

AMENDMENT TO
RULES COMMITTEE PRINT 119-33
OFFERED BY MR. BUCHANAN OF FLORIDA

At the end of subtitle B of title XVII, add the following new section:

1 **SEC. 17___.** **MODIFICATIONS TO ENHANCE AND MOD-**
2 **ERNIZE MARITIME DOCUMENTATION AND RE-**
3 **LATED MATTERS.**

4 (a) **ELIGIBILITY FOR DOCUMENTATION UNDER THE**
5 **LAWS OF THE UNITED STATES.—**

6 (1) **IN GENERAL.—**Section 12103 of title 46,
7 United States Code, is amended by adding at the
8 end the following:

9 “(d) **NONAPPLICABILITY.—**The requirements of sub-
10 paragraphs (B) and (C) of subsection (b)(4) shall not
11 apply to a corporation that is the owner of a vessel satis-
12 fying the requirements of subparagraphs (B) through (H)
13 of subsection (a)(1) of section 12122 of this title and has,
14 or is seeking, a strategic commercial endorsement under
15 such section and no other endorsement under this chap-
16 ter.”.

17 (2) **STRATEGIC COMMERCIAL ENDORSEMENT.—**
18 Subchapter II of chapter 121 of title 46, United

1 States Code, is amended by adding at the end the
2 following new section (and conforming the table of
3 contents at the beginning of such chapter accord-
4 ingly):

5 **“§ 12122. Strategic commercial endorsement**

6 “(a) ELIGIBILITY.—

7 “(1) IN GENERAL.—A strategic commercial en-
8 dorsement may be issued for a vessel that—

9 “(A) satisfies the requirements of section
10 12103 of this title;

11 “(B) is at least 1,600 gross tons as meas-
12 ured under part J of this subtitle;

13 “(C) agrees to, upon receiving the endorse-
14 ment, being engaged exclusively in—

15 “(i) foreign trade or trade with Amer-
16 ican Samoa, Wake, Midway, or Kingman
17 Reef; or

18 “(ii) subject to paragraph (2), inter-
19 national passenger service;

20 “(D) is wholly owned and controlled by one
21 or more individuals or entities, none of which
22 are—

23 “(i) citizens or nationals of a foreign
24 country of concern; or

25 “(ii) foreign entities of concern;

1 “(E) complies with—

2 “(i) all applicable international mari-
3 time safety and environmental standards
4 under—

5 “(I) the International Convention
6 for the Prevention of Pollution from
7 Ships (MARPOL), done at London
8 November 2, 1973, and entered into
9 force October 2, 1983; and

10 “(II) the International Conven-
11 tion for the Safety of Life at Sea
12 (SOLAS), done at London November
13 1, 1974, and entered into force May
14 25, 1980; and

15 “(ii) all applicable international stand-
16 ards for governing crew labor, vessel man-
17 ning, and technical operations, including
18 the standards under—

19 “(I) the Maritime Labour Con-
20 vention, 2006, done at Geneva Feb-
21 ruary 23, 2006, and entered into force
22 August 20, 2013; and

23 “(II) the International Safety
24 Management Code for the Safe Oper-
25 ation of Ships and for Pollution Pre-

1 vention, as adopted by the Inter-
2 national Maritime Organization;

3 “(F)(i) maintains a valid classification
4 with an internationally recognized classification
5 society that is a member of the International
6 Association of Classification Societies;

7 “(ii) is not in violation of any Federal,
8 State, or local law; and

9 “(iii) is determined by the Secretary—

10 “(I) to not have any condition or issue
11 that materially impairs seaworthiness; and

12 “(II) to not otherwise pose a safety or
13 environmental risk;

14 “(G) is crewed by mariners who are all in
15 compliance with the requirements of paragraph
16 (3); and

17 “(H) is in compliance with the require-
18 ments of paragraphs (4) and (5).

19 “(2) PASSENGER REQUIREMENT FOR INTER-
20 NATIONAL PASSENGER SERVICE.—A vessel satisfying
21 the requirement under paragraph (1)(C)(ii) shall
22 have the capacity to carry more than 400 pas-
23 sengers.

1 “(3) MARINER REQUIREMENTS.—The require-
2 ments for a mariner under this paragraph are the
3 following:

4 “(A) The mariner is not a citizen or na-
5 tional of any foreign country of concern.

6 “(B) If the mariner is not a citizen or non-
7 citizen national of the United States or an alien
8 lawfully admitted for permanent residence—

9 “(i)(I) if transit through the United
10 States is not required to join the vessel,
11 the mariner holds a valid visa issued to a
12 nonimmigrant described in section
13 101(a)(15)(D) of the Immigration and Na-
14 tionality Act (8 U.S.C. 1101(a)(15)(D));
15 or

16 “(II) if transit through the United
17 States is required to crew the vessel, the
18 mariner holds a valid visa issued to a non-
19 immigrant described in subparagraph
20 (C)(i) or (D) of such section 101(a)(15) (8
21 U.S.C. 1101(a)(15)); and

22 “(ii) the mariner possesses a valid
23 overseas employment agency license (com-
24 monly known as a ‘crewing license’) that
25 has been verified by the Secretary and is

1 appropriate to the shipboard duties of the
2 mariner in accordance with the Inter-
3 national Convention on Standards of
4 Training, Certification and Watchkeeping
5 for Seafarers (STCW), done at London
6 July 7, 1978, and entered into force on
7 April 28, 1984.

8 “(4) SEAFARER EMPLOYMENT AGREEMENTS
9 AND FINANCIAL SECURITY.—A vessel is in compli-
10 ance with the requirements of this paragraph if,
11 with respect to each crewmember employed on the
12 vessel who holds a valid visa issued to a non-
13 immigrant described in subparagraph (C)(i) or (D)
14 of section 101(a)(15) of the Immigration and Na-
15 tionality Act (8 U.S.C. 1101(a)(15))—

16 “(A) the owner or operator of the vessel
17 has in effect a seafarer employment agreement
18 that includes provisions with respect to—

19 “(i) the wages, hours of work, dis-
20 cipline, termination, and repatriation of
21 the crewmember;

22 “(ii) the benefits payable to the crew-
23 member in the event of sickness, injury,
24 disability, or death of the crewmember;
25 and

1 “(iii) dispute resolution procedures for
2 the enforcement of such agreement; and

3 “(B) the owner or operator of the vessel
4 maintains financial security that is sufficient to
5 cover all payments and benefits required under
6 the seafarer employment agreement required
7 under subparagraph (A) for the crewmember,
8 which financial security shall be—

9 “(i) in the form of insurance or an-
10 other guarantee; and

11 “(ii) maintained in a manner and to
12 an extent consistent with internationally
13 recognized maritime labor standards appli-
14 cable to vessels engaged in international
15 trade, including the Maritime Labour Con-
16 vention, 2006, done at Geneva February
17 23, 2006, and entered into force August
18 20, 2013.

19 “(5) CREWING, MANNING, AND TECHNICAL
20 FUNCTIONS REQUIREMENTS.—

21 “(A) IN GENERAL.—A vessel is in compli-
22 ance with the requirements of this paragraph if
23 no crewing, operational, or technical manage-
24 ment function described in subparagraph (B) of
25 the vessel is performed in any foreign country

1 of concern or through, or with the assistance of,
2 any foreign entity of concern.

3 “(B) CREWING, OPERATIONAL, AND TECH-
4 NICAL MANAGEMENT FUNCTIONS.—The crew-
5 ing, operational, and technical management
6 functions described in this subparagraph are
7 the following:

8 “(i) CREWING.—With respect to crew-
9 ing functions—

10 “(I) the hiring, scheduling, train-
11 ing, and managing of the crew;

12 “(II) ensuring the qualifications
13 of the crew, any required certifications
14 of the crew, and compliance with
15 paragraph (1)(G) and any other appli-
16 cable law; and

17 “(III) overseeing watch rotations
18 and hours of work in compliance, as
19 applicable, with subpart K of part 15
20 of title 46, Code of Federal Regula-
21 tions, or successor regulations.

22 “(ii) OPERATIONAL FUNCTIONS.—
23 With respect to operational functions—

24 “(I) planning and executing voy-
25 ages;

1 “(II) route management;
2 “(III) cargo scheduling;
3 “(IV) navigation oversight;
4 “(V) fuel and provision manage-
5 ment; and

6 “(VI) ensuring compliance with
7 operational requirements, as applica-
8 ble, under United States law and
9 international law.

10 “(iii) TECHNICAL MANAGEMENT
11 FUNCTIONS.—With respect to technical
12 management functions—

13 “(I) maintaining the seaworthi-
14 ness of the vessel;

15 “(II) scheduling repairs and dry-
16 dock periods;

17 “(III) managing maintenance
18 logs;

19 “(IV) overseeing classification so-
20 ciety requirements; and

21 “(V) monitoring compliance with
22 all standards described in paragraph
23 (1)(E).

24 “(6) LIMITATION.—A strategic commercial en-
25 dorsement may not be issued to any vessel that has

1 in effect, or is seeking, a coastwise endorsement
2 under section 12112 of this title or a registry en-
3 dorsement under section 12111 of this title.

4 “(b) AUTHORIZED ACTIVITIES.—A vessel for which
5 a strategic commercial endorsement is issued under this
6 section may engage in—

7 “(1) foreign trade or trade with American
8 Samoa, Wake, Midway, or Kingman Reef; or

9 “(2) international passenger service.

10 “(c) DEFINITIONS.—In this section:

11 “(1) The term ‘alien’ has the meaning given the
12 term in section 101(a) of the Immigration and Na-
13 tionality Act (8 U.S.C. 1101(a)).

14 “(2) The term ‘foreign country of concern’
15 means a country that—

16 “(A) is a covered nation, as defined in sec-
17 tion 4872(f) of title 10; or

18 “(B) the Maritime Administrator, in con-
19 sultation with the Secretary of Defense, the
20 Secretary of State, the Director of National In-
21 telligence, and the Chair of the Federal Mari-
22 time Commission, determines to be engaged in
23 conduct detrimental to the national security or
24 foreign policy of the United States.

1 “(3) The term ‘foreign entity of concern’ means
2 a foreign entity—

3 “(A) that is described in any of subpara-
4 graphs (A) through (D) of section 40207(a)(5)
5 of the Infrastructure Investment and Jobs Act
6 (42 U.S.C. 18741(a)(5));

7 “(B) that is designated by the Federal
8 Maritime Commission as a controlled carrier
9 under chapter 407 of this title;

10 “(C) for which such Commission deter-
11 mines the existence of unfavorable conditions in
12 foreign trade as described in section 42101 of
13 this title or the existence of conditions as de-
14 scribed in section 42302(a) of this title; or

15 “(D) that is determined by the Maritime
16 Administrator, in consultation with the Sec-
17 retary of Defense, the Secretary of State, the
18 Director of National Intelligence, and the Chair
19 of the Federal Maritime Commission, to be en-
20 gaged in unauthorized conduct that is detri-
21 mental to the national security or foreign policy
22 of the United States.

23 “(4) The term ‘international passenger service’
24 means the transportation of passengers on—

1 “(A) a voyage in which at least one port
2 of call is not in the United States; or

3 “(B) a voyage authorized by the exemption
4 under section 55104 of this title.

5 “(5) The term ‘lawfully admitted for permanent
6 residence’ has the meaning given the term in section
7 101(a) of the Immigration and Nationality Act (8
8 U.S.C. 1101(a)).

9 “(6) The term ‘noncitizen national’ means an
10 individual described in section 308 of the Immigra-
11 tion and Nationality Act (8 U.S.C. 1408).”.

12 (3) ADDITIONAL EXEMPTIONS AND CON-
13 FORMING AMENDMENTS.—

14 (A) COMMAND REQUIREMENTS.—Section
15 12131(b)(1) of title 46, United States Code, is
16 amended by inserting “or a strategic commer-
17 cial endorsement under section 12122 of this
18 title” after “recreational endorsement”.

19 (B) MANNING REQUIREMENTS.—Section
20 8103 of title 46, United States Code, is amend-
21 ed—

22 (i) by redesignating subsection (l) as
23 subsection (m); and

24 (ii) by inserting after subsection (k)
25 the following:

1 “(1) EXEMPTION FOR CERTAIN VESSELS.—This sec-
2 tion shall not apply to a vessel that has been issued a stra-
3 tegic commercial endorsement under section 12122 of this
4 title.”.

5 (4) CREWING, OPERATIONAL, AND TECHNICAL
6 MANAGEMENT FUNCTIONS.—

7 (A) REGISTRY ENDORSEMENTS.—Section
8 12111 of title 46, United States Code, is
9 amended—

10 (i) in subsection (a), by inserting
11 “and subsection (e)” before the period at
12 the end; and

13 (ii) by adding at the end the fol-
14 lowing:

15 “(e) CREWING, OPERATIONAL, AND TECHNICAL
16 MANAGEMENT FUNCTIONS.—

17 “(1) IN GENERAL.—A vessel satisfies the re-
18 quirements of this subsection if no crewing, oper-
19 ational, or technical management function described
20 in paragraph (2) of the vessel is performed in any
21 foreign country of concern or through, or with the
22 assistance of, any foreign entity of concern.

23 “(2) FUNCTIONS.—The crewing, operational,
24 and technical management functions described in
25 this paragraph are the crewing, operational, and

1 technical management functions described in section
2 12122(a)(5)(B) of this title that apply to the vessel,
3 which crewing functions shall include compliance
4 with section 8103 of this title and exclude compli-
5 ance with paragraph (1)(G) of section 12122(a) of
6 this title.

7 “(3) DEFINITIONS.—In this subsection, the
8 terms ‘foreign country of concern’ and ‘foreign enti-
9 ty of concern’ have the meanings given such terms
10 in section 12122(c) of this title.”

11 (B) COASTWISE ENDORSEMENTS.—Section
12 12112(a)(1) of title 46, United States Code, is
13 amended by striking the semicolon and insert-
14 ing “and subsection (e) of section 12111 of this
15 title;”.

16 (b) CLASSIFICATION SYSTEM AND INCENTIVE PRO-
17 GRAM FOR CERTAIN VESSELS OF THE UNITED STATES.—
18 Part D of subtitle V of title 46, United States Code, is
19 amended by inserting after chapter 553 the following new
20 chapter (and conforming the table of contents at the be-
21 ginning of such subtitle accordingly):

1 **“CHAPTER 555—CLASSIFICATION SYSTEM**
2 **AND INCENTIVE PROGRAM FOR CER-**
3 **TAIN VESSELS OF THE UNITED**
4 **STATES**

5 **“§ 55501. Definitions**

6 “In this chapter:

7 “(1) The term ‘Administrator’ means the Mari-
8 time Administrator.

9 “(2) The term ‘covered vessel’ means a vessel
10 of the United States that—

11 “(A) is documented under chapter 121 of
12 this title; and

13 “(B) has in effect—

14 “(i) a coastwise endorsement under
15 section 12112 of this title;

16 “(ii) a registry endorsement under
17 section 12111 of this title; or

18 “(iii) a strategic commercial endorse-
19 ment under section 12122 of this title.

20 “(3) The term ‘tier 1 vessel’ means a covered
21 vessel classified into tier 1 under section
22 55502(a)(1) of this title.

23 “(4) The term ‘tier 2 vessel’ means a covered
24 vessel classified into tier 2 under section
25 55502(a)(2) of this title.

1 “(5) The term ‘tier 3 vessel’ means a covered
2 vessel classified into tier 3 under section
3 55502(a)(3) of this title.

4 “(6) The term ‘tier 4 vessel’ means a covered
5 vessel classified into tier 4 under section
6 55502(a)(4) of this title.

7 **“§ 55502. Classification of certain vessels of the**
8 **United States**

9 “(a) IN GENERAL.—Each covered vessel shall be
10 classified into one of 4 tiers as follows:

11 “(1) TIER 1.—Tier 1 consists of covered vessels
12 that have—

13 “(A) a coastwise endorsement under sec-
14 tion 12112 in effect; or

15 “(B) such a coastwise endorsement in ef-
16 fect and a registry endorsement under section
17 12111 of this title in effect.

18 “(2) TIER 2.—Tier 2 consists of covered vessels
19 that have a registry endorsement under section
20 12111 of this title in effect and do not have a coast-
21 wise endorsement under section 12112 in effect.

22 “(3) TIER 3.—Tier 3 consists of covered vessels
23 that—

1 “(A) have a strategic commercial endorse-
2 ment under section 12122 of this title in effect;
3 and

4 “(B) have in effect a national security op-
5 erating agreement under subsection (b).

6 “(4) TIER 4.—Tier 4 consists of covered vessels
7 that—

8 “(A) have a strategic commercial endorse-
9 ment under section 12122 of this title in effect;
10 and

11 “(B) do not have in effect a national secu-
12 rity operating agreement under subsection (b).

13 “(b) NATIONAL SECURITY OPERATING AGREEMENTS
14 FOR TIER 3 VESSELS.—

15 “(1) IN GENERAL.—The Administrator shall re-
16 quire, as a condition for classification as a tier 3
17 vessel, that the operator of the vessel enter into a
18 national security operating agreement under this
19 subsection with the Administrator with respect to
20 the vessel.

21 “(2) CONDITIONS.—The operator of a vessel
22 seeking to enter into an agreement under this sub-
23 section shall, in return for the incentives included in
24 the program under section 55503 of this title, agree
25 to make such vessel available to the United States

1 Government in the event that the Administrator de-
2 termines that tier 1 vessels and tier 2 vessels de-
3 scribed in paragraph (3) do not have sufficient ca-
4 pacity to support national defense, homeland secu-
5 rity, disaster response, and other urgent needs of the
6 United States Government.

7 “(3) VESSELS DESCRIBED.—The tier 1 vessels
8 and tier 2 vessels described in this paragraph are
9 such vessels that are participating in—

10 “(A) the Maritime Security Fleet under
11 chapter 531 of this title; or

12 “(B) the Voluntary Intermodal Sealift
13 Agreement program under the authority pro-
14 vided by section 708 of the Defense Production
15 Act of 1950 (50 U.S.C. 4558).

16 **“§ 55503. Incentive program for tier 3 vessels**

17 “(a) IN GENERAL.—The Administrator, in coordina-
18 tion with the Secretary of Defense, the Secretary of the
19 department in which the Coast Guard is operating, the
20 Secretary of the Treasury, the United States Trade Rep-
21 resentative, and the Commissioner of the U.S. Customs
22 and Border Protection, shall implement a program of fis-
23 cal, financial, and operational incentives to support tier
24 3 vessels.

1 “(b) INCENTIVES.—The incentives described in sub-
2 section (a) may include—

3 “(1) priority for a loan or loan guarantee under
4 chapter 537 of this title for financing vessel con-
5 struction or repairs in shipyards in the United
6 States;

7 “(2) priority berthing at Federally-supported
8 United States ports;

9 “(3) expedited port clearance and processing of
10 merchandise on board the vessel by U.S. Customs
11 and Border Protection;

12 “(4) access to government cargo described in
13 section 55305 of this title that cannot be carried by
14 tier 1 vessels or tier 2 vessels due to capacity con-
15 straints, availability gaps, or requirements specific to
16 those vessels;

17 “(5) eligibility for preferential access, including
18 below-market transit rates and priority passage,
19 through strategic chokepoints such as the Panama
20 and Suez Canals, secured through negotiations by
21 the United States Government with the governments
22 of the countries with jurisdiction over those canals
23 or other chokepoints; and

24 “(6) requesting access to protective escorts pro-
25 vided by the United States Navy to ensure safe pas-

1 sage for transit through high-risk maritime zones
2 and to avoid the need for costly route deviations.”.

3 (c) MODERNIZATION OF MARITIME LAW TO ELIMI-
4 NATE STRUCTURAL BARRIERS.—

5 (1) EXEMPTION OF COVERED VESSELS FROM
6 CERTAIN DUTIES.—

7 (A) DUTIES UNDER SECTION 301 OF
8 TRADE ACT OF 1974.—A covered vessel (as such
9 term is defined in section 55501 of title 46,
10 United States Code, as added by subsection (b)
11 of this section) is exempt from any duty im-
12 posed under section 301 of the Trade Act of
13 1974 (19 U.S.C. 2411) on vessels built in the
14 People’s Republic of China.

15 (B) DUTIES UNDER SECTION 466 OF TAR-
16 IFF ACT OF 1930.—Section 466 of the Tariff
17 Act of 1930 (19 U.S.C. 1466) is amended by
18 adding at the end the following:

19 “(i) EXEMPTION FOR COVERED VESSELS.—

20 “(1) IN GENERAL.—Except as provided by
21 paragraph (2), the duty imposed under subsection
22 (a) shall not apply with respect to equipments or
23 parts thereof purchased, repair parts or materials to
24 be used, or the expenses of repairs made, in a for-
25 eign country on or for any covered vessel.

1 “(2) EXCEPTION.—The exemption under para-
2 graph (1) from the duty imposed under subsection
3 (a) shall not apply with respect to equipments or
4 parts thereof purchased, repair parts or materials to
5 be used, or the expenses of repairs made, by a for-
6 eign entity of concern or in a foreign country of con-
7 cern.

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

9 “(A) COVERED VESSEL.—The term ‘cov-
10 ered vessel’ has the meaning given such term in
11 section 55501 of title 46, United States Code.

12 “(B) FOREIGN COUNTRY OF CONCERN;
13 FOREIGN ENTITY OF CONCERN.—The terms
14 ‘foreign country of concern’ and ‘foreign entity
15 of concern’ have the meanings given those
16 terms in section 12122(c) of title 46, United
17 States Code.”.

18 (2) LABOR, EMPLOYMENT, ANTI-DISCRIMINA-
19 TION, AND LIABILITY MATTERS WITH RESPECT TO
20 CERTAIN CREWMEMBERS.—

21 (A) EMPLOYMENT STATUS FOR TAXATION
22 LAWS.—Notwithstanding any other provision of
23 law, for purposes of any tax imposed under
24 chapter 21, 23, or 24 of the Internal Revenue
25 Code of 1986—

1 (i) a covered crewmember shall not be
2 considered an employee of the owner or op-
3 erator of the tier 3 vessel or tier 4 vessel
4 on which the crewmember is employed; and

5 (ii) the owner or operator of such ves-
6 sel shall not be considered the employer of
7 such crewmember.

8 (B) NONAPPLICABILITY OF LABOR, EM-
9 PLOYMENT, AND ANTI-DISCRIMINATION
10 LAWS.—Except as expressly provided in this
11 subsection, no Federal law of the United States
12 relating to labor, employment, or anti-discrimi-
13 nation, including the Fair Labor Standards Act
14 of 1938 (29 U.S.C. 201 et seq.), the National
15 Labor Relations Act (29 U.S.C. 151 et seq.),
16 and the Occupational Safety and Health Act of
17 1970 (29 U.S.C. 651 et seq.), and no doctrine
18 of general maritime law that would otherwise
19 establish an employment-related right or rem-
20 edy under Federal law of the United States,
21 shall apply with respect to any matter relating
22 to the employment of a covered crewmember
23 with respect to their employment on a tier 3
24 vessel or tier 4 vessel.

1 (C) LIABILITY FOR SICKNESS, INJURY,
2 DISABILITY, OR DEATH.—

3 (i) EXCLUSIVE REMEDIES.—

4 (I) IN GENERAL.—Subject to
5 subclause (II), notwithstanding any
6 other provision of law, the sole and
7 exclusive remedy (including at law or
8 in equity) under Federal law of the
9 United States for any sickness, injury,
10 disability, or death of a covered crew-
11 member for which the owner or oper-
12 ator of the vessel may be liable shall
13 be the benefits payable pursuant to
14 the applicable seafarer employment
15 agreement required under subpara-
16 graph (A) of section 12122(a)(4) of
17 title 46, United States Code, as added
18 by subsection (a)(2) of this section, as
19 guaranteed by the financial security
20 required under subparagraph (B) of
21 such section 12122(a)(4).

22 (II) CRIMINAL LAW.—Nothing in
23 subclause (I) shall affect the applica-
24 bility of criminal law to an owner or
25 operator of a vessel.

1 (ii) NONAPPLICABILITY OF DEATH ON
2 THE HIGH SEAS ACT.—Section 30308 of
3 title 46, United States Code, is amended
4 by adding at the end the following:

5 “(c) CERTAIN CREWMEMBERS.—This chapter does
6 not apply with respect to the death of a crewmember who
7 holds a valid visa issued to a nonimmigrant described in
8 subparagraph (C)(i) or (D) of section 101(a)(15) of the
9 Immigration and Nationality Act (8 U.S.C. 1101(a)(15))
10 and is employed on a tier 3 vessel or a tier 4 vessel that
11 occurs in the course of such employment on such vessel.”.

12 (D) DISPUTE RESOLUTION FOR SEAFARER
13 EMPLOYMENT AGREEMENTS.—

14 (i) IN GENERAL.—A seafarer employ-
15 ment agreement with respect to a covered
16 crewmember required under section
17 12122(a)(4)(A) of title 46, United States
18 Code, as added by subsection (a)(2) of this
19 section, shall be enforceable solely through
20 the dispute resolution procedures specified
21 in that agreement, and no such agreement
22 may confer jurisdiction on any court of the
23 United States. Any provision of such a sea-
24 farer employment agreement purporting to
25 confer jurisdiction on any court of the

1 United States shall be void and unenforce-
2 able.

3 (ii) LIMITATION.—Nothing in this
4 paragraph shall affect or supersede a sea-
5 farer employment agreement entered into
6 prior to the date of enactment of this Act.

7 (E) COVERED CREWMEMBER DEFINED.—
8 In this paragraph, the term “covered crew-
9 member” means a crewmember who holds a
10 valid visa issued to a nonimmigrant described in
11 subparagraph (C)(i) or (D) of section
12 101(a)(15) of the Immigration and Nationality
13 Act (8 U.S.C. 1101(a)(15)) and is employed on
14 a tier 3 vessel or a tier 4 vessel.

15 (3) STREAMLINING VESSEL RECYCLING REGU-
16 LATIONS.—Not later than 180 days after the date of
17 enactment of this Act, the Secretary of Transpor-
18 tation, in coordination with the Administrator of the
19 Environmental Protection Agency, shall issue regula-
20 tions for requirements with respect to the recycling
21 of vessels of the United States. Such regulations
22 shall—

23 (A) be in accordance with the requirements
24 for the recycling of vessels adopted at the Hong
25 Kong International Convention for the Safe and

1 Environmentally Sound Recycling of Ships,
2 done at Hong Kong May 15, 2009, and entered
3 into force June 26, 2025; and

4 (B) exempt such vessels from any Federal
5 requirements that conflict with such regula-
6 tions.

7 (4) MODIFICATIONS TO TONNAGE TAX.—

8 (A) MODIFICATIONS TO SHIPPING ACTIV-
9 ITY.—

10 (i) IN GENERAL.—Section 1355(c)(1)
11 of the Internal Revenue Code of 1986 is
12 amended—

13 (I) by striking “only if the re-
14 quirement of paragraph (4)” and in-
15 sserting “only if— “

16 “(A) the requirement of paragraph (4)”,

17 (II) by striking the period at the
18 end and inserting “, and”, and

19 (III) by adding at the end the
20 following new paragraph:

21 “(B) the requirement of paragraph (5) is
22 met for the taxable year.”.

23 (ii) SEALIFT PARTICIPATION RE-
24 QUIREMENT.—Section 1355(c) of such

1 Code is amended by adding at the end the
2 following new paragraph:

3 “(5) SEALIFT PARTICIPATION REQUIREMENT.—

4 “(A) IN GENERAL.—A corporation meets
5 the requirements of this paragraph for any tax-
6 able year if such corporation bareboat charters
7 or owns—

8 “(i) at least one tier 1 vessel or tier
9 2 vessel for which there is in effect—

10 “(I) a Voluntary Intermodal Sea-
11 lift Agreement pursuant to section
12 708 of the Defense Production Act of
13 1950 (50 U.S.C. 4558), or

14 “(II) an operating agreement for
15 the Maritime Security Fleet under
16 chapter 531 of title 46, United States
17 Code, or

18 “(ii) at least one tier 3 vessel.

19 “(B) TIER 1 VESSEL; TIER 2 VESSEL, TIER
20 3 VESSEL.—For purposes of this paragraph, the
21 terms ‘tier 1 vessel’, ‘tier 2 vessel’, and ‘tier 3
22 vessel’ have the respective meanings given such
23 terms under section 55501 of title 46, United
24 States Code.”.

1 (B) APPLICATION OF CONTROLLED GROUP
2 RULES.—Section 1355(c)(3) of such Code is
3 amended by adding at the end the following
4 new sentence: “For purposes of paragraphs (4)
5 and (5), any vessel owned or bareboat-chartered
6 by a member of the controlled group of which
7 the corporation is a member shall be treated as
8 owned or bareboat-chartered by the corpora-
9 tion.”.

10 (C) EFFECTIVE DATE.—The amendments
11 made by this paragraph shall apply to taxable
12 years beginning after the date of enactment of
13 this Act.

14 (5) MITIGATION OF ADVERSE IMPACTS ON
15 STRATEGIC SEALIFT READINESS FROM CARBON-
16 PRICING COUNTRIES.—

17 (A) IN GENERAL.—If a carbon-pricing
18 country implements, enforces, administers, or
19 participates in a carbon-pricing framework ap-
20 plicable to vessels engaged in international mar-
21 itime trade, the President shall establish a
22 mechanism to mitigate the financial burden on
23 vessels of the United States resulting from any
24 charges, fees, or other economic impact imposed
25 on such vessels under that framework.

1 (B) MEASURES.—Under the mechanism
2 established under subparagraph (A), the Presi-
3 dent may impose measures that include the fol-
4 lowing:

5 (i) The imposition of a service fee on
6 a vessel of a carbon-pricing country, or
7 that is transporting cargo that originated
8 in such a country, when the vessel calls on
9 a port in the United States.

10 (ii) The suspension of preferential tar-
11 iff treatment or other benefits provided to
12 a carbon-pricing country under a free
13 trade agreement to which that country and
14 the United States are parties.

15 (iii) The suspension of foreign assist-
16 ance under the Foreign Assistance Act of
17 1961 (22 U.S.C. 2151 et seq.) to a carbon-
18 pricing country.

19 (iv) Engagement with other countries
20 to form a coalition to implement measures
21 to counter the enforcement of a carbon-
22 pricing framework imposed by a carbon-
23 pricing country.

24 (v) Prohibition on access to ports of
25 the United States for any vessel—

1 (I) that is registered by a carbon-
2 pricing country;

3 (II) the beneficial owner or con-
4 trolling entity of which is domiciled in
5 or organized under the laws of a car-
6 bon-pricing country; or

7 (III) the ship-owning company of
8 which is principally operating in a
9 carbon-pricing country.

10 (vi) Suspension or cancellation of
11 visas issued to any alien (as defined in sec-
12 tion 101 of the Immigration and Nation-
13 ality Act (8 U.S.C. 1101)) who is—

14 (I) a national of a carbon-pricing
15 country; or

16 (II) an owner, operator, man-
17 ager, employee, or representative of,
18 or any individual acting on behalf of,
19 any vessel described in subclause (II)
20 or (III) of clause (v).

21 (C) DEFINITION OF CARBON-PRICING
22 COUNTRY.—In this paragraph, the term “car-
23 bon-pricing country” means any country that
24 implements, enforces, administers, participates
25 in, or derives revenue or other benefit from a

1 carbon-pricing framework applicable to vessels
2 engaged in international maritime trade, wheth-
3 er implemented globally, regionally, or through
4 domestic law or regulation.

5 (6) MARITIME SECURITY FLEET.—Section
6 53102(b) of title 46, United States Code, is amend-
7 ed—

8 (A) in paragraph (4)(B), by striking “;
9 and” at the end;

10 (B) in paragraph (5)(B)(ii), by striking the
11 period at the end and inserting “; and”; and

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

13 “(6) the vessel is not a tier 3 vessel or tier 4
14 vessel, as those terms are defined in section 55501
15 of this title.”.

16 (7) VOLUNTARY INTERMODAL SEALIFT AGREE-
17 MENT PROGRAM.—No vessel that is a tier 3 vessel
18 or tier 4 vessel may participate in the Voluntary
19 Intermodal Sealift Agreement program under the
20 authority provided by section 708 of the Defense
21 Production Act of 1950 (50 U.S.C. 4558).

22 (d) RULE OF CONSTRUCTION.—Except as expressly
23 provided for in this section, nothing in this section shall
24 be construed to affect—

1 (1) any requirement of section 12112 or 55102
2 of title 46, United States Code;

3 (2) any Federal program, funding, or initiative
4 in effect on the day before the date of enactment of
5 this Act that provides support, incentives, or oper-
6 ational funding for tier 1 vessels or tier 2 vessels; or

7 (3) the applicability of any statutory require-
8 ment, in effect on the day before the date of enact-
9 ment of this Act, to tier 1 vessels or tier 2 vessels.
10 (e) DEFINITIONS.—In this section:

11 (1) The terms “tier 1 vessel”, “tier 2 vessel”,
12 “tier 3 vessel”, and “tier 4 vessel” have the mean-
13 ings given those terms in section 55501 of title 46,
14 United States Code, as added by subsection (b) of
15 this section.

16 (2) The term “vessel of the United States” has
17 the meaning given such term in section 116 of title
18 46, United States Code.

