

117TH CONGRESS
1ST SESSION

S. 707

To require a certain percentage of natural gas and crude oil exports be transported on United States-built and United States-flag vessels, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2021

Mr. WICKER (for himself and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require a certain percentage of natural gas and crude oil exports be transported on United States-built and United States-flag vessels, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energizing American
5 Shipbuilding Act of 2021”.

6 **SEC. 2. NATIONAL POLICY ON STRATEGIC ENERGY ASSET**
7 **EXPORT TRANSPORTATION.**

8 (a) LNG EXPORTS.—

9 (1) FINDINGS.—Congress finds that—

1 (A) liquefied natural gas (referred to in
2 this paragraph as “LNG”) is hazardous to na-
3 tional import and export terminals and ports if
4 mishandled;

5 (B) LNG is a strategic national asset, the
6 export of which should be used to preserve the
7 tanker fleet and skilled mariner workforce of
8 the United States, which are essential to na-
9 tional security; and

10 (C) for the safety and security of the
11 United States, LNG should be exported on ves-
12 sels documented under the laws of the United
13 States.

14 (2) REQUIREMENT FOR TRANSPORTATION OF
15 EXPORTS OF NATURAL GAS ON VESSELS DOCU-
16 MENTED UNDER LAWS OF THE UNITED STATES.—
17 Section 3 of the Natural Gas Act (15 U.S.C. 717b)
18 is amended by adding at the end the following:

19 “(g) TRANSPORTATION OF EXPORTS OF NATURAL
20 GAS ON VESSELS DOCUMENTED UNDER LAWS OF THE
21 UNITED STATES.—

22 “(1) CONDITION FOR APPROVAL.—Except as
23 provided in paragraph (7), with respect to an appli-
24 cation to export natural gas under subsection (a),
25 the Commission shall include in the order issued for

1 that application the condition that the person trans-
2 port the natural gas on a vessel that meets the re-
3 quirements described in paragraph (3).

4 “(2) PURPOSE.—The purpose of the require-
5 ment under paragraph (1) is to ensure that, of all
6 natural gas exported by vessel in a calendar year,
7 the following percentage is exported by a vessel that
8 meets the requirements described in paragraph (3):

9 “(A) In each of the 7 calendar years fol-
10 lowing the calendar year in which this sub-
11 section is enacted, not less than 2 percent.

12 “(B) In each of the 8th and 9th calendar
13 years following the calendar year in which this
14 subsection is enacted, not less than 3 percent.

15 “(C) In each of the 10th and 11th cal-
16 endar years following the calendar year in
17 which this subsection is enacted, not less than
18 4 percent.

19 “(D) In each of the 12th and 13th cal-
20 endar years following the calendar year in
21 which this subsection is enacted, not less than
22 6 percent.

23 “(E) In each of the 14th and 15th cal-
24 endar years following the calendar year in

1 which this subsection is enacted, not less than
2 7 percent.

3 “(F) In each of the 16th and 17th cal-
4 endar years following the calendar year in
5 which this subsection is enacted, not less than
6 9 percent.

7 “(G) In each of the 18th and 19th cal-
8 endar years following the calendar year in
9 which this subsection is enacted, not less than
10 11 percent.

11 “(H) In each of the 20th and 21st cal-
12 endar years following the calendar year in
13 which this subsection is enacted, not less than
14 13 percent.

15 “(I) In the 22nd calendar year after the
16 calendar year in which this subsection is en-
17 acted and each calendar year thereafter, not
18 less than 15 percent.

19 “(3) REQUIREMENTS FOR VESSELS.—A vessel
20 meets the requirements described in this para-
21 graph—

22 “(A) with respect to each of the 5 calendar
23 years following the calendar year in which this
24 subsection is enacted—

25 “(i) if—

1 “(I) the vessel is documented
2 under the laws of the United States;
3 and

4 “(II) with respect to any retrofit
5 work necessary for the vessel to ex-
6 port natural gas—

7 “(aa) such work is done in a
8 shipyard in the United States;
9 and

10 “(bb) any component of the
11 vessel listed in paragraph (4)
12 that is installed during the
13 course of such work is manufac-
14 tured in the United States; or

15 “(ii) if—

16 “(I) the vessel is built in the
17 United States;

18 “(II) the vessel is documented
19 under the laws of the United States;

20 “(III) all major components of
21 the hull or superstructure of the ves-
22 sel are manufactured (including all
23 manufacturing processes from the ini-
24 tial melting stage through the applica-

1 tion of coatings for iron or steel prod-
2 ucts) in the United States; and

3 “(IV) the components of the ves-
4 sel listed in paragraph (4) are manu-
5 factured in the United States; and

6 “(B) with respect to the 6th calendar year
7 following the calendar year in which this sub-
8 section is enacted, and each calendar year
9 thereafter, if the vessel meets the requirements
10 of subparagraph (A)(ii).

11 “(4) COMPONENTS.—The components of a ves-
12 sel listed in this paragraph are the following:

13 “(A) Air circuit breakers.

14 “(B) Welded shipboard anchor and moor-
15 ing chain with a diameter of 4 inches or less.

16 “(C) Powered and non-powered valves in
17 Federal Supply Classes 4810 and 4820 used in
18 piping.

19 “(D) Machine tools in the Federal Supply
20 Classes for metal-working machinery numbered
21 3405, 3408, 3410 through 3419, 3426, 3433,
22 3438, 3441 through 3443, 3445, 3446, 3448,
23 3449, 3460, and 3461.

24 “(E) Auxiliary equipment for shipboard
25 services, including pumps.

1 “(F) Propulsion equipment, including en-
 2 gines, propulsion motors, reduction gears, and
 3 propellers.

4 “(G) Shipboard cranes.

5 “(H) Spreaders for shipboard cranes.

6 “(I) Rotating electrical equipment, includ-
 7 ing electrical alternators and motors.

8 “(J) Compressors, pumps, and heat ex-
 9 changers used in managing and re-liquefying
 10 boil-off gas from liquefied natural gas.

11 “(5) WAIVER AUTHORITY.—The Commission
 12 may waive the requirement under clause (i)(II)(bb)
 13 or (ii)(IV), as applicable, of paragraph (3)(A) with
 14 respect to a component of a vessel if the Maritime
 15 Administrator determines that—

16 “(A) application of the requirement
 17 would—

18 “(i) result in an increase of 25 per-
 19 cent or more in the cost of the component
 20 of the vessel; or

21 “(ii) cause unreasonable delays to be
 22 incurred in building or retrofitting the ves-
 23 sel; or

24 “(B) such component is not manufactured
 25 in the United States in sufficient and reason-

1 ably available quantities of a satisfactory qual-
2 ity.

3 “(6) OPPORTUNITIES FOR LICENSED AND UNLI-
4 CENSED MARINERS.—Except as provided in para-
5 graph (7), the Commission shall include, in any
6 order issued under subsection (a) that authorizes a
7 person to export natural gas, a condition that the
8 person provide opportunities for United States li-
9 censed and unlicensed mariners to receive experience
10 and training necessary to become credentialed in
11 working on a vessel transporting natural gas.

12 “(7) EXCEPTION.—The Commission may not
13 include in any order issued under subsection (a) au-
14 thorizing a person to export natural gas to a nation
15 with which there is in effect a free trade agreement
16 requiring national treatment for trade in natural gas
17 a condition described in paragraph (1), or a condi-
18 tion described in paragraph (6), if the United States
19 Trade Representative certifies to the Commission, in
20 writing, that such condition would violate obligations
21 of the United States under such free trade agree-
22 ment.

23 “(8) USE OF FEDERAL INFORMATION.—In car-
24 rying out paragraph (1), the Commission—

1 “(A) shall use information made available
2 by—

3 “(i) the Energy Information Adminis-
4 tration; or

5 “(ii) any other Federal agency or enti-
6 ty the Commission determines appropriate;
7 and

8 “(B) may use information made available
9 by a private entity only if applicable informa-
10 tion described in subparagraph (A) is not avail-
11 able.”.

12 (3) CONFORMING AMENDMENT.—Section 3(c)
13 of the Natural Gas Act (15 U.S.C. 717b(c)) is
14 amended by striking “or the exportation of natural
15 gas” and inserting “or, subject to subsection (g), the
16 exportation of natural gas”.

17 (b) CRUDE OIL.—Section 101 of title I of division
18 O of the Consolidated Appropriations Act, 2016 (42
19 U.S.C. 6212a) is amended—

20 (1) in subsection (b), by striking “subsections
21 (c) and (d)” and inserting “subsections (c), (d), and
22 (f)”; and

23 (2) by adding at the end the following:

1 “(f) TRANSPORTATION OF EXPORTS OF CRUDE OIL
2 ON VESSELS DOCUMENTED UNDER LAWS OF THE
3 UNITED STATES.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (6), as a condition to export crude oil, the
6 President shall require that a person exporting crude
7 oil transport the crude oil on a vessel that meets the
8 requirements described in paragraph (3).

9 “(2) PURPOSE.—The purpose of the require-
10 ment under paragraph (1) is to ensure that, of all
11 crude oil exported by vessel in a calendar year, the
12 following percentage is exported by a vessel that
13 meets the requirements described in paragraph (3):

14 “(A) In each of the 7 calendar years fol-
15 lowing the calendar year in which this sub-
16 section is enacted, not less than 3 percent.

17 “(B) In each of the 8th, 9th, and 10th cal-
18 endar years following the calendar year in
19 which this subsection is enacted, not less than
20 6 percent.

21 “(C) In each of the 11th, 12th, and 13th
22 calendar years following the calendar year in
23 which this subsection is enacted, not less than
24 8 percent.

1 “(D) In the 14th calendar year following
2 the calendar year in which this subsection is en-
3 acted and each calendar year thereafter, not
4 less than 10 percent.

5 “(3) REQUIREMENTS FOR VESSELS.—A vessel
6 meets the requirements described in this para-
7 graph—

8 “(A) with respect to each of the 4 calendar
9 years following the calendar year in which this
10 subsection is enacted—

11 “(i) if—

12 “(I) the vessel is documented
13 under the laws of the United States;
14 and

15 “(II) with respect to any retrofit
16 work necessary for the vessel to ex-
17 port crude oil—

18 “(aa) such work is done in a
19 shipyard in the United States;
20 and

21 “(bb) any component of the
22 vessel listed in paragraph (4)
23 that is installed during the
24 course of such work is manufac-
25 tured in the United States; or

1 “(ii) if—

2 “(I) the vessel is built in the
3 United States;

4 “(II) the vessel is documented
5 under the laws of the United States;

6 “(III) all major components of
7 the hull or superstructure of the ves-
8 sel are manufactured (including all
9 manufacturing processes from the ini-
10 tial melting stage through the applica-
11 tion of coatings for iron or steel prod-
12 ucts) in the United States; and

13 “(IV) the components of the ves-
14 sel listed in paragraph (4) are manu-
15 factured in the United States; and

16 “(B) with respect to the 5th calendar year
17 following the calendar year in which this sub-
18 section is enacted and each calendar year there-
19 after, if the vessel meets the requirements of
20 subparagraph (A)(ii).

21 “(4) COMPONENTS.—The components of a ves-
22 sel listed in this paragraph are the following:

23 “(A) Air circuit breakers.

24 “(B) Welded shipboard anchor and moor-
25 ing chain with a diameter of four inches or less.

1 “(C) Powered and non-powered valves in
2 Federal Supply Classes 4810 and 4820 used in
3 piping.

4 “(D) Machine tools in the Federal Supply
5 Classes for metal-working machinery numbered
6 3405, 3408, 3410 through 3419, 3426, 3433,
7 3438, 3441 through 3443, 3445, 3446, 3448,
8 3449, 3460, and 3461.

9 “(E) Auxiliary equipment for shipboard
10 services, including pumps.

11 “(F) Propulsion equipment, including en-
12 gines, propulsion motors, reduction gears, and
13 propellers.

14 “(G) Shipboard cranes.

15 “(H) Spreaders for shipboard cranes.

16 “(I) Rotating electrical equipment, includ-
17 ing electrical alternators and motors.

18 “(5) WAIVER AUTHORITY.—The President may
19 waive the requirement under clause (i)(II)(bb) or
20 clause (ii)(IV), as applicable, of paragraph (3)(A)
21 with respect to a component of a vessel if the Mari-
22 time Administrator determines that—

23 “(A) application of the requirement
24 would—

1 “(i) result in an increase of 25 per-
2 cent or more in the cost of the component
3 of the vessel; or

4 “(ii) cause unreasonable delays to be
5 incurred in building or retrofitting the ves-
6 sel; or

7 “(B) such component is not manufactured
8 in the United States in sufficient and reason-
9 ably available quantities of a satisfactory qual-
10 ity.

11 “(6) EXCEPTION.—The President may not,
12 under paragraph (1), condition the export of crude
13 oil to a nation with which there is in effect a free
14 trade agreement requiring national treatment for
15 trade in crude oil if the United States Trade Rep-
16 resentative certifies to the President, in writing, that
17 such condition would violate obligations of the
18 United States under such free trade agreement.

19 “(7) OPPORTUNITIES FOR LICENSED AND UNLI-
20 CENSED MARINERS.—The Maritime Administrator
21 shall ensure that each exporter of crude oil by vessel
22 provides opportunities for United States licensed and
23 unlicensed mariners to receive experience and train-
24 ing necessary to become credentialed in working on
25 such vessels.

1 “(8) USE OF FEDERAL INFORMATION.—In car-
2 rying out paragraph (1), the President—

3 “(A) shall use information made available
4 by—

5 “(i) the Energy Information Adminis-
6 tration; or

7 “(ii) any other Federal agency or enti-
8 ty the Commission determines appropriate;
9 and

10 “(B) may use information made available
11 by a private entity only if applicable informa-
12 tion described in subparagraph (A) is not avail-
13 able.”.

14 **SEC. 3. ENERGY INFORMATION ADMINISTRATION INFOR-**
15 **MATION.**

16 The Secretary of Energy, acting through the Admin-
17 istrator of the Energy Information Administration (re-
18 ferred to in this section as the “Secretary”), shall collect,
19 and make readily available to the public on the internet
20 website of the Energy Information Administration, infor-
21 mation on exports by vessel of natural gas and crude oil,
22 including—

23 (1) forecasts for, and data on, those exports for
24 the calendar year following the calendar year in

1 which this Act is enacted and each calendar year
2 thereafter; and

3 (2) forecasts for those exports for multiyear pe-
4 riods after the date of enactment of this Act, as de-
5 termined appropriate by the Secretary.

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