

**Union Calendar No. 104**

103D CONGRESS  
1ST SESSION

**H. R. 1964**

**[Report No. 103-182]**

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**A BILL**

To authorize appropriations for the Maritime Administration for fiscal year 1994, and for other purposes.

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JULY 19, 1993

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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1<sup>ST</sup> SESSION**H. R. 1964****[Report No. 103-182]**

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## IN THE HOUSE OF REPRESENTATIVES

MAY 4, 1993

Mr. LIPINSKI (for himself, Mr. STUDDS, Mr. BATEMAN, Mr. FIELDS of Texas, and Mr. TAUZIN) introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

JULY 19, 1993

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 4, 1993]

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**A BILL**

To authorize appropriations for the Maritime Administration for fiscal year 1994, 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 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Maritime Administra-*  
3 *tion Authorization Act for Fiscal Year 1994”.*

4 **SEC. 2. AUTHORIZATIONS FOR MARITIME ADMINISTRA-**  
5 **TION.**

6 *(a) AUTHORIZATIONS.—In fiscal year 1994, the follow-*  
7 *ing amounts are authorized to be appropriated for the Mar-*  
8 *itime Administration (Department of Transportation):*

9 *(1) Any amounts necessary to liquidate obliga-*  
10 *tions under operating-differential subsidy contracts*  
11 *for the fiscal year 1994 portion of the total contract*  
12 *authority.*

13 *(2) \$41,013,000 for expenses related to man-*  
14 *power, education, and training, including—*

15 *(A) \$28,877,000 for maritime training at*  
16 *the United States Merchant Marine Academy at*  
17 *Kings Point, New York;*

18 *(B) \$10,344,000 for assistance to the State*  
19 *maritime academies (including for reimburse-*  
20 *ment of fuel costs associated with the operation*  
21 *of training vessels), of which \$1,200,000 may be*  
22 *used for training simulators for the State mari-*  
23 *time academies; and*

24 *(C) \$1,792,000 for manpower and addi-*  
25 *tional training.*

1           (3) \$30,713,000 for operating programs, includ-  
2     ing—

3           (A) \$19,989,000 for general administration;

4           (B) \$8,983,000 for development and use of  
5     water transportation systems; and

6           (C) \$1,741,000 for research, technology, and  
7     analysis.

8           (4) \$254,355,000 for expenses related to national  
9     security support capabilities, including—

10          (A) \$6,937,000 for the National Defense  
11     Reserve Fleet;

12          (B) \$1,418,000 for emergency planning and  
13     operations; and

14          (C) \$246,000,000 for the Ready Reserve  
15     Force, including—

16           (i) \$242,000,000 for maintenance and  
17     operations programs in support of the  
18     Ready Reserve Force; and

19           (ii) \$4,000,000 for Ready Reserve  
20     Force facilities.

21           (5) \$4,000,000 to pay administrative costs relat-  
22     ed to new loan guarantee commitments under title XI  
23     of the Merchant Marine Act, 1936 (46 App. U.S.C.  
24     1271 et seq.), relating to Federal ship mortgage insur-  
25     ance.



1           (1) vessel construction and repair technology de-  
2           velopment with an emphasis on improving the pro-  
3           ductivity of United States shipyards through innova-  
4           tive design, engineering, or operations;

5           (2) enhancing the international competitiveness  
6           of domestic shipyards in ship construction and re-  
7           pair;

8           (3) documenting and forecasting international  
9           and domestic trends in ship construction and repair;

10          (4) fostering innovations in the domestic ship-  
11          building marketing system; and

12          (5) providing technical support on shipbuilding  
13          practices.

14          (c) *SUBMISSION OF APPLICATIONS.*—An institution  
15          seeking designation as a National Shipbuilding Enhance-  
16          ment Institute shall submit an application under regula-  
17          tions prescribed by the Secretary.

18          (d) *DESIGNATION CRITERIA.*—The Secretary shall des-  
19          ignate an Institute under this section on the basis of the  
20          following criteria:

21                 (1) The research and extension resources avail-  
22                 able to the designee for carrying out the activities  
23                 specified in subsection (b).

24                 (2) The existence of an established program of  
25                 the designee encompassing research, education, and



1           “(ii) the first issuance of a merchant mariner’s  
2 document under chapter 73 of that title;

3           “(iii) an evaluation or examination for such a  
4 license or merchant mariner’s document conducted be-  
5 fore the end of the period described in subparagraph  
6 (D)(ii); or

7           “(iv) an application for such a license, merchant  
8 mariner’s document, evaluation, or examination.

9           “(B) A State maritime academy shall reimburse quali-  
10 fied individuals under subparagraph (A) to the extent  
11 amounts are available under subparagraph (C).

12           “(C) In addition to annual payments under para-  
13 graph (1)(A) and subject to the availability of appropria-  
14 tions, the Secretary shall annually pay to each State mari-  
15 time academy that enters into an agreement under para-  
16 graph (1) amounts to reimburse qualified individuals under  
17 subparagraph (A).

18           “(D) In this paragraph, the term ‘qualified individual’  
19 means an individual who—

20           “(i) is attending or is a graduate of a State  
21 maritime academy;

22           “(ii) fulfills the requirements for a license or  
23 merchant mariner’s document described in subpara-  
24 graph (A) not later than three months after the date

1        *the individual graduates from a State maritime acad-*  
2        *emy; and*

3            *“(iii) is liable for a fee or charge described in*  
4        *subparagraph (A).”.*

5        *(b) EFFECTIVE DATE.—The amendment made by sub-*  
6        *section (a) is effective October 1, 1993.*

7        *(c) AMENDMENT OF EXISTING AGREEMENTS.—As soon*  
8        *as practicable after the date of the enactment of this Act,*  
9        *the Secretary of Transportation shall amend agreements*  
10       *under section 1304(d) of the Merchant Marine Act, 1936*  
11       *(46 App. U.S.C. 1295c(d)) pursuant to the amendment*  
12       *made by subsection (a).*

13       *(d) ADDITIONAL APPROPRIATIONS AUTHORIZED.—In*  
14       *addition to amounts authorized to be appropriated for as-*  
15       *sistance to State maritime academies, there is authorized*  
16       *to be appropriated \$300,000 for fiscal year 1994 to reim-*  
17       *burse qualified individuals pursuant to the amendment*  
18       *made by subsection (a).*

19       **SEC. 5. NATIONAL MARITIME ENHANCEMENT INSTITUTES.**

20       *Section 8(e) of the Act of October 13, 1989 (46 App.*  
21       *U.S.C. 1121–2(e)), is amended to read as follows:*

22            *“(e) The Secretary may make awards on an equal or*  
23       *partial matching basis to an Institute designated under*  
24       *subsection (a) from amounts appropriated.”.*

1 **SEC. 6. TERMINATION OF CONDITION FOR STATE MARITIME**  
2 **ACADEMY ASSISTANCE.**

3 (a) *IN GENERAL.*—Section 1304(f)(1) of the Merchant  
4 Marine Act, 1936 (46 App. U.S.C. 1295c(f)(1)) is amended  
5 to read as if section 3 of the Act of October 13, 1989 (Public  
6 Law 101–115; 103 Stat. 692), had not been enacted.

7 (b) *EFFECTIVE DATE.*—The amendment made by sub-  
8 section (a) shall be effective October 13, 1989.

9 (c) *CLERICAL AMENDMENTS.*—

10 (1) Section 3 of the Act of October 13, 1989  
11 (Public Law 101–115; 103 Stat. 692), is repealed.

12 (2) Section 706 of the Federal Maritime Com-  
13 mission Authorization Act of 1990 (46 App. U.S.C.  
14 1295c note) is repealed.

15 **SEC. 7. MAINTENANCE CONTRACTS FOR NATIONAL DE-**  
16 **FENSE RESERVE FLEET VESSELS.**

17 The Secretary of Transportation may enter into a con-  
18 tract for the maintenance of the National Defense Reserve  
19 Fleet, including the Ready Reserve Force, only for—

20 (1) the repair, activation, operation, berthing,  
21 towing, or lay-up of a vessel;

22 (2) a vessel used by a State maritime academy;  
23 or

24 (3) obtaining maintenance technical services  
25 when—

- 1           (A) the technical expertise required for that  
2           service is beyond the capabilities of the Fleet  
3           staff or when the Fleet has insufficient personnel  
4           resources to adequately maintain the Fleet; and  
5           (B) the contract does not result in reducing  
6           employment at the Fleet site.

7   **SEC. 8. MAINTENANCE OF READY RESERVE FORCE VESSELS**  
8                           **IN REDUCED OPERATING STATUS.**

9           The Secretary shall, during fiscal year 1994, maintain  
10   in a reduced operating status—

- 11           (1) at least 29 vessels in the Ready Reserve Force  
12           component of the National Defense Reserve Fleet, or  
13           (2) a lesser number of those vessels that the Sec-  
14           retary determines to be practicable based on the ap-  
15           propriations available for that fiscal year for mainte-  
16           nance of vessels in that Force.

17   **SEC. 9. VESSEL REPAIR AND MAINTENANCE PILOT PRO-**  
18                           **GRAM.**

19           (a) *IN GENERAL.*—The Secretary of Transportation  
20   shall conduct a pilot program to evaluate the feasibility of  
21   using long-term contracts for the maintenance and repair  
22   of outported vessels in the Ready Reserve Force to enhance  
23   the readiness of those vessels. Under the pilot program, the  
24   Secretary, subject to the availability of appropriations and

1 *within 6 months after the date of the enactment of this Act,*  
2 *shall award 9 contracts for this purpose.*

3 (b) *USE OF VARIOUS CONTRACTING ARRANGE-*  
4 *MENTS.—In conducting a pilot program under this section,*  
5 *the Secretary of Transportation shall use contracting ar-*  
6 *rangements similar to those used by the Department of De-*  
7 *fense for procuring maintenance and repair of its vessels.*

8 (c) *CONTRACT REQUIREMENTS.—Each contract with*  
9 *a shipyard under this section shall—*

10 (1) *subject to subsection (d), provide for the pro-*  
11 *curement from the shipyard of all repair and mainte-*  
12 *nance (including activation, deactivation, and*  
13 *drydocking) for one vessel in the Ready Reserve Force*  
14 *that is outported in the geographical vicinity of the*  
15 *shipyard; and*

16 (2) *be effective for 3 years.*

17 (d) *LIMITATION ON WORK UNDER CONTRACTS.—A*  
18 *contract under this section may not provide for the procure-*  
19 *ment of operation or manning for a vessel that may be pro-*  
20 *cured under another contract for the vessel to which section*  
21 *11(d)(2) of the Merchant Ship Sales Act of 1946 (50 App.*  
22 *U.S.C. 1744(d)(2)) applies.*

23 (e) *GEOGRAPHIC DISTRIBUTION.—The Secretary shall*  
24 *seek to award contracts under this section to shipyards that*  
25 *are distributed throughout the United States.*

1       (f) *REPORTS.*—*The Secretary shall submit to the Con-*  
2 *gress—*

3           (1) *an interim report on the effectiveness of each*  
4 *contract under this section in providing for economic*  
5 *and efficient repair and maintenance of the vessel*  
6 *covered by the contract, by not later than 20 months*  
7 *after the date of the enactment of this Act; and*

8           (2) *a final report on that effectiveness, by not*  
9 *later than 6 months after the termination of all con-*  
10 *tracts awarded pursuant to this section.*

11 **SEC. 10. GEOGRAPHIC DISTRIBUTION OF READY RESERVE**

12 **FORCE VESSELS.**

13       (a) *REPORT.*—*Not later than 60 days after the date*  
14 *of the enactment of this Act, the Secretary of Transpor-*  
15 *tation shall submit a report to the Congress which describes*  
16 *where vessels in the Ready Reserve Force will be located*  
17 *in fiscal year 1994.*

18       (b) *CONSIDERATION OF PORTS IN LOCATING VES-*  
19 *SELS.*—*In selecting locations where Ready Reserve Force*  
20 *vessels will be outported, the Secretary of Transportation*  
21 *shall consider ports that have historically been involved in*  
22 *outporting of those vessels.*

23 **SEC. 11. MARITIME POLICY REPORT.**

24       (a) *REPORT.*—*The Secretary of Transportation shall*  
25 *transmit to the Congress a report setting forth the Depart-*

1 *ment of Transportation's policies for the 5-year period*  
2 *beginning October 1, 1993, with respect to—*

3 *(1) fostering and maintaining a United States*  
4 *merchant marine capable of meeting economic and*  
5 *national security requirements;*

6 *(2) improving the vitality and competitiveness of*  
7 *the United States merchant marine and the maritime*  
8 *industrial base, including ship repairers, ship-*  
9 *builders, ship manning, ship operators, and ship sup-*  
10 *pliers;*

11 *(3) reversing the precipitous decrease in the*  
12 *number of ships in the United States-flag fleet and*  
13 *the Nation's shipyard and repair capability;*

14 *(4) stabilizing and eventually increasing the*  
15 *number of mariners available to crew United States*  
16 *merchant vessels;*

17 *(5) achieving adequate manning of merchant*  
18 *vessels for national security needs during a mobiliza-*  
19 *tion;*

20 *(6) ensuring that sufficient civil maritime re-*  
21 *sources will be available to meet defense deployment*  
22 *and essential economic requirements in support of our*  
23 *national security strategy;*

24 *(7) ensuring that the United States maintains*  
25 *the capability to respond unilaterally to security*

1 *threats in geographic areas not covered by alliance*  
2 *commitments and otherwise meets sealift requirements*  
3 *in the event of crisis or war;*

4 (8) *ensuring that international agreements and*  
5 *practices do not place United States maritime indus-*  
6 *tries at an unfair competitive disadvantage in world*  
7 *markets;*

8 (9) *ensuring that Federal agencies promote,*  
9 *through efficient application of laws and regulations,*  
10 *the readiness of the United States merchant marine*  
11 *and supporting industries; and*

12 (10) *any other relevant maritime policies.*

13 (b) *DATE OF TRANSMITTAL.*—*The report required*  
14 *under subsection (a) shall be transmitted along with the*  
15 *President's budget submission, pursuant to section 1105 of*  
16 *title 31, United States Code, for fiscal year 1995.*

17 **SEC. 12. PILOT PROGRAM ON SEALIFT TRAINING.**

18 *The Secretary of Transportation shall establish a 3-*  
19 *year pilot program for Sealift Training at the Massachu-*  
20 *setts Maritime Academy.*

21 **SEC. 13. SPECIAL RULE FOR VESSEL CONSTRUCTION GUAR-**  
22 **ANTEES.**

23 (a) *IN GENERAL.*—*Notwithstanding any provision of*  
24 *title XI of the Merchant Marine Act, 1936 (46 App. U.S.C.*  
25 *1271 et seq.), in guaranteeing an obligation under that title*

1 *with amounts appropriated for fiscal year 1994, the Sec-*  
2 *retary of Transportation shall guarantee an amount of*  
3 *principal or interest (or both) that is equal to 87½ percent*  
4 *of the actual cost or depreciated actual cost (as those terms*  
5 *are defined in that title) of the vessel or facility that is used*  
6 *as security for the guarantee.*

7       *(b) EXCEPTION.—Subsection (a) shall not apply to the*  
8 *guarantee of an obligation if the Secretary determines*  
9 *that—*

10               *(1) special economic circumstances exist; and*

11               *(2) there is good cause for guaranteeing a lesser*  
12 *percentage of principal or interest (or both) author-*  
13 *ized by that title.*

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