

Calendar No. 182

115TH CONGRESS
1ST SESSION

S. 1096

[Report No. 115–136]

To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 11, 2017

Mrs. FISCHER (for herself and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

JULY 24, 2017

Reported by Mr. THUNE, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To amend and enhance certain maritime programs of the Department of Transportation, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Maritime Administration Authorization and Enhance-
 4 ment Act for Fiscal Year 2018”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
 6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Authorization of the Maritime Administration.
- Sec. 3. Removal adjunct professor limit at United States Merchant Marine Academy.
- Sec. 4. Acceptance of guarantees in conjunction with partial donations for major projects of the United States Merchant Marine Academy.
- Sec. 5. Authority to pay conveyance or transfer expenses in connection with acceptance of a gift to the United States Merchant Marine Academy.
- Sec. 6. Authority to participate in Federal, State or other research grants.
- Sec. 7. Continuing funding for the United States Merchant Marine Academy.
- Sec. 8. Access to satellite phone during Sea Year program.
- Sec. 9. Assistance for small shipyards and maritime communities.

7 **SEC. 2. AUTHORIZATION OF THE MARITIME ADMINISTRA-**
 8 **TION.**

9 (a) **IN GENERAL.**—There are authorized to be appro-
 10 priated to the Department of Transportation for fiscal
 11 year 2018, to be available without fiscal year limitation
 12 if so provided in appropriations Acts, for programs associ-
 13 ated with maintaining the United States merchant marine,
 14 the following amounts:

15 (1) For expenses necessary for operations of the
 16 United States Merchant Marine Academy,
 17 \$99,902,000, of which—

18 (A) \$74,851,000 shall be for Academy op-
 19 erations, including—

1 (i) the implementation of section
2 3514(b) of the National Defense Author-
3 ization Act for Fiscal Year 2017, as added
4 by section 8; and

5 (ii) staffing, training, and other ac-
6 tions necessary to prevent and respond to
7 sexual harassment and sexual assault; and

8 (B) \$25,051,000 shall remain available
9 until expended for capital asset management at
10 the Academy.

11 (2) For expenses necessary to support the State
12 maritime academies, \$29,550,000, of which—

13 (A) \$2,400,000 shall remain available until
14 September 30, 2018, for the Student Incentive
15 Program;

16 (B) \$3,000,000 shall remain available until
17 expended for direct payments to such acad-
18 emies;

19 (C) \$22,000,000 shall remain available
20 until expended for maintenance and repair of
21 State maritime academy training vessels;

22 (D) \$1,800,000 shall remain available until
23 expended for training ship fuel assistance; and

1 ~~(E)~~ \$350,000 shall remain available until
2 expended for expenses to improve the moni-
3 toring of the service obligations of graduates.

4 ~~(3)~~ For expenses necessary to support the Na-
5 tional Security Multi-Mission Vessel Program,
6 \$36,000,000, which shall remain available until ex-
7 pended.

8 ~~(4)~~ For expenses necessary to support Maritime
9 Administration operations and programs,
10 \$58,694,000.

11 ~~(5)~~ For expenses necessary to dispose of vessels
12 in the National Defense Reserve Fleet, \$20,000,000,
13 which shall remain available until expended.

14 ~~(6)~~ For administrative expenses associated with
15 the program authorized under chapter 537 of title
16 46, United States Code, \$3,000,000, which shall re-
17 main available until expended.

18 ~~(b)~~ ASSISTANCE FOR SMALL SHIPYARDS AND MARI-
19 TIME COMMUNITIES.—Section 54101(i) of title 46, United
20 States Code, is amended—

21 ~~(1)~~ in the matter preceding paragraph ~~(1)~~, by
22 striking “2015 through 2017” and inserting “2018
23 through 2020”;

24 ~~(2)~~ in paragraph ~~(1)~~, by striking “\$5,000,000”
25 and inserting “\$7,500,00”; and

1 (2) in paragraph (2), by striking
2 “\$25,000,000” and inserting “\$27,500,000”.

3 **SEC. 3. REMOVAL ADJUNCT PROFESSOR LIMIT AT UNITED**
4 **STATES MERCHANT MARINE ACADEMY.**

5 Section 51317 of title 46, United States Code, is
6 amended—

7 (1) in subsection (b)—

8 (A) in paragraph (1), by striking “and” at
9 the end; and

10 (B) in paragraph (2), by striking the pe-
11 riod at the end and inserting “; and”; and

12 (2) by striking subsections (c) and (d).

13 **SEC. 4. ACCEPTANCE OF GUARANTEES IN CONJUNCTION**
14 **WITH PARTIAL DONATIONS FOR MAJOR**
15 **PROJECTS OF THE UNITED STATES MER-**
16 **CHANT MARINE ACADEMY.**

17 (a) **GUARANTEES.**—Chapter 513 of title 46, United
18 States Code, is amended by adding at the end the fol-
19 lowing:

20 **“§ 51320. Acceptance of guarantees with gifts for**
21 **major projects**

22 “(a) **DEFINITIONS.**—In this section:

23 “(1) **MAJOR PROJECT.**—The term ‘major
24 project’ means a project estimated to cost at least
25 \$1,000,000 for—

1 “(A) the purchase or other procurement of
2 real or personal property; or

3 “(B) the construction, renovation, or re-
4 pair of real or personal property.

5 “(2) MAJOR UNITED STATES COMMERCIAL
6 BANK.—The term ‘major United States commercial
7 bank’ means a commercial bank that—

8 “(A) is an insured bank (as defined in sec-
9 tion 3(h) of the Federal Deposit Insurance Act
10 (12 U.S.C. 1813(h));

11 “(B) is headquartered in the United
12 States; and

13 “(C) has total net assets of an amount
14 considered by the Maritime Administrator to
15 qualify the bank as a major bank.

16 “(3) MAJOR UNITED STATES INVESTMENT MAN-
17 AGEMENT FIRM.—The term ‘major United States in-
18 vestment management firm’ means—

19 “(A) any broker or dealer (as such terms
20 are defined in section 3 of the Securities Ex-
21 change Act of 1934 (15 U.S.C. 78e));

22 “(B) any investment adviser or provider of
23 investment supervisory services (as such terms
24 are defined in section 202 of the Investment
25 Advisers Act of 1940 (15 U.S.C. 80b-2)); or

1 “(C) a major United States commercial
2 bank that—

3 “(i) is headquartered in the United
4 States; and

5 “(ii) holds for the account of others
6 investment assets in a total amount consid-
7 ered by the Maritime Administrator to
8 qualify the bank as a major investment
9 management firm.

10 “(4) QUALIFIED GUARANTEE.—The term
11 ‘qualified guarantee’, with respect to a major
12 project, means a guarantee that—

13 “(A) is made by one or more persons in
14 connection with a donation for the project of a
15 total amount in cash or securities that the Mar-
16 itime Administrator determines is sufficient to
17 defray a substantial portion of the total cost of
18 the project;

19 “(B) is made to facilitate or expedite the
20 completion of the project in reasonable anticipa-
21 tion that other donors will contribute sufficient
22 funds or other resources in amounts sufficient
23 to pay for completion of the project;

24 “(C) is set forth as a written agreement
25 providing that the donor will furnish in cash or

1 securities, in addition to the donor's other gift
 2 or gifts for the project, any additional amount
 3 that may become necessary for paying the cost
 4 of completing the project by reason of a failure
 5 to obtain from other donors or sources funds or
 6 other resources in amounts sufficient to pay the
 7 cost of completing the project; and

8 “(D) is accompanied by—

9 “(i) an irrevocable and unconditional
 10 standby letter of credit for the benefit of
 11 the United States Merchant Marine Acad-
 12 emy that is in the amount of the guarantee
 13 and is issued by a major United States
 14 commercial bank; or

15 “(ii) a qualified account control agree-
 16 ment.

17 “(5) QUALIFIED ACCOUNT CONTROL AGREE-
 18 MENT.—The term ‘qualified account control agree-
 19 ment’, with respect to a guarantee of a donor, means
 20 an agreement among the donor, the Maritime Ad-
 21 ministrator, and a major United States investment
 22 management firm that—

23 “(A) ensures the availability of sufficient
 24 funds or other financial resources to pay the

1 amount guaranteed during the period of the
2 guarantee;

3 “(B) provides for the perfection of a secu-
4 rity interest in the assets of the account for the
5 United States for the benefit of the United
6 States Merchant Marine Academy with the
7 highest priority available for liens and security
8 interests under applicable law;

9 “(C) requires the donor to maintain in an
10 account with the investment management firm
11 assets having a total value that is not less than
12 130 percent of the amount guaranteed; and

13 “(D) requires the investment management
14 firm, whenever the value of the account is less
15 than the value required to be maintained under
16 subparagraph (C), to liquidate any noncash as-
17 sets in the account and reinvest the proceeds in
18 Treasury bills issued under section 3104 of title
19 31.

20 “(b) ACCEPTANCE AUTHORITY.—Subject to sub-
21 section (d), the Maritime Administrator may accept a
22 qualified guarantee from a donor or donors for the comple-
23 tion of a major project for the benefit of the United States
24 Merchant Marine Academy.

1 “(c) OBLIGATION AUTHORITY.—The amount of a
 2 qualified guarantee accepted under this section shall be
 3 considered as contract authority to provide obligation au-
 4 thority for purposes of Federal fiscal and contractual re-
 5 quirements. Funds available for a project for which such
 6 a guarantee has been accepted may be obligated and ex-
 7 pended for the project without regard to whether the total
 8 amount of funds and other resources available for the
 9 project (not taking into account the amount of the guar-
 10 antee) is sufficient to pay for completion of the project.

11 “(d) NOTICE.—The Maritime Administrator may not
 12 accept a qualified guarantee under this section for the
 13 completion of a major project until 30 days after the date
 14 on which a report of the facts concerning the proposed
 15 guarantee is submitted to Congress.

16 “(e) PROHIBITION ON COMMINGLING FUNDS.—The
 17 Maritime Administrator may not enter into any contract
 18 or other transaction involving the use of a qualified guar-
 19 antee and appropriated funds in the same contract or
 20 transaction.”.

21 “(b) CLERICAL AMENDMENT.—The table of sections
 22 for chapter 513 of title 46, United States Code, is amend-
 23 ed by adding at the end the following:

“51320. Acceptance of guarantees with gifts for major projects.”.

1 **SEC. 5. AUTHORITY TO PAY CONVEYANCE OR TRANSFER**
 2 **EXPENSES IN CONNECTION WITH ACCEPT-**
 3 **ANCE OF A GIFT TO THE UNITED STATES**
 4 **MERCHANT MARINE ACADEMY.**

5 Section 51315 of title 46, United States Code, is
 6 amended by inserting at the end the following:

7 “(f) PAYMENT OF EXPENSES.—The Maritime Ad-
 8 ministrator may pay all necessary expenses in connection
 9 with the conveyance or transfer of a gift, devise, or be-
 10 quest accepted under this section.”.

11 **SEC. 6. AUTHORITY TO PARTICIPATE IN FEDERAL, STATE**
 12 **OR OTHER RESEARCH GRANTS.**

13 (a) RESEARCH GRANTS.—Chapter 513 of title 46,
 14 United States Code, as amended by section 3 through 5,
 15 is further amended by adding at the end the following:

16 **“§ 51321. Grants for scientific and educational re-**
 17 **search**

18 “(a) DEFINED TERM.—In this section, the term
 19 ‘qualifying research grant’ is a grant that—

20 “(1) is awarded on a competitive basis by the
 21 Federal Government (except for the Department of
 22 Transportation), a State, a corporation, a fund, a
 23 foundation, an educational institution, or a similar
 24 entity that is organized and operated primarily for
 25 scientific or educational purposes; and

1 “(2) is to be used to carry out a research
2 project with a scientific or educational purpose.

3 “(b) ACCEPTANCE OF QUALIFYING RESEARCH
4 GRANTS.—Notwithstanding any other provision of law,
5 the United States Merchant Marine Academy may com-
6 pete for and accept qualifying research grants if the work
7 under the grant is to be carried out by a professor or in-
8 structor of the United States Merchant Marine Academy.

9 “(c) ADMINISTRATION OF GRANT FUNDS.—

10 “(1) ESTABLISHMENT OF ACCOUNT.—The Mar-
11 itime Administrator shall establish a separate ac-
12 count for administering funds received from research
13 grants under this section.

14 “(2) USE OF GRANT FUNDS.—The Super-
15 intendent shall use grant funds deposited into the
16 account established pursuant to paragraph (1) in ac-
17 cordance with applicable regulations and the terms
18 and conditions of the respective grants.

19 “(d) RELATED EXPENSES.—Subject to such limita-
20 tions as may be provided in appropriations Acts, appro-
21 priations available for the United States Merchant Marine
22 Academy may be used to pay expenses incurred by the
23 Academy in applying for, and otherwise pursuing, a quali-
24 fying research grant.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for chapter 513 of title 46, United States Code, as amend-
 3 ed by section 4(b), is further amended by adding at the
 4 end the following:

“51321. Grants for scientific and educational research.”.

5 **SEC. 7. CONTINUING FUNDING FOR THE UNITED STATES**

6 **MERCHANT MARINE ACADEMY.**

7 Section 51301 of title 46, United States Code, is
 8 amended by adding at the end the following:

9 “(d) CONTINUING FUNDING.—

10 “(1) IN GENERAL.—Out of any funds in the
 11 general fund of the Treasury not otherwise appro-
 12 priated, there are hereby appropriated such sums as
 13 may be necessary for operations of the United States
 14 Merchant Marine Academy for any period during
 15 which interim or full-year appropriations are not in
 16 effect for the United States Merchant Marine Acad-
 17 emy, for fiscal year 2018, and for each fiscal year
 18 thereafter.

19 “(2) TERMINATION.—Amounts made available
 20 for a fiscal year under this subsection shall remain
 21 available until the earlier of—

22 “(A) the enactment into law of an appro-
 23 priation for such fiscal year (including a con-
 24 tinuing appropriation) for such operations); or

1 “(B) the enactment into law for the Mari-
 2 time Administration of the applicable regular
 3 appropriation for such fiscal year, or continuing
 4 appropriations resolution for such fiscal year,
 5 without any appropriation for such oper-
 6 ations.”.

7 **SEC. 8. ACCESS TO SATELLITE PHONE DURING SEA YEAR**
 8 **PROGRAM.**

9 Section 3514 of the National Defense Authorization
 10 Act for Fiscal Year 2017 (Public Law 114-328) is amend-
 11 ed—

12 (1) by striking “Not later than” and inserting
 13 the following:

14 “(a) VESSEL OPERATOR REQUIREMENTS.—Not later
 15 than”; and

16 (2) by adding at the end the following:

17 “(b) SATELLITE PHONE ACCESS.—The Maritime Ad-
 18 ministrator shall ensure that each student participating
 19 in the Sea Year program is provided or has access to a
 20 functional satellite communication device. A student may
 21 not be denied from using such device whenever the student
 22 determines that such use is necessary to prevent or report
 23 sexual harassment or assault.”.

1 **SEC. 9. ASSISTANCE FOR SMALL SHIPYARDS AND MARI-**
2 **TIME COMMUNITIES.**

3 Section 54101 of title 46, United States Code, is
4 amended—

5 (1) by striking subsection (b) and inserting the
6 following:

7 “(b) AWARDS.—

8 “(1) IN GENERAL.—In providing assistance
9 under the program, the Administrator shall take into
10 account—

11 “(A) the economic circumstances and con-
12 ditions of maritime communities;

13 “(B) projects that would be effective in
14 fostering efficiency, competitive operations, and
15 quality ship construction, repair, and reconfig-
16 uration; and

17 “(C) projects that would be effective in
18 fostering employee skills and enhancing produc-
19 tivity.

20 “(2) TIMING OF AWARD.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), the Administrator shall
23 award grants under this section not later than
24 120 days after the date of the enactment of the
25 appropriations Act for the fiscal year con-
26 cerned.

1 “(B) REALLOCATION OF UNUSED
 2 FUNDS.—If a grant is awarded under this sec-
 3 tion and, for any reason, the grant funds are
 4 not used by the grantee, the Administrator may
 5 reallocate such unused funds to award another
 6 grant under this section.”; and
 7 (2) in subsection (c), by adding at the end the
 8 following:

9 “(3) BUY AMERICAN.—

10 “(A) REQUIREMENT.—A grant provided
 11 under this section may be used for a project
 12 only if the steel, iron, and manufactured goods
 13 used in the project are produced in the United
 14 States.

15 “(B) WAIVER.—The Administrator may
 16 waive subparagraph (A) if the Administrator
 17 determines that the waiver would be permitted
 18 under section 5323(j)(2) of title 49.”.

19 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

20 (a) *SHORT TITLE.*—*This Act may be cited as the*
 21 *“Maritime Administration Authorization and Enhance-*
 22 *ment Act for Fiscal Year 2018”.*

23 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 24 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Authorization of the Maritime Administration.

Sec. 3. Removal adjunct professor limit at United States Merchant Marine Academy.

Sec. 4. Acceptance of guarantees in conjunction with partial donations for major projects of the United States Merchant Marine Academy.

Sec. 5. Authority to pay conveyance or transfer expenses in connection with acceptance of a gift to the United States Merchant Marine Academy.

Sec. 6. Authority to participate in Federal, State or other research grants.

Sec. 7. Continuing funding for the United States Merchant Marine Academy.

Sec. 8. Access to satellite communication devices during Sea Year program.

Sec. 9. Assistance for small shipyards and maritime communities.

Sec. 10. Domestic maritime centers of excellence.

Sec. 11. Determinations on the viability of vessels.

1 **SEC. 2. AUTHORIZATION OF THE MARITIME ADMINISTRA-**
 2 **TION.**

3 (a) *IN GENERAL.*—*There are authorized to be appro-*
 4 *priated to the Department of Transportation for fiscal year*
 5 *2018, to be available without fiscal year limitation if so*
 6 *provided in appropriations Acts, for programs associated*
 7 *with maintaining the United States merchant marine, the*
 8 *following amounts:*

9 (1) *For expenses necessary for operations of the*
 10 *United States Merchant Marine Academy,*
 11 *\$100,802,000, of which—*

12 (A) *\$75,751,000 shall be for Academy oper-*
 13 *ations, including—*

14 (i) *the implementation of section*
 15 *3514(b) of the National Defense Authoriza-*
 16 *tion Act for Fiscal Year 2017, as added by*
 17 *section 8; and*

1 (ii) staffing, training, and other ac-
2 tions necessary to prevent and respond to
3 sexual harassment and sexual assault; and

4 (B) \$25,051,000 shall remain available
5 until expended for capital asset management at
6 the Academy.

7 (2) For expenses necessary to support the State
8 maritime academies, \$29,550,000, of which—

9 (A) \$2,400,000 shall remain available until
10 September 30, 2018, for the Student Incentive
11 Program;

12 (B) \$3,000,000 shall remain available until
13 expended for direct payments to such academies;

14 (C) \$22,000,000 shall remain available
15 until expended for maintenance and repair of
16 State maritime academy training vessels;

17 (D) \$1,800,000 shall remain available until
18 expended for training ship fuel assistance; and

19 (E) \$350,000 shall remain available until
20 expended for expenses to improve the monitoring
21 of the service obligations of graduates.

22 (3) For expenses necessary to support the Na-
23 tional Security Multi-Mission Vessel Program,
24 \$36,000,000, which shall remain available until ex-
25 pended.

1 (4) *For expenses necessary to support Maritime*
 2 *Administration operations and programs,*
 3 *\$58,694,000.*

4 (5) *For expenses necessary to dispose of vessels in*
 5 *the National Defense Reserve Fleet, \$20,000,000,*
 6 *which shall remain available until expended.*

7 (6) *For expenses necessary for the loan guarantee*
 8 *program authorized under chapter 537 of title 46,*
 9 *United States Code, \$33,000,000, of which—*

10 (A) *\$30,000,000 may be used for the cost*
 11 *(as defined in section 502(5) of the Federal Cred-*
 12 *it Reform Act of 1990 (2 U.S.C. 661a(5))) of*
 13 *loan guarantees under the program; and*

14 (B) *\$3,000,000 may be used for administra-*
 15 *tive expenses relating to loan guarantee commit-*
 16 *ments under the program.*

17 (b) *ASSISTANCE FOR SMALL SHIPYARDS AND MARI-*
 18 *TIME COMMUNITIES.—Section 54101(i) of title 46, United*
 19 *States Code, is amended—*

20 (1) *in the matter preceding paragraph (1), by*
 21 *striking “2015 through 2017” and inserting “2018*
 22 *through 2020”;*

23 (2) *in paragraph (1), by striking “\$5,000,000”*
 24 *and inserting “\$7,500,000”; and*

1 “(A) the purchase or other procurement of
2 real or personal property; or

3 “(B) the construction, renovation, or repair
4 of real or personal property.

5 “(2) MAJOR UNITED STATES COMMERCIAL
6 BANK.—The term ‘major United States commercial
7 bank’ means a commercial bank that—

8 “(A) is an insured bank (as defined in sec-
9 tion 3(h) of the Federal Deposit Insurance Act
10 (12 U.S.C. 1813(h)));

11 “(B) is headquartered in the United States;
12 and

13 “(C) has total net assets of an amount con-
14 sidered by the Maritime Administrator to qual-
15 ify the bank as a major bank.

16 “(3) MAJOR UNITED STATES INVESTMENT MAN-
17 AGEMENT FIRM.—The term ‘major United States in-
18 vestment management firm’ means—

19 “(A) any broker or dealer (as such terms
20 are defined in section 3 of the Securities Ex-
21 change Act of 1934 (15 U.S.C. 78c));

22 “(B) any investment adviser or provider of
23 investment supervisory services (as such terms
24 are defined in section 202 of the Investment Ad-
25 visers Act of 1940 (15 U.S.C. 80b-2)); or

1 “(C) a major United States commercial
2 bank that—

3 “(i) is headquartered in the United
4 States; and

5 “(ii) holds for the account of others in-
6 vestment assets in a total amount consid-
7 ered by the Maritime Administrator to
8 qualify the bank as a major investment
9 management firm.

10 “(4) QUALIFIED GUARANTEE.—The term ‘quali-
11 fied guarantee’, with respect to a major project,
12 means a guarantee that—

13 “(A) is made by 1 or more persons in con-
14 nection with a donation for the project of a total
15 amount in cash or securities that the Maritime
16 Administrator determines is sufficient to defray
17 a substantial portion of the total cost of the
18 project;

19 “(B) is made to facilitate or expedite the
20 completion of the project in reasonable anticipa-
21 tion that other donors will contribute sufficient
22 funds or other resources in amounts sufficient to
23 pay for completion of the project;

24 “(C) is set forth as a written agreement
25 providing that the donor will furnish in cash or

1 *securities, in addition to the donor’s other gift or*
 2 *gifts for the project, any additional amount that*
 3 *may become necessary for paying the cost of*
 4 *completing the project by reason of a failure to*
 5 *obtain from other donors or sources funds or*
 6 *other resources in amounts sufficient to pay the*
 7 *cost of completing the project; and*

8 “(D) is accompanied by—

9 “(i) an irrevocable and unconditional
 10 *standby letter of credit for the benefit of the*
 11 *United States Merchant Marine Academy*
 12 *that is in the amount of the guarantee and*
 13 *is issued by a major United States commer-*
 14 *cial bank; or*

15 “(ii) a qualified account control agree-
 16 *ment.*

17 “(5) *QUALIFIED ACCOUNT CONTROL AGREE-*
 18 *MENT.—The term ‘qualified account control agree-*
 19 *ment’, with respect to a guarantee of a donor, means*
 20 *an agreement among the donor, the Maritime Admin-*
 21 *istrator, and a major United States investment man-*
 22 *agement firm that—*

23 “(A) ensures the availability of sufficient
 24 *funds or other financial resources to pay the*

1 *amount guaranteed during the period of the*
2 *guarantee;*

3 “(B) provides for the perfection of a secu-
4 *rity interest in the assets of the account for the*
5 *United States for the benefit of the United States*
6 *Merchant Marine Academy with the highest pri-*
7 *ority available for liens and security interests*
8 *under applicable law;*

9 “(C) requires the donor to maintain in an
10 *account with the investment management firm*
11 *assets having a total value that is not less than*
12 *130 percent of the amount guaranteed; and*

13 “(D) requires the investment management
14 *firm, whenever the value of the account is less*
15 *than the value required to be maintained under*
16 *subparagraph (C), to liquidate any noncash as-*
17 *sets in the account and reinvest the proceeds in*
18 *Treasury bills issued under section 3104 of title*
19 *31.*

20 “(b) ACCEPTANCE AUTHORITY.—Subject to subsection
21 *(d), the Maritime Administrator may accept a qualified*
22 *guarantee from a donor or donors for the completion of a*
23 *major project for the benefit of the United States Merchant*
24 *Marine Academy.*

1 “(c) *OBLIGATION AUTHORITY.*—*The amount of a*
2 *qualified guarantee accepted under this section shall be con-*
3 *sidered as contract authority to provide obligation author-*
4 *ity for purposes of Federal fiscal and contractual require-*
5 *ments. Funds available for a project for which such a guar-*
6 *antee has been accepted may be obligated and expended for*
7 *the project without regard to whether the total amount of*
8 *funds and other resources available for the project (not tak-*
9 *ing into account the amount of the guarantee) is sufficient*
10 *to pay for completion of the project.*

11 “(d) *NOTICE.*—*The Maritime Administrator may not*
12 *accept a qualified guarantee under this section for the com-*
13 *pletion of a major project until 30 days after the date on*
14 *which a report of the facts concerning the proposed guar-*
15 *antee is submitted to Congress.*

16 “(e) *PROHIBITION ON COMMINGLING FUNDS.*—*The*
17 *Maritime Administrator may not enter into any contract*
18 *or other transaction involving the use of a qualified guar-*
19 *antee and appropriated funds in the same contract or*
20 *transaction.”.*

21 “(b) *CLERICAL AMENDMENT.*—*The table of sections for*
22 *chapter 513 of title 46, United States Code, is amended by*
23 *adding at the end the following:*

“51320. *Acceptance of guarantees with gifts for major projects.”.*

1 **SEC. 5. AUTHORITY TO PAY CONVEYANCE OR TRANSFER EX-**
 2 **PENSES IN CONNECTION WITH ACCEPTANCE**
 3 **OF A GIFT TO THE UNITED STATES MER-**
 4 **CHANT MARINE ACADEMY.**

5 *Section 51315 of title 46, United States Code, is*
 6 *amended by inserting at the end the following:*

7 *“(f) PAYMENT OF EXPENSES.—The Maritime Admin-*
 8 *istrator may pay all necessary expenses in connection with*
 9 *the conveyance or transfer of a gift, devise, or bequest ac-*
 10 *cepted under this section.”.*

11 **SEC. 6. AUTHORITY TO PARTICIPATE IN FEDERAL, STATE**
 12 **OR OTHER RESEARCH GRANTS.**

13 *(a) RESEARCH GRANTS.—Chapter 513 of title 46,*
 14 *United States Code, as amended by section 3 through 5,*
 15 *is further amended by adding at the end the following:*

16 **“§51321. Grants for scientific and educational re-**
 17 **search**

18 *“(a) DEFINED TERM.—In this section, the term ‘quali-*
 19 *fying research grant’ is a grant that—*

20 *“(1) is awarded on a competitive basis by the*
 21 *Federal Government (except for the Department of*
 22 *Transportation), a State, a corporation, a fund, a*
 23 *foundation, an educational institution, or a similar*
 24 *entity that is organized and operated primarily for*
 25 *scientific or educational purposes; and*

1 “(2) is to be used to carry out a research project
2 with a scientific or educational purpose.

3 “(b) *ACCEPTANCE OF QUALIFYING RESEARCH*
4 *GRANTS.*—Notwithstanding any other provision of law, the
5 *United States Merchant Marine Academy* may compete for
6 *and accept qualifying research grants if the work under the*
7 *grant is to be carried out by a professor or instructor of*
8 *the United States Merchant Marine Academy.*

9 “(c) *ADMINISTRATION OF GRANT FUNDS.*—

10 “(1) *ESTABLISHMENT OF ACCOUNT.*—*The Mari-*
11 *time Administrator shall establish a separate account*
12 *for administering funds received from research grants*
13 *under this section.*

14 “(2) *USE OF GRANT FUNDS.*—*The Super-*
15 *intendent shall use grant funds deposited into the ac-*
16 *count established pursuant to paragraph (1) in ac-*
17 *cordance with applicable regulations and the terms*
18 *and conditions of the respective grants.*

19 “(d) *RELATED EXPENSES.*—*Subject to such limita-*
20 *tions as may be provided in appropriations Acts, appro-*
21 *priations available for the United States Merchant Marine*
22 *Academy may be used to pay expenses incurred by the*
23 *Academy in applying for, and otherwise pursuing, a quali-*
24 *fying research grant.”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of sections for*
 2 *chapter 513 of title 46, United States Code, as amended*
 3 *by section 4(b), is further amended by adding at the end*
 4 *the following:*

“51321. Grants for scientific and educational research.”.

5 **SEC. 7. CONTINUING FUNDING FOR THE UNITED STATES**
 6 **MERCHANT MARINE ACADEMY.**

7 Section 51301 of title 46, United States Code, is
 8 amended by adding at the end the following:

9 “(d) *CONTINUING FUNDING.*—

10 “(1) *IN GENERAL.*—*Out of any funds in the gen-*
 11 *eral fund of the Treasury not otherwise appropriated,*
 12 *there are hereby appropriated such sums as may be*
 13 *necessary for operations of the United States Mer-*
 14 *chant Marine Academy for any period during which*
 15 *interim or full-year appropriations are not in effect*
 16 *for the United States Merchant Marine Academy, for*
 17 *fiscal year 2018, and for each fiscal year thereafter.*

18 “(2) *TERMINATION.*—*Amounts made available*
 19 *for a fiscal year under this subsection shall remain*
 20 *available until the earlier of—*

21 “(A) *the enactment into law of an appro-*
 22 *priation for such fiscal year (including a con-*
 23 *tinuing appropriation) for such operations); or*

24 “(B) *the enactment into law for the Mari-*
 25 *time Administration of the applicable regular*

1 *appropriation for such fiscal year, or continuing*
 2 *appropriations resolution for such fiscal year,*
 3 *without any appropriation for such operations.”.*

4 **SEC. 8. ACCESS TO SATELLITE COMMUNICATION DEVICES**
 5 **DURING SEA YEAR PROGRAM.**

6 *Section 3514 of the National Defense Authorization*
 7 *Act for Fiscal Year 2017 (Public Law 114–328) is amend-*
 8 *ed—*

9 (1) *by striking “Not later than” and inserting*
 10 *the following:*

11 “(a) *VESSEL OPERATOR REQUIREMENTS.—Not later*
 12 *than”;* and

13 (2) *by adding at the end the following:*

14 “(b) *SATELLITE PHONE ACCESS.—The Maritime Ad-*
 15 *ministrators shall ensure that each student participating in*
 16 *the Sea Year program is provided or has access to a func-*
 17 *tional satellite communication device. A student may not*
 18 *be denied from using such device whenever the student deter-*
 19 *mines that such use is necessary to prevent or report sexual*
 20 *harassment or assault.”.*

21 **SEC. 9. ASSISTANCE FOR SMALL SHIPYARDS AND MARITIME**
 22 **COMMUNITIES.**

23 *Section 54101 of title 46, United States Code, is*
 24 *amended—*

1 (1) *by striking subsection (b) and inserting the*
2 *following:*

3 “(b) *AWARDS.—*

4 “(1) *IN GENERAL.—In providing assistance*
5 *under the program, the Administrator shall take into*
6 *account—*

7 “(A) *the economic circumstances and condi-*
8 *tions of maritime communities;*

9 “(B) *projects that would be effective in fos-*
10 *tering efficiency, competitive operations, and*
11 *quality ship construction, repair, and reconfig-*
12 *uration; and*

13 “(C) *projects that would be effective in fos-*
14 *tering employee skills and enhancing produc-*
15 *tivity.*

16 “(2) *TIMING OF AWARD.—*

17 “(A) *IN GENERAL.—Except as provided in*
18 *subparagraph (B), the Administrator shall*
19 *award grants under this section not later than*
20 *120 days after the date of the enactment of the*
21 *appropriations Act for the fiscal year concerned.*

22 “(B) *REALLOCATION OF UNUSED FUNDS.—*
23 *If a grant is awarded under this section and, for*
24 *any reason, the grant funds are not used by the*
25 *grantee—*

1 “(i) such funds shall remain available
2 until expended; and

3 “(ii) the Administrator may—

4 “(I) use such unused funds to
5 award another grant under this section
6 in the fiscal year concerned; or

7 “(II) reallocate such unused funds
8 for grants in a subsequent fiscal
9 year.”; and

10 (2) in subsection (c), by adding at the end the
11 following:

12 “(3) *BUY AMERICA*.—

13 “(A) *IN GENERAL*.—Notwithstanding any
14 other provision of law, the Secretary of Trans-
15 portation shall not obligate any funds authorized
16 to be appropriated to carry out this chapter un-
17 less the steel, iron, and manufactured products
18 used in such project are produced in the United
19 States.

20 “(B) *EXCEPTIONS*.—The provisions of sub-
21 paragraph (A) shall not apply if the Secretary
22 finds that—

23 “(i) their application would be incon-
24 sistent with the public interest;

1 “(ii) such materials and products are
2 not produced in the United States in suffi-
3 cient and reasonably available quantities
4 and of a satisfactory quality; or

5 “(iii) inclusion of domestic material
6 will increase the cost of the overall project
7 by more than 25 percent.”.

8 **SEC. 10. DOMESTIC MARITIME CENTERS OF EXCELLENCE.**

9 (a) *DESIGNATION AUTHORITY.*—The Secretary of
10 *Transportation is authorized to designate community and*
11 *technical colleges with a maritime training program and*
12 *maritime training centers operated by or under the super-*
13 *vision of a State, if located in the United States along the*
14 *Gulf of Mexico, Atlantic Ocean, Pacific Ocean, Arctic*
15 *Ocean, Bering Sea, Gulf of Alaska, or Great Lakes, as cen-*
16 *ters of excellence for domestic maritime workforce training*
17 *and education.*

18 (b) *ASSISTANCE.*—

19 (1) *TYPES.*—The Secretary may provide to an
20 *entity designated as a center of excellence under sub-*
21 *section (a)—*

22 (A) *technical assistance; and*

23 (B) *surplus Federal equipment and assets.*

24 (2) *TECHNICAL ASSISTANCE.*—The Secretary
25 *may provide technical assistance under paragraph (1)*

1 *to assist an entity designated as a center of excellence*
2 *under subsection (a) to expand the capacity of the en-*
3 *tity to train the domestic maritime workforce of the*
4 *United States, including by—*

5 *(A) admitting additional students;*

6 *(B) recruiting and training faculty;*

7 *(C) expanding facilities;*

8 *(D) creating new maritime career path-*
9 *ways; and*

10 *(E) awarding students credit for prior expe-*
11 *rience, including military service.*

12 **SEC. 11. DETERMINATIONS ON THE VIABILITY OF VESSELS.**

13 *(a) IN GENERAL.—Not later than 60 days after the*
14 *date of enactment of this Act, the Inspector General for the*
15 *Department of Transportation shall audit the criteria used*
16 *by the Secretary of Transportation for determinations of*
17 *the commercial viability of any Maritime Security Pro-*
18 *gram vessel that operates in competition with a domestic*
19 *trade vessel documented under the laws of the United States.*

20 *(b) CONTENTS.—The audit referred to in subsection*
21 *(a) shall include a review of the criteria used to make a*
22 *finding of commercial viability for compliance with section*
23 *53102(b)(4)(B) of title 46, United States Code, for all ves-*
24 *sels with operating agreements beginning after September*
25 *30, 2016.*

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S. 1096

[Report No. 115-136]

A BILL

To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.

JULY 24, 2017

Reported with an amendment