

AMENDMENT TO RULES COMM. PRINT 119–33

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Add at the end of title XVII the following:

1 **Subtitle C—Matters Relating to**
2 **Shipbuilding**

3 **SEC. 17__ . STRATEGIC PORTS; UNITED STATES INTER-**
4 **NATIONAL DEVELOPMENT FINANCE COR-**
5 **PORATION.**

6 The Better Utilization of Investments Leading to De-
7 velopment Act of 2018 is amended—

8 (1) in section 1402(3) (22 U.S.C. 9601(3))—

9 (A) by striking subparagraph (A); and

10 (B) by redesignating subparagraphs (B)
11 through (G) as subparagraphs (A) through (F),
12 respectively; and

13 (2) in section 1412(f) (22 U.S.C. 9612(f)), by
14 adding at the end the following:

15 “(4) Harbors or ports (as such terms are de-
16 fined in as defined in section 3 of the Communica-
17 tions Act of 1934 (47 U.S.C. 153)) and related in-
18 frastructure.”.

1 **SEC. 17___ . BRIEFING AND REPORT ON CHINA OCEAN**
2 **SHIPPING COMPANY SHIPPING HEAVY IN-**
3 **DUSTRY AND CHINA STATE SHIPBUILDING**
4 **CORPORATION.**

5 (a) BRIEFING.—Not later than 1 year after the date
6 of the enactment of this Act, the Secretary of State, in
7 coordination with the heads of other Federal agencies and
8 departments the Secretary determines relevant, shall brief
9 the appropriate congressional committees on—

10 (1) companies or entities with formal or infor-
11 mal financial relationships with—

12 (A) the China Ocean Shipping Company
13 Shipping Heavy Industry; or

14 (B) the China State Shipbuilding Corpora-
15 tion; and

16 (2) the business practices of such companies
17 and entities.

18 (b) REPORT.—Not later than 1 year after the date
19 of the enactment of this Act, and annually thereafter for
20 3 years, the President shall submit to the appropriate con-
21 gressional committees a report that includes the following:

22 (1) A description of each current and former
23 subsidiary of the China Ocean Shipping Company
24 Shipping Heavy Industry and the China State Ship-
25 building Corporation.

1 (2) Any trading practices of any such entities
2 that are subject to review by the United States
3 Trade Representative for being unreasonable, dis-
4 criminatory, or violating trade agreements.

5 (3) The degree and extent of direct involvement
6 by the Government of the People's Republic of
7 China in the governance, strategic direction, plan-
8 ning, and commercial operations of—

9 (A) the China Ocean Shipping Company
10 Shipping Heavy Industry;

11 (B) the China State Shipbuilding Corpora-
12 tion; and

13 (C) the Chinese ship building industry.

14 (4) A description of each shipyard in China
15 that is producing warships for the People's Libera-
16 tion Army Navy or producing dual-use commercial
17 ships, including ferries and barges, that may be used
18 by the People's Liberation Army Navy.

19 (5) An indication of which such shipyards are
20 conducting business with non-People's Republic of
21 China foreign entities and potentially thereby facili-
22 tating the modernization of the People's Liberation
23 Army Navy.

1 **SEC. 17___ . STATEMENT OF POLICY TO COUNTER SHIP-**
2 **BUILDING PRACTICES OF THE PEOPLE’S RE-**
3 **PUBLIC OF CHINA.**

4 It is the policy of the United States to develop a do-
5 mestic capacity to produce ships for both commercial and
6 military application independent of supply chains that in-
7 clude materials sourced from the People’s Republic of
8 China. Such policy shall be given effect, among other
9 things, through a comprehensive effort, in coordination
10 with allies and partners of the United States where appro-
11 priate, that includes—

12 (1) relevant knowledge transfer to and skillset
13 development of a shipbuilding labor force in the
14 United States;

15 (2) securing direct investment in United States
16 shipyards by allies and partners; and

17 (3) the development of a coherent long-term
18 strategy to diversify shipbuilding supply chains and
19 expand domestic shipbuilding capacity, incorporating
20 all relevant Federal agencies and departments.

21 **SEC. 17___ . INTERNATIONAL SHIPBUILDING COORDINA-**
22 **TION RESPONSIBILITY.**

23 Not later than 90 days after the date of the enact-
24 ment of this Act, the President shall designate an indi-
25 vidual as the primary point of contact in the United States
26 Government for purposes of—

1 (1) attracting international shipbuilding invest-
2 ment opportunities in the United States;

3 (2) leading cooperation with the governments of
4 foreign countries on international shipbuilding sup-
5 ply chain diversification; and

6 (3) leading engagement on behalf of the United
7 States Government for coordination of international
8 shipbuilding industries in a manner that creates sup-
9 ply chain resilience and protects the national secu-
10 rity interests of the United States.

11 **SEC. 17___ . ASSISTANT SECRETARY FOR WATER, ENVIRON-**
12 **MENT, AND SPACE AFFAIRS.**

13 Section 9 of the Department of State Appropriations
14 Authorization Act of 1973 (22 U.S.C. 2655a) is amended
15 to read as follows:

16 **“SEC. 9. ASSISTANT SECRETARY FOR WATER, ENVIRON-**
17 **MENT, AND SPACE AFFAIRS.**

18 “(a) ESTABLISHMENT.—There is authorized to be in
19 the Department of State an Assistant Secretary for
20 Water, Environment, and Space Affairs, who shall be re-
21 sponsible to the Under Secretary for Economic Affairs for
22 matters pertaining to space, oceans and maritime diplo-
23 macy, polar affairs, environmental quality, freshwater,
24 fisheries, wildlife and wildlife trafficking, conservation,

1 and such other related duties as the Secretary may from
2 time to time designate.

3 “(b) RESPONSIBILITIES.—In addition to the respon-
4 sibilities described under subsection (a), the Assistant Sec-
5 retary for Water, Environment, and Space Affairs shall
6 maintain continuous observation and coordination of all
7 matters pertaining to oceans and maritime diplomacy,
8 fisheries, natural resource conservation, and outer space
9 in the conduct of foreign policy, including, as appropriate,
10 the following:

11 “(1) Developing United States policy on global
12 environmental security issues with respect to oceans,
13 fisheries, the Antarctic region, waste and global pol-
14 lution, and water and other natural resource man-
15 agement and conservation.

16 “(2) Representing the Department in bilateral
17 and multilateral negotiations involving the law of the
18 sea, including—

19 “(A) freedom of navigation, overflight, and
20 other lawful uses of the ocean;

21 “(B) maritime security;

22 “(C) United States maritime zones, includ-
23 ing the United States extended continental
24 shelf;

25 “(D) marine science;

1 “(E) the sustainable management and pro-
2 tection of marine habitats and resources;

3 “(F) marine pollution; and

4 “(G) maritime claims and boundaries.

5 “(3) Leading United States engagement on
6 Antarctica and in international oceans agreements
7 and conventions with foreign governments and inter-
8 national organizations, to promote solutions that ad-
9 vance United States national security, economic, and
10 environmental interests.

11 “(4) Coordinating the development of policies
12 and programs to conserve and manage economically
13 important ecosystems, including, forests, wetlands,
14 drylands, and coral reefs.

15 “(5) Developing policies and programs to ad-
16 dress international threats to natural resources, such
17 as illicit trade, illegal, unreported and unregulated
18 fishing, wildlife trafficking, and illegal logging and
19 associated trade.

20 “(6) Developing and implementing United
21 States foreign policy related to air, water and soil
22 pollution and risks to human health and the environ-
23 ment caused by the transboundary movement of haz-
24 ardous chemicals and waste and other forms of pol-

1 lution to promote environmental security, with trade
2 partners and in multilateral institutions.

3 “(7) Representing the Department in bilateral
4 and multilateral engagements including organiza-
5 tions, institutions, and negotiation of international
6 agreements on related issues.

7 “(8) Developing policies and programs, in co-
8 ordination with the National Aeronautics and Space
9 Administration, the Department of Commerce, and
10 other relevant Federal departments and agencies, as
11 appropriate, to support partnerships between the
12 United States and international and private industry
13 partners in the development of infrastructure and
14 policies that expand economic growth in outer space,
15 including—

16 “(A) countering malign efforts by foreign
17 adversaries and other actors that threaten
18 United States interests in civil and commercial
19 space; and

20 “(B) expanding access to foreign markets
21 for United States commercial industry, includ-
22 ing by encouraging reforms that reduce barriers
23 to trade and cooperation with United States
24 civil and commercial space actors.

1 “(9) Leading bilateral and multilateral engage-
2 ments related to civil and commercial space activi-
3 ties, resilient space services, burden sharing, and
4 other matters related to international space law and
5 diplomacy and other United States international ob-
6 ligations and commitments.

7 “(10) Leading United States Government en-
8 gagement with international Global Navigation Sat-
9 ellite Systems providers to ensure compatibility and
10 encourage interoperability of civil global navigation
11 satellite services based on United States-based global
12 positioning systems, including through the Inter-
13 national Committee on Global Navigation Satellite
14 Systems.

15 “(11) Leading Department efforts to implement
16 international arrangements and promote cooperation
17 on Earth observation satellite systems.

18 “(12) Leading Department engagement in mul-
19 tilateral and bilateral forums on international space
20 policy, space law, and commercial and civil treaties
21 or agreements.

22 “(13) Leading Department efforts on trans-
23 parency in space by maintaining the official United
24 States space object registry and promoting best
25 practices for safe operations in space, preservation

1 of the space environment, space traffic coordination,
2 and space situational awareness.

3 “(14) Leading Department efforts to align for-
4 eign space law, regulatory, and policy frameworks
5 with United States-endorsed models, approaches,
6 and best practices.

7 “(15) At the direction of the Under Secretary
8 for Economic Affairs and the Secretary of State,
9 represent the United States in international mari-
10 time diplomacy matters, including—

11 “(A) the creation and operation of the Al-
12 lied Maritime Framework under title 17 of the
13 National Defense Authorization Act for Fiscal
14 Year 2027;

15 “(B) the development of the report under
16 section 103; and

17 “(C) leading United States engagement in
18 the Maritime Group of Nations under title 17
19 of the National Defense Authorization Act for
20 Fiscal Year 2027.

21 “(16) Authoring any reports produced by the
22 Department which examine the maritime claims and
23 boundaries of coastal countries and assessing their
24 consistency with international law.

1 “(17) Performing such other duties as the
2 Under Secretary for Economic Affairs may from
3 time to time designate.

4 “(c) APPOINTMENT.—

5 “(1) INITIAL APPOINTMENT.—On the date of
6 the enactment of this section, the individual serving
7 as the Assistant Secretary for Oceans and Inter-
8 national Environmental and Scientific Affairs on the
9 day before such date of enactment shall be the As-
10 sistant Secretary for Water, Environment, and
11 Space Affairs.

12 “(2) SUBSEQUENT APPOINTMENT.—Any subse-
13 quent appointment of an individual to the position of
14 Assistant Secretary for Water, Environment, and
15 Space Affairs shall be subject to the advice and con-
16 sent of the Senate.

17 “(d) ESTABLISHMENT OF BUREAU OF WATER, ENVI-
18 RONMENT, AND SPACE AFFAIRS.—The Secretary shall es-
19 tablish a Bureau of Water, Environment, and Space Af-
20 fairs, which shall perform such functions related to space,
21 oceans, environmental quality, fisheries, wildlife, wildlife
22 trafficking, and conservation affairs as the Under Sec-
23 retary for Economic Affairs may prescribe.

24 “(e) ASSISTANT SECRETARY.—The Assistant Sec-
25 retary for Water, Environment, and Space Affairs shall

1 be the head of the Bureau of Water, Environment, and
2 Space Affairs.”.

3 **SEC. 17 ___. EXCHANGE PROGRAM FOR SHIP BUILDING IN-**
4 **DUSTRY EXPERTS.**

5 (a) SENSE OF CONGRESS.—It is the sense of the Con-
6 gress that the Secretary of State should initiate an ex-
7 change visitor program of technical shipbuilding expertise
8 to increase ship building knowledge, training, experience,
9 and expertise in the American shipbuilding workforce.

10 (b) AUTHORIZATION TO PROVIDE FOR EX-
11 CHANGES.—Section 102(b) of the Mutual Educational and
12 Cultural Exchange Act of 1961 (22 U.S.C. 2452(b)) is
13 amended—

14 (1) in paragraph (11), by striking “and” at the
15 end;

16 (2) in paragraph (12), by striking the period
17 and inserting “; and”; and

18 (3) by inserting at the end the following:

19 “(13) interchanges and visits between the
20 United States and other countries of marine en-
21 gineers, naval architects, electrical engineers,
22 deck-plate professionals, marine surveyors, ship-
23 yard infrastructure analysts, quality assurance
24 and quality control personnel, shipyard project
25 managers, and other experts related to the ship

1 building industry until the date that is 2 years
2 after the date of the enactment of this para-
3 graph.”.

4 **SEC. 17___ . MARITIME INVESTIGATORS.**

5 (a) IN GENERAL.—The Secretary of State shall, in
6 coordination with the Chair of the Federal Maritime Com-
7 mission, detail to countries described in subsection (b) per-
8 sonnel from the Division for Trade Policy and Negotia-
9 tions of the Bureau of Economic and Business Affairs for
10 the purpose of investigating—

11 (1) unfair shipping practices, including price-
12 fixing, market manipulation, or unreasonable refusal
13 to deal;

14 (2) specific actions by foreign governments to
15 deny port of entry to United States–flagged vessels;

16 (3) flags of convenience to determine if lower
17 safety, labor, and environmental standards in foreign
18 countries create unfavorable shipping conditions for
19 United States trade;

20 (4) anticompetitive agreements between ocean
21 carriers and marine terminal operators for potential
22 antitrust issues; and

23 (5) mapping the financial relationships of ship-
24 ping companies of the People’s Republic of China,
25 including the Ocean Alliance.

1 (b) LOCATIONS OF INVESTIGATORS.—The personnel
2 described in subsection (a) shall be detailed to diplomatic
3 and consular posts in countries that meet each of the of
4 the following criteria:

5 (1) The country is among the top 5 countries
6 globally by ship registry size and maintains an
7 “open registry”, allowing foreign-owned vessels to
8 register under the flag of such country without a
9 residency requirement (also known as a “flag of con-
10 venience” policy).

11 (2) The country is among the top 15 countries
12 globally with respect to not less than 2 of the fol-
13 lowing criteria:

14 (A) Shipbuilding, as measured by tonnage
15 as a percentage of global total.

16 (B) Number of citizens or nationals who
17 are merchant mariners.

18 (C) Number of commercially owned ships
19 greater than 1,000 gross weight tonnage.

20 (c) INCLUSION OF FINDINGS IN INVESTMENT CLI-
21 MATE STATEMENT.—Section 707(b) of the Further Con-
22 solidated Appropriations Act, 2020 (22 U.S.C. 9903) is
23 amended by inserting after paragraph (11) the following
24 new paragraph:

1 “(12) Information about unfair business prac-
2 tices in the maritime, logistics, and shipbuilding sec-
3 tors in each applicable country or region, includ-
4 ing—

5 “(A) price-fixing;

6 “(B) market manipulation;

7 “(C) unreasonable refusal to deal (as such
8 term is defined for purposes of section 7(d) of
9 the Ocean Shipping Reform Act of 2022 (46
10 U.S.C. 41104 note)); and

11 “(D) anticompetitive agreements between
12 ocean carriers and marine terminal operators.”.

13 (d) **DISCLOSURE OF CERTAIN INVESTMENTS BY**
14 **COUNTRIES RECEIVING AID.**—Section 7031(b)(2) of divi-
15 sion K of the Consolidated Appropriations Act, 2014
16 (Public Law 113–76; 128 Stat. 510) is amended by insert-
17 ing “and investments in maritime, logistics, and ship-
18 building sectors” after “allocation practices”).

19 **SEC. 17__ . ALLIED MARITIME FRAMEWORK.**

20 (a) **IN GENERAL.**—The President, acting through the
21 individual designated under this subtitle as the primary
22 point of contact for the purpose of attracting international
23 shipbuilding investment opportunities and in coordination
24 with other relevant agencies and departments, shall en-
25 gage allied countries to develop a shared framework to en-

1 enhance collective capacity to design, produce, and maintain
2 military and civilian ships, through—

3 (1) enhancing information exchange between
4 such countries regarding such design, production,
5 and maintenance;

6 (2) expanding procompetitive industrial collabo-
7 ration with respect to such ships; and

8 (3) strengthening the marine industries and the
9 shipbuilding industries in allied countries.

10 (b) ELEMENTS.—The framework required in sub-
11 section (a) shall include—

12 (1) the establishment of a mechanism to—

13 (A) ensure countries participating in the
14 framework can access reciprocal ports and ship-
15 ping support during crises and conflicts;

16 (B) co-develop best-in-class design prin-
17 ciples for the construction of ships;

18 (C) collaborate, on a reciprocal basis, on
19 the construction, repair, interoperability, and
20 other capabilities of new ships to reduce costs;

21 (D) establish guiding principles for produc-
22 tion line sequencing and supply chain manage-
23 ment;

24 (E) coordinate Cabinet or Minister-level
25 recommendations to drive down the production

1 costs of ships and accelerate the delivery of
2 ships, consistent with relevant laws in the rel-
3 evant countries;

4 (F) establish a process for determining
5 specific ship types or industry niches that are
6 best suited for allied cooperation, including ice-
7 breakers, support ships, oilers, tankers, liquified
8 natural gas carriers, undersea vessels, research
9 vessels, and dual-fuel ships; and

10 (G) develop a mechanism to incentivize fi-
11 nancial investments from foreign sources and
12 remove barriers to foreign direct investment in
13 shipbuilding;

14 (2) the establishment of a joint workforce-devel-
15 opment program between participating shipyards
16 and partner networks engaged in the production of
17 ships for the purpose of training, information shar-
18 ing, and the exchange of technical advisors;

19 (3) the establishment of a mechanism to de-
20 velop and share research and development and lever-
21 age innovation to promote sustainability and mutual
22 benefit;

23 (4) an agreement among countries participating
24 in the framework to procure ships and ship compo-
25 nents from shipyards identified by the participants

1 as shipyards with specialized capabilities and experi-
2 ence in ship production; and

3 (5) an agreement among countries participating
4 in the framework to prevent leakage of dual-use
5 technologies to companies connected to the military
6 of the People's Republic of China.

7 **SEC. 17___ . MARITIME GROUP OF NATIONS.**

8 (a) ESTABLISHMENT.—The Secretary of State shall
9 seek to establish a group, to be known as the “Maritime
10 Group of Nations”, to coordinate regulatory and com-
11 merce policies to facilitate a new maritime multimodalism
12 for commercial shipping.

13 (b) PARTICIPATION.—

14 (1) INCLUSION.—The Secretary of State should
15 invite to the Maritime Group of Nations appropriate
16 counterparts from the governments of countries that
17 meet each of the following criteria:

18 (A) The country is of significant impor-
19 tance for the purposes of establishing and ad-
20 vancing the objectives of the Maritime Group of
21 Nations, as determined by the Secretary of
22 State.

23 (B) The country additionally is among the
24 top 15 countries globally with respect to at
25 least two of the following criteria:

1 (i) Shipbuilding, as measured by ton-
2 nage as a percentage of global total.

3 (ii) Number of citizens or nationals
4 who are merchant mariners.

5 (iii) Number of commercially owned
6 ships greater than 1,000 gross weight ton-
7 nage.

8 (2) EXCLUSION.—The Maritime Group of Na-
9 tions established under subsection (a) may not in-
10 clude a foreign country of concern.

11 (c) FUNCTIONS.—The Maritime Group of Nations es-
12 tablished under subsection (a) should consider the fol-
13 lowing:

14 (1) Supporting the establishment of maritime
15 prosperity zones across a diverse geography, includ-
16 ing areas outside traditional coast shipbuilding and
17 ship repair centers, to—

18 (A) incentivize and leverage national pri-
19 vate capital and investment by allied countries
20 in the maritime industries and waterfront com-
21 munities; and

22 (B) strengthen industrial base capacity
23 and readiness through shipbuilding, workforce
24 development, and expanded manufacturing in-
25 centives.

1 (2) Supporting the implementation of a coordi-
2 nated, reciprocal fee on foreign-built vessels, to—

3 (A) provide consistent funding to strength-
4 en the merchant marine enterprise; and

5 (B) support investments in commercial
6 shipbuilding, fleet expansion, industrial base re-
7 siliance, and maritime workforce development.

8 (3) Developing standardized reciprocal trade
9 agreements that—

10 (A) would ensure fair competition; and

11 (B) reduce dependency on adversarial sup-
12 ply chains.

13 (4) Coordinating a collective position with re-
14 spect to regulations and guidelines issued by the
15 International Maritime Organization that protects
16 domestic shipbuilding industries.

17 (5) Implementing and contributing to the ex-
18 change visitor program authorized by the amend-
19 ments made by this subtitle to the Mutual Edu-
20 cational and Cultural Exchange Act of 1961 (22
21 U.S.C. 2452(b)).

22 **SEC. 17___ . INTERNATIONAL MARITIME ORGANIZATION.**

23 The Secretary of State shall direct the United States
24 Ambassador to the United Nations to use the voice, vote,
25 and influence of the United States mission to the United

1 Nations to urge the International Maritime Organization
2 of the United Nations, and the members of its Council,
3 to—

4 (1) revise the International Maritime Organiza-
5 tion’s Net-Zero Framework, specifically to—

6 (A) exclude any limits on conventional
7 crude or diesel, liquified natural gas, or any
8 other type of marine propulsion technology and
9 instead champion an “energy all” approach that
10 does not restrict or constrain current or break-
11 through fuel types;

12 (B) remove any financial penalties, carbon
13 taxes, or multilateral funds which are used to
14 help nations decarbonize;

15 (C) eliminate penalties on liquified natural
16 gas, recognize biofuels as viable marine fuels,
17 and support industry-led advances in alternative
18 fuels and other technologies without creating
19 undue advantage or disadvantage to certain
20 fuels or technologies through regulation;

21 (D) withdraw or phase out of any regional
22 shipping emissions reduction schemes, including
23 the Emissions Trading System of the European
24 Union;

1 (E) support an “opt-in” model with re-
2 spect to the rules of such organization; and

3 (F) remove any net-zero 2050 targets the
4 President determines unreasonable;

5 (2) advance the candidacy of United States citi-
6 zens into senior-level positions within the—

7 (A) International Maritime Organization
8 Assembly;

9 (B) International Maritime Organization
10 Council; and

11 (C) main committees of the International
12 Maritime Organization, including—

13 (i) the Maritime Safety Committee;

14 (ii) the Marine Environment Protec-
15 tion Committee;

16 (iii) the Legal Committee;

17 (iv) the Technical Cooperation Com-
18 mittee;

19 (v) the Facilitation Committee; and

20 (vi) any Sub-Committee;

21 (3) advance the candidacy of a United States
22 citizen to fill the position of Secretary-General of the
23 International Maritime Organization;

24 (4) combat the anti-competitive practices of the
25 People’s Republic of China by investigating and reg-

1 ulating the deliberate use of policies and practices to
2 give domestic shipbuilding industries a competitive
3 advantage over foreign rivals (also known as “indus-
4 trial targeting”);

5 (5) advocate for the consistent enforcement of
6 existing safety and technical rules to ensure foreign-
7 flagged vessels meet International Maritime Organi-
8 zation standards without requiring unilateral United
9 States regulations; and

10 (6) de-link United States domestic environ-
11 mental requirements from international certificates
12 to reduce compliance friction for United States ship-
13 yards.

14 **SEC. 17___ . DEFINITIONS.**

15 In this subtitle:

16 (1) The term “allied country” has the meaning
17 given such term in section 2350f(d) of title 10,
18 United States Code.

19 (2) The term “appropriate congressional com-
20 mittees” means—

21 (A) the Committee on Foreign Affairs of
22 the House of Representatives; and

23 (B) the Committee on Foreign Relations of
24 the Senate.

1 (3) The term “deck-plate professional” means a
2 skilled worker who operates directly on the produc-
3 tion floor as a skilled tradesperson with specialized
4 expertise related to a ship’s systems and
5 functionality.

6 (4) The term “foreign country of concern” has
7 the meaning given the term “covered nation” in sec-
8 tion 4872(f) of title 10, United States Code.

9 (5) The term “unreasonable refusal to deal”
10 has the meaning given that term for purposes of sec-
11 tion 7(d) of the Ocean Shipping Reform Act of 2022
12 (46 U.S.C. 41104 note).

