

Calendar No. 148

105TH CONGRESS }
1st Session

SENATE

{ REPORT
105-66

VORTICE

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 662



SEPTEMBER 2, 1997.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

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SEPTEMBER 2, 1997.—Ordered to be printed

Mr. MCCAIN, from the Committee on Commerce, Science, and
Transportation, submitted the following

REPORT

[To accompany S. 662]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 662) to authorize a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Vortice*, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

PURPOSE OF THE BILL

S. 662 as reported, grants coastwise trading privileges to the vessel *Vortice*.

BACKGROUND AND NEEDS

Subject to certain limited exceptions, the law know as the Jones Act (section 27 of the Merchant Marine Act, 1920), section 8 of the Act of June 19, 1886, and sections 12106 and 12108 of title 46, U.S. Code provide that only those vessels built in the United States, continuously documented under the laws of the United States and continuously owned by U.S. citizens may transport merchandise or passengers in the coastwise trade, or engage in the fisheries, of the United States. Where the facts applicable to a particular vessel suggest the U.S.-built or U.S.-owned requirements have not been satisfied, the Coast guard may not issue a document granting coastwise trading or fisheries privileges for that vessel unless the requirements of the Jones Act and title 46 are statutorily waived. The vessel, *Vortice*, Bari, Italy registration number 256, is a 149-foot tug that was constructed in Houston, Texas in 1976. It is being purchased by Hartley Marine Services, Inc. of Boothbay Harbor,

Maine. Hartley Marine Services, Inc. intends to use it for commercial tug and barge operations out of Boothbay Harbor, Maine. Because the vessel is foreign-owned and foreign-registered, Hartley Marine Services, Inc. has not been able to obtain coastwise trade privileges for the *Vortice*. Therefore, the owner is seeking a statutory waiver of the coastwise trade laws for the vessel.

LEGISLATIVE HISTORY

S. 662 was introduced in the Senate on March 28, 1996, by Senator Snowe. In open executive session on June 19, 1997, the Committee considered S. 662, and ordered the legislation reported favorably without objection with an amendment in the nature of a substitute offered by Senator Snowe. The amendment added the condition that the waiver is not effective until the vessel meets the ownership requirement of section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802). This amendment is necessary because the vessel is currently owned by a Canadian company.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and Section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 7, 1997.

Hon. JOHN MCCAIN,
*Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 662, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Vortice*. S. 662 was ordered reported by the Senate Committee on Commerce, Science and Transportation on June 19, 1997.

CBO estimates that enacting S. 662 would have no significant impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. S. 662 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would not affect the budgets of state, local, or tribal governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provided the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 662 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill, as amended, consists of one section. It provides that, notwithstanding sections 12106, 12107, and 12108 of title 46, U.S. Code, and section 8 of the Act of June 19, 1886 (46 U.S.C. App. 289), and section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), the vessel *Vortice*, Bari, Italy registration number 256, is eligible to engage in the coastwise trade and the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for such vessel, if the vessel meets the ownership requirement of section 2 of the Shipping Act, 1916, (46 U.S.C. App. 802).

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

