

## Calendar No. 556

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 2124****[Report No. 105–317]**

To authorize appropriations for fiscal year 1999 for the Maritime Administration, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 22, 1998

Mrs. HUTCHISON (for herself and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

SEPTEMBER 9, 1998

Reported by Mr. MCCAIN, with amendments

[Omit the part struck through and insert the part printed in *italie*]**A BILL**

To authorize appropriations for fiscal year 1999 for the Maritime Administration, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SEC. 1. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**  
 2 **YEAR 1999.**

3 Funds are hereby authorized to be appropriated for  
 4 fiscal year 1999, to be available without fiscal year limita-  
 5 tion if so provided in appropriations Acts, for the use of  
 6 the Department of Transportation for the Maritime Ad-  
 7 ministration as follows:

8 (1) For expenses necessary for operations and  
 9 training activities, \$70,978,000.

10 (2) For expenses under the loan guarantee pro-  
 11 gram authorized by title XI of the Merchant Marine  
 12 Act, 1936 (46 U.S.C. App. 1271 et seq.),  
 13 \$20,000,000, of which—

14 (A) \$16,000,000 is for the cost (as defined  
 15 in section 502(5) of the Federal Credit Reform  
 16 Act of 1990 (2 U.S.C. 661a(5))) of loan guar-  
 17 antees under the program; and

18 (B) \$4,000,000 is for administrative ex-  
 19 penses related to loan guarantee commitments  
 20 under the program.

21 **SEC. 2. AUTHORITY TO CONVEY NATIONAL DEFENSE RE-**  
 22 **SERVE FLEET VESSEL.**

23 ~~(a) AUTHORITY TO CONVEY.—Notwithstanding any~~  
 24 ~~other law, the Secretary of Transportation may convey all~~  
 25 ~~right, title, and interest of the United States Government~~  
 26 ~~in and to the vessel M/V BAYAMON (United States offi-~~

1 cial number 530007) to the Trade Fair Ship Company,  
 2 a corporation established under the laws of the State of  
 3 Delaware and having its principal offices located in New  
 4 York, New York (in this section referred to as the “recipi-  
 5 ent”), for use as floating trade exposition to showcase  
 6 United States technology, industrial products, and serv-  
 7 ices.

8       (a) *AUTHORITY TO CONVEY.*—Notwithstanding any  
 9 other law, the Secretary of Transportation may convey all  
 10 right, title, and interest of the United States Government  
 11 in and to the vessel M/V BAYAMON (United States official  
 12 number 530007) to a purchaser for use as a floating trade  
 13 exposition to showcase United States technology, industrial  
 14 products, and services.

15       (b) *TERMS OF CONVEYANCE.*—

16           (1) *DELIVERY OF VESSEL.*—In carrying out  
 17 subsection (a), the Secretary shall deliver the ves-  
 18 sel—

19                   (A) at the place where the vessel is located  
 20 on the date of conveyance;

21                   (B) in its condition on that date; and

22                   (C) at no cost to the United States Gov-  
 23 ernment.

24       (2) *REQUIRED CONDITIONS.*—The Secretary  
 25 may not convey a vessel under this section unless—

1           ~~(A)~~ the recipient pays consideration equal  
2           to the domestic fair market value of the vessel  
3           as determined by the Secretary;

4           *(A) competitive procedures are used for*  
5           *sales under this section, and the purchaser is se-*  
6           *lected on the basis of sealed bids solicited and*  
7           *evaluated in accordance with those procedures;*

8           *(B) the vessel is sold for not less than the*  
9           *fair market value of the vessel in the United*  
10          *States, as determined by the Secretary of Trans-*  
11          *portation;*

12          ~~(B)~~ (C) The recipient agrees that any re-  
13          pair, except for emergency repairs, restoration,  
14          or reconstruction work for the vessel will be  
15          performed in the United States;

16          ~~(C)~~ (D) the recipient agrees to hold the  
17          Government harmless for any claims arising  
18          from exposure to hazardous material, including  
19          asbestos and polychlorinated biphenyls, after  
20          the conveyance of the vessel, except for claims  
21          arising before the date of the conveyance or  
22          from use of the vessel by the Government after  
23          that date; and

24          ~~(D)~~ (E) the recipient provides sufficient  
25          evidence to the Secretary that it has adequate

1 financial resources in the form of cash, liquid  
2 assets, or a written loan commitment to com-  
3 plete the reconstruction of the vessel.

4 (3) ADDITIONAL TERMS.—The Secretary may  
5 require such additional terms in connection with the  
6 conveyance authorized by this section as the Sec-  
7 retary considers appropriate.

8 (c) PROCEEDS.—Any amounts received by the United  
9 States as proceeds from the sale of the M/V BAYAMON  
10 shall be deposited in the Vessel Operations Revolving  
11 Fund established by the Act of June 2, 1951 (chapter  
12 121; 46 U.S.C. App. 1241a) and shall be available and  
13 expended in accordance with section 6(a) of the National  
14 Maritime Heritage Act (16 U.S.C. App. 5405(a)).

15 **SEC. 3. AUTHORITY TO CONVEY CERTAIN NATIONAL DE-**  
16 **FENSE RESERVE FLEET VESSELS.**

17 (a) AUTHORITY TO CONVEY.—Notwithstanding any  
18 other law, except as described in subsection (b), the Sec-  
19 retary of Transportation may convey all right, title, and  
20 interest of the United States Government in and to the  
21 vessels BENJAMIN ISHERWOOD (TAO–191) and  
22 HENRY ECKFORD (TAO–192) to a purchaser for the  
23 purpose of reconstruction of those vessels for sale or char-  
24 ter.

25 (b) TERMS OF CONVEYANCE.—

1 (1) DELIVERY OF VESSEL.—In carrying out  
 2 subsection (a), the Secretary shall deliver the ves-  
 3 sel—

4 (A) at the place where the vessel is located  
 5 on the date of the conveyance;

6 (B) in its condition on that date; and

7 (C) at no cost to the United States Gov-  
 8 ernment.

9 (2) REQUIRED CONDITIONS.—The Secretary  
 10 may not convey a vessel under this section unless—

11 ~~(A) competitive procedures are used for~~  
 12 ~~sales under this section. The purchaser or pur-~~  
 13 ~~chasers shall be selected on the basis of sealed~~  
 14 ~~bids solicited and evaluated in accordance with~~  
 15 ~~those procedures, except that a sale of a vessel~~  
 16 ~~may not be made for less than the fair market~~  
 17 ~~value of the vessel in the United States, as de-~~  
 18 ~~termined by the Secretary of Transportation;~~

19 *(A) competitive procedures are used for*  
 20 *sales under this section, and the purchaser is se-*  
 21 *lected on the basis of sealed bids solicited and*  
 22 *evaluated in accordance with those procedures;*

23 *(B) the vessel is sold for not less than the*  
 24 *fair market value of the vessel in the United*

1       *States, as determined by the Secretary of Trans-*  
2       *portation;*

3           ~~(B)~~ (C) with respect to the vessel, the re-  
4       recipient remains subject to all laws and regula-  
5       tions governing the export of military items, in-  
6       cluding the requirements administered by the  
7       Department of State regarding export licenses  
8       and certification of nontransfer end use;

9           ~~(C)~~ (D) the recipient provides sufficient  
10      evidence to the Secretary that it has adequate  
11      financial resources in the form of cash, liquid  
12      assets, or a written loan commitment to com-  
13      plete the reconstruction of the vessel;

14          ~~(D)~~ (E) the recipient agrees that any re-  
15      pair, except for emergency repairs, restoration,  
16      or reconstruction work for the vessel will be  
17      performed in the United States; and

18          ~~(E)~~ (F) the recipient agrees to hold the  
19      Government harmless for any claims arising  
20      from defects in the vessel or from exposure to  
21      hazardous material, including asbestos and pol-  
22      ychlorinated biphenyls, after the conveyance of  
23      the vessel, except for claims arising before the  
24      date of the conveyance or from use of the vessel  
25      by the Government after that date.

1           (3) ADDITIONAL TERMS.—The Secretary may  
 2       require such additional terms in connection with a  
 3       conveyance authorized by this section as the Sec-  
 4       retary considers appropriate.

5       (c) PROCEEDS.—Any amounts received by the United  
 6       States as proceeds from the sale of a vessel under this  
 7       section shall be deposited in the Vessel Operations Revolv-  
 8       ing Fund established by section 801 of the Act of June  
 9       2, 1951 (65 Stat. 59; 46 U.S.C. App. 1241a) and shall  
 10      be available and expended in accordance with section 6(a)  
 11      of the ~~national~~ *National* Maritime Heritage Act (16  
 12      U.S.C. App. 5405(a)).

13      (d) DURATION OF AUTHORITY.—The authority of the  
 14      Secretary under this section may only be exercised during  
 15      the one-year period beginning on the date of the enact-  
 16      ment of this Act.

17      **SEC. 4. CLEARINGHOUSE FOR MARITIME INFORMATION.**

18      Of the amount authorized to be appropriated pursu-  
 19      ant to section 1(1) *of this Act* for operations of the Mari-  
 20      time Administration, \$75,000 may be available for the es-  
 21      tablishment at a State Maritime Academy of a clearing-  
 22      house for maritime information that makes that informa-  
 23      tion publicly available, including by use of the Internet.



1 **SEC. 5. SHIP SCRAPPING EXPENSES.**

2 (a) PROCEEDS OF SALE.—Section 508 of the Mer-  
 3 chant Marine Act of 1936 (46 U.S.C. App. 1158) is  
 4 amended by adding at the end thereof the following: “Pro-  
 5 ceeds of sale under this section, net expenses of sale (as  
 6 defined in section 801 of the Act of June 2, 1951 (65  
 7 Stat. 59; 46 U.S.C. App. 1241a)), shall be credited to the  
 8 Vessels Operation Revolving Fund established by that sec-  
 9 tion.”.

10 (b) COSTS OF SALE.—Section 510(i) of the Merchant  
 11 Marine Act of 1936 (46 U.S.C. App. 1160(i)), is amended  
 12 by inserting before “Notwithstanding” the following: “All  
 13 costs incident to the sale of an obsolete vessel under this  
 14 subsection and not covered by the gross proceeds of the  
 15 sale may be paid from balances in the Fund derived from  
 16 the sale of obsolete vessels. Proceeds to be credited to the  
 17 Fund from the sale of a vessel under this subsection shall  
 18 be net of the expenses of sale (as defined in section 801  
 19 of the Act of June 2, 1951 (65 Stat. 59; 46 U.S.C. App.  
 20 1241a)).”.

21 (c) VESSEL OPERATIONS REVOLVING FUND.—

22 (1) The first sentence of section 801 of the Act  
 23 of June 2, 1951 (65 Stat. 59; 46 U.S.C. App.  
 24 1241a) is amended by striking “and betterment”  
 25 and inserting “betterment, husbanding, and sale”.

1           (2) The second paragraph of such section is  
 2           amended by striking “stated therein:” and inserting  
 3           “stated therein; Provided further, That such sums  
 4           as may be determined to be necessary by the Sec-  
 5           retary of Transportation and that have not been re-  
 6           covered from the gross proceeds from the sale of a  
 7           obsolete vessel in the National Defense Reserve  
 8           Fleet, may be transferred from this fund, but only  
 9           if derived from the sale of obsolete vessels, to the op-  
 10          erations and training account of the Maritime Ad-  
 11          ministration for the purpose of paying all expenses  
 12          of sale including, but not limited to, cost of adminis-  
 13          tration, personnel, and travel related to the review of  
 14          bids, inspection of bidders’ facilities, surveys for haz-  
 15          ardous materials, removal and disposal of hazardous  
 16          materials, and oversight of the scrapping account.”.

17 **SEC. 5. ACT CONSTITUTING PRESIDENTIAL APPROVAL OF**  
 18 **VESSEL WAR RISK INSURANCE REQUESTED**  
 19 **BY THE SECRETARY OF DEFENSE.**

20           *Section 1205(b) of the Merchant Marine Act of 1936*  
 21 *(46 U.S.C. App. 1285(b)) is amended by adding at the end*  
 22 *the following: “The signature of the President (or of an offi-*  
 23 *cial designated by the President) on the agreement shall be*  
 24 *treated as an expression of the approval required under sec-*  
 25 *tion 1202(a) to provide the insurance.”.*

1 **SEC. 6. CONVEYANCE OF NDRF VESSEL EX-USS LORAIN**  
 2 **COUNTY.**

3 (a) *AUTHORITY TO CONVEY.*—*The Secretary of Trans-*  
 4 *portation may convey all right, title, and interest of the*  
 5 *Federal Government in and to the vessel ex-USS LORAIN*  
 6 *COUNTY (LST-1177) to the Ohio War Memorial, Inc., lo-*  
 7 *cated in Sandusky, Ohio (in this section referred to as the*  
 8 *“recipient”), for use as memorial to Ohio veterans.*

9 (b) *TERMS OF CONVEYANCE.*—

10 (1) *DELIVERY OF VESSEL.*—*In carrying out sub-*  
 11 *section (a), the Secretary shall deliver the vessel—*

12 (A) *at the place where the vessel is located*  
 13 *on the date of conveyance;*

14 (B) *in its condition on that date; and*

15 (C) *at no cost to the Federal Government.*

16 (2) *REQUIRED CONDITIONS.*—*The Secretary may*  
 17 *not convey a vessel under this section unless—*

18 (A) *the recipient agrees to hold the Govern-*  
 19 *ment harmless for any claims arising from expo-*  
 20 *sure to hazardous materials, including asbestos*  
 21 *and polychlorinated biphenyls, after conveyance*  
 22 *of the vessel, except for claims arising before the*  
 23 *date of the conveyance or from use of the vessel*  
 24 *by the Government after that date; and*

25 (B) *the recipient has available, for use to*  
 26 *restore the vessel, in the form of cash, liquid as-*

1           *sets, or a written loan commitment, financial re-*  
2           *sources of at least \$100,000.*

3           *(3) ADDITIONAL TERMS.—The Secretary may re-*  
4           *quire such additional terms and conditions in connec-*  
5           *tion with the conveyance authorized by this section as*  
6           *the Secretary considers appropriate.*

7           *(c) OTHER UNNEEDED EQUIPMENT.—The Secretary*  
8           *may convey to the recipient of the vessel conveyed under*  
9           *this section any unneeded equipment from other vessels in*  
10          *the National Defense Reserve Fleet, for use to restore the*  
11          *vessel conveyed under this section to museum quality.*

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105TH CONGRESS  
2D Session

**S. 2124**

[Report No. 105-317]

**A BILL**

To authorize appropriations for fiscal year 1999 for the Maritime Administration, and for other purposes.

SEPTEMBER 9, 1998

Reported with amendments