

116TH CONGRESS
1ST SESSION

H. R. 3829

To require a certain percentage of 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

JULY 18, 2019

Mr. GARAMENDI (for himself, Mr. SEAN PATRICK MALONEY of New York, Mr. FITZPATRICK, Mr. VAN DREW, Mr. WITTMAN, Mr. POCAN, Mr. HUNTER, Mrs. NAPOLITANO, Mr. KING of New York, Ms. BARRAGÁN, Ms. BROWNLEY of California, Mr. LARSEN of Washington, Mr. LOWENTHAL, Mr. GOLDEN, Mrs. WATSON COLEMAN, Mr. COURTNEY, Mr. NORCROSS, and Mrs. LURIA) 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 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 of 2019”.

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 haz-
6 ardous to national import and export terminals
7 and ports when mishandled.

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

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

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

20 “(g) TRANSPORTATION OF EXPORTS OF NATURAL
21 GAS ON VESSELS DOCUMENTED UNDER LAWS OF THE
22 UNITED STATES.—

23 “(1) CONDITION FOR APPROVAL.—Except as
24 provided in paragraph (5), the Commission shall in-
25 clude in an order issued under subsection (a) that
26 authorizes a person to export natural gas a condition

1 that the person transport the natural gas on vessels
2 that meet the requirements described in paragraph
3 (2) (including vessels with respect to which a waiver
4 is in place for the requirement under paragraph
5 (2)(A)(i)(II)(bb) or the requirement under para-
6 graph (2)(A)(ii)(IV), as applicable), so as to ensure
7 the following:

8 “(A) A minimum of two percent of the
9 natural gas that is exported by vessel is trans-
10 ported on such vessels in each of the 7 calendar
11 years after the calendar year in which this sub-
12 section is enacted.

13 “(B) A minimum of three percent of the
14 natural gas that is exported by vessel is trans-
15 ported on such vessels in each of the 8th and
16 9th calendar years after the calendar year in
17 which this subsection is enacted.

18 “(C) A minimum of four percent of the
19 natural gas that is exported by vessel is trans-
20 ported on such vessels in each of the 10th and
21 11th calendar years after the calendar year in
22 which this subsection is enacted.

23 “(D) A minimum of six percent of the nat-
24 ural gas that is exported by vessel is trans-
25 ported on such vessels in each of the 12th and

1 13th calendar years after the calendar year in
2 which this subsection is enacted.

3 “(E) A minimum of seven percent of the
4 natural gas that is exported by vessel is trans-
5 ported on such vessels in each of the 14th and
6 15th calendar years after the calendar year in
7 which this subsection is enacted.

8 “(F) A minimum of nine percent of the
9 natural gas that is exported by vessel is trans-
10 ported on such vessels in each of the 16th and
11 17th calendar years after the calendar year in
12 which this subsection is enacted.

13 “(G) A minimum of eleven percent of the
14 natural gas that is exported by vessel is trans-
15 ported on such vessels in each of the 18th and
16 19th calendar years after the calendar year in
17 which this subsection is enacted.

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

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

1 “(i) the 22nd calendar year after the
2 calendar year in which this subsection is
3 enacted; and

4 “(ii) in each calendar year thereafter.

5 “(2) REQUIREMENTS FOR VESSELS.—A vessel
6 meets the requirements described in this para-
7 graph—

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

11 “(i) if—

12 “(I) the vessel is documented
13 under the laws of the United States;
14 and

15 “(II) with respect to any retrofit
16 work necessary for the vessel to ex-
17 port natural gas—

18 “(aa) such work is done in a
19 shipyard in the United States;
20 and

21 “(bb) any component of the
22 vessel listed in paragraph (3)
23 that is installed during the
24 course of such work is manufac-
25 tured in the United States; or

1 “(ii) if—

2 “(I) the vessel is built in the
3 United States;

4 “(II) the vessel is documented
5 under the laws of the United States;

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

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

16 “(B) with respect to the 6th calendar year
17 after the calendar year in which this subsection
18 is enacted and each calendar year thereafter, if
19 the vessel meets the requirements of subpara-
20 graph (A)(ii).

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

24 “(A) Air circuit breakers.

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

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

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

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

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

16 “(G) Shipboard cranes.

17 “(H) Spreaders for shipboard cranes.

18 “(I) Rotating electrical equipment, includ-
19 ing electrical alternators and motors.

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

23 “(4) WAIVER AUTHORITY.—The Commission
24 may waive the requirement under paragraph
25 (2)(A)(i)(II)(bb) or paragraph (2)(A)(ii)(IV), as ap-

1 plicable, with respect to a component of a vessel if
2 the Maritime Administrator determines that—

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

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

12 “(5) EXCEPTION.—The Commission may not
13 include in any order issued under subsection (a) au-
14 thorizing a person to export natural gas to a nation
15 with which there is in effect a free trade agreement
16 requiring national treatment for trade in natural gas
17 a condition described in paragraph (1), or a condi-
18 tion described in paragraph (7), if the United States
19 Trade Representative certifies to the Commission, in
20 writing, that such condition would violate obligations
21 of the United States under such free trade agree-
22 ment.

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

1 “(A) shall utilize information made avail-
2 able by the Energy Information Administration,
3 or by any other Federal agency or entity the
4 Commission determines appropriate; and

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

9 “(7) OPPORTUNITIES FOR LICENSED AND UNLI-
10 CENSED MARINERS.—Except as provided in para-
11 graph (5), the Commission shall include in any order
12 issued under subsection (a) that authorizes a person
13 to export natural gas a condition that the person
14 provide opportunities for United States licensed and
15 unlicensed mariners to receive experience and train-
16 ing necessary to become credentialed in working on
17 a vessel transporting natural gas.”.

18 (3) CONFORMING AMENDMENT.—Section 3(c)
19 of the Natural Gas Act (15 U.S.C. 717b(c)) is
20 amended by striking “or the exportation of natural
21 gas” and inserting “or, subject to subsection (g), the
22 exportation of natural gas”.

23 (b) CRUDE OIL.—Section 101 of title I of division
24 O of the Consolidated Appropriations Act, 2016 (42
25 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 DOCUMENTED UNDER LAWS OF THE
10 UNITED STATES.—

11 “(1) CONDITION.—Except as provided in para-
12 graph (5), as a condition to export crude oil, the
13 President shall require the person exporting the
14 crude oil to transport the exports on vessels that
15 meet the requirements described in paragraph (2)
16 (including vessels with respect to which a waiver is
17 in place for the requirement under paragraph
18 (2)(A)(i)(II)(bb) or the requirement under para-
19 graph (2)(A)(ii)(IV), as applicable), so as to ensure
20 the following:

21 “(A) A minimum of three percent of crude
22 oil exported by vessel is transported on such
23 vessels in each of the 7 calendar years after the
24 calendar year in which this subsection is en-
25 acted.

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

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

11 “(D) A minimum of ten percent of crude
12 oil exported by vessel is transported on such
13 vessels—

14 “(i) in the 14th calendar year after
15 the calendar year in which this subsection
16 is enacted; and

17 “(ii) in each calendar year thereafter.

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

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

24 “(i) if—

1 “(I) the vessel is documented
2 under the laws of the United States;
3 and

4 “(II) with respect to any retrofit
5 work necessary for the vessel to ex-
6 port crude oil—

7 “(aa) such work is done in a
8 shipyard in the United States;
9 and

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

15 “(ii) if—

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

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

20 “(III) all major components of
21 the hull or superstructure of the ves-
22 sel are manufactured (including all
23 manufacturing processes from the ini-
24 tial melting stage through the applica-

1 tion of coatings for iron or steel prod-
2 ucts) in the United States; and

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

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

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

14 “(A) Air circuit breakers.

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

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

20 “(D) Machine tools in the Federal Supply
21 Classes for metal-working machinery numbered
22 3405, 3408, 3410 through 3419, 3426, 3433,
23 3438, 3441 through 3443, 3445, 3446, 3448,
24 3449, 3460, and 3461.

1 “(E) Auxiliary equipment for shipboard
2 services, including pumps.

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

6 “(G) Shipboard cranes.

7 “(H) Spreaders for shipboard cranes.

8 “(I) Rotating electrical equipment, includ-
9 ing electrical alternators and motors.

10 “(4) WAIVER AUTHORITY.—The President may
11 waive the requirement under paragraph
12 (2)(A)(i)(II)(bb) or the requirement under para-
13 graph (2)(A)(ii)(IV), as applicable, with respect to a
14 component of a vessel if the Maritime Administrator
15 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 President may not,
2 under paragraph (1), condition the export of crude
3 oil to a nation with which there is in effect a free
4 trade agreement requiring national treatment for
5 trade in crude oil if the United States Trade Rep-
6 resentative certifies to the President, in writing, that
7 such condition would violate obligations of the
8 United States under such free trade agreement.

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

11 “(A) shall utilize information made avail-
12 able by the Energy Information Administration,
13 or by any other Federal agency or entity the
14 President determines appropriate; and

15 “(B) may not utilize information made
16 available by a private entity unless applicable
17 information described in subparagraph (A) is
18 not available.

19 “(7) OPPORTUNITIES FOR LICENSED AND UNLI-
20 CENSED MARINERS.—The Maritime Administrator
21 shall ensure that each exporter of crude oil by vessel
22 provides opportunities for United States licensed and
23 unlicensed mariners to receive experience and train-
24 ing necessary to become credentialed in working on
25 such vessels.”.

1 **SEC. 3. ENERGY INFORMATION ADMINISTRATION INFOR-**
2 **MATION.**

3 The Secretary of Energy, acting through the Admin-
4 istrator of the Energy Information Administration, shall
5 collect, and make readily available to the public on the
6 Internet website of the Energy Information Administra-
7 tion, information on exports by vessel of natural gas and
8 crude oil, including—

9 (1) forecasts for, and data on, such exports
10 for—

11 (A) the calendar year after the calendar
12 year in which this Act is enacted; and

13 (B) each calendar year thereafter; and

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

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