

**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:

1 **SEC. \_\_\_\_ . ENERGIZING AMERICAN SHIPBUILDING.**

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

4 (1) LNG EXPORTS.—

5 (A) FINDINGS.—Congress finds the fol-  
6 lowing:

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

10 (ii) LNG is a strategic national asset,  
11 the export of which should be used to pre-  
12 serve the United States tanker fleet and  
13 skilled mariner workforce that are essential  
14 to national security.

15 (iii) For the safety and security of the  
16 United States, LNG should be exported on  
17 vessels documented under the laws of the  
18 United States.

1 (B) REQUIREMENT.—Section 3 of the Nat-  
2 ural Gas Act (15 U.S.C. 717b) is amended by  
3 adding at the end the following:

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

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

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

23 “(B) A minimum of three percent of the  
24 natural gas that is exported by vessel is trans-  
25 ported on such vessels in each of the 8th and

1           9th calendar years after the calendar year in  
2           which this subsection is enacted.

3           “(C) A minimum of four percent of the  
4           natural gas that is exported by vessel is trans-  
5           ported on such vessels in each of the 10th and  
6           11th calendar years after the calendar year in  
7           which this subsection is enacted.

8           “(D) A minimum of six percent of the nat-  
9           ural gas that is exported by vessel is trans-  
10          ported on such vessels in each of the 12th and  
11          13th calendar years after the calendar year in  
12          which this subsection is enacted.

13          “(E) A minimum of seven percent of the  
14          natural gas that is exported by vessel is trans-  
15          ported on such vessels in each of the 14th and  
16          15th calendar years after the calendar year in  
17          which this subsection is enacted.

18          “(F) A minimum of nine percent of the  
19          natural gas that is exported by vessel is trans-  
20          ported on such vessels in each of the 16th and  
21          17th calendar years after the calendar year in  
22          which this subsection is enacted.

23          “(G) A minimum of eleven percent of the  
24          natural gas that is exported by vessel is trans-  
25          ported on such vessels in each of the 18th and

1 19th calendar years after the calendar year in  
2 which this subsection is enacted.

3 “(H) A minimum of thirteen percent of the  
4 natural gas that is exported by vessel is trans-  
5 ported on such vessels in each of the 20th and  
6 21st calendar years after the calendar year in  
7 which this subsection is enacted.

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

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

14 “(ii) in each calendar year thereafter.

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

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

21 “(i) if—

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

1 “(II) with respect to any retrofit  
2 work necessary for the vessel to ex-  
3 port natural gas—

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

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

12 “(ii) if—

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

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

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

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

4                   “(B) with respect to the 6th calendar year  
5                   after the calendar year in which this subsection  
6                   is enacted and each calendar year thereafter, if  
7                   the vessel meets the requirements of subpara-  
8                   graph (A)(ii).

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

12                   “(A) Air circuit breakers.

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

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

18                   “(D) Machine tools in the Federal Supply  
19                   Classes for metal-working machinery numbered  
20                   3405, 3408, 3410 through 3419, 3426, 3433,  
21                   3438, 3441 through 3443, 3445, 3446, 3448,  
22                   3449, 3460, and 3461.

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

1           “(F) Propulsion equipment, including en-  
2           gines, propulsion motors, reduction gears, and  
3           propellers.

4           “(G) Shipboard cranes.

5           “(H) Spreaders for shipboard cranes.

6           “(I) Rotating electrical equipment, includ-  
7           ing electrical alternators and motors.

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

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

16               “(A) application of the requirement would  
17               cause a cost increase of more than 25 percent  
18               for such component or unreasonable delays to  
19               be incurred in building or retrofitting the ves-  
20               sel; or

21               “(B) such component is not manufactured  
22               in the United States in sufficient and reason-  
23               ably available quantities of a satisfactory qual-  
24               ity.

1           “(5) EXCEPTION.—The Commission may not  
2 include in any order issued under subsection (a) au-  
3 thorizing a person to export natural gas to a nation  
4 with which there is in effect a free trade agreement  
5 requiring national treatment for trade in natural gas  
6 a condition described in paragraph (1), or a condi-  
7 tion described in paragraph (7), if the United States  
8 Trade Representative certifies to the Commission, in  
9 writing, that such condition would violate obligations  
10 of the United States under such free trade agree-  
11 ment.

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

14           “(A) shall utilize information made avail-  
15 able by the Energy Information Administration,  
16 or by any other Federal agency or entity the  
17 Commission determines appropriate; and

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

22           “(7) OPPORTUNITIES FOR LICENSED AND UNLI-  
23 CENSED MARINERS.—Except as provided in para-  
24 graph (5), the Commission shall include in any order  
25 issued under subsection (a) that authorizes a person



1 to export natural gas a condition that the person  
2 provide opportunities for United States licensed and  
3 unlicensed mariners to receive experience and train-  
4 ing necessary to become credentialed in working on  
5 a vessel transporting natural gas.”.

6 (C) CONFORMING AMENDMENT.—Section  
7 3(e) of the Natural Gas Act (15 U.S.C.  
8 717b(c)) is amended by striking “or the expor-  
9 tation of natural gas” and inserting “or, sub-  
10 ject to subsection (g), the exportation of natural  
11 gas”.

12 (2) CRUDE OIL.—Section 101 of title I of divi-  
13 sion O of the Consolidated Appropriations Act, 2016  
14 (42 U.S.C. 6212a) is amended—

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

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

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

22 “(e) TRANSPORTATION OF EXPORTS OF CRUDE OIL  
23 ON VESSELS DOCUMENTED UNDER LAWS OF THE  
24 UNITED STATES.—

1           “(1) CONDITION.—Except as provided in para-  
2           graph (5), as a condition to export crude oil, the  
3           President shall require the person exporting the  
4           crude oil to transport the exports on vessels that  
5           meet the requirements described in paragraph (2)  
6           (including vessels with respect to which a waiver is  
7           in place for the requirement under paragraph  
8           (2)(A)(i)(II)(bb) or the requirement under para-  
9           graph (2)(A)(ii)(IV), as applicable), so as to ensure  
10          the following:

11                 “(A) A minimum of three percent of crude  
12                 oil exported by vessel is transported on such  
13                 vessels in each of the 7 calendar years after the  
14                 calendar year in which this subsection is en-  
15                 acted.

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

21                 “(C) A minimum of eight percent of crude  
22                 oil exported by vessel is transported on such  
23                 vessels in each of the 11th, 12th, and 13th cal-  
24                 endar years after the calendar year in which  
25                 this subsection is enacted.

1           “(D) A minimum of ten percent of crude  
2 oil exported by vessel is transported on such  
3 vessels—

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

7           “(ii) in each calendar year thereafter.

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

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

14           “(i) if—

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

18           “(II) with respect to any retrofit  
19 work necessary for the vessel to ex-  
20 port crude oil—

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

24           “(bb) any component of the  
25 vessel listed in paragraph (3)

1 that is installed during the  
2 course of such work is manufac-  
3 tured in the United States; or

4 “(ii) if—

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

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

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

16 “(IV) the components of the ves-  
17 sel listed in paragraph (3) are manu-  
18 factured in the United States; and

19 “(B) with respect to the 5th calendar year  
20 after the calendar year in which this subsection  
21 is enacted and each calendar year thereafter, if  
22 the vessel meets the requirements of subpara-  
23 graph (A)(ii).

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

4                   “(A) Air circuit breakers.

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

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

10                   “(D) Machine tools in the Federal Supply  
11           Classes for metal-working machinery numbered  
12           3405, 3408, 3410 through 3419, 3426, 3433,  
13           3438, 3441 through 3443, 3445, 3446, 3448,  
14           3449, 3460, and 3461.

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

17                   “(F) Propulsion equipment, including en-  
18           gines, propulsion motors, reduction gears, and  
19           propellers.

20                   “(G) Shipboard cranes.

21                   “(H) Spreaders for shipboard cranes.

22                   “(I) Rotating electrical equipment, includ-  
23           ing electrical alternators and motors.

24                   “(4) WAIVER AUTHORITY.—The President may  
25           waive the requirement under paragraph

1 (2)(A)(i)(II)(bb) or the requirement under para-  
2 graph (2)(A)(ii)(IV), as applicable, with respect to a  
3 component of a vessel if the Maritime Administrator  
4 determines that—

5 “(A) application of the requirement would  
6 cause a cost increase of more than 25 percent  
7 for such component or unreasonable delays to  
8 be incurred in building or retrofitting the ves-  
9 sel; or

10 “(B) such component is not manufactured  
11 in the United States in sufficient and reason-  
12 ably available quantities of a satisfactory qual-  
13 ity.

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

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

24 “(A) shall utilize information made avail-  
25 able by the Energy Information Administration,

1 or by any other Federal agency or entity the  
2 President determines appropriate; and

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

7 “(7) OPPORTUNITIES FOR LICENSED AND UNLI-  
8 CENSED MARINERS.—The Maritime Administrator  
9 shall ensure that each exporter of crude oil by vessel  
10 provides opportunities for United States licensed and  
11 unlicensed mariners to receive experience and train-  
12 ing necessary to become credentialed in working on  
13 such vessels.”.

14 (b) ENERGY INFORMATION ADMINISTRATION INFOR-  
15 MATION.—The Secretary of Energy, acting through the  
16 Administrator of the Energy Information Administration,  
17 shall collect, and make readily available to the public on  
18 the Internet website of the Energy Information Adminis-  
19 tration, information on exports by vessel of natural gas  
20 and crude oil, including—

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

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

25 (B) each calendar year thereafter; and

1           (2) forecasts for such exports for multi-year pe-  
2           riods after the date of enactment of this Act, as de-  
3           termined appropriate by the Administrator.

