

**REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING**

**Economic Incentives to Promote the  
Growth and Competitiveness of  
Virginia's Shipbuilding Industry**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 18**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2003**

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## EXECUTIVE SUMMARY

The Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry was first established by the 1998 Session of the General Assembly (Senate Joint Resolution No. 171; Appendix A). The joint subcommittee was created in large part due to concern over the number of jobs lost by the shipbuilding industry. By the mid to late 1990s, employment in Virginia's shipyards had declined by approximately one-third since 1990. In addition, the industry needed an infusion of capital for the development of state-of-the-art manufacturing facilities to remain competitive and to maintain its position as a leader in the shipbuilding industry. For these reasons, Senate Joint Resolution No. 171 charged the joint subcommittee with determining whether tax benefits or other economic incentives would be an effective tool in ensuring the continued health of the Commonwealth's maritime industries.

Following its first year of study in 1998, the joint subcommittee was continued in 1999 (Senate Joint Resolution No. 436; Appendix B), 2000 (Senate Joint Resolution No. 177; Appendix C), 2001 (Senate Joint Resolution No. 351; Appendix D), and 2002 (Senate Joint Resolution No. 91; Appendix E) due to the complexity and the multitude of issues afflicting Virginia's shipbuilding industry. As the joint subcommittee progressed in its study of Virginia's shipbuilding industry, issues such as the Commonwealth's regulation of tributyltin (TBT), the establishment of a state commission to promote and provide marketing assistance to the industry, and the dwindling supply of tradesmen and craftsmen to fill shipbuilding positions became just as important as tax benefits and economic incentives for reviving the shipbuilding industry. Thus, the joint subcommittee examined much more than its initial charge to study tax benefits and economic incentives for Virginia's shipbuilding industry.

The joint subcommittee made several legislative recommendations in the course of its five-year study. The recommendations included:

- Funding in the amount of \$500,000 to the Center for Advanced Ship Repair and Maintenance (CASRM), a § 501 (c) (3) organization retained to develop a water treatment process which can help lead to industry compliance with Virginia's Water Quality Standard for TBT. Virginia's Water Quality Standard for TBT is 1 part per trillion (1 ppt). To meet this standard, the Environmental Protection Agency (EPA) required Virginia, beginning in 1994, to include in the permits issued to shipyards a numerical effluent limitation of 50 ppt for TBT. The permits issued to Virginia's shipyards required them to comply with this effluent limitation by December 2002.

Because there was no known technology for meeting the 50 ppt effluent limitation for TBT, Newport News Shipbuilding, Norfolk Shipbuilding & Drydock Corporation (Norshipco), and Colonna's Shipyard, Inc. established CASRM to develop a commercially feasible process that could be used by Virginia's shipyard companies to remove TBT from shipyard wastewaters. While CASRM has made some progress in developing a technology to remove TBT from shipyard wastewaters, as of the fall of 2002, its water treatment process still could not consistently meet the 50 ppt effluent limitation.

- Along with the recommendation to provide funding to CASRM was a related recommendation to change the date by which shipyards had to comply with Virginia's Water Quality Standard for TBT (House Bill No. 389, Senate Bill No 147; 2002) (Appendix F). The joint subcommittee recommended that the compliance date be changed to January 1, 2008, to coincide with the effective date of an international treaty banning the use of TBT. In the interim, the Commonwealth and the shipyard industry would continue to make a good faith effort to develop a water treatment process that ultimately will result in compliance with Virginia's Standard for TBT.
- Establishment of a program to provide grants to shipyards making capital investments. The intent of the program was to provide financial incentives for shipyard companies to invest in infrastructure and new technology. Under the program, ship repair companies would receive a grant from the Commonwealth for making a capital investment of at least \$50,000. In general, the amount of the grant would equal 10% of the cost of the capital investment. The joint subcommittee believed that investment in infrastructure and technology was necessary for Virginia's shipyards to remain competitive and to retain their positions as industry leaders.
- Establishment of an apprenticeship program for shipyard workers at Tidewater Community College. The program would be designed as a three-year program consisting of classroom study and on-the-job training for full-time shipyard workers. Classes would be offered in the fields of welding, burning, blasting, and other applied sciences. An Associate in Applied Science degree would be conferred on persons successfully completing the program. The joint subcommittee believed that such a program would result in a better-trained workforce and would help to

decrease the employee turnover currently plaguing the industry by providing more career advancement opportunities at Virginia's shipyards for shipyard workers.

- Funding in the amount of \$200,000 to the South Tidewater Association of Ship Repairers Inc. (STASR) to help fund the development of a coordinated marketing program promoting Virginia's shipyard industry. STASR is a nonprofit trade association, exempt from federal income taxation under § 501 (c) (3) of the Internal Revenue Code, organized for the purpose of maintaining the integrity and high professional standards of the ship industry in Hampton Roads, Virginia and to promote the interests of the industry. STASR represents approximately 117 member companies of Virginia's shipyard industry, which account for 37,000 jobs.

The joint subcommittee heard testimony that Virginia's shipyards must diversify their customer base and become more competitive in the commercial shipbuilding and repair work marketplace. This has become necessary as the amount of shipbuilding and ship repair work ordered by the United State Navy declined precipitously in the 1990s. The joint subcommittee felt that a coordinated marketing program promoting Virginia's shipyards would pay dividends in the form of additional shipbuilding and repair work from the commercial market.

### **Recommendations Adopted by the General Assembly and the Governor**

House Bill No. 2121 (2001; Appendix G), signed into law by the Governor on March 25, 2001, established, effective July 1, 2001, an apprenticeship program at Tidewater Community College for shipyard workers. The elements of the program are virtually identical to those recommended by the joint subcommittee. The apprenticeship program is a three-year program offering on-the-job training and classroom education in industrial applied sciences to full-time shipyard workers. An Associate in Applied Science degree will be conferred upon shipyard workers who successfully complete the program. Classes are currently being offered to shipyard workers.

House Bill No. 2121 also created the Virginia Vocational Incentive Scholarship Program for Shipyard Workers. The objective of the program is to provide scholarships to shipyard workers enrolled in the apprenticeship program, subject to funds being appropriated for such purposes.

Eligible applicants must be shipyard workers living in Virginia. Scholarship awards are contingent upon the recipient maintaining a cumulative grade point average of at least 3.0 on a scale of 4.0 or its equivalent at the completion of each academic year. In addition, each scholarship recipient must sign a promissory note under which he agrees, upon graduation, to work continuously as a shipyard worker for the same number of years that he was the beneficiary of a scholarship.

Legislation that would have changed the deadline to January 1, 2008, for shipbuilders' compliance with Virginia's Water Quality Standard for TBT was introduced for consideration by the 2002 Session of the General Assembly (Senate Bill No. 147; House Bill No. 389). While this legislation was not adopted by the General Assembly, in 2002 the Virginia Department of Environmental Quality restated Virginia's numerical effluent limitation of 50 ppt for TBT on an equivalent mass basis as 5 grams/year. Thus, the 50 ppt effluent limitation will be restated in permits issued to Virginia's shipyards and implemented on a basis of 5 grams/year. The EPA gave its verbal approval for this restatement in 2002.



# INTRODUCTION

## Background

In 1998 the General Assembly passed Senate Joint Resolution No. 171, appointing a joint subcommittee to study Virginia's shipbuilding industry. A principal reason for the creation of the joint subcommittee was the waning importance of the industry to the economy of Southeastern Virginia. In 1990 Virginia's shipbuilding industry employed 44,744 persons. In 1997 the industry employed 29,170 persons. Much of the decline in the economic force of the industry and in the number of employment positions in the industry is attributable to defense downsizing. However, despite the loss of more than 15,000 jobs between 1990 and 1997, the shipbuilding industry still plays a vital role in the economy of Southeastern Virginia as its projected impact on the region was expected to be \$5.2 billion in 1997. Senate Document No. 32, pages 2-3, 1999.

United States Navy shipbuilding plans for 1998-2003 provide a glimpse into the short-term future of the industry. In 1998, these plans called for the construction of 35 new ships, 7 ship conversions, 4 service life extensions, and 2 carrier refuelings. The planned construction of less than 6 new ships per year over this time frame represents a 69 percent reduction in the number of ships to be procured when compared to the average of the 1980s. Id. at 8. Adding to the plight of Virginia's shipbuilding industry is the increase in allocation of shipbuilding work to Norfolk Naval Shipyard, a public shipyard. A majority of the non-nuclear repair work in Hampton Roads has been allocated to the Norfolk Naval Shipyard. Thus, Virginia's shipyard businesses find themselves competing in a contracting market with a larger share of such work as is available being allocated to government-owned shipyards. Id. at 15.

A predictable consequence of a market in contraction is consolidation in the industry that serves the market. One such example is the 2001 merger agreement between Newport News Shipbuilding & Dry Dock Company and Northrop Grumman Corporation, a Los Angeles based defense contractor which owns shipyards in Louisiana and Mississippi. The new entity is Northrop Grumman Newport News.

In addition to the economic woes of the shipbuilding industry, other reasons articulated in Senate Joint Resolution No. 171 for studying the industry included:

1. The best interests of the Commonwealth are promoted if Virginia's shipbuilding industry maintains its leadership position in the national shipbuilding industry.

2. Because the Commonwealth has provided economic incentives for the development within Virginia of several new emerging industries, it makes sense to provide similar incentives to revitalize an industry that has long been an economic engine for Virginia.

3. As several other states have provided financial and other incentives to preserve, expand, and promote their shipbuilding industries, Virginia must do the same in order for its shipbuilding industry to remain competitive.

4. The development of state-of-the-art facilities for the design, manufacture, and support of future generations of ships will require substantial investments and a study of the shipbuilding industry needs to be undertaken for an understanding of how the required investments will be funded.

5. An analysis of potential tax benefits and other economic incentives directed at fostering additional investments in Virginia's shipbuilding, ship repair, and shipping industries will provide the Commonwealth with valuable information.

Senate Joint Resolution No. 171 provided for a 15 member subcommittee including 9 legislative members, 4 nonlegislative citizen members, and 2 ex officio members. The resolution called for the joint subcommittee to finish its work in time to submit findings and recommendations to the 1999 Session of the General Assembly. The resolution also authorized the joint subcommittee to employ consultants in furtherance of its study and provided a budget of \$50,000 for consultant expenses.

The joint subcommittee was charged with determining whether, and at what level, tax benefits or other economic incentives would be an effective tool in restoring Virginia's shipbuilding industry to its economic prominence in Southeastern Virginia and ensuring its continued health. As discussed above, the complexity and multitude of issues plaguing the industry prevented the joint subcommittee from making any final recommendations in 1998. The joint subcommittee was eventually expanded to 16 members in 2002, including 10 legislative members, 4 nonlegislative members, and 2 ex officio members.

Senator Thomas K. Norment, Jr. chaired the 2002 joint subcommittee. Delegate Leo C. Wardrup, Jr. served as vice chairman. Other legislative members of the 2002 joint subcommittee included Senator Harry B. Blevins, Delegate Thomas D. Gear, Delegate Johnny S. Joannou, Delegate Albert C. Pollard, Jr., Delegate Harry R. Purkey, Delegate Melanie L. Rapp, Senator Frank W. Wagner, and Senator Martin E. Williams. The four nonlegislative citizen members were Thomas W. Godfrey, John L. Roper IV, Robert S. Walker, and William Welch, all having significant experience in Virginia's

shipbuilding industry. The Commissioner of the Department of Taxation, Kenneth W. Thorson, and the Secretary of Commerce and Trade, Michael J. Schewel, served as ex officio members. The joint subcommittee appointed Mr. Kenneth Newman as an ad hoc member. Under Senate Joint Resolution No. 91 (2002), the joint subcommittee was specifically directed to examine the following: (i) development of a water treatment process that consistently meets Virginia's 50 parts per trillion TBT discharge standard, (ii) additional methods for providing better training to and reducing turnover among shipyard workers, and (iii) promotion of Norfolk's piers as an original point of departure for cruise ships as a means of developing new business for Virginia's shipyard companies.

The joint subcommittee met three times in 2002. One common theme expressed in the meetings was a concern over the shortage of skilled labor that is trained to immediately step in and fill vacant positions in Virginia's shipyards. For several years, the shipyards have been experiencing a shortage of machinists, electricians, riggers, crane operators, and pipefitters. The shipyards cannot build and repair ships without individuals trained and qualified in these trades. In studying the labor shortage in these trades, the joint subcommittee examined the career and technical education curriculum offered to students in Virginia's public schools. The joint subcommittee believed that the career and technical education curriculum currently being offered should be expanded to include more classes in trades, including, but not limited to, machinists, electricians, riggers, crane operators, and pipefitters. The joint subcommittee felt that this expansion of the curriculum would assist non-college bound students in procuring careers in technical fields.<sup>1</sup> In addition, as more public school students undertake careers in some of the trades discussed herein, it follows that there should be more of a supply of skilled laborers who can immediately step in and fill a vacant position in a shipyard.

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<sup>1</sup> To further explore the career and technical education curriculum currently being offered in Hampton Roads public schools and to provide a forum for discussion of recommendations for changes to the curriculum, the joint subcommittee suggested that representatives of Virginia's shipyard industries meet with Hampton Roads school board superintendents. Such a meeting appears to be encouraged under § 22.1-253.13:1 of the Code of Virginia. This section requires each school board to develop and implement a plan to ensure competency-based career and technical education programs. The plan is required to be developed with the input of area business and industry representatives and local community colleges. A meeting in regard to career and technical education in Hampton Roads public schools was held on December 2, 2002. Both representatives of Virginia's shipyards and Hampton Roads school board superintendents attended the meeting.

## ACTIVITIES OF THE JOINT SUBCOMMITTEE

The joint subcommittee met three times in 2002. A summary of each of those meetings follows.

### **July 18**

The Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry heard testimony on (i) modifications to Virginia Pollution Discharge Elimination System (VPDES) permits in regard to TBT effluent limitations and (ii) operations of the Herbert H. Bateman Virginia Advanced Shipbuilding and Carrier Integration Center (VASCIC).

### **Modifications to VPDES Permits**

The director of the Virginia Department of Environmental Quality (DEQ) testified on modifications in TBT compliance to be incorporated into VPDES permits issued to Virginia's shipyards.

Virginia's Water Quality Standard for TBT is 1 part per trillion (1 ppt). To meet this standard, EPA required Virginia, beginning in 1994, to include in the permits issued to shipyards a numerical effluent limitation of 50 ppt for TBT. The permits issued to Virginia's shipyards required them to comply with this effluent limitation by December 2002.

The DEQ director testified that current TBT treatment technology is incapable of consistently meeting this effluent limitation. As a result, the 50 ppt effluent limitation will be restated in VPDES permits and implemented on an equivalent mass basis as five grams/year. Virginia's shipyards have agreed to this restatement. In addition, the EPA has given its verbal approval for the restatement of the 50 ppt effluent limitation for TBT.

### **VASCIC**

In 1998 the General Assembly passed legislation providing grants of \$58 million to build VASCIC. The legislation also provided up to an additional \$40 million in grants

for operations costs incurred at VASCIC. The operations grants are to be awarded prior to July 1, 2008. The 2002 Appropriation Act provides \$5 million in operations grants in fiscal year 2004.<sup>2</sup>

Representatives of Northrop Grumman Newport News testified on the operations of VASCIC, which is owned by the Industrial Development Authority of Newport News and is managed by Northrop Grumman Newport News. VASCIC has a 123,000 square foot research laboratory. A portion of operations grants from the Commonwealth will be used for research and development.

Since January 1, 2002, eight thousand six hundred students have attended training at VASCIC, many of whom were Navy personnel. VASCIC is already playing a major role in naval warfare. In addition to Navy personnel, the 1998 legislation requires that other shipbuilders and the faculty and staff of certain institutions of public education in Virginia be allowed to participate in the activities of VASCIC.

### **September 18**

The joint subcommittee heard testimony on (i) career and technical education programs in Virginia's public schools and (ii) the Virginia Registered Apprenticeship Program.

### **Education Programs**

The Code of Virginia requires the Board of Education to incorporate into career and technical education the Standards of Learning for mathematics, science, English, social studies, history, and other subject areas as may be appropriate. The Standards of Quality require local school boards to implement career and technical education programs.

The Board of Education's regulations for accrediting public schools in Virginia require instruction in career and technical education. Instruction in career and technical education must be provided in each middle school. In addition, at least three career and technical education programs and a minimum of 11 courses in career and technical education must be provided in Virginia's secondary schools. The joint subcommittee was told that 557,940 public school students in grades 6 through 12 were enrolled in career and technical education programs in the 2001–2002 scholastic year.

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<sup>2</sup> The 2003 Appropriation Act repealed budget language providing for the payment of \$5 million in operations grants by June 30, 2004. The Act left in place budget language expressing the intent of the General Assembly to "fulfill the commitment made to the Virginia Advanced Shipbuilding and Carrier Integration Center to support the Center's operating costs, as stipulated in § 2.2-2444, Code of Virginia". Section 2.2-2444, as amended by the 2003 General Assembly, provides that up to \$40 million in operations grants shall be paid to the Center by June 30, 2008.

It was pointed out by certain members of the joint subcommittee that Virginia's shipyards face a shortage of machinists, electricians, riggers, crane operators and pipefitters, to name just a few trades. In addition, the chief officer of Norfolk Naval Shipyard testified that while his shipyard has enough work to keep its 7,500 laborers fully employed for the next six years, due to workers retiring and the lack of replacement labor, his shipyard is going to lose 500 jobs per year each of the next six years. Many of these are high paying jobs.

The joint subcommittee expressed concern that career and technical education programs in Virginia's public schools, as currently structured, will not provide students with the necessary skills for employment in the technical and mechanical trades required in building and repairing ships. Representatives of Virginia's shipyards stated that they would like to meet with Hampton Roads' local school board superintendents and with representatives of the Department of Education to present recommendations for career and technical education in Virginia's public schools.

### **Apprenticeship Program**

The Virginia Department of Labor and Industry has primary responsibility for implementation of the Virginia Registered Apprenticeship program. One of the department's main functions under the program is to assist employer sponsors and employee apprentices to help employees become certified as journeypersons by the Commonwealth (the "journey-person" certification is a nationally recognized certification, which may provide more career opportunities for individuals obtaining it). Such assistance is provided by the department's field representatives and includes, among other things, registering employer sponsors and employee apprentices in Virginia's apprenticeship program and working with employees to develop an educational curriculum that will satisfy the educational component of their apprenticeship. The department has a total of nine field representatives in Richmond, Manassas, Verona, Norfolk, Roanoke, Abingdon, and Lynchburg. Virginia's Registered Apprenticeship Program is funded entirely from the general fund.

Under the program, employers register as participating sponsors with the department. Apprentices are employees of the sponsor who must complete supervised on-the-job training and related classroom instruction for each year of apprenticeship. On-the-job training is provided by journeypersons employed by the sponsor. The ratio of apprentices to journeypersons is generally one-to-one. The total cost of an employee's apprenticeship is normally paid by his employer (while there is no federal or state funding to pay for apprenticeship costs, employer sponsors may be eligible for the worker retraining tax credit provided under § 58.1-439.6 of the Code of Virginia).

The average term for an apprenticeship is four years. It can be longer depending upon the occupation. Virginia's apprenticeship program requires apprentices to complete a minimum of 2,000 hours of supervised on-the-job training and 144 hours of related classroom instruction per year.

Currently, there are more than 10,000 registered and active apprentices working throughout the Commonwealth representing about 300 different occupations.

### **November 26**

At its final meeting of the year, the joint subcommittee heard legislative recommendations for the 2003 Session of the General Assembly from representatives of Virginia's shipyards.

### **Labor Needs of Virginia's Shipyards**

As has been stated in prior joint subcommittee meetings, there is a short supply of skilled labor that is trained to immediately step in and fill vacant positions in Virginia's shipyards. As a means for addressing this shortage, shipyard representatives requested that the joint subcommittee seek legislation to fund scholarships for shipyard workers attending an apprenticeship program at Tidewater Community College.

The apprenticeship program was created during the 2001 Session of the General Assembly (House Bill No. 2121). The legislation establishing the program made funding of scholarships contingent upon an appropriation in the budget bill. Virginia's shipyards believe that funding of the scholarships will increase the number of students who may enroll in the apprenticeship program. As more students enroll in the program, there will be an increase in the number of skilled workers who can immediately fill employment needs in the shipyards.

Shipyard representatives asked for annual funding for scholarships in the range of \$100,000 – \$200,000. There was much discussion on alternatives for funding the scholarships that would not result in an increase in general fund appropriations.

### **Tax on Piers Situated above the Waters of the Commonwealth**

Concern was expressed that the Commonwealth would begin to assess a tax on shipyard piers that extend over the waters of the Commonwealth. While not making a recommendation for legislation in regard to this possibility, shipyard representatives communicated their opposition to such a tax to the joint subcommittee.

## **Tipping Fees**

Shipyard representatives also expressed concern that legislation may be introduced assessing a per tonnage fee on solid wastes deposited at Virginia's landfills. Legislation before the 2002 Session of the General Assembly (Senate Bill No. 592) would have assessed a \$5 per ton fee on solid waste disposed of at Virginia's landfills. The bill was continued to 2003. Shipyard representatives expressed concern over the financial impact on the industry if such a tipping fee were established.

## **Continuation of the Joint Subcommittee**

Recognizing the results achieved so far by the work of the subcommittee, shipyard representatives asked that legislation be introduced continuing the joint subcommittee.

The joint subcommittee took into consideration the recommendations presented. As a quorum was not present, no vote was taken on the recommendations.



## FINDINGS AND CONCLUSION

The joint subcommittee has been studying Virginia's shipbuilding industry since 1998. The key issues examined have been (i) the impact of state TBT regulations upon the industry; (ii) technological efforts to develop a water treatment process that could help lead to industry compliance with state and federal TBT regulations; (iii) the state of the infrastructure in Virginia's shipyards and the use of economic incentives to encourage shipyards to replace and refurbish existing plant and machinery to keep pace with new technologies; (iv) the impact of annual employee turnover upon the industry and means by which to stem turnover; (v) the shortage of skilled laborers who are trained in trades vital to shipbuilding; (vi) Virginia's tax structure as it applies to the shipbuilding industry; and (vii) the need for a centralized and coordinated marketing board that will promote Virginia's shipyards and attract new customers and new markets to Virginia's shipyard businesses.

There has been some resolution to some of the industry's most pressing problems. Virginia's numerical effluent limitation of 50 ppt for TBT has been restated on an equivalent mass basis as 5 grams/year. This restatement, verbally approved by the EPA, should make compliance with state and federal TBT regulations more possible without dramatically impacting Virginia's Water Quality Standard for TBT. In addition, the 2001 Session of the General Assembly adopted the subcommittee's recommendation to establish an apprenticeship program for shipyard workers at Tidewater Community College. This program should assist the shipyard industry in two ways: (i) shipyard workers will more easily be able to acquire the skills necessary for career advancement in the industry, which should help Virginia's shipyards to retain valuable employees; and (ii) there will be less of a shortage of skilled workers who can fill vacant positions in Virginia's shipyards.

As the study progressed, it became evident that some of the problems faced by Virginia's shipyards are beyond the jurisdiction of the joint subcommittee. It is the federal budget that determines the amount of shipbuilding and ship repair work that the United States Navy may contract for. The allocation of that work, to Virginia's private shipyards or to the government-owned Norfolk Naval Shipyard, is also a federal decision. It may be that this and other problems encountered by the industry will have to be finally resolved with the participation of other levels of government.



## Appendix A

### SENATE JOINT RESOLUTION NO. 171

*Establishing a joint subcommittee to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry.*

Agreed to by the Senate, March 13, 1998

Agreed to by the House of Delegates, March 12, 1998

WHEREAS, the encouragement of major investments in shipbuilding facilities in Virginia, the preservation of thousands of existing jobs, and the creation of new jobs in Virginia's shipbuilding industry are in the best interests of the Commonwealth; and

WHEREAS, while the Commonwealth has provided economic incentives for the development within Virginia of several industries, including the semiconductor manufacturing industry, similar economic incentives have not been specifically directed at the shipbuilding industry; and

WHEREAS, several other states have provided financial and other incentives to preserve, expand, and promote their shipbuilding industries; and

WHEREAS, the development of state-of-the-art facilities for the design, manufacture, and support of future generations of ships will require substantial investments; and

WHEREAS, the implementation of economic incentives for the development within the Commonwealth of such facilities is necessary if Virginia is to maintain its position as a leader in shipbuilding and related industries; and

WHEREAS, an analysis of potential tax benefits and other economic incentives directed at fostering additional investments in Virginia's shipbuilding, ship repair, and shipping industries will provide the Commonwealth with valuable information; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry. The joint subcommittee shall determine whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of the Commonwealth's maritime industries.

The joint subcommittee shall be composed of 15 members, which shall include 9 legislative members, 4 nonlegislative citizen members, and 2 ex officio members, as follows: 4 members of the Senate to be appointed by the Senate Committee on Privileges and Elections; 5 members of the House of Delegates to be appointed by the Speaker of the House, in accordance with Rule 16 of the House Rules; 1 citizen representing the shipbuilding industry and 1 citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and 1 citizen representing the shipping industry and 1 citizen recommended by the Board of Commissioners of the Virginia Port Authority to be appointed by the Speaker of the House. The Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee shall serve ex officio, with voting privileges.

The direct costs of this study shall not exceed \$7,000.

The joint subcommittee may employ such consultants as it deems necessary to assist it in its work.

Expenses for such consulting services shall be funded from funds appropriated by the General Assembly in the amount of \$50,000 for the joint subcommittee's study.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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**Legislative Information System**

## Appendix B

### SENATE JOINT RESOLUTION NO. 436

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, February 25, 1999

Agreed to by the House of Delegates, February 25, 1999

WHEREAS, Senate Joint Resolution No. 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee has in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, due to the complexity of the issues and time constraints, the joint subcommittee has not been able to complete its study of these issues and possible strategies to allow the industry to overcome the market conditions and governmental procurement policies which are responsible for much of the industry's problems; and

WHEREAS, the members agree that the joint subcommittee should be continued for a second year; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. In its second year, the joint subcommittee shall examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) dual state and federal jurisdiction over workers' compensation for shipyard workers, (iii) establishing a state commission to promote and provide marketing assistance to the industry, (iv) the Commonwealth's tax structure and its impact on the shipyard industry, and (v) incentive grants for capital investments by shipyards.

The members duly appointed pursuant to Senate Joint Resolution No. 171 (1998) shall continue to serve; however, any vacancies shall be filled as provided in the enabling resolution. Further, appointments of members of the House of Delegates to fill vacancies shall also be in accordance with the principles of Rule 16 of the Rules of the House of Delegates.

The Division of Legislative Services shall continue to provide staff support for the study. All other agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The direct costs of this study shall not exceed \$7,000.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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**Legislative Information System**

## Appendix C

### SENATE JOINT RESOLUTION NO. 177

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, March 9, 2000

Agreed to by the House of Delegates, March 8, 2000

WHEREAS, Senate Joint Resolution No. 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, Senate Joint Resolution No. 436 (1999) continued the joint subcommittee for a second year; and

WHEREAS, the joint subcommittee in its second year recommended legislation providing for investment performance grants to certain eligible ship repair companies; and

WHEREAS, due to the continuing complexity of the issues and time constraints, the joint subcommittee has not been able to complete its study of all issues it was authorized to study under Senate Joint Resolution No. 171 (1998) and Senate Joint Resolution No. 436 (1999) and all possible strategies to allow the industry to overcome the market conditions and governmental procurement policies which are responsible for much of the industry's problems; and

WHEREAS, the continuing study by the joint subcommittee is vital to gain a complete understanding of what must be accomplished to ensure that Virginia and its shipbuilding and ship repair businesses maintain their position as a leader in shipbuilding and related industries; and

WHEREAS, the members agree that the joint subcommittee should be continued; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. The joint subcommittee shall continue to examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) dual state and federal jurisdiction over workers' compensation for shipyard workers, (iii) establishing a state commission to promote and provide marketing assistance to the industry, (iv) the Commonwealth's tax structure and its impact on the shipyard industry, and (v) incentive grants for capital investments by shipyards.

The joint subcommittee shall be composed of 14 members, which shall include 8 legislative members, 4 nonlegislative citizen members, and 2 ex officio members, as follows: three members of the Senate to be appointed by the Senate Committee on Privileges and Elections; five members of the House of Delegates to be appointed by the Speaker of the House, in accordance with the principles of Rule 16 of the Rules of

the House of Delegates; one citizen representing the shipbuilding industry and one citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and one citizen representing the shipping industry and one citizen recommended by the Board of Commissioners of the Virginia Port Authority to be appointed by the Speaker of the House. The Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee shall serve ex officio, with voting privileges.

The Division of Legislative Services shall continue to provide staff support for the study. All other agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its written findings and recommendations by December 20, 2000, to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The direct costs of this study shall not exceed \$8,500.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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**Legislative Information System**



## Appendix D

### SENATE JOINT RESOLUTION NO. 351

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, February 22, 2001

Agreed to by the House of Delegates, February 21, 2001

WHEREAS, Senate Joint Resolution No. 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, Senate Joint Resolution No. 436 (1999) continued the joint subcommittee for a second year; and

WHEREAS, the joint subcommittee in its second year recommended legislation providing for investment performance grants to certain eligible ship repair companies; and

WHEREAS, Senate Joint Resolution No. 177 (2000) continued the joint subcommittee for a third year; and

WHEREAS, the joint subcommittee in its third year recommended legislation providing for investment performance grants to certain eligible ship repair companies, funding for the implementation and administration of an apprenticeship program to enhance the skills of shipyard workers, and funding for the development of a coordinated and centralized marketing program to market the competitive advantages of Virginia's ports and shipyards; and

WHEREAS, due to the continuing complexity of the issues, the joint subcommittee has not been able to complete its study of all issues it was authorized to study under Senate Joint Resolution No. 171 (1998), Senate Joint Resolution No. 436 (1999), and Senate Joint Resolution No. 177 (2000), and all possible strategies to allow the industry to overcome the market conditions and governmental procurement policies that are responsible for much of the industry's problems; and

WHEREAS, the continuing study by the joint subcommittee is vital to gain a complete understanding of what must be accomplished to ensure that Virginia and its shipbuilding and ship repair businesses maintain their position as a leader in shipbuilding and related industries; and

WHEREAS, the continuing study by the joint subcommittee of issues having an adverse impact on the economic health of Virginia's shipbuilding industry is vital to the long-term economic health of the shipbuilding industry; and

WHEREAS, the members agree that the joint subcommittee should be continued for one more year; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. In its fourth year, the joint subcommittee shall continue to examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) establishing a state commission to promote and provide marketing assistance to the industry, (iii) the Commonwealth's tax structure and its impact on the shipyard industry, and (iv) incentive grants for capital investments by shipyards. The joint subcommittee shall be composed of 16 members, which shall include 10 legislative members, four nonlegislative citizen members and two ex officio members as follows: four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; six members of the House of Delegates, to be appointed by the Speaker of the House, in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one citizen representing the shipbuilding industry and one citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and one citizen representing the shipping industry and one citizen recommended by the Board of Commissioners of the Virginia Port Authority, to be appointed by the Speaker of the House; and the Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee to serve ex officio, with full voting privileges.

The Division of Legislative Services shall continue to provide staff support for the study.

All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The direct costs of this study shall not exceed \$14,500.

The joint subcommittee shall complete its work in time to submit its written findings and recommendations by November 30, 2001, to the Governor and the 2002 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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**Legislative Information System**

## Appendix E

### SENATE JOINT RESOLUTION NO. 91

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, January 25, 2002

Agreed to by the House of Delegates, March 5, 2002

WHEREAS, **Senate Joint Resolution No. 171 (1998)** established the Joint Subcommittee Studying Economic Incentives to **Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry**; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, Senate Joint Resolution No. 436 (1999) continued the joint subcommittee for a second year; and

WHEREAS, the joint subcommittee in its second year recommended legislation providing for investment performance grants to certain eligible ship repair companies; and

WHEREAS, Senate Joint Resolution No. 177 (2000) continued the joint subcommittee for a third year; and

WHEREAS, the joint subcommittee in its third year recommended legislation providing for investment performance grants to certain eligible ship repair companies, funding for the implementation and administration of an apprenticeship program to enhance the skills of shipyard workers, and funding for the development of a coordinated and centralized marketing program to market the competitive advantages of Virginia's ports and shipyards; **and**

WHEREAS, Senate Joint Resolution No. 351 (2001) continued the joint subcommittee for a fourth year; and

WHEREAS, the joint subcommittee in 2002 will recommend legislation establishing a program providing grants to shipyards making capital investments and changing the date by which shipyards must comply with Virginia's Water Quality Standard for tributyltin (TBT); and

WHEREAS, due to the continuing complexity of the issues, the joint subcommittee has not been able to complete its study of all issues it was authorized to study under Senate Joint Resolution No. 171 (1998), Senate Joint Resolution No. 436 (1999), Senate Joint Resolution No. 177 (2000), and Senate Joint Resolution No. 351 (2001) and all possible strategies to allow the industry to overcome the market conditions and governmental procurement policies that are responsible for much of the industry's problems; and

WHEREAS, the continuing study by the joint subcommittee is vital to gain a complete understanding of what must be accomplished to ensure that Virginia, and its shipbuilding and ship repair businesses,

maintains its position as a leader in shipbuilding and related industries; and

WHEREAS, the continuing study by the joint subcommittee of issues having an adverse impact on the economic health of Virginia's shipbuilding industry is vital to the long-term economic health of the shipbuilding industry; and

WHEREAS, the members agree that the joint subcommittee should be continued for one more year; now, therefore, be it

**RESOLVED** by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. In its fifth year, the joint subcommittee shall continue to examine, in addition to such other issues as it deems advisable, (i) development of a water treatment process that consistently meets Virginia's 50 parts per trillion TBT discharge standard, (ii) additional methods for providing better training to and reducing turnover among shipyard workers, and (iii) promotion of Norfolk's piers as an original point of departure for cruise ships as a means of developing new business for Virginia's shipyard companies. The joint subcommittee shall be composed of 16 members, which shall include 10 legislative members, four nonlegislative members and two ex officio members as follows: four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; and six members of the House of Delegates, to be appointed by the Speaker of the House, in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one nonlegislative member representing the shipbuilding industry and one nonlegislative member familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; one nonlegislative member representing the shipping industry and one nonlegislative member recommended by the Board of Commissioners of the Virginia Port Authority, to be appointed by the Speaker of the House; and the Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee to serve ex officio, with full voting privileges.

The direct costs of this study shall not exceed \$5,800. The joint subcommittee shall not hold more than two meetings during the 2002 legislative interim.

The Division of Legislative Services shall continue to provide staff support for the study.

All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work by November 30, 2002, and shall submit its written findings and recommendations to the Governor and the 2003 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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**Legislative Information System**

Appendix F  
2002 SESSION

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**HOUSE BILL NO. 389**

Offered January 9, 2002

Prefiled January 8, 2002

*A BILL providing for the State Water Control Board to establish schedules requiring compliance on and after January 1, 2008, with numerical effluent limitations for tributyltin included in permits issued by the Board and providing that the Board shall not assess any penalty, prior to January 1, 2008, relating to numerical effluent limitations for tributyltin.*

Patrons—Wardrup, Drake, Gear, Hamilton, Joannou, McDonnell, Oder, Purkey, Rapp, Sears and Suit;  
Senators: Blevins, Lucas, Maxwell, Norment, Stolle, Wagner and Williams

Referred to Committee on Agriculture, Chesapeake and Natural Resources

**Be it enacted by the General Assembly of Virginia:**

1. *§ 1. Notwithstanding any permit or order issued by the State Water Control Board and to the extent consistent with federal law, the Board shall establish schedules requiring compliance on and after January 1, 2008, with numerical effluent limitations for tributyltin (TBT) included in any Virginia Pollution Discharge Elimination System Permit issued by the Board. Such compliance schedules shall be established by an order or a permit issued by the Board. The Board shall not assess any penalty prior to January 1, 2008, monetary or otherwise, relating to numerical effluent limitations for TBT. Any person or entity holding a permit with numerical effluent limitations for TBT shall, however, comply with all other permit conditions and applicable regulatory requirements and shall use the best available treatment and control technology to reduce the levels of TBT in his effluent.*

2. **That the Department of Environmental Quality shall require any person or entity issued a Virginia Pollution Discharge Elimination System Permit containing numerical effluent limitations for TBT to provide periodic reports on his progress to the department in developing reliable treatment technology for the removal of TBT from wastewater.**

3. **That for violations of any numerical effluent limitation for TBT included in a Virginia Pollution Discharge Elimination System Permit occurring on or after January 1, 2008, the Virginia Department of Environmental Quality shall assess all penalties and pursue all remedies available under law.**

4. **That the Virginia Department of Environmental Quality shall report by September 15 of 2004, 2006 and 2008 to the chairpersons of the Senate Committee on Agriculture, Conservation and Natural Resources and the House Committee on Agriculture and Natural Resources on the progress in developing a reliable treatment technology for the removal of TBT from wastewaters.**

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023085972

HB389

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Clerk of the House of Delegates		Clerk of the Senate	

2002 SESSION

023031508

SENATE BILL NO. 147

Offered January 9, 2002

Prefiled January 8, 2002

A BILL providing for the State Water Control Board to establish schedules requiring compliance on and after January 1, 2008, with numerical effluent limitations for tributyltin included in permits issued by the Board and providing that the Board shall not assess any penalty, prior to January 1, 2008, relating to numerical effluent limitations for tributyltin.

Patron—Norment

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. § 1. Notwithstanding any permit or order issued by the State Water Control Board and to the extent consistent with federal law, the Board shall establish schedules requiring compliance on and after January 1, 2008, with numerical effluent limitations for tributyltin (TBT) included in any Virginia Pollution Discharge Elimination System Permit issued by the Board. Such compliance schedules shall be established by an order or a permit issued by the Board. The Board shall not assess any penalty prior to January 1, 2008, monetary or otherwise, relating to numerical effluent limitations for TBT. Any person or entity holding a permit with numerical effluent limitations for TBT shall, however, comply with all other permit conditions and applicable regulatory requirements and shall use the best available treatment and control technology to reduce the levels of TBT in his effluent.

2. That the Department of Environmental Quality shall require any person or entity issued a Virginia Pollution Discharge Elimination System Permit containing numerical effluent limitations for TBT to provide periodic reports on his progress to the department in developing reliable treatment technology for the removal of TBT from wastewater.

3. That for violations of any numerical effluent limitation for TBT included in a Virginia Pollution Discharge Elimination System Permit occurring on or after January 1, 2008, the Virginia Department of Environmental Quality shall assess all penalties and pursue all remedies available under law.

4. That the Virginia Department of Environmental Quality shall report by September 15 of 2004, 2006 and 2008 to the chairpersons of the Senate Committee on Agriculture, Conservation and Natural Resources and the House Committee on Agriculture and Natural Resources on the progress in developing a reliable treatment technology for the removal of TBT from wastewaters.

023031508

SB147

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## Appendix G

### VIRGINIA ACTS OF ASSEMBLY -- 2001 SESSION

#### CHAPTER 656

*An Act to amend the Code of Virginia by adding a section numbered 23-220.01, relating to apprenticeship programs.*

[H 2121]

Approved March 25, 2001

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding a section numbered 23-220.01 as follows:**

*§ 23-220.01. Apprenticeship program for employees of ship manufacturing and ship repair companies.*

*A. For purposes of this section:*

*"Apprenticeship program" means a three-year program combining educational instruction and on-the-job training that is established for the purpose of enhancing the education and skills of shipyard workers.*

*"College" means the Tidewater Community College.*

*"Industrial applied sciences" may include applied sciences such as welding, burning, blasting, and other applied sciences.*

*"Shipyard worker" means any employee employed full time on a salaried or wage basis, whose tenure is not restricted as to temporary or provisional appointment, at a ship manufacturing or ship repair company located in the Commonwealth.*

*B. Subject to the State Council of Higher Education for Virginia's authority to approve or disapprove all new academic programs as provided in subdivision 5 of § 23-9.6:1, the college may offer a three-year program of educational instruction that incorporates instruction in industrial applied sciences. An Associate in Applied Science Degree shall be conferred on any person successfully completing such academic program. The college may coordinate such academic program with an apprenticeship program offered to shipyard workers by their employers.*

*C. Beginning in the calendar year that the Council approves such academic program and for calendar years thereafter, shipyard workers who are (i) domiciled residents of Virginia as described in § 23-7.4 and (ii) enrolled as full- or part-time students in such academic program, shall be eligible for scholarships for such program. Renewal of the scholarships of such shipyard workers shall be contingent upon maintaining (a) enrollment in such academic program, (b) a cumulative grade point average of at least 3.0 on a scale of 4.0 or its equivalent at the completion of each academic year, and (c) full-time employment as a shipyard worker.*

*D. Before any scholarship is awarded in accordance with the provisions of this section, the scholarship recipient shall sign a promissory note under which he agrees (i) to continue full-time employment as a shipyard worker until his graduation and (ii) upon graduation, to work continuously as a shipyard worker for the same number of years that he was the beneficiary of such scholarship. The State Council may recover the total amount of funds awarded as a scholarship, or the appropriate portion thereof, including any accrued interest, if the scholarship recipient fails to honor such requirements.*

*E. There is hereby created the Virginia Vocational Incentive Scholarship Program for Shipyard Workers to provide scholarships to shipyard workers enrolled at the college in such academic program.*

*F. From such funds as are appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf, there is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Vocational Incentive Scholarship Program for Shipyard Workers Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Funds may be paid to the college on behalf of shipyard workers who have been awarded scholarships pursuant to subsection C. Funds may also be used for the administration and implementation of such academic*

*program and/or the apprenticeship program.*

*Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the State Council of Higher Education for Virginia.*

*G. The Council shall promulgate regulations for the implementation of the provisions of this section and shall award scholarships to eligible students for no more than three academic years. Scholarship amounts shall not exceed full tuition and required fees relating to such academic program.*



