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(Original Signature of Member)

115TH CONGRESS
2D SESSION

H. R.

To require a certain percentage of liquefied natural gas and crude oil exports be transported on United States-built and United States-flag vessels, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GARAMENDI introduced the following bill; which was referred to the Committee on _____

A BILL

To require a certain percentage of liquefied natural gas and crude oil exports be transported on United States-built and United States-flag vessels, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energizing American
5 Shipbuilding Act”.

6 **SEC. 2. NATIONAL POLICY ON STRATEGIC ENERGY ASSET**
7 **EXPORT TRANSPORTATION.**

8 (a) LNG EXPORTS.—

1 (1) FINDINGS.—Congress finds the following:

2 (A) Liquefied natural gas (LNG) is an ex-
3 plosive gas that can be hazardous to national
4 import and export terminals and ports when
5 mishandled.

6 (B) LNG is a strategic national asset, the
7 export of which will be used to preserve the
8 United States tanker fleet and skilled mariner
9 workforce that are essential to national secu-
10 rity.

11 (C) For the safety and security of the
12 United States, LNG should be exported on ves-
13 sels documented under the laws of the United
14 States.

15 (2) REQUIREMENT.—Section 3 of the Natural
16 Gas Act (15 U.S.C. 717b) is amended by adding at
17 the end the following:

18 “(g) TRANSPORTATION OF EXPORTS OF LNG ON
19 VESSELS BUILT IN THE UNITED STATES AND DOCU-
20 MENTED UNDER LAWS OF THE UNITED STATES.—

21 “(1) CONDITION FOR APPROVAL.—As a condi-
22 tion for approval of any authorization to export liq-
23 uefied natural gas, the Secretary of Energy shall re-
24 quire the applicant to transport the authorized ex-
25 ports on vessels that meet the requirements de-

1 scribed in paragraph (2) (including vessels with re-
2 spect to which a waiver is in place for the require-
3 ment under paragraph (2)(D)), so as to ensure the
4 following:

5 “(A) Starting in 2024, a minimum of two
6 percent of the liquefied natural gas exported by
7 vessel each year is transported on such vessels.

8 “(B) Starting in 2026, a minimum of
9 three percent of the liquefied natural gas ex-
10 ported by vessel each year is transported on
11 such vessels.

12 “(C) Starting in 2028, a minimum of five
13 percent of the liquefied natural gas exported by
14 vessel each year is transported on such vessels.

15 “(D) Starting in 2030, a minimum of
16 seven percent of the liquefied natural gas ex-
17 ported by vessel each year is transported on
18 such vessels.

19 “(E) Starting in 2032, a minimum of eight
20 percent of the liquefied natural gas exported by
21 vessel each year is transported on such vessels.

22 “(F) Starting in 2034, a minimum of ten
23 percent of the liquefied natural gas exported by
24 vessel each year is transported on such vessels.

1 “(G) Starting in 2036, a minimum of elev-
2 en percent of the liquefied natural gas exported
3 by vessel each year is transported on such ves-
4 sels.

5 “(H) Starting in 2038, a minimum of thir-
6 teen percent of the liquefied natural gas ex-
7 ported by vessel each year is transported on
8 such vessels.

9 “(I) Starting in 2040, a minimum of fif-
10 teen percent of the liquefied natural gas ex-
11 ported by vessel each year is transported on
12 such vessels.

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

16 “(A) the vessel is built in the United
17 States;

18 “(B) the vessel is documented under the
19 laws of the United States;

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

1 “(D) the components of the vessel listed in
2 paragraph (3) are manufactured in the United
3 States.

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

7 “(A) Air circuit breakers.

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

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

13 “(D) Machine tools in the Federal Supply
14 Classes for metal-working machinery numbered
15 3405, 3408, 3410 through 3419, 3426, 3433,
16 3438, 3441 through 3443, 3445, 3446, 3448,
17 3449, 3460, and 3461.

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

20 “(F) Propulsion equipment, including en-
21 gines, reduction gears, and propellers.

22 “(G) Shipboard cranes.

23 “(H) Spreaders for shipboard cranes.

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

1 (2)(D) with respect to a component of a vessel if the
2 Maritime Administrator determines that—

3 “(A) application of the requirement would
4 cause unreasonable costs or delays to be in-
5 curred in building the vessel; or

6 “(B) such component is not manufactured
7 in the United States in sufficient and reason-
8 ably available quantities of a satisfactory qual-
9 ity.

10 “(5) OPPORTUNITIES FOR LICENSED AND UNLI-
11 CENSED MARINERS.—Each Federal official respon-
12 sible for the issuance of a permit authorizing the ex-
13 port of liquefied natural gas shall require, as a con-
14 dition and term of the permit, that the permittee
15 provide opportunities for United States licensed and
16 unlicensed mariners to receive experience and train-
17 ing necessary to become credentialed in working on
18 a vessel transporting liquified natural gas.”.

19 (b) CRUDE OIL.—Section 101 of title I of division
20 O of the Consolidated Appropriations Act, 2016 (42
21 U.S.C. 6212a) is amended—

22 (1) in subsection (b), by striking “subsections
23 (c) and (d)” and inserting “subsections (c), (d), and
24 (e)”; and

1 (2) by redesignating subsection (e) as sub-
2 section (f); and (3) by inserting after subsection (d)
3 the following:

4 “(e) TRANSPORTATION OF EXPORTS OF CRUDE OIL
5 ON VESSELS BUILT IN THE UNITED STATES AND DOCU-
6 MENTED UNDER LAWS OF THE UNITED STATES.—

7 “(1) CONDITION.—As a condition to export
8 crude oil, the President shall require an applicant to
9 transport the exports on vessels that meet the re-
10 quirements described in paragraph (2) (including
11 vessels with respect to which a waiver is in place for
12 the requirement under paragraph (2)(D)), so as to
13 ensure the following:

14 “(A) Starting in 2023, a minimum of one
15 percent of crude oil exported by vessel each
16 year is transported on such vessels.

17 “(B) Starting in 2026, a minimum of four
18 percent of crude oil exported by vessel each
19 year is transported on such vessels.

20 “(C) Starting in 2029, a minimum of eight
21 percent of crude oil exported by vessel each
22 year is transported on such vessels.

23 “(D) Starting in 2032, a minimum of ten
24 percent of crude oil exported by vessel each
25 year is transported on such vessels.

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

4 “(A) the vessel is built in the United
5 States;

6 “(B) the vessel is documented under the
7 laws of the United States;

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

14 “(D) the components of the vessel listed in
15 paragraph (3) are manufactured in the United
16 States.

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

20 “(A) Air circuit breakers.

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

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

1 “(D) Machine tools in the Federal Supply
2 Classes for metal-working machinery numbered
3 3405, 3408, 3410 through 3419, 3426, 3433,
4 3438, 3441 through 3443, 3445, 3446, 3448,
5 3449, 3460, and 3461.

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

8 “(F) Propulsion equipment, including en-
9 gines, reduction gears, and propellers.

10 “(G) Shipboard cranes.

11 “(H) Spreaders for shipboard cranes.

12 “(4) WAIVER AUTHORITY.—The President may
13 waive the requirement under paragraph (2)(D) with
14 respect to a component of a vessel if the Maritime
15 Administrator determines that—

16 “(A) application of the requirement would
17 cause unreasonable costs or delays to be in-
18 curred in building the vessel; or

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

23 “(5) OPPORTUNITIES FOR LICENSED AND UNLI-
24 CENSED MARINERS.—The Maritime Administrator
25 shall ensure that each exporter of crude oil by vessel

1 provides opportunities for United States licensed and
2 unlicensed mariners to receive experience and train-
3 ing necessary to become credentialed in working on
4 such vessels.”.