

(2) Postponement, for not more than the total period of the lay-up, of the maturity date of each installment of the principal of obligations to the United States Government for the vessel (regardless of whether the maturity date is during a lay-up period), or rearrangement of those maturities.

(3) Postponement or cancellation of interest accruing on the obligations during a lay-up period.

(4) Extension, for not more than the total period of the lay-up, of the 20-year life limitation 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 arrangements for management of the vessel, payment of expenses, and application of the proceeds of the employment, as the Secretary may approve, with any period of operation being included as part of the lay-up period.

(6) Payment to the Secretary, on termination of the arrangements with the applicant, of the applicant's net profits (earned while the arrangements were in effect) in excess of 10 percent a year on the capital necessarily 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) LAID-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 Secretary may require a vessel laid-up or operated under this section to be security for reimbursement.

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

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 56503, 46 App.:1242a(c), June 29, 1940, ch. 442, subdv. (c), 54 Stat. 685; Pub. L. 97-31, §12(132), Aug. 6, 1981, 95 Stat. 165.

§ 56504. Changes in adjustments and arrangements

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

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 56504, 46 App.:1242a(d), June 29, 1940, ch. 442, subdv. (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.

- Sec. 57101. Placement of vessels in National Defense Reserve 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 determining 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.

Editorial Notes

AMENDMENTS

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 vessels not worth preserving" and 57103 "Donation of nonretention 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 vessels in the National Defense Reserve Fleet" for "Sale of obsolete vessels in National Defense Reserve Fleet" in item 57103.

§ 57100. National Defense Reserve Fleet

(a) FLEET COMPONENTS.—The Secretary of Transportation shall maintain a National Defense Reserve Fleet, including any vessel assigned by the Secretary to the Ready Reserve Force component of the fleet, consisting of those vessels owned or acquired by the United States Government that the Secretary of Transportation, after consultation with the Secretary of the Navy, determines are of value for national defense purposes and that the Secretary of Transportation decides to place and maintain in the fleet. Vessels in the National Defense Reserve Fleet, including vessels loaned to State maritime academies, shall be considered public vessels of the United States.

(b) PERMITTED USES.—Except as otherwise provided by law, a vessel in the fleet may be used—

(1) for an account of an agency of the United States Government in a period during which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242);¹ or

(2) on the request of the Secretary of Defense, and in accordance with memoranda of agreement between the Secretary of Transportation and the Secretary of Defense, for—

(A) testing for readiness and suitability for mission performance;

(B) defense sealift functions for which other sealift assets are not reasonably available; and

(C) support of the deployment of the United States armed forces in a military

¹ See References in Text note below.

contingency, for military contingency operations, or for civil contingency operations upon orders from the National Command Authority;

(3) for otherwise lawfully permitted storage or transportation of non-defense-related cargo as directed by the Secretary of Transportation with the concurrence of the Secretary of Defense;

(4) for training purposes to the extent authorized by the Secretary of Transportation with the concurrence of the Secretary of Defense;

(5) on a reimbursable basis, for charter to the government of any State, locality, or Territory of the United States, except that the prior consent of the Secretary of Defense for such use shall be required with respect to any vessel in the Ready Reserve Force or in the National Defense Reserve Fleet which is maintained in a retention status for the Department of Defense; or

(6) for civil contingency operations and Maritime Administration promotional and media events, in accordance with subsection (f).

(c) READY RESERVE FORCE MANAGEMENT.—

(1) MINIMUM REQUIREMENTS.—To ensure the readiness of vessels in the Ready Reserve Force component of the National Defense Reserve Fleet, the Secretary of Transportation shall, at a minimum—

(A) maintain all of the vessels in a manner that will enable each vessel to be activated within a period specified in plans for mobilization of the vessels;

(B) activate and conduct sea trials on each vessel at a frequency that is considered by the Secretary to be necessary;

(C) maintain and adequately crew, as necessary, in an enhanced readiness status those vessels that are scheduled to be activated in 5 or less days;

(D) locate those vessels that are scheduled to be activated near embarkation ports specified for those vessels; and

(E) notwithstanding section 2109 of title 46, United States Code, have each vessel inspected by the Secretary of the department in which the Coast Guard is operating to determine if the vessel meets the safety standards that would apply under part B of subtitle II of that title if the vessel were not a public vessel.

(2) VESSEL MANAGERS.—

(A) ELIGIBILITY FOR CONTRACT.—A person, including a shipyard, is eligible for a contract for the management of a vessel in the Ready Reserve Force if the Secretary determines, at a minimum, that the person has—

(i) experience in the operation of commercial-type vessels or public vessels owned by the United States Government; and

(ii) the management capability necessary to operate, maintain, and activate the vessel at a reasonable price.

(B) CONTRACT REQUIREMENT.—The Secretary of Transportation shall include in each contract for the management of a ves-

sel in the Ready Reserve Force a requirement that each seaman who performs services on any vessel covered by the contract hold the license or merchant mariner's document that would be required under chapter 71 or chapter 73 of title 46, United States Code, for a seaman performing that service while operating the vessel if the vessel were not a public vessel.

(d) APPLICABILITY OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE IN FOREIGN SHIPYARDS.—

(1) APPLICATION OF LIMITATION.—The provisions of section 8680 of title 10 shall apply to vessels specified in subsection (b), and to the Secretary of Transportation with respect to those vessels, in the same manner as those provisions apply to vessels specified in subsection (b) of such section, and to the Secretary of the Navy, respectively.

(2) COVERED VESSELS.—Vessels specified in this paragraph are vessels maintained by the Secretary of Transportation in support of the Department of Defense, including any vessel assigned by the Secretary of Transportation to the Ready Reserve Force that is owned by the United States.

(e) EXEMPTION FROM TANK VESSEL CONSTRUCTION STANDARDS.—Vessels in the National Defense Reserve Fleet are exempt from the provisions of section 3703a.

(f) USE OF NDRF VESSELS FOR CIVIL CONTINGENCY OPERATIONS AND PROMOTIONAL AND MEDIA EVENTS.—With the concurrence of the Secretary of Defense, the Secretary of Transportation may allow the use of vessels in the National Defense Reserve Fleet (NDRF) for civil contingency operations requested by another Federal agency, and for Maritime Administration promotional and media events relating to demonstration projects and research and development supporting the Administration's mission, if the Secretary of Transportation determines such use is in the best interest of the Government after considering the following factors:

(1) AVAILABILITY.—The availability of NDRF or Ready Reserve Force (RRF) resources and the impact of such use on NDRF and RRF mission support to the defense and homeland security requirements of the Government.

(2) INTERFERENCE.—Whether the such² use of vessels will support the mission of the Maritime Administration and not significantly interfere with NDRF vessel maintenance, repair, safety, readiness, and resource availability.

(3) SAFETY.—Whether safety precautions will be taken, including indemnification of liability when applicable.

(4) COST.—Whether any costs incurred by such use will be funded as a reimbursable transaction between Federal agencies, as applicable.

(5) OTHER MATTERS.—Any other matters the Maritime Administrator considers appropriate.

(g) VESSEL STATUS.—A vessel in the National Defense Reserve Fleet determined by the Mari-

² So in original.

time Administration to be an obsolete vessel shall remain a vessel within the meaning of that term in section 3 of title 1, United States Code, and subject to the rights and responsibilities of a vessel under admiralty law at least until such time as the vessel is delivered to a dismantling facility or is disposed of otherwise from the National Defense Reserve Fleet.

(Added and amended Pub. L. 115-91, div. C, title XXXV, § 3502(a)(3), (b)(6), Dec. 12, 2017, 131 Stat. 1910; Pub. L. 115-232, div. A, title VIII, § 809(q), Aug. 13, 2018, 132 Stat. 1844; Pub. L. 118-31, div. C, title XXXV, § 3514(j)(2), Dec. 22, 2023, 137 Stat. 811.)

Editorial Notes

REFERENCES IN TEXT

Section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242), referred to in subsec. (b)(1), is section 902 of act June 29, 1936, ch. 858, 49 Stat. 2015, which was classified to section 1242 of the former Appendix to this title prior to repeal and restatement as chapter 563 of this title by Pub. L. 109-304, §§ 8(c), 19, Oct. 6, 2006, 120 Stat. 1654, 1713.

CODIFICATION

Section, as added and amended by Pub. L. 115-91, is based on act Mar. 8, 1946, ch. 82, § 11, 60 Stat. 49; June 28, 1947, ch. 161, § 1, 61 Stat. 190; Feb. 27, 1948, ch. 78, § 1(a), 62 Stat. 38; Feb. 28, 1949, ch. 12, 63 Stat. 9; June 29, 1949, ch. 281, § 1, 63 Stat. 349; June 30, 1950, ch. 427, § 2, 64 Stat. 308; Pub. L. 97-31, § 12(157), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-115, § 6, Oct. 13, 1989, 103 Stat. 693; Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925; Pub. L. 102-241, § 57, Dec. 19, 1991, 105 Stat. 2234; Pub. L. 102-587, title VI, § 6205(a), Nov. 4, 1992, 106 Stat. 5094; Pub. L. 104-106, div. A, title X, § 1014(b), Feb. 10, 1996, 110 Stat. 424; Pub. L. 104-239, § 9, Oct. 8, 1996, 110 Stat. 3133; Pub. L. 109-364, div. C, title XXXV, § 3503, Oct. 17, 2006, 120 Stat. 2516; Pub. L. 110-181, div. C, title XXXV, §§ 3513, 3516, Jan. 28, 2008, 122 Stat. 594, 595; Pub. L. 112-81, div. C, title XXXV, § 3502, Dec. 31, 2011, 125 Stat. 1716; Pub. L. 112-213, title IV, § 410, Dec. 20, 2012, 126 Stat. 1572; Pub. L. 114-328, div. C, title XXXV, § 3504, Dec. 23, 2016, 130 Stat. 2776, which was formerly classified to section 4405 of Title 50, War and National Defense, before being transferred to this chapter and renumbered as this section.

AMENDMENTS

2023—Subsec. (g). Pub. L. 118-31 substituted “an obsolete vessel” for “of insufficient value to remain in the National Defense Reserve Fleet”.

2018—Subsec. (d)(1). Pub. L. 115-232 substituted “section 8680 of title 10” for “section 7310 of title 10, United States Code,”.

2017—Pub. L. 115-91, § 3502(b)(6)(A), inserted section enumerator and catchline.

Pub. L. 115-91, § 3502(a)(3), transferred section 11 of act Mar. 8, 1946, to this chapter and renumbered it as this section. See Codification note above.

Subsec. (a). Pub. L. 115-91, § 3502(b)(6)(A), inserted heading.

Subsec. (b). Pub. L. 115-91, § 3502(b)(6)(B), inserted heading.

Subsec. (e). Pub. L. 115-91, § 3502(b)(6)(C), inserted heading and struck out “of title 46, United States Code” after “section 3703a” in text.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800

of Pub. L. 115-232, set out as a note preceding section 3001 of Title 10, Armed Forces.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

CONSIDERATION OF LIFE-CYCLE COST ESTIMATES FOR ACQUISITION AND PROCUREMENT OF VESSELS

Pub. L. 118-31, div. C, title XXXV, § 3535, Dec. 22, 2023, 137 Stat. 835, provided that: “In carrying out the acquisition and procurement of vessels in the National Defense Reserve Fleet, the Secretary of Transportation, acting through the Administrator of the Maritime Administration, shall consider the life-cycle cost estimates of vessels during the design and evaluation processes to the maximum extent practicable.”

RECAPITALIZATION OF NATIONAL DEFENSE RESERVE FLEET

Pub. L. 117-263, div. C, title XXXV, § 3546, Dec. 23, 2022, 136 Stat. 3100, as amended by Pub. L. 118-31, div. C, title XXXV, § 3532, Dec. 22, 2023, 137 Stat. 827, provided that:

“(a) IN GENERAL.—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 Navy, in consultation with the Chief of Naval Operations and the Commandant of the Coast Guard, shall—

“(1) complete the design of a sealift vessel for the National Defense Reserve Fleet to allow for the construction of such vessel to begin in fiscal year 2025; and

“(2) 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 the Navy shall consult and coordinate with the Secretary of Transportation 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 procurement 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

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.