



SHIP DISPOSAL

Maritime Administration FACT SHEET

Maritime Administration serves as the U.S. Government's disposal agent for merchant type vessels of 1,500 gross tons or more. Until 2001 the primary method of disposal for obsolete NDRF vessels was vessel sales through competitive sealed bidding.

In 2001, Congress passed the Floyd D. Spence National Defense Authorization Act (the DOD Authorization Act, FY 2001), which authorized the Maritime Administration to use appropriated funds for the procurement of ship dismantling and recycling services. The legislation also mandated the use of qualified facilities and the award of ship recycling contracts on a best-value basis to the government considering price and non-price factors such as schedule, capacity and past performance. Since then the Maritime Administration's Ship Disposal Program has utilized vessel sales and ship recycling service contracts as the primary means to dispose of obsolete NDRF vessels. The Program also uses other vessel disposal methods such as [artificial reefing](#), [ship donation](#) and [SINKEX](#) (U.S. Navy sink at-sea live-fire training exercise), and sales for re-use as additional vessel disposal options.

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Ship Disposal Strategy

The Maritime Administration's management approach is to remove all vessels that present the highest risk to the environment based on a "worst first" disposal basis utilizing all alternatives to ensure that obsolete vessels can be disposed of at a rate greater than obsolete vessels coming into the Maritime Administration's fleets.

Ship Disposal Methods

- [Domestic Recycling](#) – Through ship sales offers and direct fee-for-service solicitation. The program awards ship recycling contracts to qualified domestic ship recyclers.
- [Artificial Reefing](#) – The Maritime Administration accepts applications from coastal States, U.S. Territories and possessions and foreign governments for use of obsolete NDRF vessels as offshore reefs for the conservation of marine life. The Maritime Administration may provide financial assistance for specific domestic reefing projects.
- [Ship Donations](#) – The Maritime Administration may convey obsolete NDRF vessels to a non-profit organization, state, commonwealth, or U.S. possession for such vessel reutilization including historic restoration of ships as memorials and museums and the operational restoration of ships to support non-profit humanitarian missions
- [SINKEX](#) – Joint Navy and Maritime Administration ship disposal projects through the Navy's sink at-sea live-fire training exercises ([SINKEX Program](#)).