

Calendar No. 127

106th Congress }
1st Session }

SENATE

{ REPORT
{ 106-57

**FEDERAL MARITIME COMMISSION
AUTHORIZATION ACT OF 1999**

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 920



MAY 27, 1999.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

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(II)

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MAY 27, 1999.—Ordered to be printed

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

REPORT

[To accompany S. 920]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 920) “A Bill to authorize appropriations for the Federal Maritime Commission for fiscal years 2000 and 2001”, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

PURPOSE OF THE BILL

The primary purpose of H.R. 819 is to authorize funds for the Federal Maritime Commission for fiscal years 2000 and 2001.

BACKGROUND AND NEEDS

The Federal Maritime Commission (FMC) is an independent agency formed in 1961 following the abolition of the Federal Maritime Board. The Commission is responsible for enforcing international shipping rules and regulations involving carriers (container ship operators), shippers (companies owning goods to be transported), and transportation facilitators such as freight forwarders, nonvessel operating common carriers, and customs brokers.

The FMC is composed of five commissioners, appointed by the President by and with the consent of the Senate. The current Chairman of the FMC is the Honorable Harold J. Creel, Jr.

The FMC is primarily engaged in administering the Shipping Act of 1984. However, the FMC also enforces the Foreign Shipping

Practices Act and Section 19 of the Merchant Marine Act, 1920. Under these authorities, the FMC protects shippers and carriers from restrictive or unfair practices of foreign governments and foreign-flag carriers. Under these laws, the FMC has the authority to take action against the offending carriers, including the imposition of per voyage fees and preventing them from operating in trade with the United States. The final major responsibility of the FMC is enforcement of the laws related to cruise vessel financial responsibility. Under sections 2 and 3 of Public Law 89-777, the FMC ensures that cruise vessel operators have sufficient resources to pay judgments to passengers for personal injury or death or for non-performance of a voyage.

The Ocean Shipping Reform Act went into effect May 1, 1999. The Committee intends to review throughout this Congress its impact and the Commission's implementation efforts. In this process, the Committee will consider what resources are necessary for the Commission's efficient administration of the Act.

SUMMARY OF MAJOR PROVISIONS

S. 920 authorizes funding for the activities of the FMC for fiscal year 2000 and 2001. Additionally, the bill amends current law to require that the appointment of the Commission's Chairmanship be subject to Senate confirmation.

LEGISLATIVE HISTORY

The bill was introduced as S. 920 by Subcommittee Chairman Hutchison on April 29, 1999, with Senators McCain, Hollings, and Inouye as cosponsors. The bill was referred to the Committee on Commerce, Science, and Transportation.

On May 5, 1999, the Commerce, Science, and Transportation Committee met to consider S. 920. S. 920 was ordered reported to the Senate as amended by a voice vote in the presence of a quorum.

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, May 12, 1999.

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

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 920, the Federal Maritime Commission Authorization Act of 1999.

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

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 920—Federal Maritime Commission Authorization Act of 1999

Summary: S. 920 would authorize appropriations to the Federal Maritime Commission (FMC) of about \$15.7 million and \$16.3 million for fiscal years 2000 and 2001, respectively. Appropriation of the authorized amounts would result in additional outlays totaling \$32 million over the 2000–2002 period. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 920 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 920 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation). For purposes of this estimate, CBO assumes that S. 920 will be enacted during fiscal year 1999 and that the authorized amounts will be appropriated for each year. The estimate of outlays is based on historical spending patterns of the FMC. Other provisions of the bill would have no impact on the federal budget.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 920 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

	By fiscal years, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
FMC Spending Under Current Law:						
Budget Authority ¹	14	0	0	0	0	0
Estimated Outlays	14	0	0	0	0	0
Proposed Changes:						
Authorization Level	0	16	16	0	0	0
Estimated Outlays	0	15	16	1	0	0
FMC Spending Under S. 920:						
Authorization Level ¹	14	16	16	0	0	0
Estimated Outlays	14	15	16	1	0	0

¹The 1999 level is the amount appropriated for that year.

Previous CBO estimate: On March 2, 1999, CBO prepared a cost estimate for H.R. 819, the Federal Maritime Commission Authorization Act of 1999, as ordered reported by the House Committee on Transportation and Infrastructure on March 2, 1999. Both bills would authorize the same funding levels, and the estimated costs are identical.

Estimate prepared by: Deborah Reis.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

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. 920 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.

S. 920 as reported by the Committee authorizes appropriations to continue existing Federal Maritime Administration Programs and makes only one change to current law.

That change, made by section 3 of the reported bill, requires Senate confirmation of the President's appointment of the Commission's Chairman. This provision will require that any individual nominated by the President to the position provide the Senate with up to date biographical and financial information as requested for consideration. Further, the individual would be required to appear before the Senate Committee on Commerce, Science, and Transportation prior to approval by the Senate.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

This section states that the Act may be cited as the Federal Maritime Commission Authorization Act of 1999.

Sec. 2. Authorization of Appropriations

Section 2 of S. 920 authorizes \$15,685,000 for the activities of the FMC for fiscal year 2000. This is the amount requested for the FMC by the President, with an additional \$385,000 to fund the office of the new Federal Maritime Commissioner when he is confirmed. Section 2 also authorizes \$16,312,000 for the FMC for fiscal year 2001.

Sec. 3. Chairman Designated with Senate Confirmation

Section 3 amends the Reorganization Plan Number 7 of 1961 to require that the Chairmanship of the Commission be appointed by the President with the advice and consent of the Senate.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

REORGANIZATION PLAN NO. 7 OF 1961

§ 102. Composition of the Commission

* * * * *

(b) The **【President】** *President, by and with the advice and consent of the Senate*, shall from time to time designate one of the Commissioners to be the Chairman of the Commission.

