



7176

AMENDMENT TO H.R. ~~21~~

OFFERED BY MR. GARAMENDI OF CALIFORNIA

Add at the end the following new sections:

1 **SEC. 3. NATIONAL POLICY ON STRATEGIC ENERGY ASSET**

2 **EXPORT TRANSPORTATION.**

3 (a) LNG EXPORTS.—

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

5 (A) Liquefied natural gas (LNG) is haz-
6 arduous to national import and export terminals
7 and ports when mishandled.

8 (B) LNG is a strategic national asset, the
9 export of which should be used to preserve the
10 United States tanker fleet and skilled mariner
11 workforce that are essential to national secu-
12 rity.

13 (C) For the safety and security of the
14 United States, LNG should be exported on ves-
15 sels documented under the laws of the United
16 States.

17 (2) REQUIREMENT.—Section 3 of the Natural
18 Gas Act (15 U.S.C. 717b) is amended by adding at
19 the end the following:

1 “(g) TRANSPORTATION OF EXPORTS OF NATURAL
2 GAS ON VESSELS DOCUMENTED UNDER LAWS OF THE
3 UNITED STATES.—

4 “(1) CONDITION FOR APPROVAL.—Except as
5 provided in paragraph (5), the Commission shall in-
6 clude in an order issued under subsection (a) that
7 authorizes a person to export natural gas a condition
8 that the person transport the natural gas on vessels
9 that meet the requirements described in paragraph
10 (2) (including vessels with respect to which a waiver
11 is in place for the requirement under paragraph
12 (2)(A)(i)(II)(bb) or the requirement under para-
13 graph (2)(A)(ii)(IV), as applicable), so as to ensure
14 the following:

15 “(A) A minimum of two percent of the
16 natural gas that is exported by vessel is trans-
17 ported on such vessels in each of the 7 calendar
18 years after the calendar year in which this sub-
19 section is enacted.

20 “(B) A minimum of three percent of the
21 natural gas that is exported by vessel is trans-
22 ported on such vessels in each of the 8th and
23 9th calendar years after the calendar year in
24 which this subsection is enacted.

1 “(C) A minimum of four percent of the
2 natural gas that is exported by vessel is trans-
3 ported on such vessels in each of the 10th and
4 11th calendar years after the calendar year in
5 which this subsection is enacted.

6 “(D) A minimum of six percent of the nat-
7 ural gas that is exported by vessel is trans-
8 ported on such vessels in each of the 12th and
9 13th calendar years after the calendar year in
10 which this subsection is enacted.

11 “(E) A minimum of seven percent of the
12 natural gas that is exported by vessel is trans-
13 ported on such vessels in each of the 14th and
14 15th calendar years after the calendar year in
15 which this subsection is enacted.

16 “(F) A minimum of nine percent of the
17 natural gas that is exported by vessel is trans-
18 ported on such vessels in each of the 16th and
19 17th calendar years after the calendar year in
20 which this subsection is enacted.

21 “(G) A minimum of eleven percent of the
22 natural gas that is exported by vessel is trans-
23 ported on such vessels in each of the 18th and
24 19th calendar years after the calendar year in
25 which this subsection is enacted.

1 “(H) A minimum of thirteen percent of the
2 natural gas that is exported by vessel is trans-
3 ported on such vessels in each of the 20th and
4 21st calendar years after the calendar year in
5 which this subsection is enacted.

6 “(I) A minimum of fifteen percent of the
7 natural gas that is exported by vessel is trans-
8 ported on such vessels in—

9 “(i) the 22nd calendar year after the
10 calendar year in which this subsection is
11 enacted; and

12 “(ii) in each calendar year thereafter.

13 “(2) REQUIREMENTS FOR VESSELS.—A vessel
14 meets the requirements described in this para-
15 graph—

16 “(A) with respect to each of the 5 calendar
17 years after the calendar year in which this sub-
18 section is enacted—

19 “(i) if—

20 “(I) the vessel is documented
21 under the laws of the United States;
22 and

23 “(II) with respect to any retrofit
24 work necessary for the vessel to ex-
25 port natural gas—

1 “(aa) such work is done in a
2 shipyard in the United States;
3 and

4 “(bb) any component of the
5 vessel listed in paragraph (3)
6 that is installed during the
7 course of such work is manufac-
8 tured in the United States; or

9 “(ii) if—

10 “(I) the vessel is built in the
11 United States;

12 “(II) the vessel is documented
13 under the laws of the United States;

14 “(III) all major components of
15 the hull or superstructure of the ves-
16 sel are manufactured (including all
17 manufacturing processes from the ini-
18 tial melting stage through the applica-
19 tion of coatings for iron or steel prod-
20 ucts) in the United States; and

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

24 “(B) with respect to the 6th calendar year
25 after the calendar year in which this subsection

1 is enacted and each calendar year thereafter, if
2 the vessel meets the requirements of subpara-
3 graph (A)(ii).

4 “(3) COMPONENTS.—The components of a ves-
5 sel listed in this paragraph are the following compo-
6 nents:

7 “(A) Air circuit breakers.

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

10 “(C) Powered and non-powered valves in
11 Federal Supply Classes 4810 and 4820 used in
12 piping.

13 “(D) Machine tools in the Federal Supply
14 Classes for metal-working machinery numbered
15 3405, 3408, 3410 through 3419, 3426, 3433,
16 3438, 3441 through 3443, 3445, 3446, 3448,
17 3449, 3460, and 3461.

18 “(E) Auxiliary equipment for shipboard
19 services, including pumps.

20 “(F) Propulsion equipment, including en-
21 gines, propulsion motors, reduction gears, and
22 propellers.

23 “(G) Shipboard cranes.

24 “(H) Spreaders for shipboard cranes.

1 “(I) Rotating electrical equipment, includ-
2 ing electrical alternators and motors.

3 “(J) Compressors, pumps, and heat ex-
4 changers used in managing and re-liquifying
5 boil-off gas from liquefied natural gas.

6 “(4) WAIVER AUTHORITY.—The Commission
7 may waive the requirement under paragraph
8 (2)(A)(i)(II)(bb) or paragraph (2)(A)(ii)(IV), as ap-
9 plicable, with respect to a component of a vessel if
10 the Maritime Administrator determines that—

11 “(A) application of the requirement would
12 cause a cost increase of more than 25 percent
13 for such component or unreasonable delays to
14 be incurred in building or retrofitting the ves-
15 sel; or

16 “(B) such component is not manufactured
17 in the United States in sufficient and reason-
18 ably available quantities of a satisfactory qual-
19 ity.

20 “(5) EXCEPTION.—The Commission may not
21 include in any order issued under subsection (a) au-
22 thorizing a person to export natural gas to a nation
23 with which there is in effect a free trade agreement
24 requiring national treatment for trade in natural gas
25 a condition described in paragraph (1), or a condi-

1 tion described in paragraph (7), if the United States
2 Trade Representative certifies to the Commission, in
3 writing, that such condition would violate obligations
4 of the United States under such free trade agree-
5 ment.

6 “(6) USE OF FEDERAL INFORMATION.—In car-
7 rying out paragraph (1), the Commission—

8 “(A) shall utilize information made avail-
9 able by the Energy Information Administration,
10 or by any other Federal agency or entity the
11 Commission determines appropriate; and

12 “(B) may not utilize information made
13 available by a private entity unless applicable
14 information described in subparagraph (A) is
15 not available.

16 “(7) OPPORTUNITIES FOR LICENSED AND UNLI-
17 CENSED MARINERS.—Except as provided in para-
18 graph (5), the Commission shall include in any order
19 issued under subsection (a) that authorizes a person
20 to export natural gas a condition that the person
21 provide opportunities for United States licensed and
22 unlicensed mariners to receive experience and train-
23 ing necessary to become credentialed in working on
24 a vessel transporting natural gas.”.

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

6 ~~(b) CRUDE OIL.—Section 101 of title I of division~~
7 ~~0 of the Consolidated Appropriations Act, 2016 (42~~
8 ~~U.S.C. 6212a) is amended—~~

9 ~~(1) in subsection (b), by striking “subsections~~
10 ~~(c) and (d)” and inserting “subsections (c), (d), and~~
11 ~~(e)”;~~

12 ~~(2) by redesignating subsection (e) as sub-~~
13 ~~section (f), and~~

14 ~~(3) by inserting after subsection (d) the fol-~~
15 ~~lowing:~~

16 ~~“(c) TRANSPORTATION OF EXPORTS OF CRUDE OIL~~
17 ~~ON VESSELS DOCUMENTED UNDER LAWS OF THE~~
18 ~~UNITED STATES.—~~

19 ~~“(1) CONDITION.—Except as provided in para-~~
20 ~~graph (5), as a condition to export crude oil, the~~
21 ~~President shall require the person exporting the~~
22 ~~crude oil to transport the exports on vessels that~~
23 ~~meet the requirements described in paragraph (2)~~
24 ~~(including vessels with respect to which a waiver is~~
25 ~~in place for the requirement under paragraph~~

~~1 (2)(A)(i)(II)(bb) or the requirement under para-~~
~~2 graph (2)(A)(ii)(IV), as applicable), so as to ensure~~
~~3 the following:~~

~~4 “(A) A minimum of three percent of crude~~
~~5 oil exported by vessel is transported on such~~
~~6 vessels in each of the 7 calendar years after the~~
~~7 calendar year in which this subsection is en-~~
~~8 acted.~~

~~9 “(B) A minimum of six percent of crude~~
~~10 oil exported by vessel is transported on such~~
~~11 vessels in each of the 8th, 9th, and 10th cal-~~
~~12 endar years after the calendar year in which~~
~~13 this subsection is enacted.~~

~~14 “(C) A minimum of eight percent of crude~~
~~15 oil exported by vessel is transported on such~~
~~16 vessels in each of the 11th, 12th, and 13th cal-~~
~~17 endar years after the calendar year in which~~
~~18 this subsection is enacted.~~

~~19 “(D) A minimum of ten percent of crude~~
~~20 oil exported by vessel is transported on such~~
~~21 vessels—~~

~~22 “(i) in the 14th calendar year after~~
~~23 the calendar year in which this subsection~~
~~24 is enacted; and~~

~~25 “(ii) in each calendar year thereafter.~~

1 ~~“(2) REQUIREMENTS FOR VESSELS. A vessel~~
2 ~~meets the requirements described in this paragraph~~
3 ~~if—~~

4 ~~“(A) with respect to each of the 4 calendar~~
5 ~~years after the calendar year in which this sub-~~
6 ~~section is enacted—~~

7 ~~“(i) if—~~

8 ~~“(I) the vessel is documented~~
9 ~~under the laws of the United States;~~
10 ~~and~~

11 ~~“(II) with respect to any retrofit~~
12 ~~work necessary for the vessel to ex-~~
13 ~~port crude oil—~~

14 ~~“(aa) such work is done in a~~
15 ~~shipyard in the United States;~~
16 ~~and~~

17 ~~“(bb) any component of the~~
18 ~~vessel listed in paragraph (3)~~
19 ~~that is installed during the~~
20 ~~course of such work is manufac-~~
21 ~~tured in the United States; or~~

22 ~~“(ii) if—~~

23 ~~“(I) the vessel is built in the~~
24 ~~United States;~~

1 ~~“(II) the vessel is documented~~
2 ~~under the laws of the United States;~~

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

10 ~~“(IV) the components of the ves-~~
11 ~~sel listed in paragraph (3) are manu-~~
12 ~~factured in the United States; and~~

13 ~~“(B) with respect to the 5th calendar year~~
14 ~~after the calendar year in which this subsection~~
15 ~~is enacted and each calendar year thereafter, if~~
16 ~~the vessel meets the requirements of subpara-~~
17 ~~graph (A)(ii).~~

18 ~~“(3) COMPONENTS.—The components of a ves-~~
19 ~~sel listed in this paragraph are the following compo-~~
20 ~~nents:~~

21 ~~“(A) Air circuit breakers.~~

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

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

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

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

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

14 ~~“(G) Shipboard cranes.~~

15 ~~“(H) Spreaders for shipboard cranes.~~

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

18 ~~“(4) WAIVER AUTHORITY. The President may~~
19 ~~waive the requirement under paragraph~~
20 ~~(2)(A)(i)(II)(bb) or the requirement under para-~~
21 ~~graph (2)(A)(ii)(IV), as applicable, with respect to a~~
22 ~~component of a vessel if the Maritime Administrator~~
23 ~~determines that—~~

24 ~~“(A) application of the requirement would~~
25 ~~cause a cost increase of more than 25 percent~~

~~1 for such component or unreasonable delays to
2 be incurred in building or retrofitting the ves-
3 sel; or~~

~~4 “(B) such component is not manufactured
5 in the United States in sufficient and reason-
6 ably available quantities of a satisfactory qual-
7 ity.~~

~~8 “(5) EXCEPTION.—The President may not,
9 under paragraph (1), condition the export of crude
10 oil to a nation with which there is in effect a free
11 trade agreement requiring national treatment for
12 trade in crude oil if the United States Trade Rep-
13 resentative certifies to the President, in writing, that
14 such condition would violate obligations of the
15 United States under such free trade agreement.~~

~~16 “(6) USE OF FEDERAL INFORMATION.—In car-
17 rying out paragraph (1), the President—~~

~~18 “(A) shall utilize information made avail-
19 able by the Energy Information Administration,
20 or by any other Federal agency or entity the
21 President determines appropriate; and~~

~~22 “(B) may not utilize information made
23 available by a private entity unless applicable
24 information described in subparagraph (A) is
25 not available.~~

