

[CHAPTER 786]

JOINT RESOLUTION

To continue until March 1, 1949, the authority of the United States Maritime Commission to make provision for certain ocean transportation service to, from, and within Alaska.

July 1, 1948
[S. J. Res. 219]
[Public Law 866]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of March 7, 1947, entitled "Joint resolution to authorize the United States Maritime Commission to make provision for certain ocean transportation service to and from Alaska until July 1, 1948, and for other purpose", is amended to read as follows: "That it is the intention of the Congress to assist in providing essential water transportation service for the Territory of Alaska pending the determination of a long-range policy with respect to such transportation.

U. S. Maritime
Commission.
Ocean transporta-
tion for Alaska.

61 Stat. 10.
46 U. S. C., Supp. I,
§ 866 note.

"SEC. 2. (a) The United States Maritime Commission is authorized to enter into contracts, charters, and other arrangements deemed by it to be appropriate, with American citizens, deemed by the Commission to be qualified, to supply ocean transportation service with American-flag vessels to, from, and within Alaska. Such contracts, charters, or arrangements may include provisions for making available to such operators Government-owned vessels made available to the Commission for such purposes and vessels under the control or jurisdiction of the Commission for operation on voyages commencing not later than March 1, 1949. Such provisions may include (1) charter hire at a nominal rate; (2) such marine insurance to be provided by the Commission, as the Commission may determine to be necessary or appropriate as to vessels made available by the Commission and other vessels operated in the Alaska service under contracts, charters, or arrangements with the Commission; (3) requirements that the operators shall operate such vessels to secure the most economical transportation adequate for the Alaska service; and (4) such other requirements, terms, and conditions as the Commission may deem appropriate.

Contract, etc., au-
thority and provi-
sions.

"(b) Each such contract, charter, or arrangement shall provide that, as of the end of each accounting period, the cumulative gross profit, before overhead expenses, from the operation of vessels thereunder, as approved by the Commission, shall be allocated as follows and in the following order:

Allocation of gross
profit.

"(1) To provide for the operator's proportionate share of the expenses of all operators of maintaining a survey of Alaska ocean transportation services and of the costs and methods of operation of operators in said services, in accordance with a program approved by the Commission;

"(2) To allow compensation to the operator for working capital, use of facilities other than operator-owned vessels, and overhead expenses, on such bases as the Commission may determine; and such bases may be fixed in terms of a percentage or percentages, deemed by the Commission to be reasonable, of vessel operating revenues;

"(3) To allow the operator a return at the rate of 10 per centum per annum, before Federal income taxes, on the fair value of operator-owned vessels used in the Alaska service;

"(4) Any profit remaining thereafter, at the conclusion of each accounting period, shall be held in a special account. At the end of the second and each succeeding accounting period, if any, such account shall be available for paying any then cumulative deficiency (covering the period from the commencement of operations hereunder) with respect to any amounts which, if earned, would have

Special account.

theretofore been allocated pursuant to the previous paragraphs of this subsection;

“(5) At the conclusion of operations under any such contract, charter, or other arrangement, any balance in said special account shall be promptly divided and paid 75 per centum to the Commission and 25 per centum to the operator.

“(c) The Commission may incorporate in each such contract, charter, or arrangement such definitions and formulas for the determinations of vessel-operating revenue, gross profit before overhead expenses, overhead expenses, accounting periods, fair value, and depreciation, as it may deem necessary or appropriate to carry out the other provisions of this subsection and of this joint resolution. The Commission’s determination of the value of operator-owned vessels, for the purposes of such contract, charter, or other arrangement, shall be for the purposes of this joint resolution only and shall not be relevant evidence in any regulatory proceeding before the Commission.

Cancellation of contract, etc.

“SEC. 3. (a) Every contract, charter, or arrangement made under this joint resolution shall expressly reserve to the Commission, after reasonable notice to the operator and affording him opportunity for hearing if the Commission determines that it is in the public interest so to do, the right to cancel the same upon reasonable notice of such cancellation but not less than ninety days. Such contract, charter, or arrangement shall also reserve to the operator the right to request the Commission to modify or cancel the same for good cause shown, and if the Commission shall determine that the operator’s claim is justified, it may make such modification or shall permit such cancellation at such time thereafter as it may consider reasonable but not more than ninety days after such determination.

Termination of contract, etc.

“(b) Whenever the President shall proclaim that the security of the national defense makes it advisable, or during any national emergency declared by proclamation of the President, the Commission may terminate any contract, charter, or arrangement hereunder, without cost to the United States, upon such notice to the operator as the President shall determine.

Nonlimitation.

“(c) Nothing contained in this joint resolution shall be construed to limit the right of the Commission to enter into other contracts, charters, or arrangements with new or other operators, if after such notice, investigation, or consultation as the Commission may deem necessary or appropriate in the particular case, but without the necessity of hearings, the Commission shall determine such action to be in the interest of the economy of the Territory of Alaska or of the national defense.

“Vessels.”

“SEC. 4. The word ‘vessels’ as used in the joint resolution shall include such passenger vessels, freight vessels, combination freight and passenger vessels, tugs, barges, and other watercraft, as shall, in the discretion of the Commission, be deemed suitable for use in ocean transportation to, from, and within Alaska.

“SEC. 5. The provisions of this joint resolution, as amended, shall not, prior to July 1, 1948, affect the operation of contracts, charters, or other arrangements in accordance with their terms in effect on the date of enactment of this amendatory section, unless superseded before July 1, 1948, by contracts, charters, or arrangements entered into under this joint resolution, as amended.”

Approved July 1, 1948.