

**Calendar No. 555**

105th Congress }  
2d Session }

SENATE

{ REPORT  
{ 105-316

**FOILCAT**

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**R E P O R T**

OF THE

**COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION**

ON

**S. 2096**



SEPTEMBER 9, 1998.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

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Mr. MCCAIN, from the Committee on Commerce, Science, and  
Transportation, submitted the following

### REPORT

[To accompany S. 2096]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2096) “A Bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel FOILCAT”, having considered the same, reports favorably thereon with an amendment and recommends the bill as amended do pass.

#### PURPOSE OF THE BILL

S. 2096, as reported, grants coastwise trading privileges to the vessel FOILCAT.

#### BACKGROUND AND NEEDS

Subject to certain limited exceptions, the law known as the Jones Act (section 27 of the Merchant Marine Act, 1920), section 8 of the Act of June 19, 1886, and sections 12106 and 12108 of title 46, U.S. Code, provide that only those vessels built in the United States, continuously documented under the laws of the United States and continuously owned by U.S. citizens may transport merchandise or passengers in the coastwise trade, or engage in the fisheries, of the United States.

Where the facts applicable to a particular vessel suggest the U.S.-built or U.S.-owned requirements have not been satisfied, the Coast Guard may not issue a document granting coastwise trading or fisheries privileges for that vessel unless the requirements of those Acts are statutorily waived.

The vessel FOILCAT, United States official number 1063892, is an 82-foot hydrofoil ferry that was constructed in Norway in 1992.

It is owned by Mr. Steven Loui of Honolulu, Hawaii. The owner intends to use the vessel for ferry service in Hawaii.

Because the vessel is foreign-built, the owner has not been able to obtain coastwise trade privileges for it. Therefore, the owner is seeking a statutory waiver of the Jones Act and other laws for the vessel.

#### LEGISLATIVE HISTORY

S. 2096 was introduced in the Senate on May 20, 1998, by Senator Inouye. In open executive session on July 9, 1998, the Committee considered S. 2096, and ordered the legislation reported favorably without objection and with an amendment.

#### ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, August 3, 1998.*

Hon. JOHN MCCAIN,  
*Chairman, Committee on Commerce, Science, and Transportation  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 2096, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel FOILCAT. S. 2096 was ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 9, 1998.

CBO estimates that enacting S. 2096 would have no significant impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

JUNE E. O'NEILL, *Director.*

#### REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

Because S. 2096 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

## SECTION-BY-SECTION ANALYSIS

The bill consists of one section divided into two subsections.

Subsection (a) provides that, notwithstanding sections 12106 and 12108 of title 46, United States Code, section 8 of the Act of June 19, 1886 (46 U.S.C. App. 289), and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel FOILCAT, United States official number 1063892.

Subsection (b), as amended, provides that the endorsement issued under subsection (a) shall terminate on the last day of the 36th month beginning after the date on which it was issued. As introduced, subsection (b) would have authorized the endorsement to be in effect beginning on the date the vessel is placed in service to initiate a high-speed marine ferry demonstration project and terminating on the last day of the 36th month beginning after that date. Subsection (b) was amended to facilitate the tracking of the vessel's coastwise trade employment eligibility by the United States Coast Guard.

## CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

