

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.

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## 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. LURLA) 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

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## 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 arduous 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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