

116TH CONGRESS  
1ST SESSION

# S. 2167

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 SENATE OF THE UNITED STATES

JULY 18, 2019

Mr. WICKER introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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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”.

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

8 (a) LNG EXPORTS.—

9 (1) FINDINGS.—Congress finds that—

(A) liquefied natural gas (referred to in this paragraph as “LNG”) is hazardous to national import and export terminals and ports if mishandled;

(B) LNG is a strategic national asset, the export of which should be used to preserve the tanker fleet and skilled mariner workforce of the United States, which are essential to national security; and

(C) for the safety and security of the United States, LNG should be exported on vessels documented under the laws of the United States.

(2) REQUIREMENT FOR TRANSPORTATION OF EXPORTS OF NATURAL GAS ON VESSELS DOCUMENTED UNDER LAWS OF THE UNITED STATES.—Section 3 of the Natural Gas Act (15 U.S.C. 717b) is amended by adding at the end the following:

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

“(1) CONDITION FOR APPROVAL.—Except as provided in paragraph (7), with respect to an application to export natural gas under subsection (a), the Commission shall include in the order issued for

1       that application the condition that the person trans-  
2       port the natural gas on a vessel that meets the re-  
3       quirements described in paragraph (3).

4           “(2) PURPOSE.—The purpose of the require-  
5       ment under paragraph (1) is to ensure that, of all  
6       natural gas exported by vessel in a calendar year,  
7       the following percentage is exported by a vessel that  
8       meets the requirements described in paragraph (3):

9           “(A) In each of the 7 calendar years fol-  
10       lowing the calendar year in which this sub-  
11       section is enacted, not less than 2 percent.

12          “(B) In each of the 8th and 9th calendar  
13       years following the calendar year in which this  
14       subsection is enacted, not less than 3 percent.

15          “(C) In each of the 10th and 11th cal-  
16       endar years following the calendar year in  
17       which this subsection is enacted, not less than  
18       4 percent.

19          “(D) In each of the 12th and 13th cal-  
20       endar years following the calendar year in  
21       which this subsection is enacted, not less than  
22       6 percent.

23          “(E) In each of the 14th and 15th cal-  
24       endar years following the calendar year in

1           which this subsection is enacted, not less than  
2           7 percent.

3           “(F) In each of the 16th and 17th cal-  
4           endar years following the calendar year in  
5           which this subsection is enacted, not less than  
6           9 percent.

7           “(G) In each of the 18th and 19th cal-  
8           endar years following the calendar year in  
9           which this subsection is enacted, not less than  
10          11 percent.

11          “(H) In each of the 20th and 21st cal-  
12          endar years following the calendar year in  
13          which this subsection is enacted, not less than  
14          13 percent.

15          “(I) In the 22nd calendar year after the  
16          calendar year in which this subsection is en-  
17          acted and each calendar year thereafter, not  
18          less than 15 percent.

19          “(3) REQUIREMENTS FOR VESSELS.—A vessel  
20          meets the requirements described in this para-  
21          graph—

22                 “(A) with respect to each of the 5 calendar  
23                 years following the calendar year in which this  
24                 subsection is enacted—

25                         “(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 natural gas—

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 (4)  
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 (4) are manu-  
 5                   factured in the United States; and

6                   “(B) with respect to the 6th calendar year  
 7                   following the calendar year in which this sub-  
 8                   section is enacted, and each calendar year  
 9                   thereafter, if the vessel meets the requirements  
 10                  of subparagraph (A)(ii).

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

13                   “(A) Air circuit breakers.

14                   “(B) Welded shipboard anchor and moor-  
 15                   ing chain with a diameter of 4 inches or less.

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

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

24                   “(E) Auxiliary equipment for shipboard  
 25                   services, including pumps.

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

4           “(G) Shipboard cranes.

5           “(H) Spreaders for shipboard cranes.

6           “(I) Rotating electrical equipment, includ-  
7           ing electrical alternators and motors.

8           “(J) Compressors, pumps, and heat ex-  
9           changers used in managing and re-liquefying  
10          boil-off gas from liquefied natural gas.

11          “(5) WAIVER AUTHORITY.—The Commission  
12          may waive the requirement under clause (i)(II)(bb)  
13          or (ii)(IV), as applicable, of paragraph (3)(A) with  
14          respect to a component of a vessel if the Maritime  
15          Administrator determines that—

16               “(A) application of the requirement  
17               would—

18                   “(i) result in an increase of 25 per-  
19                   cent or more in the cost of the component  
20                   of the vessel; or

21                   “(ii) cause unreasonable delays to be  
22                   incurred in building or retrofitting the ves-  
23                   sel; or

24               “(B) such component is not manufactured  
25               in the United States in sufficient and reason-

1 ably available quantities of a satisfactory qual-  
2 ity.

3 “(6) OPPORTUNITIES FOR LICENSED AND UNLI-  
4 CENSED MARINERS.—Except as provided in para-  
5 graph (7), the Commission shall include, in any  
6 order issued under subsection (a) that authorizes a  
7 person to export natural gas, a condition that the  
8 person provide opportunities for United States li-  
9 censed and unlicensed mariners to receive experience  
10 and training necessary to become credentialed in  
11 working on a vessel transporting natural gas.

12 “(7) 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 (6), 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 “(8) USE OF FEDERAL INFORMATION.—In car-  
24 rying out paragraph (1), the Commission—



1 “(A) shall use information made available  
2 by—

3 “(i) the Energy Information Adminis-  
4 tration; or

5 “(ii) any other Federal agency or enti-  
6 ty the Commission determines appropriate;  
7 and

8 “(B) may use information made available  
9 by a private entity only if applicable informa-  
10 tion described in subparagraph (A) is not avail-  
11 able.”.

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

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

20 (1) in subsection (b), by striking “subsections  
21 (c) and (d)” and inserting “subsections (c), (d), and  
22 (f)”; and

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

1       “(f) TRANSPORTATION OF EXPORTS OF CRUDE OIL  
2 ON VESSELS DOCUMENTED UNDER LAWS OF THE  
3 UNITED STATES.—

4               “(1) IN GENERAL.—Except as provided in para-  
5 graph (6), as a condition to export crude oil, the  
6 President shall require that a person exporting crude  
7 oil transport the crude oil on a vessel that meets the  
8 requirements described in paragraph (3).

9               “(2) PURPOSE.—The purpose of the require-  
10 ment under paragraph (1) is to ensure that, of all  
11 crude oil exported by vessel in a calendar year, the  
12 following percentage is exported by a vessel that  
13 meets the requirements described in paragraph (3):

14               “(A) In each of the 7 calendar years fol-  
15 lowing the calendar year in which this sub-  
16 section is enacted, not less than 3 percent.

17               “(B) In each of the 8th, 9th, and 10th cal-  
18 endar years following the calendar year in  
19 which this subsection is enacted, not less than  
20 6 percent.

21               “(C) In each of the 11th, 12th, and 13th  
22 calendar years following the calendar year in  
23 which this subsection is enacted, not less than  
24 8 percent.

1           “(D) In the 14th calendar year following  
2           the calendar year in which this subsection is en-  
3           acted and each calendar year thereafter, not  
4           less than 10 percent.

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

8           “(A) with respect to each of the 4 calendar  
9           years following the calendar year in which this  
10          subsection 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 crude oil—

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 (4)  
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 (4) are manu-  
15 factured in the United States; and

16 “(B) with respect to the 5th calendar year  
17 following the calendar year in which this sub-  
18 section is enacted and each calendar year there-  
19 after, if the vessel meets the requirements of  
20 subparagraph (A)(ii).

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

23 “(A) Air circuit breakers.

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

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

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

9           “(E) Auxiliary equipment for shipboard  
10          services, including pumps.

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

14          “(G) Shipboard cranes.

15          “(H) Spreaders for shipboard cranes.

16          “(I) Rotating electrical equipment, includ-  
17          ing electrical alternators and motors.

18          “(5) WAIVER AUTHORITY.—The President may  
19          waive the requirement under clause (i)(II)(bb) or  
20          clause (ii)(IV), as applicable, of paragraph (3)(A)  
21          with respect to a component of a vessel if the Mari-  
22          time Administrator determines that—

23                 “(A) application of the requirement  
24                 would—

1                   “(i) result in an increase of 25 per-  
2                   cent or more in the cost of the component  
3                   of the vessel; or

4                   “(ii) cause unreasonable delays to be  
5                   incurred in building or retrofitting the ves-  
6                   sel; or

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

11               “(6) EXCEPTION.—The President may not,  
12               under paragraph (1), condition the export of crude  
13               oil to a nation with which there is in effect a free  
14               trade agreement requiring national treatment for  
15               trade in crude oil if the United States Trade Rep-  
16               resentative certifies to the President, in writing, that  
17               such condition would violate obligations of the  
18               United States under such free trade agreement.

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           “(8) USE OF FEDERAL INFORMATION.—In car-  
2       rying out paragraph (1), the President—

3           “(A) shall use information made available  
4       by—

5           “(i) the Energy Information Adminis-  
6       tration; or

7           “(ii) any other Federal agency or enti-  
8       ty the Commission determines appropriate;  
9       and

10          “(B) may use information made available  
11       by a private entity only if applicable informa-  
12       tion described in subparagraph (A) is not avail-  
13       able.”.

14   **SEC. 3. ENERGY INFORMATION ADMINISTRATION INFOR-**  
15                   **MATION.**

16       The Secretary of Energy, acting through the Admin-  
17       istrator of the Energy Information Administration (re-  
18       ferred to in this section as the “Secretary”), shall collect,  
19       and make readily available to the public on the internet  
20       website of the Energy Information Administration, infor-  
21       mation on exports by vessel of natural gas and crude oil,  
22       including—

23           (1) forecasts for, and data on, those exports for  
24       the calendar year following the calendar year in

1       which this Act is enacted and each calendar year  
2       thereafter; and

3               (2) forecasts for those exports for multiyear pe-  
4       riods after the date of enactment of this Act, as de-  
5       termined appropriate by the Secretary.

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