

The original documents are located in Box 49, folder “7/6/76 HR5630 Federal Boat Safety Act Authorization” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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8/16/76

APPROVED
JUL 6 - 1976

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day: July 7

July 2, 1976

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

H.R. 5630 - Federal Boat Safety Act Authorization

Attached for your consideration is H.R. 5630, sponsored by Representative Sullivan. The enrolled bill would authorize appropriations of \$22.5 million for the transition quarter and fiscal years 1977-79 for Federal assistance to State boating safety programs.

Additional provisions of the enrolled bill are discussed in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 5630 at Tab B.



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Archives
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A



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 5630 - Federal Boat Safety Act
Authorizations
Sponsor - Rep. Sullivan (D) Missouri

Last Day for Action

July 7, 1976 - Wednesday

Purpose

To authorize appropriations of \$22.5 million for the transition quarter and fiscal years 1977-1978 for Federal assistance to State boating safety programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of Transportation	Approval
National Transportation Safety Board	Approval
Department of Commerce	No objection
Department of the Treasury	Defers

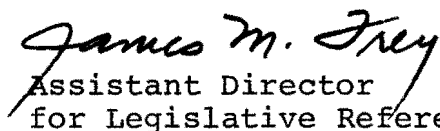
Discussion

H.R. 5630 would extend through fiscal year 1978 the Federal Boat Safety Act of 1971. It would authorize appropriations of \$2.5 million for the transition quarter and \$10 million for each of fiscal years 1977 and 1978 to provide Federal assistance to State boating safety programs. The Administration had requested authorizations of \$1.5 million for the transition quarter and \$7.5 million for each of fiscal years 1977 and 1978.

The Federal Boat Safety Act of 1971 established a five-year program, through June 30, 1976, to improve boating safety and to encourage and assist participation by the States, boating industry and public in the development of boating safety programs. It authorized Federal matching grants to States starting out at 75% and phasing down to 33-1/3% by the end of the five-year program.

The enrolled bill would extend the Act for an additional 2 years with the current 1/3 Federal - 2/3 State financing for the grant program. Although the authorization levels are higher than requested by the Administration, this is not a serious problem since the appropriation levels traditionally have been considerably lower than the authorization levels. For the transition quarter, \$1.45 million has been appropriated (P.L. 94-303). The House has passed and the Senate has reported a DOT appropriations bill for fiscal year 1977 containing a level of \$5.79 million for this program. (H.R. 14234)

In addition, the enrolled bill would authorize the Secretary of Transportation to expend up to 1-1/4% of the appropriated funds for audit expenses incurred under the program. This provision was requested by the Administration.


Assistant Director
for Legislative Reference

Enclosures

B

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 1

Time: 100pm

FOR ACTION: Judy Hope *JH*
Max Friedersdorf *mf*
Ken Lazarus *kl*

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 2

Time: noon

SUBJECT:

H.R. 5630 - Federal Boat Safety Act Authorizations

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

JUN 25 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

Reference is made to your request for the views of the Department of Transportation concerning H.R. 5630, an enrolled bill

"To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs."

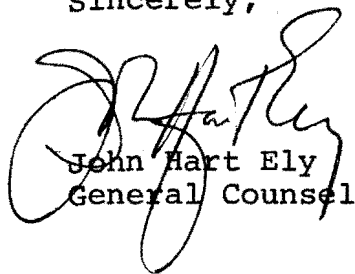
H.R. 5630 would extend the authorization for appropriations for Federal financial assistance to State boating safety programs through fiscal year 1978. The enrolled bill authorizes an appropriation of \$2,500,000 for the transition period of July 1, 1976, through September 30, 1976, and \$10,000,000 for each of the fiscal years 1977 and 1978. The Administration's proposal, contained in H.R. 9375, would have authorized \$1,500,000 for the transition period and \$7,500,000 for each of the fiscal years 1977 and 1978.

H.R. 5630 contains an authorization to expend funds for auditing expenses not to exceed 1 1/4% of funds appropriated under the boating safety program. This is essential for proper administration of the program. The enrolled bill also maintains a maximum Federal share of 33 1/3% of the total annual cost of State boating programs. This Federal share is sufficient to encourage continued improvement of state boating programs. These provisions of the enrolled bill conform to Administration proposals.

Though the enrolled bill contains a modest increase in authorization over the Administration proposal, actual expenditures are still subject to limitations that may be established in the appropriations process. For the July 1, 1976 through September 30, 1976 transition period, \$1,450,000 has been appropriated (P.L. 94-303). The Department's fiscal year 1977 appropriations bill, H.R. 14234, as reported by the House Committee on Appropriations, includes \$5,790,000 for this program. This is identical to the amount appropriated for fiscal years 1975 and 1976.

For the above reasons, the Department of Transportation recommends that the President sign the enrolled bill.

Sincerely,



John Hart Ely
General Counsel



Office of
Chairman

National Transportation Safety Board

Washington, D.C. 20594

JUN 29 1976

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D. C. 20530

Dear Mr. Frey:

This is in reply to your request for comments on H. R. 5630, an enrolled bill "To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs."

The National Transportation Safety Board favors a 2-year extension of financial assistance through FY 1976 and FY 1977 and an annual funding increase from \$7,500,000 to \$10,000,000 in support of State boating safety programs. Accordingly, we recommend approval of H. R. 5630.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Webster B. Todd, Jr.", written over a horizontal line.

Webster B. Todd, Jr.
Chairman



**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

JUN 25 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

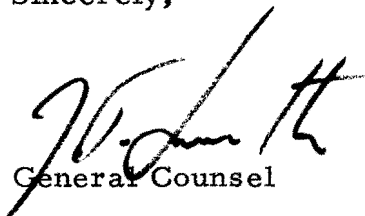
This is in reply to your request for the views of this Department concerning H. R. 5630, an enrolled enactment

"To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs."

The Department of Commerce would have no objection to approval by the President of H. R. 5630.

Enactment of this legislation will not involve any expenditure of funds by this Department.

Sincerely,


General Counsel





THE DEPUTY SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

JUN 24 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 5630, "To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs."

The enrolled enactment would amend section 28(a) of the Federal Boat Safety Act of 1971 to provide that the Federal share of the annual cost of a State's boating safety program may not exceed 33-1/3 per centum during the fiscal transition period of July 1, 1976 to September 30, 1976, and each of the two succeeding fiscal years. It would also authorize appropriations, to remain available until expended, of \$2,500,000 for the fiscal transition period, and \$10,000,000 each for fiscal years 1977 and 1978 for State boating safety programs. The present authorization expires at the end of fiscal year 1976. The Department of Transportation submitted legislation to extend the program through fiscal year 1978 with authorizations of \$1,500,000 for the transition period, and \$7,500,000 for each of fiscal years 1977 and 1978.

The House passed H.R. 5630 with the \$2,500,000, and \$10,000,000 authorizations. In a March 5, 1976 letter to the Senate Commerce Committee which appears in the Senate Report on the bill (S. Rept. 94-867), the Secretary of Transportation stated that he would have no objection to the House-passed bill if it were amended to provide for the lower authorizations.

In view of the foregoing, the Department defers to the recommendations of the Department of Transportation and the Office of Management and Budget on the issue of whether the amount authorized for boating safety programs by the enrolled enactment is sufficient grounds for a veto by the President.

Sincerely yours,

A handwritten signature in black ink, appearing to read "George H. Dixon". The signature is fluid and cursive, with a large initial "G" and "D".

George H. Dixon

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 1

Time: 100pm

FOR ACTION: Judy Hope
Max Friedersdorf
Ken Lazarus

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 2

Time: noon

SUBJECT:

H.R. 5630 - Federal Boat Safety Act Authorizations

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

No objection -- Ken Lazarus 7/2/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 1

Time: 100pm

FOR ACTION: Judy Hope
Max Friedersdorf
Ken Lazarus

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 2

Time: noon

SUBJECT:

H.R. 5630 - Federal Boat Safety Act Authorizations

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

July 2, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *ML. 6*
SUBJECT: HR 5630 - Federal Boat Safety Act Authorizations

The Office of Legislative Affairs concurs with the agencies that the subject bill be signed.

Attachments

7/6

Ron -

Some more!

Kate

To -
J. Conaway
7-1-76
109.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 5630 - Federal Boat Safety Act
Authorizations
Sponsor - Rep. Sullivan (D) Missouri

Last Day for Action

July 7, 1976 - Wednesday

Purpose

To authorize appropriations of \$22.5 million for the transition quarter and fiscal years 1977-1978 for Federal assistance to State boating safety programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of Transportation	Approval
National Transportation Safety Board	Approval
Department of Commerce	No objection
Department of the Treasury	Defers

Discussion

H.R. 5630 would extend through fiscal year 1978 the Federal Boat Safety Act of 1971. It would authorize appropriations of \$2.5 million for the transition quarter and \$10 million for each of fiscal years 1977 and 1978 to provide Federal assistance to State boating safety programs. The Administration had requested authorizations of \$1.5 million for the transition quarter and \$7.5 million for each of fiscal years 1977 and 1978.

The Federal Boat Safety Act of 1971 established a five-year program, through June 30, 1976, to improve boating safety and to encourage and assist participation by the States, boating industry and public in the development of boating safety programs. It authorized Federal matching grants to States starting out at 75% and phasing down to 33-1/3% by the end of the five-year program.

The enrolled bill would extend the Act for an additional 2 years with the current 1/3 Federal - 2/3 State financing for the grant program. Although the authorization levels are higher than requested by the Administration, this is not a serious problem since the appropriation levels traditionally have been considerably lower than the authorization levels. For the transition quarter, \$1.45 million has been appropriated (P.L. 94-303). The House has passed and the Senate has reported a DOT appropriations bill for fiscal year 1977 containing a level of \$5.79 million for this program. (H.R. 14234)

In addition, the enrolled bill would authorize the Secretary of Transportation to expend up to 1-1/4% of the appropriated funds for audit expenses incurred under the program. This provision was requested by the Administration.

James M. Frey
Assistant Director
for Legislative Reference

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 29 1976

To: J. Conway
7-1-76
10 a.m.

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11439 - Health insurance coverage for certain civil service survivor annuitants
Sponsor - Rep. White (D) Texas and 11 others

Last Day for Action

July 7, 1976 - Wednesday

Purpose

Grants eligibility for health insurance coverage to certain survivor annuitants whose civil service retirement annuities were terminated and later restored.

Agency Recommendations

Office of Management and Budget Approval

Civil Service Commission Approval

Discussion

Under current retirement law, a civil service survivor annuity is terminated if the survivor remarries before age 60, but is restored when the remarriage is dissolved by death, divorce or annulment. Restoration of a survivor annuity in such cases does not, however, carry with it restoration of the right to health plan coverage under the Federal Employees Health Benefits program (FEHB), even though such coverage also terminates when the annuity is terminated by remarriage.

The purpose of H.R. 11439 is to give survivor annuitants the opportunity to reenroll in an FEHB plan in the event their annuities are restored. This opportunity would be available only to annuitants who were participating in the FEHB program at the time their annuities were terminated by remarriage. The Civil Service Commission (CSC) did not oppose the bill when it was under consideration in the Congress and recommends approval of the enrolled bill.

CSC's views letter on H.R. 11439 points out that survivor annuitants who remarry after age 60 lose neither their annuities nor their health insurance coverage, and states that the failure of present law to reinstate the right to elect FEHB coverage in "restored" annuity cases is an oversight which produces inequities and hardships for the affected annuitants. CSC states that many of the annuitants are advanced in age, with no income apart from the survivor annuity. They are unable to acquire health insurance coverage through employment, and are unable to pay medical expenses, which normally increase with age. Because of their age and state of health, such annuitants also find it difficult to purchase private health insurance coverage.

The enrolled bill would be effective October 1, 1976, and would apply to survivors whose annuities are restored before, on, or after such date. CSC estimates a relatively small additional cost to the Government, which contributes 60% toward the cost of employee/retiree health insurance; for example, if the total number of restorations reaches 1,000, the additional cost would be approximately \$415,000 annually.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 29 1976

To: J. Conroy
7-1-76
109. M.

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12188 - Community Services Act Technical Amendments of 1976
Sponsor - Rep. Hawkins (D) California and 2 others

Last Day for Action

July 7, 1976 - Wednesday

Purpose

Makes technical and conforming amendments to the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

Agency Recommendations

Office of Management and Budget	Approval
Community Services Administration	Approval
Department of the Treasury	No objection
Department of Commerce	No objection

Discussion

The Headstart, Economic Opportunity, and Community Partnership Act of 1974, P.L. 93-644, was passed in the final hours of the second session of the 93rd Congress. Immediately after passage the House passed, without objection, a concurrent resolution to make technical and conforming amendments to the Act. The Senate, however, adjourned before considering the resolution. H.R. 12188 would make those technical and conforming corrections, which are explained in detail in the attachment to the views letter of the Community Services Administration (CSA). Prior to House floor action, the Administration indicated no objection to this bill.

In addition to the purely technical amendments, H.R. 12188 would provide that funds appropriated to carry out any program under the Act which are not obligated before the end of the fiscal year for which the funds were appropriated will remain available for obligation during the following fiscal year. OMB and CSA agree that in regard to appropriation availability, language in future appropriations acts will take precedence over language in this authorization bill. Therefore, if CSA's appropriation language limits the availability of appropriated funds to the applicable fiscal year (as is the case in the 1977 Labor-HEW Appropriations bill), the above provision in H.R. 12188 would be negated. However, the ambiguity resulting from two technically conflicting statutory provisions on this subject could result in a court challenge of the OMB and CSA interpretation.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13380 - Appropriation authorization
for fisheries development program
Sponsor - Rep. Sullivan (D) Missouri

Last Day for Action

July 7, 1976 - Wednesday

Purpose

Extends the appropriation authorization of the Central, Western, and South Pacific Fisheries Development Act through fiscal year 1979.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval
Department of the Interior	Approval

Discussion

The Central, Western, and South Pacific Fisheries Development Act of 1972 authorized the Secretary of Commerce to carry out a three-year program for the development of the tuna and other fisheries resources of the Central, Western and South Pacific Ocean. A total of \$3,000,000 was authorized for the period from July 1, 1973 to June 30, 1976. A Pacific Islands Development Commission (PIDC) Tuna Program was initiated in fiscal year 1975 under the authority of this Act. Federal funds to carry out this program in 1975 and 1976 were provided for out of supplemental monies from customs duties on imported fisheries



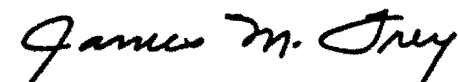
To:
J. Casanova
7-1-76
109.M.

products, which are available to the Department of Commerce to promote American fisheries development.

The enrolled bill would

- extend the authorization for appropriations of \$3,000,000 for the period from July 1, 1976 through September 30, 1979;
- make the program indefinite in length by eliminating the three-year limitation in current law; and
- require the Secretary to submit annual reports on the program by January 30 of each year to the President and the Congress.

H.R. 13380 is almost identical to a bill submitted to Congress by Commerce. In a report to the Senate Commerce Committee on similar legislation, the Department stated that continued support of this program was desirable because "successful expansion of the U.S. tuna industry activities in the Central Pacific region is certain to result in economic profit to the island areas and in long-range benefits to the Nation through increased availability of fisheries resources."


Assistant Director for
Legislative Reference

Enclosures

FEDERAL ASSISTANCE TO STATE BOATING SAFETY PROGRAMS

NOVEMBER 13, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. SULLIVAN, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany H.R. 5630]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H.R. 5630) to amend the Federal Boat Safety Act of 1971 in order to increase the Federal Government's share of the costs of State boat safety programs, and to increase the authorization for appropriations for such programs, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert the following:

That section 30 of the Federal Boat Safety Act of 1971 (85 Stat. 224; 46 USC 1479) is amended by striking out "for the fiscal years ending June 30, 1972, and \$7,500,000 for each of the four succeeding fiscal years," and inserting in lieu thereof the following: "for each of the fiscal years beginning with fiscal year 1972 through fiscal year 1976, \$2,500,000 for the transition period of July 1, 1976 through September 30, 1976, and \$10,000,000 for each of the fiscal years 1977, 1978, and 1979,".

Amend the title so as to read:

A bill to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs.

PURPOSE OF THE LEGISLATION

The purpose of the bill, as reported, is to extend and increase the authorization for Federal funding to assist the several States, including the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States in the establishment and operation of comprehensive State boating safety programs.

BACKGROUND DISCUSSION

On August 10, 1971, the Congress enacted the Federal Boat Safety Act of 1971, the declared purpose of which was to improve boating safety and to encourage and assist participation by the several States, the boating industry, and the boating public in the development of more comprehensive boating safety programs. In the consideration of the proposals leading to that legislation, the Committee on Merchant Marine and Fisheries recognized that boating safety is a combined Federal-State responsibility and that, if all States were to be encouraged to participate actively in programs addressed to the reduction of casualties in small boat operations, Federal funding assistance was not only desirable but necessary. In providing for that assistance, Section 30 of the Act authorized appropriations at a level of \$7.5 million for the five fiscal years beginning with fiscal year 1972, to be allocated under Section 27 of the Act in accordance with a specified formula and, under Section 28 of the Act, with the maximum Federal share beginning at 75 percentum in fiscal year 1972 and being gradually reduced to 33 $\frac{1}{3}$ percentum in fiscal year 1976.

Since enactment of the basic Act, the States have become increasingly supportive of the concept that they should assume more and more responsibility for the supervision of recreational boating vessels in their borders, and several of the States during the past few years have undertaken to provide rescue and assistance services to recreational boaters which, in the past, have been provided solely by the Federal Government through the United States Coast Guard. At the same time, Coast Guard priorities in the expenditure of available appropriated funds have, in some cases, resulted in a decrease in Coast Guard capabilities to respond immediately at the scene of every boating accident throughout the navigable waters of the United States.

During the consideration of H.R. 5630, the Committee on Merchant Marine and Fisheries, through its Subcommittee on Coast Guard and Navigation, received letters directly from the Governors and boating officials of more than half the States, urging the extension of the Federal assistance section of the Act and specifically urging, in many cases, that the funding should be increased in order for the States adequately to respond to the needs of the boating community. From the general comments from the States, it is clear that the constraints of available limited assistance has prevented as rapid a development of State programs as desirable and as envisioned in the passage of the original Act. Much of the difficulty lies in the fact that, although the authorization level for Federal funding assistance has been \$7.5 million for each of the fiscal years from 1972 through 1976, a total authorization of \$37.5 million for the five year period, a total of only \$16.8 million was appropriated for the first four fiscal years, with an additional \$5.8 million in the fiscal year 1976 appropriation on which Conference agreement was recently achieved. Because of the limitations in funding, the provisions in Section 28 of the Act imposing a percentage limitation on the Federal share of any State boating program costs has not as yet become a factor, and although the basic Act authorized 75% as the Federal share in the early stages of implementation of the Act, the general experience has been that the average Federal contribution over the past four years has been between 10 and 20 percent of the cost of individual State programs.

H.R. 662

COMMITTEE ACTION

Hearings on H.R. 5630 were held by the Subcommittee on Coast Guard and Navigation on September 12, 1975, and testimony was received from Admiral Owen W. Siler, Commandant, United States Coast Guard, representing the Department of Transportation, and from representatives of State Boating Law Administrators, and of interested industry groups. The State and industry representatives supported the extension of the authorization under Section 30 of the Act, and supported the increase of the authorization level from \$7.5 million to \$10 million per fiscal year. The Administration witness, on the other hand, supported a two year extension of authorization, through fiscal year 1978, at the same level as contained in the basic Act for fiscal year 1976. During the course of the hearings, the witnesses also testified on the other feature of H.R. 5630, as introduced, relating to the limitation on the proportionate Federal share of State programs. The bill, as introduced, proposed to increase that share to a maximum of 50%. The Administration witness proposed that the Federal share should not exceed 33 $\frac{1}{3}$ %. No witness presented testimony that experience under the present Act has indicated any problem on the Federal share provision, and the Committee, in reporting the bill, deleted that aspect.

During the course of the hearings, the witnesses also testified on H.R. 9375, which was forwarded by the Administration shortly before the hearings began. That bill proposed, in addition to an extension of the authorization for appropriations under Section 30, several amendments to other features of the basic Act. Some of those proposals were endorsed by the industry representatives, who also proposed other specific amendments to solve problems which they had found in complying with the Act. Because the testimony on H.R. 9375 raised substantial questions relating to the basic Act and suggested areas of improvement, the Subcommittee decided that detailed oversight hearings on the Act should be completed before decisions were made on basic changes. The Committee subsequently concurred in that decision by its action on H.R. 5630.

While many of the changes to the basic Act can be postponed for consideration in the Second Session, the same thing is not true of the extension of authorization under Section 30. Because of the requirements of the Congressional Budget Act of 1974, and because of the fact that the Committee on Appropriations will be beginning hearings early in the Second Session on fiscal year 1977 appropriations, the authorization under this legislation should be in place as quickly as possible. In addition, during its consideration of the fiscal year 1976 appropriation, the Committee on Appropriations declined to appropriate funds for this program to cover the transition period between July 1, 1976 and September 30, 1976, because of the fact that no specific authorization existed beyond June 30, 1976. In reporting the bill, therefore, the Committee has adopted language which would specifically authorize appropriations under Section 30 at a level of \$2.5 million, which reflects a proportionate authorization at the level provided in the bill for fiscal year 1977.

Based on the testimony received as to States' needs, and particularly in those cases where State activities necessarily increase because of

H.R. 662

cutbacks in Coast Guard operations, the Committee endorsed the higher authorization level of \$10 million per fiscal year, beginning in fiscal year 1977. The amount of actual appropriations for this program must, of course, depend upon the development of priorities in the overall budget as it is considered by the Committee on Appropriations. Nevertheless, the Committee on Merchant Marine and Fisheries believes that a figure of \$10 million per year in support of this program is needed, can be justified, and should be provided. The Committee elected to extend this authorization for a three year period, instead of the two year period recommended by the Administration, or the open-ended provision in the bill, as introduced. Experience has shown that three year authorizations have functioned well in the past, requiring periodic review of the program and at the same time being sufficiently long to permit reasonable evaluation.

The facts are not all in as to the impact of the Federal Boat Safety Act of 1971. There is a strong basis for believing, however, that its enactment has contributed to the record of safety in recreational boating since its passage. The authorization of Federal assistance to States which expressed their ready willingness to assume a major share of what is really a joint responsibility should in the long run result in savings to the Federal Government rather than to added costs which would flow from State inaction and indifference.

H.R. 5630 was considered by the Subcommittee on Coast Guard and Navigation in mark-up session on September 24, 1975, and reported the bill, as amended, to the Full Committee, unanimously recommending favorable action. On October 22, 1975, the bill, as amended, was ordered reported by the Full Committee by unanimous voice vote.

COST OF THE LEGISLATION

If fully funded as authorized under H.R. 5630, as amended, the cost to the Federal Government would be \$2.5 million for the transition period of July 1, 1976, through September 30, 1976, and \$10 million for the fiscal years 1977, 1978, and 1979, for a total cost of \$32.5 million through fiscal year 1979. There would be no additional cost for fiscal year 1976.

COMPLIANCE WITH CLAUSE 2(1)(3) OF RULE XI

With respect to the requirements of Clause 2(1)(3) of Rule XI of the Rules of the House of Representatives—

(A) The hearings on H.R. 5630 constituted oversight review of Section 30 of the Federal Boat Safety Act of 1971, as contemplated by the requirements of Clause 2(b)(1) of Rule X. Favorable action by the Committee on the bill constitutes its recommendation that the Federal assistance program authorized by Section 30 should be continued on the level provided in the bill;

(B) Since H.R. 5630 does not provide for new budget authority or expenditures, no report in compliance with Section 308(a) of the Congressional Budget Act of 1974 is required;

(C) No estimate of cost, and no comparison with estimates from other sources have been received by the Committee from the Director of the Congressional Budget Office, pursuant to Section 403 of the Congressional Budget Act of 1974; and

(D) The Committee has received no report from the Committee on Government Operations, pursuant to the provisions of Clause 2(b)(2) of Rule X

INFLATIONARY IMPACT STATEMENT

Pursuant to Clause 2(1)(4) of Rule XI, Rules of the House of Representatives, the Committee concludes that the inflationary impact, if any, of H.R. 5630 is insignificant.

DEPARTMENTAL REPORTS

H.R. 5630 was the subject of reports from the Departments of Commerce and Treasury. The reports follow herewith:

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,
Washington, D.C., November 3, 1975.

HON. LEONOR K. SULLIVAN,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MADAM CHAIRMAN: This is in reply to your request for the views of this Department concerning H.R. 5630, a bill:

"To amend the Federal Boat Safety Act of 1971 in order to increase the Federal Government's share of the costs of State boat safety programs, and to increase the authorization for appropriations for such programs."

The bill would increase the Federal Government's share of the costs of State boat safety programs to 50 per centum in a given fiscal year, up from the 40 per centum originally provided for fiscal year 1975 and the 33 $\frac{1}{3}$ per centum originally provided for fiscal year 1976. Moreover, the bill provides that the Federal Government's share of the costs of such programs would remain at the 50 per centum level for an unspecified number of "succeeding fiscal years thereafter" and increases the authorization for appropriations from \$7,500,000 to \$10,000,000 for fiscal year 1976 and fiscal years thereafter.

The Legislative History of the present Act reflects a decision to allocate Federal funds to assist the several States in the development and implementation of more comprehensive boat safety programs on a coordinated, national level and to reduce the level of Federal support after initial "start up" costs were met, in a gradual manner over a four year period so as not to jeopardize the State programs. The present bill, by continuing indefinitely Federal Government support at the 50 per centum level, would disregard this decision to allow State governments to assume the principal share of the costs of such programs once they were established and operational.

The Department of Transportation has opposed the enactment of H.R. 5630 and, in its place, has prepared a substitute bill, H.R. 9375, which recommends *inter alia* that if an extension of the Act is required in order to accomplish the original objectives and to develop a thorough and meaningful data base, such extension should be sought for a limited, two year period and with Federal Government support limited to the 33 $\frac{1}{3}$ per centum level and a \$7,500,000 appropriation authorization for fiscal years 1977 and 1978.

The Department of Commerce supports the enactment of H.R. 9375 and concurs in the views of the Department of Transportation as set forth in the statement of RADM Owen W. Siler, Commandant, U.S. Coast Guard, before the Subcommittee on Coast Guard and Navigation of the House Committee on Merchant Marine and Fisheries.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our report to the Congress from the standpoint of the Administration's program.

Sincerely,

(For General Counsel).

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., October 28, 1975.

HON. LEONOR K. SULLIVAN,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MADAM CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 5630, "To amend the Federal Boat Safety Act of 1971 in order to increase the Federal Government's share of the costs of State boat safety programs, and to increase the authorization for appropriations for such programs."

The bill would provide that the Federal share of the cost of a State's boating safety program may not exceed 50 per centum. The present law would reduce the Federal share from 50 per centum in fiscal year 1974 to 33 $\frac{1}{3}$ per centum in fiscal year 1976. The bill would also extend the authorization of the program indefinitely (it would expire at the end of fiscal year 1976 under present law) and increase the program's authorization of appropriations from \$7,500,000 to \$10,000,000 per year.

On August 12, 1975 the Department of Transportation submitted a draft bill, "To amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes," to the Congress. The Department recommends consideration of the Transportation draft bill in lieu of action on H.R. 5630.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,

RICHARD R. ALBRECHT,
General Counsel.

SECTION 30 OF THE FEDERAL BOAT SAFETY ACT OF 1971

(85 Stat. 224; 46 U.S.C. 1479)

CHANGE IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, as amended, 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 matter is printed in italic, existing law in which no change is proposed is shown in roman):

AUTHORIZATION FOR APPROPRIATIONS FOR STATE BOATING SAFETY PROGRAMS

SEC. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated \$7,500,000 [for the fiscal year ending June 30, 1972, and \$7,500,000 for each of the four succeeding fiscal years.] *for each of the fiscal years beginning with fiscal year 1972 through fiscal year 1976, \$2,500,000 for the transition period of July 1, 1976 through September 30, 1976 and \$10,000,000 for each of the fiscal years 1977, 1978, and 1979, such appropriations to remain available until expended.*

○

FEDERAL ASSISTANCE TO STATE BOATING SAFETY
PROGRAMS

MAY 13, 1976.—Ordered to be printed

Mr. ROBERT C. BYRD (for Mr. MAGNUSON), from the Committee on
Commerce, submitted the following

REPORT

[To accompany H.R. 5630]

The Committee on Commerce, to which was referred the bill (H.R. 5630) to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Federal Boat Safety Act of 1971 (46 U.S.C. 1451 et seq.) is amended as follows—

(1) Section 27 amended by adding a new subsection (e) as follows:

“(e) The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for such a fiscal year.”

(2) Section 28(a) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: “, the fiscal transition period of July 1, 1976, to September 30, 1976, and each of the two succeeding fiscal years.”

(3) Section 30 is amended by striking out “for the fiscal year ending June 30, 1972, and \$7,500,000 for each of the four succeeding fiscal years,” and inserting in lieu thereof the following: “for each of the fiscal years beginning with fiscal year 1972 through fiscal year 1976; \$2,500,000 for the fiscal transition period of July 1, 1976, through September 30, 1976; and \$10,000,000 for each of the fiscal years 1977 and 1978.”

PURPOSE AND BRIEF DESCRIPTION

The purpose of the bill is to extend and increase the authorization for appropriations for Federal financial assistance to the States for boating safety programs under the Federal Boat Safety Act of 1971 (46 U.S.C. 1479, et seq.). As reported, the bill would (1) authorize the financial assistance program for fiscal years 1977 and 1978; (2) increase the authorization level from \$7.5 million annually to \$10 million; (3) authorize the Secretary of Transportation to expend appropriated funds, not to exceed 1 and 1/4 percent of the total funds appropriated in any fiscal year, for audit expenses; and (4) continue the limitation of 33 1/3 percent limitation on the Federal share during fiscal years 1977 and 1978.

BACKGROUND AND NEED

On August 10, 1971, the Congress enacted the Federal Boat Safety Act of 1971, the declared purpose of which was to improve boating safety and to encourage and assist participation by the several States, the boating industry, and the boating public in the development of more comprehensive boating safety programs. In the consideration of the proposals leading to that legislation, the Committee on Commerce recognized that boating safety is a combined Federal-State responsibility and that, if all States were to be encouraged to participate actively in programs addressed to the reduction of casualties resulting from small boat operations, Federal funding assistance was not only desirable but necessary. In providing for that assistance, Section 30 of the Act authorized appropriations at a level of \$7.5 million, for the five fiscal years beginning with fiscal year 1972, to be allocated under Section 27 of the Act (in accordance with a specified formula) and under Section 28 of the Act. The maximum Federal share of such assistance was set at 75 percent in fiscal year 1972 and was gradually reduced to 33 1/3 percent in fiscal year 1976.

Since enactment of the basic Act, the States have become increasingly supportive of the concept that they should assume more and more responsibility for the supervision of recreational boating vessels within their borders, and several of the States during the past few years have undertaken to provide rescue and assistance services to recreational boaters which, in the past, have been provided solely by the Federal Government through the United States Coast Guard. At the same time, Coast Guard priorities in the expenditure of available appropriated funds have, in some cases, resulted in a decrease in Coast Guard capabilities to respond immediately at the scene of every boating accident throughout the navigable waters of the United States.

During the consideration of H.R. 5630, the Committee received letters directly from the Governors and boating officials of more than half the States, urging both the extension of the Federal assistance section of the Act and in many cases, that funding be increased to enable States to respond adequately to the needs of the boating community. From the general comments received from the States, it is clear that the low levels of financial assistance made available under the Act have prevented the desired pace of development of State programs envisioned in the passage of the original Act. Much of the dif-

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ficulty lies in the fact that although the authorization level for Federal funding assistance has been \$7.5 million for each of the fiscal years 1972 through 1976, representing a total authorization of \$37.5 million for the five year period a total of only \$16.8 million was appropriated for the first four fiscal years, with an additional \$5.8 million appropriated for fiscal year 1976. Due to the low levels of funding, section 28 of the Act which imposing a percentage limitation on the Federal share of any State boating program costs, has not as yet become a factor, and although the basic Act authorized 75 percent as the Federal share in the early stages of implementation of the Act, the general experience has been that the average Federal contribution over the past four years has been between 10 and 20 percent of the cost of individual State programs.

Based on the material received regarding States' needs, and particularly in those cases where State activities necessarily increased due to cutbacks in Coast Guard operations, the Committee endorsed the higher authorization level of \$10 million per fiscal year, beginning in fiscal year 1977. The amount of actual appropriations for this program must, of course, depend upon the development of priorities in the overall budget as it is considered by the Committee on Appropriations. Nevertheless, the Committee believes that a figure of \$10 million per year in support of this program is needed, can be justified, and should be provided. The Committee elected to extend this authorization for a two year period, instead of the the three-year period recommended by the House. The Committee also included an amendment to authorize the Department of Transportation to expend appropriated funds for limited audit expenses in the administration of the financial assistance program. Finally, the Committee approved an amendment to continue the requirement for non-Federal matching funds at a level of 66 and 2/3 per centum.

The facts are not all in as to the impact of the Federal Boat Safety Act of 1971. There is a strong basis for believing, however, that its enactment has contributed to the record of safety in recreational boating since its passage. The authorization of Federal assistance to States which expressed their ready willingness to assume a major share of what is really a joint responsibility should in the long run result in savings to the Federal Government rather than added costs that would result from State inaction and indifference.

ESTIMATED COST

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that the maximum cost resulting from the enactment of H.R. 5630 would be \$2.5 million for the transitional fiscal quarter ending September 30, 1976; \$10,000,000 for the fiscal year ending September 30, 1977; and \$10,000,000 for the fiscal year ending September 30, 1978. The total cost would be \$22,500,000 through fiscal year 1978.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as

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reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

THE FEDERAL BOAT SAFETY ACT OF 1971

(85 Stat. 224; 46 U.S.C. 1479 et seq.)

Sec. 27.

* * * * *

(e) *The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1 and 1/4 per centum of the total funds appropriated for such year.*

* * * * *

Sec. 28. (a). Notwithstanding the allocation ratios prescribed in section 27 of the Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1973, 66 and 2/3 per centum in fiscal year 1973, 50 per centum in fiscal year 1974, 40 per centum in fiscal year 1975, and 33 and 1/3 per centum in fiscal year 1967 [.] , *the fiscal transition quarter of July 1, 1976, to September 30, 1976, and each of the two succeeding fiscal years.*

* * * * *

Sec. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated \$7,500,000 [for the fiscal year ending June 30, 1972, and \$7,500,000 for each of the four succeeding fiscal years.] *for each of the fiscal years beginning with fiscal year 1972 through fiscal year 1976, \$2,500,000 for the transition period of July 1, 1976 through September 30, 1976 and \$10,000,000 for each of the fiscal years 1977, 1978, and 1979, such appropriations to remain available until expended.*

AGENCY COMMENTS

OFFICE OF THE SECRETARY OF TRANSPORTATION.
Washington, D.C., March 5, 1976.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Transportation concerning H.R. 5630, an Act "To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs."

H.R. 5630 would extend the authorization of appropriations for Federal financial assistance to State boating safety programs beyond the current expiration date of fiscal year 1976 through fiscal year 1979. The bill would authorize the appropriation of \$2,500,000 for the transi-

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tion period of July 1, 1976, through September 30, 1976, and \$10,000,000 for each of the three succeeding fiscal years.

This Department has submitted a legislative proposal (S. 2383) which would extend the authorization of appropriations under the Federal Boat Safety Act (FBSA) through fiscal year 1978 and would maintain the limitation on the Federal share at 33 1/3% for the period of the authorization. Our proposal would authorize the appropriation of \$1,500,000 for the transition period of July 1, 1976 through September 30, 1976, and \$7,500,000 for each of the two succeeding fiscal years. Additionally, our proposal contains amendments to the FBSA to clarify ambiguities and resolve problems which have arisen during the last four years. The amendments clarify which States are eligible to receive financial assistance; provide for limited audit expenses, auditing being essential to the proper administration of the financial assistance program; provide the Secretary with increased discretion in establishing the effective date of regulations or standards which require major product redesign, retooling, or change; and authorize the Secretary to require dealers and distributors to assist manufacturers in obtaining first purchaser information to make the defect notification program more effective.

The House Committee on Merchant Marine and Fisheries has decided that detailed oversight hearings on the FBSA should be completed before decisions are made on programmatic revisions to the FBSA. Therefore, it reported out H.R. 5630 only extending the authorization of appropriations because of the current termination date of June 30, 1976.

In view of the intention of the Congress to hold an extensive review of the Federal boating safety program, the Department has no objections to the simple extension approach of the House of Representatives. However, consistent with the concept of a short-term extension pending a comprehensive examination of the program, we believe the program extension should be limited to two years and the transition quarter (the House bill extends the current program through FY 1979) and that authorizations should be continued at the current annual level of \$7.5 million and \$1.5 million for the transition quarter. We would also urge the inclusion of the noncontroversial provision in the Department's proposal which provides for funding of the limited audit expenses incurred in the administration of the financial assistance program.

To rectify a technical oversight in H.R. 5630, we recommend that section 28(a) also be amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "the transition period of July 1, 1976, to September 30, 1976, and each of the two succeeding fiscal years." This amendment will continue the limitation of 33 1/3% on the Federal share during the period of the authorization of appropriations as intended by the House Committee.

With the adjustments recommended above, we would have no objection to the approach taken by the House of Representatives on this legislation. However, we do urge early consideration of our other proposed amendments to strengthen the management of the FBSA program.

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The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report for the consideration of the Committee.

Sincerely,

JOHN HART ELY,
General Counsel.

U.S. CONSUMER PRODUCT SAFETY COMMISSION,
Washington, D.C., November 17, 1975.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: You have requested comments by the Consumer Product Safety Commission on S. 2383, a bill: "To amend the Federal Boat Safety Act of 1971 to extend the authorization for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes."

As you know, boats, which could be subjected to safety regulation under the Federal Boat Safety Act of 1971 and equipment, to the extent that a risk of injury associated with the use of such equipment on boats could be eliminated or reduced by actions taken under the Federal Boat Safety Act of 1971, are specifically excluded from the Commission's jurisdiction by section 3(a)(1)(G) of the Consumer Product Safety Act, 15 U.S.C. 2052(a)(1)(G).

In view of this provision, an amendment to the Federal Boat Safety Act such as is proposed by S. 2383 would not directly involve or impact on the Consumer Product Safety Commission. The Commission therefore defers to the affected departments and agencies with respect to recommended legislative action.

Sincerely,

RICHARD O. SIMPSON,
Chairman.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., August 12, 1975.

HON. NELSON A. ROCKEFELLER,
*President of the Senate,
Washington, D.C.*

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes."

Under the Federal Boat Safety Act of 1971, Federal financial assistance to the States for the purpose of encouraging and assisting State boating safety programs will expire at the end of fiscal year 1976. Statistics from the first three years of this program show that it has encouraged the States to increase boating safety budgets. The level and quality of boating safety programs has consequently improved.

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The Federal Boat Safety Act of 1971 authorized the U.S. Coast Guard to establish safety standards for the construction of recreational boats. In addition, it authorized a program of Federal financial assistance to help States improve existing boat safety programs and to encourage others to develop new programs in this area.

Utilizing the authority granted by this Act, the Coast Guard has made substantial progress in the regulation of boat construction to assure high levels of safety. Moreover, the financial assistance program has had the intended effect of encouraging many states to expand the level and improve the quality of their boat safety programs.

Boating accident statistics show that in 1974, the lowest rate of boating fatalities per 100,000 boats occurred since we began keeping these statistics in 1961. In our view, the improved State boating safety programs have materially contributed to this decline.

When the 1971 Act was enacted, the financial assistance provisions were conceived by the Executive Branch and by the cognizant Congressional Committees as a five-year program designed to induce States to start boat safety programs or to increase activity in this field. This was the basis for providing that the Federal matching share for grants received would be phased down over the five-year authorization period from 75% to 33 1/3%.

Because of the phasing of the authorization and budget cycles, the grant program has for practical purposes been in extensive operation for only three years. To provide the full test of this financial assistance concept envisaged by the original Act, the proposed bill authorizes the extension of the Federal financial assistance program for an additional two fiscal years at the currently authorized level of \$7,500,000. The present requirement of 1/3 Federal, 2/3 State would also be continued.

During this two year extension, the Coast Guard will assess carefully the results of this program to provide the Executive Branch and the Congress with more complete guidance on appropriate future directions for this effort. In addition, the Department will also continue its efforts to develop a strong and well-defined Federal-State partnership in the execution of a comprehensive boating safety program.

Although the primary purpose of this proposed legislation is to extend the authorization for the Federal financial assistance program, the bill also contains amendments to the Federal Boat Safety Act to clarify ambiguities or resolve problems which have arisen over the last four years. These amendments clarify which States are eligible to receive financial assistance; provide for limited audit expenses, auditing being essential to the proper administration of the financial assistance program; provide the Secretary with increased discretion in establishing the effective date of regulations or standards which require major product redesign, retooling, or change; and authorize the Secretary to require dealers and distributors to assist manufacturers in obtaining first purchaser information to make the defect notification program more effective.

Enactment of the proposed bill would cost \$1,500,000 for the transition period of July 1, 1976 to September 30, 1976, and \$7,500,000 for

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fiscal years 1977 and 1978. It is recommended that the proposed legislation be enacted by Congress.

The Office of Management and Budget has advised that this proposed legislation is consistent with the Administration's program.

Sincerely,

WILLIAM T. COLEMAN, JR.

Enclosures: Draft bill, Comparative type.

A BILL To amend the Federal Boat Safety Act of 1971 to extend the authorization of appropriations for financial assistance for State boating safety programs beyond fiscal year 1976, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Boat Safety Act of 1971 (85 Stat. 213, 46 U.S.C. 1451 *et seq.*) is amended as follows—

(1) Section 5(b)(1) is amended by striking the word "eighteen" and inserting in lieu thereof the words "twenty-four."

(2) Section 8 is amended by redesignating the existing paragraph as (a) and adding at the end thereof a new subsection (b) as follows—

"(b) The Secretary may conduct research, testing, and development necessary to carry out the purposes of this Act, including procuring (by negotiation or otherwise) experimental and other boats or associated equipment for research and testing purposes.

(3) Section 15(g) is amended by striking the period and inserting in lieu thereof the following: "including procedures to be followed by dealers or distributors to assist manufacturers in obtaining the information required by this section; however, a regulation promulgated hereunder may not relieve a manufacturer of any obligation imposed on him by this section."

(4) Section 27 is amended—

(A) in the first and second sentences of subsection (c) by adding the word "eligible" between the words "applying" and "States" where they appear therein; and

(B) By adding a new subsection (e) as follows—

"(e) The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for that fiscal year."

(5) Section 28(a) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "for the transition period of July 1, 1976, to September 30, 1976, and for each of the fiscal years 1977 and 1978."

(6) Section 30 is amended by striking the phrase "1972, and \$7,500,000 for each of the four succeeding fiscal years" and inserting in lieu thereof the phrase "1976, \$1,500,000 for the transition period of July 1, 1976, to September 30, 1976, and \$7,500,000 for each of the fiscal years 1977 and 1978".

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL

(Matter proposed to be omitted is enclosed in brackets; new matter is in italics)

FEDERAL BOAT SAFETY ACT OF 1971

(85 Stat. 213, 46 U.S.C. 1451)

SEC. 1. is the title.

SEC. 2. * * *

SEC. 3. * * *

SEC. 4. * * *

SEC. 5. (a) * * *

(b) A regulation or standard issued under this section—

(1) shall specify an effective date which is not earlier than one hundred and eighty days from the date of issuance, except that this period shall be increased in the discretion of the Secretary to not more than [eighteen] *twenty-four* months in any case involving major production design, retooling, or major changes in the manufacturing process, unless the Secretary finds that there exists a boating safety hazard so critical as to require an earlier effective date; what constitutes major production redesign, retooling, or major changes shall be determined by the Secretary;

(2) * * *

(3) * * *

SEC. 6. * * *

SEC. 7. * * *

SEC. 8. (a) The Secretary may, subject to such regulations, supervision, and review as he may prescribe, delegate to any person, or private or public agency, or to any employee under the supervision of such person or agency, any work, business, or function respecting the examination, inspection, and testing necessary for compliance enforcement or for the development of data to enable the Secretary to prescribe and to issue regulations and standards, under sections 5 and 6 of this Act.

(b) *The Secretary may conduct the research, testing, and development necessary to carry out the purposes of this Act, including procuring (by negotiation or otherwise) experimental and other boats or associated equipment for research and testing purposes.*

SEC. 9. * * *

SEC. 10. * * *

SEC. 11. * * *

SEC. 12. * * *

SEC. 13. * * *

SEC. 14. * * *

SEC. 15. (a) * * *

(b) * * *

(c) * * *

(d) * * *

(e) * * *

(f) * * *

(g) The Secretary is authorized to promulgate regulations defining and establishing procedures and otherwise furthering the purposes of this section [], including procedures to be followed by dealers or distributors to assist manufacturers in obtaining the information required by this section; however, a regulation promulgated hereunder may not relieve a manufacturer of any obligation imposed on him by this section.

SEC. 16. * * *

SEC. 17. * * *

SEC. 18. * * *

SEC. 19. * * *

SEC. 20. * * *

SEC. 21. * * *

SEC. 22. * * *

SEC. 23. * * *

SEC. 24. * * *

SEC. 25. * * *

SEC. 26. * * *

SEC. 27. (a) * * *

(b) * * *

(c) In fiscal years after the third fiscal year for which funds are available under this Act the moneys appropriated shall be allocated among applying eligible States. Of the total available funds one-third shall be allocated each year equally among applying eligible States. One-third shall be allocated so that the amount each year to each applying State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of such vessels numbered in all applying eligible States. The remaining one-third shall be allocated so that the amount each year to each applying eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all the applying eligible States.

(d) * * *

(e) The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for that fiscal year.

SEC. 28. (a) Notwithstanding the allocation ratios prescribed in section 27 of this Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1972, 66⅔ per centum in fiscal year 1973, 50 per centum in fiscal year 1974, 40 per centum in fiscal year 1975, and 33⅓ per centum in fiscal year 1976 [], for the transition period of July 1, 1976, to September 30, 1976, and for each of the fiscal years 1977 and 1978. No State may receive more than 5 per centum of the Federal funds appropriated or available for allocation in any fiscal year.

(b) * * *

(c) * * *

SEC. 29. * * *

SEC. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated \$7,500,000 for the fiscal year ending June 30, [1972, and \$7,500,000 for each of the four succeeding fiscal years] 1976, \$1,500,000 for the transition period of July 1, 1976, to September 30, 1976, and \$7,500,000 for each of the fiscal years 1977 and 1978, such appropriations to remain available until expended.

SEC. 31. * * *

SEC. 32. * * *

SEC. 33. * * *

SEC. 34. * * *

SEC. 35. * * *

SEC. 36. * * *

SEC. 37. * * *

SEC. 38. * * *

SEC. 39. * * *

SEC. 40. * * *

SEC. 41. * * *

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Boat Safety Act of 1971 (46 U.S.C. 1451 et seq.) is amended as follows—

(1) Section 27 is amended by adding a new subsection (e) as follows:

“(e) The Secretary may expend funds appropriated for the program of financial assistance to the States under this Act for audit expenses incurred by him in the administration of that program. Expenditures made in any fiscal year under this subsection shall not exceed 1¼ per centum of the total funds appropriated for such fiscal year.”

(2) Section 28 (a) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: “, the fiscal transition period of July 1, 1976, to September 30, 1976, and each of the two succeeding fiscal years.”

(3) Section 30 is amended by striking out “for the fiscal year ending June 30, 1972, and \$7,500,000 for each of the four succeeding fiscal years,” and inserting in lieu thereof the following: “for each of the fiscal years beginning with fiscal year 1972 through fiscal year 1976; \$2,500,000 for the fiscal transition period of July 1, 1976, through September 30, 1976; and \$10,000,000 for each of the fiscal years 1977 and 1978.”

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*