

## REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (j), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5406 of this title.

**§ 5405. Funding****(a) Availability of funds from sale and scrapping of obsolete vessels****(1) In general**

Notwithstanding any other provision of law, the amount of funds credited in a fiscal year to the Vessel Operations Revolving Fund established by section 1241a of title 46, Appendix, that is attributable to the sale of obsolete vessels in the National Defense Reserve Fleet that are scrapped or sold under section 1158 or 1160(i) of title 46, Appendix, shall be available until expended as follows:

(A) 50 percent shall be available to the Administrator of the Maritime Administration for such acquisition, maintenance, repair, reconditioning, or improvement of vessels in the National Defense Reserve Fleet as is authorized under other Federal law.

(B) 25 percent shall be available to the Administrator of the Maritime Administration for the payment or reimbursement of expenses incurred by or on behalf of State maritime academies or the United States Merchant Marine Academy for facility and training ship maintenance, repair, and modernization, and for the purchase of simulators and fuel.

(C) The remainder shall be available to the Secretary to carry out the Program, as provided in subsection (b) of this section.

**(2) Application**

Paragraph (1) does not apply to amounts credited to the Vessel Operations Revolving Fund before July 1, 1994.

**(b) Use of amounts for Program****(1) In general**

Except as provided in paragraph (2), of amounts available each fiscal year for the Program under subsection (a)(1)(C) of this section—

(A) ½ shall be used for grants under section 5403(b) of this title; and

(B) ½ shall be used for grants under section 5403(c) of this title.

**(2) Use for interim projects**

Amounts available for the Program under subsection (a)(1)(C) of this section that are the proceeds of any of the first 8 obsolete vessels in the National Defense Reserve Fleet that are sold or scrapped after July 1, 1994, under section 1158 or 1160(i) of title 46, Appendix, are available to the Secretary for grants for interim projects approved under section 5403(j) of this title.

**(3) Administrative expenses****(A) In general**

Not more than 15 percent or \$500,000, whichever is less, of the amount available

for the Program under subsection (a)(1)(C) of this section for a fiscal year may be used for expenses of administering the Program.

**(B) Allocation**

Of the amount available under subparagraph (A) for a fiscal year—

(i) ½ shall be allocated to the National Trust for expenses incurred in administering grants under section 5403(b) of this title; and

(ii) ½ shall be allocated as appropriate by the Secretary to the National Park Service and participating State Historic Preservation Officers.

**(c) Disposals of vessels****(1) Requirement**

The Secretary of Transportation shall dispose of all vessels described in paragraph (2)—

(A) by September 30, 2006;

(B) in the manner that provides the best value to the Government, except in any case in which obtaining the best value would require towing a vessel and such towing poses a serious threat to the environment; and

(C) in accordance with the plan of the Department of Transportation for disposal of those vessels and requirements under sections 1158 and 1160(i) of title 46, Appendix.

**(2) Vessels described**

The vessels referred to in paragraph (1) are the vessels in the National Defense Reserve Fleet after July 1, 1994, that—

(A) are not assigned to the Ready Reserve Force component of that fleet; and

(B) are not specifically authorized or required by statute to be used for a particular purpose.

**(d) Treatment of amounts available**

Amounts available under this section shall not be considered in any determination of the amounts available to the Department of the Interior.

(Pub. L. 103-451, §6, Nov. 2, 1994, 108 Stat. 4776; Pub. L. 105-85, div. A, title X, §1026(c), Nov. 18, 1997, 111 Stat. 1878; Pub. L. 106-398, §1 [div. C, title XXXV, §3502(a)], Oct. 30, 2000, 114 Stat. 1654, 1654A-490.)

## AMENDMENTS

2000—Subsec. (c)(1)(A). Pub. L. 106-398, §1 [div. C, title XXXV, §3502(a)(1)], substituted “2006” for “2001”.

Subsec. (c)(1)(B). Pub. L. 106-398, §1 [div. C, title XXXV, §3502(a)(2)], added subpar. (B) and struck out former subpar. (B) which read as follows: “in a manner that maximizes the return on the vessels to the United States; and”.

1997—Subsec. (a)(1). Pub. L. 105-85, §1026(c)(1), inserted “or 1160(i)” after “1158” in introductory provisions.

Subsec. (b)(2). Pub. L. 105-85, §1026(c)(1), (2), inserted “or 1160(i)” after “1158” and substituted “first 8” for “first 6”.

Subsec. (c)(1)(A). Pub. L. 105-85, §1026(c)(3), substituted “2001” for “1999”.

## SCRAPPING OF NATIONAL DEFENSE RESERVE FLEET VESSELS

Pub. L. 106-398, §1 [div. C, title XXXV, §3502(b)-(f)], Oct. 30, 2000, 114 Stat. 1654, 1654A-490 to 1654A-492, provided that:

“(b) SELECTION OF SCRAPPING FACILITIES.—The Secretary of Transportation may scrap obsolete vessels pursuant to section 6(c)(1) of the National Maritime Heritage Act of 1994 (16 U.S.C. 5405(c)(1)) through qualified scrapping facilities, using the most expeditious scrapping methodology and location practicable. Scrapping facilities shall be selected under that section on a best value basis consistent with the Federal Acquisition Regulation, as in effect on the date of the enactment of this Act [Oct. 30, 2000], without any predisposition toward foreign or domestic facilities taking into consideration, among other things, the ability of facilities to scrap vessels—

“(1) at least cost to the Government;

“(2) in a timely manner;

“(3) giving consideration to worker safety and the environment; and

“(4) in a manner that minimizes the geographic distance that a vessel must be towed when towing a vessel poses a serious threat to the environment.

“(c) LIMITATION ON SCRAPPING BEFORE PROGRAM.—

“(1) IN GENERAL.—Until the report required by subsection (d)(1) is transmitted to the congressional committees referred to in that subsection, the Secretary may not proceed with the scrapping of any vessel in the National Defense Reserve Fleet except the following:

“(A) DONNER.

“(B) EXPORT COMMERCE.

“(C) BUILDER.

“(D) ALBERT E. WATTS.

“(E) WAYNE VICTORY.

“(F) MORMACDAWN.

“(G) MORMACMOON.

“(H) SANTA ELENA.

“(I) SANTA ISABEL.

“(J) SANTA CRUZ.

“(K) PROTECTOR.

“(L) LAUDERDALE.

“(N) [(M)] PVT. FRED C. MURPHY.

“(M) [(N)] BEAUJOLAIS.

“(O) MEACHAM.

“(P) NEACO.

“(Q) WABASH.

“(R) NEMASKET.

“(S) MIRFAK.

“(T) GEN. ALEX M. PATCH.

“(U) ARTHUR M. HUDDLELL.

“(V) WASHINGTON.

“(W) SUFFOLK COUNTY.

“(X) CRANDALL.

“(Y) CRILLEY.

“(Z) RIGEL.

“(AA) VEGA.

“(BB) COMPASS ISLAND.

“(CC) EXPORT CHALLENGER.

“(DD) PRESERVER.

“(EE) MARINE FIDDLER.

“(FF) WOOD COUNTY.

“(GG) CATAWBA VICTORY.

“(HH) GEN. NELSON M. WALKER.

“(II) LORAIN COUNTY.

“(JJ) LYNCH.

“(KK) MISSION SANTA YNEZ.

“(LL) CALOOSAHATCHEE.

“(MM) CANISTEO.

“(2) PRIORITIZATION.—The Secretary shall exercise discretion to prioritize for scrapping those vessels identified in paragraph (1) that pose the most immediate threat to the environment.

“(d) SCRAPPING PROGRAM FOR OBSOLETE NATIONAL DEFENSE RESERVE FLEET VESSELS.—

“(1) DEVELOPMENT OF PROGRAM; REPORT.—The Secretary of Transportation, in consultation with the Secretary of the Navy and the Administrator of the Environmental Protection Agency, shall within 6 months after the date of the enactment of this Act [Oct. 30, 2000]—

“(A) develop a program for the scrapping of obsolete National Defense Reserve Fleet vessels; and

“(B) submit a report on the program to the Committee on Transportation and Infrastructure and the Committee on Resources of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committees on Armed Services of the House of Representatives and the Senate.

“(2) CONTENTS OF REPORT.—The report shall include information concerning the initial determination of scrapping capacity, both domestically and abroad, appropriate proposed regulations to implement the program, funding and staffing requirements, milestone dates for the disposal of each obsolete vessel, and longterm cost estimates for the program.

“(3) ALTERNATIVES.—In developing the program, the Secretary of Transportation, in consultation with the Secretary of the Navy and the Administrator of the Environmental Protection Agency, shall consider all alternatives and available information, including—

“(A) alternative scrapping sites;

“(B) vessel donations;

“(C) sinking of vessels in deep water;

“(D) sinking vessels for development of artificial reefs;

“(E) sales of vessels before they become obsolete;

“(F) results from the Navy Ship Disposal Program under section 8124 of the Department of Defense Appropriations Act, 1999 [Pub. L. 105-262, 10 U.S.C. 7291 note]; and

“(G) the Report of the Department of Defense's Interagency Panel on Ship Scrapping issued in April 1998.

“(e) REPORT.—Not later than 1 year after the date of the enactment of this Act [Oct. 30, 2000], and every 6 months thereafter, the Secretary of Transportation, in coordination with the Secretary of the Navy, shall report to the Committee on Transportation and Infrastructure and the Committee on Resources of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committees on Armed Services of the House of Representatives and the Senate on the progress of the vessel scrapping program developed under subsection (d)(1) and on the progress of any other scrapping of obsolete Government-owned vessels.

“(f) PRESIDENTIAL RECOMMENDATION.—The President shall transmit with the report required by subsection (d)(1) a recommendation on—

“(1) whether it is necessary to amend the Toxic Substances Control Act (15 U.S.C. 2601 et seq.) or any other environmental statute or regulatory requirements relevant to the disposal of vessels described in section 6(c)(2) of the National Maritime Heritage Act of 1994 (16 U.S.C. 5405(c)(2)) by September 30, 2006; and

“(2) any proposed changes to those requirements to carry out such disposals.”

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5403 of this title.

### § 5406. Definitions

In this chapter:

#### (1) Committee

The term “Committee” means the Maritime Heritage Grants Advisory Committee established under section 5404 of this title.

#### (2) National Trust

The term “National Trust” means the National Trust for Historic Preservation created by section 468 of this title.

#### (3) Private nonprofit organization

The term “private nonprofit organization” means any person that is exempt from taxation under section 501(a) of title 26 and described in section 501(c)(3) of title 26.