

106TH CONGRESS
1ST SESSION

S. 937

To authorize appropriations for fiscal years 2000 and 2001 for certain maritime programs of the Department of Transportation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 3, 1999

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

A BILL

To authorize appropriations for fiscal years 2000 and 2001 for certain maritime programs of the Department of Transportation, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Maritime Administra-
5 tion Authorization Act for Fiscal Years 2000 and 2001”.

1 **SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**
2 **YEARS 2000 AND 2001.**

3 There are authorized to be appropriated to the Sec-
4 retary of Transportation for the Maritime Administration
5 as follows:

6 (1) For expenses necessary for operations and
7 training activities, not to exceed \$72,164,000 for the
8 fiscal year ending September 30, 2000.

9 (2) For the costs, as defined in section 502 of
10 the Federal Credit Reform Act of 1990, of guaran-
11 teed loans authorized by Title XI of the Merchant
12 Marine Act, 1936, (46 U.S.C. App. 1271 et seq.),
13 \$6,000,000, to be available until expended. In addi-
14 tion, for administrative expenses related to loan
15 guarantee commitments under Title XI of the Mer-
16 chant Marine Act, 1936, (46 U.S.C. App. 1271 et
17 seq.), \$3,893,000.

18 (3) For the fiscal year ending September 30,
19 2001, such sums as may be necessary.

20 **SEC. 3. AMENDMENTS TO TITLE XI OF THE MERCHANT MA-**
21 **RINE ACT, 1936.**

22 (a) Section 1108(a) of the Merchant Marine Act,
23 1936 (46 U.S.C. App. 1279a(a)) is amended by striking
24 from “If the proceeds” through “require: *Provided*, That
25 in the event” and inserting “If the proceeds of an obliga-
26 tion guaranteed under this title are to be used to finance

1 the construction, reconstruction, or reconditioning of a
2 vessel or vessels which will serve as security for the guar-
3 antee of the Secretary, the Secretary is authorized to ac-
4 cept and hold, in escrow under an escrow agreement with
5 the obligor, proceeds of that obligation (together with such
6 interest as may be earned thereon and, if required by the
7 Secretary, an amount equal to 6 month's interest on the
8 obligation). The Secretary may not release funds from the
9 escrow until the Secretary first determines that the obligor
10 has paid its portion of the actual cost of constructing, re-
11 constructing, or reconditioning the vessel or vessels and,
12 second, determines that the funds to be released are need-
13 ed to pay, or make reimbursements in connection with
14 payments previously made to the shipyard or other con-
15 tractors for work performed, or to pay for other approved
16 costs, with respect to the vessel or vessels. If'.

17 (b) Title XI of the Merchant Marine Act, 1936, (46
18 U.S.C. App. 1271 et seq.) is amended by inserting after
19 section 1108 the following:

20 **“SEC. 1109. RESERVE FUNDS AND COLLATERAL ACCOUNTS.**

21 “(a) CREATION OF FUNDS AND ACCOUNTS.—There
22 is hereby established in the Treasury a deposit fund into
23 which the Secretary is authorized to deposit cash belong-
24 ing to an obligor so long as the Secretary has a security
25 interest in such cash. The account shall be governed by

1 the terms of an agreement, as described hereunder, to be
2 entered into by the Secretary and an obligor.

3 “(b) TERMS OF AGREEMENT.—The Secretary and an
4 obligor shall enter into a reserve fund or other collateral
5 account agreement to govern the making of deposits and
6 withdrawals and the retention, use, and reinvestment of
7 the cash deposited under subsection (a). The agreement
8 shall contain such terms and conditions as are further re-
9 quired hereunder and as are considered by the Secretary
10 to be necessary to protect fully the interests of the United
11 States.

12 “(c) INVESTMENT.—The Secretary is authorized to
13 invest and reinvest any part of the cash of a reserve fund
14 or collateral account in obligations of the United States
15 with such maturities that these funds and accounts will
16 be available as required for purposes of the agreement.
17 Cash balances of the deposit fund in excess of current re-
18 quirements shall be maintained in a form of uninvested
19 funds and the Secretary of the Treasury shall pay interest
20 on these funds.

21 “(d) INCOME.—The cash deposited in a reserve fund
22 or collateral account may not be withdrawn without the
23 consent of the Secretary. The Secretary may retain and
24 offset any or all of the cash on deposit in a reserve fund
25 or collateral account, and any income realized thereon, as

1 part of the Secretary's recovery against an obligor that
2 has defaulted on an obligation. In the absence of a default
3 on an obligation, the Secretary may pay any income real-
4 ized on a reserve fund or collateral account in accordance
5 with the terms of the agreement.”.

6 **SEC. 4. AMENDMENTS TO TITLE IX OF THE MERCHANT MA-**
7 **RINE ACT, 1936.**

8 (a) Title IX of the Merchant Marine Act, 1936 (46
9 U.S.C. App. 1241 et seq.) is amended by inserting after
10 section 902 the following:

11 **“SEC. 903. DOCUMENTATION OF CERTAIN DRY CARGO VES-**
12 **SELS.**

13 “(a) IN GENERAL.—The restrictions of section
14 901(b)(1) of this Act concerning the building, rebuilding,
15 or documentation of a vessel in a foreign country shall
16 not apply to dry bulk vessels and breakbulk vessels over
17 5,000 deadweight tons constructed, reconstructed, or ac-
18 quired in a foreign shipyard within 1 year after the date
19 of enactment of the Maritime Administration Authoriza-
20 tion Act for Fiscal Years 2000 and 2001 and before the
21 date of enactment of the OECD Shipbuilding Trade
22 Agreement Act, and transferred to U.S.-flag registry
23 under section 12105 of title 46, United States Code, if—

24 “(1) the vessels have non-emergency shipyard
25 repairs, and other shipyard work necessary to con-

1 form the vessel to U.S.-flag standards, performed in
2 a shipyard of the United States;

3 “(2) the vessels comply with the standards set
4 forth in section 1137 of the Coast Guard Authoriza-
5 tion Act of 1996 (46 U.S.C. App. 1187 note); and

6 “(3) the vessels have not be granted approval
7 under section 9(e) of the Shipping Act, 1916 (as
8 amended by section 1136(b) of the Coast Guard Au-
9 thorization Act of 1996).

10 “(b) APPLICATION OF SECTION 607.—Section 607 of
11 this Act does not apply to vessels the construction, recon-
12 struction, modification, or acquisition of which is described
13 in subsection (a).”.

14 (b) Section 901b(c)(2) of the Merchant Marine Act,
15 1936, (46 U.S.C. App. 1241f(c)(2)) is amended by strik-
16 ing “1986.” and inserting “1986, the 18-month period
17 commencing April 1, 1999, and the 12-month period be-
18 ginning on the first day of October in the year 2000 and
19 each year thereafter.”.

20 **SEC. 5. EXTENSION OF WAR RISK INSURANCE AUTHORITY.**

21 Section 1214 of the Merchant Marine Act, 1936, (46
22 App. U.S.C. 1294) is amended by striking “June 30,
23 2000.” and inserting “June 30, 2005”.

1 **SEC. 6. TRANSPORTATION REPORT ON MARITIME ACTIVI-**
2 **TIES.**

3 Section 208 of the Merchant Marine Act, 1936 (46
4 U.S.C. App. 1118) is amended by striking “1 each” and
5 inserting “1st of each odd-numbered”.

6 **SEC. 7. OWNERSHIP OF THE JEREMIAH O’BRIEN.**

7 Section 3302(l)(1)(C) of title 46, United States Code,
8 is amended by striking “United States Maritime Adminis-
9 tration.” and inserting “National Liberty Ship Memorial,
10 Inc.”.

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