

Public Law 86-607

AN ACT

July 7, 1960
[H. R. 10644]

To amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title, and for other purposes.

Merchant Marine
Act, 1936, amend-
ment.
49 Stat. 1996.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective only as provided in section 2 of this Act section 502 of the Merchant Marine Act, 1936 (46 U.S.C. 1152), is amended by—

(1) striking out the second, third, and fourth sentences in subsection (b) and inserting in lieu thereof the following: "The construction differential approved by the Commission shall not exceed 55 per centum of the construction cost of the vessel paid by the Commission (excluding the cost of national defense features as above provided). Where the Commission finds that the construction differential exceeds 55 per centum of such cost, the Commission may negotiate and contract on behalf of the applicant to build such vessel in a domestic shipyard at a cost which will reduce the construction differential to 55 per centum or less."; and

(2) striking out "50 per centum" in the last sentence in subsection (d) and inserting in lieu thereof "55 per centum".

Effective date.

SEC. 2. The amendment made by this Act shall be effective only with respect to any contract entered into not later than two years after the date of enactment of this Act under the provision of section 502 of the Merchant Marine Act, 1936, with respect to the construction of a vessel the keel of which was laid after June 30, 1959, and the Federal Maritime Board may, with the consent of the parties thereto, modify any such contract entered into prior to the date of enactment of this Act to the extent authorized by the amendment made by this Act.

Free or reduced-
rate transporta-
tion.

Restriction.
39 Stat. 728; 49
Stat. 1985.
46 U.S.C. 842,
1245.

SEC. 3. No common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other Act; shall directly or indirectly issue any ticket or pass for free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their immediate families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its territories and possessions; except that this restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons, and persons rescued at sea, and except that this restriction shall not apply to persons referred to in section 405(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1145(B)), relating to steamship companies carrying mails of the United States: *Provided*, That nothing in this section shall prevent the United States Government from entering into contractual arrangements with said companies for reduced transportation rates involving the traveling expenses of those Government employees (military or civilian) or their families, when such transportation costs are paid for by the United States Government. Any person or corporation who knowingly violates this section shall upon conviction thereof be fined not less than \$500 nor more than \$10,000 at the discretion of the courts for each such violation.

Penalty.

Approved July 7, 1960.