

105TH CONGRESS  
2D SESSION

# S. 2064

To prohibit the sale of naval vessels and Maritime Administration vessels for purposes of scrapping abroad, to establish a demonstration program relating to the breaking up of such vessels in United States shipyards, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 12, 1998

Ms. MIKULSKI (for herself, Mr. GLENN, and Mr. SARBANES) introduced the following bill; which was read twice and referred to the Committee on Armed Services

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## A BILL

To prohibit the sale of naval vessels and Maritime Administration vessels for purposes of scrapping abroad, to establish a demonstration program relating to the breaking up of such vessels in United States shipyards, 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. PROHIBITION ON SALE OF NAVAL VESSELS**  
2 **AND MARITIME ADMINISTRATION VESSELS**  
3 **FOR DISMANTLING, BREAKING UP, OR**  
4 **SCRAPPING ABROAD.**

5 (a) PROHIBITION.—Notwithstanding any other provi-  
6 sion of law and except as provided in subsection (b), the  
7 Secretary of the Navy, in the case of vessels under the  
8 jurisdiction of such Secretary, and the Secretary of Trans-  
9 portation, in the case of vessels under the jurisdiction of  
10 the Maritime Administration, may not sell or otherwise  
11 dispose of any such vessel otherwise available for sale or  
12 disposal for purposes of dismantling, breaking up, or  
13 scrapping the vessel outside the United States.

14 (b) EXCEPTION.—A vessel described in subsection (a)  
15 may be sold or otherwise disposed of for purposes of dis-  
16 mantling, breaking up, or scrapping abroad if—

17 (1) the Administrator of the Environmental  
18 Protection Agency certifies to Congress and the Sec-  
19 retaries referred to in subsection (a) that the envi-  
20 ronmental standards imposed by law and enforced in  
21 the country in which the vessel is to be dismantled,  
22 broken up, or scrapped, as the case may be, are  
23 similar to the environmental standards imposed  
24 under United States law; and

25 (2) the Secretary of Labor certifies to Congress  
26 and such Secretaries that such country recognizes

1 internationally recognized worker rights (as that  
2 term is defined in section 507(4) of the Trade Act  
3 of 1974 (19 U.S.C. 2467(4)).

4 **SEC. 2. DEMONSTRATION PROGRAM FOR BREAKING UP**  
5 **NAVAL VESSELS AND MARITIME ADMINIS-**  
6 **TRATION VESSELS IN UNITED STATES SHIP-**  
7 **YARDS.**

8 (a) IN GENERAL.—The Secretary of the Navy shall  
9 carry out a demonstration program in order to assess the  
10 feasibility and advisability of breaking up naval vessels  
11 and Maritime Administration vessels in United States  
12 shipyards. The Secretary shall carry out the demonstra-  
13 tion program in accordance with this section.

14 (b) CONTRACT FOR BREAKING UP.—(1) The Sec-  
15 retary shall carry out the demonstration program by com-  
16 petitively awarding a cost contract to each of two qualified  
17 United States shipyards to break up a group of vessels  
18 consisting of vessels that have been stricken from the  
19 Naval Vessel Register and vessels under the jurisdiction  
20 of the Maritime Administration.

21 (2) Each contract under paragraph (1) shall be for  
22 a term of three years.

23 (3) The aggregate tonnage of the vessels broken up  
24 each year under each contract under paragraph (1) shall  
25 exceed 80,000 tons. The Secretary shall identify the ves-

1 sels to be covered by each contract before awarding the  
2 contract.

3 (4) The Secretary shall award contracts under para-  
4 graph (1) not later than 6 months after the date of enact-  
5 ment of this Act.

6 (5) For purposes of this subsection, the term “quali-  
7 fied United States shipyard” means a United States ship-  
8 yard that—

9 (A) is qualified to construct or repair naval ves-  
10 sels or vessels under the jurisdiction of the Maritime  
11 Administration;

12 (B) is covered by a current Navy Master Ship  
13 Repair Agreement;

14 (C) is in compliance with all applicable Federal,  
15 State, and local license and other requirements relat-  
16 ing to the construction or repair of vessels referred  
17 to in subparagraph (A);

18 (D) has the capacity to provide the facilities  
19 and manpower to perform all the activities required  
20 of a shipyard under a contract under this section,  
21 including the removal of hazardous and controlled  
22 substances (including polychlorinated biphenyls, as-  
23 bestos, and lead paint) in accordance with all appli-  
24 cable Federal, State, and local laws; and

1           (E) has the capacity to perform not less than  
2       75 percent of the man-hours of labor required for  
3       such activities within the shipyard using employees  
4       of the shipyard.

5       (c) SHIPYARD ACTIVITIES.—Each shipyard awarded  
6 a contract under subsection (b) shall—

7           (1) break up and domestically process all scrap  
8       associated with each vessel covered by the contract  
9       in accordance with the terms of the contract;

10          (2) sell or otherwise dispose of such vessel (and  
11       its equipment or other contents) for scrap upon its  
12       breaking up under paragraph (1); and

13          (3) pay to the United States an amount equal  
14       to 50 percent of the amount, if any, by which the  
15       proceeds received by the shipyard for the sale or dis-  
16       posal of such vessel under paragraph (2) exceeds the  
17       cost incurred by the shipyard in carrying out activi-  
18       ties with respect to such vessel under paragraphs (1)  
19       and (2).

20       (d) PERFORMANCE OF ACTIVITIES.—Each shipyard  
21 awarded a contract under subsection (a) shall perform not  
22 less than 75 percent of the man-hours of labor required  
23 for the activities specified under subsection (c) within the  
24 shipyard using employees of the shipyard.

1       (e) REPORT.—Not later than \_\_\_\_ after the date of  
2 enactment of this Act, the Secretary shall submit to Con-  
3 gress a report on the demonstration program. The report  
4 shall—

5           (1) describe the activities under the demonstra-  
6 tion program;

7           (2) assess the feasibility and advisability of  
8 breaking up naval vessels and Maritime Administra-  
9 tion vessels in United States shipyards in light of  
10 such activities; and

11          (3) include such other findings and rec-  
12 ommendations as the Secretary considers appro-  
13 priate.

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