

NOVEMBER 13, 1975

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 1542 - Maritime Appropriation Act of 1975 -- which authorizes appropriations of \$543.6 million for fiscal year 1976 for certain maritime programs within the Department of Commerce; requires minimum allocation of certain funds to each of the four seacoasts of the United States; and increases the statutory limitation on the Federal ship mortgage guarantee program from \$5 billion to \$7 billion.

S. 1542 will authorize appropriations totalling \$543,618,000 for fiscal year 1976 for the following maritime programs within the Department of Commerce:

- subsidies for construction or reconstruction of U.S. flag vessels, and for costs of certain national defense features for U.S. flag ships -- \$195,000,000;
- operating differential subsidies -- \$315,936,000;
- research and development programs to advance ship development and construction, ship operations systems, and intermodal transportation systems -- \$12,232,000;
- maintenance expenses for the National Defense Reserve Fleet -- \$4,242,000;
- operating expenses for the Merchant Marine Academy -- \$11,500,000;
- financial assistance to State maritime academies -- \$4,708,000.

The bill will also authorize such sums as are necessary to cover increases in personnel salaries and benefits and the effects of inflation on the Merchant Marine Academy. The Administration had requested this provision because of the great impact which inflation has on the budget of a school as small as the Academy.

S. 1542 will also increase from \$5 billion to \$7 billion the limit on the amount of loan guarantees which may be outstanding under the Title XI Federal ship mortgage guarantee program. This program authorizes the Secretary of Commerce to guarantee the principal and interest on loans to finance the construction, reconstruction, and reconditioning of U.S. flag vessels thus enabling vessel owners to obtain long-term financing at favorable rates.