

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. Witt-Man) 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

vessel each year is transported on such vessels.

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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

ing necessary to become credentialed in working on

unlicensed mariners to receive experience and train-

such vessels.".

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