

# Calendar No. 686

106TH CONGRESS  
2D SESSION

# S. 2487

[Report No. 106-345]

To authorize appropriations for Fiscal Year 2001 for certain maritime programs of the Department of Transportation.

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IN THE SENATE OF THE UNITED STATES

MAY 1, 2000

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

JULY 17, 2000

Reported by Mr. MCCAIN, with an amendment

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

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## A BILL

To authorize appropriations for Fiscal Year 2001 for certain maritime programs of the Department of Transportation.

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 Year 2001”.

1 **SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**  
 2 **YEAR 2001.**

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

6 (1) For the expenses necessary for operations  
 7 and training activities, not to exceed \$80,240,000  
 8 for the fiscal year ending September 30, 2001.

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, as amended (46 U.S.C. App.  
 13 1271 et seq.), \$2,000,000, to be available until ex-  
 14 pended. In addition, for administrative expenses re-  
 15 lated to loan guarantee commitments under title XI  
 16 of the Merchant Marine Act, 1936, as amended (46  
 17 U.S.C. App. 1271 et seq.), \$4,179,000.

18 **SEC. 3. DOCUMENTATION OF CERTAIN DRY CARGO VES-**  
 19 **SELS.**

20 (a) IN GENERAL.—Title IX of the Merchant Marine  
 21 Act, 1936 (46 U.S.C. App. 101 et seq.) is amended by  
 22 adding at the end thereof the following:

23 **“SEC. 910. DOCUMENTATION OF CERTAIN DRY CARGO VES-**  
 24 **SELS.**

25 “(a) IN GENERAL.—The restrictions of section  
 26 901(b)(1) of this Act concerning a vessel built in a foreign

1 country shall not apply to a drybulk or breakbulk vessel  
2 over 7,500 deadweight tons that has been delivered from  
3 a foreign shipyard or contracted for construction in a for-  
4 eign shipyard before the earlier of—

5           “(1) the date that is 1 year after the date of  
6           enactment of the Maritime Administration Author-  
7           ization Act for Fiscal Year 2001; or

8           “(2) the effective date of the OECD Ship-  
9           building Trade Agreement Act.

10          “(b) COMPLIANCE WITH CERTAIN U.S.-BUILD RE-  
11          QUIREMENTS.—A vessel timely contracted for or delivered  
12          pursuant to this section and documented under the laws  
13          of the United States shall be deemed to have been United-  
14          States built for purposes of sections 901(b) and 901b of  
15          this Act if—

16               “(1) following delivery by a foreign shipyard,  
17               the vessel has any additional shipyard work nec-  
18               essary to receive a Coast Guard certificate of inspec-  
19               tion performed in a United States shipyard;

20               “(2) the vessel is not documented in another  
21               country before being documented under the laws of  
22               the United States;

23               “(3) the vessel complies with the same inspec-  
24               tion standards set forth for ocean common carriers

1 in section 1137 of the Coast Guard Authorization  
2 Act of 1996 (46 U.S.C. App. 1187 note); and

3 “(4) actual delivery of a vessel contracted for  
4 construction takes place on or before the 3-year an-  
5 niversary of the date of the contract to construct the  
6 vessel.

7 “(e) SECTION 12106(e) OF TITLE 46.—Section  
8 12106(e) of title 46, United States Code, shall not apply  
9 to a vessel built pursuant to this section.”.

10 (b) CONFORMING CALENDAR YEAR TO FEDERAL  
11 FISCAL YEAR FOR SECTION 901B PURPOSES.—Section  
12 901b(e)(2) of the Merchant Marine Act, 1936 (46 U.S.C.  
13 App. 1241f(e)(2)) is amended by striking “1986.” and in-  
14 serting “1986, the 18-month period commencing April 1,  
15 2000, and the 12-month period beginning on the first day  
16 of October in the year 2001 and each year thereafter.”.

17 **SEC. 4. SCRAPPING OF CERTAIN VESSELS.**

18 (a) IN GENERAL.—Section 510(i) of the Merchant  
19 Marine Act, 1936 (46 U.S.C. App. 1160(i)) is amended—

20 (1) by inserting “(1)” before “The Secretary”;

21 and

22 (2) by adding at the end thereof the following:

23 “(2) Notwithstanding any other provision of law, the  
24 following vessels of the National Defense Reserve Fleet

1 may be scrapped in foreign countries under terms and con-  
2 ditions prescribed by the Secretary:

3           ~~“(1) EXPORT CHALLENGER.~~

4           ~~“(2) EXPORT COMMERCE.~~

5           ~~“(3) BUILDER.~~

6           ~~“(4) ALBERT E. WATTS.~~

7           ~~“(5) WAYNE VICTORY.~~

8           ~~“(6) MORMACDAWN.~~

9           ~~“(7) MORMACMOON.~~

10          ~~“(8) SANTA ELENA.~~

11          ~~“(9) SANTA ISABEL.~~

12          ~~“(10) SANTA CRUZ.~~

13          ~~“(11) PROTECTOR.~~

14          ~~“(12) LAUDERDALE.~~

15          ~~“(13) PVT. FRED C. MURPHY.~~

16          ~~“(14) BEAUJOLAIS.~~

17          ~~“(15) MEACHAM.~~

18          ~~“(16) NEACO.~~

19          ~~“(17) WABASH.~~

20          ~~“(18) NEMASKET.~~

21          ~~“(19) MIRFAK.~~

22          ~~“(20) GEN. ALEX M. PATCH.~~

23          ~~“(21) ARTHUR M. HUDDALL.~~

24          ~~“(22) WASHINGTON.~~

25          ~~“(23) SUFFOLK COUNTY.~~

1           ~~“(24) CRANDALL.~~

2           ~~“(25) CRILLEY.~~

3           ~~“(26) RIGEL.~~

4           ~~“(27) VEGA.~~

5           ~~“(28) COMPASS ISLAND.~~

6           ~~“(29) DONNER.~~

7           ~~“(30) PRESERVER.~~

8           ~~“(31) MARINE FIDDLER.~~

9           ~~“(32) WOOD COUNTY.~~

10          ~~“(33) CATAWBA VICTORY.~~

11          ~~“(34) GEN. NELSON M. WALKER.~~

12          ~~“(35) LORAIN COUNTY.~~

13          ~~“(36) LYNCH.~~

14          ~~“(37) MISSION SANTA YNEZ.~~

15          ~~“(38) CALOOSAHATCHEE.~~

16          ~~“(39) CANISTEO.~~

17          ~~“(3) If the Secretary determines that additional ves-~~  
 18 ~~sels in the National Defense Reserve Fleet will become~~  
 19 ~~hazards to navigation or the environment, those vessels~~  
 20 ~~may be scrapped in a manner consistent with this sub-~~  
 21 ~~section.”~~

22          (b) REPORT.—No later than 1 year after the date  
 23 of enactment of this Act, the Administrator of the Mari-  
 24 time Administration shall submit to the congress a report  
 25 on the implementation of the Administration’s program to

1 rid the National Defense Reserve Fleet of obsolete vessels,  
2 including—

3           (1) the number of vessels scrapped to date;

4           (2) the proceeds realized from the sale of ves-  
5 sels to be scrapped; and

6           (3) the number of vessels remaining to be  
7 scrapped.

8           (e) EXTENSION OF DISPOSAL DEADLINE.—Section  
9 6(e)(1)(A) of the National Marine Heritage Act of 1994  
10 (16 U.S.C. 5405(e)(1)(A)) is amended by striking  
11 “2001;” and inserting “2004;”.

12 **SECTION 1. SHORT TITLE.**

13           *This Act may be cited as the “Maritime Administra-*  
14 *tion Authorization Act for Fiscal Year 2001”.*

15 **SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**  
16 **YEAR 2001.**

17           *Funds are hereby authorized to be appropriated, as*  
18 *Appropriations Acts may provide, for the use of the Depart-*  
19 *ment of Transportation for the Maritime Administration*  
20 *as follows:*

21           (1) *For expenses necessary for operations and*  
22 *training activities, not to exceed \$80,240,000 for the*  
23 *fiscal year ending September 30, 2001.*

24           (2) *For the costs, as defined in section 502 of the*  
25 *Federal Credit Reform Act of 1990, of guaranteed*





1 *pursuant to this section and documented under the laws*  
2 *of the United States shall be deemed to have been United-*  
3 *States built for purposes of sections 901(b) and 901b of this*  
4 *Act if—*

5           “(1) *following delivery by a foreign shipyard, the*  
6 *vessel has any additional shipyard work necessary to*  
7 *receive its initial Coast Guard certificate of inspec-*  
8 *tion performed in a United States shipyard;*

9           “(2) *the vessel is not documented in another*  
10 *country before being documented under the laws of the*  
11 *United States;*

12           “(3) *the vessel complies with the same inspection*  
13 *standards set forth for ocean common carriers in sec-*  
14 *tion 1137 of the Coast Guard Authorization Act of*  
15 *1996 (46 U.S.C. App. 1187 note); and*

16           “(4) *actual delivery of a vessel contracted for*  
17 *construction takes place on or before the 3-year anni-*  
18 *versary of the date of the contract to construct the ves-*  
19 *sel.*

20           “(c) *SECTION 12106(e) OF TITLE 46.—Section*  
21 *12106(e) of title 46, United States Code, shall not apply*  
22 *to a vessel built pursuant to this section.”.*

23           “(b) *CONFORMING CALENDAR YEAR TO FEDERAL FIS-*  
24 *CAL YEAR FOR SECTION 901b PURPOSES.—Section*  
25 *901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C*

1 *App. 1241f(c)(2)) is amended by striking “1986.” and in-*  
2 *serting “1986, the 18-month period commencing April 1,*  
3 *2000, and the 12-month period beginning on the first day*  
4 *of October in the year 2001 and each year thereafter.”.*

5 **SEC. 4. SCRAPPING OF CERTAIN VESSELS.**

6       (a) *INTERNATIONAL ENVIRONMENTAL SCRAPPING*  
7 *STANDARD.—The Secretary of State in coordination with*  
8 *the Secretary of Transportation shall initiate discussions*  
9 *in all appropriate international forums in order to estab-*  
10 *lish an international standard for the scrapping of vessels*  
11 *in a safe and environmentally sound manner.*

12       (b) *SCRAPPING OF OBSOLETE NATIONAL DEFENSE*  
13 *RESERVE FLEET VESSELS.—*

14               (1) *DEVELOPMENT OF A SHIP SCRAPPING PRO-*  
15 *GRAM.—The Secretary of Transportation, in consulta-*  
16 *tion with the Secretary of the Navy, the Adminis-*  
17 *trator of the Environmental Protection Agency, the*  
18 *Assistant Secretary for Occupational Safety and*  
19 *Health, and the Secretary of State, shall develop a*  
20 *program within 9 months after the date of enactment*  
21 *of this Act for the scrapping of obsolete National De-*  
22 *fense Reserve Fleet Vessels and report to the Senate*  
23 *Committee on Commerce, Science, and Transpor-*  
24 *tation and the House of Representatives Committee*  
25 *on Armed Services.*

1           (A) *CONTENT.*—*The report shall include in-*  
2 *formation concerning the initial determination*  
3 *of scrapping capacity, both domestically and*  
4 *abroad, development of appropriate regulations,*  
5 *funding and staffing requirements, milestone*  
6 *dates for the disposal of each obsolete vessel, and*  
7 *long term cost estimates for the ship scrapping*  
8 *program.*

9           (B) *ALTERNATIVES.*—*In developing the pro-*  
10 *gram the Secretary of Transportation, in con-*  
11 *sultation with the Secretary of the Navy, the Ad-*  
12 *ministrator of the Environmental Protection*  
13 *Agency, and the Secretary of State shall consider*  
14 *all alternatives and available information*  
15 *including—*

16                   (i) *alternative scrapping sites;*

17                   (ii) *vessel donations;*

18                   (iii) *sinking of vessels in deep water;*

19                   (iv) *sinking vessels for development of*  
20 *artificial reefs;*

21                   (v) *sales of vessels before they become*  
22 *obsolete;*

23                   (vi) *results from the Navy Pilot Scrap-*  
24 *ping Program under section 8124 of the De-*

1            *partment of Defense Appropriations Act,*  
2            *1999; and*

3            *(vii) the Report of the Department of*  
4            *Defense's Interagency Panel on Ship Scrap-*  
5            *ping issued in April, 1998.*

6            (2) *SELECTION OF SCRAPPING FACILITIES.—Not-*  
7            *withstanding the provisions of the Toxic Substances*  
8            *Control Act (15 U.S.C. 2605 et seq.), a ship scrapping*  
9            *program shall be accomplished through qualified*  
10           *scrapping facilities whether located in the United*  
11           *States or abroad. Scrapping facilities shall be selected*  
12           *on a best value basis taking into consideration,*  
13           *among other things, the facilities's ability to scrap*  
14           *vessels—*

15           *(A) economically;*

16           *(B) in a safe and timely manner;*

17           *(C) with minimal impact on the environ-*  
18           *ment;*

19           *(D) with proper respect for worker safety;*

20           *and*

21           *(E) by minimizing the geographic distance*  
22           *that a vessel must be towed when such a vessel*  
23           *poses a serious threat to the environment.*

24           (3) *AMENDMENT OF NATIONAL MARITIME HERIT-*  
25           *AGE ACT.—Section 6(c)(1) of the National Maritime*

1 *Heritage Act of 1994 (16 U.S.C. 5405(c)(1)) is*  
2 *amended—*

3 *(A) by striking “2001” in subparagraph*  
4 *(A) and inserting “2006”; and*

5 *(B) by striking subparagraph (B) and in-*  
6 *serting the following:*

7 *“(B) in the most cost effective manner to the*  
8 *United States taking into account the need for dis-*  
9 *posal, the environment, and safety concerns; and”.*

10 *(4) FUNDING FOR SCRAPPING.—Section*  
11 *2218(c)(1)(E) of title 10, United States Code, is*  
12 *amended by inserting “and scrapping the vessels of”*  
13 *after “maintaining”.*

14 *(c) LIMITATION ON SCRAPPING BEFORE PROGRAM.—*  
15 *Until the report required by subsection (b)(1) is transmitted*  
16 *to the Congress, the Secretary may not proceed with the*  
17 *scrapping of any vessels in the National Defense Reserve*  
18 *Fleet except the following:*

19 *(1) EXPORT CHALLENGER.*

20 *(2) EXPORT COMMERCE.*

21 *(3) BUILDER.*

22 *(4) ALBERT E. WATTS.*

23 *(5) WAYNE VICTORY.*

24 *(6) MORMACDAWN.*

25 *(7) MORMACMOON.*

- 1 (8) *SANTA ELENA.*
- 2 (9) *SANTA ISABEL.*
- 3 (10) *SANTA CRUZ.*
- 4 (11) *PROTECTOR.*
- 5 (12) *LAUDERDALE.*
- 6 (13) *PVT. FRED C. MURPHY.*
- 7 (14) *BEAUJOLAIS.*
- 8 (15) *MEACHAM.*
- 9 (16) *NEACO.*
- 10 (17) *WABASH.*
- 11 (18) *NEMASKET.*
- 12 (19) *MIRFAK.*
- 13 (20) *GEN. ALEX M. PATCH.*
- 14 (21) *ARTHUR M. HUDDALL.*
- 15 (22) *WASHINGTON.*
- 16 (23) *SUFFOLK COUNTY.*
- 17 (24) *CRANDALL.*
- 18 (25) *CRILLEY.*
- 19 (26) *RIGEL.*
- 20 (27) *VEGA.*
- 21 (28) *COMPASS ISLAND.*
- 22 (29) *DONNER.*
- 23 (30) *PRESERVER.*
- 24 (31) *MARINE FIDDLER.*
- 25 (32) *WOOD COUNTY.*

1           (33) *CATAWBA VICTORY.*

2           (34) *GEN. NELSON M. WALKER.*

3           (35) *LORAIN COUNTY.*

4           (36) *LYNCH.*

5           (37) *MISSION SANTA YNEZ.*

6           (38) *CALOOSAHATCHEE.*

7           (39) *CANISTEO.*

8           (d) *BIANNUAL REPORT.*—Beginning 1 year after the  
9 date of enactment of this Act, the Secretary of Transpor-  
10 tation in coordination with the Secretary of the Navy shall  
11 report to Congress biannually on the progress of the ship  
12 scrapping program developed under subsection (b)(1) and  
13 on the progress of any other scrapping of obsolete govern-  
14 ment-owned vessels.

15 **SEC. 5. REPORTING OF ADMINISTERED AND OVERSIGHT**  
16 **FUNDS.**

17           *The Maritime Administration, in its annual report to*  
18 *the Congress under section 208 of the Merchant Marine Act,*  
19 *1936 (46 U.S.C. App. 1118), and in its annual budget esti-*  
20 *mate submitted to the Congress, shall state separately the*  
21 *amount, source, intended use, and nature of any funds*  
22 *(other than funds appropriated to the Administration or*  
23 *to the Secretary of Transportation for use by the Adminis-*  
24 *tration) administered, or subject to oversight, by the Ad-*  
25 *ministration.*

1 **SEC. 6. MARITIME INTERMODAL RESEARCH.**

2 *Section 8 of Public Law 101–115 (46 U.S.C. App.*  
 3 *1121–2) is amended by adding at the end thereof the fol-*  
 4 *lowing:*

5 “(f) **UNIVERSITY TRANSPORTATION RESEARCH**  
 6 **FUNDS.**—

7 “(1) **IN GENERAL.**—*The Secretary may make a*  
 8 *grant under section 5505 of title 49, United States*  
 9 *Code, to an institute designated under subsection (a)*  
 10 *for maritime and maritime intermodal research*  
 11 *under that section as if the institute were a university*  
 12 *transportation center.*

13 “(2) **ADVICE AND CONSULTATION OF MARAD.**—*In*  
 14 *making a grant under the authority of paragraph (1),*  
 15 *the Secretary, through the Research and Special Pro-*  
 16 *grams Administration, shall advise the Maritime Ad-*  
 17 *ministration concerning the availability of funds for*  
 18 *the grants, and consult with the Administration on*  
 19 *the making of the grants.”.*

20 **SEC. 7. MARITIME RESEARCH AND TECHNOLOGY DEVELOP-**  
 21 **MENT.**

22 (a) **IN GENERAL.**—*The Secretary of Transportation*  
 23 *shall conduct a study of maritime research and technology*  
 24 *development, and report its findings and conclusions, to-*  
 25 *gether with any recommendations it finds appropriate, to*



1 *the Congress within 9 months after the date of enactment*  
2 *of this Act.*

3 (b) *REQUIRED AREAS OF STUDY.*—*The Secretary shall*  
4 *include the following items in the report required by sub-*  
5 *section (a):*

6 (1) *The approximate dollar values appropriated*  
7 *by the Congress for each of the 5 fiscal years ending*  
8 *before the study is commenced for each of the fol-*  
9 *lowing modes of transportation:*

10 (A) *Highway.*

11 (B) *Rail.*

12 (C) *Aviation.*

13 (D) *Public transit.*

14 (E) *Maritime.*

15 (2) *A description of how Federal funds appro-*  
16 *priated for research in the different transportation*  
17 *modes are utilized.*

18 (3) *A summary and description of current re-*  
19 *search and technology development funds appro-*  
20 *priated for each of those fiscal years for maritime re-*  
21 *search initiatives, with separate categories for funds*  
22 *provided to the Coast Guard for marine safety re-*  
23 *search purposes.*

24 (4) *A description of cooperative mechanisms that*  
25 *could be used to attract and leverage non-federal in-*

1 *vestments in United States maritime research and*  
2 *technology development and application programs,*  
3 *including the potential for the creation of maritime*  
4 *transportation research centers and the benefits of co-*  
5 *operating with existing surface transportation re-*  
6 *search centers.*

7 *(5) Proposals for research and technology devel-*  
8 *opment funding to facilitate the evolution of Maritime*  
9 *Transportation System.*

10 *(c) AUTHORIZATION OF APPROPRIATIONS.—There are*  
11 *authorized to be appropriated \$100,000 to carry out this*  
12 *section.*

13 **SEC. 8. AUTHORITY TO CONVEY NATIONAL DEFENSE RE-**  
14 **SERVE FLEET VESSEL, GLACIER.**

15 *(a) AUTHORITY TO CONVEY.—Notwithstanding any*  
16 *other law, the Secretary of Transportation may, subject to*  
17 *subsection (b), convey all right, title, and interest of the*  
18 *United States Government in and to the vessel in the Na-*  
19 *tional Defense Reserve Fleet that was formerly the U.S.S.*  
20 *GLACIER (United States official number AGB-4) to the*  
21 *Glacier Society, Inc., a corporation established under the*  
22 *laws of the State of Connecticut that is located in Bridge-*  
23 *port, Connecticut.*

24 *(b) TERMS OF CONVEYANCE.—*

1           (1) *REQUIRED CONDITIONS.*—*The Secretary may*  
2           *not convey the vessel under this section unless the*  
3           *corporation—*

4                   (A) *agrees to use the vessel for the purpose*  
5                   *of a monument to the accomplishments of mem-*  
6                   *bers of the Armed Forces of the United States, ci-*  
7                   *vilians, scientists, and diplomats in exploration*  
8                   *of the Arctic and the Antarctic;*

9                   (B) *agrees that the vessel will not be used*  
10                  *for commercial purposes;*

11                  (C) *agrees to make the vessel available to*  
12                  *the Government if the Secretary requires use of*  
13                  *the vessel by the Government for war or national*  
14                  *emergency;*

15                  (D) *agrees to hold the Government harmless*  
16                  *for any claims arising from exposure to asbestos,*  
17                  *polychlorinated biphenyls, or lead paint after the*  
18                  *conveyance of the vessel, except for claims arising*  
19                  *from use of the vessel by the Government pursu-*  
20                  *ant to the agreement under subparagraph (C);*  
21                  *and*

22                  (E) *provides sufficient evidence to the Sec-*  
23                  *retary that it has available for use to restore the*  
24                  *vessel, in the form of cash, liquid assets, or a*

1           *written loan commitment, financial resources of*  
2           *at least \$100,000.*

3           (2) *DELIVERY OF VESSEL.—If the Secretary con-*  
4           *veys the vessel under this section, the Secretary shall*  
5           *deliver the vessel—*

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

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

9                     (C) *at no cost to the United States Govern-*  
10                    *ment.*

11           (3) *ADDITIONAL TERMS.—The Secretary may re-*  
12           *quire such additional terms in connection with the*  
13           *conveyance authorized by this section as the Secretary*  
14           *considers appropriate.*

15           (c) *OTHER UNNEEDED EQUIPMENT.—If the Secretary*  
16           *conveys the vessel under this section, the Secretary may also*  
17           *convey to the corporation any unneeded equipment from*  
18           *other vessels in the National Defense Reserve Fleet or Gov-*  
19           *ernment storage facilities for use to restore the vessel to mu-*  
20           *seum quality or to its original configuration (or both).*

21           (d) *RETENTION OF VESSEL IN NDRF.—The Secretary*  
22           *shall retain in the National Defense Reserve Fleet the vessel*  
23           *authorized to be conveyed under this section until the earlier*  
24           *of—*

1           (1) *2 years after the date of the enactment of this*  
2     *Act; or*  
3           (2) *the date of the conveyance of the vessel under*  
4     *this section.*

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