

115TH CONGRESS
2D SESSION

H. R. 5893

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

MAY 21, 2018

Mr. GARAMENDI (for himself, Mr. HUNTER, Mr. COURTNEY, and Mr. WITTMAN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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”.

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

3 (a) LNG EXPORTS.—

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

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

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

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

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

21 “(g) TRANSPORTATION OF EXPORTS OF LNG ON
22 VESSELS BUILT IN THE UNITED STATES AND DOCU-
23 MENTED UNDER LAWS OF THE UNITED STATES.—

24 “(1) CONDITION FOR APPROVAL.—As a condi-
25 tion for approval of any authorization to export liq-
26 uefied natural gas, the Secretary of Energy shall re-

1 quire the applicant to transport the authorized ex-
2 ports on vessels that meet the requirements de-
3 scribed in paragraph (2) (including vessels with re-
4 spect to which a waiver is in place for the require-
5 ment under paragraph (2)(D)), so as to ensure the
6 following:

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

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

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

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

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

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

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

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

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

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

19 “(A) the vessel is built in the United
20 States;

21 “(B) the vessel is documented under the
22 laws of the United States;

23 “(C) all major components of the hull or
24 superstructure of the vessel are manufactured
25 (including all manufacturing processes from the

1 initial melting stage through the application of
2 coatings for iron or steel products) in the
3 United States; and

4 “(D) the components of the vessel listed in
5 paragraph (3) are manufactured in the United
6 States.

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

10 “(A) Air circuit breakers.

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

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

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

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

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

25 “(G) Shipboard cranes.

1 “(H) Spreaders for shipboard cranes.

2 “(4) WAIVER AUTHORITY.—The Secretary of
3 Energy may waive the requirement under paragraph
4 (2)(D) with respect to a component of a vessel if the
5 Maritime Administrator determines that—

6 “(A) application of the requirement would
7 cause unreasonable costs or delays to be in-
8 curred in building the vessel; or

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

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

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

1 (1) in subsection (b), by striking “subsections
2 (c) and (d)” and inserting “subsections (c), (d), and
3 (e)”;

4 (2) by redesignating subsection (e) as sub-
5 section (f); and

6 (3) by inserting after subsection (d) the fol-
7 lowing:

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

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

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

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

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

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

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

10 “(A) the vessel is built in the United
11 States;

12 “(B) the vessel is documented under the
13 laws of the United States;

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

20 “(D) the components of the vessel listed in
21 paragraph (3) are manufactured in the United
22 States.

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

1 “(A) Air circuit breakers.

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

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

7 “(D) Machine tools in the Federal Supply
8 Classes for metal-working machinery numbered
9 3405, 3408, 3410 through 3419, 3426, 3433,
10 3438, 3441 through 3443, 3445, 3446, 3448,
11 3449, 3460, and 3461.

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

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

16 “(G) Shipboard cranes.

17 “(H) Spreaders for shipboard cranes.

18 “(4) WAIVER AUTHORITY.—The President may
19 waive the requirement under paragraph (2)(D) with
20 respect to a component of a vessel if the Maritime
21 Administrator determines that—

22 “(A) application of the requirement would
23 cause unreasonable costs or delays to be in-
24 curred in building the vessel; or

1 “(B) such component is not manufactured
2 in the United States in sufficient and reason-
3 ably available quantities of a satisfactory qual-
4 ity.

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

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