

**AMENDMENT TO RULES COMMITTEE PRINT 119-**

**33**

**OFFERED BY MR. EZELL OF MISSISSIPPI**

Strike section 3522 and insert the following:

1 **SEC. 3522. FEDERAL SHIP FINANCING PROGRAM IMPROVE-**  
2 **MENTS.**

3 (a) Section 53701 of title 46, United States Code,  
4 is amended—

5 (1) in paragraph (3), by inserting “retrofitting,  
6 reconfiguration, or similar work, as well as” after  
7 “include”;

8 (2) by redesignating paragraphs (5), (6), and  
9 (7) as paragraphs (7), (8), and (10) respectively and  
10 redesignating paragraphs (8) through (15) as para-  
11 graphs (12) through (19) respectively;

12 (3) by inserting after paragraph (4) the fol-  
13 lowing:

14 “(5) ELIGIBLE EXPORT VESSEL.—The term ‘el-  
15 ible export vessel’ means a vessel that—

16 “(A) is constructed, reconstructed, or re-  
17 conditioned in the United States for use in  
18 world-wide trade; and

1           “(B) will, on delivery or redelivery, become  
2           or remain documented under the laws of a  
3           country other than the United States.

4           “(6) FISHING.—The term ‘fishing’ has the  
5           meaning given such term in section 3 of the Magnu-  
6           son-Stevens Fishery Conservation and Management  
7           Act (16 U.S.C. 1802).”;

8           (4) by inserting after paragraph (8), as redesign-  
9           nated by paragraph (2), the following new para-  
10          graph:

11          “(9) GENERAL SHIPYARD FACILITY.—The term  
12          ‘general shipyard facility’ means—

13                 “(A) for operations on land—

14                         “(i) a structure or appurtenance  
15                         thereto designed for the construction, re-  
16                         construction, repair, rehabilitation, or re-  
17                         furbishment of a vessel, including a grav-  
18                         ing dock, building way, ship lift, wharf, or  
19                         pier crane;

20                         “(ii) the land necessary for the struc-  
21                         ture or appurtenance; and

22                         “(iii) equipment that is for use with  
23                         the structure or appurtenance and that is  
24                         necessary for performing a function re-  
25                         ferred to in clause (i); and

1           “(B) for operations not on land, a vessel,  
2           floating drydock, or barge built in the United  
3           States and used for, equipped to be used for, or  
4           of a type normally used for, performing a func-  
5           tion referred to in subparagraph (A)(i).”; and

6           (5) by inserting after paragraph (10), as redes-  
7           ignated by paragraph (2), the following new para-  
8           graph:

9           “(11) MODERN SHIPBUILDING TECHNOLOGY.—  
10          The term ‘modern shipbuilding technology’ means  
11          the best available proven technology, techniques, and  
12          processes appropriate to enhancing the productivity  
13          of shipyards, including engineering design, quality  
14          assurance, concurrent engineering, continuous proc-  
15          ess production technology, energy efficiency, waste  
16          minimization, design for recyclability or parts reuse,  
17          inventory management, upgraded worker skills, and  
18          communications with customers and suppliers.”; and

19          (6) in paragraph (15), as so redesignated, by  
20          inserting “used” before “fishing vessels”.

21          (b) Section 53702(b) of title 46, United States Code,  
22          is amended—

23                 (1) in the subsection heading by striking “DI-  
24                 RECT LOANS FOR FISHERIES” and inserting “DI-  
25                 RECT LOANS”;

1           (2) in paragraph (1) by inserting “used” before  
2           “fishing vessel”; and

3           (3) in paragraph (4) by striking “the purpose  
4           of” and all that follows through “financing the pur-  
5           chase” and inserting “the purpose of financing the  
6           purchase”.

7           (c) Section 53703 of title 46, United States Code,  
8 is amended—

9           (1) in subsection (a)—

10           (A) in paragraph (1), by striking “signed  
11           application” and inserting “completed applica-  
12           tion”;

13           (B) by striking paragraph (2) and insert-  
14           ing the following:

15           “(2) ADDITIONAL INFORMATION.—

16           “(A) The Secretary or the Administrator  
17           may—

18           “(i) request from an applicant addi-  
19           tional information required to complete the  
20           review of an application; and

21           “(ii) establish a deadline for the appli-  
22           cant to provide such information.

23           “(B) If the applicant does not respond to  
24           the request for additional information, the Sec-  
25           retary or Administrator may—

1 “(i) notify the applicant that proc-  
2 essing of the application will be suspended  
3 until the additional information is received;  
4 and

5 “(ii) toll the time for the decision.”;  
6 and

7 (2) in subsection (c), by amending paragraph  
8 (1)(D) to read as follows:

9 “(D) recommend financial covenants or fi-  
10 nancial ratios to be met by the applicant during  
11 the time a guarantee under this chapter is out-  
12 standing that are—

13 “(i) based on the financial covenants  
14 or financial ratios that are then applicable  
15 to the obligor under private sector credit  
16 agreements, if any; or

17 “(ii) in lieu of other financial cov-  
18 enants appropriate to the obligor under  
19 this chapter when evaluating the risks of  
20 the project for compliance with the require-  
21 ments of section 53708 of this title; and”.

22 (d) Section 53704 of title 46, United States Code,  
23 is amended—

1 (1) in subsection (a), by striking the second  
2 sentence and inserting the following: “Of that  
3 amount

4 “(1) \$850,000,000 shall be limited to obliga-  
5 tions by the Secretary related to fishing facilities  
6 and used vessels; and

7 “(2) \$3,000,000,000 shall be limited to obliga-  
8 tions related to eligible export vessels.”; and

9 (2) in subsection (c)(4)—

10 (A) in subparagraph (I) by striking “;  
11 and” and inserting a semicolon;

12 (B) in subparagraph (J) by striking the  
13 period at the end and inserting “; and”; and

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

15 “(K) if applicable, the country risk for  
16 each eligible export vessel financed or to be fi-  
17 nanced by an obligation.”.

18 (e) Section 53706(a) of title 46, United States Code,  
19 is amended—

20 (1) in paragraph (1)(A)—

21 (A) by striking “Financing (including re-  
22 imbursement of an obligor for expenditures pre-  
23 viously made for) the construction, reconstruc-  
24 tion, or reconditioning, of a vessel” and insert-  
25 ing “Financing, including reimbursement of an

1 obligor for expenditures previously made for,  
2 the construction, reconstruction, reconditioning,  
3 or purchase of a vessel (including an eligible ex-  
4 port vessel)”;

5 (B) in clause (iv) by striking the last “or”;

6 (C) in clause (v) by striking the period;

7 and

8 (D) by adding at the end the following:

9 “(vi) as an eligible export vessel in  
10 worldwide trade; or

11 “(vii) in the fishing industry or sea-  
12 food related trade.”; and

13 (2) by striking paragraph (8).

14 (f) Section 53707 of title 46, United States Code, is  
15 amended—

16 (1) in subsection (b) by striking “construction,  
17 reconstruction, or reconditioning” and inserting  
18 “construction, reconstruction, reconditioning, or pur-  
19 chase”; and

20 (2) in subsection (c) by inserting “or Adminis-  
21 trator” after “Secretary”.

22 (g) Section 53708 of title 46, United States Code,  
23 is amended—

24 (1) in subsection (c)—

25 (A) in the subsection heading—

1 (i) by striking “FISHING”; and

2 (ii) by inserting “FISHING” before  
3 “FACILITIES”; and

4 (B) by amending paragraph (1) to read as  
5 follows:

6 “(1) in the case of a used vessel, reconstructed  
7 or reconditioned in the United States and will con-  
8 tribute to the development of the United States com-  
9 mercial shipbuilding or fishing industries; or”; and

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

11 “(f) LIMITATION.—The Administrator may not guar-  
12 antee or make a commitment to guarantee an obligation  
13 under this chapter if the Secretary determines such guar-  
14 antee or commitment is inconsistent with the wise use of  
15 the fisheries resources and the development, advancement,  
16 management, conservation, and protection of the fisheries  
17 resources consistent with the Magnuson Stevens Fishery  
18 Conservation and Management Act (16 U.S.C. 1801 et  
19 seq.).”.

20 (h) Section 53709 of title 46, United States Code,  
21 is amended—

22 (1) by amending subsection (b) to read as fol-  
23 lows:

24 “(b) LIMITATION ON AMOUNT BORROWED.—Except  
25 as otherwise provided, the principal amount of an obliga-

1 tion guaranteed under this chapter may not exceed 87.5  
2 percent of the actual cost or depreciated actual cost, as  
3 determined by the Secretary or Administrator, of the ves-  
4 sel used as security for the guarantee.”; and

5 (2) in subsection (e) by inserting “or Adminis-  
6 trator” after “Secretary”.

7 (i) Section 53107(a)(4)(A) of title 46, United States  
8 Code, is amended by inserting “or, in the case of an eligi-  
9 ble export vessel, of the appropriate foreign authorities  
10 under a treaty, convention, or other international agree-  
11 ment to which the United States is a party” after “Coast  
12 Guard”.

13 (j) Section 53714(b) of title 46, United States Code,  
14 is amended by adding at the end the following:

15 “(6) FEES IN EXCESS OF THE COST OF A  
16 PROJECT.—For projects where the minimum per-  
17 centage rate calculated under paragraph (5) exceeds  
18 the cost of a project required by section 53704(c) of  
19 this title and section 502 of the Federal Credit Re-  
20 form Act of 1990 (2 U.S.C. 661a) such minimum  
21 percentage rate may be reduced to not exceed the  
22 cost of the project.”.

23 (k) Section 53715 of title 46, United States Code,  
24 is amended—

1           (1) in subsection (a)(1)(B), by deleting “75  
2           percent or 87.5 percent, whichever is applicable  
3           under section 53709(b) of this title,” and inserting  
4           “the percent applicable under section 53709(b)”;  
5           and

6           (2) in subsection (e)(1)(A)(ii), by deleting “75  
7           percent or 87.5 percent, whichever is applicable  
8           under section 53709(b) of this title,” and inserting  
9           “the percent applicable under section 53709(b)”.

10          (l) Section 53723 of title 46, United States Code, is  
11          amended—

12           (1) in subsection (a) by striking “shall be paid  
13           in cash.” and inserting the following: “shall be—

14           “(1) paid in cash; and

15           “(2) include any applicable principal, interest,  
16           capitalized interest, premium, and late charges, if  
17           the obligation is held by the Federal Financing  
18           Bank.”;

19           (2) by redesignating subsections (b) through (d)  
20           as subsections (c) through (e), respectively; and

21           (3) by inserting after subsection (a) the fol-  
22           lowing:

23           “(b) SUBROGATION.—If the Secretary or the Admin-  
24           istrator makes a payment under this section, the Secretary  
25           or the Administrator shall be subrogated to the rights of

1 the recipient of the payment as specified in the guarantee  
2 or related agreements.”.

3 (m) Section 53733 of title 46, United States Code,  
4 is amended—

5 (1) by striking subsection (a) and redesignating  
6 subsections (b) through (e) as subsections (a)  
7 through (d), respectively;

8 (2) in subsection (a), as so redesignated,—

9 (A) by striking “advanced shipbuilding  
10 technology and modern shipbuilding tech-  
11 nology” and inserting “shipyard capital im-  
12 provements, including infrastructure and mod-  
13 ern shipbuilding technology,”; and

14 (B) by striking “Only a private shipyard is  
15 eligible to receive a guarantee” and inserting  
16 “To be eligible to receive a guarantee the obli-  
17 gor must have the authority to modify the gen-  
18 eral shipyard facility”;

19 (3) in subsection (c), as so redesignated, by  
20 striking “advanced shipbuilding technology” and in-  
21 serting “shipyard capital improvements, infrastruc-  
22 ture,”; and

23 (4) by inserting the following new subsection  
24 (e):

1 “(e) Made in America—The Administrator must ex-  
2 clude foreign components from a project eligible for a  
3 guarantee under this section, unless the Administrator  
4 grants a waiver based on non-availability of such foreign  
5 components due to timely availability, sufficient quality,  
6 or price competitive basis.”; and

7 (5) by striking subsection (f).

8 (n) Section 53734 of title 46, United States Code,  
9 is amended—

10 (1) in subsection (a)(1) by inserting “fishing, or  
11 other seafood related,” before “coastwise, inter-  
12 coastal, or foreign trade”;

13 (2) in subsection (b)(2) by striking “construc-  
14 tion or reconstruction of the vessel” and inserting  
15 “construction or refinancing and reconstruction of  
16 the vessel”; and

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

18 “(f) APPLICABILITY.—Guarantees made under sub-  
19 section (a) for the construction or refinancing and recon-  
20 struction of a vessel designed and to be used in fishing  
21 or seafood related trade shall be made only with funds,  
22 including funds for the cost of guaranteed loans, appro-  
23 priated on or after the date of enactment of the National  
24 Defense Authorization Act for Fiscal Year 2026.”.

1           (o) ELIGIBILITY.—Notwithstanding any require-  
2 ments that such vessel be reconstructed, reconditioned, or  
3 repaired to qualify for a guarantee of an obligation, for  
4 a period of 2 years after the date of enactment of this  
5 Act, a fishing vessel greater than 79 feet overall in length  
6 built and documented after January 1, 2021, shall be eli-  
7 gible for a guarantee of an obligation from the Adminis-  
8 trator under chapter 537 of title 46, United States Code.

9           (p) SAVINGS CLAUSE.—Nothing in this section, or  
10 the amendments made by this section, shall limit the au-  
11 thority of the Secretary of Commerce to provide direct  
12 loan obligations authorized by section 211(e) of the Amer-  
13 ican Fisheries Act (Public Law 105-277).

14           (q) REPEAL IN NATIONAL DEFENSE AUTHORIZA-  
15 TION ACT.—Sections 3506(i)(2) and 3506(1)(2) of the  
16 National Defense Authorization Act of Fiscal Year 2020  
17 (Public Law 116-92) are repealed, and the provisions of  
18 law that were repealed or amended by these sections are  
19 reenacted and amended, respectively, to read as if such  
20 sections were not enacted.

At the end of title XXXV, add the following:

1       **Subtitle D—Maritime Workforce**  
2                                   **and Education**

3       **SEC. 35\_\_\_ . COMMERCIAL SHIPBUILDING INFRASTRUC-**  
4                                   **TURE PROGRAM.**

5           Section 54101 of title 46, United States Code, is  
6 amended to read as follows:

7       **“§ 54101. Commercial shipbuilding infrastructure**  
8                                   **program**

9           “(a) ESTABLISHMENT.—

10                   “(1) IN GENERAL.—Subject to the availability  
11 of appropriations, the Maritime Administrator shall  
12 carry out a program to provide financial assistance  
13 to shipyards for the purposes described in subsection  
14 (c).

15                   “(2) GOAL.—The goal of the program shall be  
16 to fund eligible projects that will foster technical  
17 skills and operational productivity relating to ship-  
18 building, ship repair, and associated industries.

19           “(b) GRANT AUTHORITY.—

20                   “(1) IN GENERAL.—In carrying out the pro-  
21 gram, the Maritime Administrator shall make grants  
22 to eligible applicants, on a competitive basis, in ac-  
23 cordance with this section.

24                   “(2) ADMINISTRATIVE COSTS.—Not more than  
25 2 percent of amounts made available to carry out

1 the program authorized by this section may be used  
2 for necessary costs of administration of the program  
3 authorized by this section.

4 “(3) AVAILABILITY.—

5 “(A) IN GENERAL.—Amounts appropriated  
6 to make grants for shipyards under this section  
7 shall remain available until expended.

8 “(B) REUSE OF UNEXPENDED GRANT  
9 FUNDS.—Amounts awarded as a grant under  
10 this section that are not expended by the grant-  
11 ee during the 5-year period following the date  
12 of the award or that are returned shall remain  
13 available to the Maritime Administrator for use  
14 for grants under this section in a subsequent  
15 fiscal year.

16 “(4) AWARDS.—In providing assistance under  
17 this section, the Maritime Administrator shall not  
18 select an applicant for more than one award for the  
19 same fiscal year.

20 “(5) AMOUNT.—For grants other than those  
21 awarded under subsection (i), the minimum award  
22 size shall be \$30,000,000.

23 “(6) PROHIBITED USES.—A maritime training  
24 center that has received funds awarded under sec-  
25 tion 51706 of title 46, United States Code, shall not

1 be eligible for grants under this section for training  
2 purposes in the same fiscal year.

3 “(c) ELIGIBLE PROJECTS.—Assistance provided  
4 under this section may be used to—

5 “(1) make capital and related improvements to  
6 shipyards owned or operated by eligible applicants;  
7 and

8 “(2) provide training for workers in ship-  
9 building, ship repair, and associated industries.

10 “(d) ELIGIBLE APPLICANTS.—To be eligible for fi-  
11 nancial assistance pursuant to this section, an applicant  
12 shall—

13 “(1) have authority as owner or operator of the  
14 shipyard facility to carry out the proposed project as  
15 required by subsection (j); and

16 “(2) be the owner or operator of a shipyard fa-  
17 cility in a single geographic location in the United  
18 States that—

19 “(A) constructs, repairs, or reconfigures  
20 vessels 40 feet in length or more for commercial  
21 or government use; or

22 “(B) constructs, repairs, or reconfigures  
23 vessels 100 feet in length or more for non-  
24 commercial vessels.

25 “(e) BUY AMERICA.—

1           “(1) IN GENERAL.—Subject to paragraph (2),  
2           the Maritime Administrator shall not obligate funds  
3           under this section, unless each product and material  
4           purchased with those funds (including products and  
5           materials purchased by a grantee), and including  
6           any commercially available off-the-shelf item, is—

7                   “(A) an unmanufactured article, material,  
8                   or supply that has been mined or produced in  
9                   the United States; or

10                   “(B) a manufactured article, material, or  
11                   supply that has been manufactured in the  
12                   United States substantially all from articles,  
13                   materials, or supplies mined, produced, or man-  
14                   ufactured in the United States.

15           “(2) EXCEPTIONS.—

16                   “(A) IN GENERAL.—Notwithstanding para-  
17                   graph (1), the requirements of that paragraph  
18                   shall not apply with respect to a particular  
19                   product or material if the Administrator deter-  
20                   mines—

21                           “(i) that the application of those re-  
22                           quirements would be inconsistent with the  
23                           public interest;

24                           “(ii) that such product or material is  
25                           not available in the United States in suffi-

1           cient and reasonably available quantities,  
2           of a satisfactory quality, or on a timely  
3           basis; or

4           “‘(iii) that inclusion of a domestic  
5           product or material will increase the cost  
6           of that product or material by more than  
7           25 percent, with respect to a certain con-  
8           tract between a grantee and that grantee’s  
9           supplier.

10          “(B) FEDERAL REGISTER.—A determina-  
11          tion made by the Administrator under this sub-  
12          paragraph shall be published in the Federal  
13          Register.

14          “(3) DEFINITIONS.—In this subsection:

15          “(A) COMMERCIALLY AVAILABLE OFF-THE-  
16          SHELF ITEM.—The term ‘commercially avail-  
17          able off-the-shelf item’ means—

18                 “(i) any item of supply (including con-  
19                 struction material) that is—

20                         “(I) a commercial product, as de-  
21                         fined by section 2.101 of title 48,  
22                         Code of Federal Regulations (as in ef-  
23                         fect on the date of the enactment of  
24                         this Act); and

1                   “(II) sold in substantial quan-  
2                   tities in the commercial marketplace;  
3                   and

4                   “(ii) does not include bulk cargo, as  
5                   defined in section 40102(4) of this title,  
6                   such as agricultural products and petro-  
7                   leum products.

8                   “(B) PRODUCT OR MATERIAL.—The term  
9                   ‘product or material’ means an article, material,  
10                  or supply brought to the site by the recipient  
11                  for incorporation into the building, work, or  
12                  project. The term also includes an item brought  
13                  to the site preassembled from articles, mate-  
14                  rials, or supplies. However, emergency life safe-  
15                  ty systems, such as emergency lighting, fire  
16                  alarm, and audio evacuation systems, that are  
17                  discrete systems incorporated into a public  
18                  building or work and that are produced as com-  
19                  plete systems, are evaluated as a single and dis-  
20                  tinct construction material regardless of when  
21                  or how the individual parts or components of  
22                  those systems are delivered to the construction  
23                  site.

24                  “(C) UNITED STATES.—The term ‘United  
25                  States’ includes the District of Columbia, the

1 Commonwealth of Puerto Rico, the Northern  
2 Mariana Islands, Guam, American Samoa, and  
3 the Virgin Islands.

4 “(f) SOLICITATION AND APPLICATION.—

5 “(1) NOTICE OF FUNDING OPPORTUNITY.—Not  
6 later than 45 days after the date on which funds are  
7 made available to carry out the program, the Sec-  
8 retary shall publish a notice of funding opportunity  
9 for the funds.

10 “(2) APPLICATIONS.—

11 “(A) IN GENERAL.—To be eligible to re-  
12 ceive a grant under this section, an applicant  
13 shall submit to the Maritime Administrator an  
14 application in such form and containing such  
15 information and assurances as the Maritime  
16 Administrator considers to be appropriate.

17 “(B) CONTENTS.—Such an application  
18 shall include, at minimum, a comprehensive de-  
19 scription of—

20 “(i) the need for the project;

21 “(ii) the methodology for imple-  
22 menting the project; and

23 “(iii) any existing programs or ar-  
24 rangements that can be used to supple-

1                   ment or leverage assistance under the pro-  
2                   gram.

3                   “(3) TIMING OF APPLICATIONS.—To be eligible  
4                   to receive assistance under this section, an applicant  
5                   must submit an application by such date as the Mar-  
6                   itime Administrator may establish.

7                   “(g) PRIMARY SELECTION CRITERIA.—In awarding  
8                   grants under the program, the Maritime Administrator  
9                   shall evaluate the extent to which a project fosters—

10                   “(1) efficiency, competitive operations, quality  
11                   ship construction, repair, and reconfiguration, and  
12                   improves capacity at the shipyard (for capital im-  
13                   provement projects);

14                   “(2) employee skills and enhanced productivity  
15                   related to shipbuilding, ship repair, and associated  
16                   industries (for maritime training program projects);  
17                   and

18                   “(3) improved capacity at the shipyard (for  
19                   projects other than those under subsection (i)).

20                   “(h) ADDITIONAL CONSIDERATIONS.—In selecting  
21                   projects to receive grants under the program, the Mari-  
22                   time Administrator shall give substantial weight to—

23                   “(1) the extent to which the project improves  
24                   safety;

1           “(2) the utilization of non-Federal contribu-  
2           tions;

3           “(3) the utilization of nontraditional financing,  
4           innovative design and construction techniques, or in-  
5           novative technologies;

6           “(4) the extent to which the project supports  
7           critical shipbuilding and ship repair infrastructure  
8           as determined by the Maritime Administrator; and

9           “(5) contributions to geographic diversity  
10          among grant recipients.

11         “(i) ASSISTANCE TO SMALL SHIPYARDS.—

12           “(1) ALLOCATION OF FUNDS.—The Maritime  
13           Administrator shall reserve not less than 25 percent  
14           of the amounts made available for grants under this  
15           section each fiscal year to make grants to eligible  
16           applicants for eligible projects at shipyard facilities  
17           that have 1,200 production employees or fewer in  
18           one geographic location.

19           “(2) LIMITATIONS.—

20           “(A) IN GENERAL.—Grants awarded under  
21           this subsection may not be used to construct  
22           buildings or other physical facilities or to ac-  
23           quire land.

24           “(B) LIMITATION.—Not more than 25 per-  
25           cent of the funds available under this sub-

1 section may be awarded to any small shipyard  
2 in one geographic location that has more than  
3 600 production employees.

4 “(3) PRODUCTION EMPLOYEES.—In this sec-  
5 tion, production employees include eligible applicant  
6 employees directly engaged in repair, construction,  
7 or reconstruction of vessels and does not include—

8 “(A) employees primarily engaged in ad-  
9 ministration, engineering, or support functions;  
10 or

11 “(B) contractors of any kind.

12 “(j) CONDITIONS ON PROVISION OF ASSISTANCE.—  
13 The Maritime Administrator may not award a grant under  
14 this section unless the Maritime Administrator determines  
15 that—

16 “(1) sufficient funding is available to meet the  
17 matching requirements of subsection (l);

18 “(2) the project will be completed without un-  
19 reasonable delay; and

20 “(3) the recipient has authority to carry out the  
21 proposed project.

22 “(k) AWARDS.—

23 “(1) IN GENERAL.—Except as provided in sub-  
24 paragraph (2), not later than 270 days after the  
25 date on which amounts are made available to provide

1 grants under the program for a fiscal year, the Mar-  
2 itime Administrator shall announce the selection of  
3 awards of eligible projects to receive grants in ac-  
4 cordance with this section.

5 “(2) ANNOUNCEMENT.—For projects selected  
6 under subsection (i), the Maritime Administrator  
7 shall announce the selection of awards of eligible  
8 projects not later than 150 days after the date on  
9 which amounts are made available to provide grants  
10 under the program for a fiscal year, in accordance  
11 with this section.

12 “(1) FEDERAL SHARE.—The Federal share of the  
13 cost of an eligible project carried out using a grant pro-  
14 vided under the program shall not exceed 75 percent.

15 “(m) TECHNICAL ASSISTANCE.—

16 “(1) IN GENERAL.—On request of an eligible  
17 applicant that submitted an application for a project  
18 that is not selected to receive a grant under the pro-  
19 gram, the Maritime Administrator shall provide to  
20 the eligible applicant technical assistance and brief-  
21 ings relating to the project.

22 “(2) TREATMENT.—Technical assistance pro-  
23 vided under this paragraph shall not be considered  
24 a guarantee of future selection of the applicable  
25 project under the program.

1       “(n) AUDITS AND EXAMINATIONS.—All grantees  
2 under this section shall maintain such records as the Mari-  
3 time Administrator may require and make such records  
4 available for review and audit by the Maritime Adminis-  
5 trator.

6       “(o) PROCEDURAL SAFEGUARDS.—The Maritime Ad-  
7 ministrator, in consultation with the Office of the Inspec-  
8 tor General, shall issue guidelines to establish appropriate  
9 accounting, reporting, and review procedures to ensure  
10 that—

11           “(1) grant funds are used for the purposes for  
12 which they were made available;

13           “(2) grantees have properly accounted for all  
14 expenditures of grant funds; and

15           “(3) grant funds not used for such purposes  
16 and amounts not obligated or expended are re-  
17 turned.”.

18 **SEC. 35 \_\_\_\_ . DESIGNATION OF CENTERS OF EXCELLENCE**  
19 **FOR DOMESTIC MARITIME WORKFORCE**  
20 **TRAINING AND EDUCATION.**

21 Section 51706(c) of title 46, United States Code, is  
22 amended—

23           (1) in paragraph (1)(A)—

24                   (A) by inserting “or territory of the United  
25 States” after “State”; and

1 (B) in clause (i), by striking “Gulf of Mex-  
2 ico” and inserting “Gulf of America”;

3 (2) in paragraph (1)(B)—

4 (A) in clause (iii), by inserting “or” at the  
5 end;

6 (B) in clause (iv), by striking “or” at the  
7 end; and

8 (C) by striking clause (v);

9 (3) by striking paragraph (2); and

10 (4) by redesignating paragraphs (3) through  
11 (6) as paragraphs (2) through (5), respectively.

12 **SEC. 35 \_\_\_\_ . CIVILIAN MARINER EDUCATION AND DEVELOP-**  
13 **MENT PAYMENTS.**

14 (a) MARINER EDUCATION AND DEVELOPMENT PAY-  
15 MENTS.—Chapter 515 of title 46, United States Code, is  
16 amended by adding at the end the following new section:

17 **“§ 51512. Mariner education development payments**

18 “(a) IN GENERAL.—If a State maritime academy has  
19 an agreement with the Secretary of Transportation under  
20 section 51505 of this title, the Secretary may make an  
21 agreement with a student at the academy who is a citizen  
22 of the United States to make mariner education develop-  
23 ment payments to the State Maritime Academy on behalf  
24 of the individual.

25 “(b) PAYMENTS.—

1           “(1) IN GENERAL.—Payments under an agree-  
2           ment under this section shall be—

3                   “(A) based on the in-state annual cost of  
4           in-state tuition, on-campus room and board,  
5           fees, books, and uniforms at the State maritime  
6           academy the individual is attending;

7                   “(B) paid in amounts as determined by the  
8           Secretary;

9                   “(C) paid in such installments as the Sec-  
10          retary shall determine while the individual is at-  
11          tending the academy; and

12                   “(D) allocated among the State maritime  
13          academies as prescribed by the Secretary.

14           “(2) AUTHORIZED USES.—The payments shall  
15          be used for the cost of tuition, room and board, fees,  
16          books, and uniforms at the academy.

17          “(c) AGREEMENT REQUIREMENTS.—An agreement  
18          under this section—

19                   “(1) may provide for payments for the cost of  
20          tuition, room and board, fees, books, and uniforms  
21          for not more than 4 academic years; and

22                   “(2) shall require the individual to—

23                           “(A) complete the course of instruction at  
24          the academy the individual is attending within  
25          6 years of the date of enrollment;

1           “(B) obtain a merchant mariner credential,  
2           without limitation as to tonnage or horsepower,  
3           from the Coast Guard as an officer in the mer-  
4           chant marine of the United States, accom-  
5           panied by the appropriate national and inter-  
6           national endorsements and certification re-  
7           quired by the Coast Guard for service aboard  
8           vessels on domestic and international voyages,  
9           without limitation, within 3 months of comple-  
10          tion of the course of instruction at the academy  
11          the individual is attending;

12           “(C) for at least 6 years after graduation  
13          from the academy, maintain—

14                   “(i) a valid merchant mariner creden-  
15                   tial, unlimited as to horsepower or ton-  
16                   nage, issued by the Coast Guard as an of-  
17                   ficer in the merchant marine of the United  
18                   States, accompanied by the appropriate na-  
19                   tional and international endorsements and  
20                   certifications required by the Coast Guard  
21                   for service aboard vessels on domestic and  
22                   international voyages, without limitation;

23                   “(ii) a valid transportation worker  
24                   identification credential; and

1                   “(iii) a Coast Guard medical certifi-  
2                   cate;

3                   “(D) apply for, and accept if tendered, a  
4                   position commensurate with the obtained mer-  
5                   chant mariner credential, for a period of not  
6                   less than 1 year but not more than 5 years, as  
7                   determined by the Secretary of Transportation  
8                   based on the amount of payments provided  
9                   under this section, as—

10                   “(i) a civil service mariner aboard a  
11                   vessel owned and operated by the Military  
12                   Sealift Command, National Oceanic and  
13                   Atmospheric Administration, United States  
14                   Coast Guard, United States Army Corps of  
15                   Engineers, or other Federal agency;

16                   “(ii) a merchant marine officer aboard  
17                   a Federal vessel owned by the Military  
18                   Sealift Command or the Maritime Admin-  
19                   istration, if the Secretary determines that  
20                   employment under clause (i) is not avail-  
21                   able to the individual;

22                   “(iii) a merchant marine officer on a  
23                   vessel owned and operated by the United  
24                   States Federal Government or by a State  
25                   government of the United States if the

1 Secretary determines that employment  
2 under clauses (i) and (ii) is not available to  
3 the individual;

4 “(iv) a merchant marine officer on a  
5 U.S.-documented commercial oceangoing  
6 vessel if the Secretary determines that em-  
7 ployment under clauses (i), (ii), and (iii) is  
8 not available to the individual;

9 “(v) a merchant marine officer on a  
10 U.S.-documented commercial vessel that is  
11 not an oceangoing vessel if the Secretary  
12 determines that employment under clauses  
13 (i) through (iv) is not available to the indi-  
14 vidual;

15 “(vi) an employee in a United States  
16 maritime-related industry, profession, or  
17 marine science (as determined by the Sec-  
18 retary), if the Secretary determines that  
19 service under clauses (i) through (v) is not  
20 available to the individual; or

21 “(vii) a merchant marine officer on a  
22 foreign-documented commercial oceangoing  
23 vessel that employs mariners through a  
24 U.S.-based labor union, if the Secretary  
25 determines that employment under clauses

1 (i) through (vi) is not available to the indi-  
2 vidual or in the best interests of the  
3 United States; and

4 “(E) report to the State maritime academy  
5 of graduation, or to the Secretary if directed,  
6 on compliance with subparagraphs (A) through  
7 (D) of this subsection.

8 “(d) FAILURE TO COMPLETE AGREEMENT REQUIRE-  
9 MENTS.—If the individual is unable or unwilling to meet  
10 the agreement requirements under subsection (c), the Sec-  
11 retary of Transportation may recover from the individual  
12 the amount paid under the commitment agreement, plus  
13 interest and attorney fees. The Secretary may reduce the  
14 amount to be recovered based on factors the Secretary de-  
15 termines merit a reduction.

16 “(e) ACTIONS TO RECOVER COST.—To aid in the re-  
17 covery of the amount paid by the Government under a  
18 commitment agreement under this section, the Secretary  
19 of Transportation may—

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

22 “(2) make use of the Federal debt collection  
23 procedures in chapter 176 of title 28 or other appli-  
24 cable administrative remedies.

1       “(f) MODIFICATION OR WAIVER.—The Secretary  
2 may waive any of the terms and conditions set forth in  
3 subsection (c) or modify such terms and conditions  
4 through the imposition of alternative service requirements.

5       “(g) ELIGIBILITY FOR ADDITIONAL PAYMENTS.—An  
6 individual who receives a payment pursuant to this section  
7 shall not be eligible for payments under section 51708 of  
8 this title until the individual has fulfilled the obligated  
9 years of service under subsection (c)(2)(D) of this section.

10       “(h) FUNDING AVAILABILITY.—Not to exceed 10  
11 percent of the amounts appropriated for any fiscal year  
12 for payments authorized under this section may be trans-  
13 ferred or reprogrammed and made available for the pur-  
14 pose of making payments authorized under sections  
15 51509, 51513, and 51708, as determined by the Sec-  
16 retary.”.

17 **SEC. 35\_\_\_ . MARITIME SERVICE EMPLOYMENT REIM-**  
18 **BURSEMENT.**

19       Chapter 517 of title 46, United States Code, is  
20 amended by adding at the end the following:

21 **“§ 51708. Maritime service employment reimburse-**  
22 **ment**

23       “(a) IN GENERAL.—The Secretary of Transportation  
24 may make an agreement with a maritime center of excel-  
25 lence to make payments to the maritime center of excel-

1 lence for the cost of reimbursing an individual for costs  
2 incurred to obtain, renew, or upgrade a merchant mariner  
3 credential or other credentials required for working ashore  
4 in the maritime industry.

5 “(b) ELIGIBLE INDIVIDUAL.—To receive assistance  
6 under this section, an individual must be a United States  
7 citizen.

8 “(c) COVERED COSTS.—Costs that are eligible for re-  
9 imbursement under this section are costs incurred directly  
10 by an eligible individual to obtain, renew, or upgrade a  
11 merchant mariner credential or credentials required for  
12 working ashore in the maritime industry, including—

13 “(1) training tuition and fees;

14 “(2) credentialing fees;

15 “(3) medical screening and examination fees;

16 and

17 “(4) other fees as determined by the Secretary.

18 “(d) PAYMENTS.—Subject to subsection (e), the Sec-  
19 retary of Transportation may provide payments to a mari-  
20 time center of excellence for—

21 “(1) reimbursements provided by the maritime  
22 center of excellence to an eligible individual for cov-  
23 ered costs incurred by the individual at the maritime  
24 center of excellence;

1           “(2) the costs of canceling or waiving payments  
2           on loans issued by the maritime center of excellence  
3           to an eligible individual, including interest on the  
4           loan of up to 5 percent per annum; or

5           “(3) other payments as determined by the Sec-  
6           retary.

7           “(e) AUTHORIZED USES.—Payments under sub-  
8           section (d) may be used for covered costs incurred by an  
9           eligible individual who—

10           “(1) incurred the covered costs at the maritime  
11           center of excellence; and

12           “(2) has completed—

13           “(A) 150 sea service days on a U.S.-flag  
14           vessel of greater than 10,0000 gross register  
15           tons within 2 years of completing the course of  
16           instruction; or

17           “(B) 1 year of shoreside employment at a  
18           maritime facility that directly supports the con-  
19           struction, repair, or maintenance of U.S. ves-  
20           sels, as determined by the Secretary.

21           “(f) PROHIBITED USES.—Funds provided to a mari-  
22           time center of excellence pursuant to this section may not  
23           be used to reimburse an eligible individual—

1           “(1) if the individual has already received reim-  
2           bursements for the covered costs from an entity  
3           other than the maritime center of excellence;

4           “(2) if an entity other than the maritime center  
5           of excellence has paid for covered costs or provided  
6           training at no cost to the individual;

7           “(3) if the individual incurs covered costs asso-  
8           ciated with a degree program at a State maritime  
9           academy as defined in section 51501 of this title;

10          “(4) if the individual is a participant in a pro-  
11          gram under sections 51509, 51512, or 51513 of this  
12          title; or

13          “(5) for any expenses that exceed \$10,000 per  
14          calendar year.

15          “(g) ADMINISTRATIVE EXPENSES.—

16                 “(1) IN GENERAL.—A maritime center of excel-  
17                 lence may retain not more than 3 percent of the an-  
18                 nual funding provided by the Secretary to the mari-  
19                 time center of excellence under this section for ad-  
20                 ministrative expenses incurred in providing reim-  
21                 bursements or payments under this section.

22                 “(2) ADMINISTRATIVE AND OVERSIGHT  
23                 COSTS.—The Secretary may retain not more than 2  
24                 percent of the amounts appropriated for each fiscal  
25                 year to make payments under this section for the

1 administrative and oversight costs incurred by the  
2 Secretary in implementing this section.

3 “(h) FUNDING AVAILABILITY.—Not to exceed 10  
4 percent of the amounts appropriated for any fiscal year  
5 for payments authorized under this section may be trans-  
6 ferred or reprogrammed and made available for the pur-  
7 pose of making payments authorized under sections  
8 51509, 51512, and 51513, as determined by the Sec-  
9 retary.

10 “(i) MARITIME CENTER OF EXCELLENCE DE-  
11 FINED.—In this section, the term ‘maritime center of ex-  
12 cellence’ means—

13 “(1) an American Maritime Center of Excel-  
14 lence, as designated under section 51501 of this  
15 title; or

16 “(2) a Center of Excellence for Domestic Mari-  
17 time Workforce Training and Education, as des-  
18 igned under section 51706 of this title.”.

19 **SEC. 35\_\_\_. STUDENT INCENTIVE PAYMENT AGREEMENTS.**

20 Section 51509 of title 46, United States Code, is  
21 amended—

22 (1) in subsection (b)—

23 (A) by striking paragraphs (1) and (2) and  
24 inserting the following:

1           “(1) IN GENERAL.—Payments under an agree-  
2           ment under this section shall be—

3                   “(A) paid in amounts as determined by the  
4                   Secretary, but shall not exceed 50 percent of  
5                   the average total of the in-state cost of attend-  
6                   ance charged by all State maritime academies  
7                   for a four-year merchant marine officer prepa-  
8                   ration program;

9                   “(B) paid in such installments as the Sec-  
10                  retary shall determine while the individual is at-  
11                  tending the academy; and

12                  “(C) allocated among the State maritime  
13                  academies as prescribed by the Secretary.”;

14                  (B) by redesignating paragraph (3) as  
15                  paragraph (2); and

16                  (C) in paragraph (2), as so redesignated,  
17                  by striking “uniforms, tuition, books, and sub-  
18                  sistence” and inserting “the cost of attendance  
19                  at the Academy”;

20                  (2) in subsection (e)(1)—

21                   (A) in subparagraph (A)(ii) by striking  
22                   “\$8,000” and inserting “10 percent of the  
23                   agreed upon amount”; and

1 (B) in subparagraph (B)(ii) by striking  
2 “\$16,000” and inserting “25 percent of the  
3 agreed upon amount”; and

4 (3) by inserting after subsection (i) the fol-  
5 lowing:

6 “(j) ELIGIBILITY FOR ADDITIONAL PAYMENTS.—A  
7 student who receives a payment pursuant to this section  
8 shall not be eligible for payments under section 51708 of  
9 this title until the student has fulfilled the obligated 3  
10 years of service under subsection (d)(5).

11 “(k) FUNDING AVAILABILITY.—Not to exceed 10  
12 percent of the amounts appropriated for any fiscal year  
13 for payments authorized under this section may be trans-  
14 ferred or reprogrammed and made available for the pur-  
15 pose of making payments authorized under sections  
16 51512, 51513, and 51708, as determined by the Sec-  
17 retary.

18 “(l) COST OF ATTENDANCE DEFINED.—In this sec-  
19 tion, the term ‘cost of attendance’ means tuition, room  
20 and board costs, fees, books, and uniforms.”.

21 **SEC. 35 \_\_\_. STATE MARITIME ACADEMY REIMBURSEMENT**  
22 **FOR TRAINING SHIP CADET TUITION AND**  
23 **FEES.**

24 Chapter 515 of title 46, United States Code, is  
25 amended by adding at the end the following:

1 **“§ 51513. State maritime academy reimbursement for**  
2 **training ship cadet tuition and fees**

3 “(a) IN GENERAL.—If a State maritime academy has  
4 an agreement with the Secretary of Transportation under  
5 section 51505 of this title, the Secretary may make an  
6 agreement with a student at the academy who is a citizen  
7 of the United States to make payments to the State mari-  
8 time academy on behalf of the individual for the cost of  
9 the tuition and fees charged by the State maritime acad-  
10 emy for the student to sail on a training cruise on a train-  
11 ing ship owned by the Maritime Administration.

12 “(b) PAYMENTS.—Payments under this section shall  
13 be as prescribed by the Secretary but shall not exceed the  
14 cost charged by the State maritime academy for the stu-  
15 dent to obtain the minimum number of sea days needed  
16 on board a training ship owned by the Maritime Adminis-  
17 tration to obtain a merchant mariner credential, without  
18 limitation as to tonnage or horsepower, from the Coast  
19 Guard as an officer in the merchant marine of the United  
20 States, accompanied by the appropriate national and  
21 international endorsements and certifications required by  
22 the Coast Guard for service aboard vessels on domestic  
23 and international voyages, without limitation.

24 “(c) AGREEMENT REQUIREMENTS.—An agreement  
25 under this section shall require the student to—

1           “(1) complete the course of instruction at the  
2 academy the individual is attending within 6 years  
3 of enrollment;

4           “(2) obtain a merchant mariner credential,  
5 without limitation as to tonnage or horsepower, from  
6 the Coast Guard as an officer in the merchant ma-  
7 rine of the United States, accompanied by the ap-  
8 propriate national and international endorsements  
9 and certification required by the Coast Guard for  
10 service aboard vessels on domestic and international  
11 voyages, without limitation, within 3 months of com-  
12 pletion of the course of instruction at the academy  
13 the individual is attending;

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

16           “(A) a valid merchant mariner credential,  
17 unlimited as to horsepower or tonnage, issued  
18 by the Coast Guard as an officer in the mer-  
19 chant marine of the United States, accom-  
20 panied by the appropriate national and inter-  
21 national endorsements and certifications re-  
22 quired by the Coast Guard for service aboard  
23 vessels on domestic and international voyages,  
24 without limitation;

1           “(B) a valid transportation worker identi-  
2           fication credential; and

3           “(C) a Coast Guard medical certificate;

4           “(4) apply for, and accept, if tendered a posi-  
5           tion commensurate with the obtained merchant mar-  
6           iner credential for 3 years after graduation from the  
7           academy or, if the individual has a student incentive  
8           program agreement under section 51509 one year in  
9           addition to the obligation required under section  
10          51509(d)(5)—

11           “(A) as a merchant marine officer on a  
12          vessel operated by the United States Govern-  
13          ment or by a State;

14           “(B) as a merchant marine officer on a  
15          United States documented vessel;

16           “(C) as an employee in a United States  
17          maritime-related industry, profession, or marine  
18          science, as determined by the Secretary;

19           “(D) as a commissioned officer on active  
20          duty in an armed force of the United States, as  
21          a commissioned officer in the National Oceanic  
22          and Atmospheric Administration; or

23           “(E) by a combination of service alter-  
24          natives referred to in subparagraphs (A)  
25          through (D) of this subsection; and

1           “(5) report to the State maritime academy of  
2 graduation, or to the Secretary if directed, on com-  
3 pliance with paragraphs (1) through (4) of this sub-  
4 section.

5           “(d) STATE MARITIME ACADEMY REPORTING.—

6           “(1) IN GENERAL.—A State maritime academy  
7 that received payments on behalf of an individual  
8 under this section must provide the Maritime Ad-  
9 ministrator with information that demonstrates that  
10 compliance with subsection (c)(4) by that individual.

11           “(2) REPORT.—If a State maritime academy is  
12 unable to obtain information that demonstrates com-  
13 pliance with subsection (c)(4), the State maritime  
14 academy shall report to the Maritime Administrator  
15 that the individual is not in compliance with sub-  
16 section (c)(4).

17           “(3) FREQUENCY.—The frequency of the State  
18 maritime academy reporting period under paragraph  
19 (2) shall not exceed 365 days.

20           “(4) LIMITATION.—A State maritime academy  
21 may retain not more than 3 percent of the annual  
22 funding provided by the Secretary under this section  
23 for administrative expenses incurred in complying  
24 with this subsection.

1           “(e) FAILURE TO COMPLETE AGREEMENT REQUIRE-  
2 MENTS.—If the individual is unable or unwilling to meet  
3 the agreement requirements under subsection (c), the Sec-  
4 retary of Transportation may recover from the individual  
5 the amount of payments in subsection (b), plus interest  
6 and attorney fees. The Secretary may reduce the amount  
7 to be recovered to reflect partial performance of obliga-  
8 tions and other factors the Secretary determines merit a  
9 reduction.

10           “(f) ACTIONS TO RECOVER COST.—To aid in the re-  
11 covery of funds provided by the Government under a com-  
12 mitment agreement under this section, the Secretary of  
13 Transportation may—

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

16                 “(2) make use of the Federal debt collection  
17 procedures in chapter 176 of title 28 or other appli-  
18 cable administrative remedies.

19           “(g) MODIFICATION OR WAIVER.—The Secretary  
20 may waive any of the terms and conditions set forth in  
21 subsection (c) or modify such terms and conditions  
22 through the imposition of alternative service requirements.

23           “(h) ELIGIBILITY FOR ADDITIONAL PAYMENTS.—An  
24 individual who receives a payment pursuant to this section  
25 shall not be eligible for payments under section 51708 of

1 this title until the individual has fulfilled the obligated  
2 three years of service under subsection (c)(4).

3 “(i) **FUNDING AVAILABILITY.**—Not to exceed 10 per-  
4 cent of the amounts appropriated for any fiscal year for  
5 payments authorized under this section may be trans-  
6 ferred or reprogrammed and made available for the pur-  
7 pose of making payments authorized under sections  
8 51509, 51512, and 51708, as determined by the Sec-  
9 retary.”.

10 **SEC. 35\_\_\_ . MODIFICATION OF CARGO PREFERENCE**  
11 **THREE-YEAR ELIGIBILITY RULE.**

12 Section 55305(b) of title 46, United States Code, is  
13 amended by striking “after January 1, 2030,”.

14 **SEC. 35\_\_\_ . CARGO PREFERENCE ENFORCEMENT.**

15 (a) **IN GENERAL.**—Section 55305 of title 46, United  
16 States Code, is amended—

17 (1) in subsection (a)—

18 (A) by striking “**MINIMUM TONNAGE.**—  
19 When the United States Government” and in-  
20 serting “**REQUIREMENT TO USE U.S.-FLAG**  
21 **VESSELS.**—When a United States department  
22 or agency”; and

23 (B) by striking “the appropriate agencies  
24 shall take steps necessary” and all that follows  
25 through the end of the subsection and inserting

1 “the department or agency must ensure that all  
2 equipment, materials, or commodities that may  
3 be transported on ocean vessels, except when  
4 required for the timely transportation of car-  
5 goes under the Foreign Assistance Act of 1961  
6 (22 U.S.C. 2151 et seq.), is transported on pri-  
7 vately-owned commercial vessels of the United  
8 States.”;

9 (2) by striking subsection (d) and inserting the  
10 following:

11 “(d) WAIVERS.—

12 “(1) The requirements under this section may  
13 be waived as provided for in this subsection.

14 “(2) The President, the Secretary of War, or  
15 the Secretary of State may waive this section tempo-  
16 rarily by—

17 “(A) declaring the existence of an emer-  
18 gency justifying a waiver; and

19 “(B) notifying the appropriate agencies of  
20 the waiver; or

21 “(3) Upon the request of a U.S. Government  
22 department or agency filed at least 10 days prior to  
23 transportation of equipment, materials, and com-  
24 modities subject to this section, the Secretary of  
25 Transportation may waive the requirements in sub-

1 section (a), for all or part of the transportation, if  
2 the Secretary determines there are no privately-  
3 owned commercial vessels of the United States—

4 “(A) responsive to the solicitation by vessel  
5 type;

6 “(B) available at fair and reasonable rates  
7 for commercial vessels of the United States; or

8 “(C) otherwise available.

9 “(4) For waiver requests filed pursuant to  
10 paragraph (3), the Secretary of Transportation shall  
11 not be obligated to issue a waiver sooner than 10  
12 days prior to transportation.

13 “(5) The Secretary of Transportation shall no-  
14 tify the Committee on Transportation and Infra-  
15 structure and the Committee on Armed Services of  
16 the House of Representatives and the Committee on  
17 Commerce, Science, and Transportation of the Sen-  
18 ate of—

19 “(A) any waiver request made pursuant to  
20 paragraph (3) not later than 72 hours after re-  
21 ceiving such a request; and

22 “(B) the issuance of any such waiver not  
23 later than 72 hours after issuing the waiver.

1           “(6) Waivers issued pursuant to paragraph (3)  
2 shall be published on the Department of Transpor-  
3 tation website within 5 business days.

4           “(7) The Secretary of Transportation, in con-  
5 sultation with the Secretary of State, is authorized  
6 to promulgate regulations defining “fair and reason-  
7 able rates for commercial vessels of the United  
8 States as cost based” for purposes of the determina-  
9 tions established in paragraph (3). The goal of such  
10 regulations shall be to provide clarity and reduce  
11 procedural friction in the waiver process by estab-  
12 lishing an objective standard based on vessel cost, to  
13 the maximum extent possible, in relevant and acces-  
14 sible market and cost data.”;

15           (3) in subsection (e)—

16           (A) in the subsection heading by striking  
17 “PROGRAMS OF OTHER AGENCIES” and insert-  
18 ing “DEPARTMENT AND AGENCY REQUIRE-  
19 MENTS”;

20           (B) by striking paragraph (1) and insert-  
21 ing the following:

22           “(1) Each Federal Government department or  
23 agency that transports equipment, commodities, or  
24 materials shall—

1           “(A) include provisions in each Federal so-  
2           licitation, application, agreement, or procure-  
3           ment contract requiring each contract applicant  
4           or offeror to acknowledge that ocean transpor-  
5           tation contracted under the agreement or pro-  
6           curement contract must comply with this sec-  
7           tion and related regulations issued by the Sec-  
8           retary of Transportation;

9           “(B) submit to the Secretary agreements,  
10          procurements, or other contracts at least 45  
11          days before ocean carriage, along with cor-  
12          responding plans for complying with this sec-  
13          tion that describe—

14                 “(i) all cargoes, both known and an-  
15                 ticipated, with specificity;

16                 “(ii) the proposed ports of loading  
17                 and discharge and expected dates of ocean  
18                 carriage;

19                 “(iii) all parties involved in the ocean  
20                 transportation of the cargoes, including  
21                 brokers and freight forwarders; and

22                 “(iv) any other relevant information  
23                 required by the Secretary of Transpor-  
24                 tation;

1           “(C) provide the Maritime Administration  
2 with the Automated Commercial Environment  
3 Internal Transaction Number that corresponds  
4 with each ocean bill of lading number for each  
5 ocean shipment of cargo under contract, includ-  
6 ing those transported on foreign-flag vessels—

7           “(i) within 20 working days after the  
8 date of loading for shipments originating  
9 in the United States;

10           “(ii) within 30 working days after the  
11 date of loading for shipments originating  
12 outside of the United States; or

13           “(iii) in instances for which an Auto-  
14 mated Commercial Environment Internal  
15 Transaction Number is not available, a  
16 legible, complete copy of a rated on-board  
17 ocean bill of lading in English, within  
18 times specified in clauses (i) or (ii);

19           “(D) exercise contractual rights and rem-  
20 edies against contractors who fail to comply  
21 with contractual provisions requiring the use of  
22 U.S.-flag vessels, as determined by the Sec-  
23 retary of Transportation, including by—

24           “(i) equitably adjusting the contract  
25 price downward by an amount equal to the

1 difference in the cost of a foreign-flag ves-  
2 sel used in violation of the contract and  
3 the estimated cost of using a U.S.-flag ves-  
4 sel to carry the same cargo;

5 “(ii) determining that a contractor is  
6 ineligible for an award of such a contract;  
7 or

8 “(iii) terminating such a contract or  
9 suspension or debarment of the contractor  
10 for such a contract; and

11 “(E) retain records collected pursuant to  
12 this section for 5 years after each shipment is  
13 completed.”; and

14 (C) in paragraph (2)—

15 (i) by striking subparagraphs (A) and  
16 (B);

17 (ii) by redesignating subparagraphs  
18 (C) and (D) as subparagraphs (E) and  
19 (F), respectively;

20 (iii) by inserting before subparagraph  
21 (E), as so redesignated, the following:

22 “(A) has sole authority for determining  
23 compliance by a department, agency, or indi-  
24 vidual with this section;

1           “(B) may provide guidance on whether a  
2 department or agency is operating in compli-  
3 ance with the requirements of this section;

4           “(C) shall review every shipment and com-  
5 pliance plan subject to the requirements of this  
6 section;

7           “(D) shall annually submit to the Com-  
8 mittee on Transportation and Infrastructure  
9 and Committee on Armed Forces of the House  
10 of Representatives and the Committee on Com-  
11 merce, Science, and Transportation of the Sen-  
12 ate a report on department and agency compli-  
13 ance with this section, including submission of  
14 compliance plans;” and

15           (iv) in subparagraph (F), as so reded-  
16 icated, by striking “may take other meas-  
17 ures as appropriate under” and inserting  
18 “shall notify agencies of violations so that  
19 other measures may be taken as appro-  
20 priate under subsection (e)(1)(D) of this  
21 section or”.

22       (b) **EFFECTIVE DATE.**—The amendments made by  
23 this section shall take effect on the date that is 180 days  
24 after the date of enactment of this Act.

1 **SEC. 35** \_\_\_\_ . **UNITED STATES VESSEL PREFERENCE RE-**  
2 **QUIREMENT.**

3 (a) **IN GENERAL.**—Part D of subtitle V of title 46,  
4 United States Code, is amended by inserting after sub-  
5 chapter III the following new subchapter:

6 “**SUBCHAPTER IV—UNITED STATES VESSEL**  
7 **PREFERENCE**

“55351. Definitions.

“55352. Establishment of the United States vessel preference requirement.

“55353. Maritime special security agreement framework.

“55354. Enforcement and compliance.

8 **“§ 55351. Definitions**

9 “In this subchapter:

10 “(1) **ALLIED COUNTRY.**—The term ‘allied coun-  
11 try’ means a country or group of countries des-  
12 ignated by the Secretary of Defense, in consultation  
13 with the Secretary of Transportation and the Sec-  
14 retary of State, as an ally of the United States for  
15 purposes of this subchapter.

16 “(2) **BENEFICIAL CARGO OWNER.**—The term  
17 ‘beneficial cargo owner’ means an entity that retains  
18 the power to influence the routing of the cargo or  
19 owns the merchandise being transported at the time  
20 of shipment.

21 “(3) **COUNTRY OF CONCERN.**—The term ‘coun-  
22 try of concern’ means a country identified pursuant  
23 to section 4651(7) of title 15, United States Code.

1           “(4) COVERED CARGO.—The term ‘covered  
2 cargo’ means inbound containerized cargo and roll-  
3 on/roll-off vehicles imported into the United States  
4 in the foreign commerce of the United States that  
5 are subject to entry, manifest reporting, or other  
6 customs documentation requirements under title 19,  
7 United States Code, as further specified by the Com-  
8 mission by regulation. The term does not include ex-  
9 ports, bulk cargo, breakbulk cargo, or cargo ex-  
10 cluded by regulation consistent with this subchapter.

11           “(5) INDUSTRIAL READINESS CERTIFI-  
12 CATION.—The term ‘industrial readiness certifi-  
13 cation’ means a certification made by the Maritime  
14 Administrator after evaluating shipyard capacity,  
15 mariner availability, and commercial feasibility for  
16 purposes of phased implementation. ”(6) Maritime  
17 Special Security Agreement; M-SSA.—The term  
18 ‘Maritime Special Security Agreement’ or ‘M-SSA’  
19 means an agreement established under section  
20 55353.

21           “(6) QUALIFYING UNITED STATES VESSEL.—  
22 The term ‘qualifying United States vessel’ means a  
23 vessel documented under chapter 121 of title 46 and  
24 meeting requirements under section 55352 and not

1 a U.S. warship, auxiliary vessel, or under time or  
2 bare-boat charter by the United States.

3 “(7) TRADE LANE.—The term ‘trade lane’  
4 means a geographic shipping corridor designated by  
5 the Secretary of Transportation.

6 “(8) COMPLIANCE YEAR.—The term ‘compli-  
7 ance year’ means a calendar year for which partici-  
8 pation targets apply under section 55352, as deter-  
9 mined under section 55354(j).

10 “(9) COVERED MOVEMENT.—The term ‘covered  
11 movement’ means the transportation by water of  
12 covered cargo to the United States within a des-  
13 ignated trade lane subject to participation targets  
14 under section 55352, as determined by the Commis-  
15 sion under section 55354 using existing customs and  
16 shipping documentation.

17 “(10) COVERED SHIPPER.—The term ‘covered  
18 shipper’ means, with respect to a covered movement,  
19 the beneficial cargo owner, importer of record to  
20 which entity-level participation targets apply under  
21 section 55352(a)(2), or provider of third-party logis-  
22 tics services for cargo shipments, as determined by  
23 the Commission under section 55354 using existing  
24 customs and shipping documentation. The term does  
25 not include an ocean common carrier or an ocean

1 transportation intermediary solely by virtue of pro-  
2 viding ocean transportation or arranging ocean  
3 transportation.

4 “(11) AFFILIATED COVERED SHIPPER  
5 GROUP.—The term ‘affiliated covered shipper group’  
6 means 2 or more covered shippers that are treated  
7 as a single compliance unit because they are under  
8 common control, are alter egos, are successors, or  
9 act in concert with respect to routing, contracting,  
10 or payment for ocean transportation of covered  
11 cargo, as determined under section 55354.

12 “(12) CONTROL.—The term ‘control’ means,  
13 with respect to an entity, direct or indirect posses-  
14 sion of the power to direct or cause the direction of  
15 management and policies of such entity (whether  
16 through ownership of voting securities, by contract,  
17 or otherwise), and shall be presumed where an entity  
18 directly or indirectly owns 50 percent or more of the  
19 equity or voting interests.

20 “(13) UNIQUE ENTITY IDENTIFIER.—The term  
21 ‘unique entity identifier’ means an Employer Identi-  
22 fication Number (EIN) or such other persistent  
23 identifier as the Commission shall specify by regula-  
24 tion for foreign persons, including an identifier used

1 in customs entry, manifest, or service contract docu-  
2 mentation.

3 “(14) ULTIMATE PARENT ENTITY.—The term  
4 ‘ultimate parent entity’ means the highest-level enti-  
5 ty that controls a covered shipper, and that is not  
6 controlled by another entity.

7 “(15) COMMISSION.—The term ‘Commission’  
8 means the Federal Maritime Commission.

9 “(16) OCEAN COMMON CARRIER.—The term  
10 ‘ocean common carrier’ has the meaning given that  
11 term at section 40102(18) of this title.

12 “(17) OCEAN TRANSPORTATION INTER-  
13 MEDIARY.—The term ‘ocean transportation inter-  
14 mediary’ has the meaning given that term at section  
15 40102(20) of this title.

16 “(18) SERVICE CONTRACT.—The term ‘service  
17 contract’ means service contracts as set forth at sec-  
18 tion 40102(21) of this title.

19 “(19) CIVIL PENALTY.—A ‘civil penalty’ is a  
20 civil penalty under sections 41107 and 41109 of this  
21 title.

22 **“§ 55352. Establishment of the United States vessel**  
23 **preference requirement**

24 “(a) ESTABLISHMENT.—

1           “(1) IN GENERAL.—The Secretary of Transpor-  
2           tation shall establish a United States vessel cargo  
3           participation requirement applicable to the carriage  
4           of covered cargo within designated trade lanes.

5           “(2) APPLICATION.—Participation targets es-  
6           tablished under this section shall apply as entity-  
7           level participation requirements to each beneficial  
8           cargo owner or importer of record operating within  
9           a designated trade lane and shall be aggregated  
10          across the affiliated covered shipper group (if any)  
11          of such entity, as determined under section 55354.

12          “(3) PARTICIPATION TARGETS.—Participation  
13          targets—

14                 “(A) may be established on a trade-lane-  
15                 specific and commodity-specific basis, including  
16                 the inclusion or exclusion of particular com-  
17                 modity categories, provided that aggregate par-  
18                 ticipation meets or exceeds the minimum phase-  
19                 based floors established under subsection (b);  
20                 and

21                 “(B) shall be implemented on a trade-lane-  
22                 specific and, where appropriate, commodity-spe-  
23                 cific basis and shall be designed to expand par-  
24                 ticipation of qualifying United States vessels in

1 a commercially feasible, capacity-aware, and  
2 phased manner.

3 “(4) RULE OF CONSTRUCTION.—Nothing in  
4 this section shall be construed to establish a uniform  
5 nationwide cargo quota or to require identical par-  
6 ticipation targets across all trade lanes or com-  
7 modity categories.

8 “(b) PHASED IMPLEMENTATION.—Participation tar-  
9 gets established under this section shall be implemented  
10 through sequential phases designed to expand United  
11 States-flag participation in a commercially feasible and ca-  
12 pacity-aware manner, as provided for in this section.

13 “(1) PHASE I—INITIAL MARKET ENTRY.—

14 “(A) Not later than 180 days following en-  
15 actment of this section, the Secretary shall es-  
16 tablish an initial participation target of not less  
17 than 3 percent of covered cargo overall on an  
18 annual basis within designated trade lanes be  
19 carried on qualifying United States vessels, un-  
20 less a lower percentage is certified as necessary  
21 due to vessel or mariner availability.

22 “(B) Participation targets established dur-  
23 ing this phase shall—

1 “(i) be in effect for a period of no less  
2 than four years upon the first day of es-  
3 tablishment;

4 “(ii) Be used to incentivize and facili-  
5 tate re-flagging, new service entry, and  
6 contract restructuring to emphasize vol-  
7 untary transition into the U.S.—flag fleet.

8 “(iii) be treated as a pilot period for  
9 purposes of evaluating commercial feasi-  
10 bility, workforce impacts, and industrial  
11 readiness; and

12 “(iv) be prioritized along trade lanes,  
13 as described in subsection (c), where quali-  
14 fying United States vessels are already op-  
15 erating or can be deployed with minimal  
16 disruption to existing logistics structures.

17 “(2) PHASE II—CAPACITY EXPANSION.—For  
18 the four years following Phase I, the Secretary  
19 shall—

20 “(A) increase participation targets incre-  
21 mentally based on fleet availability, workforce  
22 capacity, and industrial readiness as determined  
23 annually by the Maritime Administrator; and

24 “(B) increase participation targets by not  
25 less than 1.5 percent annually unless the Mari-

1 time Administrator makes a determination that  
2 the United States fleet or mariner workforce  
3 cannot sustain a growth rate at that level; and

4 “(C) establish participation targets that  
5 prioritize the use of vessels built in the United  
6 States over foreign-built vessels that have re-  
7 flagged into the U.S. fleet.

8 “(3) PHASE III—ADAPTIVE SCALING.—Fol-  
9 lowing Phase II—

10 “(A) the Secretary—

11 “(i) shall review participation targets  
12 not less than every three years; and “(ii)  
13 may establish revised participation targets  
14 reflecting demonstrated fleet growth, ship-  
15 yard output, and mariner supply.

16 “(B) participation targets—

17 “(i) may require that a percentage of  
18 covered cargo be carried only on vessels  
19 built in the United States; and

20 “(ii) may be trade-lane specific but  
21 vary by commodity classification; and

22 “(C) participation target growth shall be—

23 “(i) not less than 2 percent overall on  
24 an annual basis; and

1                   “(ii) 1 percent for United States built  
2                   ships unless a determination is made by  
3                   the Administrator that the United States  
4                   fleet or mariner workforce cannot sustain a  
5                   growth rate at that level.

6                   “(4) ANNUAL REVIEW AND CERTIFICATION.—  
7                   Not less than once each year, the Maritime Adminis-  
8                   trator shall make a determination as to whether ves-  
9                   sel capacity, mariner availability, and commercial  
10                  feasibility support continuation or adjustment of  
11                  participation targets.

12                  “(A) The Maritime Administration shall  
13                  provide to Congress annually a report on the  
14                  targets for the succeeding fiscal year showing  
15                  the growth in reflagged United States flag  
16                  ships, growth in United States built ships, and  
17                  the status of the overall United States flag fleet  
18                  in international trade.

19                  “(B) The Secretary may temporarily pause  
20                  or modify scheduled increases upon certification  
21                  of material capacity constraints.

22                  “(5) RULE OF CONSTRUCTION.—Nothing in  
23                  this subsection shall be construed to establish a uni-  
24                  form nationwide cargo quota or to require identical  
25                  targets across trade lanes or commodity categories.

1       “(c) PRIORITIZATION OF TRADE LANES AND COM-  
2 MODITIES.—

3           “(1) IN GENERAL.—In selecting trade lanes  
4 and commodity groupings for phased implementation  
5 under this section, the Secretary of Transportation,  
6 in concurrence with the Secretary of State, and in  
7 consultation with the Secretary of the Treasury, Sec-  
8 retary of Commerce, United States Trade Rep-  
9 resentative, Chairperson of the Federal Maritime  
10 Commission, and Secretary of Homeland Security,  
11 shall give priority to trade lanes and commodities  
12 that have a direct bearing on national security, sup-  
13 ply chain resilience, or United States economic com-  
14 petitiveness.

15           “(2) PRIORITY CONSIDERATIONS.—Priority  
16 considerations may include critical minerals, energy  
17 systems, defense-related cargo, strategic manufac-  
18 turing inputs, and other sectors determined to be es-  
19 sential to national preparedness or long-term indus-  
20 trial capacity.

21           “(3) RULE OF CONSTRUCTION.—Nothing in  
22 this subsection shall be construed to require uniform  
23 application across all trade lanes or to limit the Sec-  
24 retary’s discretion to consider commercial feasibility,  
25 vessel availability, or workforce capacity.

1           “(d) COMMERCIAL FEASIBILITY.—Trade lane targets  
2 under this section must be operationally achievable within  
3 existing commercial shipping practices and account for  
4 vessel availability, mariner supply, and contractual logis-  
5 ties structures.

6           “(e) UNITED STATES CONTENT.—For purposes of  
7 this subchapter, United States content shall be measured,  
8 at the vessel level, as a percentage of the total cost of con-  
9 struction, conversion, repair, and refurbishment of the ves-  
10 sel that is attributable to labor performed in the United  
11 States and materials produced in the United States, con-  
12 sistent with the standards articulated in chapter 83 of title  
13 41, United States Code. The Secretary shall prescribe by  
14 regulation methods of calculation, eligible costs, and docu-  
15 mentation standards for certification and audit.

16           “(f) EQUIVALENCY AUTHORITY.—The Maritime Ad-  
17 ministrator may grant equivalencies on a per country basis  
18 where domestic industrial capacity is insufficient.

19           “(g) SPECIAL RULE FOR CONTAINERIZED COM-  
20 MODITY CLASSIFICATION.—

21                   “(1) CLASSIFICATION.—For purposes of com-  
22 modity-specific preference targets, containerized  
23 cargo shall be classified based on Customs and Bor-  
24 der Protection-recognized shipment programs rather  
25 than the individual contents of a container.

1           “(2) COMMODITY CATEGORIES DEFINED.—The  
2       Secretary may define commodity categories using—

3           “(A) Harmonized Tariff Schedule chapter  
4       ranges or groupings recognized by U.S. Customs and Border Protection;

5           “(B) beneficial cargo owner program declarations or certified logistics programs; or

6           “(C) service contract filings or vessel service designations maintained under applicable  
7       Federal Maritime Commission or customs reporting requirements.  
8  
9  
10  
11

12          “(3) MEASURING COMPLIANCE.—Compliance  
13       shall be measured using existing customs documentation, including bills of lading, manifest filings,  
14       or service contract identifiers, and shall not require  
15       inspection or valuation of individual goods within  
16       containers. \

17  
18          “(4) MIXED MERCHANDISE.—Where containers  
19       include mixed merchandise described as general cargo, the Secretary may treat such containers as  
20       part of a designated commodity program if tendered  
21       under a qualifying contract, Harmonized Tariff  
22       Schedule grouping, or certified cargo program.  
23

24          “(5) RULE OF CONSTRUCTION.—Nothing in  
25       this subsection shall be construed to require item

1 level auditing of container contents beyond existing  
2 customs reporting requirements; nor shall it be con-  
3 strued to limit, restrict, or alter the authority of the  
4 U.S. Coast Guard or U.S. Customs and Border Pro-  
5 tection to inspect containers and cargo for safety, se-  
6 curity, or law enforcement purposes.

7 “(6) RELIANCE ON EXISTING SYSTEMS.—Com-  
8 modity classifications and compliance determinations  
9 under this subsection shall rely exclusively on cus-  
10 toms declarations, service contract filings, or other  
11 reporting systems already required under Federal  
12 law, and shall not create a separate cargo classifica-  
13 tion regime.

14 “(h) REQUIREMENT TO PROTECT AND SHARE IN-  
15 FORMATION.—The Secretary and the Chairman of the  
16 Federal Maritime Commission shall execute an agreement  
17 to establish a formal framework for the exchange of infor-  
18 mation necessary to implement this section that protects  
19 the privacy and confidentiality rights of private parties.

20 “(i) NATIONAL SECURITY CONDITION FOR QUALI-  
21 FICATION.—

22 “(1) IN GENERAL.—A vessel shall not be treat-  
23 ed as a qualifying United States vessel for purposes  
24 of this subchapter if the vessel is owned, chartered,  
25 managed, or operated by or on behalf of an entity

1 subject to foreign ownership, control, or influence,  
2 unless such entity is operating pursuant to an ap-  
3 proved Maritime Special Security Agreement under  
4 section 55353.

5 “(2) NO AUTOMATIC REQUIREMENT FOR DO-  
6 MESTIC ENTITIES.—Nothing in this subsection shall  
7 be construed to require a Maritime Special Security  
8 Agreement for an entity that the Maritime Adminis-  
9 trator determines is not subject to foreign owner-  
10 ship, control, or influence.

11 “(3) COUNTRY OF CONCERN PROHIBITION.—No  
12 vessel controlled by a citizen of a country of concern  
13 may qualify under this subchapter if such citizen  
14 holds, directly or indirectly, a controlling interest or  
15 other disqualifying influence in the entity owning,  
16 chartering, managing, or operating the vessel, as de-  
17 termined under regulations issued pursuant to sec-  
18 tion 55353.

19 “(j) QUALIFYING UNITED STATES VESSEL REQUIRE-  
20 MENTS.—

21 “(1) IN GENERAL.—A vessel is a qualifying  
22 United States vessel for purposes of this subchapter  
23 only if the vessel is documented under chapter 121  
24 of this title and meets the requirements of this sub-

1 section, subsection (k), and section 55353 (as appli-  
2 cable).

3 “(2) REPAIRED OR REFURBISHED VESSELS.—A  
4 U.S.-documented vessel that is repaired or refur-  
5 bished may be treated as meeting the United States  
6 content thresholds under paragraph (3) if the Sec-  
7 retary determines that the cost of such repairs or re-  
8 furbishments includes sufficient United States con-  
9 tent under subsection (g), and if the vessel was  
10 originally built in an allied country.

11 “(3) UNITED STATES CONTENT THRESH-  
12 OLDS.—A qualifying United States vessel shall meet  
13 the following minimum United States content  
14 thresholds:

15 “(A) For calendar years 2027 through  
16 2030, an allied-built vessel may qualify if the  
17 vessel is inspected, certificated, and documented  
18 consistent with section 53102(e) of this title  
19 and related Coast Guard guidance (including  
20 Navigation and Vessel Inspection Circular No.  
21 01-13, and any successor guidance) and is oper-  
22 ated by an entity in compliance with section  
23 55353.

1           “(B) For calendar years 2031 through  
2           2034, at least 20 percent United States con-  
3           tent.

4           “(C) For calendar years 2035 through  
5           2038, at least 30 percent United States con-  
6           tent.

7           “(D) For calendar years 2039 through  
8           2042, at least 40 percent United States con-  
9           tent.

10           “(E) Beginning in calendar year 2042, at  
11           least 51 percent United States content.

12           “(4) QUALIFICATION EXTENSION.—Beginning  
13           in calendar year 2031, a vessel that first qualifies  
14           under this subchapter shall continue to be a quali-  
15           fying United States vessel for not more than 20  
16           years after the date the vessel is first documented  
17           under chapter 121 of this title, provided the vessel  
18           maintains at least 20 percent United States content  
19           throughout that period.

20           “(5) ALTERNATE COMPLIANCE PROGRAM RE-  
21           QUIREMENTS.—Requirements unique to the Alter-  
22           nate Compliance Program shall not apply to an al-  
23           lied-built vessel described in paragraph (3)(A) unless  
24           the Coast Guard determines such requirements are  
25           strictly necessary for safety or security; however,

1 United States-unique requirements contained in the  
2 Alternate Compliance Program U.S. Supplement are  
3 otherwise waived for eligible vessels.

4 “(6) COASTWISE TRADE.—Nothing in this sub-  
5 chapter shall be construed to alter or supersede the  
6 requirements of chapter 551 of this title (the coast-  
7 wise trade laws). Qualifying United States vessels  
8 under this subchapter are intended for foreign com-  
9 merce under United States registry and are not  
10 granted coastwise trading privileges by this sub-  
11 chapter.

12 “(7) EXPANSION TO MEET NATIONAL SECURITY  
13 NEEDS.—The President may expand the types of  
14 cargo subject to this subchapter if the President de-  
15 termines such expansion is necessary to meet the na-  
16 tional security needs of the United States, provided  
17 that any cargo so added is afforded the same phased  
18 implementation and United States content require-  
19 ments for qualifying vessels specified in this section.

20 “(k) RULE OF CONSTRUCTION.—Nothing in this sec-  
21 tion shall be construed to—

22 “(1) impose a uniform nationwide cargo quota  
23 or to require preference targets to apply across all  
24 trade lanes or cargo categories



1           “(1) PURPOSE.—An M-SSA is a written agree-  
2           ment intended to mitigate foreign ownership, con-  
3           trol, or influence and to ensure that management  
4           and operational control over qualifying United  
5           States vessel operations under this subchapter re-  
6           main vested in United States citizens, consistent  
7           with national security requirements.

8           “(2) PARTIES.—An M-SSA shall be executed  
9           between the Maritime Administrator and a vessel  
10          owner, vessel operator, or other entity that seeks to  
11          own, charter, manage, or operate a qualifying  
12          United States vessel under this subchapter (in this  
13          section referred to as a ‘covered entity’).

14          “(3) SCOPE OF APPLICATION.—An M-SSA shall  
15          apply only to the covered entity and the qualifying  
16          United States vessels and related operations identi-  
17          fied in the agreement.

18          “(c) ELIGIBILITY; PROHIBITED CAPITAL.—The Mar-  
19          itime Administrator may approve an M-SSA only if—

20                 “(1) the covered entity certifies that no citizen  
21                 from a country of concern holds, directly or indi-  
22                 rectly, a controlling interest or other disqualifying  
23                 influence, as determined under regulations issued  
24                 pursuant to subsection (j);

1           “(2) the covered entity agrees to comply with  
2           the governance, operational-control, information-se-  
3           curity, reporting, and audit requirements of this sec-  
4           tion; and

5           “(3) the Maritime Administrator has consulted  
6           with the Secretary of Defense and the Secretary of  
7           Homeland Security regarding any national security  
8           conditions that should be incorporated into the M-  
9           SSA.

10          “(d) CORE REQUIREMENTS.—A covered entity oper-  
11         ating under an M-SSA shall—

12           “(1) maintain a principal executive responsible  
13           for qualifying United States vessel operations who is  
14           a citizen of the United States;

15           “(2) ensure that qualifying United States vessel  
16           operations under this subchapter remain subject to  
17           governance and operational-control arrangements  
18           vested in citizens of the United States, as specified  
19           in the M-SSA;

20           “(3) establish a security committee or com-  
21           parable governance mechanism composed solely of  
22           citizens of the United States to oversee security-sen-  
23           sitive decisions identified in the M-SSA;

24           “(4) implement information firewalls restricting  
25           foreign access to sensitive operational, logistics, and

1 defense-related data, consistent with subsection (f);  
2 and

3 “(5) designate one or more compliance officers  
4 responsible for administration of the MSSA who are  
5 citizens of the United States and eligible for any se-  
6 curity clearances determined appropriate by the Sec-  
7 retary of Defense for purposes of the M-SSA.

8 “(e) SECURITY COMMITTEE OR EQUIVALENT GOV-  
9 ERNANCE MECHANISM.—

10 “(1) COMPOSITION.—The security committee or  
11 equivalent governance mechanism required under  
12 subsection (d)(3) shall consist solely of citizens of  
13 the United States.

14 “(2) AUTHORITIES.—The security committee or  
15 equivalent governance mechanism shall exercise such  
16 approval, oversight, or veto authorities over security-  
17 sensitive decisions as are specified by regulation and  
18 in the applicable M-SSA, including with respect to—

19 “(A) access to and dissemination of secu-  
20 rity-sensitive operational, cargo, routing, or de-  
21 fense-related information;

22 “(B) changes in key personnel positions  
23 identified in the M-SSA;

24 “(C) changes in ownership, governance, fi-  
25 nancing, chartering, or other arrangements that

1           could increase foreign ownership, control, or in-  
2           fluence; and

3           “(D) such other matters as the Maritime  
4           Administrator determines necessary to mitigate  
5           national security risk, in consultation with the  
6           Secretary of Defense and the Secretary of  
7           Homeland Security.

8           “(3) GOVERNANCE INSTRUMENTS.—The cov-  
9           ered entity shall adopt bylaws, delegations of author-  
10          ity, internal controls, and other governance instru-  
11          ments sufficient to give effect to the authorities re-  
12          quired under this subsection.

13          “(f) INFORMATION FIREWALL; RECORDKEEPING.—

14          “(1) FIREWALL.—Each covered entity oper-  
15          ating under an M-SSA shall maintain policies, tech-  
16          nical controls, and procedures that prevent unau-  
17          thorized foreign access to security-sensitive oper-  
18          ational and defense-related information, including  
19          through remote access or third-party service pro-  
20          viders.

21          “(2) RECORDS.—The covered entity shall main-  
22          tain such books, records, and technical logs as the  
23          Maritime Administrator determines necessary to  
24          verify compliance, including records sufficient to  
25          support audits under subsection (h).

1           “(g) NOTICE OF CHANGE; PRIOR APPROVAL.—A cov-  
2 ered entity operating under an M-SSA shall provide ad-  
3 vance notice to the Maritime Administrator of any mate-  
4 rial change in ownership, governance, debt covenants,  
5 chartering arrangements, or other relationships that could  
6 reasonably increase foreign ownership, control, or influ-  
7 ence, and shall obtain approval or amended M-SSA terms  
8 prior to implementing such change, as provided by regula-  
9 tion.

10           “(h) OVERSIGHT.—

11           “(1) IN GENERAL.—The Maritime Adminis-  
12 trator, in coordination with the Secretary of Defense  
13 and the Secretary of Homeland Security, shall ap-  
14 prove, audit, and monitor covered entities operating  
15 under an M-SSA at least annually.

16           “(2) COAST GUARD AND DEPARTMENT OF  
17 LABOR COORDINATION.—In conducting oversight  
18 under paragraph (1), the Maritime Administrator  
19 shall coordinate with the Commandant of the Coast  
20 Guard on matters implicating vessel documentation,  
21 inspection, certification, safety, security, crewing, or  
22 credentialing requirements administered by the  
23 Coast Guard and the Department of Labor on mat-  
24 ters implicating safety requirements administered by  
25 the Department of Labor.

1 “(i) BREACH OF TERMS; REMEDIES.—

2 “(1) SUSPENSION OR REVOCATION.—Breach of  
3 M-SSA terms, or material misrepresentation in an  
4 application for or performance under an M-SSA,  
5 shall be grounds for suspension or revocation of—

6 “(A) M-SSA approval; and

7 “(B) the eligibility of any vessel operated  
8 by the covered entity to qualify under section  
9 55352.

10 “(2) INTERIM MEASURES.—Pending a final de-  
11 termination, the Maritime Administrator may im-  
12 pose interim mitigation measures, including en-  
13 hanced reporting, restricted information access, or  
14 temporary management controls.

15 “(j) DEEMING PROVISION; LIMITED SCOPE.—For  
16 the limited purpose of administering this subchapter and  
17 any Federal cargo-preference program that expressly in-  
18 corporates this deeming provision, an entity operating  
19 under an approved M-SSA shall be deemed United States-  
20 controlled regardless of capital origin, provided such cap-  
21 ital is not from a country of concern. Nothing in this sub-  
22 section shall be construed to confer coastwise trading  
23 privileges or to alter any requirement under chapter 551  
24 of this title or any other law governing coastwise trade.

1       “(k) REGULATIONS.—The Secretary of Transpor-  
2 tation shall promulgate regulations to carry out this sec-  
3 tion, including—

4               “(1) definitions of ‘control’, ‘disqualifying influ-  
5 ence’, and “security-sensitive decisions

6               “(2) minimum required authorities and proce-  
7 dures for the security committee or equivalent gov-  
8 ernance mechanism required under subsection (e);

9               “(3) audit standards, reporting requirements,  
10 and confidentiality protections for sensitive security  
11 information; and

12               “(4) procedures for expedited review where nec-  
13 essary to support timely implementation of section  
14 55352(l)(3)(A).

15       “(l) RULE OF CONSTRUCTION.—Nothing in this sec-  
16 tion shall be construed to—

17               “(1) waive or modify vessel documentation, in-  
18 spection, certification, safety, or security require-  
19 ments administered by the Coast Guard or the De-  
20 partment of Labor;

21               “(2) deem any person or entity a citizen of the  
22 United States for purposes of this title, including  
23 chapter 121, except for the limited deeming de-  
24 scribed in subsection (j); or

1           “(3) limit any other national security review au-  
2           thority of the United States.

3   **“§ 55354. Enforcement and compliance**

4           “(a) ADMINISTRATION BY FEDERAL MARITIME COM-  
5   MISSION.—

6           “(1) IN GENERAL.—The Federal Maritime  
7           Commission shall administer and enforce this sub-  
8           chapter, including participation targets and any pen-  
9           alties for non-participation established under this  
10          subchapter.

11          “(2) REGULATIONS.—Not later than 1 year  
12          after the date of enactment of this subchapter, the  
13          Commission shall prescribe implementing regulations  
14          pursuant to section 46105. Such regulations and  
15          final orders under this section shall be treated as  
16          issued pursuant to section 46105 for purposes of  
17          chapter 158 of title 28.

18          “(3) PRESERVATION OF VESSEL QUALIFICA-  
19          TION DETERMINATIONS.—The Secretary of Trans-  
20          portation, in consultation with the U.S Trade Rep-  
21          resentative and Secretary of Commerce, shall retain  
22          authority to determine whether a vessel is a quali-  
23          fying United States vessel (including any determina-  
24          tions involving a Maritime Special Security Agree-  
25          ment or similar mitigation arrangement). The Com-

1 mission shall accept such determinations as conclu-  
2 sive for purposes of this subchapter. Such deter-  
3 minations shall be made in accordance with sections  
4 55351, 55352, and 55353.

5 “(b) SHIPPER-LEVEL COMPLIANCE DUTY.—

6 “(1) REQUIREMENT.—Each covered shipper,  
7 and each affiliated covered shipper group, shall en-  
8 sure that its covered movements satisfy the applica-  
9 ble participation targets under this subchapter for  
10 each compliance year, as determined by the Commis-  
11 sion. The Commission may determine, by regulation  
12 or order, to exempt low volume shippers from the re-  
13 quirements of this section if the Commission finds  
14 that such exemption will not result in a substantial  
15 impact on participation targets.

16 “(2) NO LIABILITY FOR QUALIFYING U.S. VES-  
17 SEL MOVEMENTS.—A covered movement transported  
18 on a qualifying United States vessel shall be treated  
19 as compliant and shall not give rise to a non-partici-  
20 pation assessment.

21 “(3) MEASUREMENT AND AGGREGATION.—  
22 Compliance shall be measured using existing cus-  
23 toms documentation systems and shall be aggregated  
24 across each affiliated covered shipper group.

25 “(c) ANNUAL CERTIFICATION; DISCLOSURE.—

1           “(1) CERTIFICATION.—Not later than a date  
2 set by regulation (not later than 120 days after the  
3 close of each compliance year), each covered shipper  
4 shall file with the Commission an annual certifi-  
5 cation, in such form as the Commission shall pre-  
6 scribe, including—

7           “(A) the unique entity identifier of the cov-  
8 ered shipper;

9           “(B) the identity and unique entity identi-  
10 fier of the ultimate parent entity;

11           “(C) a list of affiliated entities sufficient to  
12 identify the affiliated covered shipper group;

13           “(D) an attestation by a responsible cor-  
14 porate officer, under penalty of perjury, regard-  
15 ing completeness and accuracy; and

16           “(E) such shipment-level or aggregated  
17 data elements as are necessary to verify compli-  
18 ance using existing customs and shipping docu-  
19 mentation.

20           “(2) UPDATES.—The Commission may require  
21 prompt updates upon changes in ultimate parent en-  
22 tity or control.

23           “(3) CONFIDENTIALITY.—Information sub-  
24 mitted under this subsection shall be protected as  
25 commercial or financial information to the extent

1 permitted by law. The Commission may publish only  
2 aggregated, non-confidential compliance statistics.

3 “(d) VERIFICATION; INTERAGENCY COORDINA-  
4 TION.—

5 “(1) CUSTOMS INTEGRATION.—The Commis-  
6 sion shall verify compliance using existing customs  
7 documentation, including vessel manifest and cargo  
8 declaration information and entry data, without cre-  
9 ating a new cargo classification regime.

10 “(2) COORDINATION.—Not later than 180 days  
11 after enactment, the Commission shall enter into  
12 memoranda of understanding, as appropriate, with  
13 U.S. Customs and Border Protection, the Depart-  
14 ment of Transportation, the Department of Home-  
15 land Security, and the Department of the Treasury  
16 to support data access, verification, and collection.

17 “(3) AUDIT; RECORDS.—The Commission may  
18 audit covered shippers and affiliated covered shipper  
19 groups for purposes of this section and may require  
20 retention and production of records sufficient to sub-  
21 stantiate certifications.

22 “(e) PENALTIES FOR NON-PARTICIPATION.—

23 “(1) IMPOSITION.—If the Commission deter-  
24 mines, after notice and opportunity for hearing, that  
25 a covered shipper or affiliated covered shipper group

1 failed to satisfy applicable participation targets for a  
2 compliance year, the Commission shall impose civil  
3 penalties equal to not less than 10 percent of the  
4 value of the shipper or shipper group's incoming  
5 cargo to the United States in the period of non-com-  
6 pliance.

7 “(2) NO CREDIT FOR NON-COMPLIANCE.—Pay-  
8 ment of an assessment under this subsection shall  
9 not satisfy, offset, or reduce any participation target  
10 applicable in a subsequent compliance year.

11 “(3) NATURE OF ASSESSMENT.—An assessment  
12 under this subsection is a civil monetary assessment  
13 and is in addition to any other civil penalty, customs  
14 duty, tax, fee, or remedy available under this sub-  
15 chapter or any other provision of law.

16 “(4) EXCLUSION OF COMPLIANT MOVE-  
17 MENTS.—Covered movements transported on quali-  
18 fying United States vessels shall not be included in  
19 calculating an assessment under this subsection.

20 “(5) DELINQUENCY; RELEASE OF CARGO.—  
21 After a final order finding repeated delinquency or  
22 evasion, the Commission may require, as a condition  
23 of release of additional covered cargo of the covered  
24 shipper or affiliated covered shipper group, the post-  
25 ing of payment security in a form acceptable to the

1 Commission and the Secretary of the Treasury, in-  
2 cluding a surety bond, letter of credit, or cash de-  
3 posit.

4 “(6) ESCALATION.—The Commission may im-  
5 pose additional penalties for repeated nonparticipa-  
6 tion, evasion, or delinquency, including increased  
7 civil monetary penalties, shortened cure periods, and  
8 payment-security requirements under subsection (g).

9 “(7) REGULATIONS.—The Commission shall  
10 prescribe regulations governing calculation, notice,  
11 collection, and mitigation of assessments under this  
12 subsection, but may not reduce the statutory min-  
13 imum percentages established in paragraph (1).

14 “(f) WAIVER OF ADJUSTMENT.—The Secretary of  
15 Transportation may recommend waivers or reductions of  
16 assessments where compliance will materially disrupt crit-  
17 ical supply chains during an ongoing national emergency  
18 as declared by the President.

19 “(g) CIVIL PENALTIES; FALSE STATEMENTS.—

20 “(1) IN GENERAL.—A person that violates this  
21 subchapter or a regulation or order of the Commis-  
22 sion under this subchapter, including failure to file  
23 a certification, filing of a materially false certifi-  
24 cation, concealment of covered movements, willful  
25 misrepresentation, or evasion, is liable to the United

1 States Government for a civil penalty not to ex-  
2 ceed— “(A) \$100,000 for each violation; and

3 “(B) \$250,000 for each violation that is  
4 willfully and knowingly committed.

5 “(2) CONTINUING VIOLATIONS.—Each day of a  
6 continuing violation after written notice from the  
7 Commission shall constitute a separate violation.

8 “(3) SEPARATE OFFENSES.—Each false mate-  
9 rial statement, each material omission, each failure  
10 to certify, each concealed covered movement, each  
11 use of a successor or affiliate to evade this sub-  
12 chapter, and each failure to comply with a payment-  
13 security requirement may constitute a separate vio-  
14 lation.

15 “(4) PROCEDURES.—The Commission shall  
16 provide notice and opportunity for hearing prior to  
17 issuance of a final order assessing a penalty or as-  
18 sessment. The Commission may seek injunctive relief  
19 under section 41307 of this title in connection with  
20 an investigation of alleged violations of this sub-  
21 chapter or a regulation or order of the Commission.

22 “(5) CUSTOMS PENALTIES PRESERVED.—Noth-  
23 ing in this section shall be construed to limit the au-  
24 thority of United States Customs and Border Pro-  
25 tection to take action under title 19 against any per-

1 son that makes or causes to be made a materially  
2 false statement, act, or omission in customs-related  
3 documentation to evade or defeat this subchapter,  
4 including under section 1592 of title 19.

5 “(6) SEIZURE AND FORFEITURE.—Covered  
6 cargo introduced into the commerce of the United  
7 States through a material false statement, act, or  
8 omission to evade or defeat this subchapter is sub-  
9 ject to seizure and forfeiture under applicable cus-  
10 toms laws.

11 “(h) ANTI-EVASION; ATTRIBUTION; SUCCESSOR AND  
12 ALTER-EGO; PAYMENT SECURITY.—

13 “(1) AGGREGATION ACROSS AFFILIATES.—The  
14 Commission shall attribute covered movements and  
15 aggregate compliance across affiliated covered ship-  
16 per groups, including common-control affiliates and  
17 persons acting in concert in routing, contracting, or  
18 payment.

19 “(2) ATTRIBUTION RULES.—The Commission  
20 shall by regulation prescribe rules to attribute cov-  
21 ered movements using existing customs and shipping  
22 documentation, including service contract, bill of lad-  
23 ing, and manifest/entry data elements, to the cov-  
24 ered shipper and affiliated covered shipper group

1 most directly benefiting from, directing, or control-  
2 ling such movements.

3 “(3) REBUTTABLE PRESUMPTIONS.—The Com-  
4 mission shall establish rebuttable presumptions  
5 that—

6 “(A) movements are attributable to the en-  
7 tity identified as the account party/cargo owner  
8 in customs and shipping documentation;

9 “(B) movements of a newly formed or  
10 thinly capitalized entity with substantially com-  
11 mon ownership, management, address, or logis-  
12 tics operations with a covered shipper are at-  
13 tributable to the affiliated covered shipper  
14 group;

15 “(C) a person that materially reorganizes  
16 after notice of investigation acts to evade unless  
17 proven otherwise by clear and convincing evi-  
18 dence; and

19 “(D) a covered movement routed through  
20 an intermediate foreign port or third country  
21 shall not be excluded from a designated trade  
22 lane solely by virtue of such intermediate rout-  
23 ing, and may be attributed and treated as oc-  
24 ccurring within the designated trade lane based  
25 on the shipment’s underlying origin, consignee,

1           and account-party information in existing cus-  
2           toms and shipping documentation, as specified  
3           by regulation.

4           “(4) SUCCESSOR; ALTER-EGO.—The Commis-  
5           sion may treat a person as a successor or alter ego  
6           of another person for purposes of liability for assess-  
7           ments, penalties, and payment security where there  
8           is substantial continuity of ownership, management,  
9           operations, assets, or purpose, or where the trans-  
10          action or formation had a principal purpose of eva-  
11          sion. Liability may be joint and several within an af-  
12          filiated covered shipper group.

13          “(5) PAYMENT SECURITY FOR REPEAT EVASION  
14          OR DELINQUENCY.—After a final order finding re-  
15          peated evasion or delinquency, the Commission may  
16          require a covered shipper or affiliated covered ship-  
17          per group to post and maintain reasonable payment  
18          security (including surety bond, letter of credit, or  
19          cash deposit) to secure future assessments and pen-  
20          alties for a period not to exceed 2 years, renewable  
21          upon a new finding after notice and opportunity for  
22          hearing. This paragraph shall not be construed to  
23          establish a general licensing regime.

24          “(6) NO AVOIDANCE BY RESTRUCTURING.—The  
25          Commission may disregard any corporate form,

1 transfer, conversion, assignment, spin-off, merger,  
2 dissolution, reincorporation, change in importer of  
3 record, change in beneficial cargo owner designation,  
4 change in service contract party, or other restruc-  
5 turing the principal purpose or material effect of  
6 which is to avoid compliance with, attribution under,  
7 or liability arising under this subchapter.

8 “(7) JOINT AND SEVERAL LIABILITY OF CON-  
9 TROLLING PERSONS.—Where the Commission finds  
10 that a predecessor, successor, affiliate, beneficial  
11 owner, ultimate parent entity, or controlling person  
12 participated in, directed, benefited from, or know-  
13 ingly facilitated conduct described in paragraph (6),  
14 the Commission may impose joint and several liabil-  
15 ity on such person for assessments, penalties, inter-  
16 est, and payment-security obligations under this sub-  
17 chapter.

18 “(8) CONTROL AT LESS THAN MAJORITY OWN-  
19 ERSHIP.—For purposes of this subsection, the Com-  
20 mission may find control notwithstanding section  
21 55351(13) at any ownership level, or through con-  
22 tractual, financial, operational, family, agency, or  
23 other relationships, where the facts demonstrate the  
24 power to direct routing, contracting, payment, or  
25 corporate conduct relating to covered movements.

1 “(i) LIMITED CARRIER LIABILITY; COOPERATION.—

2 “(1) NO CARRIER COMPLIANCE DUTY.—An  
3 ocean common carrier or ocean transportation inter-  
4 mediary, including a non-vessel-operating common  
5 carrier, shall not be responsible for a covered ship-  
6 per’s participation targets or assessments solely by  
7 transporting or arranging the transportation of cov-  
8 ered cargo.

9 “(2) RECORDKEEPING AND PRODUCTION.—

10 Ocean common carriers and ocean transportation  
11 intermediaries shall, as specified by regulation, re-  
12 tain and produce records reasonably necessary to  
13 support verification; failure to maintain or produce  
14 records, or knowing submission of false records, may  
15 be penalized under subsection (f).

16 “(j) TRANSITION; EFFECTIVE DATE.—

17 “(1) INITIAL COMPLIANCE YEAR.—The first  
18 compliance year shall begin on the first January 1  
19 that occurs not less than 1 year after the date the  
20 Commission issues final regulations under subsection  
21 (a)(2), unless otherwise specified by statute.

22 “(2) SAFE HARBOR.—For the first compliance  
23 year only, the Commission shall provide a good-faith  
24 safe harbor for covered shippers that timely file com-  
25 plete certifications and enter into commercially rea-

1       sonable arrangements to meet targets, as defined by  
2       regulation.”.

3       (b) INTERAGENCY STEERING BODY.—The Secretary,  
4       in consultation with the Secretary of Treasury, Secretary  
5       of State, Secretary of Defense, Secretary of Commerce,  
6       Secretary of Labor, United States Trade Representative,  
7       and Chairman of the Federal Maritime Commission, con-  
8       duct periodic reviews to evaluate fleet growth, workforce  
9       capacity, industrial impacts, and compliance effectiveness.

10       (c) DOMESTIC REPAIR UTILIZATION.—

11             (1) FINDINGS.—Congress finds the following:

12                     (A) The United States ship repair sector  
13                     constitutes a distinct and strategically critical  
14                     component of the maritime industrial base and  
15                     shall not be treated as merely an extension of  
16                     ship construction.

17                     (B) Domestic repair capacity supports rou-  
18                     tine operational readiness of United States  
19                     naval forces, sustains commercial fleet avail-  
20                     ability during peacetime operations, and will be  
21                     essential to maintaining maritime logistics and  
22                     sealift capability during periods of contingency,  
23                     mobilization, prolonged contested logistics oper-  
24                     ations, or contested operations.

1 (C) Strengthening the ship repair sector  
2 represents the most immediate and scalable  
3 means of restoring industrial depth because it  
4 leverages the existing fleet and workforce rather  
5 than future vessel construction pipelines.

6 (2) DOMESTIC REPAIR UTILIZATION.—Chapter  
7 531 of title 46, United States Code, is amended by  
8 adding at the end the following new section 53112:

9 **“§ 53112. Domestic repair utilization**

10 “(a) DOMESTIC MAINTENANCE AND REPAIR RE-  
11 QUIREMENT.—

12 “(1) IN GENERAL.—Beginning not later than 3  
13 years after enactment of this section, Qualified  
14 United States Vessels subject to an operating agree-  
15 ment under this chapter must have a percentage of  
16 maintenance and repair, as determined by cost, on  
17 the vessel conducted in United States shipyards,  
18 subject to a determination by the Maritime Adminis-  
19 trator of sufficient shipyard capacity.

20 “(2) MAINTENANCE AND REPAIR TARGETS.—  
21 The Secretary of Transportation shall establish a  
22 target of not less than 10 percent of total mainte-  
23 nance and repair expenditures to be performed in  
24 United States shipyards, increasing annually by not  
25 less than 5 percent, unless the Maritime Adminis-

1       trator determines that available yard capacity,  
2       scheduling constraints, or operational readiness con-  
3       siderations warrant adjustment.

4           “(3) IMPLEMENTATION.—In implementing this  
5       section, the Secretary shall ensure that—

6           “(A) requirements remain subject to  
7       verified shipyard capacity, workforce avail-  
8       ability, and operational schedules;

9           “(B) enhanced domestic repair utilization  
10       strengthens workforce continuity, preserves crit-  
11       ical maintenance skills, and improves surge  
12       sustainment capability supporting national de-  
13       fense; and

14          “(C) implementation relies on existing con-  
15       tracting structures and avoids creation of dupli-  
16       cative regulatory regimes.

17          “(4) RULE OF CONSTRUCTION.—Nothing in  
18       this section shall be construed to interfere with the  
19       normal flow of commerce or disrupt commercially  
20       necessary maintenance cycles.

21          “(5) COST OFFSETS.—To offset commercially  
22       reasonable cost differentials associated with in-  
23       creased domestic repair activity, the Secretary  
24       may—

1           “(A) subject to the availability of appro-  
2           priations, adjust stipend amounts paid under  
3           vessel operating agreements; and

4           “(B) with the concurrence of the Secretary  
5           of Defense, allow surcharges to be placed on  
6           certain contracts.

7           “(6) WAIVERS.—The Secretary of Transpor-  
8           tation may grant waivers or temporary deviations  
9           if—

10           “(A) compliance is not commercially fea-  
11           sible;

12           “(B) compliance would materially disrupt  
13           logistics operations; or “(C) domestic yard ca-  
14           pacity is unavailable.”.

15           (d) MARITIME WORKFORCE DEVELOPMENT.—

16           (1) MARITIME WORKFORCE NATIONAL CENTER  
17           OF EXPERTISE.—The Secretary of Transportation,  
18           in coordination with the Commandant of the Coast  
19           Guard and the Secretaries of Labor, Homeland Se-  
20           curity, and Defense, shall establish a “Maritime  
21           Workforce National Center of Expertise” (the “Cen-  
22           ter”). The Center shall serve as a national repository  
23           of best practices and provide training, technical as-  
24           sistance, and curriculum development support to

1 maritime academies, trade schools, unions, and other  
2 training providers.

3 (2) FUNCTIONS OF CENTER.—The Center shall  
4 develop model curricula for mariner and shipbuilding  
5 training, expand simulator training capacity, support  
6 the development and expansion of registered appren-  
7 ticeship programs (RAPS) in shipbuilding occupa-  
8 tions and pre-apprenticeship programs that lead to  
9 such RAPS, and disseminate proven practices to uni-  
10 versities, career and technical schools, and high  
11 schools nationwide. The Center shall make rec-  
12 ommendations to the Secretaries of Transportation  
13 and Labor, and through the Secretaries to Congress,  
14 on expanding United States mariner training pro-  
15 grams and shipbuilding workforce development.

16 (3) MARINER TRAINING FINANCE PLAN.—Not  
17 later than 180 days after the date of enactment of  
18 this Act, the Secretary of Labor and the Secretary  
19 of Transportation shall jointly develop plans to  
20 maximize the use of federal workforce development  
21 and education funds, including Pell, Workforce Pell,  
22 JobCorps, WIOA Adult, WIOA Dislocated Worker,  
23 and WIOA Youth, Apprenticeship, YouthBuild, and  
24 Reentry Employment Opportunities.

1           (4) REVIEW OF CREDENTIALING REQUIRE-  
2           MENTS.—The Commandant of the Coast Guard, in  
3           consultation with industry representatives, labor  
4           unions, and maritime training institutions, shall re-  
5           view merchant mariner credentialing and training  
6           requirements and submit to Congress recommenda-  
7           tions to streamline and accelerate training approval  
8           and credential issuance, while maintaining safety  
9           standards.

10          (5) INTERNATIONAL TRAINING PARTNER-  
11          SHIPS.—The Secretary of State shall prioritize ship-  
12          building and mariner training in the Department of  
13          State’s educational and cultural exchange programs,  
14          in order to strengthen the United States maritime  
15          workforce and share best practices with allied na-  
16          tions.

17          (6) CONSULTATION.—In carrying out this sub-  
18          section, the Secretary shall consult with maritime  
19          labor organizations, industry, State maritime acad-  
20          emies, and other training providers.

21          (7) RULE OF CONSTRUCTION.—Nothing in this  
22          subsection shall be construed to alter the authorities  
23          of the Coast Guard with respect to credentialing,  
24          safety, or enforcement.

25          (e) GENERAL RULES OF CONSTRUCTION.—

1           (1) NO EFFECT ON COASTWISE TRADE LAWS.—

2           Nothing in this section or the amendments made by  
3           this section shall be construed to alter, amend,  
4           waive, or supersede chapter 551 of title 46, United  
5           States Code, or any other law governing coastwise  
6           trade.

7           (2) PRESERVATION OF OTHER AUTHORITIES.—

8           Nothing in this section or the amendments made by  
9           this section shall be construed to limit any authority  
10          otherwise available under law to the Federal Mari-  
11          time Commission, the Department of Transpor-  
12          tation, the Maritime Administration, the Coast  
13          Guard, the Department of Homeland Security, U.S.  
14          Customs and Border Protection, the Department of  
15          the Treasury, or the Department of Justice.

16          (3) NO PRIVATE RIGHT OF ACTION.—Nothing

17          in this section or the amendments made by this sec-  
18          tion shall be construed to create a private right of  
19          action.

20          (4) SEVERABILITY.—If any provision of this

21          section, an amendment made by this section, or the  
22          application of such provision or amendment to any  
23          person or circumstance is held to be invalid, the re-  
24          mainder of this section, the amendments made by  
25          this section, and the application of such provisions

1 and amendments to any other person or cir-  
2 cumstance shall not be affected thereby.

