

118TH CONGRESS  
2D SESSION

# S. 5611

To support the national defense and economic security of the United States by supporting vessels, ports, and shipyards of the United States and the U.S. maritime workforce.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 19 (legislative day, DECEMBER 16), 2024

Mr. KELLY (for himself and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To support the national defense and economic security of the United States by supporting vessels, ports, and shipyards of the United States and the U.S. maritime workforce.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Shipbuilding and Harbor Infrastructure for Prosperity  
6 and Security for America Act of 2024” or the “SHIPS  
7 for America Act of 2024”.

- 1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. Findings.  
 Sec. 3. Sense of Congress.  
 Sec. 4. Definitions.

#### TITLE I—OVERSIGHT AND ACCOUNTABILITY

- Sec. 101. Maritime Security Advisor; Maritime Security Board.  
 Sec. 102. Maritime Transportation System National Advisory Committee.  
 Sec. 103. Direct hire authority.  
 Sec. 104. Implementation plan.  
 Sec. 105. Federal Maritime Commission report on vessels of the United States.

#### TITLE II—MARITIME SECURITY TRUST FUND

- Sec. 201. Apportionment of the Maritime Security Trust Fund.  
 Sec. 202. Regular tonnage taxes; Presidential suspension of tonnage taxes and  
     light money.

#### TITLE III—SEALIFT CAPABILITY

- Sec. 301. Sealift capability.  
 Sec. 302. National Freight Strategic Plan.  
 Sec. 303. Foreign shipping practices; controlled carriers.

#### TITLE IV—VESSELS OF THE UNITED STATES IN INTERNATIONAL COMMERCE

##### Subtitle A—Strategic Sealift Programs

- Sec. 401. Strategic Commercial Fleet.  
 Sec. 402. Maritime Security Program.  
 Sec. 403. Cable security fleet.  
 Sec. 404. Tanker Security Fleet.  
 Sec. 405. Modification to duties relating to equipment and repair of vessels.

##### Subtitle B—Cargo Preference

- Sec. 411. United States Government cargo.  
 Sec. 412. Cargo preference implementation regulations.  
 Sec. 413. Cargo preference oversight and audit.  
 Sec. 414. Financing the transportation of agricultural products.  
 Sec. 415. Importation from China on American ships.  
 Sec. 416. Priority for vessels of the United States.  
 Sec. 417. Moving cargo on vessels of the United States.  
 Sec. 418. Transportation requirements for certain exports sponsored by the  
     Secretary of Agriculture.  
 Sec. 419. Clarifying amendments.  
 Sec. 420. Energizing American shipbuilding.  
 Sec. 421. Ship America Office.

##### Subtitle C—Regulatory Reform

- Sec. 431. Alternate standards.

- Sec. 432. Rulemaking committee on commercial maritime regulations and standards.
- Sec. 433. Amendments to Shipowners' Limitation of Liability Act of 1851.

## TITLE V—SHIPBUILDING

### Subtitle A—Shipbuilding Financial Incentives

- Sec. 501. Shipbuilding financial incentives.
- Sec. 502. Assistance for small shipyards.
- Sec. 503. Federal ship financing (title XI) program.
- Sec. 504. Construction reserve fund.
- Sec. 505. Capital construction fund.
- Sec. 506. Anticipated commercial vessel construction survey.
- Sec. 507. Streamlined environmental review.
- Sec. 508. Eligibility for loan guarantees.
- Sec. 509. Reports.
- Sec. 510. Export control report.

### Subtitle B—Department of Defense Programs

- Sec. 511. Assessment of the use of commercial best practices for Navy shipbuilding.
- Sec. 512. Plan of action for use of Defense Production Act of 1950 authorities.
- Sec. 513. Strategy on development of naval rearm-at-sea capability.
- Sec. 514. Military Sealift Command.

### Subtitle C—Shipbuilding Innovation and Infrastructure

- Sec. 521. United States Center for Maritime Innovation.
- Sec. 522. National Shipbuilding Research Program.
- Sec. 523. Assessment on Marine infrastructure readiness.

## TITLE VI—WORKFORCE DEVELOPMENT

### Subtitle A—Workforce Incentives

- Sec. 601. Public service loan forgiveness for Merchant Marines.
- Sec. 602. Eligibility for educational assistance.
- Sec. 603. Eligibility of mariners to attend Naval Postgraduate School.
- Sec. 604. Reimbursement of qualifying spouse relicensing costs and business costs.
- Sec. 605. Noncompetitive eligibility for Federal employment.
- Sec. 606. United States Merchant Marine Career Retention Program.

### Subtitle B—Workforce Pipeline

- Sec. 611. Maritime and shipbuilding recruiting campaign.
- Sec. 612. Centers of Excellence for Domestic Maritime Workforce Training and Education.
- Sec. 613. Maritime Career and Technical Education Advisory Committee.
- Sec. 614. Military Candidates to Mariner Careers Recruitment Exchange.
- Sec. 615. Maritime worker data collection.
- Sec. 616. Military to maritime transition.
- Sec. 617. Early maritime education and youth involvement.
- Sec. 618. International scholarship for mariner and naval architecture exchanges.

Subtitle C—United States Merchant Marine Academy and State Maritime Academies

- Sec. 621. Authorization of appropriations for United States Merchant Marine Academy infrastructure and facilities modernization.
- Sec. 622. United States Merchant Marine Academy.
- Sec. 623. Retirement service credit for service as a midshipman at the United States Merchant Marine Academy.
- Sec. 624. State maritime academies.
- Sec. 625. Military to mariner enrollment at a State Maritime Academy.
- Sec. 626. Enforcement of service obligation requirements.
- Sec. 627. Fuel funding for training ships operated by State maritime academies.
- Sec. 628. State Maritime Academy Sea Term Scholarship Programs.
- Sec. 629. Naval joint exercise involvement for training ships operated by State maritime academies.

Subtitle D—Maritime Credentialing Modernization

- Sec. 631. Merchant mariner credentialing modernization.
- Sec. 632. Revising merchant mariner deck training requirements.
- Sec. 633. Inspections for transportation security.
- Sec. 634. Technical amendments relating to references to seamen.
- Sec. 635. Renewal of merchant mariner licenses and documents.
- Sec. 636. Merchant seamen licenses, certificates, and documents; manning of vessels.
- Sec. 637. Reactivation of expired license.

TITLE VII—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

- Sec. 701. Establishment of the Maritime Security Trust Fund.
- Sec. 702. United States Vessel Investment Credit.
- Sec. 703. Certain payments for maritime security excluded from gross income.
- Sec. 704. Elimination of 30-day limitation on domestic operations.
- Sec. 705. Qualifying shipping activities.
- Sec. 706. Qualifying vessel.
- Sec. 707. Credit for construction of shipyard facilities.
- Sec. 708. Tax incentives relating to merchant marine capital construction funds.
- Sec. 709. Exemption of student incentive payment agreements from gross income.
- Sec. 710. Maritime fuel tax parity.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

- 3 (1) Strategic sealift, made up of Government
- 4 and commercial vessels and mariners, is a critical
- 5 capability for executing the maritime defense strat-

1       egy and the wartime and peacetime economy of the  
2       United States.

3           (2) Ensuring a modern and ready capability  
4       will require significant investment, policy  
5       prioritization, and the innovation of the people of the  
6       United States.

7           (3) The worldwide ocean economy is worth be-  
8       tween \$3,000,000,000,000 and \$6,000,000,000,000,  
9       according to the United Nations Conference on  
10      Trade and Development. Yet, vessels of the United  
11      States carry less than 2 percent of United States  
12      international commercial cargoes by weight.

13          (4) The United States has fewer than 200  
14      oceangoing vessels of the United States, of which  
15      only approximately 80 vessels participate in inter-  
16      national commerce, compared with more than 5,500  
17      Chinese documented vessels.

18          (5) With oceans on both sides, the United  
19      States has always been a maritime Nation. Through-  
20      out history, the strength of a maritime Nation has  
21      been directly tied to the strength of its maritime in-  
22      dustry, and the United States won 2 world wars on  
23      the back of a strong maritime industry.

24          (6) Decades of neglect by the United States  
25      Government and private industry has weakened the

1 shipbuilding capacity and maritime workforce of the  
2 United States, contributing to a declining fleet of  
3 shipping vessels of the United States to bring  
4 United States goods to market and support the  
5 United States military during wartime.

6 (7) Today, there are just 20 shipbuilders in the  
7 United States capable of building oceangoing ves-  
8 sels—down from more than 80 at the end of the  
9 Second World War.

10 (8) During World War II, the United States  
11 merchant marine powered the Allies to victory with  
12 more than 10,000 oceangoing vessels of the United  
13 States. Today there are just 80 vessels of the United  
14 States engaged in international trade.

15 (9) The People's Republic of China has made  
16 investments in the maritime industry a strategic pri-  
17 ority over the past 20 years.

18 (10) As of 2023, shipyards in the United States  
19 had fewer than 5 shipbuilding orders for oceangoing  
20 vessels, while shipyards in the People's Republic of  
21 China had more than 1,700 orders, according to  
22 BRS Group. According to the Office of Naval Intel-  
23 ligence, the People's Republic of China became the  
24 world's top shipbuilding and shipping nation, boast-

1       ing 230 times more shipbuilding capacity than the  
2       United States.

3           (11) With just 12,000 United States merchant  
4       mariners operating oceangoing vessels, the United  
5       States may not have a sufficient number of mariners  
6       to fully power the strategic sealift vessels necessary  
7       in a future prolonged conflict.

8           (12) The American Civil Society of Engineers  
9       assesses that the United States has a national main-  
10      tenance backlog amounting to \$125,000,000,000 for  
11      bridges, \$163,000,000,000 for ports, and  
12      \$6,800,000,000 for inland waterways.

13          (13) The maritime industry is inherently inter-  
14      national. Eighty percent of United States goods are  
15      imported by sea, of which 98 percent come into the  
16      United States on foreign documented vessels. Only 2  
17      percent of such goods come into the United States  
18      on vessels of the United States, leaving the United  
19      States economy disproportionately dependent on  
20      oceangoing trade controlled by often adversarial for-  
21      eign nations. The Nation's ability to provide services  
22      in both international and interstate commerce is  
23      critical to national and economic defense.

24          (14) Since November 2023, vessels engaged in  
25      international commerce have been threatened by the

1       Houthis, which has threatened global supply chains,  
2       increased costs, and required naval force protection  
3       operations in the Red Sea through the United  
4       States-led Operation Prosperity Guardian that  
5       formed in December 2023.

6           (15) A fleet of commercial shipping vessels of  
7       the United States, crewed with citizen mariners, that  
8       is competitive in domestic and international trade,  
9       and commercial fleets participating in the United  
10      States peacetime economy enhance the United  
11      States military's readiness, allow the United States  
12      to more strategically compete with China, and un-  
13      derwrites the security and survival of the United  
14      States in times of crisis and war.

15   **SEC. 3. SENSE OF CONGRESS.**

16      It is the sense of Congress that the United States  
17   must—

18           (1) create a more favorable domestic and global  
19      maritime environment for vessels of the United  
20      States engaged in international commerce, ship-  
21      building, ship repair, maritime logistics, the mari-  
22      time workforce, and naval power, contributing to as-  
23      sured access to the world's oceans free from coercion  
24      from strategic competitors and asymmetric adver-  
25      saries;



1           (2) increase domestic shipbuilding and ship re-  
2       pair capacity, with programs and policies that enable  
3       the growth of United States shipyards and the mari-  
4       time industrial base, enhance military sealift capac-  
5       ity, expand the United States maritime workforce,  
6       and enhance national security;

7           (3) revitalize the international fleet of vessels of  
8       the United States and foster a comparative advan-  
9       tage for the United States through targeted incen-  
10      tives and regulatory reforms to make the fleet com-  
11      petitive with international carriers and to gain a sus-  
12      tainable share of the global maritime market in  
13      order to bolster supply chains, strengthen economic  
14      security, and lower prices;

15          (4) take all measures necessary to ensure that  
16      sufficient military, civil, and commercial resources  
17      will be available with assured access to meet defense  
18      deployment needs and essential economic activities  
19      for our Nation in times of crisis, war, or peace;

20          (5) recognize that a vibrant commercial ship-  
21      building industry provides redundancies and creates  
22      economies of scale that improve military, Coast  
23      Guard, and Government shipbuilding and support  
24      military operations through strategic sealift to de-  
25      fend the freedom of the seas;

1           (6) ensure better coordination between Federal  
2 agencies, including the Maritime Administration, the  
3 United States Coast Guard, the Department of De-  
4 fense, the Federal Maritime Commission, and all  
5 other Federal agencies with a maritime nexus, to  
6 protect, regulate, and support the United States  
7 maritime industry, resolve disputes, and implement  
8 a whole-of-Government national maritime strategy;

9           (7) establish reliable long-term demand signals  
10 for, and investments in, oceangoing commercial ves-  
11 sels that are built in the United States, documented  
12 under the laws of the United States, and crewed by  
13 United States mariners;

14           (8) evaluate past and present maritime efforts  
15 to take actions to revitalize the United States mari-  
16 time industry;

17           (9) strengthen the United States intercoastal  
18 and domestic trade fleet, which is the foundation  
19 upon which a revitalized United States-documented  
20 shipping and domestic shipbuilding industry will be  
21 built;

22           (10) recognize the important role that the sup-  
23 port craft, passenger, and fishing vessel fleet play in  
24 the United States maritime industry;

1           (11) encourage the shipping of commercial  
2 cargo on vessels of the United States, with the aim  
3 of growing the size and carrying capacity of the  
4 international fleet of vessels of the United States;

5           (12) grow the shipping capacity of vessels of  
6 the United States and guarantee United States Gov-  
7 ernment cargo during peacetime;

8           (13) develop a whole-of-Government effort to  
9 expand, develop, and protect the maritime work-  
10 force;

11          (14) recognize the need for more workers in the  
12 maritime sector and stimulate growth in the United  
13 States maritime and shipbuilding industries, includ-  
14 ing by increasing access to early maritime education,  
15 commissioning national marketing campaigns to  
16 demonstrate how United States shipbuilding, United  
17 States-documented shipping, and maritime workers  
18 are critical to national security, and implementing  
19 workforce accelerator programs;

20          (15) remove barriers to training mariners, in-  
21 cluding reevaluating Coast Guard training require-  
22 ments regarding faculty credentials, instructional fa-  
23 cility designs, sea time requirements, and other iden-  
24 tified barriers, consistent with international treaty  
25 obligations;

1           (16) expand and nurture a robust mariner  
2       workforce that enhances the national security and  
3       strategic sealift readiness of the United States by in-  
4       creasing the number of United States mariners and  
5       improving existing pathways and establishing new  
6       pathways for new, current, and former merchant  
7       mariners to go to sea;

8           (17) recognize that the United States Merchant  
9       Marine Academy and our State maritime academies  
10      are critical to training the next generation of li-  
11      censed officers and engineers on vessels of the  
12      United States;

13          (18) invest and innovate in domestic ship-  
14      building, ship repair, and the shipping capabilities  
15      and capacity of vessels of the United States to ad-  
16      vance the power and influence of the maritime in-  
17      dustry of the United States;

18          (19) drive multi-stakeholder research, develop-  
19      ment, assessment, and deployment of emerging ma-  
20      rine technologies and best practices related to the  
21      maritime transportation system to ensure United  
22      States leadership in next-generation shipbuilding,  
23      ship repair, and maritime logistics;

24          (20) drive modern business and manufacturing  
25      approaches, such as innovative maritime logistics,

1 clean fuels, and advanced nuclear energy, human-  
2 machine teaming, additive manufacturing, and other  
3 advanced technologies;

4 (21) review and update regulations governing  
5 vessel design and engineering, vessel and facility op-  
6 eration, and merchant mariner credentialing, in  
7 order to revitalize the United States maritime indus-  
8 try;

9 (22) seek mutually beneficial relationships with  
10 treaty allies and strategic partners to grow the do-  
11 mestic shipping and shipbuilding industries of the  
12 United States and to share the burden of providing  
13 freedom of navigation on the high seas, while de-  
14 risking the United States maritime domain from the  
15 People's Republic of China, foreign countries of con-  
16 cern, and asymmetric or emerging maritime threats;

17 (23) harden critical maritime infrastructure and  
18 networks, and incrementally replace infrastructure  
19 built by foreign adversaries with domestic-built and  
20 allied-built infrastructure; and

21 (24) promote the values of the United States  
22 for quality of life, worker safety, environmental stew-  
23 ardship, maritime independence, freedom of the  
24 seas, and the resilience of our oceans, seas, and in-  
25 land waterways.

1 **SEC. 4. DEFINITIONS.**

2 In this Act:

3 (1) APPROPRIATE COMMITTEES OF CON-  
4 GRESS.—The term “appropriate committees of Con-  
5 gress” means—

6 (A) the Committee on Armed Services, the  
7 Committee on Commerce, Science, and Trans-  
8 portation, and the Committee on Appropria-  
9 tions of the Senate; and

10 (B) the Committee on Armed Services, the  
11 Committee on Transportation and Infrastruc-  
12 ture, and the Committee on Appropriations of  
13 the House of Representatives.

14 (2) DOMESTIC COMMERCE.—The term “domes-  
15 tic commerce” means the transportation of goods or  
16 passengers between places in the United States.

17 (3) FOREIGN COMMERCE.—The term “foreign  
18 commerce” means—

19 (A) commerce or trade between the United  
20 States, its territories or possessions, or the Dis-  
21 trict of Columbia, and a foreign country; and

22 (B) commerce or trade between foreign  
23 countries.

24 (4) FOREIGN COUNTRY OF CONCERN.—The  
25 term “foreign country of concern” means—

1 (A) a country that is a covered nation (as  
2 defined in section 4872(d) of title 10, United  
3 States Code); and

4 (B) any country that the Maritime Admin-  
5 istrator, in consultation with the Secretary of  
6 Defense, the Secretary of State, the Director of  
7 National Intelligence, and the Chair of the Fed-  
8 eral Maritime Commission, determines to be en-  
9 gaged in conduct that is detrimental to the na-  
10 tional security or foreign policy of the United  
11 States.

12 (5) FOREIGN ENTITY.—The term “foreign enti-  
13 ty”—

14 (A) means—

15 (i) a government of a foreign country  
16 or a foreign political party;

17 (ii) a natural person who is not a law-  
18 ful permanent resident of the United  
19 States, a citizen of the United States, or  
20 any other protected individual (as such  
21 term is defined in section 274B(a)(3) of  
22 the Immigration and Nationality Act (8  
23 U.S.C. 1324b(a)(3))); or

24 (iii) a partnership, association, cor-  
25 poration, organization, or other combina-

tion of persons organized under the laws of  
or having its principal place of business in  
a foreign country; and

(B) includes—

(i) any person owned by, controlled  
by, or subject to the jurisdiction or direc-  
tion of an entity listed in subparagraph  
(A);

(ii) any person, wherever located, who  
acts as an agent, representative, or em-  
ployee of an entity listed in subparagraph  
(A);

(iii) any person who acts in any other  
capacity at the order, request, or under the  
direction or control, of an entity listed in  
subparagraph (A), or of a person whose  
activities are directly or indirectly super-  
vised, directed, controlled, financed, or  
subsidized in whole or in majority part by  
an entity listed in subparagraph (A);

(iv) any person who directly or indi-  
rectly through any contract, arrangement,  
understanding, relationship, or otherwise,  
owns 25 percent or more of the equity in-



1           terests of an entity listed in subparagraph  
2           (A);

3           (v) any person with significant re-  
4           sponsibility to control, manage, or direct  
5           an entity listed in subparagraph (A);

6           (vi) any person, wherever located, who  
7           is a citizen or resident of a country con-  
8           trolled by an entity listed in subparagraph  
9           (A); or

10          (vii) any corporation, partnership, as-  
11          sociation, or other organization organized  
12          under the laws of a country controlled by  
13          an entity listed in subparagraph (A).

14          (6) FOREIGN ENTITY OF CONCERN.—The term  
15          “foreign entity of concern” means any foreign entity  
16          that is—

17               (A) designated as a foreign terrorist orga-  
18               nization by the Secretary of State under section  
19               219 of the Immigration and Nationality Act (8  
20               U.S.C. 1189);

21               (B) included on the list of specially des-  
22               ignated nationals and blocked persons main-  
23               tained by the Office of Foreign Assets Control  
24               of the Department of the Treasury;

1 (C) owned by, controlled by, or subject to  
2 the jurisdiction or direction of a government of  
3 a foreign country of concern;

4 (D) alleged by the Attorney General to  
5 have been involved in activities for which a con-  
6 viction was obtained under—

7 (i) chapter 37 of title 18, United  
8 States Code (commonly known as the “Es-  
9 pionage Act”) (18 U.S.C. 792 et seq.);

10 (ii) section 951 or 1030 of title 18,  
11 United States Code;

12 (iii) chapter 90 of title 18, United  
13 States Code (commonly known as the  
14 “Economic Espionage Act of 1996”);

15 (iv) the Arms Export Control Act (22  
16 U.S.C. 2751 et seq.);

17 (v) section 224, 225, 226, 227, or 236  
18 of the Atomic Energy Act of 1954 (42  
19 U.S.C. 2274, 2275, 2276, 2277, and  
20 2284);

21 (vi) the Export Control Reform Act of  
22 2018 (50 U.S.C. 4801 et seq.); or

23 (vii) the International Emergency  
24 Economic Powers Act (50 U.S.C. 1701 et  
25 seq.);

(E) designated by the Federal Maritime Commission as a controlled carrier under chapter 407 of title 46, United States Code;

(F) found by the Federal Maritime Commission to be practicing unfavorable conditions in foreign trade under chapter 421 or 423 of title 46, United States Code; or

(G) determined by the Maritime Administrator, in consultation with the Secretary of Defense, the Secretary of State, the Director of National Intelligence, and the Chair of the Federal Maritime Commission, to be engaged in unauthorized conduct that is detrimental to the national security or foreign policy of the United States.

(7) VESSEL OF THE UNITED STATES.—The term “vessel of the United States” has the meaning given that term in section 116 of title 46, United States Code.

## **TITLE I—OVERSIGHT AND ACCOUNTABILITY**

### **SEC. 101. MARITIME SECURITY ADVISOR; MARITIME SECURITY BOARD.**

(a) AMENDMENTS.—Chapter 504 of part A of subtitle V of title 46, United States Code, is amended—

1 (1) by striking the chapter heading and insert-  
 2 ing the following: “**OVERSIGHT AND AC-**  
 3 **COUNTABILITY**”; and

4 (2) by striking section 50401 and inserting the  
 5 following:

6 “§ 50401. **Maritime Security Advisor; Maritime Secu-**  
 7 **rity Board**

8 “(a) MARITIME SECURITY ADVISOR.—

9 “(1) IN GENERAL.—Not later than 60 days  
 10 after the date of enactment of this section, the  
 11 President shall appoint a Special Advisor to the  
 12 President (to be known as the ‘Maritime Security  
 13 Advisor’) for coordinating national maritime affairs  
 14 and policy, including developing, updating, and im-  
 15 plementing the National Maritime Strategy as re-  
 16 quired under section 50114 of this title.

17 “(2) DUTIES.—The Maritime Security Advisor  
 18 appointed under paragraph (1) shall serve as the  
 19 Chair of the Maritime Security Board, shall be the  
 20 principal advisor to the President on all issues re-  
 21 lated to the maritime industry, shipbuilding, and  
 22 ship repair, and shall be responsible for developing,  
 23 updating, and implementing the National Maritime  
 24 Strategy under section 50114 of this title within and  
 25 across the Federal Government.

1           “(3) NATIONAL SECURITY COUNCIL.—The Mar-  
2       itime Security Advisor shall have a seat on the Na-  
3       tional Security Council.

4           “(4) OFFICE OF THE MARITIME SECURITY AD-  
5       VISOR.—

6           “(A) IN GENERAL.—There is established in  
7       the Executive Office of the President, an Office  
8       of the Maritime Security Advisor. The Maritime  
9       Security Advisor described in this subsection  
10      shall be the head of such Office.

11          “(B) EMPLOYEES; CONTRACTS.—In car-  
12      rying out the functions under this section, the  
13      Maritime Security Advisor is authorized to—

14           “(i) appoint such officers and employ-  
15      ees as the Maritime Security Advisor may  
16      deem necessary to perform the functions  
17      now or hereafter vested in the Maritime  
18      Security Advisor and to prescribe their du-  
19      ties; and

20           “(ii) enter into contracts and other  
21      arrangements for studies, analyses, and  
22      other services with public agencies and  
23      with private persons, organizations, or in-  
24      stitutions, and make such payments as the

1 Maritime Security Advisor deems necessary  
2 to carry out the provisions of this section.

3 “(b) MARITIME SECURITY BOARD.—Not later than  
4 90 days after the date of enactment of this section, the  
5 President shall establish a board, to be known as the ‘Mar-  
6 itime Security Board’ (in this section referred to as the  
7 ‘Board’).

8 “(1) COMPOSITION.—

9 “(A) IN GENERAL.—The Board shall be  
10 comprised of the following individuals and rep-  
11 resentatives:

12 “(i) The Maritime Security Advisor  
13 described in subsection (a).

14 “(ii) The Maritime Administrator.

15 “(iii) The Commandant of the Coast  
16 Guard.

17 “(iv) The Secretary of the Navy.

18 “(v) The Commander of the United  
19 States Transportation Command.

20 “(vi) The Chair of the Federal Mari-  
21 time Commission.

22 “(vii) The Assistant Secretary of the  
23 Army for Civil Works.

24 “(viii) The Commander of the Mili-  
25 tary Sealift Command.

1 “(ix) The Commander of Naval Sea  
2 Systems Command.

3 “(x) The chief United States delegate  
4 to the International Maritime Organiza-  
5 tion.

6 “(xi) The Under Secretary of Com-  
7 merce for Oceans and Atmosphere.

8 “(xii) The Commissioner for Customs  
9 and Border Protection.

10 “(xiii) The Director of the Office of  
11 Management and Budget, or their des-  
12 ignee.

13 “(xiv) The Secretary of Transpor-  
14 tation, or their designee.

15 “(xv) The Secretary of Homeland Se-  
16 curity, or their designee.

17 “(xvi) The Secretary of State, or their  
18 designee.

19 “(xvii) The Secretary of Labor, or  
20 their designee.

21 “(xviii) The Secretary of Agriculture,  
22 or their designee.

23 “(xix) The Secretary of Commerce, or  
24 their designee.

1 “(xx) The Secretary of the Treasury,  
2 or their designee.

3 “(xxi) The Administrator of the Envi-  
4 ronmental Protection Agency, or their des-  
5 ignee.

6 “(xxii) The United States Trade Rep-  
7 resentative, or their designee.

8 “(xxiii) The Administrator of the  
9 United States Agency for International  
10 Development, or their designee.

11 “(xxiv) From the Department of De-  
12 fense—

13 “(I) the Secretary of Defense, or  
14 their designee;

15 “(II) a representative of the  
16 Army, as appointed by the Secretary  
17 of Defense;

18 “(III) a representative of the Air  
19 Force, as appointed by the Secretary  
20 of Defense; and

21 “(IV) a representative of the  
22 Navy, as appointed by the Secretary  
23 of Defense.



1           “(B) NONVOTING MEMBERS.—The individ-  
2           uals and representatives listed in clauses (xiii)  
3           through (xxiv) shall be nonvoting members.

4           “(C) CHAIR.—The Maritime Security Ad-  
5           visor shall serve as the Chair of the Board.

6           “(2) DUTIES.—Consistent with the National  
7           Maritime Strategy under section 50114 of this title,  
8           the Board shall carry out the following duties:

9           “(A) Supporting the development of the  
10          marine transportation system of the United  
11          States, including—

12               “(i) assessing the adequacy of the ma-  
13               rine transportation system (including  
14               ports, waterways, channels, and their inter-  
15               modal connections);

16               “(ii) promoting the integration of the  
17               marine transportation system with other  
18               modes of transportation and other uses of  
19               the marine environment; and

20               “(iii) coordinating, improving the co-  
21               ordination of, and making recommenda-  
22               tions with regard to Federal policies that  
23               impact the marine transportation system.

24           “(B) Establishing policy priorities relating  
25          to, and conducting independent oversight over,

1 the financial assistance programs under part C  
2 of subtitle V of this title, including—

3 “(i) not later than 1 year after the  
4 date of enactment of the SHIPS for Amer-  
5 ica Act of 2024 and annually thereafter,  
6 establishing targets for the number, type,  
7 and requirements of vessels to be included  
8 in each of—

9 “(I) the Maritime Security Fleet  
10 (consistent with the most recent Mo-  
11 bility Capability Requirements Study  
12 produced by United States Transpor-  
13 tation Command);

14 “(II) the Cable Security Fleet;

15 “(III) the Tanker Security Fleet  
16 (consistent with the most recent Mo-  
17 bility Capability Requirements Study  
18 produced by United States Transpor-  
19 tation Command);

20 “(IV) the Strategic Commercial  
21 Fleet; and

22 “(V) the Shipbuilding Financial  
23 Incentives Program;

24 “(ii) submitting annual recommenda-  
25 tions to the appropriate committees of

1 Congress for any needed changes in the  
2 authorized number of vessels eligible to  
3 participate in the programs under part C  
4 of subtitle V of this title; and

5 “(iii) conducting oversight of the ad-  
6 ministration of such financial assistance  
7 programs to ensure such programs support  
8 the strategic sealift objectives and policy of  
9 the United States, as established in section  
10 59101 of this title.

11 “(C) Supporting the Maritime Adminis-  
12 trator in all efforts to conduct independent  
13 oversight of passenger and cargo preference re-  
14 quirements and supporting efforts to enable  
15 cargo to be carried on vessels of the United  
16 States, including—

17 “(i) conducting oversight and coordi-  
18 nating interagency efforts to comply with  
19 cargo preference requirements established  
20 under chapter 553 of this title and section  
21 2631 of title 10;

22 “(ii) independently verifying that all  
23 Federal agencies follow the requirements  
24 for cargoes procured, furnished, or fi-  
25 nanced by the United States Government

1 under section 55305 of this title, and noti-  
2 fying the appropriate committees of Con-  
3 gress of any identified violations of the re-  
4 quirements of such section;

5 “(iii) conducting outreach among non-  
6 governmental stakeholders, including pri-  
7 vate industry, to encourage more cargo to  
8 be moved on vessels of the United States;

9 “(iv) developing recommendations for  
10 regulations to be issued by Federal agen-  
11 cies to preference the movement of cargo  
12 on vessels of the United States; and

13 “(v) submitting recommendations to  
14 the appropriate committees of Congress for  
15 changes to laws relating to passenger and  
16 cargo preferences for the purpose of estab-  
17 lishing a more robust fleet of vessels of the  
18 United States.

19 “(D) Conducting independent oversight  
20 and developing guidance and recommendations  
21 related to the enforcement of the requirements  
22 of chapters 121 and 551 of this title.

23 “(E) Coordinating national efforts to de-  
24 velop a robust maritime workforce that en-

hances the national security and strategic sea-  
lift readiness of the United States, including—

“(i) coordinating and conducting over-  
sight of interagency efforts and partner-  
ships with the maritime industry and  
qualified labor organizations to recruit,  
train, and retain qualified licensed and un-  
licensed merchant mariners; and

“(ii) coordinating and conducting  
oversight of interagency efforts and part-  
nerships with the shipbuilding industry to  
recruit, train, and retain qualified workers  
in the shipbuilding industry of the United  
States.

“(F) Establishing national priorities for re-  
search and development of next-generation tech-  
nologies to enhance United States leadership in  
the shipbuilding and maritime industries, in-  
cluding through the Center for Maritime Inno-  
vation established under section 50307.

“(G) Coordinating interagency efforts to  
ensure vessels of the United States operating in  
international commerce are privileged in regula-  
tion, taxation, fees, insurance, and policy com-  
pared to foreign vessels conducting trade with

1 a United States-domiciled entity, while remain-  
2 ing consistent with the international obligations  
3 of the United States.

4 “(H) Coordinating efforts to protect ves-  
5 sels of the United States operating in inter-  
6 national or domestic commerce from physical  
7 and cybersecurity threats.

8 “(I) Conducting oversight of the use of  
9 funds from the Maritime Security Trust Fund  
10 established under section 9512 of the Internal  
11 Revenue Code of 1986, and making rec-  
12 ommendations to Congress for expenditures  
13 from the Trust Fund.

14 “(J) Conducting studies on subjects re-  
15 lated to the maritime industry and international  
16 shipping, and undertaking other efforts related  
17 to strengthening the maritime security of the  
18 United States.

19 “(K) Carrying out other duties, as as-  
20 signed by the President in consultation with the  
21 Maritime Security Advisor, related to the mari-  
22 time industry, shipbuilding, ship repair, stra-  
23 tegic sealift, and the marine transportation sys-  
24 tem of the United States.

1           “(3) MEETINGS.—The Board shall meet not  
2           less frequently than quarterly.

3           “(4) STAFF.—The Board may hire staff to sup-  
4           port its activities.

5           “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
6           are authorized to be appropriated \$5,000,000 for each of  
7           fiscal years 2025 through 2034, from the Maritime Secu-  
8           rity Trust Fund established under section 9512 of the In-  
9           ternal Revenue Code of 1986 to the Maritime Security  
10          Board to staff the Board and carry out the duties de-  
11          scribed in this section.

12          “(d) REPORT TO CONGRESS.—

13                 “(1) IN GENERAL.—Not later than 180 days  
14                 after the President establishes the Maritime Security  
15                 Board under this section, and annually thereafter,  
16                 the Board shall submit a report to the appropriate  
17                 committees of Congress describing—

18                         “(A) the actions that the Board has taken  
19                         to carry out the duties required of the Board  
20                         under subsection (b)(2); and

21                         “(B) a list of recommended actions that  
22                         the Board recommends Congress take to en-  
23                         hance the strength of the United States mari-  
24                         time industry and support the economic and na-  
25                         tional security needs of the United States.

1           “(2) APPROPRIATE COMMITTEES OF CON-  
 2       GRESS.—In this section, the term ‘appropriate com-  
 3       mittees of Congress’ has the meaning given that  
 4       term in section 4 of the SHIPS for America Act of  
 5       2024.”.

6       (b) CLARIFICATION; TRANSITION.—

7           (1) CLARIFICATION.—The activities of the  
 8       United States Committee on the Marine Transpor-  
 9       tation System shall be carried out by the Maritime  
 10      Security Board.

11          (2) TRANSITION.—The Secretary of Transpor-  
 12      tation, shall take such steps as may be necessary for  
 13      the orderly transition from the United States Com-  
 14      mittee on the Marine Transportation System sup-  
 15      ported pursuant to section 50401 of title 46, United  
 16      States Code, as in effect on the day the before the  
 17      date of enactment of this Act, to the Maritime Secu-  
 18      rity Board.

19       (c) NATIONAL MARITIME STRATEGY.—Section  
 20      50114 of title 46, United States Code, is amended—

21           (1) by striking subsection (a), and inserting the  
 22      following:

23           “(a) IN GENERAL.—

24           “(1) IN GENERAL.—Subject to paragraph (2),  
 25      the Maritime Security Advisor, in consultation with



1 the Maritime Security Board, shall develop a Na-  
2 tional Maritime Strategy and submit that National  
3 Maritime Strategy to the appropriate committees of  
4 Congress (as that term is defined in section 4 of the  
5 SHIPS for America Act of 2024).

6 “(2) TRANSITION.—Notwithstanding paragraph  
7 (1), if a national maritime strategy has been devel-  
8 oped and submitted in accordance with this section,  
9 as in effect on the day before the date of enactment  
10 of the SHIPS for America Act of 2024, in the 1-  
11 year period before such date of enactment, the Mari-  
12 time Security Advisor shall implement and update  
13 that national maritime strategy and shall not de-  
14 velop a new national maritime strategy.”; and

15 (2) by striking subsections (c) and (d) and in-  
16 serting the following:

17 “(c) IMPLEMENTATION.—Upon the release of a strat-  
18 egy under this section, the Maritime Security Advisor, in  
19 consultation with the Maritime Security Board, shall be  
20 responsible for implementing the contents and rec-  
21 ommendations of the strategy.

22 “(d) UPDATE.—The Maritime Security Advisor, in  
23 coordination with the Maritime Security Board, shall sub-  
24 mit to the appropriate committees of Congress (as that  
25 term is defined in section 4 of the SHIPS for America

1 Act of 2024) an update to the strategy developed under  
 2 subsection (a) not less often than every 5 years.

3 “(e) PUBLIC AVAILABILITY; IMPLEMENTATION  
 4 PLAN.—Not later than 6 months after the submission of  
 5 a strategy or update under subsection (a), the Maritime  
 6 Security Advisor, in consultation with the Maritime Secu-  
 7 rity Board, shall make publicly available on an appropriate  
 8 website each strategy or updated strategy and an imple-  
 9 mentation plan for such strategy or update.”.

10 **SEC. 102. MARITIME TRANSPORTATION SYSTEM NATIONAL**  
 11 **ADVISORY COMMITTEE.**

12 Section 50402 is amended—

13 (1) in subsection (b), by striking “Secretary of  
 14 Transportation” and inserting “Maritime Security  
 15 Advisor and Maritime Security Board”; and

16 (2) in subsection (c)—

17 (A) in paragraph (1), by striking “by the  
 18 Secretary of Transportation”;

19 (B) by striking paragraph (3) and insert-  
 20 ing the following:

21 “(3) REPRESENTATION.—Members of the Com-  
 22 mittee shall be appointed as follows:

23 “(A) The Maritime Security Advisor shall  
 24 appoint the following members of the Com-  
 25 mittee:

1 “(i) At least one member to represent  
2 the Environmental Protection Agency.

3 “(ii) At least one member to represent  
4 the Department of Commerce.

5 “(iii) At least one member to rep-  
6 resent the Corps of Engineers.

7 “(iv) At least one member to rep-  
8 resent the Coast Guard.

9 “(v) At least one member to represent  
10 Customs and Border Protection.

11 “(vi) At least one member to rep-  
12 resent the Maritime Administration.

13 “(vii) At least one member to rep-  
14 resent the Department of Agriculture.

15 “(viii) At least one member to rep-  
16 resent the State Department.

17 “(ix) At least one member to rep-  
18 resent State and local governmental enti-  
19 ties.

20 “(B) Additional members shall represent  
21 private sector entities that reflect a cross-sec-  
22 tion of maritime industries, including  
23 credentialed United States merchant mariners,  
24 port and water stakeholders, academia, and  
25 labor, of whom—

1 “(i) 3 shall be appointed by the ma-  
2 jority leader of the Senate;

3 “(ii) 3 shall be appointed by the mi-  
4 nority leader of the Senate;

5 “(iii) 3 shall be appointed by the  
6 Speaker of the House of Representatives;  
7 and

8 “(iv) 3 shall be appointed by the mi-  
9 nority leader of the House of Representa-  
10 tives.

11 “(C) The Maritime Security Advisor may  
12 appoint additional members of the Committee,  
13 including additional representatives from the  
14 United States Merchant Marine Academy, State  
15 maritime academies, or other Federal agencies,  
16 as the Secretary considers appropriate.”; and

17 (C) in paragraph (4), by redesignating  
18 subparagraphs (A) and (B) as clauses (i) and  
19 (ii), respectively, and adjusting the margins ac-  
20 cordingly;

21 (D) by redesignating paragraph (4) as sub-  
22 paragraph (A) and adjusting the margins ac-  
23 cordingly;

24 (E) by inserting after paragraph (3) the  
25 following:

1 “(4) RESTRICTIONS ON MEMBERS.—”; and

2 (F) at the end of paragraph (4), as so des-  
3 ignated, by inserting the following:

4 “(B) RESTRICTIONS ON ADDITIONAL MEM-  
5 BERS.—Members appointed under this para-  
6 graph that are not representing Federal agen-  
7 cies—

8 “(i) shall remain on the Committee  
9 for a term of 3 years from the date that  
10 the member is appointed; and

11 “(ii) may not serve more than 2 con-  
12 secutive terms.”.

13 **SEC. 103. DIRECT HIRE AUTHORITY.**

14 (a) MARITIME ADMINISTRATION DIRECT HIRE AU-  
15 THORITY.—

16 (1) IN GENERAL.—The Maritime Administrator  
17 may appoint, without regard to the provisions of sec-  
18 tions 3309 through 3319 of title 5, United States  
19 Code, candidates needed for positions within the  
20 Maritime Administration for which—

21 (A) public notice has been given;

22 (B) the Administrator has determined that  
23 a critical hiring need exists; and

1 (C) the Administrator has consulted with  
 2 the Director of the Office of Personnel Manage-  
 3 ment regarding—

4 (i) the positions for which the Admin-  
 5 istrator plans to recruit;

6 (ii) the quantity of candidates Admin-  
 7 istrator is seeking; and

8 (iii) the assessment and selection poli-  
 9 cies the Administrator plans to utilize.

10 (2) DEFINITION OF CRITICAL HIRING NEED.—

11 In this subsection, the term “critical hiring need”  
 12 means personnel necessary for the implementation of  
 13 this Act and associated work.

14 (b) COAST GUARD DIRECT HIRE AUTHORITY.—

15 (1) IN GENERAL.—The Secretary of the depart-  
 16 ment in which the Coast Guard is operating may ap-  
 17 point, without regard to the provisions of sections  
 18 3309 through 3319 of title 5, United States Code,  
 19 candidates needed for positions within offices under  
 20 the Assistant Commandant for Prevention Policy of  
 21 the Coast Guard, for which—

22 (A) public notice has been given;

23 (B) the Secretary has determined that a  
 24 critical hiring need exists; and

1 (C) the Secretary has consulted with the  
 2 Director of the Office of Personnel Management  
 3 regarding—

4 (i) the positions for which the Sec-  
 5 retary plans to recruit;

6 (ii) the quantity of candidates Sec-  
 7 retary is seeking; and

8 (iii) the assessment and selection poli-  
 9 cies the Secretary plans to utilize.

10 (2) DEFINITION OF CRITICAL HIRING NEED.—

11 In this subsection, the term “critical hiring need”  
 12 means personnel necessary for the implementation of  
 13 this Act and associated work.

14 **SEC. 104. IMPLEMENTATION PLAN.**

15 (a) IMPLEMENTATION PLAN REQUIRED.—Not later  
 16 than 60 days after the date of enactment of this Act, the  
 17 Maritime Administrator and the Secretary of the depart-  
 18 ment in which the Coast Guard is operating shall each  
 19 submit to the appropriate committees of Congress and the  
 20 Maritime Security Board a separate implementation plan  
 21 for carrying out this Act, and the amendments made by  
 22 this Act.

23 (b) ELEMENTS.—Each implementation plan required  
 24 under subsection (a) shall include, for each action required  
 25 of the Maritime Administrator and the Secretary of the

1 department in which the Coast Guard is operating (as ap-  
2 plicable) in this Act, including the amendments made by  
3 this Act—

4 (1) an identification of all administrative re-  
5 structuring requirements;

6 (2) an identification of each office or division  
7 within the Maritime Administration or Coast Guard  
8 principally responsible for each relevant section of  
9 this Act;

10 (3) an identification of additional personnel  
11 needed to sufficiently implement this Act, a hiring  
12 plan, and a training plan;

13 (4) an identification of any barrier (including  
14 any policy, law, or regulation) to implementation of  
15 any section of this Act, and recommendations to ad-  
16 dress those barriers;

17 (5) a descriptive implementation timeline, tak-  
18 ing into account the administrative needs of the  
19 Maritime Administration or the Coast Guard; and

20 (6) any additional components determined ap-  
21 propriate by the Maritime Administrator or such  
22 Secretary to ensure the success of implementation of  
23 this Act.

24 (c) BRIEFING.—Not later than 15 days after submit-  
25 ting each implementation plan required under subsection



1 (a), the Maritime Administrator and the Secretary of the  
 2 department in which the Coast Guard is operating shall  
 3 provide a briefing to the appropriate committees of Con-  
 4 gress on the status of that implementation plan required  
 5 under subsection (a).

6 (d) BIENNIAL UPDATE.—Not less frequently than  
 7 biennially following the submission of the plans under  
 8 subsection (a) and for 2 years thereafter, the Maritime  
 9 Administrator and the Secretary of the department in  
 10 which the Coast Guard is operating shall submit to the  
 11 appropriate committees of Congress separate reports con-  
 12 taining any updates on the implementation of such plans.

13 (e) GAO REVIEW.—The Comptroller General of the  
 14 United States shall—

15 (1) not later than 2 years after the date of en-  
 16 actment of this Act, and biennially thereafter for 10  
 17 years, conduct a review of the activities carried out  
 18 in accordance with this Act, and the amendments  
 19 made by this Act; and

20 (2) submit to the appropriate committees of  
 21 Congress the results of each review.

22 **SEC. 105. FEDERAL MARITIME COMMISSION REPORT ON**  
 23 **VESSELS OF THE UNITED STATES.**

24 (a) IN GENERAL.—The Federal Maritime Commis-  
 25 sion shall annually submit a report to the Maritime Secu-

1 rity Board and the appropriate committees of Congress  
2 evaluating the competitiveness of vessels of the United  
3 States in foreign commerce. The Maritime Security Board  
4 shall utilize the findings of such report to inform the Na-  
5 tional Maritime Strategy under section 50114 of title 46,  
6 United States Code, and other activities of the Board.

7 (b) CONTENTS.—The report shall include—

8 (1) metrics concerning carriage of foreign com-  
9 merce on vessels of the United States;

10 (2) information about the price parity of car-  
11 riage of foreign commerce on vessels of the United  
12 States versus foreign vessels (as defined in section  
13 110 of title 46, United States Code) by market;

14 (3) identification of markets of opportunity for  
15 the United States to compete in foreign commerce  
16 where rates are in relative parity to vessels of the  
17 United States;

18 (4) markets in which United States interests  
19 paid above average rates for foreign commerce, in-  
20 cluding with foreign and domestic carriers; and

21 (5) an assessment of the foreign vessel reg-  
22 istries of peer competitor countries to determine—

23 (A) the roles of the governments of peer  
24 competitor countries in their vessel registry

processes, including policy practices that may provide a disadvantage to the United States;

(B) the sizes of the fleets of foreign vessels registered with such countries, including how many of such foreign vessels are domestically built and how many are built in other countries; and

(C) the price parity of vessels of the United States, as compared to foreign vessels registered with peer competitor countries that are operating in global markets identified as a priority by the Federal Maritime Commission.

## **TITLE II—MARITIME SECURITY TRUST FUND**

### **SEC. 201. APPORTIONMENT OF THE MARITIME SECURITY TRUST FUND.**

(a) IN GENERAL.—Chapter 505 of title 46, United States Code, is amended by adding at the end the following:

#### **“§ 50505. Apportionment of the Maritime Security Trust Fund**

“(a) ADMINISTRATIVE EXPENSES.—There is authorized to be appropriated from the Maritime Security Trust Fund—

1           “(1) \$30,000,000 to the Secretary of Transpor-  
 2           tation for administrative expenses of the Maritime  
 3           Administration to administer subtitle V, for each of  
 4           fiscal years 2025 through 2034;

5           “(2) \$30,000,000 to the Secretary of the de-  
 6           partment in which the Coast Guard is operating for  
 7           administrative expenses of the Coast Guard to ad-  
 8           minister subtitle II, for each of fiscal years 2025  
 9           through 2034; and

10           “(3) \$2,000,000 to the Federal Maritime Com-  
 11           mission for administrative expenses of the Federal  
 12           Maritime Commission to administer subtitle IV.

13           “(b) MERCHANT MARINE OF THE UNITED  
 14           STATES.—Amounts in the Maritime Security Trust Fund  
 15           shall be available for programs or activities associated with  
 16           maintaining the merchant marine of the United States,  
 17           which shall include—

18           “(1) the United States Merchant Marine Acad-  
 19           emy, as authorized under chapter 513;

20           “(2) the State maritime academy support pro-  
 21           gram under chapter 515;

22           “(3) the National Security Multi-Mission Vessel  
 23           program, as authorized under section 3505 of the  
 24           National Defense Authorization Act for Fiscal Year  
 25           2017 (Public Law 114–328; 130 Stat. 2776);

1           “(4) fuel funding for training ships operated by  
2           the State maritime academies, as authorized under  
3           section 51504;

4           “(5) the Strategic Commercial Fleet, as author-  
5           ized under chapter 536;

6           “(6) the loan guarantee program, as authorized  
7           under section 53702;

8           “(7) the Shipbuilding Financial Incentives Pro-  
9           gram, as authorized under section 53801;

10          “(8) assistance to small shipyards and for mari-  
11          time training programs, as authorized under section  
12          54101;

13          “(9) the port infrastructure development pro-  
14          gram, as authorized under section 54301;

15          “(10) financing the transportation of agricul-  
16          tural products, as authorized under section 55316;

17          “(11) the United States Center for Maritime  
18          Innovation, as authorized under section 50307;

19          “(12) reimbursement of qualifying spouse reli-  
20          censing costs and business costs, as authorized  
21          under section 52103;

22          “(13) the United States Merchant Marine Ca-  
23          reer Retention Program, as authorized under section  
24          52105;

1 “(14) the maritime and shipbuilding recruiting  
2 campaign, as authorized under section 611 of the  
3 SHIPS for America Act of 2024;

4 “(15) the Centers of Excellence for Domestic  
5 Maritime Workforce Training and Education, as au-  
6 thorized under section 51706;

7 “(16) maritime worker data collection, as au-  
8 thorized under section 615 of the SHIPS for Amer-  
9 ica Act of 2024;

10 “(17) international scholarships for mariner  
11 and naval architecture exchanges, as authorized  
12 under section 618 of the SHIPS for America Act of  
13 2024; and

14 “(18) merchant mariner credentialing mod-  
15 ernization, as authorized under section 631 of the  
16 SHIPS for America Act of 2024.”.

17 (b) CLERICAL AMENDMENT.—The table of sections  
18 for chapter 505 of title 46, United States Code, is amend-  
19 ed by adding at the end the following:

“50505. Apportionment of the Maritime Security Trust Fund.”.

20 **SEC. 202. REGULAR TONNAGE TAXES; PRESIDENTIAL SUS-**  
21 **PENSION OF TONNAGE TAXES AND LIGHT**  
22 **MONEY.**

23 (a) REGULAR TONNAGE TAXES.—Section 60301(b)  
24 of title 46, United States Code, is amended by striking  
25 “, for fiscal years 2006 through 2010, and 6 cents per

1 ton, not to exceed a total of 30 cents per ton per year,  
 2 for each fiscal year thereafter,”.

3 (b) PRESIDENTIAL SUSPENSION OF TONNAGE TAXES  
 4 AND LIGHT MONEY.—Section 60304 of title 46, United  
 5 States Code, is amended to read as follows:

6 **“§ 60304. Presidential suspension of tonnage taxes**  
 7 **and light money**

8 “(a) IN GENERAL.—Except as provided in subsection  
 9 (b), if the President is satisfied that the government of  
 10 a foreign country does not impose discriminating or coun-  
 11 tervailing duties to the disadvantage of the United States,  
 12 the President may suspend the imposition of special ton-  
 13 nage taxes and light money under sections 60302 and  
 14 60303 of this title on vessels of that country.

15 “(b) EXCEPTION.—Subsection (a) shall not apply to  
 16 any vessel that—

17 “(1) is owned or operated by a foreign entity of  
 18 concern (as that term is defined in section 4 of the  
 19 SHIPS for America Act of 2024);

20 “(2) is a vessel registered under a registry of a  
 21 foreign country of concern (as that term is defined  
 22 in section 4 of the SHIPS for America Act of 2024);  
 23 or

24 “(3) was a vessel registered under a registry of  
 25 a foreign country of concern (as that term is defined

1 in section 4 of the SHIPS for America Act of 2024)  
 2 at any time during the 3 years preceding the date  
 3 of the determination of the application of subsection  
 4 (a).”.

## 5 **TITLE III—SEALIFT CAPABILITY**

### 6 **SEC. 301. SEALIFT CAPABILITY.**

7 (a) IN GENERAL.—Subtitle V of title 46, United  
 8 States Code, is amended by adding at the end the fol-  
 9 lowing:

#### 10 **“PART H—STRATEGIC SEALIFT**

“Sec.

“59101. Objectives and policy.

“59102. Procurement, maintenance, and operation.

“59103. Sealift prioritization.

“59104. International agreements.

“59105. Briefing on shipbuilding capacity.

“59106. Briefing on privileging fleet.

“59107. Report on privilege.

“59108. Report on requirements for sealift force deployment.

“59109. Assessment on marine infrastructure readiness.

#### 11 **“§ 59101. Objectives and policy**

12 “(a) OBJECTIVES.—It is necessary for the national  
 13 defense and economic security of the United States that  
 14 the United States have a fleet of vessels of the United  
 15 States capable of providing and supporting strategic sea-  
 16 lift—

17 “(1) sufficient to meet defense deployment and  
 18 essential economic activities for the United States in  
 19 times of crisis or war;



1           “(2) sufficient to respond unilaterally to na-  
 2           tional security threats in geographic areas not cov-  
 3           ered by alliance commitments and ensure economic  
 4           security resilience for United States trade; and

5           “(3) built, operated, and maintained during  
 6           peace, crisis, and war primarily in the United States  
 7           to protect and ensure national security resiliency  
 8           and avoid foreign coercion of critical supply chains.

9           “(b) POLICY.—It is the policy of the United States  
 10          to encourage and aid the development and maintenance  
 11          of a fleet of vessels of the United States with strategic  
 12          sealift capabilities satisfying the objectives described in  
 13          subsection (a).

14          “(c) STRATEGY REQUIRED.—

15                 “(1) IN GENERAL.—The Maritime Security  
 16          Board shall annually develop a strategy to leverage  
 17          the financial assistance programs established under  
 18          part C of this subtitle to expand the fleet of vessels  
 19          of the United States to meet the minimum number  
 20          of vessels needed to accomplish the objectives de-  
 21          scribed under subsection (a).

22                 “(2) STRATEGY COMPONENTS.—The strategy  
 23          developed by the Maritime Security Board shall in-  
 24          clude—

“(A) annual goals for the number of vessels that will be brought into the fleet of vessels of the United States capable of providing strategic sealift utilizing the Maritime Security Fleet under chapter 531 of this title, the Cable Security Fleet under chapter 532 of this title, the Tanker Security Fleet under chapter 534 of this title, the Strategic Commercial Fleet under chapter 536 of this title, and the Shipbuilding Financial Incentives program, consistent with the most recent Mobility Capability Requirements Study produced by United States Transportation Command; and

“(B) an assessment of domestic shipbuilding capacity and a strategy to increase the capacity of the domestic shipbuilding industry utilizing the Shipbuilding Financial Incentives program.

“(3) NATIONAL MARITIME STRATEGY.—The strategy developed by the Maritime Security Board under paragraph (1) shall be consistent with the National Maritime Strategy developed under section 50114.

“(d) REPORT REQUIRED.—

1           “(1) IN GENERAL.—Upon completion, the Mari-  
 2           time Security Board shall transmit to the appro-  
 3           priate committees of Congress a summary of the  
 4           strategy developed under subsection (c), with a clas-  
 5           sified annex as necessary.

6           “(2) DEFINITION.—In this part, the term ‘ap-  
 7           propriate committees of Congress’ has the meaning  
 8           given that term in section 4 of the SHIPS for Amer-  
 9           ica Act of 2024.

10   **“§ 59102. Procurement, maintenance, and operation**

11           “(a) STATEMENT OF POLICY.—The Maritime Admin-  
 12           istrator, in coordination with the Secretary of Defense and  
 13           the Secretary of Homeland Security, shall build, acquire,  
 14           maintain, coordinate, support, and operate a sufficient  
 15           and privileged fleet of vessels of the United States with  
 16           commercial and military sealift capability.

17           “(b) SUPPLEMENTAL CAPABILITY.—In developing  
 18           sealift capability under this part, the Secretary of Trans-  
 19           portation and the Secretary of Defense shall continue to  
 20           operate a sufficient Maritime Security Fleet under chapter  
 21           531 of this title, a Cable Security Fleet under chapter 532  
 22           of this title, a Tanker Security Fleet under chapter 534  
 23           of this title, the Strategic Commercial Fleet under chapter  
 24           536 of this title, a Military Sealift Command of the De-  
 25           partment of the Navy, and a Ready Reserve Force compo-

1   ment of the National Defense Reserve Fleet under section  
 2   57100 of this title, to provide capacity and resiliency for  
 3   unilateral United States strategic sealift in peace, crisis,  
 4   and war.

5       “(c) JUDICIAL REVIEW.—No court shall have juris-  
 6   diction to review decisions made by the Maritime Adminis-  
 7   trator, the Secretary of Defense, or the Secretary of  
 8   Homeland Security with respect to this section.

9   **“§ 59103. Sealift prioritization**

10       “(a) IN GENERAL.—In building, acquiring, maintain-  
 11   ing, coordinating, supporting, and operating a fleet of ves-  
 12   sels capable of providing sealift capacity during wartime  
 13   and crisis, the Maritime Administrator, in coordination  
 14   with the Secretary of Defense, shall ensure the availability  
 15   of vessels, in the following order of priority:

16           “(1) Commercial vessels of the United States.

17           “(2) Vessels of the United States that are  
 18   owned and operated by the United States Govern-  
 19   ment.

20           “(3) Vessels of countries that are defense treaty  
 21   allies of the United States.

22           “(4) Vessels of countries that are strategic  
 23   partners of the United States.

24       “(b) JUDICIAL REVIEW.—No court shall have juris-  
 25   diction to review decisions made by the Maritime Adminis-

1   trator or the Secretary of Defense with respect to this sec-  
2   tion.

3   **“§ 59104. International agreements**

4           “(a) IN GENERAL.—To support the Secretary of De-  
5   fense and the Secretary of Transportation in building, ac-  
6   quiring, maintaining, coordinating, supporting, and oper-  
7   ating a fleet with sealift capability under this part, the  
8   Maritime Administrator, in coordination with the Sec-  
9   retary of State and the Secretary of Defense, shall identify  
10  opportunities to establish and update agreements with  
11  treaty allies and strategic partners of the United States  
12  to—

13           “(1) meet wartime sealift requirements of such  
14   allies and partners;

15           “(2) augment the strategic sealift capabilities of  
16   the United States during crisis and war; and

17           “(3) support the maritime industries of both  
18   the United States and treaty allies and strategic  
19   partners.

20           “(b) REPORT.—Not later than March 1, 2025, the  
21  Maritime Administrator, in coordination with the Sec-  
22  retary of State and the Secretary of Defense, shall provide  
23  to Congress an evaluation of the status of agreements de-  
24  scribed in subsection (a), including—

1           “(1) an assessment of international agreements  
 2           described in such subsection and recommendations  
 3           for updating such agreements to reflect the global  
 4           security environment; and

5           “(2) an assessment of the extent to which such  
 6           international agreements include the vessels owned  
 7           by citizens of these treaty allies and strategic part-  
 8           ners.

9   **“§ 59105. Briefing on shipbuilding capacity**

10       “(a) IN GENERAL.—Not later than March 1, 2025,  
 11       the Secretary of Transportation and the Secretary of De-  
 12       fense shall brief the appropriate committees of Congress  
 13       on the capacity of the United States shipbuilding industry  
 14       to meet peacetime and wartime requirements to build,  
 15       maintain, and repair a fleet of vessels of the United States  
 16       capable of providing strategic sealift.

17       “(b) CONTENTS.—

18           “(1) IN GENERAL.—In briefing the appropriate  
 19           committees of Congress under subsection (a), the  
 20           Secretary of Transportation and the Secretary of  
 21           Defense shall include an assessment and rec-  
 22           ommendations for improving the critical shipbuilding  
 23           infrastructure, workforce recruitment, development,  
 24           and retention, and critical supply chains and critical  
 25           repair parts of the United States, including ways in

1       which allies and partners can contribute or share  
2       best practices.

3               “(2) IMPLEMENTATION.—The Maritime Secu-  
4       rity Advisor shall, in addition to the assessment  
5       under paragraph (1), provide an assessment on the  
6       effects of the Goldwater-Nichols Department of De-  
7       fense Reorganization Act of 1986 (Public Law 99–  
8       433) and how implementation of such Act may af-  
9       fect shipbuilding processes of the Department of the  
10      Navy.

11   **“§ 59106. Briefing on privileging fleet**

12       “(a) IN GENERAL.—Not later than March 1, 2025,  
13      the Secretary of Transportation, in coordination with the  
14      Secretary of Homeland Security, the Secretary of State,  
15      the Secretary of Commerce, and the Federal Maritime  
16      Commission, shall brief the appropriate committees of  
17      Congress on available options for establishing privileges  
18      for vessels of the United States operating in foreign com-  
19      merce.

20       “(b) CONTENTS.—In briefing Congress under sub-  
21      section (a), the Secretary of Transportation shall provide  
22      recommendations for potential incentives for civil, com-  
23      mercial, and government entities, including allies and  
24      partners, to ship goods on vessels of the United States.

1   **“§ 59107. Report on privilege**

2           “(a) IN GENERAL.—Not later than March 1, 2025,  
3 the Secretary of Transportation, in coordination with the  
4 Secretary of Commerce, the Chair of the Federal Maritime  
5 Commission, and the Director of the Office of Manage-  
6 ment and Budget, shall submit to the appropriate commit-  
7 tees of Congress a report including ways to ensure vessels  
8 of the United States operating in foreign commerce are  
9 privileged in regulation, taxation, fees, insurance, and pol-  
10 icy compared to foreign vessels conducting trade with a  
11 United States domiciled entity, while remaining consistent  
12 with the international obligations of the United States.

13          “(b) CONTENTS.—In submitting the report under  
14 subsection (a), the Secretary of Transportation shall in-  
15 clude options for regulating trade with foreign vessels in  
16 order to sustain and grow the Maritime Security Fleet  
17 under chapter 531 of this title, the Cable Security Fleet  
18 under chapter 532 of this title, the Tanker Security Fleet  
19 under chapter 534 of this title, the Strategic Commercial  
20 Fleet under chapter 536 of this title, and other vessels  
21 of the United States operating in foreign commerce.

22   **“§ 59108. Report on requirements for sealift force de-**  
23                           **ployment**

24           “(a) IN GENERAL.—Not later than March 1, 2025,  
25 the Secretary of Defense shall submit to the appropriate  
26 committees of Congress a report—



1           “(1) on the military sealift requirements of the  
2       Armed Forces of the United States; and

3           “(2) in consultation with the Secretary of  
4       Transportation, containing recommendations for how  
5       to maintain, improve, or expand the Maritime Secu-  
6       rity Fleet under chapter 531 of this title, the Cable  
7       Security Fleet under chapter 532 of this title, the  
8       Tanker Security Fleet under chapter 534 of this  
9       title, the Strategic Commercial Fleet under chapter  
10      536 of this title, and the Ready Reserve Force com-  
11      ponent of the National Defense Reserve Fleet under  
12      section 57100 of this title, to meet the military sea-  
13      lift needs of the United States.

14      “(b) CONTENTS.—The report under subsection (a)  
15      shall include an assessment of, and recommendations for  
16      how to enable, making the Ready Reserve Force compo-  
17      nent of the National Defense Reserve Fleet under section  
18      57100 of this title active in trade through a public-private  
19      partnership that enables financing, building, manning, op-  
20      erating, maintaining, and repairing the vessels of such  
21      Fleet, while guaranteeing assured effective control and  
22      surge capacity in times of crisis or war.

1 **“§ 59109. Assessment on marine infrastructure readi-**  
2 **ness**

3 “(a) IN GENERAL.—Not later than March 1, 2026,  
4 and every 2 years thereafter, the Secretaries of Defense,  
5 Homeland Security, Commerce, and Transportation shall  
6 provide the appropriate committees of Congress an assess-  
7 ment on—

8 “(1) the readiness and sufficiency of the marine  
9 infrastructure, shipping industry, and shipbuilding  
10 industry of the United States, and vessels of the  
11 United States, to meet the economic and national se-  
12 curity strategic sealift needs of the United States  
13 and operate in a contested environment;

14 “(2) the vulnerability of the economy of the  
15 United States to coercion or control from strategic  
16 competitors of the United States through the ocean-  
17 going trades; and

18 “(3)(A) critical infrastructure and cybersecurity  
19 vulnerabilities in—

20 “(i) the maritime transportation system of  
21 the United States, including ports, shipyards,  
22 repair yards, inland waterways, and vessels of  
23 the United States; and

24 “(ii) foreign investment in marine infra-  
25 structure; and

1           “(B) how to reduce the risks of such  
2           vulnerabilities.

3           “(b) SECRETARY OF STATE.—Not later than March  
4 1, 2026, and every 2 years thereafter, the Secretary of  
5 State shall provide the appropriate committees of Con-  
6 gress an assessment on—

7           “(1) arrangements and agreements between the  
8           United States and countries that are defense treaty  
9           allies for access to the global marine transportation  
10          infrastructure, such as ports, harbors, and water-  
11          ways; and

12          “(2) assurances, arrangements, and agreements  
13          between the United States and countries that are  
14          defense treaty allies to augment United States sea-  
15          lift capabilities in times of crisis and war.”.

16          (b) CLERICAL AMENDMENT.—The table of chapters  
17 for subtitle V of title 46, United States Code, is amended  
18 by adding at the end the following:

“PART H—STRATEGIC SEALIFT”.

19 **SEC. 302. NATIONAL FREIGHT STRATEGIC PLAN.**

20          Section 70102(b) of title 49, United States Code, is  
21 amended—

22               (1) in paragraph (16), by striking “and” after  
23               the semicolon;

24               (2) in paragraph (17), by striking the period at  
25               the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(18) consideration of United States strategic  
3 sealift objectives and strategies established under  
4 section 59101 of title 46; and

5 “(19) consideration of maritime networks in  
6 multimodal freight corridors.”.

7 **SEC. 303. FOREIGN SHIPPING PRACTICES; CONTROLLED**  
8 **CARRIERS.**

9 (a) FOREIGN SHIPPING PRACTICES.—Section  
10 42301(b) of title 46, United States Code, is amended—

11 (1) in paragraph (2), by inserting “or pas-  
12 sengers” after “transportation of cargo”; and

13 (2) in paragraph (5), by inserting “or pas-  
14 sengers” after “carriage of cargo”.

15 (b) CONTROLLED CARRIERS.—Chapter 407 of title  
16 46, United States Code, is amended—

17 (1) in section 40701—

18 (A) in subsection (a)—

19 (i) in paragraph (1), by striking “or”  
20 at the end;

21 (ii) in paragraph (2), by striking the  
22 period at the end and inserting “; or”; and

23 (iii) by adding at the end the fol-  
24 lowing:

1           “(3) arrange or provide passenger transpor-  
2           tation at a fare that is below a just and reasonable  
3           level.”;

4                   (B) in subsection (b), by striking “rule, or  
5           regulation” and inserting “rule, regulation, or  
6           fare”;

7                   (C) in subsection (c), by striking “rule, or  
8           regulation” and inserting “rule, regulation, or  
9           fare”; and

10                  (D) in subsection (d), by striking “rule, or  
11           regulation” and inserting “rule, regulation, or  
12           fare”;

13           (2) in section 40702(b)—

14                   (A) in the matter preceding paragraph (1),  
15           by striking “rule, or regulation” and inserting  
16           “rule, regulation, or fare”;

17                   (B) in paragraph (1), by striking “rate or  
18           charge” and inserting “rate, charge, or fare”;  
19           and

20                   (C) in paragraph (2), by striking “rule, or  
21           regulation” and inserting “rule, regulation, or  
22           fare”;

23           (3) in section 40703, by striking “a rate,  
24           charge,” and inserting “a rate, fare, charge,”; and

25           (4) in section 40704—

1 (A) in subsection (a), by striking “rule, or  
2 regulation” and inserting “rule, regulation, or  
3 fare”;

4 (B) in subsection (b), by striking “rule, or  
5 regulation” and inserting “rule, regulation, or  
6 fare”;

7 (C) in subsection (c), by striking “rule, or  
8 regulation” and inserting “rule, regulation, or  
9 fare” each place the term appears;

10 (D) in subsection (d)—

11 (i) in paragraph (1), by striking “rule,  
12 or regulation” and inserting “rule, regula-  
13 tion, or fare” each place the term appears;  
14 and

15 (ii) in paragraph (2), by striking  
16 “rule, or regulation” and inserting “rule,  
17 regulation, or fare” each place the term  
18 appears; and

19 (E) in subsection (e), by striking “rule, or  
20 regulation” and inserting “rule, regulation, or  
21 fare” each place the term appears.

1 **TITLE IV—VESSELS OF THE**  
 2 **UNITED STATES IN INTER-**  
 3 **NATIONAL COMMERCE**

4 **Subtitle A—Strategic Sealift**  
 5 **Programs**

6 **SEC. 401. STRATEGIC COMMERCIAL FLEET.**

7 (a) IN GENERAL.—Part C of subtitle V of title 46,  
 8 United States Code, is amended by inserting after chapter  
 9 535 the following:

10 **“CHAPTER 536—STRATEGIC COMMERCIAL**  
 11 **FLEET**

“Sec.

“53601. Definitions.

“53602. Establishment of Strategic Commercial Fleet.

“53603. Operating agreements.

“53604. Payments.

“53605. National security requirements.

“53606. Regulations.

12 **“§ 53601. Definitions**

13 “In this chapter:

14 “(1) ADMINISTRATOR.—The term ‘Adminis-  
 15 trator’ means the Maritime Administrator.

16 “(2) APPROPRIATE COMMITTEES OF CON-  
 17 GRESS.—The term ‘appropriate committees of Con-  
 18 gress’ means—

19 “(A) the Committee on Armed Services,  
 20 the Committee on Commerce, Science, and  
 21 Transportation, and the Committee on Appro-  
 22 priations of the Senate; and

1           “(B) the Committee on Armed Services,  
 2           the Committee on Transportation and Infra-  
 3           structure, and the Committee on Appropriations  
 4           of the House of Representatives.

5           “(3) COASTWISE TRADE.—The term ‘coastwise  
 6           trade’ means commerce or trade that is subject to  
 7           the requirements of section 55102.

8           “(4) COVERED ENTITY.—The term ‘covered en-  
 9           tity’ means—

10               “(A) any owner or operator of a vessel eli-  
 11               gible under section 53602(d); or

12               “(B) a bid team consisting of—

13                       “(i) an entity eligible under subpara-  
 14                       graph (A);

15                       “(ii) any shipyard of the United  
 16                       States with the ability, experience, finan-  
 17                       cial resources, and other qualifications nec-  
 18                       essary for the construction or repair of a  
 19                       vessel eligible for inclusion in the Strategic  
 20                       Commercial Fleet; and

21                       “(iii) any other legal entity that is not  
 22                       a foreign entity of concern.

23           “(5) FLEET.—The term ‘Fleet’ means the Stra-  
 24           tegic Commercial Fleet established under section  
 25           53602.



1           “(6) FOREIGN COMMERCE.—The term ‘foreign  
2 commerce’ means—

3           “(A) commerce or trade between the  
4 United States, its territories or possessions, or  
5 the District of Columbia, and a foreign country;  
6 and

7           “(B) commerce or trade between foreign  
8 countries.

9           “(7) FOREIGN COUNTRY OF CONCERN; FOREIGN  
10 ENTITY OF CONCERN.—The terms ‘foreign country  
11 of concern’ and ‘foreign entity of concern’ have the  
12 meanings given such terms in section 4 of the  
13 SHIPS for America Act of 2024.

14           “(8) QUALIFIED FOREIGN BUILT VESSEL.—The  
15 term ‘qualified foreign built vessel’—

16           “(A) means a vessel that—

17           “(i) is not more than 14 years of age;  
18 and

19           “(ii) was constructed (or recon-  
20 structed) outside the United States; and

21           “(B) does not include a vessel that, prior  
22 to entry into the Fleet—

23           “(i) was owned or operated by a for-  
24 eign entity of concern;

1 “(ii) is a vessel of a foreign country of  
2 concern;

3 “(iii) was constructed by a shipyard  
4 that was owned or operated by a foreign  
5 entity of concern or located in a foreign  
6 country of concern; or

7 “(iv) was registered as a vessel of a  
8 foreign country of concern at any time  
9 during the 3 years prior to entry into the  
10 Fleet.

11 “(9) UNITED STATES BUILT VESSEL.—The  
12 term ‘United States built vessel’ means a vessel that  
13 is constructed in the United States (and, if recon-  
14 structed, reconstructed in the United States).

15 “(10) UNITED STATES CITIZEN TRUST.—The  
16 term ‘United States citizen trust’ has the meaning  
17 given such term in section 53201.

18 **“§ 53602. Establishment of Strategic Commercial**  
19 **Fleet**

20 “(a) IN GENERAL.—The Administrator, in consulta-  
21 tion with the Secretary of Defense, shall establish a fleet,  
22 to be known as the ‘Strategic Commercial Fleet’, of active,  
23 commercially viable, militarily useful, privately owned ves-  
24 sels to meet national defense and other security require-

1 ments and maintain a United States presence in inter-  
 2 national commercial shipping.

3 “(b) NUMBER OF VESSELS.—The Administrator  
 4 shall seek to select eligible vessels described in subsection  
 5 (d) for the Fleet through an annual competitive selection  
 6 process in accordance with the annual target number for  
 7 the Fleet recommended by the Maritime Security Board  
 8 under section 50401(b)(2)(B)(i). Through such annual se-  
 9 lection process, the Administrator shall—

10 “(1) select for inclusion in the Fleet not fewer  
 11 than 10 vessels in the 12-month period that begins  
 12 on the date that is 2 years after the date of enact-  
 13 ment of this section;

14 “(2) increase the number of vessels selected for  
 15 inclusion in the Fleet annually such that not later  
 16 than 5 years after such date of enactment, not fewer  
 17 than 20 vessels are selected for such inclusion annu-  
 18 ally; and

19 “(3) ensure that the total number of vessels in-  
 20 cluded in the fleet shall be not more than 250 ves-  
 21 sels at any point in time.

22 “(c) SOLICITATION; ENTRY INTO FLEET.—

23 “(1) SOLICITATION.—

24 “(A) IN GENERAL.—The Administrator  
 25 shall solicit applications from covered entities to

1 competitively select vessels that are eligible  
2 under subsection (d) and meet the requirements  
3 of this subsection for inclusion in the Fleet.

4 “(B) PUBLIC SOLICITATION REQUIRE-  
5 MENTS.—In soliciting applications under sub-  
6 paragraph (A), the Administrator shall—

7 “(i) publish a notice in the Federal  
8 Register, which, at a minimum, identifies  
9 the requirements for the number of vessels  
10 as established by the Administrator and  
11 the Maritime Security Board under sub-  
12 section (b); and

13 “(ii) allow applicants not less than 30  
14 days to submit an application for entry  
15 into the Fleet.

16 “(2) ELIGIBLE APPLICATIONS.—The Adminis-  
17 trator shall solicit and accept applications in sepa-  
18 rate processes for each of the following:

19 “(A) NEWLY CONSTRUCTED VESSELS.—

20 “(i) IN GENERAL.—A covered entity  
21 may submit an application for the Fleet  
22 that involves the construction of a United  
23 States built vessel and operation of such  
24 vessel as a vessel of the United States in  
25 foreign commerce.

1           “(ii) INTERIM VESSEL.—An applica-  
2           tion described in clause (i) from a covered  
3           entity may include a proposal for the use  
4           of an interim vessel, if such proposal pro-  
5           vides that—

6                   “(I) the covered entity will oper-  
7                   ate a qualified foreign-built vessel as a  
8                   vessel of the United States in foreign  
9                   commerce as part of the Fleet until  
10                  the United States built vessel de-  
11                  scribed in such clause enters the  
12                  Fleet, in accordance with the mile-  
13                  stones established within the oper-  
14                  ating agreement under section  
15                  53603(c)(1);

16                  “(II) when the United States  
17                  built vessel enters the Fleet or the  
18                  covered entity fails to meet milestones  
19                  established in the operating agree-  
20                  ment, the qualified foreign-built vessel  
21                  shall be removed from the Fleet; and

22                  “(III) the covered entity may  
23                  then transfer and register the quali-  
24                  fied foreign-built vessel under a reg-

1                   istry of any foreign country that is  
2                   not a foreign country of concern.

3                   “(B) QUALIFIED FOREIGN-BUILT VES-  
4 SELS.—

5                   “(i) IN GENERAL.—Through fiscal  
6 year 2029, a covered entity may submit an  
7 application for the Fleet that involves the  
8 operation of a qualified foreign-built vessel  
9 as a vessel of the United States in foreign  
10 commerce.

11                   “(ii) EXCEPTION.—After fiscal year  
12 2029, the Administrator may not enter  
13 into a new agreement or renew an existing  
14 agreement to bring a qualified foreign-built  
15 vessel into the Fleet unless—

16                   “(I) the vessel is operating as an  
17 interim vessel under subparagraph  
18 (A)(ii); or

19                   “(II) the Administrator and Sec-  
20 retary of Defense, in consultation with  
21 the Maritime Security Board, jointly  
22 certify to the appropriate committees  
23 of Congress that adding additional  
24 qualified foreign-built vessels to the  
25 Fleet is necessary for the national se-

1                   curity of the United States until re-  
2                   placed by a newly constructed vessel  
3                   to meet the schedule under subsection  
4                   (b).

5           “(3) PROCEDURE.—

6                   “(A) IN GENERAL.—A covered entity shall  
7                   submit an eligible application under paragraph  
8                   (2) as at such time, in such manner, and con-  
9                   taining such information as the Administrator  
10                  may require. Such application shall include—

11                   “(i) a proposed annual operating sup-  
12                   port payment, which may cover the dif-  
13                   ference in operating costs associated with  
14                   operating a vessel of the United States as  
15                   compared to a fair and reasonable estimate  
16                   of the cost of operating that type of vessel  
17                   under the laws of a foreign country;

18                   “(ii) in the case of an application de-  
19                   scribed in paragraph (2)(A), a proposed  
20                   annual capital support payment, which  
21                   may cover the difference in capital costs  
22                   associated with constructing a vessel in the  
23                   United States as compared to a fair and  
24                   reasonable estimate of the cost of the con-

1           struction of that type of vessel in a foreign  
2           shipyard; and

3           “(iii) any other support payments  
4           needed to make a vessel commercially via-  
5           ble in foreign commerce.

6           “(B) BID TEAM.—In the case of an eligible  
7           entity that is a bid team described in section  
8           53601(3)(B), such team shall jointly submit an  
9           application under this subsection for inclusion  
10          in the Fleet.

11          “(4) ACCEPTANCE INTO FLEET.—

12           “(A) IN GENERAL.—The Administrator  
13           shall evaluate eligible applications submitted  
14           under this subsection in order to, in accordance  
15           with this paragraph, select applications that  
16           meet the requirements of this section for ac-  
17           ceptance in the Fleet.

18           “(B) CITIZENSHIP PREFERENCE.—In se-  
19           lecting applications to meet the requirements of  
20           this section, the Administrator shall ensure, to  
21           the extent sufficient qualified applications are  
22           received under this subsection, that not less  
23           than 25 percent of vessels selected for the Fleet  
24           shall be owned or operated by a covered entity



1           that is, or a bid team led by, a citizen of the  
2           United States under section 50501.

3           “(C) PRIORITY.—In evaluating eligible ap-  
4           plications for selection in the Fleet and subject  
5           to subparagraph (B), the Administrator shall  
6           give priority to—

7                   “(i) applications that represent the  
8                   best value to the Federal Government; and

9                   “(ii) applications for vessels, or for  
10                  vessels providing services, that are deter-  
11                  mined by the Maritime Security Board to  
12                  have capabilities critical to the national  
13                  and economic security of the United  
14                  States.

15           “(D) RELATIONSHIP TO THE TANKER SE-  
16           CURITY FLEET.—If the most recent Mobility  
17           Capability Requirements Study produced by  
18           United States Transportation Command identi-  
19           fies a need for a fleet of tanker vessels that are  
20           vessels of the United States that exceeds the  
21           size of the Tanker Security Fleet established  
22           under chapter 534 of this title, the Adminis-  
23           trator, in coordination with the Maritime Secu-  
24           rity Board, may select for inclusion in the Fleet

1 a number of tanker vessels that is consistent  
2 with the requirements of the Study.

3 “(E) CONSIDERATIONS FOR REVIEW.—In  
4 evaluating eligible applications submitted under  
5 this subsection for selection in the Fleet, the  
6 Administrator shall—

7 “(i) ensure that any vessel so selected  
8 will be suitable for use by the United  
9 States for national defense or military pur-  
10 poses in time of war or national emer-  
11 gency;

12 “(ii) ensure that any vessel so selected  
13 will aid in the promotion and development  
14 of foreign commerce;

15 “(iii) confirm that—

16 “(I) the proposed use of the ves-  
17 sel in commercial service is reason-  
18 able; and

19 “(II) the owner or operator of  
20 the vessel possesses the ability, experi-  
21 ence, financial resources, and other  
22 qualifications necessary for the oper-  
23 ation and maintenance of the vessel;

24 “(iv) confirm that a shipyard selected  
25 to construct a vessel under this section

1 possesses the ability, experience, financial  
2 resources, equipment, and other qualifica-  
3 tions necessary to properly construct the  
4 vessel;

5 “(v) ensure the price for the construc-  
6 tion (if applicable) and operation of a ves-  
7 sel under this section is fair and reason-  
8 able;

9 “(vi) consider whether the covered en-  
10 tity commits to—

11 “(I) use equipment, materials,  
12 and supplies that are produced in the  
13 United States; and

14 “(II) utilize, to the maximum ex-  
15 tent practicable, subcontractors and  
16 suppliers that are based in the United  
17 States;

18 “(vii) consider whether the covered  
19 entity commits to repair, repower, and re-  
20 condition a vessel under this section in a  
21 shipyard of the United States; and

22 “(viii) consider whether the covered  
23 entity has made commitments to worker  
24 and community investment, including  
25 through—

1 “(I) programs to expand employ-  
2 ment opportunity for economically dis-  
3 advantaged individuals; or

4 “(II) securing commitments from  
5 regional educational and training enti-  
6 ties and institutions of higher edu-  
7 cation, as defined in section 102 of  
8 the Higher Education Act of 1965 (20  
9 U.S.C. 1002), to provide workforce  
10 training, including programming for  
11 training and job placement of eco-  
12 nomically disadvantaged individuals.

13 “(5) TIMING.—

14 “(A) QUALIFIED FOREIGN VESSEL.—Not  
15 later than 180 days after entering into an oper-  
16 ating agreement under section 53603 with a  
17 covered entity for inclusion of a qualified for-  
18 eign-built vessel into the Fleet, such vessel shall  
19 be placed into service as part of the Fleet.

20 “(B) NEWLY CONSTRUCTED VESSEL.—Not  
21 later than 36 months after entering into an op-  
22 erating agreement under section 53603 with a  
23 covered entity for inclusion of a newly con-  
24 structed United States built vessel described in

1 paragraph (2)(A), such vessel shall be placed  
2 into service as part of the Fleet.

3 “(C) DELAYED ADMISSION.—The Adminis-  
4 trator may delay the entry of a vessel selected  
5 to participate in the Fleet for—

6 “(i) a delay in the construction of  
7 such vessel; or

8 “(ii) difficulty of the owner or oper-  
9 ator of such vessel in recruiting United  
10 States mariners as required under section  
11 53603(b)(1)(A).

12 “(d) VESSEL ELIGIBILITY.—A vessel is eligible to be  
13 included in the Fleet if—

14 “(1) the vessel—

15 “(A) is a vessel of the United States; or

16 “(B) is not a vessel of the United States,  
17 but—

18 “(i) the owner of the vessel has dem-  
19 onstrated an intent to have the vessel doc-  
20 umented under chapter 121 of this title if  
21 it is included in the Fleet; and

22 “(ii) at the time an operating agree-  
23 ment is entered into under section 53603,  
24 the vessel is eligible for documentation  
25 under chapter 121 of this title;

1           “(2) the vessel is a United States built vessel  
2           or a qualified foreign-built vessel;

3           “(3) the vessel is—

4                 “(A) a bulk carrier vessel;

5                 “(B) a tanker vessel;

6                 “(C) a roll-on/roll-off vessel;

7                 “(D) a liquefied natural gas tanker vessel;

8                 “(E) a container vessel;

9                 “(F) a multi-purpose vessel;

10                “(G) a cable vessel (as defined in section  
11           53201 of this title);

12                “(H) a heavy-lift vessel; or

13                “(I) any other type of vessel determined  
14           appropriate by the Administrator, in consulta-  
15           tion with the Maritime Security Board;

16           “(4) the vessel is operated (or will be operated)  
17           in providing transportation in foreign commerce;

18           “(5) the vessel meets the requirements of para-  
19           graph (1), (2), (3), or (4) of subsection (e);

20           “(6) the vessel—

21                 “(A) is suitable for use by the United  
22           States for national defense or military purposes  
23           in time of war or national emergency, as deter-  
24           mined by the Secretary of Defense;

1 “(B) is commercially viable, as determined  
2 by the Administrator; and

3 “(C) has dedicated space for the training  
4 of—

5 “(i) cadets of the Merchant Marine  
6 Academy consistent with the requirements  
7 of section 51307(b);

8 “(ii) students of a State maritime  
9 academy, consistent with the requirements  
10 of section 51507; or

11 “(iii) participants in another work-  
12 force training program identified by the  
13 Administrator; and

14 “(7) the vessel will, for the period of an oper-  
15 ating agreement under section 53603 that applies to  
16 the vessel, meet any other requirement determined  
17 appropriate by the Administrator.

18 “(e) REQUIREMENTS REGARDING CITIZENSHIP OF  
19 OWNERS, CHARTERERS, AND OPERATORS.—

20 “(1) VESSEL OWNED AND OPERATED BY SEC-  
21 TION 50501 CITIZENS.—A vessel meets the require-  
22 ments of this paragraph if, during the period of an  
23 operating agreement under this chapter that applies  
24 to the vessel, the vessel will be owned and operated

1 by 1 or more persons that are citizens of the United  
2 States under section 50501.

3 “(2) VESSEL OWNED BY SECTION 50501 CITIZEN  
4 OR UNITED STATES CITIZEN TRUST AND CHAR-  
5 TERED TO DOCUMENTATION CITIZEN.—A vessel  
6 meets the requirements of this paragraph if—

7 “(A) during the period of an operating  
8 agreement under this chapter that applies to  
9 the vessel, the vessel will be—

10 “(i) owned by a person that is a cit-  
11 izen of the United States under section  
12 50501 of this title or that is a United  
13 States citizen trust; and

14 “(ii) demise chartered to a person—

15 “(I) that is eligible to document  
16 the vessel under chapter 121 of this  
17 title;

18 “(II) the chairman of the board  
19 of directors, chief executive officer,  
20 and a majority of the members of the  
21 board of directors of which are citi-  
22 zens of the United States under sec-  
23 tion 50501 of this title, and are ap-  
24 pointed and subjected to removal only



1                   upon approval by the Administrator;  
2                   and

3                   “(III) that certifies to the Ad-  
4                   ministrator that there are no treaties,  
5                   statutes, regulations, or other laws  
6                   that would prohibit the covered entity  
7                   for the vessel from performing its ob-  
8                   ligations under an operating agree-  
9                   ment under this chapter;

10                  “(B) in the case of a vessel that will be de-  
11                  mise chartered to a person that is owned or  
12                  controlled by another person that is not a cit-  
13                  izen of the United States under section 50501  
14                  of this title, the other person enters into an  
15                  agreement with the Administrator not to influ-  
16                  ence the operation of the vessel in a manner  
17                  that will adversely affect the interests of the  
18                  United States; and

19                  “(C) the Administrator and the Secretary  
20                  of Defense notify the appropriate committees of  
21                  Congress that they concur with the certification  
22                  required under subparagraph (A)(ii)(III) and  
23                  have reviewed and agree that there are no other  
24                  legal, operational, or other impediments that  
25                  would prohibit the covered entity for the vessel

1 from performing its obligations under an oper-  
 2 ating agreement under this chapter.

3 “(3) VESSEL OWNED AND OPERATED BY DE-  
 4 FENSE CONTRACTOR.—A vessel meets the require-  
 5 ments of this paragraph if—

6 “(A) during the period of an operating  
 7 agreement under this chapter that applies to  
 8 the vessel, the vessel will be owned and oper-  
 9 ated by a person that—

10 “(i) is eligible to document a vessel  
 11 under chapter 121 of this title;

12 “(ii) operates or manages other  
 13 United States-documented vessels for the  
 14 Secretary of Defense, or charters other  
 15 vessels to the Secretary of Defense;

16 “(iii) has entered into a special secu-  
 17 rity agreement for purposes of this para-  
 18 graph with the Secretary of Defense;

19 “(iv) makes the certification described  
 20 in paragraph (2)(A)(ii)(III); and

21 “(v) in the case of a vessel described  
 22 in paragraph (2)(B), enters into an agree-  
 23 ment referred to in that paragraph; and

24 “(B) the Administrator and the Secretary  
 25 of Defense notify the appropriate committees of

1 Congress that they concur with the certification  
 2 required under subparagraph (A)(iv), and have  
 3 reviewed and agree that there are no other  
 4 legal, operational, or other impediments that  
 5 would prohibit the covered entity for the vessel  
 6 from performing its obligations under an oper-  
 7 ating agreement under this chapter.

8 “(4) VESSEL OWNED BY DOCUMENTATION CIT-  
 9 IZEN AND CHARTERED TO SECTION 50501 CITIZEN.—  
 10 A vessel meets the requirements of this paragraph if,  
 11 during the period of an operating agreement under  
 12 this chapter that applies to the vessel, the vessel will  
 13 be—

14 “(A) owned by a person that is eligible to  
 15 document a vessel under chapter 121; and

16 “(B) demise chartered to a person that is  
 17 a citizen of the United States under section  
 18 50501.

19 **“§ 53603. Operating agreements**

20 “(a) IN GENERAL.—The Administrator shall require,  
 21 as a condition of including any vessel in the Fleet, that  
 22 the covered entity for the vessel enter into an operating  
 23 agreement under this section.

24 “(b) REQUIREMENTS.—

1           “(1) IN GENERAL.—An operating agreement re-  
2       quired under subsection (a) shall require the vessel  
3       subject to such agreement to meet the following re-  
4       quirements:

5           “(A) During the period in which the vessel  
6       is operating under the agreement—

7           “(i) the vessel will be crewed by only  
8       United States mariners;

9           “(ii) the vessel shall be operated with-  
10      in the Fleet exclusively in foreign com-  
11      merce and not in coastwise trade; and

12          “(iii) the covered entity will have in  
13      effect an emergency preparedness agree-  
14      ment described in section 53605 for the  
15      period of such agreement.

16          “(B) Beginning on the first day of the op-  
17      erating agreement, the vessel will be perma-  
18      nently ineligible for a coastwise endorsement  
19      under section 12112 of this title or to otherwise  
20      participate in the coastwise trade, even if the  
21      operating agreement is terminated or not re-  
22      newed.

23          “(2) COORDINATION WITH COAST GUARD RE-  
24      GARDING COASTWISE TRADE PROHIBITION.—The  
25      Administrator shall coordinate with the Secretary of

1 the Department in which the Coast Guard is oper-  
 2 ating to ensure that any vessel that is, or was, cov-  
 3 ered by an operating agreement under this chapter  
 4 is permanently ineligible for a coastwise endorse-  
 5 ment under section 12112 of this title or to other-  
 6 wise participate in the coastwise trade, as required  
 7 under paragraph (1)(B).

8 “(c) MILESTONES AND PAYMENTS.—The operating  
 9 agreement shall—

10 “(1) prescribe specific milestones for project  
 11 completeness, as agreed upon between the Adminis-  
 12 trator and the covered entity; and

13 “(2) specify the schedule of operating support  
 14 payments, and as applicable, capital support pay-  
 15 ments and other incentives and payments, based on  
 16 completion of such milestones and consistent with  
 17 the eligible application submitted by the covered en-  
 18 tity under section 53602(c)(3)(A), as agreed to by  
 19 the Administrator and the covered entity.

20 “(d) INCENTIVES.—

21 “(1) STATE OF THE ART TECHNOLOGY INCEN-  
 22 TIVES.—An operating agreement required under  
 23 subsection (a) may include incentives to support the  
 24 testing or adoption of state of the art technology, in-  
 25 cluding artificial intelligence, advanced shipbuilding

1 techniques, automation, modern propulsion systems,  
 2 environmental performance, crew safety, military  
 3 features, and other technologies identified by the  
 4 Maritime Security Board to be relevant in advancing  
 5 the military and economic security of the United  
 6 States.

7 “(2) PERFORMANCE INCENTIVES.—The oper-  
 8 ating agreement may include incentive payments for  
 9 eligible entities that exceed the milestones estab-  
 10 lished under subsection (c)(1).

11 “(e) LENGTH OF OPERATING AGREEMENT.—

12 “(1) IN GENERAL.—An operating agreement to  
 13 participate in the Fleet shall be for a period of 7  
 14 years.

15 “(2) RENEWAL OF AGREEMENT.—

16 “(A) IN GENERAL.—A covered entity for a  
 17 vessel participating in the Fleet under an oper-  
 18 ating agreement under this section may apply  
 19 to renew such operating agreement.

20 “(B) RENEWAL LIMITATION.—An oper-  
 21 ating agreement under this section may be re-  
 22 newed not more than 2 times.

23 “(3) TERMINATION PAYMENT.—

24 “(A) NO-FAULT TERMINATION DURING  
 25 CONTRACT.—Subject to subparagraph (B), a

1 covered entity for a vessel operating under an  
2 operating agreement under this section shall re-  
3 ceive a termination payment if any of the fol-  
4 lowing applies:

5 “(i) NO-FAULT TERMINATION.—Cap-  
6 ital support payments provided to a cov-  
7 ered entity under an operating agreement  
8 are terminated during a contract term.

9 “(ii) NO-FAULT NON-RENEWAL.—An  
10 operating agreement is not selected to be  
11 renewed under paragraph (2).

12 “(B) ADMINISTRATOR DETERMINATION  
13 FOR MATERIAL LACK OF COMPLIANCE.—In any  
14 case in which the Administrator determines  
15 under subsection (f) that a covered entity for a  
16 vessel operating under an operating agreement  
17 under this section materially fails to comply  
18 with the terms of the operating agreement and,  
19 due to such failure to comply, the operating  
20 agreement is terminated or not selected for re-  
21 newal, the Administrator may determine that  
22 the covered entity is not entitled to a termi-  
23 nation payment and subparagraph (A) shall not  
24 apply.

1                   “(C) TERMINATION PAYMENT DEFINED.—

2                   In this paragraph, the term ‘termination pay-  
3                   ment’ means a payment in an amount that  
4                   equals 50 percent of—

5                   “(i) the percentage of the remaining  
6                   useful life of the vessel, calculated using 21  
7                   years as the maximum useful life of the  
8                   vessel; multiplied by

9                   “(ii) the difference in the cost of con-  
10                  structing the vessel in the United States  
11                  and the cost of constructing the vessel in  
12                  a foreign country, to the extent such cost  
13                  difference was not recovered by the covered  
14                  entity through payments received under  
15                  any operating agreement under this sec-  
16                  tion.

17               “(f) TERMINATION BY ADMINISTRATOR FOR LACK OF  
18               PROGRAM PARTICIPANT COMPLIANCE.—If a covered enti-  
19               ty for a vessel operating under an operating agreement  
20               under this section materially fails to comply with the  
21               terms of the operating agreement—

22               “(1) the Administrator shall notify the covered  
23               entity and provide a reasonable opportunity to com-  
24               ply with the operating agreement; and



1           “(2) if the covered entity fails to achieve such  
2           compliance, the Administrator—

3                   “(A) shall terminate the operating agree-  
4           ment;

5                   “(B) shall not renew the operating agree-  
6           ment under subsection (e)(2); and

7                   “(C) may take steps to recover an amount  
8           equal to the payments and incentives provided  
9           to the covered entity under this chapter.

10          “(g) NONRENEWAL FOR LACK OF FUNDS.—If, by the  
11       first day of a fiscal year, sufficient funds have not been  
12       appropriated under the authority provided by this chapter  
13       for that fiscal year, then the Administrator shall notify  
14       the appropriate committees of Congress that operating  
15       agreements authorized under this chapter for which suffi-  
16       cient funds are not available will not be renewed for that  
17       fiscal year if sufficient funds are not appropriated by the  
18       60th day of that fiscal year.

19          “(h) RELEASE OF VESSELS FROM OBLIGATIONS.—

20               “(1) IN GENERAL.—A vessel covered by an op-  
21       erating agreement under this chapter is released  
22       from any further obligation under the operating  
23       agreement, except for the requirements of subsection  
24       (b)(1)(B), if—

1           “(A) the Administrator terminated or did  
2 not renew the operating agreement under sub-  
3 section (f); or

4           “(B) funds are not appropriated to the Ad-  
5 ministrator for payments under the operating  
6 agreement under this chapter for any fiscal  
7 year by the 60th day of that fiscal year.

8           “(2) AUTHORITY TO TRANSFER VESSEL.—

9           “(A) IN GENERAL.—After a vessel is re-  
10 leased from obligations under paragraph (1),  
11 the covered entity may transfer and register  
12 such vessel under a foreign registry that—

13               “(i) is acceptable to the Administrator  
14 and the Secretary of Defense, and allows  
15 the requisitioning of the vessel for title or  
16 use, notwithstanding section 56101 of this  
17 title; and

18               “(ii) is not a foreign country of con-  
19 cern.

20           “(B) EMERGENCY ACQUISITION OF VES-  
21 SELS.—If chapter 563 of this title is applicable  
22 to a vessel after registration in a foreign reg-  
23 istry described in subparagraph (A), then the  
24 vessel is available to be requisitioned by the

1 Secretary of Transportation pursuant to such  
2 chapter.

3 “(i) JUDICIAL REVIEW.—No court shall have juris-  
4 diction to review the Administrator’s decision with respect  
5 to the award or non-award of an operating agreement  
6 issued under this chapter.

7 **“§ 53604. Payments**

8 “(a) IN GENERAL.—An operating agreement under  
9 this chapter shall require that the Administrator make  
10 payments to the covered entity, in accordance with the  
11 milestones established under section 53603(c)(1) and the  
12 operating agreement under section 53603 and subject to  
13 the availability of appropriations under subsection (e).

14 “(b) LIMITATIONS.—Notwithstanding any other pro-  
15 vision of this chapter, the Administrator shall not make  
16 any payment under this chapter for a vessel—

17 “(1) with respect to any day for which—

18 “(A) the vessel is not operated or main-  
19 tained in accordance with an operating agree-  
20 ment under this chapter;

21 “(B) the vessel is under a charter to the  
22 United States Government; or

1           “(C) except as provided under subsection  
 2           (c), the vessel is engaged in transporting mili-  
 3           tary or other preference cargoes under section  
 4           55302(a), 55304, 55305, or 55314 of this title,  
 5           section 2631 of title 10, or any other cargo  
 6           preference law of the United States; or

7           “(2) that participates in the coastwise trade in  
 8           violation of the operating agreement and section  
 9           53603(b)(1)(B).

10          “(c) PREFERENCE CARGOS.—The Administrator  
 11          may waive the requirement of subsection (b)(1)(C) to the  
 12          extent, in the manner, and on the terms the Administrator  
 13          prescribes, only if—

14               “(1) the Administrator, acting in the Adminis-  
 15               trator’s capacity as Director of the National Ship-  
 16               ping Authority, makes a determination of the non-  
 17               availability of qualified vessels of the United States  
 18               that are not enrolled in the Strategic Commercial  
 19               Fleet;

20               “(2) the Administrator ensures reasonable no-  
 21               tice has been provided to the owners and operators  
 22               of qualified vessels of the United States that are not  
 23               enrolled in the Strategic Commercial Fleet; and

24               “(3) by not later than 7 days after issuing a  
 25               waiver under this subsection, the Administrator noti-

1       fies the appropriate committees of Congress and  
 2       posts such waiver on a public website of the Mari-  
 3       time Administration.

4       “(d) OPERATING AGREEMENT IS OBLIGATION OF  
 5       UNITED STATES GOVERNMENT.—An operating agree-  
 6       ment under this chapter constitutes a contractual obliga-  
 7       tion of the United States Government to pay the amounts  
 8       provided for in the agreement, subject to the availability  
 9       of appropriations under subsection (e).

10       “(e) APPROPRIATIONS FROM THE MARITIME SECU-  
 11       RITY TRUST FUND.—

12               “(1) IN GENERAL.—There is authorized to be  
 13       appropriated to the Administrator for payments to  
 14       covered entities under this section, out of the Mari-  
 15       time Security Trust Fund established under section  
 16       9512 of the Internal Revenue Code of 1986—

17                       “(A) for fiscal year 2025, \$150,000,000;  
 18                       “(B) for fiscal year 2026, \$300,000,000;  
 19                       “(C) for fiscal year 2027, \$550,000,000;  
 20                       “(D) for fiscal year 2028, \$800,000,000;  
 21                       “(E) for fiscal year 2029, \$1,000,000,000;  
 22                       “(F) for fiscal year 2030, \$1,200,000,000;  
 23                       “(G) for fiscal year 2031, \$1,400,000,000;  
 24                       “(H) for fiscal year 2032, \$1,600,000,000;

1 “(I) for fiscal year 2033, \$1,900,000,000;

2 and

3 “(J) for fiscal year 2034, \$2,100,000,000.

4 “(2) AVAILABILITY.—Amounts made available  
5 under paragraph (1) shall remain available until ex-  
6 pended.

7 “(f) CLARIFICATION.—The provision by the Adminis-  
8 trator of a payment under this section shall not be consid-  
9 ered to be a major Federal action under the National En-  
10 vironmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)  
11 or an undertaking for the purposes of division A of subtitle  
12 III of title 54, United States Code.

13 “(g) BUY AMERICA.—Section 54101(d)(2) shall  
14 apply to any funds obligated by the Administrator under  
15 this section.

16 **“§ 53605. National security requirements**

17 “(a) EMERGENCY PREPAREDNESS AGREEMENT RE-  
18 QUIRED.—The Administrator, in coordination with the  
19 Secretary of Defense, shall establish an emergency pre-  
20 paredness program under this section under which the  
21 program participant for an operating agreement under  
22 this chapter shall agree, as a condition of the operating  
23 agreement, to enter into an emergency preparedness  
24 agreement with the Administrator. The Administrator  
25 shall negotiate and enter into an emergency preparedness

1 agreement with each program participant as promptly as  
2 practicable after the program participant has entered into  
3 the operating agreement.

4 “(b) USE OF EXISTING PROGRAM.—The Adminis-  
5 trator may use an existing emergency preparedness pro-  
6 gram, as of the date of enactment of the SHIPS for Amer-  
7 ica Act of 2024, to satisfy the requirements of subsection  
8 (a).

9 “(c) TERMS OF AGREEMENT.—The terms of an  
10 emergency preparedness agreement under this section  
11 shall—

12 “(1) provide that upon request by the Secretary  
13 of Defense during time of war or national emer-  
14 gency, or whenever determined by the Secretary of  
15 Defense to be necessary for national security or con-  
16 tingency operation (as that term is defined in section  
17 101 of title 10), the program participant shall make  
18 available commercial transportation resources (in-  
19 cluding services) described in subsection (e) to the  
20 Secretary of Defense;

21 “(2) shall include such additional terms as may  
22 be established by the Administrator and the Sec-  
23 retary of Defense; and

24 “(3) shall allow for the modification or addition  
25 of terms upon agreement by the Administrator and

1 the program participant and the approval by the  
2 Secretary of Defense.

3 “(d) PARTICIPATION AFTER EXPIRATION OF OPER-  
4 ATING AGREEMENT.—The Administrator may not require,  
5 through an emergency preparedness agreement or an op-  
6 erating agreement, that a program participant covered by  
7 an operating agreement continue to participate in an  
8 emergency preparedness agreement after the operating  
9 agreement has expired according to its terms or is other-  
10 wise no longer in effect. After the expiration of an emer-  
11 gency preparedness agreement, a program participant  
12 may voluntarily continue to participate in the agreement.

13 “(e) RESOURCES MADE AVAILABLE.—The commer-  
14 cial transportation resources to be made available under  
15 an emergency preparedness agreement shall include ves-  
16 sels or capacity in vessels, terminal facilities, management  
17 services, and other related services, or any agreed portion  
18 of such nonvessel resources for activation as the Secretary  
19 of Defense may determine to be necessary, seeking to min-  
20 imize disruption of the program participant’s service to  
21 commercial customers.

22 “(f) COMPENSATION.—

23 “(1) IN GENERAL.—The Administrator shall in-  
24 clude in each emergency preparedness agreement  
25 provisions approved by the Secretary of Defense



1 under which the Secretary of Defense shall pay fair  
2 and reasonable compensation for all commercial  
3 transportation resources provided pursuant to this  
4 section.

5 “(2) SPECIFIC REQUIREMENTS.—Compensation  
6 under this subsection—

7 “(A) shall not be less than the program  
8 participant’s commercial market charges for  
9 like transportation resources;

10 “(B) shall be fair and reasonable consid-  
11 ering all circumstances;

12 “(C) shall be provided from the time that  
13 a vessel or resource is required by the Secretary  
14 of Defense until the time it is redelivered to the  
15 program participant and is available to reenter  
16 commercial service; and

17 “(D) shall be in addition to and shall not  
18 in any way reflect amounts payable under sec-  
19 tion 53604 of this title.

20 “(g) TEMPORARY REPLACEMENT VESSELS.—Not-  
21 withstanding section 55302(a), 55304, 55305, or 55314  
22 of this title, section 2631 of title 10, or any other cargo  
23 preference law of the United States—

24 “(1) a program participant may operate or em-  
25 ploy in foreign commerce a foreign vessel, or capac-

1       ity in a foreign vessel, as a temporary replacement  
 2       for a vessel of the United States or vessel of the  
 3       United States capacity that is activated by the Sec-  
 4       retary of Defense under an emergency preparedness  
 5       agreement or a primary Department of Defense sea-  
 6       lift-approved readiness program; and

7               “(2) such replacement vessel or vessel capacity  
 8       shall be eligible during the replacement period to  
 9       transport preference cargoes subject to sections  
 10       55302(a), 55304, 55305, and 55314 of this title and  
 11       section 2631 of title 10, to the same extent as the  
 12       eligibility of the vessel or vessel capacity replaced.

13       “(h) REDELIVERY AND LIABILITY OF THE UNITED  
 14       STATES FOR DAMAGES.—

15               “(1) IN GENERAL.—All commercial transpor-  
 16       tation resources activated under an emergency pre-  
 17       paredness agreement shall, upon termination of the  
 18       period of activation, be redelivered to the program  
 19       participant in the same good order and condition as  
 20       when received, less ordinary wear and tear, or the  
 21       Secretary of Defense shall fully compensate the pro-  
 22       gram participant for any necessary repair or replace-  
 23       ment.

24               “(2) LIMITATION ON UNITED STATES LIABIL-  
 25       ITY.—Except as may be expressly agreed in an

1 emergency preparedness agreement, or as otherwise  
 2 provided by law, the Government shall not be liable  
 3 for disruption of a program participant's commercial  
 4 business or other consequential damages to the pro-  
 5 gram participant arising from the activation of com-  
 6 mercial transportation resources under an emer-  
 7 gency preparedness agreement.

8 **“§ 53606. Regulations**

9 “The Administrator and the Secretary of Defense  
 10 may each prescribe rules as necessary to carry out their  
 11 respective responsibilities under this chapter.”.

12 (b) CONFIRMING AMENDMENTS.—Section 51307(b)  
 13 of title 46, United States Code, is amended—

14 (1) in paragraph (1)—

15 (A) in the matter preceding subparagraph

16 (A)—

17 (i) by striking “, or the” and inserting

18 “, the”; and

19 (ii) by inserting “, or the Strategic

20 Commercial Fleet under chapter 536 of

21 this title” before “to—”; and

22 (B) in subparagraph (A), by striking “or

23 Tanker Security Fleet vessel” and inserting

24 “Tanker Security Fleet vessel, or Strategic

25 Commercial Fleet vessel”; and

1 (2) in paragraph (2), by striking “or 534” and  
 2 inserting “534, or 536”.

3 (c) CLERICAL AMENDMENT.—The table of chapters  
 4 for subtitle V of title 46, United States Code, is amended  
 5 by adding at the end the following:

“536. Strategic Commercial Fleet ..... 53601”.

6 **SEC. 402. MARITIME SECURITY PROGRAM.**

7 (a) ANNUAL PAYMENTS.—Section 53106(a)(1) of  
 8 title 46, United States Code, is amended—

9 (1) in subparagraph (C), by striking “fiscal  
 10 years 2022, 2023, 2024, and 2025” and inserting  
 11 “fiscal years 2022, 2023, and 2024”; and

12 (2) by striking subparagraphs (D) through (F)  
 13 and inserting the following:

14 “(D) \$6,500,000 for each of fiscal years  
 15 2025 and 2026;

16 “(E) \$6,675,000 for each of fiscal years  
 17 2027 and 2028;

18 “(F) \$6,855,000 for each of fiscal years  
 19 2029 and 2030;

20 “(G) \$7,040,000 for each of fiscal years  
 21 2031 and 2032; and

22 “(H) \$7,230,000 for each of fiscal years  
 23 2033 and 2034.”.

24 (b) CARGO PREFERENCE.—Section 53105(a) of title  
 25 46, United States Code, is amended—

1           (1) in paragraph (2), by striking “and” after  
2     the semicolon;

3           (2) in paragraph (3), by striking the period at  
4     the end and inserting “; and”; and

5           (3) by adding at the end the following:

6           “(4) except for the limitations established under  
7     subsection (d), the vessel shall receive priority con-  
8     sideration to carry military or other preference car-  
9     goes under section 55305 or 55314 of this title, sec-  
10    tion 2631 of title 10, or any other cargo preference  
11    law of the United States, over vessels of the United  
12    States that are enrolled in other financial assistance  
13    programs established under chapters 532, 534, and  
14    536 of this part.”.

15   (c) MARITIME SECURITY FLEET.—

16           (1) TEST.—Not later than 180 days after the  
17    date of enactment of this Act, the Commander of  
18    the United States Transportation Command, in co-  
19    ordination with the Secretary of the Navy and the  
20    Maritime Administrator, shall devise a tabletop exer-  
21    cise to test the effective control of the Maritime Se-  
22    curity Fleet under chapter 531 of title 46, United  
23    States Code, in case of crisis or war.

24           (2) BRIEFING.—After completion of the exer-  
25    cise under paragraph (1), the Commander shall sub-

1 mit to the appropriate committees of Congress a  
2 briefing on the results of the tabletop exercise under  
3 paragraph (1).

4 (3) ANNUAL TESTING.—Beginning not later  
5 than 1 year after the briefing is submitted under  
6 paragraph (2), the Commander shall—

7 (A) carry out tabletop drills to test effec-  
8 tive control of the Maritime Security Fleet  
9 under chapter 531 of title 46, United States  
10 Code; and

11 (B) provide to the appropriate committees  
12 of Congress a briefing after each such drill on  
13 the results of such drill.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
15 53111 of title 46, United States Code, is amended—

16 (1) in paragraph (3), by striking “fiscal years  
17 2022, 2023, 2024, and 2025” and inserting “fiscal  
18 years 2022, 2023, and 2024”; and

19 (2) by striking paragraphs (4) through (6) and  
20 inserting the following:

21 “(4) \$390,000,000 for each of fiscal years 2025  
22 and 2026;

23 “(5) \$400,500,000 for each of fiscal years 2027  
24 and 2028;

1           “(6) \$411,300,000 for each of fiscal years 2029  
2           and 2030;

3           “(7) \$422,400,000 for each of fiscal years 2031  
4           and 2032; and

5           “(8) \$433,800,000 for each of fiscal years 2033  
6           and 2034.”.

7   **SEC. 403. CABLE SECURITY FLEET.**

8           (a) ANNUAL PAYMENTS.—Section 53206(a)(1) of  
9   title 46, United States Code, is amended by striking  
10 “equal to \$5,000,000 for each fiscal year 2021 through  
11 2035” and inserting “equal to—

12                   “(A) \$6,500,000 for each of fiscal years  
13                   2025 and 2026;

14                   “(B) \$8,000,000 for each of fiscal years  
15                   2027 and 2028;

16                   “(C) \$9,500,000 for each of fiscal years  
17                   2029 and 2030;

18                   “(D) \$10,500,000 for each of fiscal years  
19                   2031 and 2032; and

20                   “(E) \$12,000,000 for each of fiscal years  
21                   2033 and 2034.”.

22           (b) ASSESSMENT OF UNDERSEA CABLE REPAIR  
23 CONTINGENCIES.—

24                   (1) IN GENERAL.—Not later than 180 days  
25           after the date of enactment of this Act, the Sec-

1       retary of Defense, in coordination with the Maritime  
2       Administrator, the Federal Communications Com-  
3       mission, and other relevant Federal agencies, shall  
4       submit to the appropriate committees of Congress  
5       an assessment on the ability and preparedness of the  
6       USNS Zeus and the Cable Security Fleet under  
7       chapter 532 of title 46, United States Code, to re-  
8       pair transoceanic submarine fiber optic cables that  
9       may be damaged or cut by adversaries.

10       (2) CONTENTS.—The assessment under para-  
11       graph (1) shall include—

12               (A) a description of preparedness to ad-  
13       dress a situation in which the cables of partner  
14       countries in both the Pacific and Atlantic  
15       Oceans are damaged or severed at or around  
16       the same time;

17               (B) a determination as to how long it  
18       would take for the Cable Security Fleet, in co-  
19       ordination with partner countries, to repair  
20       such cables; and

21               (C) the options available to provide  
22       connectivity in an emergency or crisis caused  
23       by, or related to, the damaging or severing of  
24       such cables.



1 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
2 53209 of title 46, United States Code, is amended—

3 (1) by striking “section 53206, \$10,000,000 for  
4 each of the fiscal years 2021 through 2035.”; and  
5 inserting the following: “section 53206—

6 “(1) \$13,000,000 for each of fiscal years 2025  
7 and 2026;

8 “(2) \$16,000,000 for each of fiscal years 2027  
9 and 2028;

10 “(3) \$19,000,000 for each of fiscal years 2029  
11 and 2030;

12 “(4) \$21,000,000 for each of fiscal years 2031  
13 and 2032; and

14 “(5) \$24,000,000 for each of fiscal years 2033  
15 and 2034.”.

16 **SEC. 404. TANKER SECURITY FLEET.**

17 (a) PAYMENTS.—Section 53406(a) of title 46, United  
18 States Code, is amended—

19 (1) by striking “\$6,000,000” and inserting  
20 “\$9,000,000.”; and

21 (2) by striking the last sentence.

22 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
23 53411 of title 46, United States Code, is amended by  
24 striking “, and \$120,000,000 for fiscal years 2024  
25 through 2035” and inserting “, \$120,000,000 for fiscal

1 year 2024, and \$180,000,000 for fiscal years 2025  
2 through 2035”.

3 **SEC. 405. MODIFICATION TO DUTIES RELATING TO EQUIP-**  
4 **MENT AND REPAIR OF VESSELS.**

5 (a) IN GENERAL.—Section 466 of the Tariff Act of  
6 1930 (19 U.S.C. 1466) is amended—

7 (1) in subsection (a), in the first sentence, by  
8 striking “50 per centum on the cost thereof in such  
9 foreign country” and inserting “70 percent of the  
10 cost thereof in such foreign country or, in the case  
11 of a foreign country of concern (as defined in section  
12 4 of the SHIPS for America Act of 2024), 200 per-  
13 cent of the cost thereof in such country”; and

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

15 “(i) During the period beginning on the date of enact-  
16 ment of the SHIPS for America Act of 2024 and ending  
17 on December 31, 2034, the duty imposed under subsection  
18 (a) shall not apply to the cost of equipment, or any part  
19 of equipment, purchased for, or expenses of repair parts  
20 or materials to be used for, or repairs made in a foreign  
21 country, unless such country is a foreign country of con-  
22 cern (as defined in section 4 of the SHIPS for America  
23 Act of 2024, on, a vessel engaged in foreign trade if the  
24 Maritime Administrator confirms that—

25 “(1) the vessel—

1 “(A) is participating in—

2 “(i) the Maritime Security Fleet  
3 under chapter 531 of title 46, United  
4 States Code;

5 “(ii) the Cable Security Fleet under  
6 chapter 532 of such title;

7 “(iii) the Tanker Security Fleet under  
8 chapter 534 of such title; or

9 “(iv) the Strategic Commercial Fleet  
10 under chapter 536 of such title; or

11 “(B) has a Voluntary Intermodal Sealift  
12 Agreement or Voluntary Tanker Agreement  
13 with the Maritime Administrator in effect; and

14 “(2) the owner or master of the vessel certifies  
15 to the Maritime Administrator in writing that a  
16 good faith effort was made to purchase equipment or  
17 carry out repairs in a shipyard of the United  
18 States.”.

19 (b) REPORT REQUIRED.—Not less than 2 years after  
20 the date of enactment of this Act, and every 2 years there-  
21 after through December 31, 2034, the Maritime Adminis-  
22 trator shall submit to the appropriate committees of Con-  
23 gress a report—

24 (1) describing the number of vessels that paid  
25 the duties under section 466 of the Tariff Act of

1 1930 (19 U.S.C. 1466), and the location where the  
 2 repairs described in such section occurred;

3 (2)(A) identifying shipyards of the United  
 4 States that have capacity to carry out vessel repairs;  
 5 and

6 (B) describing the extent to which vessels of the  
 7 United States chose to conduct repairs in such ship-  
 8 yards during the period covered by the report;

9 (3) evaluating the effectiveness of section 466  
 10 of the Tariff Act of 1930 (19 U.S.C. 1466) in en-  
 11 couraging the repair of vessels of the United States  
 12 in shipyards of the United States; and

13 (4) making recommendations for additional reg-  
 14 ulatory or legislative steps which could be taken to  
 15 support the United States vessel repair industrial  
 16 base.

## 17 **Subtitle B—Cargo Preference**

### 18 **SEC. 411. UNITED STATES GOVERNMENT CARGO.**

19 (a) SENSE OF CONGRESS.—It is the sense of the Con-  
 20 gress that—

21 (1) only the Maritime Administrator, acting in  
 22 the Administrator's capacity as Director of the Na-  
 23 tional Shipping Authority, has the authority to de-  
 24 termine the non-availability of qualified capacity of  
 25 vessels of the United States (referred to in this sub-

1 section as “qualified United States flag capacity”)  
2 at fair and reasonable rates for commercial vessels  
3 of the United States to meet the requirements of  
4 section 55305 or 55314 of title 46, United States  
5 Code;

6 (2) the requirements of section 55305 or 55314  
7 of title 46, United States Code, may only be waived  
8 temporarily by the President, the Secretary of De-  
9 fense, or the Secretary of Transportation during a  
10 declared emergency justifying such a temporary  
11 waiver, following a determination by the Maritime  
12 Administrator, acting in the Maritime Administra-  
13 tor’s capacity as Director of the National Shipping  
14 Authority, of the non-availability of qualified United  
15 States flag capacity at fair and reasonable rates for  
16 commercial vessels of the United States pursuant to  
17 section 55305(d) of title 46, United States Code;  
18 and

19 (3) nothing in title II of the Food for Peace Act  
20 (7 U.S.C. 1721 et seq.) authorizes the Administrator  
21 of the United States Agency for International Devel-  
22 opment or the Secretary of Agriculture to waive the  
23 requirements of section 55305 or 55314 of title 46,  
24 United States Code, without first obtaining—

1 (A) delegated authority from the President  
2 of the United States;

3 (B) an emergency declaration justifying  
4 such a temporary waiver, pursuant to section  
5 55305(d) of title 46, United States Code; and

6 (C) a determination by the Maritime Ad-  
7 ministrator, acting in the Maritime Administra-  
8 tor's capacity as Director of the National Ship-  
9 ping Authority, on the non-availability of quali-  
10 fied United States flag capacity at fair and rea-  
11 sonable rates for commercial vessels of the  
12 United States pursuant to section 55305(d) of  
13 title 46, United States Code.

14 (b) APPLICABLE PERCENTAGE.—

15 (1) IN GENERAL.—Section 55305(a) of title 46,  
16 United States Code, is amended by striking “at least  
17 50” and inserting “100”.

18 (2) EFFECTIVE DATE.—The amendment made  
19 by paragraph (1) shall take effect on the date that  
20 is 180 days after the date of enactment of this Act.

21 (c) CLARIFICATION.—Section 55305(d) of title 46,  
22 United States Code, is amended—

23 (1) in paragraph (1), by inserting “a consulta-  
24 tion with the Maritime Security Board” after “fol-  
25 lowing”; and

1           (2) in paragraph (3)(B), by inserting “Maritime  
2       Security Board and the” after “to the”.

3       **SEC. 412. CARGO PREFERENCE IMPLEMENTATION REGULA-**  
4                               **TIONS.**

5           (a) REGULATIONS AND GUIDANCE.—Not later than  
6       180 days after the date of enactment of this Act, the Mari-  
7       time Administrator, notwithstanding any other provision  
8       of law, regulation, or administrative order, shall—

9           (1) promulgate regulations under subchapter  
10       III of chapter 5 of title 5, United States Code, to  
11       fully implement and ensure compliance with sections  
12       55305, 55314, 55315, and 55316 of title 46, United  
13       States Code;

14          (2) issue interagency guidance to other Federal  
15       departments and agencies on how to administer the  
16       programs that are subject to such sections in accord-  
17       ance with those sections, as applicable; and

18          (3) publish such guidance in the Federal Reg-  
19       ister and on the website of the Maritime Administra-  
20       tion.

21       (b) CONSULTATION.—The Administrator may consult  
22       with the Food Aid Consultative Group established by sec-  
23       tion 205 of the Food for Peace Act (7 U.S.C. 1725) in  
24       carrying out this section.

1       (c) REPEAL OF EARLIER REGULATORY DEADLINE.—  
2 Subsection (a) of section 3502 of the James M. Inhofe  
3 National Defense Authorization Act for Fiscal Year 2023  
4 (46 U.S.C. 55305 note; Public Law 117–263), is repealed.

5 **SEC. 413. CARGO PREFERENCE OVERSIGHT AND AUDIT.**

6       Section 55301 of title 46, United States Code, is  
7 amended—

8           (1) in subsection (a)(2), by striking “section  
9       55305” and inserting “sections 55305, 55314,  
10       55315, and 55316”; and

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

12       “(d) NOTIFICATION OF VIOLATION.—The Maritime  
13 Administrator shall—

14           “(1) upon receiving any credible information, as  
15       determined by the Administrator, that a Federal de-  
16       partment or agency that administers a program cov-  
17       ered by a report required under subsection (a) was  
18       not in compliance with the requirements of section  
19       55305, 55314, 55315, or 55316 of this title (as ap-  
20       plicable), notify the Committee on Commerce,  
21       Science, and Transportation of the Senate and the  
22       Committee on Transportation and Infrastructure of  
23       the House of Representatives not later than 14 days  
24       after receiving such information; and



1           “(2) upon receiving any credible information, as  
 2           determined by the Administrator, that a Federal de-  
 3           partment or agency that administers a program cov-  
 4           ered by a report required under subsection (a) was  
 5           not in compliance with the requirements of section  
 6           2631 of title 10, United States Code, notify the  
 7           Committee on Commerce, Science, and Transpor-  
 8           tation and the Committee on Armed Services of the  
 9           Senate and the Committee on Transportation and  
 10          Infrastructure and the Committee on Armed Serv-  
 11          ices of the House of Representatives not later than  
 12          14 days after receiving such information.”.

13 **SEC. 414. FINANCING THE TRANSPORTATION OF AGRICUL-**  
 14 **TURAL PRODUCTS.**

15          (a) IN GENERAL.—Subchapter II of chapter 553 of  
 16 title 46, United States Code, is amended by inserting after  
 17 section 55315 the following:

18 **“§ 55316. Financing the transportation of agricultural**  
 19 **products**

20          “(a) FINANCING OF INCREASED COSTS.—The Sec-  
 21 retary of Transportation shall finance any increased ocean  
 22 freight costs incurred in any fiscal year that result from  
 23 the application of section 55305 of this title to the agricul-  
 24 tural export programs specified in section 55314(b) of this  
 25 title.

1 “(b) REIMBURSEMENT OF INCREASED COSTS.—

2 “(1) IN GENERAL.—The Secretary of Transpor-  
3 tation shall reimburse the Secretary of Agriculture,  
4 the Commodity Credit Corporation, and the United  
5 States Agency for International Development for the  
6 amount by which, in any fiscal year—

7 “(A) the total cost of ocean freight and  
8 ocean freight differential for which obligations  
9 are incurred by the Secretary of Agriculture,  
10 the Corporation, and the United States Agency  
11 for International Development on exports of ag-  
12 ricultural products under the agricultural ex-  
13 port programs specified in section 55314(b) of  
14 this title; exceeds

15 “(B) 20 percent of the value of the agricul-  
16 tural products and the cost of the ocean freight  
17 and ocean freight differential on which obliga-  
18 tions are incurred by the Secretary of Agri-  
19 culture, the Corporation, and the United States  
20 Agency for International Development during  
21 that fiscal year.

22 “(2) AGRICULTURAL PRODUCTS SHIPPED FROM  
23 INVENTORY.—For purposes of this subsection, agri-  
24 cultural products shipped from the inventory of the  
25 Corporation shall be valued as provided in section

1       412(d) of the Food for Peace Act (7 U.S.C.  
2       1736f(d)).

3       “(c) INTERAGENCY AGREEMENT.—

4               “(1) IN GENERAL.—By not later than 180 days  
5       after the date of enactment of the SHIPS for Amer-  
6       ica Act of 2024, the Secretary of Transportation  
7       shall enter into an interagency agreement with the  
8       head of each agency entitled to reimbursement under  
9       subsection (b)(1).

10              “(2) CONTENTS.—Each interagency agreement  
11       shall include—

12                      “(A) an explanation of the process the  
13       agency shall follow to receive a reimbursement  
14       from the Secretary of Transportation under this  
15       section;

16                      “(B) a standard methodology for calcu-  
17       lating the reimbursement an agency is entitled  
18       to under this section; and

19                      “(C) deadlines—

20                              “(i) by which an agency shall submit  
21       a reimbursement request in order to re-  
22       ceive reimbursement; and

23                              “(ii) by which the Secretary of Trans-  
24       portation shall approve a properly filed re-  
25       imbursement request, which date shall not

1                   be more than 90 days after the date on  
 2                   which the reimbursement request is sub-  
 3                   mitted.

4                   “(3) CONGRESSIONAL NOTIFICATION.—The  
 5           Secretary of Transportation shall notify the appro-  
 6           priate committees of Congress—

7                   “(A) when each interagency agreement re-  
 8                   quired under this subsection is finalized; and

9                   “(B) any time that an interagency agree-  
 10                  ment required under this subsection is updated.

11                  “(d) AGRICULTURAL PRODUCT DEFINED.—In this  
 12                  section, the term ‘agricultural product’ has the meaning  
 13                  given the term in section 55314 of title 46, United States  
 14                  Code.

15                  “(e) AUTHORIZATION OF APPROPRIATIONS.—Each  
 16                  fiscal year, there is authorized to be appropriated, out of  
 17                  the Maritime Security Trust Fund established under sec-  
 18                  tion 9512 of the Internal Revenue Code of 1986, an  
 19                  amount sufficient to reimburse the Secretary of Transpor-  
 20                  tation for the costs incurred under this section, including  
 21                  administrative expenses.”.

22                  (b) CLERICAL AMENDMENT.—The table of sections  
 23                  for subchapter II of chapter 553 of title 46, United States  
 24                  Code, is amended by inserting after the item relating to  
 25                  section 55315 the following:

“55316. Financing the transportation of agricultural products.”.

1 **SEC. 415. IMPORTATION FROM CHINA ON AMERICAN SHIPS.**

2 (a) IN GENERAL.—Chapter 605 of title 46, United  
3 States Code, is amended by adding at the end the fol-  
4 lowing:

5 **“§ 60508. Importation on American ships**

6 “(a) IN GENERAL.—Notwithstanding any other pro-  
7 vision of law, not less than the covered percentage, as de-  
8 scribed in subsection (b), of covered goods by tonnage im-  
9 ported into the United States from a foreign port shall  
10 be imported on a vessel that is—

11 “(1) a vessel of the United States;

12 “(2) crewed by United States mariners; and

13 “(3) built in the United States.

14 “(b) PERCENTAGE.—A covered percentage under this  
15 section is the following:

16 “(1) One percent in the year that is 5 years  
17 after the date of enactment of this section.

18 “(2) Two percent in the year that is 6 years  
19 after the date of enactment of this section.

20 “(3) Three percent in the year that is 7 years  
21 after the date of enactment of this section.

22 “(4) Four percent in the year that is 8 years  
23 after the date of enactment of this section.

24 “(5) Five percent in the year that is 9 years  
25 after the date of enactment of this section.

1           “(6) Six percent in the year that is 10 years  
2           after the date of enactment of this section.

3           “(7) Seven percent in the year that is 11 years  
4           after the date of enactment of this section.

5           “(8) Eight percent in the year that is 12 years  
6           after the date of enactment of this section.

7           “(9) Nine percent in the year that is 13 years  
8           after the date of enactment of this section.

9           “(10) Ten percent in the year that is 14 years  
10          after the date of enactment of this section.

11          “(c) APPLICATION.—The requirement under sub-  
12          section (a) shall be applied to any shipper importing goods  
13          into the United States that originates from a foreign port  
14          or place.

15          “(d) FINE FOR FAILURE TO COMPLY.—

16                 “(1) IN GENERAL.—On an annual basis, the  
17          Maritime Administrator shall issue a fine to any en-  
18          tity failing to comply with the requirements under  
19          this section.

20                 “(2) AMOUNT.—The amount of a fine under  
21          this section shall be in an amount set by the Mari-  
22          time Administrator that is greater than the dif-  
23          ference in cost between—

1           “(A) the cost of employing a vessel of the  
2           United States that is built in the United States  
3           and crewed by United States mariners; and

4           “(B) the cost of employing a foreign vessel,  
5           flying a flag of convenience, manufactured out-  
6           side of the United States.

7           “(3) USE OF AMOUNTS.—Any amount collected  
8           under this subsection shall be deposited in the Mari-  
9           time Security Trust Fund.

10          “(e) RULEMAKING REQUIRED.—Not later than 4  
11       years after the date of enactment of this section, the Mari-  
12       time Administrator, in coordination with the Secretary of  
13       Homeland Security and the Chairman of the Federal Mar-  
14       itime Commission, shall promulgate a final rule that es-  
15       tablishes a system that—

16           “(1) identifies persons and goods that are sub-  
17       ject to the requirements of this section;

18           “(2) establishes requirements for such persons  
19       and goods that meet the applicable percentages es-  
20       tablished under subsection (b);

21           “(3) establishes clear enforcement mechanisms  
22       to ensure compliance with this section; and

23           “(4) determines the amount of a fine issued  
24       under subsection (d).

25          “(f) DEFINITIONS.—In this section:

1           “(1) COVERED GOODS.—The term ‘covered  
2 goods’ means goods manufactured in the People’s  
3 Republic of China.

4           “(2) SHIPPER.—The term ‘shipper’ has the  
5 meaning given such term in section 40102 of this  
6 title.”.

7           (b) CLERICAL AMENDMENT.—The table of sections  
8 for chapter 605 of title 46, United States Code, is amend-  
9 ed by adding at the end the following:

“60508. Importation on American ships.”.

10 **SEC. 416. PRIORITY FOR VESSELS OF THE UNITED STATES.**

11           (a) IN GENERAL.—Part D of subtitle V of title 46,  
12 United States Code, is amended by inserting after chapter  
13 553 the following:

14           **“CHAPTER 555—PRIORITY FOR VESSELS**  
15                           **OF THE UNITED STATES**

“Sec.

“55501. Priority for vessels of the United States.

16 **“§ 55501. Priority for vessels of the United States**

17           “(a) IN GENERAL.—A vessel of the United States  
18 shall be given priority at any port in the United States,  
19 ahead of a waiting vessel of a foreign country.

20           “(b) EXCEPTION.—Notwithstanding subsection (a),  
21 if the Secretary of Transportation finds that it is in the  
22 national interest, the Secretary may eliminate this priority  
23 at any port. The Secretary shall report to the appropriate



1 committees of Congress, as defined in section 4 of the  
 2 SHIPS for America Act of 2024, by not later than 30  
 3 days after an action eliminating priority under this sec-  
 4 tion.”.

5 (b) CLERICAL AMENDMENT.—The table of chapters  
 6 for subtitle V of title 46, United States Code, is amended  
 7 by adding at the end the following:

“555. Priority for vessels of the United States ..... 55501”.

8 **SEC. 417. MOVING CARGO ON VESSELS OF THE UNITED**  
 9 **STATES.**

10 (a) ASSESSMENT REQUIRED.—Not later than 180  
 11 days after the date of enactment of this Act, the Maritime  
 12 Security Advisor, in consultation with the Secretary of  
 13 Transportation, the Secretary of Commerce, the Chairman  
 14 of the Federal Maritime Commission, and the United  
 15 States Trade Representative, shall—

16 (1) conduct an assessment that identifies au-  
 17 thorities available under current Federal law, as of  
 18 the date of such identification, that may be utilized  
 19 to incentivize the movement of commercial cargo on  
 20 vessels of the United States in international com-  
 21 merce; and

22 (2) makes recommendations to the President to  
 23 utilize such authorities.

24 (b) INCLUSIONS.—The assessment required under  
 25 subsection (a) shall include an evaluation of—

1           (1) tax benefits for taxpayers who ship goods  
2           aboard vessels of the United States;

3           (2) modifications to import and export duties  
4           for goods imported or exported aboard vessels of the  
5           United States;

6           (3) privileges for vessels of the United States  
7           that enable vessels of the United States to provide  
8           improved service relative to other vessels in inter-  
9           national commerce; and

10          (4) any other authorities that would incentivize  
11          the movement of goods aboard vessels of the United  
12          States.

13          (c) REPORT TO CONGRESS.—Upon carrying out the  
14          assessment required under subsection (a), the Maritime  
15          Security Advisor shall submit to the appropriate commit-  
16          tees of Congress—

17                (1) a list of the recommendations made under  
18                subsection (a)(2); and

19                (2) a list of additional actions that could be  
20                taken by Congress to further incentivize the move-  
21                ment of commercial cargo on vessels of the United  
22                States.

23          (d) DEFINITION.—In this section, the term “vessel  
24          of the United States” has the meaning given the term in  
25          section 116 of title 46, United States Code.

1 **SEC. 418. TRANSPORTATION REQUIREMENTS FOR CERTAIN**  
2 **EXPORTS SPONSORED BY THE SECRETARY**  
3 **OF AGRICULTURE.**

4 Section 55314 of title 46, United States Code, is  
5 amended—

6 (1) by inserting before subsection (b) the fol-  
7 lowing:

8 “(a) **APPLICABILITY.**—The requirements under sec-  
9 tion 55305 of this title shall apply with respect to the ac-  
10 tivities specified in subsection (b).”;

11 (2) in subsection (b)—

12 (A) in paragraph (1), by inserting “titles I,  
13 II, or III of” after “carried out under”;

14 (B) in paragraph (4), by striking “agricul-  
15 tural commodities or their products” and in-  
16 serting “agricultural products”;

17 (C) in paragraph (5), by striking “agricul-  
18 tural commodities or their products” and in-  
19 serting “agricultural products”;

20 (D) in paragraph (6), by striking “agricul-  
21 tural commodities or their products” and in-  
22 serting “agricultural products”;

23 (E) in paragraph (7), by striking “agricul-  
24 tural commodities” and inserting “agricultural  
25 products”;

1 (F) by redesignating paragraphs (4), (5),  
 2 (6), and (7) as paragraphs (6), (7), (8), and  
 3 (9), respectively; and

4 (G) by inserting after paragraph (3) the  
 5 following:

6 “(4) carried out under the Food for Progress  
 7 Act of 1985 (7 U.S.C. 1736o);

8 “(5) carried out under the McGovern-Dole  
 9 International Food for Education and Child Nutri-  
 10 tion Program under section 3107 of the Farm Secu-  
 11 rity and Rural Investment Act of 2002 (7 U.S.C. 15  
 12 1736o–1);”; and

13 (3) by adding at the end the following:

14 “(c) SUBMISSION TO CONGRESS.—The Secretary of  
 15 Agriculture or the Administrator of the United States  
 16 Agency for International Development, as applicable,  
 17 shall, by October 15 of each year, submit to the appro-  
 18 priate committees of Congress (as defined in section 4 of  
 19 the SHIPS for America Act of 2024)—

20 “(1) a written notice of any waiver of the re-  
 21 quirements of this section issued during the pre-  
 22 ceding fiscal year; and

23 “(2) the reasons for granting such waiver and  
 24 how such waiver meets the requirements of this sec-  
 25 tion and section 55305(d).

1       “(d) AGRICULTURAL PRODUCT DEFINED.—In this  
 2 section, the term ‘agricultural product’ means any food  
 3 product, including an agricultural commodity (as such  
 4 term is defined in section 402 of the Food for Peace Act  
 5 (7 U.S.C. 1732)), specialty crop (as such term is defined  
 6 in section 3 of the Specialty Crops Competitiveness Act  
 7 of 2004 (7 U.S.C. 1621 note)), or processed food product,  
 8 exported from the United States.”.

9   **SEC. 419. CLARIFYING AMENDMENTS.**

10       (a) AGRICULTURAL COMMODITIES EMERGENCY AS-  
 11 SISTANCE CLARIFICATION.—Section 202(a) of the Food  
 12 for Peace Act (7 U.S.C. 1722(a)) is amended by striking  
 13 “Notwithstanding” and inserting “Subject to the require-  
 14 ments of sections 55305 and 55314 of title 46, United  
 15 States Code, and notwithstanding”.

16       (b) ADMINISTRATIVE PROVISIONS CLARIFICATION.—  
 17 Section 407(b)(2)(A) of the Food for Peace Act (7 U.S.C.  
 18 1736a(b)(2)(A)) is amended by striking “Notwith-  
 19 standing” and inserting “Subject to the requirements of  
 20 sections 55305 and 55314 of title 46, United States Code,  
 21 and notwithstanding”.

22       (c) EMERGENCY FOOD SECURITY PROGRAM CLARI-  
 23 FICATION.—Section 491(c)(1) of the Foreign Assistance  
 24 Act of 1961 (22 U.S.C. 2292(c)(1)) is amended by insert-

1 ing “and the requirements of sections 55305 and 55314  
2 of title 46, United States Code” after “section 492”.

3 **SEC. 420. ENERGIZING AMERICAN SHIPBUILDING.**

4 (a) NATIONAL POLICY ON STRATEGIC ENERGY  
5 ASSET EXPORT TRANSPORTATION.—

6 (1) REQUIREMENT FOR TRANSPORTATION OF  
7 EXPORTS OF NATURAL GAS ON VESSELS DOCU-  
8 MENTED UNDER LAWS OF THE UNITED STATES.—

9 Section 3 of the Natural Gas Act (15 U.S.C. 717b)  
10 is amended by adding at the end the following:

11 “(g) TRANSPORTATION OF EXPORTS OF NATURAL  
12 GAS ON VESSELS DOCUMENTED UNDER LAWS OF THE  
13 UNITED STATES.—

14 “(1) CONDITION FOR APPROVAL.—Except as  
15 provided in paragraph (7), with respect to an appli-  
16 cation to export natural gas under subsection (a),  
17 the Commission shall include in the order issued for  
18 that application the condition that the person trans-  
19 port the natural gas on a vessel that meets the re-  
20 quirements described in paragraph (3).

21 “(2) PURPOSE.—The purpose of the require-  
22 ment under paragraph (1) is to ensure that, of all  
23 natural gas exported by vessel in a calendar year,  
24 the following percentage is exported by a vessel that  
25 meets the requirements described in paragraph (3):

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

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

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

11          “(D) In each of the 12th and 13th cal-  
12          endar years following the calendar year in  
13          which this subsection is enacted, not less than  
14          6 percent.

15          “(E) In each of the 14th and 15th cal-  
16          endar years following the calendar year in  
17          which this subsection is enacted, not less than  
18          7 percent.

19          “(F) In each of the 16th and 17th cal-  
20          endar years following the calendar year in  
21          which this subsection is enacted, not less than  
22          9 percent.

23          “(G) In each of the 18th and 19th cal-  
24          endar years following the calendar year in

1           which this subsection is enacted, not less than  
2           11 percent.

3           “(H) In each of the 20th and 21st cal-  
4           endar years following the calendar year in  
5           which this subsection is enacted, not less than  
6           13 percent.

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

11          “(3) REQUIREMENTS FOR VESSELS.—A vessel  
12          meets the requirements described in this para-  
13          graph—

14               “(A) with respect to each of the 5 calendar  
15               years following the calendar year in which this  
16               subsection is enacted—

17                       “(i) if—

18                               “(I) the vessel is documented  
19                               under the laws of the United States;  
20                               and

21                               “(II) with respect to any retrofit  
22                               work necessary for the vessel to ex-  
23                               port natural gas—



1                   “(aa) such work is done in a  
2                   shipyard in the United States;  
3                   and

4                   “(bb) any component of the  
5                   vessel listed in paragraph (4)  
6                   that is installed during the  
7                   course of such work is manufac-  
8                   tured in the United States; or

9                   “(ii) if—

10                   “(I) the vessel is built in the  
11                   United States;

12                   “(II) the vessel is documented  
13                   under the laws of the United States;

14                   “(III) all major components of  
15                   the hull or superstructure of the ves-  
16                   sel are manufactured (including all  
17                   manufacturing processes from the ini-  
18                   tial melting stage through the applica-  
19                   tion of coatings for iron or steel prod-  
20                   ucts) in the United States; and

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

24                   “(B) with respect to the 6th calendar year  
25                   following the calendar year in which this sub-

1 section is enacted, and each calendar year  
2 thereafter, if the vessel meets the requirements  
3 of subparagraph (A)(ii).

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

6 “(A) Air circuit breakers.

7 “(B) Welded shipboard anchor and moor-  
8 ing chain.

9 “(C) Powered and non-powered valves in  
10 Federal Supply Classes 4810 and 4820 used in  
11 piping.

12 “(D) Machine tools in the Federal Supply  
13 Classes for metal-working machinery numbered  
14 3405, 3408, 3410 through 3419, 3426, 3433,  
15 3438, 3441 through 3443, 3445, 3446, 3448,  
16 3449, 3460, and 3461.

17 “(E) Auxiliary equipment for shipboard  
18 services, including pumps.

19 “(F) Propulsion equipment, including en-  
20 gines, propulsion motors, reduction gears, and  
21 propellers.

22 “(G) Shipboard cranes.

23 “(H) Spreaders for shipboard cranes.

24 “(I) Rotating electrical equipment, includ-  
25 ing electrical alternators and motors.

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

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

9           “(A) application of the requirement  
 10          would—

11           “(i) result in an increase of 25 per-  
 12           cent or more in the cost of the component  
 13           of the vessel; or

14           “(ii) cause unreasonable delays to be  
 15           incurred in building or retrofitting the ves-  
 16           sel; or

17           “(B) such component is not manufactured  
 18           in the United States in sufficient and reason-  
 19           ably available quantities of a satisfactory qual-  
 20           ity.

21           “(6) OPPORTUNITIES FOR CREDENTIALLED MER-  
 22           CHANT MARINERS.—Except as provided in para-  
 23           graph (7), the Commission shall include, in any  
 24           order issued under subsection (a) that authorizes a  
 25           person to export natural gas, a condition that the

1 person provide opportunities for individuals with a  
2 merchant mariner credential, as defined in section  
3 2101 of title 46, United States Code, to receive ex-  
4 perience and training necessary to become  
5 credentialed in working on a vessel transporting nat-  
6 ural gas.

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

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

20 “(A) shall use information made available

21 by—

22 “(i) the Energy Information Adminis-  
23 tration; or

1                   “(ii) any other Federal agency or enti-  
 2                   ty the Commission determines appropriate;  
 3                   and

4                   “(B) may use information made available  
 5                   by a private entity only if applicable informa-  
 6                   tion described in subparagraph (A) is not avail-  
 7                   able.”.

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

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

16                   (1) in subsection (b), by striking “subsections  
 17                   (c) and (d)” and inserting “subsections (c), (d), and  
 18                   (f)”; and

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

20                   “(f) TRANSPORTATION OF EXPORTS OF CRUDE OIL  
 21                   ON VESSELS DOCUMENTED UNDER LAWS OF THE  
 22                   UNITED STATES.—

23                   “(1) IN GENERAL.—Except as provided in para-  
 24                   graph (6), as a condition to export crude oil, the  
 25                   President shall require that a person exporting crude

1 oil transport the crude oil on a vessel that meets the  
2 requirements described in paragraph (3).

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

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

11 “(B) In each of the 8th, 9th, and 10th cal-  
12 endar years following the calendar year in  
13 which this subsection is enacted, not less than  
14 6 percent.

15 “(C) In each of the 11th, 12th, and 13th  
16 calendar years following the calendar year in  
17 which this subsection is enacted, not less than  
18 8 percent.

19 “(D) In the 14th calendar year following  
20 the calendar year in which this subsection is en-  
21 acted and each calendar year thereafter, not  
22 less than 10 percent.

23 “(3) REQUIREMENTS FOR VESSELS.—A vessel  
24 meets the requirements described in this para-  
25 graph—

1           “(A) with respect to each of the 4 calendar  
2 years following the calendar year in which this  
3 subsection is enacted—

4           “(i) if—

5               “(I) the vessel is documented  
6 under the laws of the United States;  
7 and

8               “(II) with respect to any retrofit  
9 work necessary for the vessel to ex-  
10 port crude oil—

11               “(aa) such work is done in a  
12 shipyard in the United States;  
13 and

14               “(bb) any component of the  
15 vessel listed in paragraph (4)  
16 that is installed during the  
17 course of such work is manufac-  
18 tured in the United States; or

19           “(ii) if—

20               “(I) the vessel is built in the  
21 United States;

22               “(II) the vessel is documented  
23 under the laws of the United States;

24               “(III) all major components of  
25 the hull or superstructure of the ves-

1                   sel are manufactured (including all  
 2                   manufacturing processes from the ini-  
 3                   tial melting stage through the applica-  
 4                   tion of coatings for iron or steel prod-  
 5                   ucts) in the United States; and

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

9                   “(B) with respect to the 5th calendar year  
 10                  following the calendar year in which this sub-  
 11                  section is enacted and each calendar year there-  
 12                  after, if the vessel meets the requirements of  
 13                  subparagraph (A)(ii).

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

16                  “(A) Air circuit breakers.

17                  “(B) Welded shipboard anchor and moor-  
 18                  ing chain.

19                  “(C) Powered and non-powered valves in  
 20                  Federal Supply Classes 4810 and 4820 used in  
 21                  piping.

22                  “(D) Machine tools in the Federal Supply  
 23                  Classes for metal-working machinery numbered  
 24                  3405, 3408, 3410 through 3419, 3426, 3433,



1           3438, 3441 through 3443, 3445, 3446, 3448,  
2           3449, 3460, and 3461.

3           “(E) Auxiliary equipment for shipboard  
4           services, including pumps.

5           “(F) Propulsion equipment, including en-  
6           gines, propulsion motors, reduction gears, and  
7           propellers.

8           “(G) Shipboard cranes.

9           “(H) Spreaders for shipboard cranes.

10          “(I) Rotating electrical equipment, includ-  
11          ing electrical alternators and motors.

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

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

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

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

1           “(B) such component is not manufactured  
2           in the United States in sufficient and reason-  
3           ably available quantities of a satisfactory qual-  
4           ity.

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

13          “(7) OPPORTUNITIES FOR CREDENTIALLED MER-  
14          CHANT MARINERS.—The Maritime Administrator  
15          shall ensure that each exporter of crude oil by vessel  
16          provides opportunities for individuals with a mer-  
17          chant mariner credential, as defined in section 2101  
18          of title 46, United States Code, to receive experience  
19          and training necessary to become credentialed in  
20          working on such vessels.

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

23                 “(A) shall use information made available  
24                 by—

1 “(i) the Energy Information Adminis-  
 2 tration; or

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

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

10 (c) ENERGY INFORMATION ADMINISTRATION INFOR-  
 11 MATION.—The Secretary of Energy, acting through the  
 12 Administrator of the Energy Information Administration  
 13 (referred to in this section as the “Secretary”), shall col-  
 14 lect, and make readily available to the public on the inter-  
 15 net website of the Energy Information Administration, in-  
 16 formation on exports by vessel of natural gas and crude  
 17 oil, including—

18 (1) forecasts for, and data on, those exports for  
 19 the calendar year following the calendar year in  
 20 which this Act is enacted and each calendar year  
 21 thereafter; and

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

1 **SEC. 421. SHIP AMERICA OFFICE.**

2 (a) IN GENERAL.—Chapter 553 of title 46, United  
3 States Code, is amended by adding at the end the fol-  
4 lowing:

5 **“Subchapter IV—Ship America Office**

6 **“§ 55341. Establishment of Ship America Office**

7 “(a) ESTABLISHMENT.—The Maritime Adminis-  
8 trator shall establish within the Maritime Administration  
9 an office to be known as the ‘Ship America Office’. The  
10 Maritime Administrator shall appoint the head of the Ship  
11 America Office (in this section referred to as the ‘Ship  
12 America Associate Administrator’).

13 “(b) DUTIES.—The Ship America Associate Adminis-  
14 trator shall have the following duties:

15 “(1) Providing assistance to private sector enti-  
16 ties, Federal financial assistance recipients, Federal  
17 agencies, Federal contractors, and owners and oper-  
18 ators of oceangoing vessels of the United States to  
19 facilitate the movement of commercial and govern-  
20 ment cargo on vessels of the United States in inter-  
21 national commerce.

22 “(2) Maximizing compliance across Federal  
23 agencies with this chapter, section 2631 of title 10,  
24 United States Code, and any other cargo preference  
25 law of the United States.

1           “(3) Providing training and assistance to Fed-  
2       eral employees, in all Federal agencies responsible  
3       for shipping preference cargo, on the legal obliga-  
4       tions under this chapter, section 2631 of title 10,  
5       United States Code, and any other cargo preference  
6       law of the United States.

7           “(4) Supporting the efforts of the executive  
8       branch to develop and sustain a fleet of vessels of  
9       the United States and maritime industrial base to  
10      meet the sealift needs of Federal agencies.

11          “(5) Where practicable, making accessible, and  
12      regularly updating, the publicly available contact in-  
13      formation for oceangoing vessels of the United  
14      States for the purposes of moving international com-  
15      merce.

16          “(6) Publishing, and regularly updating, cen-  
17      tralized information on the commercial benefits  
18      available to private sector entities for moving com-  
19      mercial cargo on oceangoing vessels of the United  
20      States.

21          “(7) Preparing the reports under subsection  
22      (c).

23      “(c) REPORTS REQUIRED.—Not later than 1 year  
24      after the date of enactment of this section, and biennially  
25      thereafter, the Maritime Administrator, acting through

1 the Ship America Associate Administrator, shall report to  
 2 the appropriate congressional committees (as defined in  
 3 section 4 of the SHIPS for America Act of 2024) and  
 4 the Maritime Security Board on—

5 “(1) the opportunities and challenges faced by  
 6 commercial entities to move cargo on oceangoing  
 7 vessels of the United States; and

8 “(2) recommendations to increase international  
 9 commerce moving on vessels of the United States.”.

10 (b) CONFORMING AMENDMENTS.—The table of sec-  
 11 tions for chapter 553 of title 46, United States Code, is  
 12 amended by adding at the end the following:

“SUBCHAPTER IV—SHIP AMERICA OFFICE

“55341. Establishment of Ship America Office.”.

## 13 **Subtitle C—Regulatory Reform**

### 14 **SEC. 431. ALTERNATE STANDARDS.**

15 (a) IN GENERAL.—Chapter 33 of title 46, United  
 16 States Code, is amended—

17 (1) by redesignating sections 3317 and 3318 as  
 18 sections 3318 and 3319, respectively; and

19 (2) by inserting after section 3316 the fol-  
 20 lowing:

#### 21 **“§ 3317. Alternate standards**

22 “(a) IN GENERAL.—Not later than 1 year after the  
 23 date of enactment of this section, the Secretary, in con-  
 24 sultation with the Maritime Administrator, shall establish

1 alternate standards to allow self-propelled vessels pro-  
2 viding oceangoing transportation that are not documented  
3 under chapter 121 of this title to receive a certificate of  
4 inspection if the vessel will become a documented vessel.

5 “(b) REQUIREMENTS.—Under the program estab-  
6 lished under subsection (a), a self-propelled vessel used to  
7 provide oceangoing transportation that is not documented  
8 under chapter 121 of this title shall be eligible for a certifi-  
9 cate of inspection if the Secretary determines that—

10 “(1) the owner of the vessel has agreed to apply  
11 to have the vessel documented under chapter 121  
12 upon receiving the certificate;

13 “(2) at the time of the receipt of such certifi-  
14 cate, the vessel is eligible for documentation under  
15 such chapter;

16 “(3) the vessel is classed by and designed in ac-  
17 cordance with the rules of a classification society ac-  
18 cepted by the Secretary;

19 “(4) the vessel complies with applicable inter-  
20 national agreements and associated guidelines, as  
21 determined by the country in which the vessel was  
22 documented immediately before becoming docu-  
23 mented under chapter 121;

24 “(5) the vessel has been assessed for cybersecu-  
25 rity and surveillance risks; and

1           “(6) the country in which the vessel was docu-  
2           mented immediately before becoming documented  
3           under chapter 121 has not been identified by the  
4           Secretary as inadequately enforcing international  
5           vessel regulations as to that vessel.

6           “(c) CONTINUED ELIGIBILITY FOR CERTIFICATE.—  
7           This section does not apply to a vessel after any date on  
8           which the vessel fails to comply with the applicable inter-  
9           national agreements and associated guidelines referred to  
10          in subsection (b)(4).

11          “(d) RELIANCE ON CLASSIFICATION SOCIETY.—

12                 “(1) IN GENERAL.—The Secretary may rely on  
13           a certification from the American Bureau of Ship-  
14           ping or, subject to paragraph (2), another classifica-  
15           tion society accepted by the Secretary to establish  
16           that a vessel is in compliance with the requirements  
17           of paragraphs (3), (4), and (6) of subsection (b) and  
18           of subsection (c).

19                 “(2) FOREIGN CLASSIFICATION SOCIETY.—The  
20           Secretary may accept certification from a foreign  
21           classification society under paragraph (1) only—

22                         “(A) to the extent that the government of  
23           the foreign country in which the society is  
24           headquartered provides access on a reciprocal  
25           basis to the American Bureau of Shipping; and



1                   “(B) if the foreign classification society  
2                   has offices and maintains records in the United  
3                   States.

4           “(e) RULEMAKING PROCEDURE.—The Secretary may  
5           initiate a rulemaking procedure to implement this stand-  
6           ard.

7           “(f) SAVINGS PROVISION.—Nothing in this section  
8           shall be interpreted to affect requirements related to mer-  
9           chant seamen credentials under part E of subtitle II of  
10          this title or the requirements related to manning of vessels  
11          under part F of such subtitle.”.

12          (b) CLERICAL AMENDMENT.—The table of sections  
13          for chapter 33 of title 46, United States Code, is amended  
14          by striking the items relating to sections 3317 and 3318  
15          and inserting the following:

          “3317. Alternate standards.

          “3318. Fees.

          “3319. Penalties.”.

16   **SEC. 432. RULEMAKING COMMITTEE ON COMMERCIAL**  
17                   **MARITIME REGULATIONS AND STANDARDS.**

18          (a) DEFINITIONS.—In this section:

19                  (1) COVERED REGULATION.—The term “cov-  
20                  ered regulation”—

21                         (A) means a commercial regulation or  
22                         standard issued by the Coast Guard relating to  
23                         the operation of vessels in foreign commerce, in-  
24                         cluding—

1 (i) vessel design and engineering  
2 standards;

3 (ii) merchant mariner training and  
4 credentialing; or

5 (iii) vessel operating and environ-  
6 mental standards; and

7 (B) does not include any commercial regu-  
8 lation or standard issued by the Coast Guard  
9 that exclusively applies to vessels in domestic  
10 commerce.

11 (2) RULEMAKING COMMITTEE.—The term  
12 “rulemaking committee” means the committee es-  
13 tablished under subsection (b).

14 (3) SECRETARY.—The term “Secretary” means  
15 the Secretary of the department in which the Coast  
16 Guard is operating.

17 (b) ESTABLISHMENT OF RULEMAKING COM-  
18 MITTEE.—There is established, in the department in  
19 which the Coast Guard is operating, a rulemaking com-  
20 mittee on commercial maritime regulations and standards  
21 to—

22 (1) review, and develop findings and rec-  
23 ommendations regarding, the covered regulations;  
24 and

(2) provide to the Secretary a report on opportunities to review and update regulations governing vessel design and engineering, vessel and facility operation and environmental standards, and merchant mariner credentialing, in order to—

(A) revitalize the merchant marine; and

(B) better align, and limit redundancies between, the regulatory standards of the Coast Guard and the International Maritime Organization and international treaty requirements.

(c) MEMBERS.—

(1) COMPOSITION OF RULEMAKING COMMITTEE.—The Secretary shall appoint the following as members of the rulemaking committee:

(A) Each of the following Federal officers or employees, or their designees:

(i) The Maritime Security Advisor.

(ii) The Maritime Administrator.

(iii) The Commandant of the Coast Guard.

(iv) The Secretary of Commerce.

(v) The Administrator of the Environmental Protection Agency.

(vi) The Secretary of the Navy.

1 (vii) The Chair of the Federal Mari-  
2 time Commission.

3 (viii) The chief United States delegate  
4 to the International Maritime Organiza-  
5 tion.

6 (B) Representatives from recognized classi-  
7 fication societies, including the American Bu-  
8 reau of Shipping.

9 (C) Representatives of industry, includ-  
10 ing—

11 (i) owners and operators of vessels in  
12 domestic and foreign commerce of the  
13 United States;

14 (ii) shipbuilders; and

15 (iii) other representatives of industry  
16 the Secretary determines appropriate.

17 (D) Individuals with a merchant mariner  
18 credential, as defined in section 2101 of title  
19 46, United States Code.

20 (E) Representatives of maritime labor or-  
21 ganizations.

22 (F) Experts in maritime safety and regu-  
23 latory matters.

24 (G) Other stakeholders the Secretary de-  
25 termines appropriate.

1 (2) PERIOD OF APPOINTMENT; VACANCIES.—

2 (A) IN GENERAL.—A member of the rule-  
3 making committee shall be appointed for the  
4 life of the rulemaking committee.

5 (B) VACANCIES.—A vacancy in the rule-  
6 making committee—

7 (i) shall not affect the powers of the  
8 rulemaking committee; and

9 (ii) shall be filled in the same manner  
10 as the original appointment.

11 (3) CHAIRPERSON AND VICE CHAIRPERSON.—

12 The Secretary shall select a Chairperson and Vice  
13 Chairperson from among the members of the rule-  
14 making committee.

15 (d) MEETINGS.—

16 (1) INITIAL MEETING.—Not later than 180  
17 days after the date of enactment of this Act, the  
18 Secretary shall convene the rulemaking committee  
19 for the first meeting of the rulemaking committee.

20 (2) QUORUM.—A majority of the members of  
21 the rulemaking committee shall constitute a quorum,  
22 but a lesser number of members may hold hearings.

23 (e) DUTIES OF COMMITTEE.—

24 (1) CONSIDERATIONS.—The rulemaking com-  
25 mittee shall consider each of the following:

1 (A) How the covered regulations interact  
2 with and compare to the treaty requirements  
3 and regulations established by the International  
4 Maritime Organization, including comparisons  
5 and interactions on the basis of—

6 (i) safety;

7 (ii) cost;

8 (iii) enforceability and compliance;

9 and

10 (iv) international competitiveness.

11 (B) The benefits and challenges vessel  
12 owners and operators and United States mari-  
13 ners encounter when complying with both regu-  
14 lations of the International Maritime Organiza-  
15 tion and the covered regulations.

16 (C) The role that covered regulations play  
17 in enhancing the size and strength of the mer-  
18 chant marine and the domestic and inter-  
19 national fleet of the United States.

20 (D) Recommended changes to covered reg-  
21 ulations, and regulatory frameworks, to better  
22 promote alignment with international standards  
23 and the standards of countries that are allies  
24 and partners, with a focus on—

1 (i) increasing opportunities for quali-  
2 fied mariners that enter the merchant ma-  
3 rine and reducing the barriers that lead  
4 qualified mariners to leave the merchant  
5 marine;

6 (ii) increasing the number of vessels  
7 documented under the laws of the United  
8 States that are operating in domestic and  
9 foreign commerce;

10 (iii) enhancing United States leader-  
11 ship within the International Maritime Or-  
12 ganization and other international treaty  
13 organizations with a focus on the maritime  
14 industry;

15 (iv) streamlining regulatory processes  
16 and processing timelines to minimize dupli-  
17 cative reviews and eliminate preventable  
18 delays; and

19 (v) maintaining and enhancing the  
20 safety and security of the merchant ma-  
21 rine.

22 (E) Recommended changes to covered reg-  
23 ulations and regulatory frameworks that govern  
24 mariner education training requirements, which  
25 may include—

1 (i) expanding the pool of qualified in-  
2 structors for mariner training programs;

3 (ii) streamlining requirements related  
4 to training facility size and design to im-  
5 prove operational efficiencies at mariner  
6 training facilities, including requirements  
7 related to classroom size and design;

8 (iii) standardizing and streamlining  
9 training course and curriculum approval  
10 and evaluation to provide more certainty to  
11 mariner training programs; and

12 (iv) enhancing opportunities for mar-  
13 iner training programs to flexibly integrate  
14 sea-time into course instruction, consistent  
15 with treaty requirements and regulations  
16 established by the International Maritime  
17 Organization.

18 (F) Any other matters the Secretary deter-  
19 mines appropriate.

20 (2) REPORT.—Not later than 18 months after  
21 the date of enactment of this Act, the rulemaking  
22 committee shall submit to the Secretary a report  
23 that includes the findings and recommended changes  
24 to covered regulations of the rulemaking committee,  
25 as required under paragraph (1).



1 (f) POWERS OF RULEMAKING COMMITTEE.—

2 (1) HEARINGS.—The rulemaking committee  
3 may hold such hearings, sit and act at such times  
4 and places, take such testimony, and receive such  
5 evidence as the rulemaking committee considers ad-  
6 visable to carry out this section.

7 (2) INFORMATION FROM FEDERAL AGENCIES.—

8 (A) IN GENERAL.—The rulemaking com-  
9 mittee may secure directly from a Federal de-  
10 partment or agency such information as the  
11 rulemaking committee considers necessary to  
12 carry out this section.

13 (B) FURNISHING INFORMATION.—On re-  
14 quest of the Chairperson of the rulemaking  
15 committee, the head of the department or agen-  
16 cy shall furnish the information to the rule-  
17 making committee.

18 (g) RULEMAKING COMMITTEE PERSONNEL MAT-  
19 TERS.—

20 (1) NO COMPENSATION.—A member of the  
21 rulemaking committee shall not be compensated for  
22 service on the rulemaking committee.

23 (2) TRAVEL EXPENSES.—A member of the rule-  
24 making committee shall be allowed travel expenses,  
25 including per diem in lieu of subsistence, at rates

1 authorized for employees of agencies under sub-  
2 chapter I of chapter 57 of title 5, United States  
3 Code, while away from their homes or regular places  
4 of business in the performance of services for the  
5 rulemaking committee.

6 (h) ADMINISTRATION.—Except as specified otherwise  
7 in this section, the rulemaking committee shall be treated  
8 as a committee established under chapter 151 of title 46,  
9 United States Code, for purposes of section 15109 of such  
10 title.

11 (i) TERMINATION.—The rulemaking committee shall  
12 terminate on the earlier of—

13 (1) the date that is 90 days after the date on  
14 which the rulemaking committee submits the report  
15 under subsection (e)(2); or

16 (2) the date that is 7 years after the date on  
17 which the rulemaking committee is established.

18 (j) DUTIES OF THE SECRETARY.—The Secretary  
19 shall—

20 (1) not later than 30 days after receiving the  
21 rulemaking committee's report under subsection  
22 (e)(2), submit to the appropriate committees of Con-  
23 gress, and make publicly available, a copy of such  
24 report and the Secretary's views on the rec-  
25 ommendations of the committee; and

1 (2) not later than 90 days after submitting the  
2 report under paragraph (1)—

3 (A) initiate a rulemaking activity and  
4 make such policy and guidance updates deter-  
5 mined necessary by the Secretary to address the  
6 consensus recommendations reached by the  
7 rulemaking committee under subsection (e);

8 (B) submit a report to the appropriate  
9 committees of Congress identifying the rec-  
10 ommendations of the rulemaking committee  
11 that require legislative changes; and

12 (C) submit a report to the Secretary of  
13 State identifying recommendations of the rule-  
14 making committee that require changes to trea-  
15 ty requirements and regulations established by  
16 the International Maritime Organization, in-  
17 cluding recommendations that should inform  
18 the policy of the United States as a member of  
19 the International Maritime Organization.

20 **SEC. 433. AMENDMENTS TO SHIPOWNERS' LIMITATION OF**  
21 **LIABILITY ACT OF 1851.**

22 (a) IN GENERAL.—Section 30523 of title 46, United  
23 States Code, is amended—

24 (1) by striking subsection (a) and inserting the  
25 following:

1 “(a) LIMIT OF OWNER LIABILITY.—

2 “(1) IN GENERAL.—Except as provided in sec-  
3 tion 30524 of this title, the liability of—

4 “(A) the owner of a vessel of the United  
5 States for any claim, debt, or liability described  
6 in subsection (b) shall not exceed the value of  
7 the vessel and pending freight; and

8 “(B) the owner of a foreign vessel for any  
9 claim, debt, or liability described in subsection  
10 (b) shall not exceed the amount that is 10 times  
11 the value of the vessel and pending freight.

12 “(2) MULTIPLE OWNERS.—If a vessel has more  
13 than one owner, the proportionate share of the liabil-  
14 ity under paragraph (1) of any one such owner shall  
15 not exceed that owner’s proportionate interest in the  
16 vessel and pending freight.”; and

17 (2) by striking subsection (c) and inserting the  
18 following:

19 “(c) CLAIMS NOT SUBJECT TO LIMITATION.—Sub-  
20 section (a) does not apply to—

21 “(1) a claim for wages; or

22 “(2) with respect to the liability of an owner of  
23 a foreign vessel, a claim, debt, or liability arising  
24 from personal injury or wrongful death of a person  
25 who was not a crewmember or passenger of the for-

1        eign vessel at the time the injury (including fatal in-  
 2        jury, if applicable) occurred.”.

3        (b) AMENDMENT TO CESSATION OF CERTAIN AC-  
 4        TIONS.—Section 30529(c) of title 46, United States Code,  
 5        is amended by striking “the matter in question” and in-  
 6        serting “a matter subject to limitation under section  
 7        30523”.

8        (c) EFFECTIVE DATE.—The amendments made by  
 9        subsections (a) and (b) shall apply to any liability subject  
 10       to section 30523(a) of title 46, United States Code, that  
 11       arises on or after March 25, 2024.

12                    **TITLE V—SHIPBUILDING**  
 13        **Subtitle A—Shipbuilding Financial**  
 14                    **Incentives**

15        **SEC. 501. SHIPBUILDING FINANCIAL INCENTIVES.**

16        (a) IN GENERAL.—Part C of subtitle V of title 46,  
 17        United States Code, is amended by inserting after chapter  
 18        537 the following:

19                    **“CHAPTER 538—SHIPBUILDING**  
 20                    **FINANCIAL INCENTIVES**

21        **“§ 53801. Shipbuilding financial incentives**

22               “(a) ESTABLISHMENT.—The Maritime Adminis-  
 23        trator shall establish a program that, in accordance with  
 24        the requirements of this section, provides Federal financial  
 25        assistance to covered entities to—

1           “(1) aid in the construction of a vessel that  
2           shall be documented under the laws of the United  
3           States; or

4           “(2) incentivize a qualified shipyard investment.

5           “(b) DEFINITIONS.—In this section:

6           “(1) APPROPRIATE COMMITTEES OF CON-  
7           GRESS.—The term ‘appropriate committees of Con-  
8           gress’ means the Committee on Commerce, Science,  
9           and Transportation and the Committee on Appro-  
10          priations of the Senate and the Committee on  
11          Armed Services and the Committee on Appropria-  
12          tions of the House of Representatives.

13          “(2) COVERED ENTITY.—The term ‘covered en-  
14          tity’ means—

15               “(A) any proposed vessel purchaser who is  
16               a citizen of the United States; or

17               “(B) any shipyard of the United States  
18               with the ability, experience, financial resources,  
19               and other qualifications to construct or repair a  
20               military vessel or a vessel to be used in the for-  
21               eign commerce of the United States.

22          “(3) FOREIGN COMMERCE.—The term ‘foreign  
23          commerce’ means—

24               “(A) commerce or trade between the  
25               United States, its territories or possessions, or

1 the District of Columbia, and a foreign country;  
2 and

3 “(B) commerce or trade between foreign  
4 countries.

5 “(4) FOREIGN COUNTRY OF CONCERN; FOREIGN  
6 ENTITY OF CONCERN.—The terms ‘foreign country  
7 of concern’ and ‘foreign entity of concern’ have the  
8 meanings given such terms in section 4 of the  
9 SHIPS for America Act of 2024.

10 “(5) QUALIFIED SHIPYARD INVESTMENT.—The  
11 term ‘qualified shipyard investment’ means an in-  
12 vestment to construct, modernize, or expand—

13 “(A) a shipyard of the United States that  
14 constructs or repairs civilian or military vessels;  
15 or

16 “(B) a manufacturing facility—

17 “(i) that is—

18 “(I) a component supplier;

19 “(II) a subcomponent supplier;

20 “(III) a manufacturing equip-  
21 ment supplier; or

22 “(IV) a steel plate manufacturing  
23 facility;

24 “(ii) that is based in the United  
25 States; and

1 “(iii)(I) at which at least 50 percent  
 2 of the products produced will be sold to  
 3 shipyards of the United States or used to  
 4 construct vessels of the United States; or

5 “(II) at which the investment will  
 6 more than double the facility’s capacity to  
 7 produce products to be sold to shipyards of  
 8 the United States or used to construct ves-  
 9 sels of the United States, as determined by  
 10 the Administrator.

11 “(c) PROCEDURE.—

12 “(1) APPLICATION.—A covered entity desiring  
 13 financial assistance under this section shall submit  
 14 an application to the Maritime Administrator.

15 “(2) ELIGIBILITY.—In order for a covered enti-  
 16 ty to qualify for financial assistance under this sec-  
 17 tion, the covered entity shall—

18 “(A) for financial assistance related to con-  
 19 struction of a vessel of the United States as de-  
 20 scribed in subsection (a)(1)—

21 “(i) enter into an agreement with the  
 22 Maritime Administrator establishing that  
 23 the vessel that is constructed with Federal  
 24 financial assistance shall be, for a period of



1 not less than 10 years, documented under  
2 the laws of the United States; and

3 “(ii) agree to carry out all construc-  
4 tion in a shipyard of the United States as  
5 the result of competitive bidding, after due  
6 advertisement, with the right reserved by  
7 the Administrator to disapprove any or all  
8 bids;

9 “(B) for financial assistance related to  
10 qualified shipyard investments as described in  
11 subsection (a)(2), use the financial assistance  
12 award amounts to incentivize investments in—

13 “(i) facilities or equipment related to  
14 shipbuilding or ship repair; or

15 “(ii) maritime component suppliers,  
16 subcomponent suppliers, and steel plate  
17 manufacturing facilities with over 50 per-  
18 cent maritime use in each such investment;  
19 and

20 “(C) make commitments to worker and  
21 community investment, including through—

22 “(i) programs to expand employment  
23 opportunity for economically disadvantaged  
24 individuals; and

1           “(ii) securing commitments from re-  
2           gional educational and training entities  
3           and institutions of higher education to pro-  
4           vide workforce training, including pro-  
5           gramming for training and job placement  
6           of economically disadvantaged individuals.

7           “(3) REVIEW OF APPLICATIONS.—

8           “(A) CONSIDERATIONS FOR REVIEW.—

9           With respect to the review by the Maritime Ad-  
10          ministrator of an application submitted—

11           “(i) the Maritime Administrator may  
12           not approve an application for construction  
13           of a vessel as described in subsection  
14           (a)(1) unless the Administrator—

15           “(I) determines that a vessel  
16           funded through the program—

17           “(aa) will aid in the pro-  
18           motion and development of for-  
19           eign commerce; and

20           “(bb) will be suitable for use  
21           by the United States for national  
22           defense or military purposes in  
23           time of war or national emer-  
24           gency;

1 “(II) confirms that the vessel  
2 purchaser that received funding under  
3 this section possesses the ability, expe-  
4 rience, financial resources, and other  
5 qualifications necessary for the oper-  
6 ation and maintenance of the pro-  
7 posed new vessel;

8 “(III) confirms that any shipyard  
9 selected to construct a vessel under  
10 this section possesses the ability, expe-  
11 rience, financial resources, equipment,  
12 and other qualifications necessary to  
13 properly to construct the proposed  
14 vessel;

15 “(IV) confirms that any newly  
16 constructed vessel has dedicated space  
17 for the training of cadets of the  
18 United States Merchant Marine Acad-  
19 emy (consistent with the requirements  
20 of section 51307(b)), State maritime  
21 academies (consistent with the re-  
22 quirements of section 51507), or other  
23 workforce training programs identified  
24 by the Administrator; and

1 “(V) has notified the appropriate  
2 committees of Congress not later than  
3 15 days before making any commit-  
4 ment to provide Federal financial as-  
5 sistance to any covered entity;

6 “(ii) the Maritime Administrator may  
7 not approve an application to incentivize  
8 qualified shipyard investments as described  
9 in subsection (a)(2) unless the Adminis-  
10 trator—

11 “(I) confirms that the covered  
12 entity has received an incentive of-  
13 fered by a governmental entity to a  
14 covered entity for the purposes of sup-  
15 porting a qualified shipyard invest-  
16 ment within that jurisdiction;

17 “(II) ensures that the covered en-  
18 tity has an executable plan to sustain  
19 the facility without additional Federal  
20 financial assistance under this sub-  
21 section for the facility;

22 “(III) determines that the project  
23 to which the application relates is in  
24 the economic and national security in-  
25 terests of the United States; and

1 “(IV) receives detailed informa-  
2 tion on—

3 “(aa) the customers, or cat-  
4 egories of customers, which the  
5 covered entity plans to serve;

6 “(bb) the type of expendi-  
7 tures which the covered entity  
8 plans to make; and

9 “(cc) the workforce positions  
10 that the covered entity plans to  
11 employ, including any required  
12 recruitment, training, and hiring;  
13 and

14 “(iii) the Maritime Administrator may  
15 consider—

16 “(I) whether the covered entity  
17 has previously received financial as-  
18 sistance under this section;

19 “(II) the price for the construc-  
20 tion or repair of a vessel that has  
21 been negotiated between a shipyard  
22 and proposed vessel purchaser, and  
23 whether the negotiated price is fair  
24 and reasonable;

1 “(III) whether the covered entity  
2 commits to use equipment, materials,  
3 and supplies that are produced in the  
4 United States, and utilize, to the max-  
5 imum extent practicable, subcontract-  
6 tors and suppliers that are based in  
7 the United States; and

8 “(IV) whether the covered entity  
9 commits to utilizing new or emerging  
10 technologies.

11 “(B) RECORDS.—The Maritime Adminis-  
12 trator may request records and information  
13 from the applicant to review the status of a cov-  
14 ered entity. The applicant shall provide the  
15 records and information requested by the Ad-  
16 ministrator.

17 “(C) PRIORITY.—In providing Federal fi-  
18 nancial assistance to covered entities under this  
19 section, the Maritime Administrator may—

20 “(i) for an application for construc-  
21 tion of a vessel as described in subsection  
22 (a)(1), give priority to applicants that—

23 “(I) propose the construction of  
24 vessels of higher transport capability  
25 and productivity;

1 “(II) commit to have modifica-  
2 tions done in the United States to a  
3 vessel constructed with such financial  
4 assistance; or

5 “(III) propose the construction  
6 or modification of a vessel to meet the  
7 national security needs of the United  
8 States; and

9 “(ii) for an application to incentivize a  
10 qualified shipyard investment as described  
11 in subsection (a)(2), give priority to appli-  
12 cants that—

13 “(I) propose to expand produc-  
14 tion capacity to enable more military  
15 or commercial vessels to be con-  
16 structed or repaired in the United  
17 States;

18 “(II) commit to using new or  
19 emerging technologies or vessel design  
20 processes that increase production  
21 times or lower production costs; or

22 “(III) have experience making  
23 qualified shipyard investments or op-  
24 erating shipyards for commercial or  
25 military oceangoing vessels.

1 “(4) NATIONAL DEFENSE FEATURES.—

2 “(A) IN GENERAL.—Upon receiving an ap-  
3 plication for the construction of a vessel under  
4 this section, the Maritime Administrator shall  
5 submit to the Secretary of the Navy the plans  
6 and specifications for the proposed vessel for re-  
7 view.

8 “(B) RECOMMENDATIONS.—Not later than  
9 30 days after the date of receiving the plans  
10 and specifications for a vessel as provided for  
11 under subparagraph (A), the Secretary of the  
12 Navy may make recommendations to the Mari-  
13 time Administrator for the design of the vessel,  
14 which would enable the economical and speedy  
15 conversion of the vessel into a vessel suitable  
16 for use of the United States Government in  
17 times of war or national emergency.

18 “(C) REQUIREMENT TO IMPLEMENT REC-  
19 OMMENDATIONS.—If the Maritime Adminis-  
20 trator agrees with such recommendations, the  
21 Maritime Administrator may require the cov-  
22 ered entity to carry out such recommendations  
23 as a condition of receiving Federal financial as-  
24 sistance under this section with respect to that  
25 vessel.



1           “(5) RELATIONSHIP TO OTHER FINANCIAL AS-  
2           SISTANCE PROGRAMS.—A covered entity may not re-  
3           ceive financial assistance under this section for a  
4           vessel which is enrolled in the Strategic Commercial  
5           Fleet Program.

6           “(d) AWARD AMOUNTS.—

7           “(1) CONSTRUCTION OF A VESSEL OF THE  
8           UNITED STATES.—For financial assistance related to  
9           construction of a vessel of the United States, as de-  
10          scribed in subsection (a)(1), the Maritime Adminis-  
11          trator shall determine the appropriate amount and  
12          funding for each type of financial assistance award  
13          made under this section based on the difference in  
14          the cost of constructing the proposed vessel within  
15          the United States over the fair and reasonable esti-  
16          mate of cost of the construction of that type of ves-  
17          sel if it were constructed under similar plans and  
18          specifications (excluding national defense features as  
19          described in subsection (c)(4)) in a foreign ship-  
20          building center that is deemed by the Administrator  
21          to furnish a fair and representative example for the  
22          determination of the estimated foreign cost of con-  
23          struction of vessels of the type proposed to be con-  
24          structed.

1           “(2) QUALIFIED SHIPYARD INVESTMENTS.—

2           For financial assistance provided to incentivize  
3           qualified shipyard investments as described in sub-  
4           section (a)(2), the Maritime Administrator shall de-  
5           termine the appropriate amount for each financial  
6           assistance award made to a covered entity to maxi-  
7           mize private sector investments and to expand ship-  
8           yard and ship building capacity of the United  
9           States.

10           “(3) USE OF FUNDS.—A covered entity that re-  
11           ceives a financial assistance award under this section  
12           may only use the financial assistance award amounts  
13           to—

14                   “(A) finance the construction of a vessel to  
15                   be built in the United States and documented  
16                   under the laws of the United States;

17                   “(B) support site development, construc-  
18                   tion, and modernization for qualified shipyard  
19                   investments;

20                   “(C) pay reasonable costs related to the  
21                   operating expenses for a qualified shipyard in-  
22                   vestment, including specialized workforce, es-  
23                   sential materials, and complex equipment main-  
24                   tenance, as determined by the Administrator; or

1                   “(D) support workforce development for a  
2                   shipyard of the United States.

3           “(e) APPLICATIONS FOR RECONSTRUCTION, CONDI-  
4   TIONING, OR REPOWERING.—The Maritime Administrator  
5   may, if determined to be in the national and economic se-  
6   curity interests of the United States and consistent with  
7   the requirements of this section, consider an application  
8   as described in subsection (a)(1), and award financial as-  
9   sistance under this section, for the reconstruction, recondi-  
10   tioning, or repowering of an existing vessel in a shipyard  
11   of the United States.

12           “(f) PILOT PROGRAM FOR VESSELS IN DOMESTIC  
13   COMMERCE.—

14           “(1) IN GENERAL.—The Maritime Adminis-  
15   trator may, if determined to be in the national and  
16   economic security interests of the United States and  
17   consistent with all other requirements of this section  
18   (except the requirement under subsection  
19   (c)(3)(A)(i)(I)(aa)), establish a pilot program to con-  
20   sider an application as described in subsection  
21   (a)(1), and award financial assistance under this  
22   section for the construction of a vessel for use in  
23   service other than the foreign commerce.

24           “(2) ELIGIBLE VESSELS.—In addition to all  
25   other requirements of this section (except the re-

quirement under subsection (c)(3)(A)(i)(I)(aa)), a vessel qualifying for funding through the pilot program under this subsection shall only be eligible if the Administrator certifies that the vessel of the United States that will be constructed—

“(A) will operate in an emerging industry or a new trade lane and will not compete with existing vessels of the United States; or

“(B)(i) will replace an existing vessel of the United States that is or will be acquired by the Administrator to be placed in the National Defense Reserve Fleet, pursuant to section 57101; and

“(ii) will operate for not longer than 21 years and upon disposition will be placed in the National Defense Reserve Fleet, pursuant to section 57101.

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to alter the requirements under section 55102.

“(g) CLAWBACK.—

“(1) TARGET DATES.—For all awards to covered entities under this section, the Administrator shall, before the award is made, determine target

1        dates by which the vessel’s construction or a quali-  
2        fied shipyard investment shall be completed.

3            “(2) PROGRESSIVE RECOVERY FOR DELAYS.—  
4        Subject to paragraph (3), if a covered entity does  
5        not meet such target dates, the Administrator shall  
6        progressively recover up to the full amount of an  
7        award provided to a covered entity under this sec-  
8        tion.

9            “(3) WAIVER.—In the case of delays that do  
10       not meet such target dates, the Administrator may  
11       waive elements of the progressive recovery described  
12       in paragraph (2) that is incorporated in each award  
13       after—

14            “(A) making a formal determination that  
15            circumstances beyond the ability of the covered  
16            entity to foresee or control are responsible for  
17            delays; and

18            “(B) submitting congressional notification.

19            “(4) CONGRESSIONAL NOTIFICATION.—The Ad-  
20        ministrator shall notify the appropriate committees  
21        of Congress—

22            “(A) of the target dates described in para-  
23        graph (1) for each award; and

1           “(B) of any waivers provided under para-  
2           graph (3) not later than 15 days after the date  
3           on which such a waiver was provided.

4           “(h) VOLUNTARY INTERMODAL SEALIFT AGREE-  
5   MENT.—

6           “(1) IN GENERAL.—The Maritime Adminis-  
7           trator shall require any vessel that is constructed  
8           with financial assistance under this section to enter  
9           into a Voluntary Intermodal Sealift Agreement or a  
10          Voluntary Tanker Agreement with the Maritime Ad-  
11          ministrators.

12          “(2) CONDITION.—The owner of any vessel that  
13          is constructed with financial assistance under this  
14          section and that has a Voluntary Intermodal Sealift  
15          Agreement or Voluntary Tanker Agreement with the  
16          Maritime Administrator shall agree to provide effec-  
17          tive control of such vessel to the United States dur-  
18          ing—

19                 “(A) a national emergency declared by  
20                 Presidential proclamation; or

21                 “(B) a period for which the President has  
22                 proclaimed that the security of the national de-  
23                 fense makes it advisable.

24          “(3) COMPENSATION.—During a period de-  
25          scribed in paragraph (1), the owner of a vessel de-

1       scribed in such paragraph shall be compensated for  
2       the use of the vessel by the United States at the rate  
3       the Administrator considers just compensation for  
4       the use of the vessel.

5       “(i) CLARIFICATION.—The provision by the Adminis-  
6       trator of Federal financial assistance for a project de-  
7       scribed in this section shall not be considered to be a  
8       major Federal action under the National Environmental  
9       Policy Act of 1969 (42 U.S.C. 4321 et seq.) or an under-  
10      taking for the purposes of division A of subtitle III of title  
11      54, United States Code.

12      “(j) BUY AMERICA.—Section 54101(d)(2) shall apply  
13      to any funds obligated by the Administrator under this  
14      section.

15      “(k) GAO REVIEW.—The Comptroller General of the  
16      United States shall—

17              “(1) not later than 2 years after the date of  
18              disbursement of the first financial award under this  
19              section, and biennially thereafter for 10 years, con-  
20              duct a review of the program under this section; and

21              “(2) submit to the appropriate committees of  
22              Congress the results of each review.

23      “(l) PROHIBITION ON USE OF FUNDS.—

24              “(1) IN GENERAL.—No funds made available  
25              under this section may—

1           “(A) be used to construct, modify, or im-  
2           prove a facility outside of the United States; or

3           “(B) be provided to a foreign entity of con-  
4           cern or to support a foreign entity of concern.

5           “(2) STOCK BUYBACKS.—An entity receiving fi-  
6           nancial assistance under this section may not engage  
7           in any stock buyback for a period of 5 years after  
8           receiving such assistance.

9           “(m) AUTHORIZATION OF APPROPRIATIONS.—There  
10          is authorized to be appropriated to the Administrator, out  
11          of the Maritime Security Trust Fund established under  
12          section 9512 of the Internal Revenue Code of 1986,  
13          \$250,000,000 for each of fiscal years 2025 through 2034  
14          to provide financial assistance to covered entities under  
15          this section, to remain available until expended.”.

16          (b) CLERICAL AMENDMENT.—The table of chapters  
17          at the beginning of part C of subtitle V of title 46, United  
18          States Code, and at the beginning of subtitle V of such  
19          title, are each amended by inserting after the item relating  
20          to chapter 537 the following new item:

“538. Shipbuilding financial incentives ..... 53801”.

21          (c) CONFORMING AMENDMENT.—Title V of the Act  
22          of June 29, 1936 (49 Stat. 1995; chapter 858) is repealed.

23          **SEC. 502. ASSISTANCE FOR SMALL SHIPYARDS.**

24          Section 54101 of title 46, United States Code, is  
25          amended—



1 (1) in subsection (b)(1)—

2 (A) in subparagraph (A), by striking “;  
3 and” and inserting a semicolon;

4 (B) in subparagraph (B), by striking the  
5 period and inserting “; and”; and

6 (C) by adding at the end the following:

7 “(C) long-term industrial base growth that  
8 supports the national security and economic se-  
9 curity needs of the merchant marine of the  
10 United States.”; and

11 (2) in subsection (i)—

12 (A) by inserting “out of the Maritime Se-  
13 curity Trust Fund established under section  
14 9512 of the Internal Revenue Code of 1986”  
15 before “to the Administrator of the Maritime  
16 Administration”; and

17 (B) by striking “for fiscal year 2021 to  
18 carry out this section \$20,000,000” and insert-  
19 ing “\$100,000,000 for each of fiscal years 2025  
20 through 2034”.

21 **SEC. 503. FEDERAL SHIP FINANCING (TITLE XI) PROGRAM.**

22 (a) ESTABLISHMENT OF REVOLVING LOAN FUND.—

23 Section 53702 of title 46, United States Code, is amended  
24 by adding at the end the following:

1       “(c) ESTABLISHMENT OF REVOLVING LOAN  
2 FUND.—Not later than 30 days after the date of enact-  
3 ment of the SHIPS for America Act of 2024, the Sec-  
4 retary shall establish a revolving loan fund to be adminis-  
5 tered by the National Surface Transportation and Innova-  
6 tion Finance Bureau established under section 116 of title  
7 49. Any funds appropriated to carry out this chapter shall  
8 be deposited in the fund, along with any proceeds gen-  
9 erated from the loan guarantee program under this chap-  
10 ter including any fees collected under section 53713 or  
11 53714. The Secretary or Administrator shall make a guar-  
12 antee of payments or commitment to guarantee payments  
13 under subsection (a) or for the Secretary to make direct  
14 loan obligations under subsection (b) out of the revolving  
15 loan fund.

16       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
17 is authorized to be appropriated, out of the Maritime Se-  
18 curity Trust Fund established under section 9512 of the  
19 Internal Revenue Code of 1986, \$100,000,000 for fiscal  
20 year 2025 to be available until expended to the revolving  
21 loan fund established under subsection (c).”.

22       (b) FUNDING LIMITS.—Section 53704 of title 46,  
23 United States Code, is amended—

24               (1) in subsection (a), by striking “facilities.”  
25       and inserting “facilities, and not less than 50 per-

1 cent of obligations guaranteed under this chapter  
 2 shall be for projects that do not receive any pay-  
 3 ments or Federal financial assistance from financial  
 4 assistance programs established under this part.”;  
 5 and

6 (2) in subsection (c), by adding at the end the  
 7 following:

8 “(5) VESSEL OF NATIONAL INTEREST.—The  
 9 Administrator shall ensure that the system of risk  
 10 categories under paragraph (2) takes into consider-  
 11 ation whether a project subject to a guarantee under  
 12 this chapter is a project to construct, reconstruct, or  
 13 recondition a Vessel of National Interest.”.

14 (c) ELIGIBLE PURPOSES OF OBLIGATIONS.—Section  
 15 53706(a)(8) of title 46, United States Code, is amended—

16 (1) by striking “States.” and inserting “States  
 17 that is required—”; and

18 (2) by adding at the end the following new sub-  
 19 paragraphs:

20 “(A) for the vessel to be a vessel of the  
 21 United States;

22 “(B) for the vessel to be issued a coastwise  
 23 endorsement under chapter 121;

1           “(C) to convert a civilian vessel of the  
2           United States to a more useful military configu-  
3           ration;

4           “(D) for any vessel under contract to the  
5           Federal Government; or

6           “(E) for any United States-built vessel  
7           participating in—

8                   “(i) the Maritime Security Program  
9                   or the Emergency Preparedness Program  
10                  under chapter 531;

11                  “(ii) the Cable Security Fleet under  
12                  chapter 532;

13                  “(iii) the Tanker Security Fleet under  
14                  chapter 534;

15                  “(iv) the Strategic Commercial Fleet  
16                  under chapter 536;

17                  “(v) the Shipbuilding Financial Incen-  
18                  tive under chapter 538; or

19                  “(vi) the National Defense Reserve  
20                  Fleet under section 57100.”.

21       (d) BUY AMERICA.—Section 53733 of title 46,  
22       United States Code, is amended by adding at the end the  
23       following:

1       “(f) BUY AMERICA.—Section 54101(d)(2) shall apply  
 2 to any funds obligated by the Administrator under this  
 3 section.”.

4 **SEC. 504. CONSTRUCTION RESERVE FUND.**

5       (a) DEFINITIONS.—Section 53301(a) of title 46,  
 6 United States Code, is amended—

7           (1) in paragraph (1), by striking “a new vessel”  
 8 and inserting “an eligible vessel”;

9           (2) in paragraph (2)—

10               (A) in the paragraph heading, by striking  
 11 “NEW VESSEL” and inserting “ELIGIBLE VES-  
 12 SEL”;

13               (B) in the matter preceding subparagraph  
 14 (A), by striking “new vessel” and inserting “eli-  
 15 gible vessel”; and

16               (C) in subparagraph (A)—

17                   (i) in clause (i), by striking “after De-  
 18 cember 31, 1939”;

19                   (ii) in clause (ii), by striking “and”  
 20 after the semicolon;

21                   (iii) by redesignating clause (iii) as  
 22 clause (iv); and

23                   (iv) by inserting after clause (ii), the  
 24 following:

1 “(iii) operated in foreign commerce or  
 2 domestic commerce of the United States or  
 3 in the fisheries; and”; and

4 (3) by adding at the end the following:

5 “(3) FOREIGN COMMERCE.—The term ‘foreign  
 6 commerce’ means—

7 “(A) commerce or trade between the  
 8 United States, its territories or possessions, or  
 9 the District of Columbia, and a foreign country;  
 10 and

11 “(B) commerce or trade between foreign  
 12 countries.”.

13 (b) AUTHORITY FOR CONSTRUCTION RESERVE  
 14 FUNDS.—Section 53302(a) of title 46, United States  
 15 Code, is amended by striking “or acquisition of a new ves-  
 16 sel” and inserting “repowering, or acquisition of an eligi-  
 17 ble vessel”.

18 (c) PERSONS ELIGIBLE TO ESTABLISH FUNDS.—  
 19 Section 53303 of title 46, United States Code, is amend-  
 20 ed—

21 (1) by striking the matter preceding paragraph  
 22 (1) and inserting the following: “A citizen of the  
 23 United States may make an agreement with the Sec-  
 24 retary of Transportation under this chapter to estab-  
 25 lish a construction reserve fund if that citizen—”;

1           (2) in paragraph (1), by striking “in the foreign  
2           or domestic commerce of the United States” and in-  
3           serting “documented under the laws of the United  
4           States and operating in foreign commerce or domes-  
5           tic commerce of the United States”;

6           (3) in paragraph (2), by striking “being oper-  
7           ated in the foreign or domestic commerce of the  
8           United States” and inserting “documented under  
9           the laws of the United States and operating in for-  
10          eign commerce or domestic commerce of the United  
11          States”;

12          (4) in paragraph (3), by striking “in the foreign  
13          or domestic commerce of the United States” and in-  
14          serting “documented under the laws of the United  
15          States and operating in foreign commerce or domes-  
16          tic commerce of the United States”;

17          (5) in paragraph (4)—

18                (A) by striking “being operated in the for-  
19                eign or domestic commerce of the United  
20                States” and inserting “documented under the  
21                laws of the United States and operating in for-  
22                eign commerce or domestic commerce of the  
23                United States”; and

24                (B) by striking “or” after the semicolon;

25          (6) in paragraph (5)—

1 (A) by striking “in the foreign or domestic  
 2 commerce of the United States” and inserting  
 3 “documented under the laws of the United  
 4 States to operate in foreign commerce or do-  
 5 mestic commerce of the United States”; and

6 (B) by striking the period at the end and  
 7 inserting “; or”; and

8 (7) by adding at the end the following:

9 “(6) commits, as a part of the agreement with  
 10 the Secretary under this chapter, to construct, re-  
 11 construct, recondition, repower, or acquire, and op-  
 12 erate, an eligible vessel by not later than 5 years  
 13 after the date on which the construction reserve  
 14 fund is established.”.

15 (d) VESSEL OWNERSHIP.—Section 53304 of title 46,  
 16 United States Code, is amended by striking “constructed  
 17 or acquired” each place the term appears and inserting  
 18 “constructed, reconstructed, reconditioned, repowered, or  
 19 acquired”.

20 (e) BASIS FOR DETERMINING GAIN OR LOSS.—Sec-  
 21 tion 53307 of title 46, United States Code, is amended—

22 (1) in the section heading, by striking “**new**  
 23 **vessels**” and inserting “**eligible vessels**”;

24 (2) by striking “a new vessel” and inserting  
 25 “an eligible vessel”;



1           (3) by striking “the new vessel” and inserting  
2           “the eligible vessel”;

3           (4) by inserting “repowered,” after “recondi-  
4           tioned,”; and

5           (5) by inserting “repowering,” after “recondi-  
6           tioning,”.

7           (f) OBLIGATION OF DEPOSITS.—Section 53310 of  
8           title 46, United States Code, is amended—

9           (1) in subsection (a)—

10                   (A) by striking “a new vessel” each place  
11                   the term appears and inserting “an eligible ves-  
12                   sel”; and

13                   (B) in paragraph (1)(A), by striking “or  
14                   reconditioning” and inserting “, repowering, or  
15                   reconditioning”; and

16           (2) by striking subsections (b) and (c) and in-  
17           serting the following:

18           “(b) ADDITIONAL REQUIREMENTS FOR CERTAIN  
19           VESSELS.—In addition to the requirements of subsection  
20           (a)(1), for an eligible vessel not constructed under the con-  
21           struction-differential program or not bought from the Sec-  
22           retary of Transportation, construction shall commence  
23           with reasonable dispatch after the date of the construction  
24           contract, as determined by the Secretary of Transpor-

1 tation and certified by such Secretary to the Secretary of  
2 the Treasury.

3 “(c) EXTENSIONS.—The Secretary of Transportation  
4 may grant extensions of the period within which the depos-  
5 its must be expended or obligated, except that such exten-  
6 sions may not be for a total of more than 15 years for  
7 the expenditure or obligation of deposits.”.

8 (g) TAXATION OF DEPOSITS ON FAILURE OF CONDI-  
9 TIONS.—Section 53311(3) of title 46, United States Code,  
10 is amended by striking “to the extent of 5 percent of com-  
11 pletion”.

12 (h) CLERICAL AMENDMENT.—The table of sections  
13 for chapter 533 of title 46, United States Code, is amend-  
14 ed by striking the item relating to section 53307 and in-  
15 serting the following:

“53307. Basis for determining gain or loss and for depreciating eligible ves-  
sels.”.

16 **SEC. 505. CAPITAL CONSTRUCTION FUND.**

17 (a) IN GENERAL.—Chapter 535 of subtitle V of title  
18 46, United States Code, is amended—

19 (1) in section 53501—

20 (A) by redesignating paragraphs (2), (3),  
21 (4), (5), (6), (7), (8), and (9), as paragraphs  
22 (3), (5), (7), (8), (9), (10), (11), and (12), re-  
23 spectively;

1 (B) by inserting after paragraph (1) the  
2 following:

3 “(2) CARGO HANDLING EQUIPMENT.—The term  
4 ‘cargo handling equipment’ means any vehicle or  
5 land-based equipment (excluding marine container  
6 chassis, but including cargo-handling equipment that  
7 emits less than 1 gram of CO<sub>2</sub>(kWh)), and the asso-  
8 ciated marine terminal or port landside infrastruc-  
9 ture, used at a marine terminal to lift or move  
10 cargo—

11 “(A) manufactured in the United States  
12 (including any territory or possession of the  
13 United States); or

14 “(B) manufactured outside of the United  
15 States, if such equipment is not produced in the  
16 United States in sufficient and reasonably  
17 available quantities or of a satisfactory quality  
18 as determined by the Secretary.”;

19 (C) by inserting after paragraph (3), as re-  
20 designated by subparagraph (A), the following:

21 “(4) FOREIGN COMMERCE.—The term ‘foreign  
22 commerce’ means—

23 “(A) commerce or trade between the  
24 United States, its territories or possessions, or

1 the District of Columbia, and a foreign country;  
2 and

3 “(B) commerce or trade between foreign  
4 countries.”;

5 (D) by inserting after paragraph (5), as  
6 redesignated by subparagraph (A), the fol-  
7 lowing:

8 “(6) MARINE TERMINAL.—The term ‘marine  
9 terminal’ means wharves, bulkheads, quays, piers,  
10 docks, and other berthing locations and adjacent  
11 storage or adjacent areas and structures associated  
12 with the primary movement of cargo or materials  
13 from vessel to shore, or from shore to vessel, includ-  
14 ing structures which are devoted to receiving, han-  
15 dling, holding, consolidating, loading, or delivery of  
16 waterborne shipments, including areas devoted to  
17 the maintenance of the terminal or equipment.”;

18 (E) in paragraph (3)(A)(iii), as redesign-  
19 ated by subparagraph (A), by striking “foreign  
20 or domestic trade of the United States” and in-  
21 sserting “foreign commerce or domestic trade of  
22 the United States”; and

23 (F) in paragraph (8)(A)(iii), as redesign-  
24 ated by subparagraph (A), by striking “foreign  
25 or domestic trade of the United States” and in-

1           serting “foreign commerce or domestic trade of  
2           the United States”;

3           (2) in section 53503—

4                   (A) by striking subsection (a) and insert-  
5           ing the following:

6           “(a) IN GENERAL.—

7                   “(1) CITIZEN AGREEMENTS.—A citizen of the  
8           United States may make an agreement with the Sec-  
9           retary under this chapter to establish a capital con-  
10          struction fund for a vessel if that citizen—

11                   “(A) owns or leases an eligible vessel; or

12                   “(B) commits, as a part of such agree-  
13          ment, to build and operate an eligible vessel not  
14          later than 5 years after establishing the capital  
15          construction fund.

16                   “(2) OPERATOR AGREEMENTS.—An operator of  
17          a United States marine terminal may make an  
18          agreement with the Secretary under this chapter to  
19          establish a capital construction fund for the marine  
20          terminal.”; and

21                   (B) by striking subsection (b), and insert-  
22          ing the following:

23                   “(b) ALLOWABLE PURPOSE.—The purpose of the  
24          agreement shall be to provide—

1           “(1) replacement vessels, additional vessels, or  
 2       reconstructed vessels, built in the United States and  
 3       documented under the laws of the United States, for  
 4       operation in the foreign commerce or domestic trade  
 5       of the United States or in the fisheries of the United  
 6       States; or

7           “(2) replacement cargo handling equipment, ad-  
 8       ditional cargo handling equipment, or reconstructed  
 9       cargo handling equipment for operation at marine  
 10      terminals in the United States.”;

11           (3) in section 53504(b), by inserting “or United  
 12      States marine terminal” after “agreement vessel”;

13           (4) by striking section 53505 and inserting the  
 14      following:

15   **“§ 53505. Ceiling on deposits**

16           “(a) MAXIMUM DEPOSITS.—The amount deposited in  
 17      a capital construction fund for a taxable year may not ex-  
 18      ceed the amount specified in the agreement under section  
 19      53503(a), which shall be an amount that is related to a  
 20      commitment to invest the revenue from the capital con-  
 21      struction fund into funding the construction of new vessels  
 22      or funding cargo handling equipment.

23           “(b) REVENUE.—For the purposes of subsection (a),  
 24      the revenue from the capital construction fund may in-  
 25      clude—

1           “(1) income attributable to the operation of the  
2           agreement vessel in foreign commerce or domestic  
3           trade or fisheries or the operation of a marine ter-  
4           minal in the United States;

5           “(2) the amount allowable as a deduction under  
6           section 167 of the Internal Revenue Code of 1986  
7           for the taxable year with respect to the agreement  
8           vessels or cargo handling equipment;

9           “(3) the net proceeds from the disposition of an  
10          agreement vessel or cargo handling equipment or in-  
11          surance or indemnity attributable to the vessel or  
12          cargo handling equipment; and

13          “(4) the receipts from the investment or rein-  
14          vestment of amounts held in the fund.

15          “(c) REDUCTIONS FOR LESSEES.—For a lessee, the  
16          maximum amount that may be deposited for an agreement  
17          vessel under subsection (a) for any period shall be reduced  
18          by any amount the owner is required or permitted, under  
19          the capital construction fund agreement, to deposit for  
20          that period for the vessel under subsection (a).”;

21          (5) in section 53506—

22                 (A) in subsection (a), by striking “Except  
23                 as provided in subsection (b), amounts in the  
24                 fund may be invested only in interest-bearing  
25                 securities approved by the Secretary.”; and

1 (B) in subsection (b), by striking “With  
 2 the approval of the Secretary, an agreed per-  
 3 centage (but not more than 60 percent) of the  
 4 assets of the fund” and inserting “An agreed  
 5 percentage of the assets of the fund”;

6 (6) in section 53509—

7 (A) by striking subsection (a), and insert-  
 8 ing the following:

9 “(a) IN GENERAL.—Subject to subsections (b) and  
 10 (c), a withdrawal from a capital construction fund is a  
 11 qualified withdrawal if it is made under the terms of the  
 12 agreement and is for—

13 “(1) the acquisition, construction, repowering,  
 14 or reconstruction of—

15 “(A) a qualified vessel or a barge or con-  
 16 tainer that is part of the complement of a quali-  
 17 fied vessel; or

18 “(B) cargo handling equipment; or

19 “(2) the payment of the principal on indebted-  
 20 ness incurred in the acquisition, construction,  
 21 repowering, or reconstruction of—

22 “(A) a qualified vessel or a barge or con-  
 23 tainer that is part of the complement of a quali-  
 24 fied vessel; or

25 “(B) cargo handling equipment.”;



1 (B) by redesignating subsection (c) as sub-  
 2 section (e); and

3 (C) by inserting after subsection (b) the  
 4 following:

5 “(c) FULLY AUTOMATED CARGO HANDLING EQUIP-  
 6 MENT.—No withdrawals may be made from a capital con-  
 7 struction fund to purchase fully automated cargo handling  
 8 equipment that is remotely operated or remotely mon-  
 9 itored with or without the exercise of human intervention  
 10 or control, if the Secretary determines such equipment  
 11 would result in a net loss of jobs within a marine terminal.

12 “(d) PROHIBITION ON CERTAIN CRANES.—No with-  
 13 drawals may be made from a capital construction fund to  
 14 purchase cranes manufactured in the People’s Republic of  
 15 China or by foreign entities of concern (as defined in sec-  
 16 tion 4 of the SHIPS for America Act of 2024).”;

17 (7) in section 53510—

18 (A) in subsection (b), by inserting “cargo  
 19 handling equipment,” after “barge,” both  
 20 places the term appears;

21 (B) in subsection (c), by inserting “cargo  
 22 handling equipment,” after “barge,” both  
 23 places the term appears; and

24 (C) in subsection (d), by inserting “cargo  
 25 handling equipment,” after “barges,”;

1 (8) in section 53511(e)(1), by striking the table  
 2 contained therein and inserting the following:

**“If the amount remains in the fund at the close of the-**

16th taxable year .....	20 percent
17th taxable year .....	40 percent
18th taxable year .....	60 percent
19th taxable year .....	80 percent
20th taxable year .....	100 percent”;

3 and

4 (9) in section 53512(b)(1), by adding “cargo  
 5 handling equipment,” after “advanced”.

6 (b) CARGO HANDLING EQUIPMENT AVAILABILITY.—

7 The Secretary shall annually publish in the Federal Reg-  
 8 ister a request for information regarding the availability  
 9 of cargo handling equipment manufactured in the United  
 10 States and shall share the results of such request for infor-  
 11 mation with capital construction fund holders.

12 **SEC. 506. ANTICIPATED COMMERCIAL VESSEL CONSTRUC-**  
 13 **TION SURVEY.**

14 (a) IN GENERAL.—Chapter 501 of title 46, United  
 15 States Code, is amended by adding at the end the fol-  
 16 lowing:

17 **“§ 50115. Anticipated commercial vessel construction**  
 18 **survey**

19 “(a) DEFINITION.—In this section, ‘commercial ves-  
 20 sel of the United States’ means a vessel that is docu-  
 21 mented under the laws of the United States, not less than  
 22 6,000 deadweight tons, and operated in the domestic trade

1 of the United States or foreign commerce, and may in-  
2 clude—

3 “(1) a bulk carrier vessel;

4 “(2) a tanker vessel;

5 “(3) a roll-on/roll-off vessel;

6 “(4) a liquefied natural gas tanker vessel;

7 “(5) a container vessel;

8 “(6) a multi-purpose vessel;

9 “(7) a cable vessel (as defined in section  
10 53201);

11 “(8) a heavy-lift vessel; or

12 “(9) any other type of vessel determined appro-  
13 priate by the Administrator, in consultation with the  
14 Maritime Security Board.

15 “(b) IN GENERAL.—Not later than 180 days after  
16 the date of enactment of this section, and annually there-  
17 after, the Maritime Administrator shall conduct a survey  
18 of owners, agents, or operators of commercial vessels of  
19 the United States to identify plans for the construction,  
20 maintenance, and modernization of commercial vessels of  
21 the United States.

22 “(c) PURPOSE.—The purpose of the survey con-  
23 ducted under this section is to inform the maritime indus-  
24 trial base of the future need for the construction of com-  
25 mercial vessels.

1       “(d) INCLUSIONS.—In conducting the survey under  
2 this section, the Maritime Administrator shall collect the  
3 following information from owners, agents, or operators  
4 of commercial vessels of the United States who participate  
5 in the survey:

6           “(1) The number of commercial vessels of the  
7 United States the participant is looking to construct  
8 during the 10-year period beginning on the date on  
9 which the participant takes the survey.

10          “(2) The capabilities of the vessels described in  
11 paragraph (1) that the participant is seeking in con-  
12 structing such vessels.

13          “(3) Estimated timelines for when the partici-  
14 pant aims to place each such vessel into service.

15          “(4) The number of major repairs of commer-  
16 cial vessels of the United States and overhauls of  
17 such commercial vessels the participant is looking to  
18 carry out during the 10-year period described in  
19 paragraph (1).

20          “(5) The major components that a shipbuilder  
21 would need from industrial base suppliers to support  
22 the construction, overhaul, or repair of commercial  
23 vessels of the United States during such 10-year pe-  
24 riod.

1           “(6) Estimates for the capital expenditures the  
2           participant is planning to make for the construction,  
3           overhaul, or repair of commercial vessels of the  
4           United States during such 10-year period.

5           “(7) Any additional information the Maritime  
6           Administrator determines appropriate.

7           “(e) PARTICIPATION.—The Administrator may not  
8           require any owner, agent, or operator of a commercial ves-  
9           sel of the United States to participate in the survey unless  
10          that owner, agency, or operator is participating in a finan-  
11          cial assistance program established under part C of this  
12          subtitle.

13          “(f) RELEASE OF FINDINGS.—

14               “(1) DISTRIBUTION.—Each year, the Maritime  
15           Administrator may release the findings of the survey  
16           with shipyards in the United States and other mari-  
17           time industrial base stakeholders the results of the  
18           survey conducted under this section for such year in  
19           such a manner as the Administrator determines ap-  
20           propriate.

21               “(2) PROPRIETARY INFORMATION.—Notwith-  
22           standing any other provision of law, including sec-  
23           tion 552 of title 5, United States Code, at the re-  
24           quest of a survey participant, the Maritime Adminis-  
25           trator shall withhold proprietary information pro-

1 vided as a part of a survey conducted under this sec-  
 2 tion.

3 “(3) COORDINATION.—To the maximum extent  
 4 practicable, the Maritime Administrator shall seek to  
 5 conduct the annual surveys under this section and  
 6 publish the results of such surveys on a similar  
 7 timeline as the timeline for the annual naval vessel  
 8 construction plans under section 231(a)(1) of title  
 9 10 and other shipbuilding construction surveys pub-  
 10 lished by other Federal agencies.”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
 12 for chapter 501 of title 46, United States Code, is amend-  
 13 ed by inserting after the item relating to section 50114  
 14 the following:

“50115. Anticipated commercial vessel construction survey.”.

15 **SEC. 507. STREAMLINED ENVIRONMENTAL REVIEW.**

16 Section 41001(6) of the Fixing America’s Surface  
 17 Transportation Act (42 U.S.C. 4370m(6)) is amended—

18 (1) in subparagraph (A)—

19 (A) in the matter preceding clause (i), by  
 20 inserting “the maritime industry” after “water-  
 21 ways,”;

22 (B) by redesignating clauses (iii) and (iv)  
 23 as clauses (iv) and (v), respectively; and

24 (C) by inserting after clause (ii) the fol-  
 25 lowing:

1 “(iii) is covered by a programmatic  
 2 plan or environmental review developed for  
 3 a project related to the maritime indus-  
 4 try;”; and

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

6 “(D) MARITIME INDUSTRY.—For the pur-  
 7 poses of subparagraph (A), the term ‘construc-  
 8 tion of infrastructure’ for the maritime industry  
 9 includes construction of—

10 “(i) shipyards and ship repair facili-  
 11 ties;

12 “(ii) port terminals and other port fa-  
 13 cilities;

14 “(iii) manufacturing facilities for  
 15 equipment and technology instrumental to  
 16 the facilitation of maritime trade and com-  
 17 merce, as defined by the Council; and

18 “(iv) other industrial base facilities  
 19 that support the Navy or the merchant  
 20 marine of the United States.”.

21 **SEC. 508. ELIGIBILITY FOR LOAN GUARANTEES.**

22 Section 1703(b) of the Energy Policy Act of 2005  
 23 (42 U.S.C. 16513(b)) is amended by inserting at the end  
 24 the following:

1           “(14) Marine transportation systems, including  
2           commercial vessels of the United States, shipyards,  
3           marine terminals, and port facilities.”.

4   **SEC. 509. REPORTS.**

5           (a) REPORT ON NATIONAL DEFENSE RESERVE  
6 FLEET.—

7           (1) IN GENERAL.—Not later than 180 days  
8           after the date of enactment of this Act, and every  
9           2 years thereafter, the Maritime Administrator, in  
10          consultation with the Commander of the United  
11          States Transportation Command and the Secretary  
12          of the Navy, and in accordance with paragraph (2),  
13          shall submit to the appropriate committees of Con-  
14          gress and the Maritime Security Board a report—

15                (A) outlining a plan for using the ship-  
16                building financial incentives program authorized  
17                under section 53801 of title 46, United States  
18                Code, as added by section 501, and the finan-  
19                cial incentive programs under subpart C of sub-  
20                title V of title 46, United States Code, to sup-  
21                plement the size and readiness of the National  
22                Defense Reserve Fleet and to improve national  
23                shipbuilding and shipping infrastructure; and

24                (B) describing ways in which an expanded  
25                and creative view of the make-up of vessels with



1 Voluntary Intermodal Sealift Agreements or  
2 Voluntary Tanker Agreements and the ship-  
3 building financial incentives program authorized  
4 under such section can be used to ensure gov-  
5 ernment access to other vessels that are critical  
6 to national security, such as icebreakers, oil and  
7 natural gas tankers, floating dry docks, salvage  
8 vessels, dredges, ocean tugs, offshore construc-  
9 tion vessels, multi-use workboats, and commer-  
10 cial shipping vessels using small nuclear reac-  
11 tors.

12 (2) ADDITIONAL CONSULTATION.—In preparing  
13 the report under paragraph (1), the Maritime Ad-  
14 ministrator shall also consult with the Secretary of  
15 Commerce and the Secretary of Energy with respect  
16 to shipping vessels or mobile maritime power plants  
17 using small nuclear reactors.

18 (b) REPORT ON DE-RISKING MARITIME SECTOR.—  
19 Not later than 180 days after the date of enactment of  
20 this Act, and every 2 years thereafter, the Secretary of  
21 Defense and the Secretary of Homeland Security, in co-  
22 ordination with the Secretaries of Treasury and State, the  
23 Maritime Administrator, the United States Trade Rep-  
24 resentative, and the Director of the Office of Management  
25 and Budget, shall submit to the appropriate committees

1 of Congress and the Maritime Security Board a report  
2 outlining a comprehensive strategy for de-risking the  
3 United States maritime domain from the People's Repub-  
4 lic of China and other asymmetric or emerging maritime  
5 threats.

6 (c) REPORT ON RESTRICTING FLOW OF CAPITAL TO  
7 CCP.—Not later than 180 days after the date of enact-  
8 ment of this Act, the Secretary of Transportation, the Sec-  
9 retary of Defense, the Secretary of Commerce, the Sec-  
10 retary of State, and the Secretary of the Treasury shall  
11 submit to the appropriate committees of Congress and the  
12 Maritime Security Board a report on ways and means for  
13 restricting the flow of capital from the United States to  
14 Chinese Communist Party maritime industries, which  
15 shall include recommendations for promoting the flow of  
16 capital within and between the United States and treaty  
17 allies of the United States. The report shall also include  
18 a survey of banks, pension funds, and large financial insti-  
19 tutions, with recommendations for ways the United States  
20 can incentivize domestic financial investments in the mari-  
21 time industry.

22 **SEC. 510. EXPORT CONTROL REPORT.**

23 Not later than 1 year after the date of enactment  
24 of this Act, the Secretary of State shall submit to Con-  
25 gress a report assessing methods to reduce the use of ex-

1 port controls and other restrictions under the Arms Ex-  
 2 port Control Act (22 U.S.C. 2751 et seq.) and the Inter-  
 3 national Traffic in Arms Regulations under subchapter M  
 4 of chapter I of title 22, Code of Federal Regulations, or  
 5 successor regulations, that limit the ability of foreign-  
 6 owned marine industrial base companies to participate in  
 7 the United States shipbuilding industry, specifically in-  
 8 cluding shipbuilding for the Federal Government, while  
 9 ensuring appropriate safeguards for United States-based  
 10 firms and American workers.

## 11 **Subtitle B—Department of Defense** 12 **Programs**

### 13 **SEC. 511. ASSESSMENT OF THE USE OF COMMERCIAL BEST** 14 **PRACTICES FOR NAVY SHIPBUILDING.**

15 (a) ASSESSMENT.—

16 (1) IN GENERAL.—The Secretary of the Navy,  
 17 in coordination with the Secretary of Transportation  
 18 and the Secretary of the Department in which the  
 19 Coast Guard is operating, shall—

20 (A) conduct an assessment of best prac-  
 21 tices used in the construction and repair of  
 22 commercial, oceangoing maritime vessels; and

23 (B) identify—

24 (i) opportunities for the Navy and  
 25 Coast Guard to leverage those best prac-

1           tices to make ship construction and repair  
2           efforts of combatant and non-combatant  
3           vessels more efficient; and

4           (ii) advanced technologies that can be  
5           leveraged to improve the overall readiness  
6           and dominance of the United States mari-  
7           time fleet (both commercial and military),  
8           to specifically include small modular reac-  
9           tors for ship power and propulsion.

10          (2) ELEMENTS.—The assessment required by  
11          paragraph (1) shall include the following:

12                (A) An evaluation of the best practices de-  
13                scribed in subparagraph (A) of such paragraph,  
14                including best practices used by commercial  
15                shipyards in foreign allied countries, consider-  
16                ation of commercial design standards, and the  
17                vessel construction manager model used to con-  
18                struct the National Security Multi Mission Ves-  
19                sel Program, that could improve the efficiency  
20                of shipbuilding and repair by the Navy and  
21                Coast Guard.

22                (B) An identification of commercial-grade  
23                components and capabilities being used in state-  
24                of-the-art commercial, oceangoing maritime ves-  
25                sels and an assessment of whether the Navy

1 and Coast Guard could better use commercial  
2 off-the-shelf components or capabilities to re-  
3 duce costs, improve efficiencies, or enhance ca-  
4 pabilities in the construction of new naval ves-  
5 sels and cutters, and in repair of naval vessels  
6 and cutters.

7 (C) A determination as to whether ship-  
8 building and acquisition programs of the Navy  
9 and Coast Guard use modern best practices  
10 from the commercial maritime industry in  
11 terms of contracting, ship design, construction,  
12 overhaul, and maintenance.

13 (D) An identification of technologies and  
14 procedures that are used in commercial ship-  
15 building that, if used by the Navy and Coast  
16 Guard, would improve the efficiency of design-  
17 ing and constructing new naval vessels.

18 (E) An identification of technologies and  
19 procedures that are used in commercial ship-  
20 building and repair that, if used by the Navy  
21 and Coast Guard, would improve the efficiency  
22 of repairing naval vessels.

23 (F) An identification of opportunities to  
24 improve commonality in ship design, ship com-  
25 ponents, and shipbuilding procedures between

1 commercial, oceangoing maritime vessels, naval  
2 vessels, and cutters that could lead to improved  
3 efficiencies and a more resilient industrial base  
4 to support shipbuilding and repair for military  
5 and civil maritime vessels.

6 (G) An identification of advanced nuclear  
7 technologies that are under development for use  
8 in commercial shipbuilding that, if used by the  
9 Navy and Coast Guard, would improve the  
10 operational capability of naval vessels and cut-  
11 ters.

12 (H) An identification of the barriers pre-  
13 venting or making prohibitive the use of small  
14 modular reactors in naval or commercial, ocean-  
15 going maritime vessels, including—

16 (i) ambiguity in regulations governing  
17 nuclear propulsion restricting the commer-  
18 cial maritime industry from utilizing nu-  
19 clear propulsion or collaborating between  
20 United States and foreign entities under  
21 export controls requirements, including  
22 section 744.5 of title 15, Code of Federal  
23 Regulations (or a similar successor regula-  
24 tion); and

1 (ii) a lack of clarity in the meaning of  
2 “maritime (civil) nuclear propulsion plant  
3 projects” contained in the Export Adminis-  
4 tration Regulations and “Naval Nuclear  
5 Propulsion” contained in the International  
6 Traffic in Arms Regulations (Cat VI).

7 (I) An evaluation of education and tech-  
8 nology development best practices used by com-  
9 mercial shipyards in foreign allied countries,  
10 and an identification of education and tech-  
11 nology development opportunities, that could  
12 improve the efficiency of shipbuilding and re-  
13 pair by the Navy and Coast Guard.

14 (J) An evaluation of whether adoption of  
15 the best practices evaluated under subpara-  
16 graph (A) for the construction and repair of  
17 naval vessels and cutters would support the do-  
18 mestic commercial maritime shipbuilding indus-  
19 try, the commercial maritime industrial base,  
20 and the merchant marine of the United States.

21 (b) BRIEFING.—Not later than 180 days after the  
22 date of the enactment of this Act, the Secretary of the  
23 Navy shall provide to the congressional defense commit-  
24 tees a briefing on—

1           (1) the results of the assessment required by  
2       subsection (a); and

3           (2) a plan to execute any measures pursuant to  
4       such assessment.

5       (c) STRATEGY REQUIRED.—Not later than 1 year  
6 after the date of enactment of this Act, and biennially  
7 thereafter, the Secretary of the Navy and Secretary of the  
8 Department in which the Coast Guard is operating shall—

9           (1) provide to the appropriate committees of  
10      Congress strategies describing how measures identi-  
11      fied as a result of the assessment required by sub-  
12      section (a) will be incorporated into shipbuilding  
13      programs for the Navy and Coast Guard; and

14           (2) publish a public version of the strategies.

15       (d) CONGRESSIONAL DEFENSE COMMITTEES DE-  
16 FINED.—In this section, the term “congressional defense  
17 committees” has the meaning given that term in section  
18 101(a) of title 10, United States Code.

19 **SEC. 512. PLAN OF ACTION FOR USE OF DEFENSE PRODUC-**  
20 **TION ACT OF 1950 AUTHORITIES.**

21       (a) IN GENERAL.—Not later than 180 days after the  
22 date of the enactment of this Act, the President shall sub-  
23 mit to the appropriate committees of Congress a report  
24 on a plan of action for any use of authorities available



1 under title III of the Defense Production Act of 1950 (50  
2 U.S.C. 4531 et seq.)—

3 (1) to establish or enhance a domestic produc-  
4 tion capability for the construction of militarily use-  
5 ful, commercial maritime vessels that can be oper-  
6 ated in foreign commerce or the domestic commerce  
7 of the United States;

8 (2) to establish, improve, or enhance the de-  
9 fense shipyard industrial base; or

10 (3) to establish, improve, or enhance maritime  
11 port infrastructure of the United States, including  
12 containers and ship-to-shore cranes that were built  
13 in the United States and are owned by citizens of  
14 the United States.

15 (b) COORDINATION.—The President shall develop the  
16 plan of action required by subsection (a) in consultation  
17 with—

18 (1) the maritime security advisor (as estab-  
19 lished by this Act);

20 (2) the Maritime Security Board (as established  
21 by this Act);

22 (3) an advisory committee established under  
23 section 708(d) of the Defense Production Act of  
24 1950 (50 U.S.C. 4558(d)); and

1           (4) such stakeholders in the private sector as  
2           the President considers appropriate.

3           (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
4       FINED.—In this section, the term “appropriate commit-  
5       tees of Congress” means—

6           (1) the Committee on Armed Services, the  
7           Committee on Commerce, Science, and Transpor-  
8           tation, and the Committee on Appropriations of the  
9           Senate; and

10          (2) the Committee on Armed Services, the  
11          Committee on Transportation and Infrastructure,  
12          and the Committee on Appropriations of the House  
13          of Representatives.

14       **SEC. 513. STRATEGY ON DEVELOPMENT OF NAVAL REARM-**  
15               **AT-SEA CAPABILITY.**

16          (a) STRATEGY REQUIRED.—

17           (1) IN GENERAL.—Not later than 180 days  
18           after the date of the enactment of this Act, the Sec-  
19           retary of the Navy shall submit to the congressional  
20           defense committees a strategy for delivering a  
21           rearm-at-sea capability to the surface fleet of the  
22           Navy.

23           (2) ELEMENTS.—Such strategy required under  
24           paragraph (1) shall include each of the following:

1           (A) A plan to develop, by not later than 3  
2 years after the date of the enactment of this  
3 Act, the capability to employ transportable re-  
4 arming mechanism equipment to load missile  
5 canisters into MK 41 vertical launch system  
6 cells on Navy destroyers, including—

7           (i) an identification of the current and  
8 planned investments of the Navy in tech-  
9 nology development to achieve such capa-  
10 bility; and

11           (ii) the anticipated cost and schedule  
12 for such investments.

13           (B) A plan for the key milestone events  
14 and associated dates in the development of such  
15 capability.

16           (C) A plan to coordinate with allies of the  
17 United States that use variants of the MK 41  
18 vertical launch system manufactured by the  
19 United States to jointly procure rearm-at-sea  
20 capabilities.

21           (D) An identification of any courses of ac-  
22 tion the Secretary of the Navy is considering  
23 other than the plans referred to in subpara-  
24 graphs (A) through (C) to address the gap be-  
25 tween the rearm-at-sea capabilities of the

1 United States and the capabilities of other  
2 countries, including the use of uncrewed tech-  
3 nologies, and other commercial off-the-shelf  
4 components or capabilities.

5 (E) Such other matters as the Secretary  
6 determines appropriate.

7 (b) BRIEFING.—Not later than 90 days after the date  
8 of the enactment of this Act, the Secretary of the Navy  
9 shall provide to the congressional defense committees a  
10 written briefing on the development of the strategy re-  
11 quired under subsection (a).

12 **SEC. 514. MILITARY SEALIFT COMMAND.**

13 (a) AUTHORITY TO OFFER INCREASED PAID LEAVE  
14 ACCRUAL.—The Secretary of the Navy is authorized to  
15 offer government merchant mariners employed by Military  
16 Sealift Command paid leave accrual at a faster rate than  
17 provided pursuant to the standard General Schedule (GS)  
18 system to make government seafaring jobs more competi-  
19 tive with the commercial sector.

20 (b) REPORT ON RECRUITING AND RETENTION EF-  
21 FORTS.—

22 (1) IN GENERAL.—Not later than 180 days  
23 after the date of the enactment of this Act, and an-  
24 nually thereafter, the Secretary of the Navy, in co-  
25 ordination with the Commander of the Military Sea-

1 lift Command and the Maritime Security Board, and  
2 in consultation with the Commander of United  
3 States Transportation Command, the Commander of  
4 United States Fleet Forces Command, and the As-  
5 sistant Secretary of the Navy for Research, Develop-  
6 ment and Acquisition, shall submit to the appro-  
7 priate committees of Congress a report on efforts to  
8 improve recruitment and retention of Military Sealift  
9 Command Mariners.

10 (2) ELEMENTS.—The report required under  
11 paragraph (1) shall consider—

12 (A) opportunities to enhance the integra-  
13 tion of Military Sealift Command civilian  
14 mariners into the military command structure;

15 (B) providing training on the roles and sig-  
16 nificance of Military Sealift Command civilian  
17 mariner workforce to relevant military com-  
18 mands; and

19 (C) authorities required to improve recruit-  
20 ment and retention of civilian mariners in Mili-  
21 tary Sealift Command.

22 (c) REPORT ON EXTENDING CHARTER DURA-  
23 TIONS.—Not later than 90 days after the date of the en-  
24 actment of this Act, the Secretary of the Navy shall sub-  
25 mit to the appropriate committees of Congress a report

1 assessing the merits of extending the maximum charter  
 2 durations of commercial and specialty vessels for the Mili-  
 3 tary Sealift Command.

## 4                   **Subtitle C—Shipbuilding** 5                   **Innovation and Infrastructure**

### 6 **SEC. 521. UNITED STATES CENTER FOR MARITIME INNOVA-** 7                   **TION.**

8           (a) IN GENERAL.—Section 50307(e) of title 46,  
 9 United States Code, is amended—

10                   (1) in paragraph (1), by inserting “through the  
 11 establishment, management, and coordination of  
 12 geographically and topically diverse maritime incuba-  
 13 tors” after “maritime transportation system”; and

14                   (2) by striking paragraphs (2), (3), and (4),  
 15 and inserting the following:

16                   “(2) COOPERATIVE AGREEMENT.—The coopera-  
 17 tive agreement shall be with an organization or per-  
 18 sons with substantial experience in the maritime in-  
 19 dustry, as determined by the Secretary, in consulta-  
 20 tion with the Maritime Security Board.

21                   “(3) SELECTION.—The Center shall be—

22                           “(A) selected through a competitive proc-  
 23 ess of eligible entities, and if a private entity,  
 24 a domestic entity;

1           “(B) based in the United States with tech-  
2           nical expertise in emerging marine technologies  
3           and practices related to the maritime transpor-  
4           tation system; and

5           “(C) located in close proximity to eligible  
6           entities with expertise in United States emerg-  
7           ing maritime technologies and practices.

8           “(4) COORDINATION.—The Secretary of Trans-  
9           portation shall coordinate with the Maritime Secu-  
10          rity Board and other agencies critical for science, re-  
11          search, and regulation of emerging marine tech-  
12          nologies for the maritime sector, including the De-  
13          partment of Defense, the Department of Energy, the  
14          Environmental Protection Agency, the National  
15          Science Foundation, the Coast Guard, the National  
16          Oceanic and Atmospheric Association, and the Ma-  
17          rine Board of the National Academies when estab-  
18          lishing the Center.

19          “(5) RESPONSIBILITIES.—The Center shall  
20          carry out the following activities:

21                 “(A) Establish and support maritime incu-  
22                 bators in accordance with paragraph (6).

23                 “(B) Accelerate the adoption or integration  
24                 of commercial technologies within the maritime  
25                 industry to transform the capacity and capabili-

1           ties of the merchant marine of the United  
2           States.

3           “(C) Serve as the principal liaison between  
4           the Maritime Security Board and maritime in-  
5           cubators.

6           “(D) Carry out programs, projects, and  
7           other activities to strengthen the merchant ma-  
8           rine of the United States and the maritime in-  
9           dustrial base.

10          “(E) Coordinate and harmonize the activi-  
11          ties of other organizations and elements of the  
12          maritime industry on matters relating to com-  
13          mercial technologies, dual use technologies, and  
14          the innovation of such technologies.

15          “(F) Coordinate and advise efforts among  
16          elements of the maritime industry on matters  
17          relating to the development, procurement, and  
18          fielding of nontraditional capabilities and con-  
19          nect entities developing those capabilities with  
20          the relevant incubators.

21          “(G) Coordinate with maritime industry  
22          stakeholders to identify operational challenges  
23          that have the potential to be addressed through  
24          the use of nontraditional capabilities, including



1 dual-use technologies that are being developed  
2 and financed in the commercial sector.

3 “(H) Coordinate with maritime industry  
4 stakeholders and relevant Federal agencies to  
5 enhance the capacity and performance of sea-  
6 ports of the United States, including through  
7 hardening security, enhancing preparedness,  
8 and developing United States-based supply  
9 chains for port technologies and equipment.

10 “(I) Coordinate with other research and  
11 development programs and centers focused on  
12 modes of transportation besides maritime to de-  
13 velop intermodal interoperability with the mari-  
14 time industry.

15 “(J) Develop a standard design for com-  
16 mercial vessels and components and features of  
17 commercial vessels to be manufactured in the  
18 United States, using mature, proven designs,  
19 which—

20 “(i) includes, to the maximum extent  
21 practicable, included parts, components,  
22 and material manufactured in and sourced  
23 from the United States;

24 “(ii) does not include any parts, com-  
25 ponents, or materials manufactured by for-

1            foreign entities of concern or which are pro-  
2            duced in foreign countries of concern (as  
3            such terms are defined in section 4 of the  
4            SHIPS for America Act of 2024); and

5            “(iii) includes priorities for design  
6            identified in consultation with the Sec-  
7            retary of the Navy, as necessary for stra-  
8            tegic sealift, informed by requirements to  
9            sustain a wartime economy and military  
10          operations.

11          “(K) Lead engagement with industry, aca-  
12          demia, labor organizations, and other non-  
13          governmental entities to develop—

14                “(i) innovative, commercial, and dual-  
15                use manufacturing technologies and proc-  
16                esses to construct, rehabilitate, or repair  
17                maritime vessels of the Armed Forces or  
18                the merchant marine of the United States;

19                “(ii) additional naval architecture pro-  
20                grams at institutions of higher education  
21                in the United States and to expand exist-  
22                ing naval architecture programs;

23                “(iii) next-generation propulsion tech-  
24                nologies for the merchant marine of the  
25                United States, to include small modular re-

1 actors, low-emission propulsion tech-  
2 nologies, and other renewable energy solu-  
3 tions;

4 “(iv) new and innovative hardware,  
5 software, and systems for remote or auton-  
6 omous operations at ports, intermodal fa-  
7 cilities, or aboard oceangoing vessels;

8 “(v) technology and infrastructure so-  
9 lutions that enhance the safe operation of  
10 oceangoing vessels to protect lives, prop-  
11 erty, and the environment;

12 “(vi) solutions to recruit, train, and  
13 retain a skilled workforce capable of sup-  
14 porting a vibrant and growing United  
15 States maritime industry; and

16 “(vii) the capacity of international al-  
17 lies and partners of the United States,  
18 with respect to manufacturing technologies  
19 and processes, to construct, rehabilitate, or  
20 repair maritime vessels.

21 “(L) Work with academic and private sec-  
22 tor response training centers and Centers of  
23 Excellence for Domestic Maritime Workforce  
24 Training and Education to develop maritime  
25 strategies applicable to various segments of the

1 United States maritime industry, including the  
 2 inland, deep water, and coastal fleets.

3 “(M) Establish programs and initiatives to  
 4 share—

5 “(i) shipbuilding best practices and  
 6 maritime technology between vessels of the  
 7 Department of Defense and commercial  
 8 vessels of the United States; and

9 “(ii) port technology and logistics best  
 10 practices between the Department of De-  
 11 fense and commercial port operators and  
 12 port authorities within the United States.

13 “(N) Carry out such other activities as the  
 14 Maritime Security Board determines appro-  
 15 priate.

16 “(6) ESTABLISHMENT OF MARITIME INCUBA-  
 17 TORS.—

18 “(A) ESTABLISHMENT.—The Center shall,  
 19 in consultation with the Maritime Security  
 20 Board, seek out, identify, and support the de-  
 21 velopment of and experimentation with commer-  
 22 cial technologies that have the potential to be  
 23 implemented within the maritime industry,  
 24 through the establishment of a series of mari-  
 25 time incubators.

1           “(B) REFLECTION.—Each incubator shall  
2 reflect the unique nature of the region’s capa-  
3 bilities and academic and investor base.

4           “(C) SELECTION.—Incubators shall be—

5               “(i) selected through a competitive  
6 process of eligible entities, and if a private  
7 entity, a domestic entity;

8               “(ii) based in the United States with  
9 technical expertise in emerging marine  
10 technologies and practices related to the  
11 maritime transportation system;

12               “(iii) based within a United States  
13 maritime security investment zone as de-  
14 fined in section 1400Z–3 of the Internal  
15 Revenue Code of 1986 (as added by sec-  
16 tion 708 of this Act); and

17               “(iv) topic-specific, according to re-  
18 gional maritime expertise in United States  
19 emerging maritime technologies and prac-  
20 tices, to include designated incubators fo-  
21 cused on—

22                   “(I) clean energy and alternative  
23 fuels;

24                   “(II) ports and shoreside infra-  
25 structure;

1 “(III) vessel design and naval ar-  
2 chitecture;

3 “(IV) shipbuilding and next gen-  
4 eration manufacturing; and

5 “(V) other areas for maritime in-  
6 novation and technology, as deter-  
7 mined by the Center in coordination  
8 with the Maritime Security Board.

9 “(D) INCUBATOR RESPONSIBILITIES.—  
10 Each maritime incubator shall—

11 “(i) serve as the principal liaison be-  
12 tween the Center and individuals and enti-  
13 ties that can contribute to innovation with-  
14 in the maritime industry, including other  
15 maritime incubators under this subsection,  
16 entrepreneurs, startups, commercial tech-  
17 nology companies, and venture capital  
18 sources; and

19 “(ii) establish and support multi-  
20 stakeholder research and innovation part-  
21 nerships, as described in subparagraph  
22 (G).

23 “(E) REPORT.—Each incubator shall sub-  
24 mit quarterly activity and status reports to the  
25 Center.

1 “(F) REVIEW AND TERMINATION.—

2 “(i) IN GENERAL.—The Maritime Ad-  
3 ministrator may, in consultation with the  
4 Maritime Security Board, terminate an  
5 agreement with an eligible entity selected  
6 to lead a maritime incubator if the Admin-  
7 istrator certifies that the eligible entity is  
8 failing to meet the requirements of this  
9 section.

10 “(ii) RESELECTION.—If the Adminis-  
11 trator terminates an agreement with an el-  
12 igible entity to lead a maritime incubator,  
13 the Center shall initiate a new selection  
14 process as required under subparagraph  
15 (C) to select a new eligible entity.

16 “(iii) REVIEW OF ELIGIBLE ENTI-  
17 TIES.—Not later than 5 years after the es-  
18 tablishment of maritime incubators under  
19 this paragraph, and every 5 years there-  
20 after, the Administrator, in coordination  
21 with the Maritime Security Board, shall  
22 conduct a review of all eligible entities se-  
23 lected to lead a maritime incubator and  
24 confirm the entity is adequately fulfilling  
25 the requirements of this section.

1                   “(G)   MULTI-STAKEHOLDER   PARTNER-  
2                   SHIPS.—

3                   “(i) IN GENERAL.—The maritime in-  
4                   cubators established under this subsection  
5                   shall establish and support multi-stake-  
6                   holder research and innovation partner-  
7                   ships that—

8                   “(I) have the potential to gen-  
9                   erate technologies, processes, prod-  
10                  ucts, or other solutions that support  
11                  the United States maritime industry;

12                  “(II) have as an objective the  
13                  technology transfer or commercializa-  
14                  tion of the work product generated by  
15                  the partnership, which may include  
16                  work product that incorporates intel-  
17                  lectual property developed by the Fed-  
18                  eral Government and licensed to the  
19                  partnership in accordance with clause  
20                  (iii); and

21                  “(III) incentivize and expand  
22                  geographically diverse participation in  
23                  graduate and undergraduate institu-  
24                  tions of higher education, community



1 college, and other workforce programs  
2 relevant to the maritime industry.

3 “(ii) SUPPORT PROVIDED.—Support  
4 provided by the maritime incubator to a  
5 multi-stakeholder research and innovation  
6 partnership under this subsection may in-  
7 clude—

8 “(I) providing funding or other  
9 resources to the partnership;

10 “(II) participating in the part-  
11 nership;

12 “(III) providing technical and  
13 technological advice and guidance to  
14 the partnership;

15 “(IV) suggesting and introducing  
16 other participants for inclusion in the  
17 partnership;

18 “(V) providing the partnership  
19 with insight into desired solutions for  
20 defense and security needs;

21 “(VI) providing access to Ready  
22 Reserve ships for testing new tech-  
23 nologies and conducting research, as  
24 the maritime incubator determines ap-

1                   appropriate, in coordination with the  
2                   Center and the Administrator; and

3                   “(VII) such other forms of sup-  
4                   port as the Center, in consultation  
5                   with maritime incubators and Mari-  
6                   time Security Board, determines ap-  
7                   propriate.

8                   “(iii) AVAILABILITY OF INTELLEC-  
9                   TUAL PROPERTY.—To the extent the Cen-  
10                  ter determines appropriate, the Center, in  
11                  coordination with the maritime incubators,  
12                  shall seek to actively inform potential par-  
13                  ticipants in multi-stakeholder research and  
14                  innovation partnerships of the availability  
15                  of intellectual property developed by the  
16                  Federal Government that may be licensed  
17                  to the partnership.

18                  “(7) REPORT.—Not later than 180 days after  
19                  the date of enactment of the SHIPS for America  
20                  Act of 2024, and annually thereafter, the Center  
21                  shall submit to the Maritime Security Board and the  
22                  appropriate congressional committees a report on  
23                  the activities, advances, outcomes, and work product  
24                  of the maritime incubators and the multi-stakeholder

1 research and innovation partnerships supported  
2 under this subsection.

3 “(8) AUTHORIZATION OF APPROPRIATIONS.—In  
4 addition to the funding contributed under subsection  
5 (a)(4), there is authorized to be appropriated, out of  
6 the Maritime Security Trust Fund established under  
7 section 9512 of the Internal Revenue Code of 1986,  
8 \$50,000,000 for each of fiscal years 2025 through  
9 2034.

10 “(9) DEFINITIONS.—In this subsection:

11 “(A) MULTI-STAKEHOLDER RESEARCH  
12 AND INNOVATION PARTNERSHIP.—The term  
13 ‘multi-stakeholder research and innovation part-  
14 nership’ means a partnership composed of any  
15 combination of 2 or more of the following:

16 “(i) Institutions of higher education  
17 (as defined in section 102 of the Higher  
18 Education Act of 1965 (20 U.S.C. 1002))  
19 with research and innovation capability.

20 “(ii) Nonprofit organizations that pro-  
21 vide policy, research, outreach, operations,  
22 organizational, management, testing, eval-  
23 uation, technology transfer, legal, financial,  
24 or advocacy expertise.

1           “(iii) For-profit commercial enter-  
2           prises that may be publicly or privately  
3           owned, early stage or mature, and incor-  
4           porated or operating by another ownership  
5           structure.

6           “(iv) Centers of excellence for domes-  
7           tic maritime workforce training and edu-  
8           cation (established under section 51706).

9           “(v) Maritime labor organizations.

10          “(vi) Departments or agencies of the  
11          Federal Government with expertise, oper-  
12          ations, or resources related to the objec-  
13          tives of the multi-stakeholder research and  
14          innovation partnership.

15          “(vii) State maritime academies (as  
16          defined in section 51102(4)).

17          “(viii) The United States Merchant  
18          Marine Academy.

19          “(ix) National research laboratories  
20          with expertise, operations, or resources re-  
21          lated to the objectives of the partnership.

22          “(B) NONTRADITIONAL CAPABILITY.—The  
23          term ‘nontraditional capability’ means a solu-  
24          tion to an operational challenge that can signifi-  
25          cantly leverage commercial innovation or exter-

1           nal capital with minimal dependencies on field-  
2           ed systems.

3           “(C) MARITIME INDUSTRY.—The term  
4           ‘maritime industry’ includes—

5                   “(i) shipbuilders and ship repair fa-  
6                   cilities;

7                   “(ii) ship owners;

8                   “(iii) port operators;

9                   “(iv) personnel of the merchant ma-  
10           rine of the United States;

11                   “(v) manufacturers of equipment and  
12           technology instrumental to the facilitation  
13           of maritime trade and commerce; and

14                   “(vi) other members of the industrial  
15           base that support the Navy or the mer-  
16           chant marine of the United States.”.

17       (b) TRANSITION.—A Center for Maritime Innovation  
18       established by the Secretary of Transportation through a  
19       cooperative agreement pursuant to section 50307 of title  
20       46, United States Code, as of the day before the date of  
21       enactment of this Act shall—

22           (1) be deemed to be the United States Center  
23       for Maritime Innovation under section 50307 of title  
24       46, United States Code, as of the date of enactment

1 of this Act, with all the authorities granted by such  
2 section; and

3 (2) coordinate activities of the Center with the  
4 Maritime Security Board pursuant to subsection  
5 (e)(4) of such section, as amended by this Act.

6 **SEC. 522. NATIONAL SHIPBUILDING RESEARCH PROGRAM.**

7 Section 50105(c) of title 46, United States Code, is  
8 amended to read as follows:

9 “(c) NATIONAL SHIPBUILDING RESEARCH PRO-  
10 GRAM.—

11 “(1) IN GENERAL.—The Maritime Adminis-  
12 trator shall establish and carry out, in coordination  
13 with Naval Sea Systems Command, the National  
14 Shipbuilding Research Program.

15 “(2) PURPOSES.—The purpose of the National  
16 Shipbuilding Research Program shall be to develop  
17 plans for the economical construction of vessels and  
18 their propelling machinery, of most modern economi-  
19 cal types, giving thorough consideration to all well-  
20 recognized means of propulsion and taking into ac-  
21 count the benefits from standardized production  
22 where practicable and desirable.

23 “(3) ACTIVITIES.—The National Shipbuilding  
24 Research Program shall—

1           “(A) support technology transfers and in-  
2           dustry networking;

3           “(B) select and execute research and devel-  
4           opment projects, which may include—

5                 “(i) advancing best practices in ship-  
6                 building and ship repair, including alter-  
7                 native project management and project fi-  
8                 nancing arrangements for shipyards, such  
9                 as public-private financing;

10                “(ii) improving efficiency across the  
11                shipyard industrial base of the United  
12                States; and

13                “(iii) developing, maturing, and imple-  
14                menting industry-relevant shipbuilding and  
15                sustainment technologies;

16                “(C) carry out ad hoc initiatives focused  
17                on specific target areas in shipbuilding and ship  
18                repair; and

19                “(D) carry out additional activities as de-  
20                termined by the Maritime Administrator or the  
21                Secretary of Defense.”.

22 **SEC. 523. ASSESSMENT ON MARINE INFRASTRUCTURE**  
23 **READINESS.**

24           (a) IN GENERAL.—Not later than 180 days after the  
25           date of enactment of this Act, the Maritime Administrator

1 shall submit to Congress a report on the status and re-  
2 sources and authorities needed to execute and complete  
3 necessary vessels, harborcraft, port, shipyard, and other  
4 infrastructure improvements to ensure the national secu-  
5 rity interests of the United States and support the domes-  
6 tic and foreign commerce of the United States.

7 (b) CONTENTS.—The report under subsection (a)  
8 shall include—

9 (1) consideration of existing literature and re-  
10 porting from Federal and non-Federal sources;

11 (2) an assessment of the number of commercial  
12 shipping vessels by class required to sustain a peace-  
13 time and wartime national economy;

14 (3) an assessment of opportunities to leverage  
15 private sector funding to enhance the capability of  
16 marine infrastructure of the United States;

17 (4) an evaluation of future infrastructure needs  
18 to support alternative fuels for vessels and  
19 harborcraft;

20 (5) an assessment of an ability to construct and  
21 repair seaports and shipyards during national secu-  
22 rity emergencies, including readiness to construct  
23 temporary facilities, and carry out marine salvage  
24 and firefighting operations; and



1           (6) an evaluation of the possible effects on the  
 2           commercial operations of United States ports and  
 3           other critical infrastructure of prohibiting any entity  
 4           that owns or operates a port or terminal in the  
 5           United States from using or sharing data with—

6                   (A) LOGINK;

7                   (B) any logistics platform controlled by, af-  
 8                   filiated with, or subject to the jurisdiction of  
 9                   the Chinese Communist Party or the Govern-  
 10                  ment of the People’s Republic of China; or

11                  (C) any logistics platform that shares data  
 12                  with a system described in subparagraph (A) or  
 13                  (B).

14           (c) DEFINITIONS.—

15                  (1) CRITICAL INFRASTRUCTURE.—The term  
 16                  “critical infrastructure” has the meaning given the  
 17                  term in section 721(a) of the Defense Production  
 18                  Act of 1950 (50 U.S.C. 4565(a)).

19                  (2) LOGNIK.—The term “LOGINK” means  
 20                  the public, open, shared logistics information net-  
 21                  work known as the National Public Information  
 22                  Platform for Transportation and Logistics by the  
 23                  Ministry of Transport of the People’s Republic of  
 24                  China.

1           **TITLE VI—WORKFORCE**  
2                   **DEVELOPMENT**  
3       **Subtitle A—Workforce Incentives**

4       **SEC. 601. PUBLIC SERVICE LOAN FORGIVENESS FOR MER-**  
5                   **CHANT MARINES.**

6           Section 455(m) of the Higher Education Act of 1965  
7       (20 U.S.C. 1087e(m)) is amended—

8                   (1) in paragraph (3)(B)(i), by inserting “the  
9           United States Merchant Marine (as described in  
10          paragraph (5)), a United States shipyard,” after  
11          “law enforcement,”; and

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

13                  “(5) FULL-TIME JOB IN UNITED STATES MER-  
14          CHANT MARINE.—For purposes of loan cancellation  
15          under this subsection, a full-time job in the United  
16          States Merchant Marine shall mean possession of a  
17          Merchant Mariner Credential authorized by the  
18          Coast Guard and employment on board a vessel of  
19          the United States for not less than 150 days in a  
20          calendar year.”.

21       **SEC. 602. ELIGIBILITY FOR EDUCATIONAL ASSISTANCE.**

22           (a) IN GENERAL.—Chapter 521 of title 46, United  
23       States Code, is amended by adding at the end the fol-  
24       lowing:

1 **“§ 52102. Eligibility for educational assistance**

2       “(a) ELIGIBILITY.—A covered individual shall be  
3 treated as an individual described in section 3311(b)(1)  
4 of title 38, United States Code, for purposes of entitle-  
5 ment to educational assistance under chapter 33 of such  
6 title.

7       “(b) COVERED INDIVIDUAL.—

8               “(1) IN GENERAL.—In this section, the term  
9 ‘covered individual’ means an individual who—

10               “(A) served as a full-time, credentialed  
11 United States Merchant Mariner for not less  
12 than 10 years;

13               “(B) as a result of such service received  
14 the Merchant Marine Expeditionary Medal or  
15 another award for service in a designated com-  
16 bat zone after the date of enactment of this sec-  
17 tion; and

18               “(C) is not eligible under any other provi-  
19 sion of law for benefits under laws administered  
20 by the Secretary of Veterans Affairs.

21       “(2) FULL-TIME, CREDENTIALLED UNITED  
22 STATES MERCHANT MARINER.—For purposes of  
23 paragraph (1), serving as a ‘full-time, credentialed  
24 United States Merchant Mariner’ means possession  
25 of a Merchant Mariner Credential authorized by the  
26 Coast Guard and employment on board a vessel of

1 the United States for not less than 150 days in a  
2 calendar year.

3 “(c) REIMBURSEMENT.—There is authorized to be  
4 appropriated to the Secretary of Veterans Affairs such  
5 sums as may be necessary to carry out this section from  
6 the Maritime Security Trust Fund established under sec-  
7 tion 9512 of chapter 98 of the Internal Revenue Code of  
8 1986.”.

9 (b) CLERICAL AMENDMENT.—The table of sections  
10 for chapter 521 of title 46, United States Code, is amend-  
11 ed by adding at the end the following:

“52102. Eligibility for educational assistance.”.

12 **SEC. 603. ELIGIBILITY OF MARINERS TO ATTEND NAVAL**  
13 **POSTGRADUATE SCHOOL.**

14 (a) IN GENERAL.—Section 8545 of title 10, United  
15 States Code, is amended—

16 (1) in subsection (a), by adding at the end the  
17 following new paragraph:

18 “(3) The Secretary may permit an officer or  
19 unlicensed mariner of the United States Merchant  
20 Marine to receive instruction at the Naval Post-  
21 graduate School.”;

22 (2) in subsection (b)(1), by adding at the end  
23 the following new sentence: “The Secretary of  
24 Transportation shall bear the cost of the instruction  
25 received by officers and unlicensed mariners of the

1 United States Merchant Marine detailed for that in-  
 2 struction.”; and

3 (3) in subsection (c), by inserting “, and offi-  
 4 cers and unlicensed mariners of the United States  
 5 Merchant Marine,” after “Coast Guard”.

6 (b) REPORT REQUIRED.—Not later than 180 days  
 7 after the date of enactment of this Act, the Secretary of  
 8 Transportation, in consultation with the Secretary of De-  
 9 fense, shall submit to Congress a report assessing what  
 10 matters relating to military training it would be beneficial  
 11 for mariners to study at the Naval Postgraduate School.

12 **SEC. 604. REIMBURSEMENT OF QUALIFYING SPOUSE RELI-**  
 13 **CENSING COSTS AND BUSINESS COSTS.**

14 (a) IN GENERAL.—Chapter 521 of title 46, United  
 15 States Code, as amended by section 602, is further amend-  
 16 ed by adding at the end the following:

17 **“§ 52103. Reimbursement of qualifying spouse reli-**  
 18 **censing costs and business costs**

19 “(a) IN GENERAL.—The Secretary of Transportation  
 20 shall establish a program to reimburse an individual serv-  
 21 ing in the merchant marine of the United States for quali-  
 22 fied relicensing costs and qualified business costs of the  
 23 spouse of that individual when the individual relocates to  
 24 a new jurisdiction or geographic area as the result of a  
 25 reassignment as a result of service as a commissioned offi-

1 cer in the Navy Reserve (including the Strategic Sealift  
 2 Officer Program, Navy Reserve), the Coast Guard Re-  
 3 serve, or any other reserve component of the Armed Serv-  
 4 ices of the United States.

5 “(b) LIMITATIONS.—

6 “(1) RELICENSING.—Reimbursement provided  
 7 to a member under this subsection for qualified reli-  
 8 censing costs may not exceed \$1,000 in connection  
 9 with each relocation described in paragraph (1).

10 “(2) BUSINESS COSTS.—Reimbursement pro-  
 11 vided to a member under this subsection for quali-  
 12 fied business costs may not exceed \$1,000 in connec-  
 13 tion with each relocation described in paragraph (1).

14 “(3) DEADLINE.—No reimbursement may be  
 15 provided under this subsection for qualified reli-  
 16 censing costs or qualified business costs paid or in-  
 17 curred after December 31, 2034.

18 “(c) QUALIFIED RELICENSING COSTS.—In this sec-  
 19 tion, the term ‘qualified relicensing costs’ means costs, in-  
 20 cluding exam, continuing education courses, business li-  
 21 cense, permit, and registration fees, incurred by the  
 22 spouse of an individual serving in the merchant marine  
 23 of the United States if—

24 “(1) the spouse was licensed or certified in a  
 25 profession, or owned a business, during the individ-

1        ual’s previous assignment and requires a new profes-  
 2        sional license or certification, or business license or  
 3        permit, to engage in that profession in a new juris-  
 4        diction because of the individual’s relocation de-  
 5        scribed in paragraph (1); and

6            “(2) the costs were incurred or paid to secure  
 7        or maintain the professional license or certification,  
 8        or business license or permit, from the new jurisdic-  
 9        tion in connection with such relocation.

10       “(d) QUALIFIED BUSINESS COSTS.—In this section,  
 11       the term ‘qualified business costs’ means costs, including  
 12       moving services for equipment, equipment removal, new  
 13       equipment purchases, information technology expenses,  
 14       and inspection fees, incurred by the spouse of an indi-  
 15       vidual serving in the merchant marine of the United  
 16       States if—

17            “(1) the spouse owned a business during the in-  
 18        dividual’s previous assignment and the costs result  
 19        from the individual’s relocation described in para-  
 20        graph (1); and

21            “(2) the costs were incurred or paid to move  
 22        such business to a new location in connection with  
 23        such relocation.

24       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
 25       is authorized to be appropriated out of the Maritime Secu-

1 rity Trust Fund, established under section 9512 of the  
 2 Internal Revenue Code of 1986 to carry out this section,  
 3 \$500,000 for each of fiscal years 2025 through 2034.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
 5 for chapter 521 of title 46, United States Code, as amend-  
 6 ed by section 602, is further amended by adding at the  
 7 end the following:

“52103. Reimbursement of qualifying spouse relicensing costs and business  
 costs.”.

8 **SEC. 605. NONCOMPETITIVE ELIGIBILITY FOR FEDERAL**  
 9 **EMPLOYMENT.**

10 (a) AMENDMENT.—Chapter 521 of title 46, United  
 11 States Code, as amended by sections 602 and 604, is  
 12 amended by adding at the end the following:

13 **“§ 52104. Noncompetitive eligibility for Federal em-**  
 14 **ployment**

15 “(a) DEFINITION OF AGENCY.—In this section, the  
 16 term ‘agency’—

17 “(1) has the meaning given the term ‘Executive  
 18 agency’ in section 105 of title 5, United States Code;

19 “(2) includes the United States Postal Service  
 20 and the Postal Regulatory Commission; and

21 “(3) does not include the Government Account-  
 22 ability Office.

23 “(b) APPOINTMENT AUTHORITY.—The head of an  
 24 agency may appoint noncompetitively—



1           “(1) a graduate of the United States Merchant  
2       Marine Academy who has met all of the require-  
3       ments of their cadet commitment agreement under  
4       section 51306 of title 46, United States Code; or

5           “(2) a credentialed United States Merchant  
6       Mariner with an officer or rating endorsement who  
7       has completed not less than 7 years of service  
8       aboard a vessel of the United States.”.

9       (b) CLERICAL AMENDMENT.—The table of sections  
10   for chapter 521 of title 46, United States Code, as amend-  
11   ed by sections 602 and 604, is amended by adding at the  
12   end the following:

“52104. Noncompetitive eligibility for Federal employment.”.

13   **SEC. 606. UNITED STATES MERCHANT MARINE CAREER RE-**  
14                           **TENTION PROGRAM.**

15       (a) SENSE OF CONGRESS.—It is the sense of Con-  
16   gress that—

17           (1) it takes years of training and experience,  
18       and costly license trainings, to earn mariner quali-  
19       fications;

20           (2) with just around 12,000 merchant mariners  
21       of the United States operating oceangoing vessels,  
22       compared with China’s more than 1,700,000 sea-  
23       farers, the United States may not have a sufficient  
24       number of mariners to fully power the strategic sea-  
25       lift vessels necessary in a future prolonged conflict;

1           (3) the United States requires a qualified work-  
 2           force of sufficient size that is ready and available to  
 3           crew vessels of the United States for national de-  
 4           fense or national emergency; and

5           (4) a workforce committed to take all measures  
 6           possible to expand, develop, and protect the domestic  
 7           maritime workforce should—

8                   (A) support a retention program to permit  
 9                   credentialed merchant mariners to maintain  
 10                  recency through a coordinated Federal pro-  
 11                  gram, in coordination with maritime labor orga-  
 12                  nizations; and

13                   (B) implement civil service, workplace, and  
 14                  hiring protections.

15           (b) AMENDMENT.—Chapter 521 of title 46, United  
 16           States Code, as amended by sections 602, 604, and 605,  
 17           is further amended by adding at the end the following:

18           **“§ 52105. United States Merchant Marine Career Re-**  
 19                   **tention Program**

20                   “(a) ESTABLISHMENT.—The Maritime Adminis-  
 21           trator shall establish a program, to be known as the  
 22           ‘United States Merchant Marine Career Retention Pro-  
 23           gram’, to ensure that a qualified workforce of sufficient  
 24           size is ready to crew strategic sealift vessels in the event  
 25           of a national defense or national emergency activation.

1 Through the United States Merchant Marine Career Re-  
2 tention Program, the Maritime Administrator shall estab-  
3 lish and administer mechanisms to register merchant  
4 mariners and mariner employers to participate in the Pro-  
5 gram.

6 “(b) IMPLEMENTATION.—The Maritime Adminis-  
7 trator shall—

8 “(1) appoint a board of directors to oversee the  
9 United States Merchant Marine Career Retention  
10 Program;

11 “(2) appoint and facilitate a working group to  
12 recommend policies, procedures, and a prioritization  
13 matrix for the United States Merchant Marine Ca-  
14 reer Retention Program, which shall be composed of  
15 representatives from major stakeholders, including  
16 maritime labor organizations, credentialed United  
17 States Merchant Mariners, vessel owners, vessel op-  
18 erators, the United States Merchant Marine Acad-  
19 emy, State maritime academies, United States Mili-  
20 tary Sealift Command, and other likely employers of  
21 members of the United States Merchant Marine Ca-  
22 reer Retention Program; and

23 “(3) submit to Congress an annual evaluation  
24 of the United States Merchant Marine Career Re-  
25 tention Program.

1       “(c) MEMBERSHIP IN UNITED STATES MERCHANT  
2 MARINE CAREER RETENTION PROGRAM.—

3               “(1) IN GENERAL.—There shall be 2 paths to  
4 enrollment in the United States Merchant Marine  
5 Career Retention Program as described in para-  
6 graphs (2) and (3).

7               “(2) MEMBERS WHO WORK ASHORE WHO HOLD  
8 MARINER QUALIFICATIONS.—

9               “(A) OPPORTUNITIES.—The United States  
10 Merchant Marine Career Retention Program  
11 shall provide individuals who hold Coast Guard  
12 issued mariner qualifications who work ashore  
13 with an opportunity to maintain, or potentially  
14 upgrade, their mariner qualifications and cre-  
15 dentials by—

16                       “(i) providing qualified service at sea  
17 on vessels of the United States; and

18                       “(ii) participating in compulsory  
19 training.

20               “(B) STRUCTURE.—The United States  
21 Merchant Marine Career Retention Program  
22 shall be open for enrollment to both licensed  
23 and unlicensed mariners and provide members  
24 with an 8–3–1 schedule as follows:

25                       “(i) 8 months shoreside employment.

1           “(ii) 3 months sailing employment de-  
2           signed to ensure that members meet the  
3           minimum sea-time requirement to main-  
4           tain the credentials required by the Stand-  
5           ards of Training, Certification, and  
6           Watchkeeping certification, or, depending  
7           on mariner and employer requirements,  
8           more frequent, but shorter-duration sailing  
9           assignments.

10           “(iii) 1 month vacation, which is in  
11           addition to vacation provided by the shore-  
12           side employer.

13           “(C) ASHORE EMPLOYERS.—

14           “(i) EMPLOYER OBLIGATIONS.—The  
15           employer of a member of the United States  
16           Merchant Marine Career Retention Pro-  
17           gram described under this paragraph shall  
18           grant the member—

19                   “(I) an unpaid leave of absence  
20                   for the duration of the member’s  
21                   training, sailing, and vacation with  
22                   the United States Merchant Marine  
23                   Career Retention Program; and

24                   “(II) the same or an equivalent  
25                   position with the employer when the

1 member returns from training, sailing,  
2 or vacation with the United States  
3 Merchant Marine Career Retention  
4 Program.

5 “(D) SEA DAY ASSIGNMENTS.—The United  
6 States Merchant Marine Career Retention Pro-  
7 gram shall, with respect to members described  
8 under this paragraph—

9 “(i) maintain records of each mem-  
10 ber’s qualifications, sea time, and avail-  
11 ability, and prioritize assignments on these  
12 and other factors with the goal of maxi-  
13 mizing the United States Merchant Marine  
14 Career Retention Program readiness to  
15 support strategic sealift;

16 “(ii) maintain a ‘job call’ program of-  
17 fice that coordinates how jobs become  
18 available for members from State maritime  
19 academies, vessel operating companies,  
20 maritime labor organizations, United  
21 States Military Sealift Command, and  
22 other organizations responsible for crewing  
23 vessels of the United States of qualifying  
24 tonnage or horsepower;

1           “(iii) establish partnerships with State  
2 maritime academies and the United States  
3 Military Sealift Command that aim to es-  
4 tablish reliable crewing jobs with job cycles  
5 that maximize the readiness of United  
6 States Merchant Marine Career Retention  
7 Program;

8           “(iv) dispatch members to fill avail-  
9 able jobs, prioritizing maximizing readiness  
10 for strategic sealift, taking into consider-  
11 ation mariner availability and credentials,  
12 sea time requirements to maintain mer-  
13 chant mariner credentials, predicted pro-  
14 gram demand for specific ratings, and ex-  
15 pected expansion or contraction of the pro-  
16 gram’s membership; and

17           “(v) coordinate with vessel operators  
18 and labor organizations to ensure that  
19 members in the United States Merchant  
20 Marine Career Retention Program are  
21 given opportunities to fulfill their sea time  
22 and maintain the credentials required by  
23 the Standards of Training, Certification,  
24 and, Watchkeeping certification.

1           “(E) USERRA PROTECTIONS.—Members  
2 of the United States Merchant Marine Career  
3 Retention Program described under this para-  
4 graph shall be entitled to protections and obli-  
5 gations under chapter 43 of title 38 (commonly  
6 known as the ‘Uniformed Services Employment  
7 and Reemployment Rights Act’).

8           “(F) REQUIREMENT.—A member in the  
9 United States Merchant Marine Career Reten-  
10 tion Program described under this paragraph  
11 may not fail to accept a sea day assignment  
12 and remain in good standing with the Program,  
13 unless a hardship exemption is provided by the  
14 Maritime Administrator under subsection (e).

15           “(3) MEMBERS SERVING ON FOREIGN VES-  
16 SELS.—

17           “(A) IN GENERAL.—The United States  
18 Merchant Marine Career Retention Program  
19 shall be open for enrollment to individuals  
20 who—

21                   “(i) hold Coast Guard issued mer-  
22 chant mariner credentials required by the  
23 Standards of Training, Certification, and  
24 Watchkeeping Certification;



1 “(ii) have completed their service obli-  
2 gations with respect to any previous enroll-  
3 ment in a Federal or State maritime acad-  
4 emy, if applicable; and

5 “(iii) are serving on a foreign vessel  
6 (as defined in section 110) that is not  
7 owned by a foreign entity of concern (as  
8 that term is defined in section 4 of the  
9 SHIPS for America Act of 2024) or a ves-  
10 sel registered under a registry of a foreign  
11 country of concern or operated under the  
12 authority of a foreign country of concern  
13 (as that term is defined in such section 4).

14 “(B) REQUIREMENT.—Members of the  
15 United States Merchant Marine Career Reten-  
16 tion Program described under this paragraph  
17 shall maintain—

18 “(i) Standards of Training, Certifi-  
19 cation, and Watchkeeping Certification  
20 currency;

21 “(ii) a valid merchant mariner creden-  
22 tial, unlimited as to horsepower or ton-  
23 nage, issued by the United States Coast  
24 Guard as an officer in the merchant ma-  
25 rine of the United States, accompanied by

1 the appropriate national and international  
2 endorsements and certifications required  
3 by the Coast Guard for service aboard ves-  
4 sels on domestic and international voyages,  
5 without limitation;

6 “(iii) a valid transportation worker  
7 identification credential;

8 “(iv) a Coast Guard medical certifi-  
9 cate; and

10 “(v) classes and certifications de-  
11 scribed in subparagraph (C).

12 “(C) CERTIFICATIONS.—The Adminis-  
13 trator shall publish a list of classes and certifi-  
14 cations required for individuals described in  
15 subparagraph (A) to be eligible for the United  
16 States Merchant Marine Career Retention Pro-  
17 gram.

18 “(D) RULE OF CONSTRUCTION.—Nothing  
19 in subparagraph (A) shall be construed to allow  
20 the United States Coast Guard to prevent or  
21 delay a merchant mariner who is otherwise eli-  
22 gible from attaining a more advanced rank or  
23 credential for Merchant Mariners sailing on for-  
24 eign vessels.

1           “(E) USERRA PROTECTIONS.—Members  
2           of the United States Merchant Marine Career  
3           Retention Program described under this para-  
4           graph shall be entitled to protections and obli-  
5           gations under chapter 43 of title 38 (commonly  
6           known as the ‘Uniformed Services Employment  
7           and Reemployment Rights Act’).

8           “(d) ENFORCEMENT.—The Maritime Administrator  
9           shall ensure all members of the Merchant Marine Career  
10          Retention Program remain in good standing with the re-  
11          quirements of the Program.

12          “(1) ENFORCEMENT.—Subject to paragraph  
13          (2), members found to be in noncompliance with the  
14          requirements of the Program shall—

15                 “(A) have their reservist status terminated;  
16                 and

17                 “(B) forfeit the protections provided under  
18                 chapter 43 of title 38 (commonly known as the  
19                 ‘Uniformed Services Employment and Reem-  
20                 ployment Rights Act’).

21          “(2) EXCEPTION.—In cases where the Maritime  
22          Administrator determines a hardship exists, which  
23          prevents the mariner from meeting the requirements  
24          of the Program, the requirements of paragraph (1)  
25          shall not apply.

1       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 is authorized to be appropriated out of the Maritime Secu-  
 3 rity Trust Fund established under section 9512 of the In-  
 4 ternal Revenue Code of 1986 to carry out this section,  
 5 \$2,000,000 for each of fiscal years 2025 through 2034.”.

6       (c) CLERICAL AMENDMENT.—The table of sections  
 7 for chapter 521 of title 46, United States Code, as amend-  
 8 ed by sections 602, 604, and 605, is amended by adding  
 9 at the end the following:

“52105. United States Merchant Marine Career Retention Program.”.

## 10       **Subtitle B—Workforce Pipeline**

### 11       **SEC. 611. MARITIME AND SHIPBUILDING RECRUITING CAM-** 12               **PAIGN.**

13       (a) PURPOSES.—The purposes of this section are  
 14 to—

15               (1) address the shortage of workers in the mar-  
 16 itime sector and stimulate growth in the United  
 17 States Merchant Marine and shipbuilding industries  
 18 by providing funding for a comprehensive marketing,  
 19 recruiting, and public relations campaign; and

20               (2) expand and nurture a robust maritime  
 21 workforce that enhances the national security and  
 22 strategic sealift readiness of the United States.

23       (b) IN GENERAL.—The Maritime Administrator, in  
 24 consultation with the Maritime Security Board, through  
 25 contracts described in subsection (c), shall develop and de-

1 ploy branding, content, advertising buys, and local and na-  
2 tional engagement strategies to implement the campaigns  
3 described in subsection (d).

4 (c) CONTRACTS.—The contracts described in this  
5 subsection shall be made to reputable marketing, recruit-  
6 ing, and public relations firms through a competitive bid-  
7 ding process.

8 (d) CAMPAIGNS.—The Maritime Administrator, in  
9 coordination with the Secretary of Labor and in consulta-  
10 tion with the Secretary of Defense, shall carry out tar-  
11 geted campaigns under this section to—

12 (1) promote the virtues of work in the merchant  
13 marine of the United States for the purpose of sail-  
14 ing in international trade, including Military Sealift  
15 Command mariner positions, and the critical need  
16 for skilled workers in the maritime industry, and to  
17 attract workers to such industry; and

18 (2) promote the virtues of work in the ship-  
19 building industry of the United States, highlighting  
20 the critical need for skilled workers in the ship-  
21 building industry, and to attract workers to such in-  
22 dustry.

23 (e) CAMPAIGN OBJECTIVES.—The campaigns under  
24 this section shall focus on the following objectives:

1           (1) Emphasize the importance of maritime and  
2 shipbuilding work for national security.

3           (2) Showcase the numerous opportunities avail-  
4 able in the maritime industry and the shipbuilding  
5 industry.

6           (3) Highlight the shortage of workers in the  
7 maritime industry and the shipbuilding industry.

8           (4) Seek out new and non-traditional audiences  
9 and platforms to bring workers from different back-  
10 grounds and with different skill sets into the mari-  
11 time industry and shipbuilding industry.

12           (5) Promote the excitement, benefits, and ap-  
13 peal of a career in the maritime industry and the  
14 shipbuilding industry.

15           (6) Inform potential workers of the points of  
16 entry available to join and receive training for such  
17 a career, including—

18               (A) the United States Merchant Marine  
19 Academy;

20               (B) State and regional maritime academies  
21 described in chapter 515 of title 46, United  
22 States Code;

23               (C) merchant mariner and shipbuilding  
24 labor organization training facilities;

1 (D) merchant mariner and shipbuilding  
2 apprenticeship programs approved by the Sec-  
3 retary of Labor;

4 (E) shipbuilding industry training pro-  
5 grams;

6 (F) certain community colleges and private  
7 institutions of higher education;

8 (G) maritime training high schools; and

9 (H) Centers of Excellence for Domestic  
10 Maritime Workforce Training and Education  
11 designated by the Maritime Administration.

12 (7) Inform potential workers of sources of fi-  
13 nancial assistance for training for individuals inter-  
14 ested in joining the maritime industry and the ship-  
15 building industry.

16 (8) Attract workers to the maritime and ship-  
17 building industries.

18 (9) Highlight successes in the United States  
19 maritime and shipbuilding industries.

20 (f) TARGET AUDIENCE.—Each campaign under this  
21 section shall target a diverse audience, including—

22 (1) potential workers interested in maritime in-  
23 dustry careers or shipbuilding industry careers;

24 (2) educational institutions and their students  
25 considering vocational training in the maritime in-

1       dustry and shipbuilding industry, including kinder-  
2       garten through grade 12 levels;

3               (3) veterans and individuals seeking career  
4       transitions; and

5               (4) the general public to raise awareness about  
6       the importance of the maritime and shipbuilding in-  
7       dustries.

8       (g) REPORTING AND ACCOUNTABILITY.—

9               (1) QUARTERLY REPORT.—Not later than 30  
10      days after the last day of each quarter of each fiscal  
11      year during which a campaign is carried out under  
12      this section, the firm selected under subsection (b)  
13      shall submit a report with respect to such quarter to  
14      the Maritime Administrator and the appropriate  
15      committees of Congress detailing the progress, out-  
16      reach, and impact of each campaign carried out  
17      under this section during such quarter and the effec-  
18      tiveness of each such campaign in increasing appli-  
19      cations for employment in the maritime and ship-  
20      building industries of the United States.

21              (2) FINAL REPORT.—The firm selected under  
22      subsection (b) shall submit a comprehensive final re-  
23      port not later than 60 days after the conclusion of  
24      all campaigns carried out under this section.



1 (h) EFFECTIVE DATE.—The Maritime Administrator  
2 shall initiate the competitive bidding process described in  
3 subsection (b) not later than 180 days after the date that  
4 appropriations are first made available for this section.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) FY 2025–2028.—There are authorized to be  
7 appropriated out of the Maritime Security Trust  
8 Fund, established under section 9512 of the Internal  
9 Revenue Code of 1986 to the Maritime Adminis-  
10 trator, for each of fiscal year 2025, 2026, 2027, and  
11 2028, \$15,000,000 to carry out this section, of  
12 which—

13 (A) \$10,000,000 shall be for the program  
14 established under subsection (d)(1) (work in the  
15 United States Merchant Marine); and

16 (B) \$5,000,000 shall be for the program  
17 established under subsection (d)(2) (work in the  
18 shipbuilding industry).

19 (2) FY 2029–2034.—There are authorized to be  
20 appropriated out of the Maritime Security Trust  
21 Fund, established under section 9512 of the Internal  
22 Revenue Code of 1986 to the Maritime Adminis-  
23 trator, for each of fiscal year 2029, 2030, 2031,  
24 2032, 2033, and 2034, \$25,000,000 to carry out  
25 this section, of which—

1 (A) \$15,000,000 shall be for the program  
 2 established under subsection (d)(1) (work in the  
 3 United States Merchant Marine); and

4 (B) \$10,000,000 shall be for the program  
 5 established under subsection (d)(2) (work in the  
 6 shipbuilding industry).

7 **SEC. 612. CENTERS OF EXCELLENCE FOR DOMESTIC MARI-**  
 8 **TIME WORKFORCE TRAINING AND EDU-**  
 9 **CATION.**

10 Section 51706 of title 46, United States Code, is  
 11 amended—

12 (1) in subsection (c)(1)(B)(iii), by striking  
 13 “nonprofit entity” and inserting “entity”; and

14 (2) by adding to the end the following:

15 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
 16 is authorized to be appropriated out of the Maritime Secu-  
 17 rity Trust Fund, established under section 9512 of the  
 18 Internal Revenue Code of 1986 to carry out this section,  
 19 \$25,000,000 for each of fiscal years 2025 through 2034.”.

20 **SEC. 613. MARITIME CAREER AND TECHNICAL EDUCATION**  
 21 **ADVISORY COMMITTEE.**

22 (a) DEFINITIONS.—In this section:

23 (1) ADMINISTRATOR.—The term “Adminis-  
 24 trator” means the Maritime Administrator.

1           (2) ADVISORY COMMITTEE.—The term “Advi-  
2       sory Committee” means the Maritime Career and  
3       Technical Education Advisory Committee established  
4       under subsection (b).

5       (b) ADVISORY COMMITTEE PLAN AND ESTABLISH-  
6       MENT.—

7           (1) PLAN.—Not later than 180 days after the  
8       date of enactment of this Act, the Administrator  
9       shall develop a plan, and notify Congress of such  
10      plan, to establish a Maritime Career and Technical  
11      Education Advisory Committee to—

12           (A) bring representatives of maritime in-  
13      dustrial base employers and education providers  
14      together to identify joint opportunities to train  
15      needed workers for maritime careers; and

16           (B) develop and disperse best practices and  
17      recommendations for the improvement of ship-  
18      building education and training programs, naval  
19      architecture education programs, and merchant  
20      marine training and certification programs.

21       (2) ESTABLISHMENT.—Not later than 1 year  
22      after the date of enactment of this Act, the Adminis-  
23      trator shall establish the Advisory Committee.

24       (c) MEMBERSHIP.—

1           (1) ADMINISTRATOR.—The Advisory Committee  
2       shall include the Administrator (or a delegate of the  
3       Administrator) who shall serve as Chair of the Advi-  
4       sory Committee.

5           (2) REPRESENTATIVES.—The Advisory Com-  
6       mittee shall be composed of representatives from  
7       each of the following, to be appointed the Adminis-  
8       trator:

9           (A) Maritime education, including rep-  
10       resentatives from—

11           (i) the Centers of Excellence for Do-  
12       mestic Maritime Workforce Training and  
13       Education designated by the Maritime Ad-  
14       ministration, taking into consideration—

15                   (I) geographic diversity;

16                   (II) the rate of employment after  
17       graduation;

18                   (III) training or skillset diversity;

19                   and

20                   (IV) other qualities as deter-  
21       mined by the Administrator;

22           (ii) the United States Naval Sea  
23       Cadet Corps; and

1 (iii) kindergarten through grade 12  
2 maritime education programs designated  
3 by the Maritime Administration.

4 (B) The maritime workforce, including  
5 representatives from—

6 (i) skilled workers representing a wide  
7 swath of the career and technical maritime  
8 industry both onshore and offshore;

9 (ii) career and technical education cer-  
10 tified instructors; and

11 (iii) maritime labor organizations.

12 (C) Maritime industry, including represent-  
13 atives from—

14 (i) shipbuilding, ship repair, and ship-  
15 yard industry stakeholders;

16 (ii) maritime industrial base coali-  
17 tions;

18 (iii) shipping industry stakeholders;

19 and

20 (iv) owners and operators of vessels of  
21 the United States.

22 (D) Technical nonprofit organizations with  
23 expertise in the maritime industry, including  
24 representatives from—

25 (i) think tanks;

1 (ii) recognized classification societies;

2 and

3 (iii) professional societies.

4 (E) The Federal Government, including  
5 representatives from—

6 (i) the Department of Education;

7 (ii) the Department of Labor;

8 (iii) the Department of Transpor-  
9 tation;

10 (iv) the Department of the Navy;

11 (v) the United States Coast Guard;

12 (vi) the National Oceanic and Atmos-  
13 pheric Administration;

14 (vii) the Army Corps of Engineers;

15 and

16 (viii) the Federal Maritime Commis-  
17 sion

18 (d) MEETINGS.—

19 (1) IN GENERAL.—The Advisory Committee  
20 shall meet not less often than annually.

21 (2) QUORUM ESTABLISHED.—Two thirds of all  
22 members appointed by the Administrator under sub-  
23 section (c) shall constitute a quorum for a meeting  
24 of the Advisory Committee.

1           (3) WORKING GROUPS.—The Advisory Com-  
2       mittee shall include working groups that shall meet  
3       not less often than quarterly each year.

4       (e) FACA.—Chapter 10 of title 5, United States  
5       Code, shall apply to the Advisory Committee.

6       (f) DEVELOPMENT OF CURRICULA.—Consistent with  
7       the purposes of the Advisory Committee established in  
8       subsection (b) and applicable law (including regulations),  
9       the Advisory Committee shall recommend curricula for key  
10      skills for maritime professionals and make such curricula  
11      publicly available to institutions of higher education, ca-  
12      reer and technical education schools, and State maritime  
13      academies.

14      (g) REPORTING.—The Advisory Committee shall sub-  
15      mit to the appropriate committees of Congress and the  
16      Maritime Security Board and publish on the website of  
17      the Maritime Administration, an annual report that in-  
18      cludes best practices and policy recommendations, as de-  
19      scribed in subsection (b).

20      (h) RULE OF CONSTRUCTION.—Nothing in this sec-  
21      tion shall be construed to create new regulatory authority  
22      or supersede existing law (including regulations) as of the  
23      day before the date of enactment of this Act, relating to  
24      shipbuilding education and training programs, naval ar-

1 chitecture education programs, and merchant marine  
2 training and certification programs.

3 **SEC. 614. MILITARY CANDIDATES TO MARINER CAREERS**

4 **RECRUITMENT EXCHANGE.**

5 (a) DUTIES OF SECRETARY OF DEFENSE.—The Sec-  
6 retary of Defense shall—

7 (1) encourage and incentivize military recruiters  
8 to recommend the United States Department of  
9 Transportation Maritime Administration to potential  
10 recruits who do not qualify for military service in the  
11 Armed Forces; and

12 (2) establish a mechanism for military recruit-  
13 ers to introduce recruits described in paragraph (1)  
14 who are interested in maritime service to representa-  
15 tives from the Maritime Administration, in accord-  
16 ance with the procedures established under sub-  
17 section (b).

18 (b) DUTIES OF THE MARITIME ADMINISTRATOR.—  
19 The Maritime Administrator shall—

20 (1) establish a mechanism to receive recruit-  
21 ment referrals from military recruiters;

22 (2) provide hand-off services to connect recruits  
23 with educational resources and institutions, recog-  
24 nized Maritime Centers of Excellence, eligible mari-



1 time industry employers, and other maritime indus-  
2 try career services, as appropriate;

3 (3) track the number of referrals from the De-  
4 partment of Defense; and

5 (4) track the number of recruits who enroll in  
6 maritime industry programs, to the extent prac-  
7 ticable.

8 (c) REPORTING REQUIREMENT.—

9 (1) BRIEFING ON THE IMPLEMENTATION  
10 STRATEGY.—Not later than 90 days after the date  
11 of enactment of this Act, the Maritime Adminis-  
12 trator, in coordination with the Secretary of De-  
13 fense, shall submit a briefing to the appropriate  
14 committees of Congress about a strategy for imple-  
15 menting the activities required under this section,  
16 including—

17 (A) a timeline for implementation; and

18 (B) the identification of the Department of  
19 Defense recruiter incentives and training re-  
20 quired for maximum utility in carrying out such  
21 activities.

22 (2) ANNUAL REPORT ON PROGRAM EFFICACY.—

23 One year after the date of enactment of this Act,  
24 and annually thereafter, the Maritime Adminis-  
25 trator, in coordination with the Secretary of De-

1 fense, shall submit a report to the appropriate com-  
2 mittees of Congress on the efficacy and utility of the  
3 activities carried out under this section, including—

4 (A) the number of Department of Defense  
5 referrals to the Maritime Administration;

6 (B) the number of Maritime Administra-  
7 tion hand-offs to the maritime industry;

8 (C) an assessment of the efficacy of the ac-  
9 tivities carried out under this section; and

10 (D) challenges and recommendations relat-  
11 ing to such activities.

12 **SEC. 615. MARITIME WORKER DATA COLLECTION.**

13 (a) PUBLICATION OF REPORT.—The Maritime Ad-  
14 ministrator shall publish an biennial report on the state  
15 of the merchant mariner workforce.

16 (b) COMPLETION OF REPORT.—The Maritime Ad-  
17 ministrator shall complete the biennial report required  
18 under subsection (a) or enter into a contract with another  
19 entity to complete the report.

20 (c) CONTENT OF REPORT.—The biennial report re-  
21 quired under subsection (a) shall include, at minimum—

22 (1) a count of United States Merchant Mari-  
23 ners with valid merchant mariner credentials and  
24 credentials in continuity endorsement;

1           (2) a count of inactive but credentialed and for-  
2           merly credentialed United States Merchant Mari-  
3           ners, to the extent practicable, and an evaluation  
4           of—

5                   (A) the challenges to identifying such indi-  
6           viduals;

7                   (B) opportunities to partner with Federal,  
8           State, local, and non-government entities to  
9           identify such individuals; and

10                  (C) an action plan of how to implement the  
11           opportunities described under subparagraph  
12           (B);

13           (3) a count of United States mariners and for-  
14           eign workers employed on vessels, rigs, platforms,  
15           and other vehicles or structures off the coast of the  
16           United States and an evaluation of the percentage of  
17           United States and foreign workers employed on—

18                   (A) coastwise-endorsed vessels; and

19                   (B) vessels of the United States which do  
20           not have a coastwise endorsement;

21           (4) a listing of actively operating vessels of the  
22           United States;

23           (5) a report of merchant mariner requirements  
24           needed in the event of a national defense sealift op-  
25           eration and any gaps identified in quantity and qual-

1       ity, and other variables of concern, as determined by  
2       the Administrator;

3           (6) a general outlook for the future of the mer-  
4       chant mariner industry and potential gaps or sur-  
5       pluses of merchant mariners;

6           (7) identification of any concerns in the  
7       credentialing of merchant mariners, which may in-  
8       clude general processing issues, shortage of training  
9       providers or instructors, and barriers to entry due to  
10      costs to the economically disadvantaged; and

11          (8) recommendations, based on data collected,  
12      on ways to—

13           (A) improve retention of existing merchant  
14      mariners;

15           (B) create expedited pathways for mari-  
16      ners with expired credentials to renew their cre-  
17      dentials; and

18           (C) encourage new merchant mariners to  
19      enter the industry.

20      (d) ACCESSIBILITY OF DATA.—

21          (1) IN GENERAL.—Except as provided in para-  
22      graph (2), the Maritime Administrator, and any au-  
23      thorized agent of the Maritime Administrator, shall  
24      have full access to available Coast Guard mariner  
25      credentialing data, in a manner that ensures the

1 protection of personally identifiable information, in  
2 order to complete the report required under sub-  
3 section (a).

4 (2) EXCEPTION.—The Maritime Administrator,  
5 and any authorized agent of the Maritime Adminis-  
6 trator, may not have access to confidential medical  
7 information pursuant to paragraph (1).

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
9 authorized to be appropriated out of the Maritime Secu-  
10 rity Trust Fund, established under section 9512 of the  
11 Internal Revenue Code of 1986 to carry out this section,  
12 \$1,000,000 for each of the fiscal years 2025 through  
13 2029.

14 **SEC. 616. MILITARY TO MARITIME TRANSITION.**

15 (a) RECOMMENDATIONS REQUIRED.—Not later than  
16 180 days after the date of enactment of this Act, the Sec-  
17 retary of Defense, in consultation with the Secretary of  
18 the Navy, the Secretary of the Air Force, the Secretary  
19 of the Army, the Secretary of the department in which  
20 the Coast Guard is operating, the Maritime Security  
21 Board, the Department of Veterans Affairs, and the De-  
22 partment of Labor, shall submit a report to the appro-  
23 priate committees of Congress containing—

24 (1) recommendations about how to increase and  
25 improve opportunities for transitioning

1       servicemembers to secure employment in the mari-  
2       time industry at sea and shoreside; and

3           (2) a plan to implement those recommenda-  
4       tions.

5       (b) CONSIDERATIONS.—In carrying out subsection  
6 (a), the Secretary of Defense shall—

7           (1) identify barriers that servicemembers face  
8       when trying to transition to the United States mari-  
9       time industry, including the merchant marines, ship-  
10      building, ship repair, and shipping;

11          (2) consider opportunities to improve, expedite,  
12      and alleviate the burdens on servicemembers  
13      transitioning to the maritime industry, including ef-  
14      forts to—

15           (A) inform transitioning servicemembers of  
16      employment opportunities in the United States  
17      maritime industry;

18           (B) assist transitioning servicemembers in  
19      determining how their military credentials and  
20      experience translate to credentialed civilian em-  
21      ployment in the maritime industry;

22           (C) increase the establishment and uptake  
23      of accelerated or bridge programs to assist sep-  
24      arating members of the Armed Forces in trans-

1           lating military credentials and experience into  
2           maritime industry credentials and employment;

3           (D) increase the availability and accessi-  
4           bility of preparatory activities under the  
5           SkillBridge program established under section  
6           1143(e) of title 10, United States Code, in the  
7           United States maritime industry;

8           (E) incorporate the maritime industry in  
9           the Transition Assistance Program, as de-  
10          scribed in chapter 58 of title 10, United States  
11          Code; and

12          (F) enhance the activities carried out pur-  
13          suant to the Military to Mariners Act of 2022  
14          (section 11514 of division K of the James M.  
15          Inhofe National Defense Authorization Act for  
16          Fiscal Year 2023 (Public Law 117–263)); and

17          (3) specifically consider the transition of  
18          servicemembers to employment in the shipbuilding  
19          and ship repair maritime industries.

20 **SEC. 617. EARLY MARITIME EDUCATION AND YOUTH IN-**  
21 **VOLVEMENT.**

22          (a) SECRETARY OF THE NAVY BUDGET REQUEST.—

23          In the Secretary of the Navy’s annual budget submission  
24          to Congress, the Secretary of the Navy shall include, as

1 a distinct item, the funding request for the United States  
2 Naval Sea Cadet Corps.

3 (b) ENGAGEMENT WITH ELEMENTARY SCHOOL AND  
4 SECONDARY SCHOOL STUDENTS.—The Maritime Admin-  
5 istrator shall encourage designated Centers of Excellence  
6 for Domestic Maritime Workforce Training and Education  
7 to engage with students in kindergarten through grade 12.

8 **SEC. 618. INTERNATIONAL SCHOLARSHIP FOR MARINER**  
9 **AND NAVAL ARCHITECTURE EXCHANGES.**

10 (a) IN GENERAL.—The Maritime Administrator shall  
11 establish an international exchange program for mariners,  
12 naval architects, and marine engineers between the United  
13 States and countries described in subsection (b).

14 (b) ELIGIBLE PARTICIPANTS.—In carrying out the  
15 program under this section, the Administrator shall limit  
16 participation to United States citizens and citizens of—

17 (1) member countries of NATO;

18 (2) treaty allies of the United States; and

19 (3) major non-NATO allies of the United  
20 States.

21 (c) PLACEMENTS.—In carrying out the program  
22 under this section, the Administrator shall seek corporate  
23 and government partners for placement of eligible partici-  
24 pants of the program.



1 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
 2 authorized to be appropriated out of the Maritime Secu-  
 3 rity Trust Fund, established under section 9512 of the  
 4 Internal Revenue Code of 1986, \$2,000,000 to carry out  
 5 this section for each of fiscal years 2025 through 2034.

6 **Subtitle C—United States Mer-**  
 7 **chant Marine Academy and**  
 8 **State Maritime Academies**

9 **SEC. 621. AUTHORIZATION OF APPROPRIATIONS FOR**  
 10 **UNITED STATES MERCHANT MARINE ACAD-**  
 11 **EMY INFRASTRUCTURE AND FACILITIES**  
 12 **MODERNIZATION.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) The United States Merchant Marine Acad-  
 15 emy plays a critical role in training service-obligated  
 16 licensed merchant mariners to operate commercial  
 17 vessels, in peacetime and during times of conflict.

18 (2) The United States Merchant Marine Acad-  
 19 emy is 1 of the 5 Federal service academies and  
 20 plays a critical role in maintaining a domestic, com-  
 21 mercial maritime industry, with each graduate hav-  
 22 ing a commitment to serve not less than 8 years in  
 23 the foreign and domestic commerce and the national  
 24 defense of the United States, which may include  
 25 service on a merchant vessel documented under

1 chapter 121 of title 46, and graduates make up  
2 more than 80 percent of the United States Navy's  
3 Strategic Sealift Officer Program.

4 (3) The United States defense readiness and  
5 economic security relies on a strong investment in  
6 training and cultivating United States Merchant Ma-  
7 rine officers at the United States Merchant Marine  
8 Academy.

9 (4) Most of the facilities at the United States  
10 Merchant Marine Academy date back to the Acad-  
11 emy's founding, have not been modernized since, and  
12 are not conducive to the immersive training and de-  
13 manding coursework today's Midshipmen are re-  
14 quired to complete.

15 (5) Rehabilitating and modernizing the campus  
16 infrastructure at the United States Merchant Ma-  
17 rine Academy is necessary to ensuring current and  
18 future generations of Midshipmen receive a first-  
19 class education.

20 (b) SENSE OF THE SENATE.—It is the sense of the  
21 Senate—

22 (1) to ensure that the United States continues  
23 to have a sufficient number of service-obligated li-  
24 censed merchant mariners to meet current and fu-  
25 ture economic and national security needs, the Mari-

1       time Administration and the Department of Trans-  
2       portation have a responsibility to provide suitable  
3       academic, training, and dormitory facilities at the  
4       United States Merchant Marine Academy by rapidly  
5       implementing a comprehensive plan for campus-wide  
6       modernization in accordance with section 51329 of  
7       title 46, United States Code, (referred to in this sec-  
8       tion as the “Campus Modernization Plan”) and pro-  
9       viding sufficient accountability and oversight to en-  
10      sure that milestones in such plan are met;

11           (2) in developing the comprehensive Campus  
12      Modernization Plan for the United States Merchant  
13      Marine Academy, the Maritime Administration, and  
14      the Department of Transportation should utilize, to  
15      the maximum extent practicable, the “Merchant Ma-  
16      rine Academy Full Speed Ahead Plan” developed by  
17      the Maritime Security Infrastructure Council as  
18      summarized in the Congressional Record, dated Feb-  
19      ruary 28, 2024;

20           (3) given the conditions of the United States  
21      Merchant Marine Academy as of the date of enact-  
22      ment of this section, a comprehensive, campus-wide  
23      modernization is needed to significantly upgrade or  
24      replace facilities throughout the campus; and

1           (4) the Maritime Administration and the De-  
2           partment of Transportation should identify opportu-  
3           nities to utilize design-build contracts to increase de-  
4           livery times and reduce costs.

5           (c) CAMPUS MODERNIZATION PLAN.—Chapter 513  
6           of title 46, United States Code, is amended by adding at  
7           the end the following:

8           **“§ 51329. 10-year Campus Modernization Plan**

9           “(a) IN GENERAL.—Not later than 180 days after  
10          the date of enactment of this section, the Secretary shall  
11          develop and begin to implement a comprehensive Campus  
12          Modernization Plan (referred to in this section as the  
13          ‘Campus Modernization Plan’), informed by the ‘United  
14          States Merchant Marine Academy Full Speed Ahead Plan’  
15          developed by the Maritime Security Infrastructure Council  
16          as summarized in the Congressional Record, dated Feb-  
17          ruary 28, 2024, to carry out a campus-wide modernization  
18          at the United States Merchant Marine Academy.

19          “(b) OBJECTIVES.—In carrying out the Campus  
20          Modernization Plan authorized under subsection (a), the  
21          Administrator shall prioritize the following objectives:

22                 “(1) Promoting modern education best prac-  
23                 tices by constructing learning facilities that leverage  
24                 state-of-the art technologies and learning best prac-  
25                 tices.

1           “(2) Providing Midshipmen with access to fa-  
2           cilities needed to pass the United States Coast  
3           Guard License Exam for Third Mate or Third As-  
4           sistant Engineer Unlimited.

5           “(3) Ensuring Midshipmen have access to fa-  
6           cilities sufficient to enable Midshipmen to maintain  
7           physical readiness standards required of United  
8           States Navy officers.

9           “(4) Developing campus infrastructure to en-  
10          sure the Academy attracts a diverse pool of appli-  
11          cants.

12          “(5) Providing facilities that enable industry  
13          engagement and continuing education opportunities.

14          “(6) Maintaining a safe and secure campus en-  
15          vironment for all Midshipmen, which shall include  
16          any facilities or infrastructure needed to meet the  
17          requirements of sections 51326, 51327, or 51328 of  
18          this title.

19          “(7) Implementing, to the extent practicable,  
20          the facilities and infrastructure recommendations in  
21          chapter 4 of the report titled ‘Organizational Assess-  
22          ment of the United States Merchant Marine Acad-  
23          emy: A Path Forward’ issued by the National Acad-  
24          emy of Public Administration in November 2021.

1       “(c) INCLUSIONS.—In meeting the objectives of sub-  
 2 section (b), the Campus Modernization Plan authorized  
 3 under subsection (a) shall include—

4               “(1) construction of new facilities or significant  
 5 renovation of existing facilities to provide—

6                       “(A) Standards of Training, Certification,  
 7 and Watchkeeping applications laboratories;

8                       “(B) a Safety Of Life At Sea training  
 9 pool;

10                      “(C) engineering powerplant laboratories;

11                      “(D) athletic facilities that meet the needs  
 12 of both male and female students;

13                      “(E) enhanced waterfront facilities, to in-  
 14 clude a new pier;

15                      “(F) a visitor welcome center and main  
 16 campus security office building;

17                      “(G) housing facilities for senior staff and  
 18 faculty; and

19                      “(H) sufficient parking facilities for fac-  
 20 ulty, staff, and campus visitors;

21               “(2) upgrades to all classrooms and laboratories  
 22 with modern information technology infrastructure;

23               “(3) a campus-wide upgrade and retrofit of—

24                               “(A) the electric distribution power grid;

25                               “(B) the sanitary sewer system piping;

1 “(C) the storm drainage system; and

2 “(D) the drinking water system, including  
3 development of a separate and redundant fire  
4 suppression system; and

5 “(4) renovations of existing campus facilities to  
6 ensure all campus facilities—

7 “(A) are structurally sound;

8 “(B) have reliable heating and air condi-  
9 tioning systems;

10 “(C) have functioning plumbing and elec-  
11 trical systems;

12 “(D) are protected from the elements, in-  
13 cluding through roof replacements and window  
14 repairs or replacements, as needed;

15 “(E) are accessible in accordance with the  
16 Americans with Disabilities Act of 1990; and

17 “(F) have working fire alarm and fire sup-  
18 pression systems.

19 “(d) REQUIREMENTS.—For the duration of the Cam-  
20 pus Modernization Plan authorized under subsection (a),  
21 the Administrator shall ensure that the Academy remains  
22 fully operational.

23 “(e) USE OF A FEDERAL CONSTRUCTION AGENT.—  
24 Consistent with the requirements of section 3515(d)(3) of  
25 the James M. Inhofe National Defense Authorization Act

1 for Fiscal Year 2023 (Public Law 117–263), the Adminis-  
2 trator shall seek to enter into an agreement with a Federal  
3 construction agent to carry out the Campus Modernization  
4 Plan authorized under subsection (a).

5 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
6 are authorized to be appropriated to the Department of  
7 Transportation, out of the Maritime Security Trust Fund  
8 established under section 9512 of the Internal Revenue  
9 Code of 1986, for fiscal years 2025 through 2034, for the  
10 phased rehabilitation, modernization, and construction of  
11 facilities and infrastructure at the United States Merchant  
12 Marine Academy, in accordance with this section, includ-  
13 ing the Campus Modernization Plan authorized in sub-  
14 section (a), \$1,020,000,000 of which—

15 “(1) \$54,000,000 is authorized to be appro-  
16 priated for fiscal year 2025 for design and planning  
17 purposes, which shall be used for the development of  
18 a design-build plan for the phased rehabilitation,  
19 modernization, and construction of facilities and in-  
20 frastructure at the United States Merchant Marine  
21 Academy in accordance with the Campus Moderniza-  
22 tion Plan; and

23 “(2) for fiscal years 2026 through 2034,  
24 \$107,333,333 is authorized to be appropriated for  
25 each year for construction and contingency pur-



1 chases necessary to execute the Campus Moderniza-  
 2 tion Plan.”.

3 (d) CLERICAL AMENDMENT.—The table of sections  
 4 for chapter 513 of title 46, United States Code, is amend-  
 5 ed by adding at the end the following:

“51329. 10-Year Campus Modernization Plan.”.

6 **SEC. 622. UNITED STATES MERCHANT MARINE ACADEMY.**

7 (a) SENSE OF CONGRESS.—It is the sense of Con-  
 8 gress that—

9 (1) the United States Merchant Marine Acad-  
 10 emy, one of our Nation’s 5 Federal service acad-  
 11 emies, is vital to our national security, and modern-  
 12 izing the Academy’s aging infrastructure and invest-  
 13 ing in faculty and students must be congressional  
 14 priorities;

15 (2) sufficient funding must be provided to en-  
 16 able the maximum student enrollment that the cam-  
 17 pus infrastructure of the United States Merchant  
 18 Marine Academy can support; and

19 (3) considering the Academy’s role as a co-  
 20 equal military service academy, the United States  
 21 Merchant Marine Academy should be included in the  
 22 rotation of presidential attendance at graduations.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
 24 51301 of title 46, United States Code, is amended by add-  
 25 ing at the end the following:

1       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 are authorized to be appropriated to the Department of  
 3 Transportation \$125,000,000 for each of fiscal years 2025  
 4 through 2034 for Academy operations.”.

5       (c) REPORT ON ENROLLMENT.—Not later than 180  
 6 days after the date of enactment of this Act, the Maritime  
 7 Administrator shall submit a report to the appropriate  
 8 committees of Congress identifying the additional re-  
 9 sources needed to increase enrollment at the United States  
 10 Merchant Marine Academy.

11 **SEC. 623. RETIREMENT SERVICE CREDIT FOR SERVICE AS**  
 12 **A MIDSHIPMAN AT THE UNITED STATES MER-**  
 13 **CHANT MARINE ACADEMY.**

14       (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section  
 15 8331(13) of title 5, United States Code, is amended, in  
 16 the flush text following subparagraph (C), by inserting “or  
 17 the United States Merchant Marine Academy” after  
 18 “Naval Academy”.

19       (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—  
 20 Section 8401(31) of title 5, United States Code, is amend-  
 21 ed, in the flush text following subparagraph (C), by insert-  
 22 ing “or the United States Merchant Marine Academy”  
 23 after “Naval Academy”.

24       (c) APPLICABILITY.—The amendments made by this  
 25 section shall apply to—

1           (1) any annuity, the eligibility for which is  
2       based on a separation occurring before, on, or after  
3       the date of enactment of this Act; and

4           (2) any period of service as a midshipman at  
5       the United States Merchant Marine Academy occur-  
6       ring before, on, or after the date of enactment of  
7       this Act.

8   **SEC. 624. STATE MARITIME ACADEMIES.**

9       (a) IN GENERAL.—Not later than 180 days after the  
10   date of enactment of this Act, the Maritime Administrator  
11   shall submit a report to Congress containing the results  
12   of a study to evaluate the additional resources needed to  
13   allow State maritime academies to increase enrollment and  
14   produce additional mariners.

15       (b) NEED FOR ADDITIONAL STATE MARITIME ACAD-  
16   EMIES.—Such study shall consider whether there is a need  
17   for additional State maritime academies in States that do  
18   not operate a maritime academy.

19       (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
20   51501 of title 46, United States Code, is amended by add-  
21   ing at the end the following:

22       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
23   is authorized to be appropriated out of the Maritime Secu-  
24   rity Trust Fund established under section 9512 of the In-  
25   ternal Revenue Code of 1986, \$10,000,000 for assistance

1 to State maritime academies under subsection (a) for each  
 2 of fiscal years 2025 through 2034.”.

3 **SEC. 625. MILITARY TO MARINER ENROLLMENT AT A STATE**  
 4 **MARITIME ACADEMY.**

5 Section 51506 of title 46, United States Code, is  
 6 amended—

7 (1) in subsection (a)(2), by inserting before the  
 8 semicolon the following: “, which shall include stand-  
 9 ards for a program described in subsection (c)”;

10 (2) by redesignating subsection (c) as sub-  
 11 section (d); and

12 (3) by inserting after subsection (b) the fol-  
 13 lowing:

14 “(c) MERCHANT MARINER EXPEDITED PREPARA-  
 15 TION PROGRAM.—

16 “(1) IN GENERAL.—A State maritime academy  
 17 shall offer a program for eligible individuals de-  
 18 scribed in paragraph (2) through which the eligible  
 19 individuals—

20 “(A) complete a merchant marine officer  
 21 preparation program approved by the Secretary,  
 22 and the requirements for the issuance of a li-  
 23 cense under section 7101 of this title, in less  
 24 than 3 years; and

1           “(B) are not required to earn a bacca-  
 2           laureate or other degree from the State mari-  
 3           time academy.

4           “(2) ELIGIBLE INDIVIDUALS.—An eligible indi-  
 5           vidual described in paragraph (1) is an individual  
 6           who—

7           “(A)(i) is an honorably discharged veteran  
 8           of the Armed Forces; or

9           “(ii) is a member of the National Guard or  
 10          Reserves with not less than 6 years of service;  
 11          and

12          “(B) has earned a baccalaureate degree  
 13          from an institution of higher education (as de-  
 14          fined in section 102 of the Higher Education  
 15          Act of 1965 (20 U.S.C. 1002)) before entering  
 16          the State maritime academy program.”.

17 **SEC. 626. ENFORCEMENT OF SERVICE OBLIGATION RE-**  
 18 **QUIREMENTS.**

19          (a) IN GENERAL.—The Maritime Administrator shall  
 20          ensure that—

21               (1) each citizen who is appointed as a cadet at  
 22          the United States Merchant Marine Academy and  
 23          signs a cadet commitment agreement under section  
 24          51306 of title 46, United States Code, meets the

1 service obligation requirements of that agreement;  
2 and

3 (2) each individual that signs a student incen-  
4 tive payment agreement under section 51509 of title  
5 46, United States Code, meets the service obligation  
6 requirements under that agreement.

7 (b) REPORTING REQUIREMENT.—The Maritime Ad-  
8 ministrator shall establish an electronic system through  
9 which each individual with a service obligation under such  
10 section 51306 or 51509 (referred to in this section as a  
11 “service-obligated mariner”) shall annually demonstrate  
12 that they are meeting their service obligation or have a  
13 valid deferment consistent with section 51310 of title 46,  
14 United States Code, or section 51510 of title 46, United  
15 States Code, as applicable.

16 (c) NOTIFICATION OF VIOLATION.—The Maritime  
17 Administrator shall transmit a written notice to each serv-  
18 ice-obligated mariner who fails to meet the reporting re-  
19 quirement of subsection (b), notifying such individual of  
20 the applicable penalties established under section 51306  
21 of title 46, United States Code, or section 51509 of title  
22 46, United States Code, for failure to carry out the appli-  
23 cable service requirements, including cost recovery.

24 (d) REPORT TO CONGRESS.—Not later than 180 days  
25 after the date of enactment of this section, and annually

1 thereafter, the Maritime Administrator shall submit to the  
2 appropriate committees of Congress a report on the status  
3 of all service-obligated mariners, which shall include—

4 (1) information about how each service-obli-  
5 gated mariner is meeting their service obligation re-  
6 quirement, which shall be based on the results of the  
7 data collected under subsection (b);

8 (2) the number of service-obligated mariners  
9 who have not met their service obligation and have  
10 not complied with the reporting requirement under  
11 subsection (b); and

12 (3) the number of actions taken by the Mari-  
13 time Administrator under sections 51306(b),  
14 51306(d), 51306(f), and 51509(g) to recover costs  
15 from service-obligated mariners who have not dem-  
16 onstrated that they have met their service obligation  
17 requirements.

18 **SEC. 627. FUEL FUNDING FOR TRAINING SHIPS OPERATED**  
19 **BY STATE MARITIME ACADEMIES.**

20 (a) CONFORMING AMENDMENT.—Section 51504 of  
21 title 46, United States Code, is amended by striking sub-  
22 section (f) and inserting the following:

23 “(f) FUEL COSTS.—Subject to the availability of ap-  
24 propriations, the Secretary shall pay to each State mari-  
25 time academy the costs of fuel used by a vessel provided

1 under this section while used for training in accordance  
2 with section 51512.”.

3 (b) AMENDMENT.—Chapter 515 of title 46, United  
4 States Code, is amended by adding at the end the fol-  
5 lowing:

6 **“§ 51512. Funding for training ships operated by**  
7 **State maritime academies**

8 “(a) FUEL FUNDING.—

9 “(1) IN GENERAL.—Subject to the availability  
10 of appropriations, the Secretary shall pay to each  
11 State maritime academy the costs of fuel used by a  
12 vessel that is loaned to the State maritime academy  
13 in accordance with section 51504 while used for  
14 training.

15 “(2) MAXIMUM AMOUNTS.—The amount of the  
16 payment to a State maritime academy under sub-  
17 section (a) may not exceed \$20,000,000 for each of  
18 fiscal years 2025 through 2034.

19 “(3) PROHIBITION.—Maritime academies that  
20 receive funding under subsection (a) may not—

21 “(A) profit from charging cadets to go to  
22 sea for their licensing when using federally pro-  
23 vided fuel; or

24 “(B) utilize the vessel as housing for stu-  
25 dents outside of seasonal training cruises, un-



1 less students elect voluntarily to live aboard the  
2 vessel.

3 “(4) REQUIREMENT.—Each State maritime  
4 academy that receives fuel costs under this section  
5 shall offer billets for liaison officers from each mili-  
6 tary service during the time such vessel is provided  
7 to that State maritime academy.

8 “(b) CREW.—

9 “(1) IN GENERAL.—Each State maritime acad-  
10 emy shall make crew positions available on a vessel  
11 that is loaned to the State maritime academy for  
12 mariners enrolled in the United States Merchant  
13 Marine Career Retention Program established under  
14 section 52105.

15 “(2) CREW FUNDING.—For each crew slot filled  
16 by a mariner enrolled in the career retention pro-  
17 gram, as provided for under paragraph (1), the Sec-  
18 retary shall pay the crew costs for that mariner,  
19 subject to the availability of appropriations.

20 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
21 is authorized to be appropriated out of the Maritime Secu-  
22 rity Trust Fund, established under section 9512 of the  
23 Internal Revenue Code of 1986, \$120,000,000 to carry  
24 out this section for each of fiscal years 2025 through  
25 2034.”.

1 (c) CLERICAL AMENDMENT.—The table of sections  
 2 for chapter 515 of title 46, United States Code, is amend-  
 3 ed by adding at the end the following:

“51512. Fuel funding for training ships operated by State maritime acad-  
 emies.”.

4 **SEC. 628. STATE MARITIME ACADEMY SEA TERM SCHOLAR-**  
 5 **SHIP PROGRAMS.**

6 (a) IN GENERAL.—Chapter 515 of title 46, United  
 7 States Code, as amended by section 627, is further amend-  
 8 ed by adding at the end the following:

9 **“§ 51513. State Maritime Academy Sea Term Scholar-**  
 10 **ship Programs**

11 “(a) IN GENERAL.—The Maritime Administrator  
 12 shall work with private entities in the maritime industry  
 13 to establish a scholarship program—

14 “(1) for students at State maritime academies  
 15 to offset expenses associated with completion of a  
 16 summer sea term to receive sea-time required to  
 17 earn a Coast Guard license; and

18 “(2) which is entirely or predominantly funded  
 19 through contributions from a private entity.

20 “(b) CONTRIBUTED FUNDS.—The Maritime Admin-  
 21 istrator shall enter into a cooperative agreement, or other  
 22 agreement, with private entities in the maritime industry  
 23 to accept funding from private entities for the purpose of  
 24 establishing such a scholarship program. The cooperative

1 agreement may include any terms considered necessary by  
2 the Maritime Administrator.

3 “(c) PRIVILEGES.—The Maritime Administrator may  
4 provide certain privileges to a private entity who contrib-  
5 utes funds for a scholarship program under this section,  
6 including opportunities to provide information about em-  
7 ployment opportunities with the private entity to students  
8 enrolled in the scholarship program.

9 “(d) STRUCTURE.—In establishing a scholarship pro-  
10 gram to offset expenses associated with a summer sea  
11 term—

12 “(1) the Maritime Administrator may enter into  
13 an agreement with a student at a State maritime  
14 academy that has an agreement with the Secretary  
15 of Transportation under section 51505 of this title,  
16 to offset expenses associated with completion of a  
17 summer sea term; or

18 “(2) the Maritime Administrator may enter into  
19 an agreement with a State maritime academy that  
20 has an agreement with the Secretary of Transpor-  
21 tation under section 51505 of this title, to offset ex-  
22 penses for all students who participate in a summer  
23 sea term program.

24 “(e) RELATIONSHIP TO FINANCIAL ASSISTANCE  
25 PROGRAMS.—Recognizing the need for licensed merchant

1 mariners, the Maritime Administrator shall encourage  
2 participants of the financial assistance programs under  
3 part C of this subtitle, to enter into agreements under this  
4 section to establish scholarship programs to offset ex-  
5 penses associated with summer sea term.

6 “(f) REQUIREMENTS FOR STUDENTS.—Any student  
7 who benefits from a scholarship program under this sec-  
8 tion shall enter into an agreement with the Maritime Ad-  
9 ministrator which requires the student to—

10 “(1) complete the course of instruction at the  
11 academy the individual is attending;

12 “(2) obtain a merchant mariner license, without  
13 limitation as to tonnage or horsepower, from the  
14 Coast Guard as an officer in the merchant marine  
15 of the United States, accompanied by the appro-  
16 priate national and international endorsements and  
17 certification required by the Coast Guard for service  
18 aboard vessels on domestic and international voy-  
19 ages, without limitation, within 3 months of comple-  
20 tion of the course of instruction at the academy the  
21 individual is attending;

22 “(3) serve in a position that supports the for-  
23 eign and domestic commerce and the national de-  
24 fense of the United States for at least 1 year after  
25 graduation from the academy—

1           “(A) as a merchant marine officer on a  
 2           documented vessel or a vessel owned and oper-  
 3           ated by the United States Government or by a  
 4           State; or

5           “(B) as a commissioned officer on active  
 6           duty in an Armed Force of the United States,  
 7           as a commissioned officer in the National Oce-  
 8           anic and Atmospheric Administration, or in  
 9           other maritime-related Federal employment  
 10          which serves the national security interests of  
 11          the United States, as determined by the Mari-  
 12          time Administrator; and

13          “(4) report to the Maritime Administrator on  
 14          compliance with this subsection.

15          “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
 16          is authorized to be appropriated out of the Maritime Secu-  
 17          rity Trust Fund, established under section 9512 of the  
 18          Internal Revenue Code of 1986, \$2,500,000 to carry out  
 19          this section for each of fiscal years 2025 through 2034.”.

20          (b) CLERICAL AMENDMENT.—The table of sections  
 21          for chapter 515 of title 46, United States Code, as amend-  
 22          ed by section 627, is further amended by adding at the  
 23          end the following:

“51513. State Maritime Academy Sea Term Scholarship Programs.”.

1 **SEC. 629. NAVAL JOINT EXERCISE INVOLVEMENT FOR**  
2 **TRAINING SHIPS OPERATED BY STATE MARI-**  
3 **TIME ACADEMIES.**

4 (a) IN GENERAL.—The Secretary of the Navy, in co-  
5 ordination with the Maritime Administrator, shall, to the  
6 extent practicable, include in national and international  
7 maritime warfare exercises not less than 1 training vessel  
8 used by a State maritime academy and maintained pursu-  
9 ant to section 51504 of title 46, United States Code, in  
10 order to provide an opportunity to integrate merchant  
11 mariners with naval and military operations.

12 (b) PARTICIPANTS.—Subject to guidance issued by  
13 the Secretary of the Navy and Maritime Administrator,  
14 an individual may participate in the exercise aboard that  
15 training ship if the individual is—

16 (1) a licensed merchant mariner; or

17 (2) a student from the United States Merchant  
18 Marine Academy, a State maritime academy, a Cen-  
19 ter of Excellence for Domestic Maritime Workforce  
20 Training and Education, or a merchant marine cen-  
21 ter established under section 147 of the Workforce  
22 Innovation and Opportunity Act (29 U.S.C. 3197),  
23 as added by section 612 of this Act.

24 (c) PRIORITY.—In selecting participants under sub-  
25 section (b) the Administrator shall give priority to stu-  
26 dents described in paragraph (2) of subsection (b).

(d) VESSELS.—In coordination with the Secretary of the Navy, the Maritime Administrator shall rotate training vessels to ensure that each training vessel described in subsection (a) has an equal opportunity to participate in such exercises.

## Subtitle D—Maritime Credentialing Modernization

### SEC. 631. MERCHANT MARINER CREDENTIALING MOD- ERNIZATION.

(a) MERCHANT MARINER CREDENTIALING MOD-ERNIZATION.—The Secretary of the department in which the Coast Guard is operating shall carry out necessary system and process changes to carry out the activities described in paragraphs (1) through (4).

(1) LICENSING, CERTIFICATION, AND DOCUMENTATION DATABASE.—Replacement of the merchant mariner licensing, certification, and documentation database such that the database allows for—

(A) the electronic submission of merchant mariner credential applications (including sea service, professional qualifications, course completion data, safety and suitability, and medical records) and course approval requests;

1 (B) direct submission of sea service infor-  
2 mation from employers and course completion  
3 data from training providers and other stake-  
4 holders to provide data securely and directly so  
5 that documentation does not need to be sub-  
6 mitted later by the merchant mariner; and

7 (C) the electronic processing and evalua-  
8 tion of information for the issuance of creden-  
9 tials and course approvals, including the capa-  
10 bility for the Secretary to complete remote eval-  
11 uation of the information submitted.

12 (2) SYSTEM FOR DATA EXCHANGE.—Implemen-  
13 tation of a system that provides for the exchange of  
14 data with government agencies and industry stake-  
15 holders, which provides the Maritime Administration  
16 and other agencies, as appropriate, anonymized and  
17 aggregated data showing the following:

18 (A) The total amount of sea service for in-  
19 dividuals with a valid merchant mariner creden-  
20 tial.

21 (B) The number of credentialed mariners  
22 by individual rating and the capability to filter  
23 data by endorsements.

24 (C) Demographic information, including  
25 age, gender, ethnicity, and address or location.



1 (D) National Maritime Center processing  
2 times.

3 (E) The number of Coast Guard approved  
4 training providers, and, for each such training  
5 provider, the number of courses taken by indi-  
6 viduals who have, or who are applying for, a  
7 merchant mariner credential from that training  
8 provider.

9 (3) PUBLIC FACING PORTAL.—Implementation  
10 of a system that includes a public facing portal in  
11 the .gov domain instead of the .mil domain to accept  
12 merchant mariner applicant information, including  
13 credential applications, course completion data, and  
14 course approval requests, that complies with the re-  
15 quirements for cybersecurity and privacy information  
16 of electronic systems in the .gov domain.

17 (4) EXAMINATION PROCESSES.—Upgrading the  
18 examination processes for merchant mariner exami-  
19 nations, by—

20 (A) implementing an examination regime  
21 that provides for electronic and third party ad-  
22 ministration of examinations;

23 (B) reassessing the content of tests  
24 through the development of job task analysis  
25 for all credentials; and

1 (C) implementing a robust system to ana-  
2 lyze examination data.

3 (b) REPORT.—The Secretary of the department in  
4 which the Coast Guard is operating shall submit—

5 (1) an annual report to the Committee on Com-  
6 merce, Science, and Transportation, the Committee  
7 on Appropriations, and the Committee on Armed  
8 Services of the Senate, and the Committee on  
9 Transportation and Infrastructure, the Committee  
10 on Appropriations, and the Committee on Armed  
11 Services of the House of Representatives, on the  
12 progress of the system and process changes required  
13 under subsection (a); and

14 (2) a final report to those Committees 1 year  
15 after full operating capability of the complete sys-  
16 tem, comprised of all 4 systems required under sub-  
17 section (a).

18 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
19 authorized to be appropriated out of the Maritime Secu-  
20 rity Trust Fund, established under section 9512 of the  
21 Internal Revenue Code of 1986 to carry out this section,  
22 \$20,000,000 for fiscal year 2025, to remain available until  
23 expended.

1 **SEC. 632. REVISING MERCHANT MARINER DECK TRAINING**  
 2 **REQUIREMENTS.**

3 (a) GENERAL DEFINITIONS.—Section 2101 of title  
 4 46, United States Code, is amended—

5 (1) by redesignating paragraphs (20) through  
 6 (56) as paragraphs (21) through (57), respectively;  
 7 and

8 (2) by inserting after paragraph (19) the fol-  
 9 lowing:

10 “(20) ‘merchant mariner credential’ means a  
 11 merchant mariner license, certificate, or document  
 12 that the Secretary is authorized to issue pursuant to  
 13 this title.”.

14 (b) EXAMINATIONS.—Section 7116 of title 46,  
 15 United States Code, is amended by striking subsection (c).

16 (c) MERCHANT MARINERS DOCUMENTS.—

17 (1) GENERAL REQUIREMENTS.—Section 7306  
 18 of title 46, United States Code, is amended to read  
 19 as follows:

20 **“§ 7306. General requirements and classifications for**  
 21 **members of deck departments**

22 “(a) IN GENERAL.—The Secretary may issue a mer-  
 23 chant mariner credential, to members of the deck depart-  
 24 ment in the following classes:

25 “(1) Able Seaman-Unlimited.

26 “(2) Able Seaman-Limited.

1           “(3) Able Seaman-Special.

2           “(4) Able Seaman-Offshore Supply Vessels.

3           “(5) Able Seaman-Sail.

4           “(6) Able Seaman-Fishing Industry.

5           “(7) Ordinary Seaman.

6           “(b) CLASSIFICATION OF CREDENTIALS.—The Sec-  
7   retary may classify the merchant mariner credential issued  
8   under subsection (a) based on—

9           “(1) the tonnage and means of propulsion of  
10   vessels;

11          “(2) the waters on which vessels are to be oper-  
12   ated; or

13          “(3) other appropriate standards.

14          “(c) CONSIDERATIONS.—In issuing the credential  
15   under subsection (a), the Secretary may consider the fol-  
16   lowing qualifications of the merchant mariner:

17          “(1) Age.

18          “(2) Character.

19          “(3) Habits of life.

20          “(4) Experience.

21          “(5) Professional qualifications demonstrated  
22   by satisfactory completion of applicable examinations  
23   or other educational requirements.

24          “(6) Physical condition, including sight and  
25   hearing.

1           “(7) Other requirements established by the Sec-  
 2       retary, including career patterns and service appro-  
 3       priate to the particular service, industry, or job  
 4       functions the individual is engaged.”.

5           (2) CLERICAL AMENDMENT.—The table of sec-  
 6       tions for chapter 73 of title 46, United States Code,  
 7       is amended by striking the item relating to section  
 8       7306 and inserting the following:

“7306. General requirements and classifications for members of deck depart-  
 ments.”.

9           (3) GENERAL REQUIREMENTS FOR MEMBERS  
 10       OF ENGINE DEPARTMENTS.—Section 7313(b) of title  
 11       46, United States Code, is amended by striking  
 12       “and coal passer”.

13          (4) TRAINING.—Section 7315 of title 46,  
 14       United States Code, is amended—

15               (A) by amending subsection (a) to read as  
 16       follows:

17       “(a) Graduation from a nautical school program ap-  
 18       proved by the Secretary may be substituted for the service  
 19       requirements under sections 7307 through 7311a and  
 20       7314.”;

21               (B) in subsection (b)—

22                       (i) by striking “one-third” and insert-  
 23       ing “one-half”; and

1 (ii) by striking “7307–7311 of this  
 2 title” and inserting “7307–7311a and  
 3 7314”; and

4 (C) by striking subsection (c).

5 (d) REDUCTION OF LENGTHS OF CERTAIN PERIODS  
 6 OF SERVICE.—

7 (1) IN GENERAL.—Title 46, United States  
 8 Code, is amended—

9 (A) in section 7307, by striking “3 years”  
 10 and inserting “18 months”;

11 (B) in section 7308, by striking “18  
 12 months” and inserting “12 months”; and

13 (C) in section 7309, by striking “12  
 14 months” and inserting “6 months”.

15 (2) TEMPORARY REDUCTION OF LENGTHS OF  
 16 CERTAIN PERIODS OF SERVICE.—Section 3534(j) of  
 17 the National Defense Authorization Act for Fiscal  
 18 Year 2024 (Public Law 118–31) is repealed.

19 (e) MERCHANT MARINER CREDENTIALS.—Section  
 20 7510 of title 46, United States Code, is amended by strik-  
 21 ing subsection (d).

22 (f) IMPLEMENTATION.—The Secretary of the depart-  
 23 ment in which the Coast Guard is operating shall imple-  
 24 ment the amended requirements under subsections (c)(3),  
 25 (c)(4), and (d)(1) of this section without regard to chap-

ters 5 and 6 of title 5, United States Code, and Executive  
Orders 12866 and 13563 (5 U.S.C. 601 note).

**SEC. 633. INSPECTIONS FOR TRANSPORTATION SECURITY.**

(a) IN GENERAL.—Chapter 81 of part F of subtitle  
II of title 46, United States Code, is amended by adding  
at the end the following:

**“§ 8109. Inspections for transportation security**

“(a) IN GENERAL.—

“(1) INSPECTION.—The Secretary shall periodically, but not less than once annually, inspect each  
covered facility to verify that the owner or operator  
of the covered facility has a valid exemption under  
subsection (c) of section 30 of the Outer Continental  
Shelf Lands Act (43 U.S.C. 1356(c)).

“(2) COVERED FACILITY.—In this subsection,  
the term ‘covered facility’ means a vessel, rig, platform,  
or other vehicle or structure that, but for an  
exemption under subsection (c) of section 30 of the  
Outer Continental Shelf Lands Act (43 U.S.C.  
1356(c)) would otherwise be subject to the regulations  
under subsection (a)(3) of such section.

“(b) TRANSPORTATION SECURITY CARD.—During an  
inspection under this section, the Secretary shall confirm  
that all crew members that are required to have a trans-

1 portation worker identification credential pursuant to sec-  
 2 tion 70105 have such a credential.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
 4 for chapter 81 of title 46, United States Code, is amended  
 5 by adding at the end the following:

“8109. Inspections for transportation security.”.

6 **SEC. 634. TECHNICAL AMENDMENTS RELATING TO REF-**  
 7 **ERENCES TO SEAMEN.**

8 (a) MERCHANT MARINER CREDENTIALS.—The head-  
 9 ing for part E of subtitle II of title 46, United States  
 10 Code, is amended by striking “**MERCHANT SEAMEN LI-**  
 11 **CENSES, CERTIFICATES, AND DOCUMENTS**” and in-  
 12 serting “**MERCHANT MARINER CREDENTIALS**”.

13 (b) ABLE SEAFARERS—UNLIMITED.—

14 (1) IN GENERAL.—The section heading for sec-  
 15 tion 7307 of title 46, United States Code, is amend-  
 16 ed by striking “**seamen**” and inserting “**sea-**  
 17 **farers**”.

18 (2) CLERICAL AMENDMENT.—The table of sec-  
 19 tions for chapter 73 of title 46, United States Code,  
 20 is further amended in the item relating to section  
 21 7307 by striking “seamen” and inserting “sea-  
 22 farers”.

23 (c) ABLE SEAMEN—LIMITED.—

24 (1) IN GENERAL.—The section heading for sec-  
 25 tion 7308 of title 46, United States Code, is amend-



1 ed by striking “**seamen**” and inserting “**sea-**  
2 **farers**”.

3 (2) CLERICAL AMENDMENT.—The table of sec-  
4 tions for chapter 73 of title 46, United States Code,  
5 is further amended in the item relating to section  
6 7308 by striking “seamen” and inserting “sea-  
7 farers”.

8 (d) ABLE SEAFARERS—SPECIAL.—

9 (1) IN GENERAL.—The section heading for sec-  
10 tion 7309 of title 46, United States Code, is amend-  
11 ed by striking “**seamen**” and inserting “**sea-**  
12 **farers**”.

13 (2) CLERICAL AMENDMENT.—The table of sec-  
14 tions for chapter 73 of title 46, United States Code,  
15 is further amended in the item relating to section  
16 7309 by striking “seamen” and inserting “sea-  
17 farers”.

18 (e) ABLE SEAFARERS—OFFSHORE SUPPLY VES-  
19 SELS.—

20 (1) IN GENERAL.—The section heading for sec-  
21 tion 7310 of title 46, United States Code, is amend-  
22 ed by striking “**seamen**” and inserting “**sea-**  
23 **farers**”.

24 (2) CLERICAL AMENDMENT.—The table of sec-  
25 tions for chapter 73 of title 46, United States Code,

1 is further amended in the item relating to section  
2 7310 by striking “seamen” and inserting “sea-  
3 farers”.

4 (f) ABLE SEAFARERS—SAIL.—

5 (1) IN GENERAL.—The section heading for sec-  
6 tion 7311 of title 46, United States Code, is amend-  
7 ed by striking “**seamen**” and inserting “**sea-**  
8 **farers**”.

9 (2) CLERICAL AMENDMENT.—The table of sec-  
10 tions for chapter 73 of title 46, United States Code,  
11 is further amended in the item relating to section  
12 7311 by striking “seamen” and inserting “sea-  
13 farers”.

14 (g) ABLE SEAMEN—FISHING INDUSTRY.—

15 (1) IN GENERAL.—The section heading for sec-  
16 tion 7311a of title 46, United States Code, is  
17 amended by striking “**seamen**” and inserting  
18 “**seafarers**”.

19 (2) CLERICAL AMENDMENT.—The table of sec-  
20 tions for chapter 73 of title 46, United States Code,  
21 is further amended in the item relating to section  
22 7311a by striking “seamen” and inserting “sea-  
23 farers”.

24 (h) PARTS E AND F.—Parts E and F of subtitle II  
25 of title 46, United States Code, is amended—

1           (1) by striking “seaman” and inserting “sea-  
2       farer” each place it appears; and

3           (2) by striking “seamen” and inserting “sea-  
4       farers” each place it appears.

5       (i) CLERICAL AMENDMENTS.—The table of sections  
6 for subtitle II of title 46, United States Code, is amended  
7 in the item relating to part E by striking “MERCHANT  
8 SEAMEN LICENSES, CERTIFICATES, AND DOCU-  
9 MENTS” and inserting “MERCHANT MARINER CRE-  
10 DENTIALS”.

11 **SEC. 635. RENEWAL OF MERCHANT MARINER LICENSES**  
12 **AND DOCUMENTS.**

13       Section 7507 of title 46, United States Code, is  
14 amended by adding at the end the following:

15       “(d) RENEWAL.—With respect to any renewal of a  
16 valid merchant mariner credential issued under this part  
17 that is not an extension under subsection (a) or (b), the  
18 validity period of such credential shall begin the day after  
19 the expiration of the current credential.”.

20 **SEC. 636. MERCHANT SEAMEN LICENSES, CERTIFICATES,**  
21 **AND DOCUMENTS; MANNING OF VESSELS.**

22       (a) CITIZENSHIP OR NONCITIZEN NATIONALITY.—

23           (1) IN GENERAL.—Section 7102 of title 46,  
24       United States Code, is amended—

1 (A) in the section heading, by inserting  
 2 **“or noncitizen nationality”** after **“Citi-**  
 3 **zenship”**; and

4 (B) by inserting “or noncitizen nationals  
 5 (as such term is described in section 308 of the  
 6 Immigration and Nationality Act (8 U.S.C.  
 7 1408))” after “citizens of the United States”.

8 (2) CLERICAL AMENDMENT.—The table of sec-  
 9 tions for chapter 71 of title 46, United States Code,  
 10 is amended by striking the item relating to section  
 11 7102 and inserting the following:

“7102. Citizenship or noncitizen nationality.”.

12 (b) CITIZENSHIP OR NONCITIZEN NATIONALITY NO-  
 13 TATION ON MERCHANT MARINERS’ DOCUMENTS.—

14 (1) IN GENERAL.—Section 7304 of title 46,  
 15 United States Code, is amended—

16 (A) in the section heading, by inserting  
 17 **“or noncitizen nationality”** after **“Citi-**  
 18 **zenship”**; and

19 (B) by inserting “or noncitizen national  
 20 (as such term is described in section 308 of the  
 21 Immigration and Nationality Act (8 U.S.C.  
 22 1408))” after “citizen of the United States”.

23 (2) CLERICAL AMENDMENT.—The table of sec-  
 24 tions for chapter 73 of title 46, United States Code,

1 is amended by striking the item relating to section  
 2 7304 and inserting the following:

“7304. Citizenship or noncitizen nationality notation on merchant mariners’ documents.”.

3 (c) CITIZENSHIP OR NONCITIZEN NATIONALITY.—

4 (1) IN GENERAL.—Section 8103 of title 46,  
 5 United States Code, is amended—

6 (A) in the section heading by inserting “**or**  
 7 **noncitizen nationality**” after “**Citizen-**  
 8 **ship**”;

9 (B) in subsection (a), by inserting “or non-  
 10 citizen national” after “citizen of the United  
 11 States”;

12 (C) in subsection (b)—

13 (i) in paragraph (1)(A)(i), by insert-  
 14 ing “or noncitizen national” after “citizen  
 15 of the United States”; and

16 (ii) in paragraph (3)—

17 (I) in the matter preceding sub-  
 18 paragraph (A), by inserting “or non-  
 19 citizen nationality” after “citizen-  
 20 ship”; and

21 (II) in subparagraph (C), by in-  
 22 serting “or noncitizen nationals” after  
 23 “citizens of the United States”;

1 (D) in subsection (c), by inserting “or non-  
 2 citizen nationals” after “citizens of the United  
 3 States”;

4 (E) in subsection (d)—

5 (i) in paragraph (1), by inserting “or  
 6 noncitizen nationals” after “citizens of the  
 7 United States”; and

8 (ii) in paragraph (2), by inserting “or  
 9 noncitizen national” after “citizen of the  
 10 United States” each place it appears;

11 (F) in subsection (e), in the matter pre-  
 12 ceding paragraph (1), by inserting “or noncit-  
 13 izen national” after “citizen of the United  
 14 States” each place it appears;

15 (G) in subsection (i)(1)(A), by inserting  
 16 “or noncitizen national” after “citizen of the  
 17 United States”;

18 (H) in subsection (k)(1)(A), by inserting  
 19 “or noncitizen national” after “citizen of the  
 20 United States”; and

21 (I) by adding at the end the following:

22 “(l) NONCITIZEN NATIONAL DEFINED.—In this sec-  
 23 tion, the term ‘noncitizen national’ means an individual  
 24 described in section 308 of the Immigration and Nation-  
 25 ality Act (8 U.S.C. 1408).”.

1           (2) CLERICAL AMENDMENT.—The table of sec-  
 2           tions for chapter 81 of title 46, United States Code,  
 3           is amended by striking the item relating to section  
 4           8103 and inserting the following:

“8103. Citizenship or noncitizen nationality and Navy Reserve requirements.”.

5           (d) COMMAND OF DOCUMENTED VESSELS.—Section  
 6           12131(a) of title 46, United States Code, is amended by  
 7           inserting “or noncitizen national (as such term is de-  
 8           scribed in section 308 of the Immigration and Nationality  
 9           Act (8 U.S.C. 1408))” after “citizen of the United  
 10          States”.

11          (e) INVALIDATION OF CERTIFICATES OF DOCU-  
 12          MENTATION.—Section 12135(2) of title 46, United States  
 13          Code, is amended by inserting “or noncitizen national (as  
 14          such term is described in section 308 of the Immigration  
 15          and Nationality Act (8 U.S.C. 1408))” after “citizen of  
 16          the United States”.

17       **SEC. 637. REACTIVATION OF EXPIRED LICENSE.**

18          (a) IN GENERAL.—Chapter 75 of subtitle II of part  
 19          E, of title 46, United States Code, is amended by adding  
 20          at the end the following:

21       **“§ 7512. Authority for reactivation of United States**  
 22               **Merchant Mariner credentials**

23          “(a) LICENSES AND CERTIFICATES OF REGISTRY.—  
 24          Notwithstanding sections 7106 and 7107, the Secretary  
 25          of the department in which the Coast Guard is operating

1 may renew for not more than 2 years an expired license  
2 or certificate of registry issued for an individual under  
3 chapter 71 if the Secretary determines that the renewal  
4 is in response to a national emergency declared by Con-  
5 gress or declared under section 201 of the National Emer-  
6 gencies Act (50 U.S.C. 1621), as deemed necessary by the  
7 Secretary.

8       “(b) MERCHANT MARINER DOCUMENTS.—Notwith-  
9 standing section 7302(g), the Secretary may renew for not  
10 more than 2 years an expiring merchant mariner’s docu-  
11 ment issued for an individual under chapter 73 if the Sec-  
12 retary determines that the renewal is in response to a na-  
13 tional emergency proclaimed by the President or declared  
14 by Congress, as deemed necessary by the Secretary.

15       “(c) MANNER OF RENEWAL.—Any renewal granted  
16 under this section may be granted to individual seamen  
17 or a specifically identified group of seamen.”.

18       (b) CLERICAL AMENDMENT.—The table of sections  
19 for chapter 75 of title 46, United States Code, is amended  
20 by adding at the end the following:

“7512. Authority for reactivation of United States Merchant Mariner creden-  
tials.”.



1 **TITLE VII—AMENDMENTS TO**  
 2 **THE INTERNAL REVENUE**  
 3 **CODE OF 1986**

4 **SEC. 701. ESTABLISHMENT OF THE MARITIME SECURITY**  
 5 **TRUST FUND.**

6 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
 7 Internal Revenue Code of 1986 is amended by adding at  
 8 the end the following new section:

9 **“SEC. 9512. MARITIME SECURITY TRUST FUND.**

10 “(a) CREATION OF TRUST FUND.—There is estab-  
 11 lished in the Treasury of the United States a trust fund  
 12 to be known as the ‘Maritime Security Trust Fund’, con-  
 13 sisting of such amounts as may be—

14 “(1) appropriated to such Trust Fund as pro-  
 15 vided in this section, or

16 “(2) credited to such Trust Fund as provided  
 17 in section 9602(b).

18 “(b) TRANSFERS TO TRUST FUND.—There are here-  
 19 by appropriated to the Trust Fund amounts equivalent  
 20 to—

21 “(1) the taxes received in the Treasury under—

22 “(A) section 1352 (relating to alternative  
 23 tax on qualifying shipping activities),

24 “(B) section 60301 of title 46, United  
 25 States Code (relating to regular tonnage taxes),

1           “(C) section 60302 of title 46, United  
2           States Code (relating to special tonnage taxes),  
3           and

4           “(D) section 60303 of title 46, United  
5           States Code (relating to light money),

6           “(2) the amount received in the Treasury and  
7           attributable to revenue collected from duties im-  
8           posed—

9           “(A) under section 466 of the Tariff Act  
10          of 1930 (19 U.S.C. 1466) (relating to equip-  
11          ment and repair of vessels),

12          “(B) on and after July 6, 2018, with re-  
13          spect to articles of the People’s Republic of  
14          China pursuant to section 301 of the Trade Act  
15          of 1974 (19 U.S.C. 2411), notice of which was  
16          published in the Federal Register on June 20,  
17          2018 (83 Fed. Reg. 28710), and

18          “(C) under section 60502 of title 46,  
19          United States Code (relating to discriminating  
20          duty on goods imported in foreign vessels or  
21          from contiguous countries),

22          “(3) any penalties paid with respect to a vessel  
23          pursuant to—

24          “(A) section 436 of the Tariff Act of 1930  
25          (19 U.S.C. 1436),

1           “(B) section 453 of the Tariff Act of 1930  
2           (19 U.S.C. 1453),

3           “(C) section 454 of the Tariff Act of 1930  
4           (19 U.S.C. 1454),

5           “(D) section 464 of the Tariff Act of 1930  
6           (19 U.S.C. 1464),

7           “(E) section 497 of the Tariff Act of 1930  
8           (19 U.S.C. 1497),

9           “(F) section 584 of the Tariff Act of 1930  
10          (19 U.S.C. 1584),

11          “(G) section 592 of the Tariff Act of 1930  
12          (19 U.S.C. 1592),

13          “(H) section 593A of the Tariff Act of  
14          1930 (19 U.S.C. 1593a),

15          “(I) section 7 of the Act of June 19, 1886  
16          (24 Stat. 81, chapter 421; 19 U.S.C. 1706a),

17          “(J) section 2107 of title 46, United  
18          States Code,

19          “(K) section 2302 of title 46, United  
20          States Code,

21          “(L) section 3318 of title 46, United  
22          States Code,

23          “(M) section 3718 of title 46, United  
24          States Code,

1           “(N) section 4106 of title 46, United  
2 States Code,

3           “(O) section 5116 of title 46, United  
4 States Code,

5           “(P) section 11303 of title 46, United  
6 States Code,

7           “(Q) section 11501 of title 46, United  
8 States Code,

9           “(R) section 12151 of title 46, United  
10 States Code,

11           “(S) section 12507 of title 46, United  
12 States Code,

13           “(T) section 14701 of title 46, United  
14 States Code,

15           “(U) section 30707 of title 46, United  
16 States Code, with respect to the portion of the  
17 fine that goes to the United States Government  
18 under subsection (c) of such section 30707,

19           “(V) section 31309 of title 46, United  
20 States Code,

21           “(W) section 31330 of title 46, United  
22 States Code,

23           “(X) section 41107 of title 46, United  
24 States Code,

1           “(Y) section 41108 of title 46, United  
2 States Code,

3           “(Z) section 42108 of title 46, United  
4 States Code,

5           “(AA) section 44104 of title 46, United  
6 States Code,

7           “(BB) section 70052 of title 46, United  
8 States Code,

9           “(CC) section 70119 of title 46, United  
10 States Code,

11           “(DD) section 70506 of title 46, United  
12 States Code, and

13           “(EE) section 80509 of title 46, United  
14 States Code, and

15           “(4) any revenue generated in connection with  
16 the seizure and forfeiture of a maritime vessel  
17 under—

18           “(A) section 3 of the Act of August 5,  
19 1935 (49 Stat. 518, chapter 438; 19 U.S.C.  
20 1703),

21           “(B) section 70052 of title 46, United  
22 States Code, and

23           “(C) section 70507 of title 46, United  
24 States Code.

1       “(c) EXPENDITURES FROM TRUST FUND.—Amounts  
 2 in the Maritime Security Trust Fund shall be available,  
 3 as provided by appropriation Acts, for making expendi-  
 4 tures before October 1, 2035, to meet those obligations  
 5 of the United States heretofore and hereafter incurred  
 6 which are authorized to be paid out of the Maritime Secu-  
 7 rity Trust Fund under the SHIPS for America Act of  
 8 2024”.

9       (b) CLERICAL AMENDMENT.—The table of sections  
 10 for subchapter A of chapter 98 of the Internal Revenue  
 11 Code of 1986 is amended by adding at the end the fol-  
 12 lowing new item:

“Sec. 9512. Maritime Security Trust Fund.”.

13 **SEC. 702. UNITED STATES VESSEL INVESTMENT CREDIT.**

14       (a) IN GENERAL.—Subpart E of part IV of sub-  
 15 chapter A of chapter 1 of the Internal Revenue Code of  
 16 1986 is amended by inserting after section 48E the fol-  
 17 lowing new section:

18 **“SEC. 48F. UNITED STATES VESSEL INVESTMENT CREDIT.**

19       “(a) IN GENERAL.—For purposes of section 46, the  
 20 United States Vessel Investment credit for any taxable  
 21 year is an amount equal to the applicable percentage of  
 22 any qualified investment for such taxable year with respect  
 23 to any qualified vessel.

24       “(b) APPLICABLE PERCENTAGE.—For purposes of  
 25 subsection (a), the applicable percentage with respect to

1 any qualified vessel shall be an amount equal to the sum  
2 of—

3 “(1) 33 percent, plus

4 “(2) in the case of any qualified vessel for  
5 which the owner of such vessel will, as part of the  
6 agreement described in subsection (d)(1)(F) and for  
7 the duration of such agreement, obtain protection  
8 and indemnity insurance with respect to such vessel  
9 from an insurance company that is domiciled and  
10 headquartered in the United States and is an under-  
11 writer that is approved by the Maritime Adminis-  
12 trator, 5 percent, plus

13 “(3) in the case of any qualified vessel which is  
14 classified by and designed in accordance with the  
15 rules of the American Bureau of Shipping or any  
16 other classification society headquartered in the  
17 United States and recognized by the Secretary of  
18 the department in which the Coast Guard is oper-  
19 ating in accordance with section 3316 of title 46,  
20 United States Code, 2 percent.

21 “(c) QUALIFIED INVESTMENT.—For purposes of sub-  
22 section (a), the qualified investment with respect to any  
23 qualified vessel is equal to the amount paid or incurred  
24 by the taxpayer in connection with the construction,  
25 repowering, or reconstruction of such vessel—

1 “(1) in a shipyard of the United States, and

2 “(2) by an entity which is not a foreign entity  
3 of concern.

4 “(d) QUALIFIED VESSEL.—

5 “(1) IN GENERAL.—For purposes of this sec-  
6 tion, the term ‘qualified vessel’ means a cargo ves-  
7 sel—

8 “(A) which is a United States flag vessel  
9 (as defined in section 1355),

10 “(B) which, in the case of any repowering  
11 or reconstruction of such vessel, was originally  
12 constructed in the United States,

13 “(C) which operates in providing transpor-  
14 tation in the United States foreign trade (as  
15 such term is defined in section 1355(a)),

16 “(D) which is not a passenger vessel, as  
17 defined in section 2101 of title 46, United  
18 States Code,

19 “(E) which is—

20 “(i) a bulk carrier vessel,

21 “(ii) a tanker vessel,

22 “(iii) a roll-on/roll-off vessel,

23 “(iv) a container vessel,

24 “(v) a multi-purpose vessel,

25 “(vi) a cable vessel,



1 “(vii) a heavy-lift vessel, or

2 “(viii) any other type of vessel deter-  
3 mined appropriate by the Maritime Admin-  
4 istrator, in consultation with the Maritime  
5 Security Board,

6 “(F) which, pursuant to an agreement be-  
7 tween the taxpayer and the Maritime Adminis-  
8 trator, operates as a vessel of the United States  
9 for a period of not less than 10 years, and

10 “(G) the construction of which begins be-  
11 fore January 1, 2032.

12 “(2) EXCLUSION RELATED TO FOREIGN ENTI-  
13 TIES OF CONCERN.—The term ‘qualified vessel’ shall  
14 not include a vessel which—

15 “(A) is, or was previously, owned or oper-  
16 ated by a foreign entity of concern,

17 “(B) was constructed, repowered, or recon-  
18 structed in a shipyard which is owned or oper-  
19 ated by a foreign entity of concern, or

20 “(C) was registered as a vessel of a foreign  
21 country of concern at any time prior to being  
22 placed in service by the taxpayer.

23 “(e) DEFINITIONS.—

24 “(1) VESSELS.—For purposes of subsection  
25 (d)(1)(E), any term used in such paragraph which

1 is also used in chapter 536 of title 46, United States  
2 Code, shall have the same meaning as when used in  
3 such chapter.

4 “(2) FOREIGN ENTITY OF CONCERN; FOREIGN  
5 COUNTRY OF CONCERN.—For purposes of this sec-  
6 tion, the terms ‘foreign entity of concern’ and ‘for-  
7 eign country of concern’ have the same meaning  
8 given such terms under section 4 of the SHIPS for  
9 America Act of 2024.

10 “(f) CERTAIN PROGRESS EXPENDITURE RULES  
11 MADE APPLICABLE.—Rules similar to the rules of sub-  
12 sections (c)(4) and (d) of section 46 (as in effect on the  
13 day before the date of the enactment of the Revenue Rec-  
14 onciliation Act of 1990) shall apply for purposes of sub-  
15 section (a).

16 “(g) REGULATIONS.—The Secretary, in consultation  
17 with the Maritime Administrator, shall issue such regula-  
18 tions or other guidance as may be necessary or appro-  
19 priate to carry out the purposes of this section, including  
20 any regulations or guidance which may be necessary or  
21 appropriate to recapture the benefit of any credit deter-  
22 mined under this section with respect to any qualified ves-  
23 sel, or any increase in the applicable percentage under  
24 subsection (b) with respect to any qualified vessel, in the  
25 case of any taxpayer which fails to comply with the terms

1 of the agreement described in subsection (d)(1)(F) with  
 2 respect to such qualified vessel.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 46 of the Internal Revenue Code of  
 5 1986, as amended by section 13702(b)(1) of Public  
 6 Law 117–169, is amended—

7 (A) in paragraph (6), by striking “and” at  
 8 the end,

9 (B) in paragraph (7), by striking the pe-  
 10 riod at the end and inserting “, and”, and

11 (C) by adding at the end the following:

12 “(8) the United States Vessel Investment cred-  
 13 it.”.

14 (2) Section 49(a)(1)(C) of such Code, as  
 15 amended by section 13702(b)(2) of Public Law 117–  
 16 169, is amended—

17 (A) in clause (vii), by striking “and” at the  
 18 end,

19 (B) in clause (viii), by striking the period  
 20 at the end and inserting “, and”, and

21 (C) by adding at the end the following:

22 “(ix) with respect to any qualified ves-  
 23 sel (as defined in section 48F(d)), the por-  
 24 tion of the basis of such vessel attributable  
 25 to amounts paid or incurred by the tax-

1                   payer in connection with the construction,  
 2                   repowering, or reconstruction of such ves-  
 3                   sel.”.

4                   (3) The table of sections for subpart E of part  
 5                   IV of subchapter A of chapter 1 of such Code is  
 6                   amended by inserting after the item relating to sec-  
 7                   tion 48E the following new item:

“Sec. 48F. United States Vessel Investment credit.”.

8                   (c) RECAPTURE FOR FAILURE TO OPERATE AS A  
 9                   VESSEL OF THE UNITED STATES.—Section 50(a) of the  
 10                  Internal Revenue Code of 1986 is amended—

11                  (1) in paragraph (4), by striking “or any appli-  
 12                  cable transaction to which paragraph (3)(A) applies”  
 13                  and inserting “any applicable transaction to which  
 14                  paragraph (3)(A) applies, or any violation to which  
 15                  paragraph (6)(A) applies”,

16                  (2) by redesignating paragraph (6) as para-  
 17                  graph (7),

18                  (3) by inserting after paragraph (5) the fol-  
 19                  lowing new paragraph:

20                  “(6) FAILURE TO OPERATE QUALIFIED VESSEL  
 21                  AS A VESSEL OF THE UNITED STATES.—

22                  “(A) IN GENERAL.—If an applicable tax-  
 23                  payer violates any of the requirements of the  
 24                  agreement described in section 48F(d)(1)(F)  
 25                  during the duration of such agreement with re-

1 spect to any investment credit property which is  
2 eligible for the United States Vessel Investment  
3 credit under section 48F(a), then the tax under  
4 this chapter for the taxable year in which such  
5 violation occurs shall be increased by 100 per-  
6 cent of the aggregate decrease in the credits al-  
7 lowed under section 38 for all prior taxable  
8 years which would have resulted solely from re-  
9 ducing to zero any credit determined under sec-  
10 tion 46 which is attributable to the United  
11 States Vessel Investment credit under section  
12 48F(a) with respect to such property.

13 “(B) EXCEPTION.—Subparagraph (A)  
14 shall not apply if the applicable taxpayer dem-  
15 onstrates to the satisfaction of the Secretary  
16 and the Maritime Administrator that the tax-  
17 payer is in compliance with the agreement de-  
18 scribed in section 48F(d)(1)(F) within 30 days  
19 of a determination and notice by the Secretary.

20 “(C) REGULATIONS AND GUIDANCE.—The  
21 Secretary shall issue such regulations or other  
22 guidance as the Secretary determines necessary  
23 or appropriate to carry out the purposes of this  
24 paragraph, including regulations or other guid-  
25 ance which provide for requirements for record-

1 keeping or information reporting for purposes  
 2 of administering the requirements of this para-  
 3 graph.”, and

4 (4) in paragraph (7) (as redesignated by para-  
 5 graph (2))—

6 (A) in subparagraph (C), by striking “or  
 7 (3)” and inserting “(3), or (4)”, and

8 (B) by striking subparagraph (E) and in-  
 9 serting the following:

10 “(E) APPLICABLE TAXPAYER.—For pur-  
 11 poses of this subsection, the term ‘applicable  
 12 taxpayer’ means any taxpayer who has been al-  
 13 lowed—

14 “(i) for purposes of paragraph (3), a  
 15 credit under section 48D(a) for any prior  
 16 taxable year, or

17 “(ii) for purposes of paragraph (6), a  
 18 credit under section 48F(a) for any prior  
 19 taxable year.”.

20 (d) ELECTIVE PAYMENT AND TRANSFER OF CRED-  
 21 IT.—

22 (1) ELECTIVE PAYMENT.—Section 6417 of the  
 23 Internal Revenue Code of 1986 is amended—

24 (A) in subsection (b), by adding at the end  
 25 the following:

1           “(13) The United States Vessel Investment  
2           credit under section 48F.”, and

3                   (B) in subsection (d)(1)—

4                       (i) in subparagraph (E), by striking  
5                       “(C), or (D)” each place it appears and in-  
6                       serting “(C), (D), or (E)”,

7                       (ii) by redesignating subparagraph  
8                       (E) (as amended by clause (i)) as subpara-  
9                       graph (F), and

10                      (iii) by inserting after subparagraph  
11                      (D) the following:

12                      “(E) ELECTION WITH RESPECT TO  
13                      UNITED STATES VESSEL INVESTMENT CRED-  
14                      IT.—If a taxpayer other than an entity de-  
15                      scribed in subparagraph (A) makes an election  
16                      under this subparagraph with respect to any  
17                      taxable year in which such taxpayer has made  
18                      a qualified investment with respect to any quali-  
19                      fied vessel (as defined in section 48F), such  
20                      taxpayer shall be treated as an applicable entity  
21                      for purposes of this section for such taxable  
22                      year, but only with respect to the credit de-  
23                      scribed in subsection (b)(13).”.

1           (2) TRANSFER.—Section 6418(f)(1)(A) of the  
 2           Internal Revenue Code of 1986 is amended by add-  
 3           ing at the end the following:

4                       “(xii) The United States Vessel In-  
 5                       vestment credit under section 48F.”.

6           (e) EXCEPTION RELATING TO ALTERNATIVE TAX ON  
 7           QUALIFYING SHIPPING ACTIVITIES.—Section 1357(c) of  
 8           the Internal Revenue Code of 1986 is amended—

9                       (1) in paragraph (1), by striking “paragraph  
 10                      (2)” and inserting “paragraph (2) or (4)”, and

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

12                     “(4) EXCEPTION FOR UNITED STATES VESSEL  
 13                     INVESTMENT CREDIT.—Paragraph (1) shall not  
 14                     apply with respect to any credit allowed to the tax-  
 15                     payer under section 48F.”.

16           (f) EFFECTIVE DATE.—The amendments made by  
 17           this section shall apply to property placed in service after  
 18           December 31, 2024.

19   **SEC. 703. CERTAIN PAYMENTS FOR MARITIME SECURITY**  
 20                       **EXCLUDED FROM GROSS INCOME.**

21           (a) IN GENERAL.—Part III of subchapter B of chap-  
 22           ter 1 of the Internal Revenue Code of 1986 is amended  
 23           by inserting after section 139I the following new sub-  
 24           section:



1 **“SEC. 139J. MARITIME SECURITY PAYMENTS.**

2 “(a) IN GENERAL.—Gross income shall not include  
3 any payment made pursuant to—

4 “(1) section 53106 of title 46, United States  
5 Code,

6 “(2) section 53801 of such title,

7 “(3) section 53206 of such title,

8 “(4) section 53406 of such title,

9 “(5) section 53604 of such title,

10 “(6) section 54101 of such title, or

11 “(7) section 54301 of such title.

12 “(b) DENIAL OF DOUBLE BENEFIT.—No deduction  
13 or credit shall be allowed for, or by reason of, any expendi-  
14 ture to the extent of the amount excluded under sub-  
15 section (a) for any payment which was provided with re-  
16 spect to such expenditure. The adjusted basis of any prop-  
17 erty shall be reduced by the amount excluded under sub-  
18 section (a) which was provided with respect to such prop-  
19 erty.”.

20 (b) CLERICAL AMENDMENT.—The table of sections  
21 for part III of subchapter B of chapter 1 of such Code  
22 is amended by inserting after the item relating to section  
23 139I the following new item:

“Sec. 139J. Maritime security payments.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

4 **SEC. 704. ELIMINATION OF 30-DAY LIMITATION ON DOMES-**  
5 **TIC OPERATIONS.**

6 (a) IN GENERAL.—Section 1355 of the Internal Rev-  
7 enue Code of 1986 is amended—

8 (1) in subsection (f), by striking paragraph (4),  
9 and

10 (2) in subsection (g)(2), by striking subpara-  
11 graph (D).

12 (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 the date of enactment of this Act.

15 **SEC. 705. QUALIFYING SHIPPING ACTIVITIES.**

16 Section 1356(b) of the Internal Revenue Code of  
17 1986 (relating to qualifying shipping activities) is amend-  
18 ed by striking “activities in operating” and inserting “the  
19 carriage of goods (as defined in section 1 of the Carriage  
20 of Goods by Sea Act (46 U.S.C. 30701 note)) by”.

21 **SEC. 706. QUALIFYING VESSEL.**

22 Section 1355(a) of the Internal Revenue Code of  
23 1986 is amended—

24 (1) by striking paragraph (4) and inserting the  
25 following:

1           “(4) QUALIFYING VESSEL.—The term ‘quali-  
2       fying vessel’ means a vessel which is—

3           “(A) self-propelled (or a combination self-  
4       propelled and non-self-propelled),

5           “(B) a United States flag vessel or a  
6       United States-owned foreign flag vessel,

7           “(C) not less than 6,000 deadweight tons,  
8       and

9           “(D) used exclusively in the United States  
10      foreign trade during the period that the election  
11      under this subchapter is in effect.”, and

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

13      “(8) UNITED STATES-OWNED FOREIGN FLAG  
14      VESSEL.—The term ‘United States-owned foreign  
15      flag vessel’ means any vessel which—

16      “(A) is documented under the laws of a  
17      country (other than the United States) or a for-  
18      eign registry which is not a foreign country of  
19      concern (as defined by section 4 of the SHIPS  
20      for America Act of 2024),

21      “(B) is owned by a person which—

22      “(i)(I) is a citizen of the United  
23      States (as determined under section 50501  
24      of title 46, United States Code), or

1 “(II) is controlled (within the meaning  
 2 of section 954(d)(3)) by a citizen of the  
 3 United States (as so determined), and

4 “(ii) owns a fleet of United States  
 5 flag vessels, and

6 “(C) has in effect a Voluntary Intermodal  
 7 Sealift Agreement or Voluntary Tanker Agree-  
 8 ment with the Maritime Administrator.”.

9 **SEC. 707. CREDIT FOR CONSTRUCTION OF SHIPYARD FA-**  
 10 **CILITIES.**

11 (a) IN GENERAL.—Subpart E of part IV of sub-  
 12 chapter A of chapter 1 of the Internal Revenue Code of  
 13 1986, as amended by section 702(a), is amended by insert-  
 14 ing after section 48F the following new section:

15 **“SEC. 48G. CREDIT FOR CONSTRUCTION OF SHIPYARD FA-**  
 16 **CILITIES.**

17 “(a) IN GENERAL.—For purposes of section 46, the  
 18 shipyard investment tax credit for any taxable year is an  
 19 amount equal to 25 percent of the qualified investment  
 20 for such taxable year with respect to any qualified ship-  
 21 yard facility of a taxpayer described in section 48D(c)(1).

22 “(b) QUALIFIED INVESTMENT.—

23 “(1) IN GENERAL.—For purposes of subsection  
 24 (a), the qualified investment with respect to any  
 25 qualified shipyard facility for any taxable year is the

1 basis of any qualified property placed in service by  
2 the taxpayer during such taxable year which is part  
3 of a qualified shipyard facility.

4 “(2) QUALIFIED PROPERTY.—The term ‘quali-  
5 fied property’ shall have the same meaning given  
6 such term in section 48D(b)(2), except that subpara-  
7 graph (A)(iv) of such section shall be applied by sub-  
8 stituting ‘qualified shipyard facility’ for ‘advanced  
9 manufacturing facility’.

10 “(3) QUALIFIED SHIPYARD FACILITY.—For  
11 purposes of this section, the term ‘qualified shipyard  
12 facility’ means a facility—

13 “(A) which is located within the United  
14 States (including any territory or possession of  
15 the United States), and

16 “(B) for which the primary purpose is—

17 “(i) constructing or repairing commer-  
18 cial or military oceangoing vessels,

19 “(ii) manufacturing components which  
20 are critical (as determined by the Sec-  
21 retary, in consultation with the Secretary  
22 of the Navy and the Maritime Adminis-  
23 trator) to the operation of commercial or  
24 military oceangoing vessels, or

1                   “(iii) manufacturing equipment which  
2                   is used to produce or repair commercial or  
3                   military oceangoing vessels.

4                   “(4) CERTAIN PROGRESS EXPENDITURE RULES  
5                   MADE APPLICABLE.—Rules similar to the rules of  
6                   subsections (c)(4) and (d) of section 46 (as in effect  
7                   on the day before the date of the enactment of the  
8                   Revenue Reconciliation Act of 1990) shall apply for  
9                   purposes of subsection (a).

10                  “(c) DENIAL OF DOUBLE BENEFIT.—This section  
11                  shall not apply to any property placed in service by the  
12                  taxpayer during the taxable year if a credit was allowed  
13                  under section 48F to such taxpayer during such taxable  
14                  year.

15                  “(d) REGULATIONS.—The Secretary shall issue such  
16                  regulations or other guidance as may be necessary or ap-  
17                  propriate to carry out the purposes of this section.

18                  “(e) TERMINATION OF CREDIT.—The credit allowed  
19                  under this section shall not apply to property placed in  
20                  service after December 31, 2031.”.

21                  (b) CONFORMING AMENDMENTS.—

22                         (1) Section 46 of the Internal Revenue Code of  
23                         1986, as amended by section 702(b)(1), is amend-  
24                         ed—

1 (A) in paragraph (7), by striking “and” at  
2 the end,

3 (B) in paragraph (8), by striking the pe-  
4 riod at the end and inserting “, and”, and

5 (C) by adding at the end the following:

6 “(9) the shipyard investment tax credit.”.

7 (2) Section 49(a)(1)(C) of such Code, as  
8 amended by section 702(b)(2), is amended—

9 (A) in clause (viii), by striking “and” at  
10 the end,

11 (B) in clause (ix), by striking the period at  
12 the end and inserting “, and”, and

13 (C) by adding at the end the following:

14 “(x) the basis of any qualified prop-  
15 erty (as defined in subsection (b)(2) of sec-  
16 tion 48G) which is part of a qualified ship-  
17 yard facility (as defined in subsection  
18 (b)(3) of such section).”.

19 (3) Section 50(a)(2)(E) of such Code, as  
20 amended by section 13702(b) of Public Law 117–  
21 169, is amended by striking “or 48E(e)” and insert-  
22 ing “48E(e), or 48G(b)(4)”.

23 (4) The table of sections for subpart E of part  
24 IV of subchapter A of chapter 1 of such Code, as  
25 amended by section 702(b)(3), is amended by insert-

1       ing after the item relating to section 48F the fol-  
 2       lowing new item:

“Sec. 48G. Shipyard investment tax credit.”.

3       (c) ELECTIVE PAYMENT AND TRANSFER OF CRED-  
 4 IT.—

5           (1) ELECTIVE PAYMENT.—Section 6417 of the  
 6 Internal Revenue Code of 1986, as amended by sec-  
 7 tion 702, is amended—

8           (A) in subsection (b), by adding at the end  
 9 the following:

10          “(14) The shipyard investment tax credit under  
 11 section 48G.”, and

12          (B) in subsection (d)(1)—

13           (i) in subparagraph (F), by striking  
 14 “(D), or (E)” each place it appears and in-  
 15 serting “(D), (E), or (F)”,

16           (ii) by redesignating subparagraph  
 17 (F) (as amended by clause (i)) as subpara-  
 18 graph (G), and

19           (iii) by inserting after subparagraph  
 20 (E) the following:

21          “(F) ELECTION WITH RESPECT TO THE  
 22 SHIPYARD INVESTMENT TAX CREDIT.—If a tax-  
 23 payer other than an entity described in sub-  
 24 paragraph (A) makes an election under this  
 25 subparagraph with respect to any taxable year



1 in which such taxpayer has placed in service  
 2 any qualified property which is part of a quali-  
 3 fied shipyard facility (as defined in section  
 4 48G), such taxpayer shall be treated as an ap-  
 5 plicable entity for purposes of this section for  
 6 such taxable year, but only with respect to the  
 7 credit described in subsection (b)(14).”.

8 (2) TRANSFER.—Section 6418(f)(1)(A) of the  
 9 Internal Revenue Code of 1986, as amended by sec-  
 10 tion 702, is amended by adding at the end the fol-  
 11 lowing:

12 “(xiii) The shipyard investment tax  
 13 credit under section 48G.”.

14 (d) EXCEPTION RELATING TO ALTERNATIVE TAX ON  
 15 QUALIFYING SHIPPING ACTIVITIES.—Paragraph (4) of  
 16 section 1357(c) of the Internal Revenue Code of 1986, as  
 17 added by section 702(e), is amended to read as follows:

18 “(4) EXCEPTION FOR UNITED STATES VESSEL  
 19 INVESTMENT CREDIT AND SHIPYARD INVESTMENT  
 20 TAX CREDIT.—Paragraph (1) shall not apply with  
 21 respect to any credit allowed to the taxpayer under  
 22 section 48F or 48G.”.

23 (e) EFFECTIVE DATE.—The amendments made by  
 24 this section shall apply to property placed in service after  
 25 December 31, 2024.

1 **SEC. 708. TAX INCENTIVES RELATING TO MERCHANT MA-**  
 2 **RINE CAPITAL CONSTRUCTION FUNDS.**

3 (a) IN GENERAL.—Section 7518 of the Internal Rev-  
 4 enue Code of 1986 is amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (1) and insert-  
 7 ing the following:

8 “(1) IN GENERAL.—The amount deposited in a  
 9 fund established under chapter 535 of title 46 of the  
 10 United States Code (hereinafter in this section re-  
 11 ferred to as a ‘capital construction fund’) for a tax-  
 12 able year may not exceed the amount specified in the  
 13 agreement under section 53503(a) of such title,  
 14 which shall be an amount that is related to a com-  
 15 mitment to invest the revenue from the capital con-  
 16 struction fund into funding the construction of new  
 17 vessels or funding cargo handling equipment.”,

18 (B) in paragraph (2), by striking “para-  
 19 graph (1)(B)” each place it appears and insert-  
 20 ing “paragraph (1)”, and

21 (C) by adding at the end the following new  
 22 paragraph:

23 “(4) REVENUE.—For the purposes of para-  
 24 graph (1), the revenue from the capital construction  
 25 fund may include—

1           “(A) income attributable to the operation  
2           of any agreement vessel in foreign commerce or  
3           domestic trade or fisheries or the operation of  
4           a marine terminal in the United States,

5           “(B) the net proceeds from the disposition  
6           of an agreement vessel or cargo handling equip-  
7           ment or insurance or indemnity attributable to  
8           the vessel or cargo handling equipment,

9           “(C) the receipts from the investment or  
10          reinvestment of amounts held in the fund, and

11          “(D) the amount allowable as a deduction  
12          under section 167 for the taxable year with re-  
13          spect to the agreement vessels or cargo han-  
14          dling equipment.”,

15          (2) in subsection (b)(2), by striking “Amounts  
16          in any capital construction fund” and all that fol-  
17          lows through “(not in excess of 60 percent)” and in-  
18          serting “An agreed percentage”,

19          (3) in subsection (e)—

20                 (A) by striking paragraph (1) and insert-  
21                 ing the following:

22                 “(1) IN GENERAL.—A qualified withdrawal  
23                 from the fund is one made in accordance with the  
24                 terms of the agreement but only if it is for—

1           “(A) the acquisition, construction,  
2 repowering, or reconstruction of—

3           “(i) a qualified vessel or a barge or  
4 container that is part of the complement of  
5 a qualified vessel, or

6           “(ii) cargo handling equipment, or

7           “(B) the payment of the principal on in-  
8 debtedness incurred in the acquisition, con-  
9 struction, repowering, or reconstruction of—

10           “(i) a qualified vessel or a barge or  
11 container that is part of the complement of  
12 a qualified vessel, or

13           “(ii) cargo handling equipment.

14 Except to the extent provided in regulations  
15 prescribed by the Secretary, subparagraph (A),  
16 and so much of subparagraph (B) as relates  
17 only to barges and containers, shall apply only  
18 with respect to barges and containers con-  
19 structed in the United States.”,

20           (B) by redesignating paragraph (2) as  
21 paragraph (4), and

22           (C) by inserting after paragraph (1) the  
23 following:

24           “(2) FULLY AUTOMATED CARGO HANDLING  
25 EQUIPMENT.—No withdrawals may be made from a

capital construction fund to purchase fully automated cargo handling equipment that is remotely operated or remotely monitored with or without the exercise of human intervention or control, if the Secretary determines such equipment would result in a net loss of jobs within a marine terminal.

“(3) PROHIBITION ON PEOPLE’S REPUBLIC OF CHINA CRANES.—No withdrawals may be made from a capital construction fund to purchase cranes manufactured in the People’s Republic of China.”,

(4) in subsection (f)—

(A) in paragraph (2), by inserting “cargo handling equipment,” after “barge,” both places the term appears,

(B) in paragraph (3), by inserting “cargo handling equipment,” after “barge,” both places the term appears, and

(C) in paragraph (4), by inserting “cargo handling equipment,” after “barges,”

(5) in subsection (g)—

(A) in the flush matter at the end of paragraph (2), by inserting “cargo handling equipment,” after “advanced”, and

(B) in paragraph (5)(A)—

1 (i) in the heading, by striking “25  
2 YEARS” and inserting “15 YEARS”,

3 (ii) by striking “26th, 27th, 28th,  
4 29th, or 30th taxable year” and inserting  
5 “following specified taxable year”, and

6 (iii) by striking the table contained  
7 therein and inserting the following:

<b>“If the amount remains in the fund at the close of the-</b>		<b>The applicable percentage is-</b>
16th taxable year .....	20	percent
17th taxable year .....	40	percent
18th taxable year .....	60	percent
19th taxable year .....	80	percent
20th taxable year .....	100	percent”

8 and

9 (6) in subsection (i), by striking “as in effect on  
10 the date of the enactment of this section”.

11 (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2024.

14 **SEC. 709. EXEMPTION OF STUDENT INCENTIVE PAYMENT**  
15 **AGREEMENTS FROM GROSS INCOME.**

16 (a) IN GENERAL.—Part III of subchapter B of chap-  
17 ter 1 of the Internal Revenue Code of 1986, as amended  
18 by section 703, is further amended by inserting after sec-  
19 tion 139J the following new section:

20 **“SEC. 139K. STUDENT INCENTIVE PAYMENT AGREEMENTS.**

21 “In the case of an individual who has entered into  
22 an agreement described in section 51509 of title 46,

1 United States Code, gross income does not include any  
 2 student incentive payments made to such individual pursu-  
 3 ant to such agreement.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
 5 for part III of subchapter B of chapter 1 of the Internal  
 6 Revenue Code of 1986, as amended by section 703, is fur-  
 7 ther amended by inserting after the item relating to sec-  
 8 tion 139J the following new item:

“Sec. 139K. Student incentive payment agreements.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply with respect to payments made  
 11 after December 31, 2024.

12 **SEC. 710. MARITIME FUEL TAX PARITY.**

13 Section 4041(g) of the Internal Revenue Code of  
 14 1986 is amended by adding at the end the following new  
 15 sentence: “For purposes of subsection (a)(2), the exemp-  
 16 tion under paragraph (1) shall also apply to fuel sold for  
 17 use or used by a vessel which is both described in section  
 18 4042(c)(1) and actually engaged in trade between the At-  
 19 lantic (including the Gulf of Mexico) or Pacific ports of  
 20 the United States (including any territory or possession  
 21 of the United States).”.

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