

Public Law 95-177
95th Congress

An Act

Nov. 15, 1977

[H.R. 7278]

To amend section 10 of the Merchant Marine Act, 1936.

Merchant Marine
Act, 1936,
amendment.

Obsolete vessels,
acquisition.
Mariner class
vessels,
exchange.
46 USC 1191.
64 Stat. 1225.
Valuation.

Excess, payment.

46 USC 808,
835.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 510(i) of the Merchant Marine Act, 1936 (46 U.S.C. 1160(i)) is hereby amended to read as follows:

“(i) The Secretary of Commerce is authorized to acquire mariner class vessels constructed under title VII of this Act and Public Law 911, Eighty-first Congress, and other suitable vessels, constructed in the United States, which have never been under foreign documentation, in exchange for obsolete vessels in the National Defense Reserve Fleet. For purposes of this subsection, the trade-in and trade-out vessels shall be valued at the higher of their scrap value in domestic or foreign markets as of the date of the exchange: *Provided*, That in any exchange transactions, the value assigned to the traded-in and traded-out vessels will be determined on the same basis. The value of the traded-out vessels shall be as nearly as possible equal to the value of the traded-in vessel plus the fair value of the cost of towing the traded-out vessel to the place of scrapping. To the extent the value of the traded-out vessel exceeds the value of the traded-in vessel plus the fair value of the cost of towing, the owner of the traded-in vessel shall pay the excess to the Secretary of Commerce in cash at the time of exchange. This excess shall be deposited into the Vessel Operations Revolving Fund and all costs incident to the lay-up of the vessels acquired under this Act may be paid from balances in the Fund. No payments shall be made by the Secretary of Commerce to the owner of any traded-in vessel in connection with any exchange under this subsection. Notwithstanding the provisions of sections 9 and 37 of the Shipping Act, 1916, vessels traded out under this subsection may be scrapped in approved foreign markets. The provision of this subsection (i) as it read prior to the 1975 amendment shall govern all transactions made thereunder prior to that amendment.”

Approved November 15, 1977.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-727 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 123 (1977):
Oct. 25, considered and passed House.
Nov. 1, considered and passed Senate.