

S. 913, as originally introduced, and H.R. 7151, amend part III of the Interstate Commerce Act to provide for the recording with the Commission of trust agreements and other evidence of the indebtedness of water carriers except for mortgages subject to the Ship Mortgage Act of 1920.

Section 1 of this bill is substantially identical to section 20(c) of the act which provides for the filing and recording of equipment trust agreements and other evidences of indebtedness of the railroads.

Section 2 amends section 116 of chapter 66 of the Bankruptcy Act, 11 United States Code.

Section 516, to provide that the provisions of chapter 10 shall not affect the right of the owner of water carrier equipment which is leased, subleased, or conditionally sold to any water carrier subject to part III of the act to take possession of this equipment if the terms of the lease or conditional sale so provide.

S. 913 as amended and passed by the Senate on April 25, 1968, would be applicable to evidences of indebtedness of all water carrier vessels—unless subject to the Ship Mortgage Act of 1920—owned or operated by a water carrier whether or not subject to the jurisdiction of the Commission under part III of the act, thus bringing within its scope vessels owned or operated by private carriers and common carriers exempt from the Commission's jurisdiction.

The Commission has no objection to this amendment.

We believe enactment of S. 913, as amended and passed by the Senate, would greatly assist the inland and coastwise water carrier industry in the modernization of its floating equipment and would place such water carriers on a par with both the railroads and airlines in attracting capital for fleet improvements.

Moreover, this amendment would prove beneficial to both large and small water carriers since it should reduce the cost of financing the purchasing of new floating equipment.

In addition, enactment of this legislation would be beneficial to the public since it would be necessary to check only the Commission's records to determine whether water carrier equipment is subject to a lien.

Since the Commission is now processing similar evidences of indebtedness for the railroads, there would be no difficulty in carrying out the same function for the water carriers.

With some minor modifications, the Commission's existing regulations, including the imposition of the fee schedule for the filing of these documents called for in the Senate committee's report, applicable to the railroad recordings could be made applicable to the carriers covered by this bill.

For these reasons, we support enactment of S. 913, as passed and amended by the Senate.

This concludes my prepared statement, Mr. Chairman.

The CHAIRMAN. This covers the one bill?

Mr. TIERNEY. That is correct.

The CHAIRMAN. You may go right ahead to the next one, Mr. Tierney.

Mr. TIERNEY. On behalf of the Commission I wish to express my gratitude to the committee for this opportunity to present our views on S. 2687, as passed and amended by the Senate.