

Calendar No. 280

114TH CONGRESS }
1st Session }

SENATE

{ REPORT
114-158

MARITIME ADMINISTRATION
ENHANCEMENT ACT OF 2015

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 1326



OCTOBER 27, 2015.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

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MARITIME ADMINISTRATION ENHANCEMENT ACT OF 2015

OCTOBER 27, 2015.—Ordered to be printed

Mr. THUNE, from the Committee on Commerce, Science, and
Transportation, submitted the following

R E P O R T

[To accompany S. 1326]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1326) to amend certain maritime programs of the Department of Transportation, and for other purposes, 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.

PURPOSE OF THE BILL

The purpose of the Maritime Administration Enhancement Act of 2015 is to authorize appropriations for fiscal years (FYs) 2016 and 2017 that reflect agency needs, and increase the efficiency and effectiveness of the Maritime Administration (MARAD). The bill would strengthen requirements for proper performance of reserve service obligations for United States Merchant Marine Academy (USMMA) graduates; clarify requirements for a graduate of the Student Incentive Payment (SIP) Program to perform service obligations; facilitate enforcement of the reserve duty service obligation; and promote the development of short sea shipping.

BACKGROUND AND NEEDS

MARAD's mission is to foster, promote, and develop the merchant maritime industry of the United States. Its priorities are to help maintain economic and national security preparedness, invest in mariner training, enhance U.S.-flag competitiveness, and foster environmental sustainability. Specifically, MARAD:

- Manages a Department of Defense (DOD) funded Ready Reserve Force (RRF).

- Operates the Maritime Security Program (MSP).
- Administers the Maritime Guaranteed Loan Program, the Small Shipyard Grant Program, and the Deepwater Port Licensing Program for offshore liquefied natural gas and oil receiving port facilities.
- Manages the disposal of National Defense Reserve Fleet (NDRF) assets.
- Promotes port infrastructure development and congestion mitigation in the transportation system.
- Issues determinations to the Department of Homeland Security on the availability of coastwise qualified vessels.

MARAD also oversees the USMMA at Kings Point, New York, and contributes funding to six State maritime academies.

S. 1326 focuses on strengthening the service requirements for USMMA graduates. In particular, statutory changes are needed to clarify the existing licensing requirement for USMMA and State maritime academy graduates, including the requirement to maintain a valid transportation worker identification credential (TWIC) and a United States Coast Guard (USCG) approved medical certificate. Current law also contains an outdated reference to the Merchant Marine Reserve, which is now called the Strategic Sealift Officer Program. Furthermore, the current reserve service requirement for maritime academy graduates is for six years; however, the DOD requires reservists to serve a minimum of eight years. Making the reserve service requirement consistent with the DOD service requirement is needed to avoid confusion.

In addition, the definition of short sea transportation is limited to containerized cargo as well as cargo loaded using wheeled technology. However, opportunities exist to move other types of unitized cargo by water, providing the same public benefits as the movement of containerized freight. Therefore, the bill would expand the definition of short sea transportation to include cargo moved in discreet units, and would increase overall efforts to mitigate landside congestion.

Finally, of special concern is the operational condition of the training vessel fleet at the Nation's maritime academies. The quality and length of sea-time that students receive aboard these vessels is a critical educational component needed to qualify for their credentials. However, the vessels have either exceeded or are approaching their useful lives, which limits the overall quality of cadet training, as well as recruitment. The current condition of the ships reduces available days at sea, increases annual maintenance costs, and creates other obstacles to ensuring such vessels comply with international and domestic maritime statutes, rules, and regulations. Recapitalizing the training vessel fleet would improve mariner education, reduce operational risks and annual operation and maintenance costs, and ensure the maritime academies have modern and reliable training platforms for the future.

SUMMARY OF PROVISIONS

The Maritime Administration Enhancement Act of 2015 would authorize appropriations for FYs 2016 and 2017 that more closely reflect current appropriations and agency needs, and would in-

crease the efficiency and effectiveness of MARAD by doing the following:

- Strengthening requirements for proper performance of reserve service obligations for USMMA graduates.
- Clarifying requirements for a graduate of the SIP Program to perform service obligations and facilitate enforcement of the reserve duty service obligation.
- Promoting the development of short sea shipping.

LEGISLATIVE HISTORY

The bill was introduced on May 13, 2015, by Senator Fischer and referred to the Committee on Commerce, Science, and Transportation of the Senate. On May 20, 2015, the Committee met in open Executive Session and, by a voice vote, ordered the bill reported favorably with an amendment in the nature of a substitute.

The substitute amendment, offered by Senators Booker and Fischer, expanded authorization levels for appropriations to support the agency's priorities. MARAD was authorized at \$377 million in FY 2014 and appropriated \$305 million in FY 2015. The amendment increases authorization levels to just over \$379 million. This represents an increase of just over half a percent above FY 2014 funding levels, but 19 percent above FY 2015 appropriations.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

S. 1326—Maritime Administration Enhancement Act of 2015

Summary: S. 1326 would authorize appropriations totaling \$759 million, primarily for ongoing activities of the Maritime Administration (MARAD) within the Department of Transportation over the 2016–2017 period.

Enacting S. 1326 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 1326 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effect of S. 1326 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense) and 400 (transportation).

	By fiscal year, in millions of dollars—					
	2016	2017	2018	2019	2020	2016–2020
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	379	379	0	0	0	759
Estimated Outlays	332	368	47	12	0	759

Note: Details do not sum to totals because of rounding.

Basis of estimate: For this estimate, CBO assumes that S. 1326 will be enacted near the end of fiscal year 2015 and that the amounts authorized by the bill will be appropriated for each year. Estimated outlays are based on historical spending patterns for authorized activities.

S. 1326 would authorize the appropriation of \$379 million for ongoing MARAD activities for each of fiscal years 2016 and 2017. In 2015 MARAD received an appropriation of about \$341 million. For 2016 and 2017 the authorized programs include:

- The Maritime Security Program (\$186 million),
- The Merchant Marine Academy (\$96 million),
- MARAD operations and programs (\$54 million),
- State maritime academies (\$32 million),
- Disposal of vessels in the National Defense Reserve Fleet (\$8 million), and
- Administration of the Maritime Guaranteed Loan Program (\$3 million).

Pay-As-You-Go considerations: None.

Estimated impact on state, local, and tribal governments: S. 1326 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Martin von Gnechten; Impact on State, Local, and Tribal Governments: Melissa Merrell; Impact on the Private Sector: Amy Petz.

Estimate approved by: H. Samuel Papenfuss; Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

S. 1326 would affect students and graduates of the Nation's maritime academies by increasing the service requirement for USMMA graduates and State maritime academy graduates of the SIP Program. For those affected, the new rules would apply to approximately 220-250 USMMA midshipmen and approximately 75 State cadets each year.

ECONOMIC IMPACT

The bill would authorize appropriations of \$379,272,000 for MARAD for each of FYs 2016 and 2017. This represents an increase over currently appropriated funding levels.

PRIVACY

The bill would not impact the personal privacy of individuals.

PAPERWORK

The reported bill would not increase paperwork requirements for the private sector. The bill would require a number of reports from the Federal Government. Not later than 180 days after the date of

enactment, the Administrator of MARAD (Administrator) would be required to submit to Congress a report on authorities that are needed for the National Security Multi-Mission Design Program. No later than one year after enactment, the Administrator would be required to submit a report to Congress on the implementation of this Act. Not less frequently than once every two years, the Administrator would be required to submit to Congress a report on the performance of the National Security Multi-Mission Design Program.

In addition, the Administrator in coordination with the DOD, and the heads of other Federal agencies considered appropriate, would be required to submit a report to Congress, as deemed necessary, on national efforts to strengthen the U.S.-flagged commercial fleet such that it remains economically competitive in foreign markets, and is ready to serve as a naval auxiliary for national defense sealift requirements or other national emergencies.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section would designate the short title of this bill as the “Maritime Administration Enhancement Act of 2015.”

Section 2. Cadet commitment requirements.

This section would strengthen requirements for proper performance of reserve service obligations for USMMA graduates by providing clarity that graduates are required to apply for a position in the reserves of the armed forces, maintain a TWIC, and USCG approved medical certificates. This section also would change the reserve service obligations of USMMA graduates from six to eight years to conform to current DOD reserve requirements.

Section 3. Student incentive payment agreements.

This section would clarify the requirements for a graduate of the SIP Program to perform service obligations and would facilitate enforcement of the reserve duty component of the graduate’s service obligation. It would assist in the Federal Government’s recoupment of funds if SIP graduates fail to fully perform their reserve duty service obligations. This section also would align current USCG and DOD terminology to update references to licensing and the Strategic Sealift Officer Program, as well as bring MARAD’s reserve service obligation requirement in line with the DOD requirements for eight years of reserve duty.

Section 4. Federal Unemployment Tax Act.

This section would provide technical updates to the reference from the Secretary of Commerce to the Secretary of Transportation regarding service performed by officers and members of the crew on or in connection with U.S. vessels.

Section 5. Short sea transportation defined.

This section would promote the necessary development of short sea shipping by making break-bulk and project cargoes eligible for the Marine Highway Program, and allow commercial ferries to be used for freight transportation. The intent of the section is to encourage the establishment of new services to reduce landside congestion and to encourage the designation of new marine highway projects with ferry elements.

Section 6. Authorization of appropriations.

This section would authorize MARAD appropriations for FYs 2016 and 2017 at \$379,272,000 each year, including \$2.5 million per year for the design of national security multi-mission vessels.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, 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 material is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 46. SHIPPING

SUBTITLE V. MERCHANT MARINE

PART B. MERCHANT MARINE SERVICE

CHAPTER 513. UNITED STATES MERCHANT MARINE ACADEMY

§ 51306. Cadet commitment agreements

(a) AGREEMENT REQUIREMENTS.—A citizen of the United States appointed as a cadet at the United States Merchant Marine Academy **【must】** *shall* sign, as a condition of the appointment, an agreement to—

(1) complete the course of instruction at the Academy;

【(2) fulfill the requirements for a license as an officer in the merchant marine of the United States before graduation from the Academy;】

(2) obtain a merchant mariner license, unlimited as to horsepower or tonnage, issued by the United States Coast Guard as an officer in the merchant marine of the United States, accompanied by the appropriate national and international endorsements and certifications required by the Coast Guard for service aboard vessels on domestic and international voyages, without limitation, before graduation from the Academy;

【(3) maintain a valid license as an officer in the merchant marine of the United States for at least 6 years after graduation from the Academy, accompanied by the appropriate national and international endorsements and certification required by the Coast Guard for service aboard vessels on domestic and international voyages;】

(3) for at least 6 years after graduation from the Academy, maintain—

(A) a valid merchant mariner license, unlimited as to horsepower or tonnage, issued by the United States Coast Guard as an officer in the merchant marine of the United

States, accompanied by the appropriate national and international endorsements and certifications required by the Coast Guard for service aboard vessels on domestic and international voyages, without limitation;

(B) a valid transportation worker identification credential; and

(C) a United States Coast Guard medical certificate;

[(4) apply for, and accept if tendered, an appointment as a commissioned officer in the Navy Reserve (including the Merchant Marine Reserve, Navy Reserve), the Coast Guard Reserve, or any other reserve unit of an armed force of the United States, and, if tendered the appointment, to serve for at least 6 years after graduation from the Academy;]

(4) apply for, and accept if tendered, an appointment as a commissioned officer in the Navy Reserve (including the Strategic Sealift Officer Program, Navy Reserve), the Coast Guard Reserve, or any other reserve component of an armed force of the United States, and, if tendered the appointment, to serve, meet the participation requirements, and maintain active status in good standing, as determined by the program manager of the appropriate military service, for at least 8 years after the date of commissioning;

(5) serve the foreign and domestic commerce and the national defense of the United States for at least 5 years after graduation from the Academy—

(A) as a merchant marine officer on a documented vessel or a vessel owned and operated by the United States Government or by a State;

(B) as an employee in a United States maritime-related industry, profession, or marine science (as determined by the Secretary of Transportation), if the Secretary determines that service under subparagraph (A) is not available to the individual;

(C) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related Federal employment which serves the national security interests of the United States, as determined by the Secretary; or

(D) by a combination of the service alternatives referred to in subparagraphs (A)-(C); and

(6) report to the Secretary on compliance with this subsection.

CHAPTER 515. STATE MARITIME ACADEMY SUPPORT PROGRAM

§ 51509. Student incentive payment agreements

(a) GENERAL AUTHORITY.—If a State maritime academy has an agreement with the Secretary of Transportation under section 51505 of this title, the Secretary may make an agreement with a student at the academy who is a citizen of the United States to make student incentive payments to the individual. An agreement with a student may not be effective for more than 4 academic years. The Secretary shall allocate payments under this section

among the various State maritime academies in an equitable manner.

(b) PAYMENTS.—**[Payments]**

(1) *IN GENERAL.*— *Except as provided in paragraph (2), payments under an agreement under this section shall be equal to \$8,000 each academic year and be paid in such installments as the Secretary shall determine while the individual is attending the academy, as prescribed by the Secretary.*

(2) *EXCEPTION.*— *The Secretary may modify the payments made to an individual under paragraph (1), but the total amount of payments to that individual may not exceed \$32,000.*

(3) *AUTHORIZED USES.*— *The payments shall be used for uniforms, tuition, books, and subsistence.*

(c) ENLISTED RESERVE STATUS.— *An agreement under this section shall require the student to accept enlisted reserve status in the Navy Reserve (including the **[Merchant Marine Reserve]** Strategic Sealift Officer Program, Navy Reserve) or the Coast Guard Reserve before receiving any payments under the agreement.*

(d) AGREEMENT REQUIREMENTS.— *An agreement under this section shall require the student to—*

(1) *complete the course of instruction at the academy the individual is attending;*

[(2) take the examination for a license as an officer in the merchant marine of the United States before graduation from the academy and fulfill the requirements for such a license within 3 months after graduation from the academy;]

(2) obtain a merchant mariner license, without limitation as to tonnage or horsepower, from the United States Coast Guard as an officer in the merchant marine of the United States, accompanied by the appropriate national and international endorsements and certification required by the Coast Guard for service aboard vessels on domestic and international voyages, without limitation, within three months of completion of the course of instruction at the academy the individual is attending;

[(3) maintain a valid license as an officer in the merchant marine of the United States for at least 6 years after graduation from the academy, accompanied by the appropriate national and international endorsements and certification required by the Coast Guard for service aboard vessels on domestic and international voyages;]

(3) for at least 6 years after graduation from the academy, maintain—

(A) a valid merchant mariner license, unlimited as to horsepower or tonnage, issued by the United States Coast Guard as an officer in the merchant marine of the United States, accompanied by the appropriate national and international endorsements and certifications required by the Coast Guard for service aboard vessels on domestic and international voyages, without limitation;

(B) a valid transportation worker identification credential; and

(C) a United States Coast Guard medical certificate;

[(4) accept, if tendered, an appointment as a commissioned officer in the Navy Reserve (including the Merchant Marine

Reserve, Navy Reserve), the Coast Guard Reserve, or any other reserve unit of an armed force of the United States, and, if tendered the appointment, to serve for at least 6 years after graduation from the academy;】

(4) *apply for, and accept, if tendered, an appointment as a commissioned officer in the Navy Reserve (including the Strategic Sealift Officer Program, Navy Reserve), the Coast Guard Reserve, or any other reserve component of an armed force of the United States, and, if tendered the appointment, to serve and meet the participation requirements and to maintain active status in good standing, as determined by the program manager of the appropriate military service, for at least 8 years after the date of commissioning;*

(5) serve the foreign and domestic commerce and the national defense of the United States for at least 3 years after graduation from the academy—

(A) as a merchant marine officer on a documented vessel or a vessel owned and operated by the United States Government or by a State;

(B) as an employee in a United States maritime-related industry, profession, or marine science (as determined by the Secretary), if the Secretary determines that service under subparagraph (A) is not available to the individual;

(C) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related Federal employment which serves the national security interests of the United States, as determined by the Secretary; or

(D) by a combination of the service alternatives referred to in subparagraphs (A)-(C); and

(6) report to the Secretary on compliance with this subsection.

(e) FAILURE TO COMPLETE COURSE OF INSTRUCTION.—

【(1) ACTIVE DUTY.—If the Secretary of Transportation determines that an individual who has accepted the payments described in subsection (b) for a minimum of 2 academic years has failed to fulfill the part of the agreement described in subsection (d)(1), the individual may be ordered by the Secretary of Defense to serve on active duty in the armed forces of the United States for a period of not more than 2 years. In cases of hardship as determined by the Secretary of Transportation, the Secretary of Transportation may waive this paragraph in whole or in part.】

(1) ACTIVE DUTY.—

(A) IN GENERAL.—*The Secretary of Defense may order an individual to serve on active duty in the armed forces of the United States for a period of not more than 2 years if—*

(i) the individual has attended an academy under this section for more than 2 academic years, but less than 3 academic years;

(ii) the individual has accepted the payments described in subsection (b) in an amount totaling at least \$8,000; and

(iii) *the Secretary of Transportation has determined that the individual has failed to fulfill the part of the agreement described in subsection (d)(1).*

(B) *3 OR MORE YEARS.—The Secretary of Defense may order an individual to serve on active duty in the armed forces of the United States for a period of not more than 3 years if—*

(i) *the individual has attended an academy under this section for 3 or more academic years;*

(ii) *the individual has accepted the payments described in subsection (b) in an amount totaling at least \$16,000; and*

(iii) *the Secretary of Transportation has determined that the individual has failed to fulfill the part of the agreement described in subsection (d)(1).*

(C) *HARDSHIP WAIVER.—In cases of hardship as determined by the Secretary of Transportation, the Secretary of Transportation may waive this paragraph in whole or in part.*

(2) **RECOVERY OF COST.**—If the Secretary of Defense is unable or unwilling to order an individual to serve on active duty under paragraph (1), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary of Transportation may recover from the individual the amount of student incentive payments, plus interest and attorney fees. The Secretary may reduce the amount to be recovered to reflect partial performance of service obligations and other factors the Secretary determines merit a reduction.

(f) **FAILURE TO CARRY OUT OTHER REQUIREMENTS.**—

(1) **ACTIVE DUTY.**—If the Secretary of Transportation determines that an individual has failed to fulfill any part of the agreement described in subsection (d)(2)-(6), the individual may be ordered to serve on active duty for a period of at least 2 years but not more than the unexpired period (as determined by the Secretary) of the service required by subsection (d)(5). The Secretary of Transportation, in consultation with the Secretary of Defense, shall determine in which service the individual shall serve. In cases of hardship as determined by the Secretary of Transportation, the Secretary of Transportation may waive this paragraph in whole or in part.

(2) **RECOVERY OF COST.**—If the Secretary of Defense is unable or unwilling to order an individual to serve on active duty under paragraph (1), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary of Transportation may recover from the individual the amount of student incentive payments, plus interest and attorney fees. The Secretary may reduce the amount to be recovered to reflect partial performance of service obligations and other factors the Secretary determines merit a reduction.

(g) **ACTIONS TO RECOVER COST.**—To aid in the recovery of the cost of education provided by the Government under a commitment agreement under this section, the Secretary of Transportation may—

(1) request the Attorney General to bring a civil action against the individual; and

(2) make use of the Federal debt collection procedures in chapter 176 of title 28 or other applicable administrative remedies.

(h) *ALTERNATIVE SERVICE.*—

(1) *SERVICE AS COMMISSIONED OFFICER.*—*An individual who, for the 5-year period following graduation from an academy, serves 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 paragraphs (3) through (5) of subsection (d).*

(2) *MODIFICATION OR WAIVER.*—*The Secretary may modify or waive any of the terms and conditions set forth in subsection (d) through the imposition of alternative service requirements.*

PART D. PROMOTIONAL PROGRAMS

CHAPTER 556. SHORT SEA TRANSPORTATION

§ 55605. Short sea transportation defined

In this chapter, the term “short sea transportation” means the carriage by a documented vessel of cargo—

(1) that is—

(A) contained in intermodal cargo containers and loaded by crane on the vessel; **[or]**

(B) loaded on the vessel by means of wheeled technology; **[and]**

(C) *shipped in discrete units or packages that are handled individually, palletized, or unitized for purposes of transportation; or*

(D) *freight vehicles carried aboard commuter ferry boats; and*

(2) that is—

(A) loaded at a port in the United States and unloaded either at another port in the United States or at a port in Canada located in the Great Lakes Saint Lawrence Seaway System; or

(B) loaded at a port in Canada located in the Great Lakes Saint Lawrence Seaway System and unloaded at a port in the United States.

INTERNAL REVENUE CODE OF 1986

SEC. 3305. APPLICABILITY OF STATE LAW.

[26 U.S.C. 3305]

* * * * *

(g) **VESSELS OPERATED BY GENERAL AGENTS OF UNITED STATES.**—The permission granted by subsection (f) shall apply in the same manner and under the same conditions (including the obligation to comply with all requirements of State unemployment compensation laws) to general agents of the **[Secretary of Commerce]** *Secretary of Transportation* with respect to service performed by officers and members of the crew on or in connection with American vessels—

- (1) owned by or bareboat chartered to the United States, and
- (2) whose business is conducted by such general agents.

As to any such vessel, the State permitted to require contributions on account of such service shall be the State to which the general agent would make contributions if the vessel were operated for his own account. Such general agents are designated, for this purpose, instrumentalities of the United States neither wholly nor partially owned by it and shall not be exempt from the tax imposed by section 3301. The permission granted by this subsection is subject to the same conditions and limitations as are imposed in subsection (f), except that clause (B) of the second sentence of subsection (b) shall apply.

(h) REQUIREMENT BY STATE OF CONTRIBUTIONS.—Any State may, as to service performed on account of which contributions are made pursuant to subsection (g)—

(1) require contributions from persons performing such service under its unemployment compensation law or temporary disability insurance law administered in connection therewith, and

(2) require general agents of the **【Secretary of Commerce】** *Secretary of Transportation* to make contributions under such temporary disability insurance law and to make such deductions from wages or remuneration as are required by such unemployment compensation or temporary disability insurance law.

(i) GENERAL AGENT AS LEGAL ENTITY.—Each general agent of the **【Secretary of Commerce】** *Secretary of Transportation* making contributions pursuant to subsection (g) or (h) shall, for purposes of such subsections, be considered a legal entity in his capacity as an instrumentality of the United States, separate and distinct from his identity as a person employing individuals on his own account.

* * * * *

