AMENDMENT TO
RULES COMMITTEE PRINT 117–54
OFFERED BY MR. GARAMENDI OF CALIFORNIA

At the end of title LVIII of division E, insert the following:

SEC. ____ ENERGIZING AMERICAN SHIPBUILDING.

(a) NATIONAL POLICY ON STRATEGIC ENERGY
ASSET EXPORT TRANSPORTATION.—

(1) LNG EXPORTS.—

(A) FINDINGS.—Congress finds the following:

(i) Liquefied natural gas (LNG) is hazardous to national import and export terminals and ports when mishandled.

(ii) LNG is a strategic national asset, the export of which should be used to preserve the United States tanker fleet and skilled mariner workforce that are essential to national security.

(iii) For the safety and security of the United States, LNG should be exported on vessels documented under the laws of the United States.
(B) REQUIREMENT.—Section 3 of the Natural Gas Act (15 U.S.C. 717b) is amended by adding at the end the following:

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

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

“(A) A minimum of two percent of the natural gas that is exported by vessel is transported on such vessels in each of the 7 calendar years after the calendar year in which this subsection is enacted.

“(B) A minimum of three percent of the natural gas that is exported by vessel is transported on such vessels in each of the 8th and
9th calendar years after the calendar year in which this subsection is enacted.

“(C) A minimum of four percent of the natural gas that is exported by vessel is transported on such vessels in each of the 10th and 11th calendar years after the calendar year in which this subsection is enacted.

“(D) A minimum of six percent of the natural gas that is exported by vessel is transported on such vessels in each of the 12th and 13th calendar years after the calendar year in which this subsection is enacted.

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

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

“(G) A minimum of eleven percent of the natural gas that is exported by vessel is transported on such vessels in each of the 18th and
19th calendar years after the calendar year in which this subsection is enacted.

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

“(I) A minimum of fifteen percent of the natural gas that is exported by vessel is transported on such vessels in—

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

“(ii) in each calendar year thereafter.

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

“(A) with respect to each of the 5 calendar years after the calendar year in which this subsection is enacted—

“(i) if—

“(I) the vessel is documented under the laws of the United States; and
“(II) with respect to any retrofit work necessary for the vessel to export natural gas—

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

“(bb) any component of the vessel listed in paragraph (3) that is installed during the course of such work is manufactured in the United States; or

“(ii) if—

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

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

“(III) all major components of the hull or superstructure of the vessel are manufactured (including all manufacturing processes from the initial melting stage through the application of coatings for iron or steel products) in the United States; and
“(IV) the components of the vessel listed in paragraph (3) are manufactured in the United States; and

“(B) with respect to the 6th calendar year after the calendar year in which this subsection is enacted and each calendar year thereafter, if the vessel meets the requirements of subparagraph (A)(ii).

“(3) COMPONENTS.—The components of a vessel listed in this paragraph are the following components:

“(A) Air circuit breakers.

“(B) Welded shipboard anchor and mooring chain with a diameter of four inches or less.

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

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

“(E) Auxiliary equipment for shipboard services, including pumps.
“(F) Propulsion equipment, including engines, propulsion motors, reduction gears, and propellers.

“(G) Shipboard cranes.

“(H) Spreaders for shipboard cranes.

“(I) Rotating electrical equipment, including electrical alternators and motors.

“(J) Compressors, pumps, and heat exchangers used in managing and re-liquifying boil-off gas from liquefied natural gas.

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

“(A) application of the requirement would cause a cost increase of more than 25 percent for such component or unreasonable delays to be incurred in building or retrofitting the vessel; or

“(B) such component is not manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality.
“(5) EXCEPTION.—The Commission may not include in any order issued under subsection (a) authorizing a person to export natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas a condition described in paragraph (1), or a condition described in paragraph (7), if the United States Trade Representative certifies to the Commission, in writing, that such condition would violate obligations of the United States under such free trade agreement.

“(6) USE OF FEDERAL INFORMATION.—In carrying out paragraph (1), the Commission—

“(A) shall utilize information made available by the Energy Information Administration, or by any other Federal agency or entity the Commission determines appropriate; and

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

“(7) OPPORTUNITIES FOR LICENSED AND UNLICENSED MARINERS.—Except as provided in paragraph (5), the Commission shall include in any order issued under subsection (a) that authorizes a person
to export natural gas a condition that the person
provide opportunities for United States licensed and
unlicensed mariners to receive experience and train-
ing necessary to become credentialed in working on
a vessel transporting natural gas.”.

(C) CONFORMING AMENDMENT.—Section
3(c) of the Natural Gas Act (15 U.S.C.
717b(c)) is amended by striking “or the expor-
tation of natural gas” and inserting “or, sub-
ject to subsection (g), the exportation of natural
gas”.

(2) CRUDE OIL.—Section 101 of title I of divi-
sion O of the Consolidated Appropriations Act, 2016
(42 U.S.C. 6212a) is amended—

(A) in subsection (b), by striking “sub-
sections (c) and (d)” and inserting “subsections
(c), (d), and (e)”;

(B) by redesignating subsection (e) as sub-
section (f); and

(C) by inserting after subsection (d) the
following:

“(e) TRANSPORTATION OF EXPORTS OF CRUDE OIL
ON VESSELS DOCUMENTED UNDER LAWS OF THE
UNITED STATES.—
“(1) CONDITION.—Except as provided in paragraph (5), as a condition to export crude oil, the President shall require the person exporting the crude oil to transport the exports on vessels that meet the requirements described in paragraph (2) (including vessels with respect to which a waiver is in place for the requirement under paragraph (2)(A)(i)(II)(bb) or the requirement under paragraph (2)(A)(ii)(IV), as applicable), so as to ensure the following:

“(A) A minimum of three percent of crude oil exported by vessel is transported on such vessels in each of the 7 calendar years after the calendar year in which this subsection is enacted.

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

“(C) A minimum of eight percent of crude oil exported by vessel is transported on such vessels in each of the 11th, 12th, and 13th calendar years after the calendar year in which this subsection is enacted.
“(D) A minimum of ten percent of crude oil exported by vessel is transported on such vessels—

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

“(ii) in each calendar year thereafter.

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

“(A) with respect to each of the 4 calendar years after the calendar year in which this subsection is enacted—

“(i) if—

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

“(II) with respect to any retrofit work necessary for the vessel to export crude oil—

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

“(bb) any component of the vessel listed in paragraph (3)
that is installed during the course of such work is manufactured in the United States; or

“(ii) if—

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

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

“(III) all major components of the hull or superstructure of the vessel are manufactured (including all manufacturing processes from the initial melting stage through the application of coatings for iron or steel products) in the United States; and

“(IV) the components of the vessel listed in paragraph (3) are manufactured in the United States; and

“(B) with respect to the 5th calendar year after the calendar year in which this subsection is enacted and each calendar year thereafter, if the vessel meets the requirements of subparagraph (A)(ii).
“(3) COMPONENTS.—The components of a vessel listed in this paragraph are the following components:

“(A) Air circuit breakers.

“(B) Welded shipboard anchor and mooring chain with a diameter of four inches or less.

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

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

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

“(F) Propulsion equipment, including engines, propulsion motors, reduction gears, and propellers.

“(G) Shipboard cranes.

“(H) Spreaders for shipboard cranes.

“(I) Rotating electrical equipment, including electrical alternators and motors.

“(4) WAIVER AUTHORITY.—The President may waive the requirement under paragraph...
(2)(A)(i)(II)(bb) or the requirement under paragraph (2)(A)(ii)(IV), as applicable, with respect to a component of a vessel if the Maritime Administrator determines that—

“(A) application of the requirement would cause a cost increase of more than 25 percent for such component or unreasonable delays to be incurred in building or retrofitting the vessel; or

“(B) such component is not manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality.

“(5) EXCEPTION.—The President may not, under paragraph (1), condition the export of crude oil to a nation with which there is in effect a free trade agreement requiring national treatment for trade in crude oil if the United States Trade Representative certifies to the President, in writing, that such condition would violate obligations of the United States under such free trade agreement.

“(6) USE OF FEDERAL INFORMATION.—In carrying out paragraph (1), the President—

“(A) shall utilize information made available by the Energy Information Administration,
or by any other Federal agency or entity the President determines appropriate; and

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

“(7) OPPORTUNITIES FOR LICENSED AND UNLICENSED MARINERS.—The Maritime Administrator shall ensure that each exporter of crude oil by vessel provides opportunities for United States licensed and unlicensed mariners to receive experience and training necessary to become credentialed in working on such vessels.”.

(b) ENERGY INFORMATION ADMINISTRATION INFORMATION.—The Secretary of Energy, acting through the Administrator of the Energy Information Administration, shall collect, and make readily available to the public on the Internet website of the Energy Information Administration, information on exports by vessel of natural gas and crude oil, including—

(1) forecasts for, and data on, such exports for—

(A) the calendar year after the calendar year in which this Act is enacted; and

(B) each calendar year thereafter; and
(2) forecasts for such exports for multi-year periods after the date of enactment of this Act, as determined appropriate by the Administrator.