Public Law 89-254

October 10, 1965
[H. R. 728]

AN ACT

To amend section 510 of the Merchant Marine Act, 1936.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1160(i)), is amended as follows:

Merchant Marine Act, 1936, amendments.
74 Stat. 312.

(1) By striking out "within five years from the date of enactment of this Act war-built vessels (which are defined for purposes of this subsection as oceangoing" and inserting in lieu thereof the following: "before July 5, 1970,".

Vessel exchange program, extension.

(2) By striking out "during the period beginning September 3, 1939, and ending September 2, 1945)" and inserting in lieu thereof the following: "before September 3, 1945,".

(3) By inserting immediately before the words "owned by the United States" the following: "(which are defined for purposes of this subsection as oceangoing vessels of one thousand five hundred gross tons or over which were constructed or contracted for by the United States shipyards during the period beginning September 3, 1939, and ending September 2, 1945)".

(b) Paragraph (1) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"(1) The traded-in vessel shall have been owned by a citizen or citizens of the United States, documented under the laws of the United States, and shall not have been operated with operating-differential subsidy under title VI of this Act by the applicant or any affiliate of the applicant for at least three years immediately prior to the date of the exchange."

49 Stat. 2001.
46 USC 1171-1183.

Valuation of vessels.

(c) Paragraph (2) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended by inserting after the period at the end thereof the following: "The value of a vessel when traded out shall be calculated in the same manner as its value was determined when it was traded in, except that vessels traded in prior to October 1, 1960, shall be valued on the basis yielding the highest fair return to the Government commensurate with the purposes of this subsection. In each exchange of vessels under this subsection, the value of the vessel traded-in, unless based on scrap value, and the value of the vessel traded-out shall be calculated in the same manner."

Tanker vessels.

(d) Paragraph (9) of subsection (i) of section 510 of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"(9) Except where traded out for use exclusively in trade and commerce on the Great Lakes, including the Saint Lawrence River and Gulf, tanker vessels may be traded out under the provisions of this subsection only for major conversions into dry cargo carriers or liquid bulk carriers, including natural gas carriers but excluding bulk petroleum carriers."

National defense reserve fleet.

SEC. 2. Section 510 of the Merchant Marine Act, 1936 is further amended by adding at the end thereof the following new subsection:

"(j) Any vessel heretofore or hereafter acquired under this section, or otherwise acquired by the Secretary of Commerce under any other authority shall be placed in the national defense reserve fleet established under authority of section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and shall not be traded out or sold from such reserve fleet, except as provided for in subsections (g) and (i) of this section. This limitation shall not affect the rights of the Secretary of Commerce to dispose of a vessel as provided in other sections of this title or in titles VII or XI of this Act."

60 Stat. 49.

46 USC 1191, 1271.

Approved October 10, 1965.

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