defense measures to protect the vessel and crew from unauthorized seizure at sea.

(2) The Secretary of Defense and the Secretary of the department in which the Coast Guard is operating shall jointly prescribe the non-lethal defense measures that are required under this paragraph.

(d) **PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.**—Except as provided by section 53205(d), the Operating Agency may not require, through a Contingency Agreement or an Operating Agreement, that a Contractor continue to participate in a Contingency Agreement after the Operating Agreement with the Contractor has expired according to its terms or is otherwise no longer in effect.

(e) **RESOURCES MADE AVAILABLE.**—The resources to be made available in addition to the vessel under a Contingency Agreement shall include all equipment, personnel, supplies, management services, and other related services as the Operating Agency may determine to be necessary to provide the Cable Services required by the Operating Agency.

(f) **COMPENSATION.**—

(1) **IN GENERAL.**—The Operating Agency shall include in each Contingency Agreement provisions under which the Operating Agency shall pay fair and reasonable compensation for use of the vessel and all Cable Services provided pursuant to this section and the Contingency Agreement.

(2) **SPECIFIC REQUIREMENTS.**—Compensation under this subsection—

(A) shall be at the rate specified in the Contingency Agreement;

(B) shall be provided from the time that a vessel is required by the Operating Agency under the Contingency Agreement until the time it is made available by the Operating Agency available to reenter commercial service; and

(C) shall be in addition to and shall not in any way reflect amounts payable under section 53206.

(g) **LIABILITY OF THE UNITED STATES FOR DAMAGES.**—

(1) **LIMITATION ON THE LIABILITY OF THE U.S.**—Except as otherwise provided by law, the Government shall not be liable for disruption of a Contractor’s commercial business or other consequential damages to a Contractor arising from the activation of the Contingency Agreement.

(2) **AFFIRMATIVE DEFENSE.**—In any action in any Federal or State court for breach of third-party contract, there shall be available as an

affirmative defense that the alleged breach of contract was caused predominantly by action taken to carry out a Contingent Agreement. Such defense shall not release the party asserting it from any obligation under applicable law to mitigate damages to the greatest extent possible.

(Added Pub. L. 116–92, div. C, title XXXV, §3521(a), Dec. 20, 2019, 133 Stat. 1995.)

§ 53208. Regulatory relief

The telecommunications and other electronic equipment on an existing vessel that is redocumented under the laws of the United States for operation under an Operating Agreement under this chapter shall be deemed to satisfy all Federal Communication Commission equipment certification requirements, if—

(1) such equipment complies with all applicable international agreements and associated guidelines as determined by the country in which the vessel was documented immediately before becoming documented under the laws of the United States;

(2) that country has not been identified by the Secretary of the Department in which the Coast Guard is operating as inadequately enforcing international regulations as to that vessel; and

(3) at the end of its useful life, such equipment shall be replaced with equipment that meets Federal Communication Commission equipment certification standards.

(Added Pub. L. 116–92, div. C, title XXXV, §3521(a), Dec. 20, 2019, 133 Stat. 1997.)

§ 53209. Authorization of appropriations

There are authorized to be appropriated for payments under section 53206, \$10,000,000 for each of the fiscal years 2021 through 2035.

(Added Pub. L. 116–92, div. C, title XXXV, §3521(a), Dec. 20, 2019, 133 Stat. 1997.)

CHAPTER 533—CONSTRUCTION RESERVE FUNDS

Sec.	
53301.	Definitions.
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53303.	Persons eligible to establish funds.
53304.	Vessel ownership.
53305.	Eligible fund deposits.
53306.	Recognition of gain for tax purposes.
53307.	Basis for determining gain or loss and for depreciating new vessels.
53308.	Order and proportions of deposits and withdrawals.
53309.	Accumulation of deposits.
53310.	Obligation of deposits and period for construction of certain vessels.
53311.	Taxation of deposits on failure of conditions.
53312.	Assessment and collection of deficiency tax.

§ 53301. Definitions

(a) **IN GENERAL.**—In this chapter:

(1) **CONSTRUCTION CONTRACT.**—The term “construction contract” includes, for a taxpayer constructing a new vessel in a shipyard owned by that taxpayer, an agreement between the taxpayer and the Secretary of Transportation for that construction con-

taining provisions the Secretary considers advisable to carry out this chapter.

(2) NEW VESSEL.—The term “new vessel” means—

(A) a vessel—

(i) constructed in the United States after December 31, 1939, constructed with a construction-differential subsidy under title V of the Merchant Marine Act, 1936, or constructed with financing or a financing guarantee under chapter 537 or 575 of this title;

(ii) documented or agreed with the Secretary to be documented under the laws of the United States; and

(iii)(I) of a type, size, and speed that the Secretary determines is suitable for use on the high seas or Great Lakes in carrying out this subtitle, but not less than 2,000 gross tons or less than 12 knots speed unless the Secretary certifies in each case that a vessel of lesser tonnage or speed is desirable for use by the United States Government in case of war or national emergency; or

(II) constructed to replace a vessel bought or requisitioned by the Government; and

(B) a vessel reconstructed or reconditioned for use only on the Great Lakes, including the Saint Lawrence River and Gulf, if the Secretary finds that the reconstruction or reconditioning will promote the objectives of this subtitle.

(b) ADDITIONAL TAX-RELATED TERMS.—Other terms used in this chapter have the same meaning as in chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. ch. 1).

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1587.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53301(a)(1) ..	46 App.:1161(n).	June 29, 1936, ch. 858, title V, §511(n), as added Dec. 23, 1944, ch. 714, §2, 58 Stat. 920; Pub. L. 97–31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.
53301(a) (2)(A).	46 App.:1161(a).	June 29, 1936, ch. 858, title V, §511(a), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; Pub. L. 97–31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.
53301(a) (2)(B).	46 App.:1161(o).	June 29, 1936, ch. 858, title V, §511(o), as added July 17, 1952, ch. 939, §14, 66 Stat. 764; Pub. L. 97–31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.
53301(b)	46 App.:1161(m).	June 29, 1936, ch. 858, title V, §511(m), as added Oct. 10, 1940, ch. 849, 54 Stat. 1108.

In subsection (a)(2)(A)(i), the words “constructed with a construction-differential subsidy under title V of the Merchant Marine Act, 1936, or constructed with financing or a financing guarantee under chapter 537 or 575 of this title” are substituted for “the construction of which has been financed under subchapters V or VII of this chapter, or the construction of which has been aided by a mortgage insured under subchapter XI of this chapter” because of the reorganization of the material and the omission from the revised title of the provisions relating to the construction-differential subsidy program.

Subsection (a)(2)(B) is substituted for the source provision to state more directly that a vessel described in the source provision is a new vessel for purposes of this chapter.

Editorial Notes

REFERENCES IN TEXT

The Merchant Marine Act, 1936, referred to in subsec. (a)(2)(A)(i), is act June 29, 1936, ch. 858, 49 Stat. 1985. Title V of the Act enacted provisions set out as notes under section 53101 of this title. For complete classification of this Act to the Code, see Short Title of 1936 Amendment note set out under section 101 of this title and Tables.

§ 53302. Authority for construction reserve funds

(a) GENERAL AUTHORITY.—An eligible person under section 53303 of this title may establish a construction reserve fund for the construction, reconstruction, reconditioning, or acquisition of a new vessel or for other purposes authorized by this chapter.

(b) APPLICATION OF CERTAIN LAWS AND REGULATIONS.—The fund shall be established, maintained, expended, and used as provided by this chapter and regulations prescribed jointly by the Secretary of Transportation and the Secretary of the Treasury.

(Pub. L. 109–304, §8(c), Oct. 6, 2006, 120 Stat. 1587.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53302(a)	46 App.:1161(b) (1st sentence words before 6th comma and between 10th and 16th commas).	June 29, 1936, ch. 858, title V, §511(b) (1st sentence words before 6th comma and between 10th and 16th commas, last sentence), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; June 17, 1943, ch. 130, subd. (a), 57 Stat. 157; July 17, 1952, ch. 939, §9, 66 Stat. 762; Pub. L. 97–31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.
53302(b)	46 App.:1161(b) (last sentence).	

In subsection (a), the words “necessary to carrying out the policy set forth in section 1101 of this Appendix” are omitted as unnecessary.

§ 53303. Persons eligible to establish funds

A construction reserve fund may be established by a citizen of the United States that—

(1) is operating a vessel in the foreign or domestic commerce of the United States or in the fisheries;

(2) owns, in whole or in part, a vessel being operated in the foreign or domestic commerce of the United States or in the fisheries;

(3) was operating a vessel in the foreign or domestic commerce of the United States or in the fisheries when it was bought or requisitioned by the United States Government;

(4) owned, in whole or in part, a vessel being operated in the foreign or domestic commerce of the United States or in the fisheries when it was bought or requisitioned by the Government; or

(5) had acquired or was having constructed a vessel to operate in the foreign or domestic commerce of the United States or in the fisheries when it was bought or requisitioned by the Government.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1587.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53303	46 App.:1161(b) (1st sentence words between 6th and 10th commas).	June 29, 1936, ch. 858, title V, §511(b) (1st sentence words between 6th and 10th commas), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; June 17, 1943, ch. 130, subdiv. (a), 57 Stat. 157; July 17, 1952, ch. 939, §9, 66 Stat. 762.

§ 53304. Vessel ownership

In this chapter, a vessel is deemed to be constructed or acquired by a taxpayer if constructed or acquired by a corporation when the taxpayer owns at least 95 percent of each class of stock of the corporation.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1588.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53304	46 App.:1161(l).	June 29, 1936, ch. 858, title V, §511(l), as added Oct. 10, 1940, ch. 849, 54 Stat. 1108.

§ 53305. Eligible fund deposits

A construction reserve fund may include deposits of—

- (1) the proceeds from the sale of a vessel;
- (2) indemnities for the loss of a vessel;
- (3) earnings from the operation of a documented vessel and from services incident to the operation; and
- (4) interest or other amounts accrued on deposits in the fund.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1588.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53305	46 App.:1161(b) (1st sentence words after 16th comma).	June 29, 1936, ch. 858, title V, §511(b) (1st sentence words after 16th comma), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; June 17, 1943, ch. 130, subdiv. (a), 57 Stat. 157; July 17, 1952, ch. 939, §9, 66 Stat. 762.

In paragraph (3), the words “documented vessel” are substituted for “vessels documented under the laws of the United States” because of the definition of “documented vessel” in chapter 1 of the revised title.

In paragraph (4), the words “interest or other amounts accrued on deposits in the fund” are substituted for “receipts, in the form of interest or otherwise, with respect to amounts previously deposited” for clarity and to eliminate unnecessary words.

§ 53306. Recognition of gain for tax purposes

(a) DEFINITIONS.—In this section, the terms “net proceeds” and “net indemnity” mean the sum of—

- (1) the adjusted basis of the vessel; and
- (2) the amount of gain the taxpayer would recognize without regard to this section.

(b) RECOGNITION OF GAIN.—In computing net income under the income or excess profits tax laws of the United States, a taxpayer does not

recognize a gain on the sale or the actual or constructive total loss of a vessel if the taxpayer—

- (1) deposits an amount equal to the net proceeds of the sale or the net indemnity for the loss in a construction reserve fund within 60 days after receiving the payment of proceeds or indemnity; and
- (2) elects under this section not to recognize the gain.

(c) WHEN ELECTION MUST BE MADE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the taxpayer must make the election referred to in subsection (b) in the taxpayer’s income tax return for the taxable year in which the gain was realized.

(2) RECEIPT AFTER TAXABLE YEAR.—If the vessel is bought or requisitioned by the United States Government, or is lost, and the taxpayer receives payment for the vessel or indemnity for the loss from the Government after the end of the taxable year in which it was bought, requisitioned, or lost, the taxpayer must make the election referred to in subsection (b) within 60 days after receiving the payment or indemnity, on a form prescribed by the Secretary of the Treasury.

(d) EFFECT OF STATUTE OF LIMITATION.—If the taxpayer makes an election under subsection (c)(2), and computation or recomputation under this section is otherwise allowable but is prevented by a statute of limitation on the date the election is made or within 6 months thereafter, the computation or recomputation nevertheless shall be made notwithstanding the statute if the taxpayer files a claim for the computation or recomputation within 6 months after the date of making the election.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1588.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
53306	46 App.:1161(c).	June 29, 1936, ch. 858, title V, §511(c), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; June 17, 1943, ch. 130, subdiv. (b), 57 Stat. 157; Dec. 23, 1944, ch. 714, §1, 58 Stat. 920; July 17, 1952, ch. 939, §10, 66 Stat. 762.

In subsection (c)(2), the words “in any taxable year beginning after December 31, 1939” are omitted as obsolete. The words “prescribed by the Secretary of the Treasury” are substituted for “prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury” for consistency in the revised title and with other titles of the United States Code. See 26 U.S.C. 7805.

§ 53307. Basis for determining gain or loss and for depreciating new vessels

Under the income or excess profits tax laws of the United States, the basis for determining a gain or loss and for depreciation of a new vessel constructed, reconstructed, reconditioned, or acquired by the taxpayer, or for which purchase-money indebtedness is liquidated as provided in section 53310 of this title, with amounts from a construction reserve fund, shall be reduced by that part of the deposits in the fund expended in the construction, reconstruction, reconditioning, acquisition, or liquidation of purchase-

money indebtedness of the new vessel that represents a gain not recognized for tax purposes under section 53306 of this title.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1589.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53307	46 App.:1161(d).	June 29, 1936, ch. 858, title V, §511(d), as added Oct. 10, 1940, ch. 849, 54 Stat. 1106; July 17, 1952, ch. 939, §11, 66 Stat. 763.

§ 53308. Order and proportions of deposits and withdrawals

In this chapter—

(1) if the net proceeds of a sale or the net indemnity for a loss is deposited in more than one deposit, the amount consisting of the gain shall be deemed to be deposited first;

(2) amounts expended, obligated, or otherwise withdrawn shall be applied against the amounts deposited in the fund in the order of deposit; and

(3) if a deposit consists in part of a gain not recognized under section 53306 of this title, any expenditure, obligation, or withdrawal applied against that deposit shall be deemed to be a gain in the proportion that the part of the deposit consisting of a gain bears to the total amount of the deposit.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1589.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53308	46 App.:1161(e).	June 29, 1936, ch. 858, title V, §511(e), as added Oct. 10, 1940, ch. 849, 54 Stat. 1107.

§ 53309. Accumulation of deposits

For any taxable year, amounts on deposit in a construction reserve fund on the last day of the taxable year, for which the requirements of section 53310 of this title have been satisfied (to the extent they apply on the last day of the taxable year), are deemed to have been retained for the reasonable needs of the business within the meaning of section 537(a) of the Internal Revenue Code of 1986 (26 U.S.C. 537(a)).

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1589.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53309	46 App.:1161(f).	June 29, 1936, ch. 858, title V, §511(f), as added Oct. 10, 1940, ch. 849, 54 Stat. 1107.

The words “are deemed to have been retained for the reasonable needs of the business within the meaning of section 537(a) of the Internal Revenue Code of 1986 (26 U.S.C. 537(a))” are substituted for “shall not constitute an accumulation of earnings or profits within the meaning of section 102 of the Internal Revenue Code” because section 102 of the Internal Revenue Code of 1939 has been superseded by part 1 of subchapter G of chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 531 et seq.). See also 46 C.F.R. §287.16 (2003).

§ 53310. Obligation of deposits and period for construction of certain vessels

(a) APPLICATION OF SECTIONS 53306 AND 53309.—Sections 53306 and 53309 of this title apply to a deposit in a construction reserve fund only if, within 3 years after the date of the deposit (and any extension under subsection (c))—

(1)(A) a contract is made for the construction or acquisition of a new vessel or, with the approval of the Secretary of Transportation, for a part interest in a new vessel or for the reconstruction or reconditioning of a new vessel;

(B) the deposit is expended or obligated for expenditure under that contract;

(C) at least 12.5 percent of the construction or contract price of the vessel is paid or irrevocably committed for payment; and

(D) the plans and specifications for the vessel are approved by the Secretary to the extent the Secretary considers necessary; or

(2) the deposit is expended or obligated for expenditure for the liquidation of existing or subsequently incurred purchase-money indebtedness to a person not a parent company of, or a company affiliated or associated with, the mortgagor on a new vessel.

(b) ADDITIONAL REQUIREMENTS FOR CERTAIN VESSELS.—In addition to the requirements of subsection (a)(1), for a vessel not constructed under a construction-differential subsidy contract or not bought from the Secretary of Transportation—

(1) at least 5 percent of the construction (or, if the contract covers more than one vessel, at least 5 percent of the construction of the first vessel) must be completed within 6 months after the date of the construction contract (or within the period of an extension under subsection (c)), as estimated by the Secretary and certified by the Secretary to the Secretary of the Treasury; and

(2) construction under the contract must be completed with reasonable dispatch thereafter.

(c) EXTENSIONS.—The Secretary of Transportation may grant extensions of the period within which the deposits must be expended or obligated or within which the construction must have progressed to the extent of 5 percent completion under this section. However, the extensions may not be for a total of more than 2 years for the expenditure or obligation of deposits or one year for the progress of construction.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1589.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53310(a)	46 App.:1161(g) (less (1)(B)).	June 29, 1936, ch. 858, title V, §511(g), (h), as added Oct. 10, 1940, ch. 849, 54 Stat. 1107; June 17, 1943, ch. 130, subdvs. (c), (d), 57 Stat. 158; July 17, 1952, ch. 939, §§12, 13(a), 66 Stat. 763; Pub. L. 86-237, §1, Sept. 8, 1959, 73 Stat. 471; Pub. L. 87-303, §3, Sept. 26, 1961, 75 Stat. 661; Pub. L. 87-782, §1, Oct. 10, 1962, 76 Stat. 796; Pub. L. 88-227, §1, Dec. 23, 1963, 77 Stat. 470; Pub. L. 88-595, §1, Sept. 12, 1964, 78 Stat. 943; Pub. L. 97-31, §12(92), Aug. 6, 1981, 95 Stat. 161.

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53310(b)	46 App.:1161(g)(1)(B).	
53310(c)	46 App.:1161(h).	

In this section, the language about joint regulations in 46 App. U.S.C. 1161(g) and (h) is omitted as unnecessary because of section 53302(b) of the revised title.

In subsection (a), the words “(i) two years from the date of deposit or the date of any extension thereof which may be granted by the Secretary of Transportation pursuant to the provisions of subsection (h) of this section, in the case of deposits made prior to the date on which these amendatory provisions become effective, or” in 46 App. U.S.C. 1161(g)(1) and (2) are omitted as obsolete. In paragraph (1)(A), the words “or, with the approval of the Secretary of Transportation, for a part interest in a new vessel or for the reconstruction or reconditioning of a new vessel” are substituted for “(or in the discretion of the Secretary of Transportation, for a part interest therein), or, with the approval of the Secretary of Transportation, for the reconstruction or reconditioning of a new vessel or vessels” to eliminate unnecessary words.

In subsection (c), the proviso in 46 App. U.S.C. 1161(h) is omitted as obsolete.

§ 53311. Taxation of deposits on failure of conditions

A deposited gain, if otherwise taxable income under the law applicable to the taxable year in which the gain was realized, shall be included in gross income for that taxable year, except for purposes of the declared value excess profits tax and the capital stock tax, if—

(1) the deposited gain is not expended or obligated within the appropriate period under section 53310 of this title;

(2) the deposited gain is withdrawn before the end of that period;

(3) the construction related to that deposited gain has not progressed to the extent of 5 percent of completion within the appropriate period under section 53310 of this title; or

(4) the Secretary of Transportation finds and certifies to the Secretary of the Treasury that, for causes within the control of the taxpayer, the entire construction related to that deposited gain is not completed with reasonable dispatch.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1590.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53311	46 App.:1161(i).	June 29, 1936, ch. 858, title V, §511(i), as added Oct. 10, 1940, ch. 849, 54 Stat. 1107; July 17, 1952, ch. 939, §13(b), 66 Stat. 764; Pub. L. 97-31, §12(92)(A), Aug. 6, 1981, 95 Stat. 161.

The last sentence of 46 App. U.S.C. 1161(i) is omitted as obsolete.

§ 53312. Assessment and collection of deficiency tax

Notwithstanding any other provision of law, a deficiency in tax for a taxable year resulting from the inclusion of an amount in gross income as provided by section 53311 of this title, and the amount to be treated as a deficiency under sec-

tion 53311 instead of as an adjustment for the declared value excess profits tax, may be assessed or a civil action may be brought to collect the deficiency without assessment, at any time. Interest on a deficiency or amount to be treated as a deficiency does not begin until the date the deposited gain or part of the deposited gain in question is required to be included in gross income under section 51111.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1590.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53312	46 App.:1161(j).	June 29, 1936, ch. 858, title V, §511(j), as added Oct. 10, 1940, ch. 849, 54 Stat. 1108.

CHAPTER 534—TANKER SECURITY FLEET

- Sec.¹
- 53401. Definitions.
- 53402. Establishment of the Tanker Security Fleet.
- 53403. Award of operating agreements.
- 53404. Effectiveness of operating agreements.
- 53405. Obligations and rights under operating agreements.
- 53406. Payments.
- 53407. National security requirements.
- 53408. Regulatory relief.
- 53409. Special rule regarding age of participating Fleet vessels.
- 53410. Regulations.
- 53411. Authorization of appropriations.
- 53412. Acquisition of Fleet vessels.

§ 53401. Definitions

In this chapter:

(1) FOREIGN COMMERCE.—The term “foreign commerce” means—

(A) commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

(B) commerce or trade between foreign countries.

(2) PARTICIPATING FLEET VESSEL.—The term “participating Fleet vessel” means any product tank vessel covered by an operating agreement under this chapter on or after January 1, 2022, that—

(A) meets the requirements of one of paragraphs (1) through (4) of section 53402(b) of this title; and

(B) is no more than 20 years of age.

(3) PERSON.—The term “person” includes corporations, partnerships, and associations existing under, or authorized by, laws of the United States, or any State, territory, district, or possession thereof, or any foreign country.

(4) PRODUCT TANK VESSEL.—The term “product tank vessel” means a double-hulled tank vessel capable of carrying simultaneously more than 2 separated grades of refined petroleum products.

(5) PROGRAM PARTICIPANT.—The term “program participant” means an owner or operator of a vessel that enters into an operating agree-

¹ Editorially supplied.