

P.L. 108-136 Section 3512

H.R. 1588 (National Defense Authorization Act for Fiscal Year 2004) was passed on November 24, 2003 as P.L. 108-136.

SEC. 3512. CONVEYANCE OF OBSOLETE VESSELS UNDER TITLE V, MERCHANT MARINE ACT, 1936.

Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1158) is amended--

- (1) by inserting '(a) AUTHORITY TO SCRAP OR SELL OBSOLETE VESSELS-' before 'If'; and
- (2) by adding at the end the following:
 - (b) AUTHORITY TO CONVEY VESSELS-
 - (1) IN GENERAL- Notwithstanding section 510(j) of this Act, 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 of insufficient value to warrant its further preservation, if--
 - (A) the recipient is a non-profit organization, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof, or the District of Columbia;
 - (B) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;
 - (C) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;
 - (D) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, 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;
 - (E) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary;
 - (F) the recipient 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
 - (G) the recipient agrees that when the recipient no longer requires the vessel for use as described in the business plan required under subparagraph (E)--
 - (i) 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
 - (ii) 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 the provisions of section 501(c)(3) of the Internal Revenue Code, 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.
 - (2) OTHER EQUIPMENT- At the Secretary's discretion, additional equipment from other obsolete vessels of the National Defense Reserve Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.
 - (3) ADDITIONAL TERMS- The Secretary may require any additional terms the Secretary considers appropriate.
 - (4) DELIVERY OF VESSEL- If conveyance is made under this subsection 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.
 - (5) LIMITATIONS- If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of a 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.
 - (6) REVERSION- The Secretary shall include in any conveyance under this subsection terms under which all right, title, and interest conveyed by the Secretary shall revert to the United States if the Secretary determines the vessel has been used other than as described in the business plan required under paragraph (1)(E).