Public Law 96-112
96th Congress

An Act

To authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

Nov. 16, 1979
[S. 640]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1980".

Maritime Appropriation Authorization Act for Fiscal Year 1980.

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1980, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $101,000,000; except that—

(A) no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which will not be offered for enrollment in a Sealift Readiness program approved by the Secretary of Defense; and

(B) in paying the funds authorized by this paragraph, the construction subsidy rate otherwise applicable may be reduced by 5 percent unless the Secretary of Commerce, in his discretion, determines that the vessel to be constructed is part of an existing or future vessels series.

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $256,208,000; except that—

(A) no funds authorized by this paragraph may be paid for the operation of any vessel which is not offered for participation in a Sealift Readiness program approved by the Secretary of Defense; and

(B) an operator receiving funds under this paragraph may elect, for all or a portion of its ships, to suspend its operating differential subsidy contract with all attendant statutory and contractual restrictions, except as to those pertaining to the domestic intercoastal or coastwise service, including any agreement providing for the replacement of vessels, if—

(i) the vessel is less than ten years of age,

(ii) the suspension period is not less than twelve months,

(iii) the operator's financial condition is maintained at a level acceptable to the Secretary of Commerce, and

(iv) the owner agrees to pay to the Secretary, upon such terms and conditions as he may prescribe, an amount which bears the same proportion to the construction-differential subsidy paid by the Secretary as the portion of the suspension period during which the vessel is operated in any preference trade from which a subsidized vessel would otherwise be excluded by law or contract bears to the entire economic life of the vessel.

Any operator making an election under subparagraph (B) is entitled to full reinstatement of the suspended contract on

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

request until October 1, 1984. The Secretary of Commerce may prescribe rules and regulations consistent with the purpose of subparagraph (B).

(3) For expenses necessary for research and development activities, not to exceed $16,360,000.

(4) For maritime education and training expenses, not to exceed $31,372,000; including not to exceed $17,132,000 for maritime training at the Merchant Marine Academy at Kings Point, New York; $10,285,000 for financial assistance to State marine schools; $1,998,000 for fuel oil for State marine school training vessels; and $1,957,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936.

46 USC 1126.

(5) For operating expenses, not to exceed $35,598,000; including not to exceed $6,377,000 for reserve fleet expenses; and $29,221,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1980, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Merchant Marine Act, amendment.

SEC. 4. Section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883) is amended by striking out the period at the end thereof and inserting the following new proviso: ": *Provided further,* That until April 1, 1984, and notwithstanding any other provisions of this section, any vessel documented under the laws of the United States and owned by persons who are citizens of the United States may, when operated upon a voyage in foreign trade, transport merchandise in cargo vans, lift vans, and shipping-tanks between points embraced within the coastwise laws for transfer to or when transferred from another vessel or vessels, so documented and owned, of the same operator when the merchandise movement has either a foreign origin or a foreign destination; but this proviso (1) shall apply only to vessels which that same operator owned, chartered or contracted for the construction of prior to the date of the enactment of this proviso, and (2) shall not apply to movements between points in the contiguous United States and points in Hawaii, Alaska, the Commonwealth of Puerto Rico and United States territories and possessions.".

SEC. 5. Subsection D(a)(5) of section 30 of the Merchant Marine Act, 1920 (46 U.S.C. 922(a)(5)) is amended to read as follows:

Merchant Marine Act, amendment.

"(5) The mortgagee is a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or is a citizen of the United States, and for the purposes of this Act the Reconstruction Finance Corporation shall, in addition to those designated in sections 37 and 38 of this Act, be deemed a citizen of the United States."

46 USC 888, 802, 803.

Approved November 16, 1979.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 96-169 accompanying H.R. 2462 (Comm. on Merchant Marine and Fisheries) and No. 96-556 (Comm. of Conference).
SENATE REPORT No. 96-105 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 125 (1979):
May 24, considered and passed Senate.
July 20, 27, H.R. 2462 considered and passed House; passage vacated and S. 640, amended, passed in lieu.
Nov. 2, House agreed to conference report.
Nov. 5, Senate agreed to conference report.

59-194 O — 81 —— 56 : QL3