



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

July 18, 2007

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

Dear Madam Speaker:

There is transmitted herewith for the consideration of Congress and referral to the appropriate committees a proposed bill

“To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.”

The proposal seeks to enhance the operations of the United States Maritime Administration through amendments and improvements to certain maritime programs. The proposal also authorizes donations of non-retention vessels to foreign Governments.

The proposal would provide the Secretary of Transportation (Secretary) vessel charter authority on a reimbursable basis, as well as the ability to charter vessels to state and local governmental instrumentalities. In accordance with the President’s Fiscal Year 2008 budget, this proposal transfers the bridge administration program from the Department of Homeland Security to the Department of Transportation. The proposal also clarifies the disposal of obsolete governmental vessels.

The proposal would correct a conflict created by the passage of section 3504 of the National Defense Authorization Act of 2007, Public Law 109-364, by making National Defense Reserve Force vessels available to other federal agencies. The proposal would also synchronize the sea trials for Ready Reserve Force vessels with the requirements proscribed by the United States Coast Guard and American Bureau of Shipping regulations.

The proposal would also amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment of emergency war materials imported for use by the Maritime Administration. It would also exempt the Maritime Administration, under certain circumstances, from paying the ad valorem tax on foreign repairs to vessels engaged in national defense activities.

The proposal would allow the Maritime Administration to retain fees assessed pursuant to applications for licenses for ownership, construction and operation of deepwater ports, and allow the Maritime Administration to retain funds routinely collected through the Agency’s program for the administrative waiver of the Coastwise Trade Laws for

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Eligible Vessels. The proposal would allow the Maritime Administration to deposit insurance proceeds and recoveries resulting from accident litigation and arbitration awards from third parties in the Vessel Operations Revolving Fund instead of such funds being deposited into the Treasury, allowing the Agency to be "made whole" for damage to its vessels.

The proposal would amend Title XIII of the Merchant Marine Act, 1936, to exempt Academy graduates who serve on active duty for five years from certain performance service obligations under the commitment agreement requirements. The proposal would also provide compensatory time for nonappropriated fund instrumentality employees of the Department of Transportation, as elected by the individual employee as is already permitted for similarly situated Department of Defense and United States Coast Guard employees. Finally, the proposal would update the codification of Title 46, United States Code by incorporating changes implemented by subsequently enacted laws.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation to Congress, and that its enactment would be in accord with the program of the President.

An identical letter has been sent to the President of the Senate.

Sincerely yours,

A handwritten signature in cursive script that reads "Mary E. Peters". The signature is written in dark ink and is positioned to the right of the typed name below it.

Mary E. Peters

Enclosure

A BILL

To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I – MARITIME ADMINISTRATION

SECTION 101. SHORT TITLE.

This Act may be cited as the “Maritime Administration Enhancement Act of 2007”.

SEC. 102. COMMERCIAL VESSEL CHARTERING AUTHORITY.

(a) Subchapter III of chapter 575 of title 46, United States Code, is amended by adding at the end the following:

“§ 57533. Vessel chartering authority

“The Secretary of Transportation may enter into contracts or other agreements on behalf of the United States to purchase, charter, operate, or otherwise acquire the use of any vessels and any other related real or personal property. The Secretary is authorized to use this authority as the Secretary deems appropriate.”.

(b) The analysis of chapter 575 is amended by adding at the end the following:

“57533. Vessel chartering authority.”.

SEC. 103. MARITIME ADMINISTRATION VESSEL CHARTERING AUTHORITY.

Section 50303 of title 46, United States Code, is amended by:

(1) inserting “vessels,” after “piers,”; and

(2) inserting after the word “control” at the end of subparagraph (a)(1) the phrase “provided that the prior consent of the Secretary of Defense for such use shall be required with respect to any vessel in the Ready Reserve Force or in the NDRF which is maintained in a retention status for DoD.”.

SEC. 104. CHARTERING TO STATE AND LOCAL GOVERNMENTAL INSTRUMENTALITIES.

Section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. § 1744), is amended--

- (1) by deleting the “or” after “Defense;” in paragraph (b)(3);
- (2) by replacing the “.” after “Defense” with “; or” at the end of paragraph (b)(4); and
- (3) by inserting a new paragraph (5) at the end of subsection (b), to read as follows:

“(5) On a reimbursable basis, for charter to the government of any State, locality, or Territory of the United States, provided that the prior consent of the Secretary of Defense for such use shall be required with respect to any vessel in the Ready Reserve Force or in the NDRF which is maintained in a retention status of DoD.”.

SEC. 105. TRANSFER OF BRIDGE ADMINISTRATION PROGRAM AUTHORITY AND FUNCTIONS.

(a) TRANSFER.—

(1) AUTHORITY AND FUNCTIONS.— Notwithstanding section 888(b) of the Homeland Security Act of 2002 (6 U.S.C. § 468(b) or any other provision of law, the authorities of the Secretary of Homeland Security to approve the construction, alteration, or operation of a bridge, drawbridge, or causeway across or over the navigable waters of the United States and to require the alteration, repair, or removal of such bridge, drawbridge, or causeway, pursuant to the Bridge Act of 1906 (34 Stat. 84; 33 U.S.C. § 491 *et seq.*), the General Bridge Act of 1946 (60 Stat. 847, 33 U.S.C. § 525 note), the Truman-Hobbs Act (54 Stat. 497; 33 U.S.C. § 511 *et seq.*), and the International Bridge Act of 1972 (60 Stat. 847; 33 U.S.C. 525 *et seq.*), as well as the functions related thereto, are hereby transferred to the Secretary of Transportation.

(2) TRANSFER AND ADMINISTRATION OF BALANCES.—Any unobligated balances of prior appropriations provided for the alteration of bridges shall be transferred to appropriation accounts for carrying out such activities by the Secretary of Transportation, and the balances so transferred shall be merged with funds in the applicable established accounts and thereafter shall be accounted for, and administered as, one fund.

(3) CERTIFICATION.—Prior to the approval of the construction, alteration, operation, repair, or removal of any bridge, drawbridge, or causeway over the

navigable waters of the United States, the Secretary of Homeland Security shall certify whether such action will unreasonably obstruct navigation or threaten the security of the United States.

(b) LIMITATIONS.—Nothing in this section shall be construed to diminish or affect the authority of—

(1) the Commandant of the Coast Guard to regulate lights and signals on a bridge, drawbridge, or causeway over the navigable waters of the United States pursuant to section 4 of the Bridge Act of 1906 (34 Stat. 84, 85; 33 U.S.C. § 494); or

(2) the Secretary of Homeland Security pursuant to the Maritime Transportation Security Act of 2002 (Public Law 107-295, 116 Stat. 2064) or the Ports and Waterways Safety Act, as amended (33 U.S.C. §§ 1221, *et seq.*)

SEC. 106. DISPOSAL OF OBSOLETE GOVERNMENT VESSELS.

(a) Section 6(c)(1) of the National Maritime Heritage Act of 1994 (16 U.S.C. 5405(c)(1)) is amended by inserting “(either by sale or purchase of disposal services)” after “shall dispose”; and

(b) Section 6(c)(1)(A) of the National Maritime Heritage Act of 1994 (16 U.S.C. 5405(c)(1)(A)) is amended to read as follows:

“(A) in accordance with a priority system for disposing of vessels, as determined by the Secretary, which shall include provisions requiring the Maritime Administration to--

“(i) dispose of all deteriorated high priority ships that are available for disposal, within 12 months of their designation as such; and

“(ii) give priority to the disposition of those vessels that pose the most significant danger to the environment or cost the most to maintain.”.

SEC. 107. VESSEL TRANSFER AUTHORITY.

Section 50304 of title 46, United States Code, is amended by adding the following at the end:

“(d) Vessel Charters to Other Departments.--On a reimbursable or non-reimbursable basis, as determined by the Secretary of Transportation, may charter or otherwise make available a vessel under the jurisdiction of the Secretary of Transportation to any other department, upon the request by the Secretary of the department that receives the vessel, provided that the prior consent of the Secretary of

Defense for such use shall be required with respect to any vessel in the Ready Reserve Force or in the NDRF which is maintained in a retention status for DoD.”.

SEC. 108. SEA TRIALS FOR READY RESERVE FORCE.

Section 11(c)(1)(B) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. § 1744(c)(1)(B)) is amended to read as follows:

“(B) activate and conduct sea trials on each vessel at least once every thirty months;”.

SEC. 109. ELIMINATION OF TARIFFS ON CERTAIN NATIONAL DEFENSE ACTIVITIES.

(a) Duty-Free Treatment for Emergency War Materials Imported for Use by the Maritime Administration--

(1) The superior text to subheading 9808.00.30 of chapter 98 of the Harmonized Tariff Schedule of the United States is amended by inserting ‘or the Maritime Administration’ after ‘departments’.

(2) Subheading 9808.00.30 of chapter 98 of the Harmonized Tariff Schedule of the United States is re-designated as subheading 9808.00.35.

(3) The amendments made by this subsection shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the fifteenth day after the date of enactment of this Act.

(b) Repairs Made to Vessels Operated as Part of the National Defense Reserve Fleet.--Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466) is amended by adding the following at the end:

“(i) National Defense Reserve Fleet Exception.--The duty imposed under subsection (a) shall not apply to any vessel operated as part of the National Defense Reserve Fleet when the vessel is under the operational control of the Department of Defense if equivalent equipment, parts, repair parts, or materials made in the United States, or repairs made in the United States were determined by the Secretary of Transportation not to be reasonably available.”.

SEC. 110. DONATIONS OF NONRETENTION VESSELS TO FOREIGN GOVERNMENTS.

Section 57103 of title 46, United States Code is amended by adding the following at the end:

"(g) Foreign Government Donations.--The Secretary may convey the right, title, and interest of the United States in any vessel of the National Defense Reserve Fleet, which is in non retention status by DoD, that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if--

“(A) the recipient is a foreign government or an instrumentality thereof;
and

“(B) the recipient agrees to such terms and conditions for the transfer as the Secretary may determine.”.

SEC. 111. AVAILABILITY OF FUNDS FROM APPLICATION FEES FOR DEEPWATER PORT LICENSES.

Fees collected pursuant to the processing of applications for licenses for ownership, construction, and operation of deepwater ports, as authorized by section 5 of the Deepwater Port Act of 1974 (33 U.S.C. § 1504), shall be credited to the Maritime Administration for deposit into its operations and training account. Fees credited pursuant to this section shall be used to defray administrative expenses and for enhancements and improvements to the program’s operations, and shall be available until expended.

SEC. 112. AVAILABILITY OF FUNDS FROM ADMINISTRATIVE WAIVERS OF COASTWISE TRADE RESTRICTIONS.

Fees collected pursuant to the processing of Administrative Waivers of the Coastwise Trade Laws for Eligible Vessels, as authorized by title V of the Coast Guard Authorization Act of 1998 (46 U.S.C. §12106 note)--

(1) shall be credited as offsetting collections to the Maritime Administration for deposit into its operations and training account;

(2) shall be available for expenditure to defray administrative expenses and for enhancements and improvements to the program’s operations; and

(3) shall remain available until expended.

SEC. 113. AMENDMENT TO VESSEL OPERATIONS REVOLVING FUND.

Section 50301(g) of title 46, United States Code, is amended by inserting “, or for loss of or damage to,” after “from charter operations of”.

SEC. 114. RESERVE TRAINING COMPLIANCE AND ARMED FORCES PERFORMANCE REPORTING REQUIREMENT FOR UNITED STATES MERCHANT MARINE ACADEMY GRADUATES.

(a) Section 51306 of title 46, United States Code, is amended by deleting subparagraph (a)(4) and replacing it with the following:

“(4) Additional Service Requirements.--In the case of an individual who executes a service obligation agreement under subsection (a) after the date of enactment of the Maritime Administration Enhancement Act of 2007 and becomes a graduate of the Academy, the graduate is subject to the following requirements and considerations:

“(A) The graduate shall serve as a commissioned officer in the United States Navy Reserve (including the Merchant Marine Reserve, United States Navy Reserve), or any other reserve component of an Armed Force of the United States (including the National Guard Reserve) for a total of 8 years following graduation. The graduate is required to serve at least 5 years of such service in a Selected Reserve status. If the graduate leaves the Selected Reserve after (5) years of service, the graduate will remain in an Individual Ready Reserve component until a total of (8) years of reserve service has been completed

“(B) If the graduate is employed in a Maritime Administration-approved sailing position afloat, the Secretary of the Department in which the Reserve service is being served is authorized to and shall make reasonable efforts to adjust such graduate’s reserve duties by reason of such graduate’s work afloat. The Secretary of the Department in which the Reserve service is being served is also authorized to allow any graduate working afloat to enter some other reserve unit in the Armed Forces of the United States for the remainder of the service obligation term or to waive or otherwise modify the provisions of this subparagraph.

“(C) The graduate entering into active duty in an Armed Force of the United States is not required to comply with the requirements of this subparagraph so long as he or she continues to be active duty members of the Armed Forces of the United States.

“(D) The requirements of this subparagraph may be waived or modified by the Secretary of Defense with the consent of the graduate.

“(E) Nothing contained herein shall be construed to require the Armed Forces of the United States to appoint or tender the graduate as a commissioned officer. Such determination shall rest exclusively with the Secretary of the Department in which the commission is being requested.”.

SEC. 115. PROHIBITION AGAINST CARRYING GOVERNMENT IMPELLED CARGOES FOR VESSELS WITH SUBSTANDARD SECURITY MEASURES.

Section 2302 of title 46, United States Code is amended as follows:

(a) in subsection (e)(1)(A), by deleting the word “safety” between “international” and “convention”; and

(b) in subsection (e)(1)(B), by deleting the word “safety” between “international” and “convention”.

SEC. 116. PROHIBITION AGAINST CARRYING GOVERNMENT IMPELLED CARGOES FOR VESSELS THAT FAIL TO COMPLY WITH UNITED STATES TAX LAWS.

Section 2302(e)(1) of title 46, United States Code is amended—

(1) by deleting the “or” at the end of subparagraph (A);

(2) by replacing “.” with “; or” at the end of subparagraph (B); and

(3) by inserting the following at the end:

“(C) the vessel owner or operator has failed to comply with the filing required by section 6012(a) of the Internal Revenue Code of 1986 (26 U.S.C. 6012(a)) and any regulations promulgated there under by the Secretary of the Treasury.”.

SEC. 117. CLARIFYING AMENDMENTS TO TITLE IX, MERCHANT MARINE ACT, 1936, AS CODIFIED.

(a) Subsection 55305(b) of title 46, United States Code, is amended by:

(1) inserting “, organization, or persons” after “foreign country”;

(2) inserting “or obtaining” after “in connection with the furnishing”; and

(3) inserting “, or provides financing in any way with federal funds for the account of any persons unless otherwise exempted,” after “or commodities”.

(b) Subsection 55314(a) of title 46, United States Code, is amended by deleting “calendar” in each place it appears and inserting “fiscal”.

SEC. 118. COMPENSATORY TIME FOR NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES OF THE DEPARTMENT OF TRANSPORTATION.

Notwithstanding the provisions of the Fair Labor Standards Act of 1938, the Secretary of Transportation may, on request of a Maritime Administration employee paid from nonappropriated funds, grant such employee compensatory time off from duty instead of overtime pay for overtime work.

**TITLE II—UPDATE TO THE CODIFICATION OF TITLE 46,
UNITED STATES CODE**

SEC. 201. STATUTORY CONSTRUCTION.

The amendments made by this title make no substantive change in existing law and may not be construed as making a substantive change in existing law.

SEC. 202. PERSONAL INJURY TO OR DEATH OF SEAMEN.

(a) Amendment.--Section 30104 of title 46, United States Code, is amended by striking subsections (a) and (b) and inserting the following:

"(a) Cause of Action.--A seaman injured in the course of employment or, if the seaman dies from the injury, the personal representative of the seaman may bring an action against the employer. In such an action, the laws of the United States regulating recovery for personal injury to, or death of, a railway employee shall apply. Such an action may be maintained in admiralty or, at the plaintiff's election, as an action at law, with the right of trial by jury.

"(b) Venue.--When the plaintiff elects to maintain an action at law, venue shall be in the judicial district in which the employer resides or the employer's principal office is located."

(b) Effective Date.--The amendment made by subsection (a) shall be effective as if included in the enactment of Public Law 109-304.

SEC. 203. AMENDMENTS TO CHAPTER 537 BASED ON PUBLIC LAW 109-163.

(a) Amendments.--Title 46, United States Code, is amended as follows:

(1) Section 53701 is amended by--

(A) redesignating paragraphs (2)-(13) as paragraphs (3)-(14), respectively;

(B) inserting after paragraph (1) the following:

"(2) Administrator.--The term 'Administrator' means the Administrator of the Maritime Administration."; and

(C) amending paragraph (13) (as redesignated) to read as follows:

"(13) Secretary.--The term 'Secretary' means the Secretary of Commerce with respect to fishing vessels and fishery facilities."

(2) Section 53706(c) is amended to read as follows:

"(c) Priorities for Certain Vessels.--

"(1) Vessels.--In guaranteeing or making a commitment to guarantee an obligation under this chapter, the Administrator shall give priority to--

"(A) a vessel that is otherwise eligible for a guarantee and is constructed with assistance under subtitle D of the Maritime Security Act of 2003 (46 U.S.C. 53101 note); and

"(B) after applying subparagraph (A), a vessel that is otherwise eligible for a guarantee and that the Secretary of Defense determines--

"(i) is suitable for service as a naval auxiliary in time of war or national emergency; and

"(ii) meets a shortfall in sealift capacity or capability.

"(2) Time for determination.--The Secretary of Defense shall determine whether a vessel satisfies paragraph (1)(B) not later than 30 days after receipt of a request from the Administrator for such a determination."

(3) Section 53707 is amended in--

(A) subsections (a) and (d), by inserting "or Administrator" after "Secretary" each place it appears;

(B) subsection (b), by striking "Secretary of Transportation" and inserting "Administrator";

(C) subsection (c), by striking "of Commerce"; and

(D) subsection (d)(2), by--

(i) inserting "if the Secretary or Administrator considers necessary," before "the waiver"; and

(ii) striking "the increased" and inserting "any significant increase in".

(4) Section 53708 is amended in--

(A) subsection (a), by striking "Secretary" and "Secretary of Transportation" each place they appear in the heading and in text and inserting "Administrator";

(B) subsections (b) and (c), by striking "of Commerce" each place it appears in a heading and in text;

(C) subsection (d), by--

(i) inserting "or Administrator" after "Secretary" the first place it appears; and

(ii) striking "financial structures, or other risk factors identified by the Secretary. Any independent analysis conducted under this subsection shall be performed by a party chosen by the Secretary." and inserting "or financial structures. A third party independent analysis conducted under this subsection shall be performed by a private sector expert in assessing such risk factors who is selected by the Secretary or Administrator."; and

(D) subsection (e), by--

(i) inserting "or Administrator" after "Secretary" the first place it appears; and

(ii) striking "financial structures, or other risk factors identified by the Secretary" and inserting "or financial structures".

(5) Section 53710(b)(1) is amended by striking "Secretary's" and inserting "Administrator's".

(6) Section 53712(b) is amended by striking the last sentence and inserting "If the Secretary or Administrator has waived a requirement under section 53707(d) of this title, the loan agreement shall include requirements for additional payments, collateral, or equity contributions to meet the waived requirement upon the occurrence of verifiable conditions indicating that the obligor's financial condition enables the obligor to meet the waived requirement.".

(7) Subsections (c) and (d) of section 53717 are amended by striking "of Commerce" each place it appears in a heading and in text.

(8) Section 53732(e)(2) is amended by inserting "of Defense" after "Secretary" the second place it appears.

(9) The following provisions are amended by striking "Secretary" and "Secretary of Transportation" and inserting "Administrator":

(A) Section 53710(b)(2)(A)(i).

(B) Section 53717(b) each place it appears in a heading and in text.

(C) Section 53718.

(D) Section 53731 each place it appears, except where "Secretary" is followed by "of Energy".

(E) Section 53732 (as amended by paragraph (8)) each place it appears, except where "Secretary" is followed by "of the Treasury", "of State", or "of Defense".

(F) Section 53733 each place it appears.

(10) The following provisions are amended by inserting "or Administrator" after "Secretary" each place it appears in headings and text, except where "Secretary" is followed by "of Transportation" or "of the Treasury":

(A) The items relating to sections 53722 and 53723 in the analysis of chapter 537.

(B) Sections 53701(1), (4), and (9) (as redesignated by paragraph (1)(A)), 53702(a), 53703, 53704, 53706(a)(3)(B)(iii), 53709(a)(1), (b)(1) and (2)(A), and (d), 53710(a) and (c), 53711, 53712 (except in the last sentence of subsection (b) as amended by paragraph (6)), 53713 to 53716, 53721 to 53725, and 53734.

(11) Sections 53715(d)(1), 53716(d)(3), 53721(c), 53722(a)(1) and (b)(1)(B), and 53724(b) are amended by inserting "or Administrator's" after "Secretary's".

(b) Repeal of Superseded Amendments.--Section 3507 (except subsection (c)(4)) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) is repealed.

SEC. 204. ADDITIONAL AMENDMENTS BASED ON PUBLIC LAW 109-163.

(a) Amendments.--Title 46, United States Code, is amended as follows:

(1) Chapters 513 and 515 are amended by striking "Naval Reserve" each place it appears in analyses, headings, and text and inserting "Navy Reserve".

(2) Section 51504(f) is amended to read as follows:

"(f) Fuel Costs.--

"(1) In general.--Subject to the availability of appropriations, the Secretary shall pay to each State maritime academy the costs of fuel used by a vessel provided under this section while used for training.

"(2) Maximum amounts.--The amount of the payment to a State maritime academy under paragraph (1) may not exceed--

"(A) \$100,000 for fiscal year 2006;

"(B) \$200,000 for fiscal year 2007; and

"(C) \$300,000 for fiscal year 2008 and each fiscal year thereafter.".

(3) Section 51505(b)(2)(B) is amended by striking "\$200,000" and inserting "\$300,000 for fiscal year 2006, \$400,000 for fiscal year 2007, and \$500,000 for fiscal year 2008 and each fiscal year thereafter".

(4) Section 51701(a) is amended by inserting before the period at the end "and to perform functions to assist the United States merchant marine, as determined necessary by the Secretary".

(5)(A) Section 51907 is amended to read as follows:

"§ 51907. Provision of decorations, medals, and replacements

"The Secretary of Transportation may provide--

"(1) the decorations and medals authorized by this chapter and replacements for those decorations and medals; and

"(2) replacements for decorations and medals issued under a prior law.".

(B) In the analysis of chapter 519, the item relating to section 51907 is amended to read as follows:

"51907. Provision of decorations, medals, and replacements.".

(6)(A) The following new chapter is inserted after chapter 539:

"CHAPTER 541--MISCELLANEOUS

"Sec.

"54101. Assistance for small shipyards and maritime communities."

(B) Section 3506 of the National Defense Authorization Act for Fiscal Year 2006 (46 App. U.S.C. 1249) is transferred to and redesignated as section 54101 of title 46, United States Code, to appear at the end of chapter 541 of title 46, as enacted by subparagraph (A).

(C) The heading of section 54101 is amended to read as follows:

"§ 54101. Assistance for small shipyards and maritime communities".

(D) The table of chapters at the beginning of subtitle V is amended by inserting after the item relating to chapter 539 the following new item:

"541. Miscellaneous 54101".

(b) Repeal of Superseded Amendments.--Sections 515(g)(2), 3502, 3509, and 3510 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) are repealed.

SEC. 205. AMENDMENTS BASED ON PUBLIC LAW 109-171.

(a) Amendments.--Section 60301 of title 46, United States Code, is amended in--

(1) subsection (a), by striking "2 cents per ton (but not more than a total of 10 cents per ton per year)" and inserting "4.5 cents per ton, not to exceed a total of 22.5 cents per ton per year, for fiscal years 2006 through 2010, and 2 cents per ton, not to exceed a total of 10 cents per ton per year, for each fiscal year thereafter,"; and

(2) subsection (b), by striking "6 cents per ton (but not more than a total of 30 cents per ton per year)" and inserting "13.5 cents per ton, not to exceed a total of 67.5 cents per ton per year, for fiscal years 2006 through 2010, and 6 cents per ton, not to exceed a total of 30 cents per ton per year, for each fiscal year thereafter,".

(b) Repeal of Superseded Amendments.--Section 4001 of the Deficit Reduction Act of 2005 (Public Law 109-171) is repealed.

SEC. 206. AMENDMENTS BASED ON PUBLIC LAW 109-241.

(a) Amendments.--Title 46, United States Code, is amended as follows:

(1) Section 12111 is amended by adding at the end the following:

"(d) Activities Involving Mobile Offshore Drilling Units.--

"(1) In general.--Only a vessel for which a certificate of documentation with a registry endorsement is issued may engage in--

"(A) the setting, relocation, or recovery of the anchors or other mooring equipment of a mobile offshore drilling unit that is located over the outer Continental Shelf (as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))); or

"(B) the transportation of merchandise or personnel to or from a point in the United States from or to a mobile offshore drilling unit located over the outer Continental Shelf that is not attached to the seabed.

"(2) Coastwise trade not authorized.--Nothing in paragraph (1) authorizes the employment in the coastwise trade of a vessel that does not meet the requirements of section 12112 of this title."

(2) Section 12139(a) is amended by striking "and charterers" and inserting "charterers, and mortgagees".

(3) Section 51307 is amended by--

(A) striking "and" at the end of paragraph (2);

(B) striking the period at the end of paragraph (3) and inserting "; and"; and

(C) adding at the end the following:

"(4) on any other vessel considered by the Secretary to be necessary or appropriate or in the national interest."

(4) Section 55105(b)(3) is amended by striking "Secretary of the department in which the Coast Guard is operating" and inserting "Secretary of Homeland Security".

(5) Section 70306(a) is amended by striking "Not later than February 28 of each year, the Secretary shall submit a report" and inserting "The Secretary shall submit an annual report".

(6) Section 70502(d)(2) is amended to read as follows:

"(2) Response to claim of registry.--The response of a foreign nation to a claim of registry under paragraph (1)(A) or (C) may be made by radio, telephone, or similar oral or electronic means, and is proved conclusively by certification of the Secretary of State or the Secretary's designee."

(b) Repeal of Superseded Amendments.--Sections 303, 307, 308, 310, 901(q), and 902(o) of the Coast Guard and Maritime Transportation Act of 2006 (Public Law 109-241) are repealed.

SEC. 207. AMENDMENTS BASED ON PUBLIC LAW 109-364.

(a) Updating of Cross References.--Section 1017(b)(2) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364, 10 U.S.C. 2631 note) is amended by striking "section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), section 12106 of title 46, United States Code, and section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)" and inserting "sections 12112, 50501, and 55102 of title 46, United States Code".

(b) Section 51306(e).--

(1) In general.--Section 51306 of title 46, United States Code, is amended by adding at the end the following:

"(e) Service.--

"(1) Service as commissioned officer.--An individual, who has served for a 5-year period following graduation from the Academy, as a commissioned officer on active duty in an armed force of the United States or as a commissioned officer of the National Oceanic and Atmospheric Administration or the Public Health Service shall be excused from the requirements of subsection (a)(3)-(5).

"(2) Modification or waiver.--The Secretary may modify or waive any of the terms and conditions set forth in subsection (a) through the imposition of alternative service requirements."

(2) Application.--Section 51306(e) of title 46, United States Code, as added by this subsection, applies only to an individual who enrolls as a cadet at the United States Merchant Marine Academy, and signs an agreement under section 51306(a) of title 46, after October 17, 2006.

(c) Section 51306(f).--

(1) In general.--Section 51306 of title 46, United States Code, is further amended by adding at the end the following:

"(f) Service Obligation Performance Reporting Requirement.--

"(1) In general.--Subject to any otherwise applicable restrictions on disclosure in section 552a of title 5, the Secretary of Defense, the Secretary of the department in which the Coast Guard is operating, the Administrator of the

National Oceanic and Atmospheric Administration, and the Surgeon General of the Public Health Service--

"(A) shall report the status of obligated service of an individual graduate of the Academy upon request of the Secretary; and

"(B) may, in their discretion, notify the Secretary of any failure of the graduate to perform the graduate's duties, either on active duty or in the Ready Reserve component of their respective service, or as a commissioned officer of the National Oceanic and Atmospheric Administration or the Public Health Service, respectively.

"(2) Information to be provided.--A report or notice under subparagraph (A) shall identify any graduate determined to have failed to comply with service obligation requirements and provide all required information as to why such graduate failed to comply.

"(3) Considered as in default.--Upon receipt of such a report or notice, such graduate may be considered to be in default of the graduate's service obligations by the Secretary, and subject to all remedies the Secretary may have with respect to such a default."

(2) Application.--Section 51306(f) of title 46, United States Code, as added by this subsection, does not apply with respect to an agreement entered into under section 51306(a) of title 46 before October 17, 2006.

(d) Section 51509(c).--Section 51509(c) of title 46, United States Code, is amended by--

(1) striking "Midshipman and" in the subsection heading and "midshipman and" in the text; and

(2) inserting "or the Coast Guard Reserve" after "Reserve)".

(e) Section 51908.--Section 51908 of title 46, United States Code, is amended by striking "under this chapter" and inserting "by this chapter or the Secretary of Transportation".

(f) Section 53105(e)(2).--Section 53105(e)(2) of title 46, United States Code, is amended by striking "section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)," and inserting "section 50501 of this title".

(g) Repeal of Superseded Amendments.--Sections 3505, 3506, 3508, and 3510(a) and (b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) are repealed.

SEC. 208. MISCELLANEOUS AMENDMENTS.

(a) Deletion of Obsolete Reference to Canton Island.--Section 55101(b) of title 46, United States Code, is amended by--

- (1) inserting "or" after the semicolon at the end of paragraph (2);
- (2) striking paragraph (3); and
- (3) redesignating paragraph (4) as paragraph (3).

(b) Improvement of Heading.--Title 46, United States Code, is amended as follows:

(1) The heading of section 55110 is amended by inserting "valueless material or" before "dredged material".

(2) The item for section 55110 in the analysis of chapter 551 is amended by inserting "valueless material or" before "dredged material".

(c) Correction of Unintended Word Change.--Title 46, United States Code, is amended as follows:

(1) Section 80102 is amended--

(A) in the heading, by striking "salvage" and inserting "wreckers"; and

(B) in subsection (a), by striking "salvaging" and inserting "wrecking".

(2) The item for section 80102 in the analysis of chapter 801 is amended by striking "salvage" and inserting "wreckers".

SEC. 209. APPLICATION OF SUNSET PROVISION TO CODIFIED PROVISION.

For purposes of section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (Public Law 108-27, 26 U.S.C. 1 note), the amendment made by section 301(a)(2)(E) of that Act shall be deemed to have been made to section 53511(f)(2) of title 46, United States Code.

SEC. 210. TECHNICAL CORRECTIONS.

(a) Amendments to Title 46.--Title 46, United States Code, is amended as follows:

- (1) The analysis of chapter 21 is amended by striking the item for section 2108.
- (2) Section 12113(g) is amended by inserting "and" after "Conservation".

(3) Section 12131 is amended by striking "commmand" and inserting "command".

(b) Amendments to Public Law 109-304.--

(1) Amendments.--Public Law 109-304 is amended as follows:

(A) Section 15(10) is amended by striking "46 App. U.S.C." and inserting "46 U.S.C. App.".

(B) Section 15(30) is amended by striking "Shipping Act, 1936" and inserting "Shipping Act, 1916".

(C) The schedule of Statutes at Large repealed in section 19, as it relates to the Act of June 29, 1936, is amended by--

(i) striking the second section "1111" (relating to 46 App. U.S.C. 1279f) and inserting section "1113"; and

(ii) striking the second section "1112" (relating to 46 App. U.S.C. 1279g) and inserting section "1114".

(2) Effective date.--The amendments made by paragraph (1) shall be effective as if included in the enactment of Public Law 109-304.

(c) Repeal of Duplicative or Unexecutable Amendments.--

(1) Repeal.--Sections 9(a), 15(21) and (33)(A)-(D)(i), and 16(c)(2) of Public Law 109-304 are repealed.

(2) Intended Effect.--The provisions repealed by paragraph (1) shall be treated as if never enacted.

Section-By-Section Analysis

Title I – Maritime Administration

Section 101. Short Title.

Section 101 states the short title, the “Maritime Administration Enhancement Act of 2007.” (the “Act”).

Section 102. Commercial Vessel Chartering Authority.

Section 102 clarifies the Maritime Administration’s ability to charter commercial vessels to other Federal agencies. Although 46 U.S.C. 56301 authorizes the chartering, requisitioning and purchasing of vessels, this authority may only be used when “the President shall proclaim that the security of the national defense makes it advisable or during any national emergency declared by proclamation...” This provision would allow the Secretary to acquire or otherwise obtain the use of private vessel assets and other related property whenever the Secretary deems such charter to be appropriate, even in the absence of a Presidential proclamation of national emergency. There is no requisitioning authority in this proposed provision, and any acquisition of assets from private interests would be voluntary. Additionally, the authority provided by this section would no longer be limited to the special circumstances triggering the operation of Section 56301.

Section 103. Maritime Administration Vessel Chartering Authority.

Section 103 authorizes the Maritime Administration to operate or lease its own vessels directly, and to obtain reimbursement for their use. Such authority currently exists for assets other than vessels in 46 U.S.C. 50303, previously Section 202 of the Merchant Marine Act, 1936. Section 50303 allows the Secretary to operate or lease any lands, docks, wharves, piers, or real property under the Secretary’s control, and to use money received from such operation or lease for the purposes of the Merchant Marine Act, 1936. Section 103 adds “vessels” to the list of property that may be leased or operated by the Secretary under Section 50303.

Section 104. Chartering Maritime Administration Vessels to State and Local Governmental Instrumentalities.

Section 104 amends the Maritime Administration’s authority to provide its vessels to States, local governments, or U.S. Territories. The Maritime Administration would no longer need to wait for an official declaration of emergency by the President before chartering vessels to State and Local entities requesting the use of its National Defense Reserve Fleet (NDRF) vessels. In the past, the agency has been constrained in its ability to assist State and local entities experiencing emergencies such as hurricanes and other natural disasters because there had been no official Presidential declaration of emergency. Section 104 would allow for a more immediate response by the Maritime Administration

to requests for assistance in instances where time is of the essence. Funds resulting from such charters would be deposited into the Vessel Operations Revolving Fund (VORF), and later used for the maintenance of a more efficient NDRF or the replacement of such vessels.

Section 105. Transfer of Bridge Administration Program Authority and Functions.

The Bridge Administration program was transferred to the Department of Homeland Security when the United States Coast Guard was transferred from the Department of Transportation to the Department of Homeland Security. Section 105 would transfer the Bridge Administration program back to the Department of Transportation, to be administered by the Maritime Administration. Any unused funds related to the Bridge Administration program will also be transferred from the Department of Homeland Security to the Department of Transportation. The Department of Homeland Security retains the lead regarding security related issues that impact the United States so this provision requires a certification from the Department of Homeland Security prior to the approval of any construction, alteration, operation, repair, or removal of any bridge, drawbridge, or causeway over the navigable waters of the United States.

Section 106. Disposal of Obsolete Government Vessels.

Section 106 clarifies that ship disposal transactions include both sales and contracts for services, and also updates references to recently codified sections, and establishes a priority system for disposal.

Section 107. Vessel Transfer Authority.

Section 3504 of the National Defense Authorization Act of 2007, Public Law 109-364, authorized the Secretary “to transfer or otherwise make available without reimbursement to any other department a vessel under the jurisdiction of DOT, upon request by the Secretary of the department that receives the vessel.” However, there continues to be a conflict between Section 3504 (46 U.S.C. 57101), and Section 11(b) of the Merchant Ships Sales Act of 1946 (50 App. U.S.C. 1744(b)), which results in a bar of most uses of NDRF vessels by Federal agencies outside of the Department of Defense (DOD). Section 107 resolves one aspect of this conflict by making vessels available to other Federal agencies a permitted use for NDRF vessels.

Section 108. Sea Trials for Ready Reserve Force Vessels.

Section 108 extends from twenty-four months to thirty months the period of time during which Ready Reserve Force (RRF) vessels must be activated and undergo sea trials. This change would result in greater efficiencies in the management of the RRF, and align the Maritime Administration’s requirement for sea trials with U.S. Coast Guard (USCG) and American Bureau of Shipping (ABS) requirements. In accordance with USCG and ABS regulations, vessels must be dry-docked twice in five years (or approximately every thirty months). Full USCG Certificate of Inspection and ABS

Special Survey cycles are every five years. To fully conduct required tests and validate work that is accomplished during dry-dock availabilities, it is prudent to conduct a sea trial. Aligning the aforementioned requirement with USCG and ABS regulatory requirements will alleviate the need to conduct out of sequence sea trials and eliminate unwarranted expenses to the RRF program.

Section 109. Elimination of Tariffs on Certain National Defense Activities.

Section 109(a) would amend the Harmonized Tariff Schedule of the United States to provide for duty-free treatment of emergency war materials imported for use by the Maritime Administration. This proposal would streamline and make more efficient the Maritime Administration's performance of vital national security functions in its support of DOD.

The Maritime Administration provides assured, responsive shipping to support the deployment of military forces worldwide using its RRF, a component of the NDRF. Maritime Administration's fleet is a key element of the Navy's Strategic Sealift Program. The Maritime Administration maintains 44 RRF vessels in a high state of readiness to provide for the Nation's sealift requirements in times of war or national emergencies. The availability of these vessels is essential to the deployment of DOD forces and equipment. The RRF fleet has been heavily relied upon in the past, including recent activations in support of the war in Afghanistan and activities in Iraq. When deployed, the vessels, maintained by the Maritime Administration, are turned over to the Navy's Military Sealift Command (MSC) for operational control. They do not engage in commercial activities.

Currently, 22 of the vessels that make up the fleet are foreign constructed vessels. Another 22 vessels that are not foreign built are equipped with foreign made items. To maintain the vessels in a constant state of readiness, the Maritime Administration must regularly import foreign-made spare parts, repair parts, equipment and supplies. The Maritime Administration berths vessels along all U.S. coasts; therefore, imports can occur in any U.S. Customs and Border Protection (CBP) region or district.

The imports necessary to maintain this large fleet of vessels have caused the Maritime Administration to incur customs duties over \$1.13 million in the last twelve years. Since the Maritime Administration vessels are maintained for the operational control of MSC, and are required for rapid deployment during national emergencies, the supplies and equipment needed to maintain the vessels should be accorded the same type of duty-free exemption for emergency war materials that is extended to DOD. Other vessels owned by the United States are not required to pay this duty because it applies only to USCG documented vessels. As required by law, the Maritime Administration's NDRF and RRF vessels are inspected by the USCG and thus must be documented by the USCG. Additionally, vessels documented under the laws of the United States are subject to the duty on foreign repairs. Section 109(b) would amend 19 U.S.C. 1466 by adding a new subsection to exempt activated NDRF vessels from paying duties on repairs made in foreign countries.

Due to the varying nature of their missions, NDRF/RRF vessels are frequently deployed overseas for extended periods, making periodic foreign repairs unavoidable. Because NDRF/RRF vessels are documented vessels, they are required to pay an ad valorem tax of 50 percent of the cost of any repairs received abroad. Payment of the tax is an unnecessary and substantial drain on the Maritime Administration, DOD and CBP resources. These ships do not engage in commercial activities.

FISCAL YEAR	TOTAL, Ad Valorem Taxes Paid on Foreign Repairs to
	RRF Vessels
2000	\$ 367,242.76
2001	\$ 32,430.02
2002	\$ 16,995.47
2003	\$ 96,379.21
2004	\$ 247,837.41
2005	\$ 485,674.56
Total, all years	\$ 1,245,559.43

Although the ad valorem tax is intended to serve as an incentive for vessel operators to repair their vessels in United States shipyards, the provision is not practical when applied to government-owned vessels engaged in national security functions. Furthermore, under 10 U.S.C. 7310, vessels under the jurisdiction of the Secretary of the Navy are prohibited from making foreign repairs other than voyage repairs. Because activated NDRF/RRF vessels fall under the operational control of the Navy, section 7310 of title 10, United States Code, provides sufficient protection to U.S. shipyards without impinging upon the operational efficiencies and national security objectives of the Maritime Administration's vessels.

Section 109(b) would exempt the Maritime Administration from the ad valorem tax and eliminate the costs of processing the associated paperwork, thereby streamlining and making more efficient the agency's performance of vital national security functions in its support of DOD.

Section 110. Donations of Nonretention Vessels to Foreign Governments.

Section 110 provides the Maritime Administration with general authority to donate obsolete Government vessels to foreign Governments, upon the request of a foreign Government. Such an approach is consistent with the Maritime Administration's existing authority to donate vessels to States, Commonwealths, and nonprofit organizations. Additionally, authorizing the Maritime Administration to donate obsolete vessels to foreign Governments will relieve Congress of the need to permit such transfers on an ad hoc basis. This provision applies only to the donation of nonretention vessels and has the added benefit of saving the Maritime Administration the cost of disposing these vessels.

Section 111. Availability of Funds from Application Fees for Deepwater Port Licenses.

Section 111 authorized the Maritime Administration to retain fees assessed pursuant to applications for licenses for ownership, construction, and operation of deepwater ports. The agency does not currently have the authority to retain fees paid by applicants for deepwater port licenses, despite incurring significant administrative expenses related to processing of deepwater port licensing applications. Nor does the Maritime Administration receive a specific appropriation for administration of the Deepwater Ports Licensing Program. Permitting the retention of application fees would allow the agency to defray administrative expenses and perform periodic enhancements and improvements to the program's operations.

Section 112. Availability of Funds from Administrative Waivers of Coastwise Trade Restrictions.

Section 112 authorizes the Maritime Administration to retain application fees collected for the processing of administrative waivers of the coastwise trade laws for certain eligible vessels. The agency is authorized to waive the U.S.-build requirements for certain, small vessels seeking to participate in the coastwise trade. Under this administrative waiver program, applicants are required to pay a \$300 application fee as part of the waiver process. However, the Maritime Administration currently is not permitted to retain those funds, which must be deposited into the General Fund of the Treasury, despite the administrative costs incurred in processing the applications. Permitting retention of waiver funds would allow the agency to defray administrative expenses and perform periodic enhancements and improvements to the program's operations, including technology upgrades to increase processing efficiency and security. It is estimated that the program generates approximately \$45,000 per year.

Section 113. Amendment to Vessel Operations Revolving Fund.

Section 113 would authorize the Maritime Administration to deposit insurance proceeds and recoveries resulting from accident litigation and arbitration awards from

third parties into the VORF. At present, when another vessel collides with an NDRF vessel, the agency must find funding to repair its damaged vessel. Additionally, all recoveries from litigation must be deposited into the Treasury as miscellaneous receipts, after repayment to the Department of Justice for the costs of litigation. This provision would allow the Maritime Administration to use proceeds to “make whole” damaged property and to improve the profile of its fleet, when appropriate.

Section 114. Reserve Training Compliance and Armed Forces Performance Reporting Requirement for United States Merchant Marine Academy Graduates.

Section 114 amends subsection 51306(a)(4) of title 46, with respect to performance service obligations under the commitment agreements entered into by United States Merchant Marine Academy (USMMA, Academy) upon graduation. Future USMMA graduates would be required to serve eight (8) years of reserve service in either the Selective Reserve or the Individual Ready Reserve. In addition, this provision requires future graduates, who leave active duty prior to the completion of their five (5) year commitment, to remain in the Individual Ready Reserve until their total service commitment equals eight (8) years. However, the provision authorizes the Secretary of the Department in which a graduate’s reserve duty is being served to make reasonable efforts to adjust the reserve duties of graduates employed in a Maritime Administration approved sailing position afloat.

Section 115. Prohibition Against Carrying Government Impelled Cargoes for Vessels with Substandard Security Measures.

Current law prevents vessels that have been detained by the USCG for violations of international safety agreements from being allowed to carry U.S. Government impelled cargoes for up to one year after the detention. With the continuing growth of international security standards since 9/11, this section needs to be updated to provide the Secretary with the authority to also exclude vessels from the carriage of U.S. Government impelled cargoes that have been detained and determined to be substandard for violations of security standards contained within international agreements to which the United States is a party. As the U.S. Department of Homeland Security suggested, changing the language to say “international conventions” to which the United States is a party will accomplish this purpose.

Section 116. Prohibition Against Carrying Government Impelled Cargoes for Vessels that Fail to Comply with United States Tax Laws.

Vessel operators who comply with U.S. laws are placed at a competitive disadvantage by those who do not comply. Most often the disadvantaged vessels are the U.S.-flagged vessels important to supporting our military logistics. United States tax law requires that vessel operators trading to and from the United States obtain a Federal tax ID. They must file and pay taxes unless they have one of the many tax exemptions which are obtained by filing. There are more than 7,000 carrier companies and 19,000 vessels operating in the trade to and from the United States. However, there are only about 2,000

vessel operators filing U.S. tax returns. The Internal Revenue Service and the Maritime Administration believe this legislation serves several purposes: (1) the U.S. Government will no longer be paying tax evaders to carry U.S. government cargo; (2) it will help level the competitive playing field for those vessel operators who abide by U.S. tax law; (3) it will assist in deterring the use of foreign vessels to fund criminal and terrorist activities with U.S. government funds; and, (4) it will help prevent a continuing drain on the U.S. Treasury.

The information requested does not place an onerous burden on any agency or logistician. It merely requires a statement certifying compliance be placed in the booking note or contract, as is now done with the substandard vessel certification for example, and to have the agency/logistician record the federal tax ID number. All agencies currently record the value of the transportation they finance and can easily provide a printout at year end. This information is not available from any other source. The transportation value is not on the Shipper Export Declaration (SED) or any other form collected by Census or CBP or other agency, nor are all persons even required to file SEDs.

Section 117. Clarifying Amendments to Title IX, Merchant Marine Act, 1936.

The changes in this section would clarify the wording of section 901(b)(1) of the Merchant Marine Act, 1936, and resolve confusion and disputes between shippers. For example, the Federal Highway Administration has stated that it does not have authority to apply cargo preference to imports which it funds via non-federal organizations or persons. Conversely, the Federal Transit Administration states that it does have such authority. When both agencies are providing funding for the same or similar projects, it causes confusion for recipients of the federal funds. Clarifying that cargo preference law applies to any person or organization receiving federal funding, unless they are otherwise exempted, will eliminate such confusion.

Section 117(b) makes a technical correction by conforming the cargo preference year to the fiscal year, as set forth in section 901b of the Merchant Marine Act, 1936. This is accomplished by simply replacing the word “calendar” with the word “fiscal”.

Section 118. Compensatory Time for Nonappropriated Fund Instrumentality Employees of the Department of Transportation.

Section 119 would authorize the Maritime Administration to give Nonappropriated Fund Instrumentality (NAFI) employees, mostly located at the USMMA, compensatory time instead of overtime pay, when appropriate. This provision mirrors recently-enacted authority provided to DOD NAFI employees, and would provide the Maritime Administration with added flexibility in the management of its resources.

Title II -- Update to the Codification of Title 46, United States Code

Section 201. Statutory Construction.

Section 201 seeks to clarify that the amendments made by title XI of this bill make no substantive change to existing law. Various provisions of maritime law were codified as part of title 46, United States Code, by Public Law 109-304, enacted October 6, 2006. Section 18(a) of that law provided that it was codifying existing law as in effect on April 30, 2005, and that any amendments to such law enacted after that date should be given effect even though not reflected in the text of the newly codified provisions. This title updates the newly codified provisions to reflect those amendments. It also amends certain of those provisions based on public comments to the codification bill that were submitted too late to be reflected in that bill, and makes technical corrections to Public Law 109-304.

Section 202. Personal Injury to or Death of Seamen.

Section 202 improves the language of section 30104 of title 46, which codified section 20(a) of the Act of March 4, 1915, as amended by section 33 of the Act of June 5, 1920 (former 46 App. U.S.C. 688(a)). The amendment is intended to ensure that the codification of that provision does not result in any inadvertent substantive change. Section 30104 is intended to have the same meaning as former section 20(a), as interpreted by the courts. The amendment is made retroactive to the date of the codification by Public Law 109-304 to further ensure that no inadvertent substantive change was made, even temporarily, by that codification.

Section 203. Amendments to Chapter 537 Based on Public Law 109-163.

Section 203 updates chapter 537 of title 46, relating to ship mortgage loans and guarantees, to reflect the amendments made by section 3507 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163).

Section 204. Additional Amendments Based on Public Law 109-163.

Section 204 updates various provisions codified in title 46 to reflect the amendments made by sections 515(g)(2), 3502, 3509, and 3510 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163). It also adds a new section 54101 to title 46 based on section 3506 of that Act.

Section 205. Amendments Based on Public Law 109-171.

Section 205 updates section 60301 of title 46 to reflect the amendments made by section 4001 of the Deficit Reduction Act of 2005 (Public Law 109-171).

Section 206. Amendments Based on Public Law 109-241.

Section 206 updates various provisions codified in title 46 to reflect the amendments made by sections 303, 307, 308, 310, 901(q), and 902(o) of the Coast Guard and Maritime Transportation Act of 2006 (Public Law 109-241).

Section 207. Amendments Based on Public Law 109-364.

Section 207 updates cross references in section 1017(b)(2) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364, 10 U.S.C. 2631 note) to reflect the codification in title 46 of the provisions referenced.

This section also updates various provisions codified in title 46 to reflect the amendments made by sections 3505, 3506, 3508, and 3510(a) and (b) of that Act.

Section 208. Miscellaneous Amendments.

Section 208 deletes the reference to Canton Island in section 55101(b) of title 46 because Canton Island is no longer a territory or possession of the United States. It also amends section 55110 to improve the heading and, in section 80102, substitutes the words "salvage" and "salvaging" for "wreckers" and "wrecking".

Section 209. Application of Sunset Provision to Codified Provision.

Section 301(a)(2)(E) of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (Public Law 108-27) amended the second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936 (former 46 App. U.S.C. 1177(h)(6)(A)), by striking "20 percent" and inserting "15 percent". However, section 303 of that amending law provided that the amendment shall not apply to taxable years beginning after December 31, 2008, and that the Internal Revenue Code of 1986 shall be applied to such years as if the amendment had never been enacted. The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, was codified in section 53511(f)(2) of title 46. The purpose of this section is to ensure that the tax rate in section 53511(f)(2) is the same as it would have been under former section 607(h)(6)(A). This section does not amend section 53511(f)(2) directly in case of any further amendment to section 303 of Public Law 108-27.

Section 210. Technical Corrections.

This section makes technical corrections to Public Law 109-304 and to provisions enacted or amended by that law.

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