

AMENDMENT TO RULES COMMITTEE PRINT 118-

36

OFFERED BY MR. WALTZ OF FLORIDA

At the end of subtitle D of title XXXV, insert the following:

1 **SEC. 35___ . VESSELS CONSTRUCTED WITH CONSTRUCTION-**
2 **DIFFERENTIAL.**

3 (a) NATIONAL DEFENSE RESERVE FLEET COMPO-
4 NENTS.—Section 57100(a) of title 46, United States
5 Code, is amended to read as follows:

6 “(a) FLEET COMPONENTS.—

7 “(1) IN GENERAL.—The Secretary of Transpor-
8 tation shall maintain a National Defense Reserve
9 Fleet, including any vessel assigned by the Secretary
10 to the Ready Reserve Force component of the fleet,
11 consisting of any vessel—

12 “(A) owned or acquired by the United
13 States Government that the Secretary of Trans-
14 portation, after consultation with the Secretary
15 of the Navy, determines are of value for na-
16 tional defense purposes and that the Secretary
17 of Transportation decides to place and maintain
18 in the fleet; and

1 “(B) mature, proven, and repeatable de-
2 sign concepts; and

3 “(2) militarily useful.

4 “(b) CONDITION.—

5 “(1) IN GENERAL.—The owner of any vessel
6 that is constructed with a construction-differential
7 under title V of the Merchant Marine Act, 1936 (46
8 U.S.C. 53101 note) after the date of enactment of
9 this section shall agree to provide effective control of
10 such vessel to the United States when the Secretary
11 of Defense makes request under section
12 57100(b)(2)(C).

13 “(2) COMPENSATION.—During any period in
14 which a vessel described in paragraph (1) is under
15 the effective control of the United States, the owner
16 of such vessel shall be compensated for the use of
17 the vessel by the United States at the rate the Sec-
18 retary of Transportation considers just compensa-
19 tion for the use of the vessel.

20 “(c) PROHIBITED USES.—A vessel that is con-
21 structed with a construction-differential under title V of
22 the Merchant Marine Act, 1936 (46 U.S.C. 53101 note)
23 is not eligible for financing by the loan guarantee program
24 authorized under chapter 537 of this title.

1 “(d) REPORT ON NATIONAL DEFENSE RESERVE
2 FLEET.—Not later than 180 days after the date of enact-
3 ment of this section, and every 2 years thereafter, the Sec-
4 retary of Transportation, in consultation with the Com-
5 mander of United States Transportation Command and
6 the Secretary of the Navy, shall submit to the Committee
7 on Transportation and Infrastructure of the House of
8 Representatives and the subcommittees on Readiness and
9 Seapower and Projection Forces of the Committee on
10 Armed Services of the House of Representatives a re-
11 port—

12 “(1) outlining a plan for using the construction-
13 differential authorized under title V of the Merchant
14 Marine Act, 1936 (46 U.S.C. 53101 note) to supple-
15 ment the size and readiness of the National Defense
16 Reserve Fleet and to improve national shipbuilding
17 and shipping infrastructure; and

18 “(2) describing ways in which the make-up of
19 the Ready Reserve Force component of the National
20 Defense Reserve Fleet and the construction-differen-
21 tial authorized under title V of the Merchant Marine
22 Act, 1936 (46 U.S.C. 53101 note) can be used to
23 ensure Government access to other vessels that are
24 critical to national security, such as icebreakers, oil

1 and natural gas tankers, and commercial shipping
2 vessels using small nuclear reactors.”.

3 (2) CLERICAL AMENDMENT.—The analysis for
4 chapter 571 of title 46, United States Code, as
5 amended by section 3532, is further amended by
6 adding at the end the following:

“57113. Vessels constructed with construction-differential.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) CONSTRUCTION-DIFFERENTIAL.—Title V of
9 the Merchant Marine Act, 1936 (46 U.S.C. 53101
10 note) is amended—

11 (A) in the title heading by striking “**SUB-**
12 **SIDY**”;

13 (B) by striking “subsidy” each place it ap-
14 pears; and

15 (C) in section 501(a) by striking “con-
16 struction-differential subsidies” and inserting
17 “construction-differentials”.

18 (2) FOREIGN COMMERCE OR TRADE.—Section
19 109 of title 46, United States Code, is amended—

20 (A) in the heading for subsection (b) by
21 striking “**construction-differential sub-**
22 **sidies**” and inserting “**construction-dif-**
23 **ferentials**”; and

1 (B) in subsection (b) by striking “con-
2 struction-differential subsidies” and inserting
3 “construction-differentials”.

4 (3) VESSEL OPERATIONS REVOLVING FUND.—
5 Section 50301(e)(3) of title 46, United States Code,
6 is amended by striking “subsidy”.

7 (4) DEFINITION OF NEW VESSEL.—Section
8 53301(a)(2)(A)(i) of title 46, United States Code, is
9 amended by striking “subsidy”.

10 (5) OBLIGATION OF DEPOSITS AND PERIOD FOR
11 CONSTRUCTION OF CERTAIN VESSELS.—Section
12 53310(b) of title 46, United States Code, is amend-
13 ed by striking “subsidy”.

14 (6) DEFINITION OF UNITED STATES FOREIGN
15 TRADE.—Section 53501(8) of title 46, United States
16 Code, is amended by striking “subsidy”.

17 (7) ELIGIBLE PURPOSES OF OBLIGATIONS.—
18 Section 53706(a)(4) of title 46, United States Code,
19 is amended by striking “subsidy”.

20 (8) AMOUNT OF OBLIGATIONS.—Section
21 53709(b)(2) of title 46, United States Code, is
22 amended by striking “subsidy” each place it ap-
23 pears.

24 (9) COMPENSATION.—Section 56303(c) of title
25 46, United States Code, is amended—

1 (A) in the subsection heading by striking
2 “SUBSIDY”; and

3 (B) by striking “subsidy” each place it ap-
4 pears.

5 (10) TYPES OF ADJUSTMENTS AND ARRANGE-
6 MENTS.—Section 56503(a)(1) of title 46, United
7 States Code, is amended by striking “operating-dif-
8 ferential or construction-differential subsidy” and in-
9 serting “operating-differential subsidy or construc-
10 tion-differential”.

11 (11) ACQUISITION OF VESSELS FOR ESSENTIAL
12 SERVICES, ROUTES, OR LINES.—Section 57105(b) of
13 title 46, United States Code, is amended by striking
14 “subsidy”.

15 (12) CONSTRUCTION, RECONDITIONING, AND
16 REMODELING OF VESSELS.—Section 57502(c) of
17 title 46, United States Code, is amended in the sub-
18 section heading by striking “SUBSIDY”.

19 (d) REPORT ON INCENTIVES TO SHIPPING COMPA-
20 NIES.—Not later than 180 days after the date of enact-
21 ment of this Act, the Secretary of Transportation shall
22 submit to the Committees on Armed Services, Energy and
23 Commerce, and Transportation and Infrastructure of the
24 House of Representatives and the Committees on Armed
25 Services and Commerce, Science, and Transportation of

1 the Senate a report outlining how current provisions of
2 law may be applied to incentivize shipping companies to
3 contract with the owners of vessels described in section
4 57100(a)(1)(B) of title 46, United States Code, as amend-
5 ed by this section, for the shipment of goods.

