

**Calendar No. 93**

114TH CONGRESS }  
*1st Session*

SENATE

{ REPORT  
114-51

UNITED STATES MERCHANT MARINE  
ACADEMY IMPROVEMENTS ACT OF 2015

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R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

ON

S. 143



MAY 21, 2015.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

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### UNITED STATES MERCHANT MARINE ACADEMY IMPROVEMENTS ACT OF 2015

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

### R E P O R T

[To accompany S. 143]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 143) to allow for improvements to the United States Merchant Marine Academy and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of S. 143, the United States Merchant Marine Academy Improvements Act of 2015, is to allow the United States Merchant Marine Academy (USMMA) to accept a gift from its alumni foundation to complete renovations of the Officers' Club (known as Melville Hall) without federally-appropriated funds and to allow the United States Merchant Marine Academy Alumni Association and Foundation, Inc. (Foundation) to compete for the contract to operate Melville Hall.

#### BACKGROUND AND NEEDS

The USMMA in Kings Point, New York, is one of five service academies that prepare college-aged students to be officers of the U.S. uniformed services. After graduation, midshipmen are commissioned as officers and obligated to serve a minimum of five years in the active or reserve components of the military, the National Oceanic and Atmospheric Administration commissioned officer corps, or in Federal civil service within a national security pro-

gram.<sup>1</sup> The USMMA graduates approximately 200 midshipmen annually.<sup>2</sup>

The Maritime Administration (MARAD) provides support and oversight of the USMMA campus infrastructure. MARAD is currently allowed to accept gifts from non-prohibited sources to support the USMMA and its infrastructure; however, congressional approval is required to enter into a non-competitive contract with the Foundation to operate Melville Hall.<sup>3</sup> Melville Hall at the USMMA is eligible for use by USMMA midshipmen, faculty and staff, alumni, military members, community organizations, and government entities.<sup>4</sup> The renovation of this building would improve its current use as a formal dining area for midshipmen events, sponsor dinners, meetings, and lectures. In addition, staff and faculty would be provided an updated place for conferences and social events.<sup>5</sup> The cost of Melville Hall renovations to bring the building into compliance with all fire, environmental, and building codes, as well as Federal statutes, such as the Americans with Disabilities Act, and to improve its water, heating, drainage, and electrical systems is estimated at \$4 million.<sup>6</sup>

#### SUMMARY OF PROVISIONS

S. 143 would authorize the Administrator of MARAD to accept money from the Foundation for renovations of Melville Hall. It would also allow the Administrator of MARAD to enter into a contract with the Foundation for the hall's operation, contingent on certain terms being met.

#### LEGISLATIVE HISTORY

S. 143 was introduced by Senator Wicker on January 9, 2015. Representative Pete Sessions (R-TX) introduced a companion bill in the House, H.R. 143. On February 26, 2015, the Committee met in open Executive Session and, by a voice vote, ordered S. 143 to be reported favorably without amendment.

#### 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:

#### *S. 143—United States Merchant Marine Academy Improvements Act of 2015*

S. 143 would authorize the Maritime Administration (MARAD) to accept a monetary donation from the United States Merchant Ma-

<sup>1</sup>R. Eric Petersen, Congressional Research Service (CRS). Congressional Nominations to U.S. Service Academies: An Overview and Resources for Outreach and Management. CRS Memo September 23, 2014.

<sup>2</sup>Maritime Administration United States Merchant Marine Academy. Capital Improvement Program FY 2014 Annual Report and FY 2015–2019 Plan: [http://www.usmma.edu/sites/usmma.edu/files/docs/2014\\_CIP\\_Report-Final\\_sent\\_to\\_Congress\\_4\\_1\\_14.pdf](http://www.usmma.edu/sites/usmma.edu/files/docs/2014_CIP_Report-Final_sent_to_Congress_4_1_14.pdf).

<sup>3</sup>Ibid.

<sup>4</sup><http://www.usmma.edu/facilities/melville-hall/hall-policies>.

<sup>5</sup>Maritime Administration United States Merchant Marine Academy. Capital Improvement Program FY 2014 Annual Report and FY 2015–2019 Plan: [http://www.usmma.edu/sites/usmma.edu/files/docs/2014\\_CIP\\_Report-Final\\_sent\\_to\\_Congress\\_4\\_1\\_14.pdf](http://www.usmma.edu/sites/usmma.edu/files/docs/2014_CIP_Report-Final_sent_to_Congress_4_1_14.pdf).

<sup>6</sup>Ibid.

rine Academy Alumni Association and Foundation to renovate Melville Hall of the Merchant Marine Academy in the state of New York. If the foundation chooses to make a donation that is 25 percent greater than the minimum amount required to renovate Melville Hall, the bill would authorize MARAD to enter into a contract with the foundation to operate the hall for certain purposes. Under the contract, the foundation would maintain the hall and make its facilities available for official academy functions, as well as industry events, conferences, and other activities. The foundation would retain sufficient income to cover its costs of hosting such events in the hall and remit any remaining amounts to a federal fund that would be used, without further appropriation, to promote the morale and welfare of the academy's cadets.

Based on information provided by MARAD, CBO estimates that the foundation would need to donate \$9 million to allow MARAD to renovate the hall and to contract with the foundation to operate the hall. CBO estimates that the gift would be spent, without further appropriation, for the authorized purposes and that any net income from using the hall to host events would also be spent, resulting in no significant net budgetary impact. Because enacting S. 143 would affect direct spending, pay-as-you-go procedures apply. Enacting S. 143 would not affect revenues.

S. 143 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### REGULATORY IMPACT

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

##### NUMBER OF PERSONS COVERED

S. 143 as reported does not create any new programs or impose any new regulatory requirements, and therefore would not subject any individuals or businesses to new regulations.

##### ECONOMIC IMPACT

Enactment of this legislation is not expected to have any significant adverse impacts on the Nation's economy.

##### PRIVACY

The bill would not impact the personal privacy of individuals.

##### PAPERWORK

The Committee does not anticipate an increase in paperwork burdens resulting from the passage of this legislation.

##### CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions

contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title.*

This section would designate the short title of this bill as the “United States Merchant Marine Academy Improvements Act of 2015.”

##### *Section 2. Melville Hall of United States Merchant Marine Academy.*

This section would clarify section 51315 of title 46, United States Code, to allow the Administrator of MARAD to accept a gift of money that covers the minimum amount sufficient (plus 25 percent of that total) from the Foundation for the purpose of renovating Melville Hall. The Administrator of MARAD may also enter into a contract with the Foundation to operate the hall. The bill, if the Administrator of MARAD enters into a contract with the Foundation, would direct the proceeds, after expenses for operation and maintenance of the hall, to be returned to the Merchant Marine Academy cadet welfare fund. Additionally, if operation of the hall is awarded to the Foundation, the Foundation would be required to return the hall to MARAD in its renovated condition. Further, the bill would prohibit the use of Melville Hall as lodging or an office other than for Government purposes or the administration or operation of the hall.

#### 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.

