

1 “(c) ESTABLISHMENT OF REVOLVING LOAN
2 FUND.—Not later than 30 days after the date of enact-
3 ment of the SHIPS for America Act of 2024, the Sec-
4 retary shall establish a revolving loan fund to be adminis-
5 tered by the National Surface Transportation and Innova-
6 tion Finance Bureau established under section 116 of title
7 49. Any funds appropriated to carry out this chapter shall
8 be deposited in the fund, along with any proceeds gen-
9 erated from the loan guarantee program under this chap-
10 ter including any fees collected under section 53713 or
11 53714. The Secretary or Administrator shall make a guar-
12 antee of payments or commitment to guarantee payments
13 under subsection (a) or for the Secretary to make direct
14 loan obligations under subsection (b) out of the revolving
15 loan fund.

16 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
17 is authorized to be appropriated, out of the Maritime Se-
18 curity Trust Fund established under section 9512 of the
19 Internal Revenue Code of 1986, \$100,000,000 for fiscal
20 year 2025 to be available until expended to the revolving
21 loan fund established under subsection (c).”.

22 (b) FUNDING LIMITS.—Section 53704 of title 46,
23 United States Code, is amended—

24 (1) in subsection (a), by striking “facilities.”
25 and inserting “facilities, and not less than 50 per-

1 cent of obligations guaranteed under this chapter
2 shall be for projects that do not receive any pay-
3 ments or Federal financial assistance from financial
4 assistance programs established under this part.”;
5 and

6 (2) in subsection (c), by adding at the end the
7 following:

8 “(5) VESSEL OF NATIONAL INTEREST.—The
9 Administrator shall ensure that the system of risk
10 categories under paragraph (2) takes into consider-
11 ation whether a project subject to a guarantee under
12 this chapter is a project to construct, reconstruct, or
13 recondition a Vessel of National Interest.”.

14 (c) ELIGIBLE PURPOSES OF OBLIGATIONS.—Section
15 53706(a)(8) of title 46, United States Code, is amended—

16 (1) by striking “States.” and inserting “States
17 that is required—”; and

18 (2) by adding at the end the following new sub-
19 paragraphs:

20 “(A) for the vessel to be a vessel of the
21 United States;

22 “(B) for the vessel to be issued a coastwise
23 endorsement under chapter 121;

1 “(C) to convert a civilian vessel of the
2 United States to a more useful military configu-
3 ration;

4 “(D) for any vessel under contract to the
5 Federal Government; or

6 “(E) for any United States-built vessel
7 participating in—

8 “(i) the Maritime Security Program
9 or the Emergency Preparedness Program
10 under chapter 531;

11 “(ii) the Cable Security Fleet under
12 chapter 532;

13 “(iii) the Tanker Security Fleet under
14 chapter 534;

15 “(iv) the Strategic Commercial Fleet
16 under chapter 536;

17 “(v) the Shipbuilding Financial Incen-
18 tive under chapter 538; or

19 “(vi) the National Defense Reserve
20 Fleet under section 57100.”.

21 (d) BUY AMERICA.—Section 53733 of title 46,
22 United States Code, is amended by adding at the end the
23 following:

1 “(f) BUY AMERICA.—Section 54101(d)(2) shall apply
2 to any funds obligated by the Administrator under this
3 section.”.

4 **SEC. 504. CONSTRUCTION RESERVE FUND.**

5 (a) DEFINITIONS.—Section 53301(a) of title 46,
6 United States Code, is amended—

7 (1) in paragraph (1), by striking “a new vessel”
8 and inserting “an eligible vessel”;

9 (2) in paragraph (2)—

10 (A) in the paragraph heading, by striking
11 “NEW VESSEL” and inserting “ELIGIBLE VES-
12 SEL”;

13 (B) in the matter preceding subparagraph
14 (A), by striking “new vessel” and inserting “eli-
15 gible vessel”; and

16 (C) in subparagraph (A)—

17 (i) in clause (i), by striking “after De-
18 cember 31, 1939”;

19 (ii) in clause (ii), by striking “and”
20 after the semicolon;

21 (iii) by redesignating clause (iii) as
22 clause (iv); and

23 (iv) by inserting after clause (ii), the
24 following:

1 “(iii) operated in foreign commerce or
2 domestic commerce of the United States or
3 in the fisheries; and”; and

4 (3) by adding at the end the following:

5 “(3) FOREIGN COMMERCE.—The term ‘foreign
6 commerce’ means—

7 “(A) commerce or trade between the
8 United States, its territories or possessions, or
9 the District of Columbia, and a foreign country;
10 and

11 “(B) commerce or trade between foreign
12 countries.”.

13 (b) AUTHORITY FOR CONSTRUCTION RESERVE
14 FUNDS.—Section 53302(a) of title 46, United States
15 Code, is amended by striking “or acquisition of a new ves-
16 sel” and inserting “repowering, or acquisition of an eligi-
17 ble vessel”.

18 (c) PERSONS ELIGIBLE TO ESTABLISH FUNDS.—
19 Section 53303 of title 46, United States Code, is amend-
20 ed—

21 (1) by striking the matter preceding paragraph
22 (1) and inserting the following: “A citizen of the
23 United States may make an agreement with the Sec-
24 retary of Transportation under this chapter to estab-
25 lish a construction reserve fund if that citizen—”;

1 (2) in paragraph (1), by striking “in the foreign
2 or domestic commerce of the United States” and in-
3 serting “documented under the laws of the United
4 States and operating in foreign commerce or domes-
5 tic commerce of the United States”;

6 (3) in paragraph (2), by striking “being oper-
7 ated in the foreign or domestic commerce of the
8 United States” and inserting “documented under
9 the laws of the United States and operating in for-
10 eign commerce or domestic commerce of the United
11 States”;

12 (4) in paragraph (3), by striking “in the foreign
13 or domestic commerce of the United States” and in-
14 serting “documented under the laws of the United
15 States and operating in foreign commerce or domes-
16 tic commerce of the United States”;

17 (5) in paragraph (4)—

18 (A) by striking “being operated in the for-
19 eign or domestic commerce of the United
20 States” and inserting “documented under the
21 laws of the United States and operating in for-
22 eign commerce or domestic commerce of the
23 United States”; and

24 (B) by striking “or” after the semicolon;

25 (6) in paragraph (5)—

1 (A) by striking “in the foreign or domestic
2 commerce of the United States” and inserting
3 “documented under the laws of the United
4 States to operate in foreign commerce or do-
5 mestic commerce of the United States”; and

6 (B) by striking the period at the end and
7 inserting “; or”; and

8 (7) by adding at the end the following:

9 “(6) commits, as a part of the agreement with
10 the Secretary under this chapter, to construct, re-
11 construct, recondition, repower, or acquire, and op-
12 erate, an eligible vessel by not later than 5 years
13 after the date on which the construction reserve
14 fund is established.”.

15 (d) VESSEL OWNERSHIP.—Section 53304 of title 46,
16 United States Code, is amended by striking “constructed
17 or acquired” each place the term appears and inserting
18 “constructed, reconstructed, reconditioned, repowered, or
19 acquired”.

20 (e) BASIS FOR DETERMINING GAIN OR LOSS.—Sec-
21 tion 53307 of title 46, United States Code, is amended—

22 (1) in the section heading, by striking “**new**
23 **vessels**” and inserting “**eligible vessels**”;

24 (2) by striking “a new vessel” and inserting
25 “an eligible vessel”;

1 (3) by striking “the new vessel” and inserting
2 “the eligible vessel”;

3 (4) by inserting “repowered,” after “recondi-
4 tioned,”; and

5 (5) by inserting “repowering,” after “recondi-
6 tioning,”.

7 (f) OBLIGATION OF DEPOSITS.—Section 53310 of
8 title 46, United States Code, is amended—

9 (1) in subsection (a)—

10 (A) by striking “a new vessel” each place
11 the term appears and inserting “an eligible ves-
12 sel”; and

13 (B) in paragraph (1)(A), by striking “or
14 reconditioning” and inserting “, repowering, or
15 reconditioning”; and

16 (2) by striking subsections (b) and (c) and in-
17 serting the following:

18 “(b) ADDITIONAL REQUIREMENTS FOR CERTAIN
19 VESSELS.—In addition to the requirements of subsection
20 (a)(1), for an eligible vessel not constructed under the con-
21 struction-differential program or not bought from the Sec-
22 retary of Transportation, construction shall commence
23 with reasonable dispatch after the date of the construction
24 contract, as determined by the Secretary of Transpor-

1 tation and certified by such Secretary to the Secretary of
2 the Treasury.

3 “(c) EXTENSIONS.—The Secretary of Transportation
4 may grant extensions of the period within which the depos-
5 its must be expended or obligated, except that such exten-
6 sions may not be for a total of more than 15 years for
7 the expenditure or obligation of deposits.”.

8 (g) TAXATION OF DEPOSITS ON FAILURE OF CONDI-
9 TIONS.—Section 53311(3) of title 46, United States Code,
10 is amended by striking “to the extent of 5 percent of com-
11 pletion”.

12 (h) CLERICAL AMENDMENT.—The table of sections
13 for chapter 533 of title 46, United States Code, is amend-
14 ed by striking the item relating to section 53307 and in-
15 serting the following:

“53307. Basis for determining gain or loss and for depreciating eligible ves-
sels.”.

16 **SEC. 505. CAPITAL CONSTRUCTION FUND.**

17 (a) IN GENERAL.—Chapter 535 of subtitle V of title
18 46, United States Code, is amended—

19 (1) in section 53501—

20 (A) by redesignating paragraphs (2), (3),
21 (4), (5), (6), (7), (8), and (9), as paragraphs
22 (3), (5), (7), (8), (9), (10), (11), and (12), re-
23 spectively;

1 (B) by inserting after paragraph (1) the
2 following:

3 “(2) CARGO HANDLING EQUIPMENT.—The term
4 ‘cargo handling equipment’ means any vehicle or
5 land-based equipment (excluding marine container
6 chassis, but including cargo-handling equipment that
7 emits less than 1 gram of CO₂(kWh)), and the asso-
8 ciated marine terminal or port landside infrastruc-
9 ture, used at a marine terminal to lift or move
10 cargo—

11 “(A) manufactured in the United States
12 (including any territory or possession of the
13 United States); or

14 “(B) manufactured outside of the United
15 States, if such equipment is not produced in the
16 United States in sufficient and reasonably
17 available quantities or of a satisfactory quality
18 as determined by the Secretary.”;

19 (C) by inserting after paragraph (3), as re-
20 designated by subparagraph (A), the following:

21 “(4) FOREIGN COMMERCE.—The term ‘foreign
22 commerce’ means—

23 “(A) commerce or trade between the
24 United States, its territories or possessions, or

1 the District of Columbia, and a foreign country;
2 and

3 “(B) commerce or trade between foreign
4 countries.”;

5 (D) by inserting after paragraph (5), as
6 redesignated by subparagraph (A), the fol-
7 lowing:

8 “(6) MARINE TERMINAL.—The term ‘marine
9 terminal’ means wharves, bulkheads, quays, piers,
10 docks, and other berthing locations and adjacent
11 storage or adjacent areas and structures associated
12 with the primary movement of cargo or materials
13 from vessel to shore, or from shore to vessel, includ-
14 ing structures which are devoted to receiving, han-
15 dling, holding, consolidating, loading, or delivery of
16 waterborne shipments, including areas devoted to
17 the maintenance of the terminal or equipment.”; and

18 (E) in paragraph (3)(A)(iii), as redesign-
19 ated by subparagraph (A), by striking “foreign
20 or domestic trade of the United States” and in-
21 sserting “foreign commerce or domestic trade of
22 the United States”; and

23 (F) in paragraph (8)(A)(iii), as redesign-
24 ated by subparagraph (A), by striking “foreign
25 or domestic trade of the United States” and in-

1 serting “foreign commerce or domestic trade of
2 the United States”;

3 (2) in section 53503—

4 (A) by striking subsection (a) and insert-
5 ing the following:

6 “(a) IN GENERAL.—

7 “(1) CITIZEN AGREEMENTS.—A citizen of the
8 United States may make an agreement with the Sec-
9 retary under this chapter to establish a capital con-
10 struction fund for a vessel if that citizen—

11 “(A) owns or leases an eligible vessel; or

12 “(B) commits, as a part of such agree-
13 ment, to build and operate an eligible vessel not
14 later than 5 years after establishing the capital
15 construction fund.

16 “(2) OPERATOR AGREEMENTS.—An operator of
17 a United States marine terminal may make an
18 agreement with the Secretary under this chapter to
19 establish a capital construction fund for the marine
20 terminal.”; and

21 (B) by striking subsection (b), and insert-
22 ing the following:

23 “(b) ALLOWABLE PURPOSE.—The purpose of the
24 agreement shall be to provide—

1 “(1) replacement vessels, additional vessels, or
2 reconstructed vessels, built in the United States and
3 documented under the laws of the United States, for
4 operation in the foreign commerce or domestic trade
5 of the United States or in the fisheries of the United
6 States; or

7 “(2) replacement cargo handling equipment, ad-
8 ditional cargo handling equipment, or reconstructed
9 cargo handling equipment for operation at marine
10 terminals in the United States.”;

11 (3) in section 53504(b), by inserting “or United
12 States marine terminal” after “agreement vessel”;

13 (4) by striking section 53505 and inserting the
14 following:

15 **“§ 53505. Ceiling on deposits**

16 “(a) MAXIMUM DEPOSITS.—The amount deposited in
17 a capital construction fund for a taxable year may not ex-
18 ceed the amount specified in the agreement under section
19 53503(a), which shall be an amount that is related to a
20 commitment to invest the revenue from the capital con-
21 struction fund into funding the construction of new vessels
22 or funding cargo handling equipment.

23 “(b) REVENUE.—For the purposes of subsection (a),
24 the revenue from the capital construction fund may in-
25 clude—

1 “(1) income attributable to the operation of the
2 agreement vessel in foreign commerce or domestic
3 trade or fisheries or the operation of a marine ter-
4 minal in the United States;

5 “(2) the amount allowable as a deduction under
6 section 167 of the Internal Revenue Code of 1986
7 for the taxable year with respect to the agreement
8 vessels or cargo handling equipment;

9 “(3) the net proceeds from the disposition of an
10 agreement vessel or cargo handling equipment or in-
11 surance or indemnity attributable to the vessel or
12 cargo handling equipment; and

13 “(4) the receipts from the investment or rein-
14 vestment of amounts held in the fund.

15 “(c) REDUCTIONS FOR LESSEES.—For a lessee, the
16 maximum amount that may be deposited for an agreement
17 vessel under subsection (a) for any period shall be reduced
18 by any amount the owner is required or permitted, under
19 the capital construction fund agreement, to deposit for
20 that period for the vessel under subsection (a).”;

21 (5) in section 53506—

22 (A) in subsection (a), by striking “Except
23 as provided in subsection (b), amounts in the
24 fund may be invested only in interest-bearing
25 securities approved by the Secretary.”; and

1 (B) in subsection (b), by striking “With
2 the approval of the Secretary, an agreed per-
3 centage (but not more than 60 percent) of the
4 assets of the fund” and inserting “An agreed
5 percentage of the assets of the fund”;

6 (6) in section 53509—

7 (A) by striking subsection (a), and insert-
8 ing the following:

9 “(a) IN GENERAL.—Subject to subsections (b) and
10 (c), a withdrawal from a capital construction fund is a
11 qualified withdrawal if it is made under the terms of the
12 agreement and is for—

13 “(1) the acquisition, construction, repowering,
14 or reconstruction of—

15 “(A) a qualified vessel or a barge or con-
16 tainer that is part of the complement of a quali-
17 fied vessel; or

18 “(B) cargo handling equipment; or

19 “(2) the payment of the principal on indebted-
20 ness incurred in the acquisition, construction,
21 repowering, or reconstruction of—

22 “(A) a qualified vessel or a barge or con-
23 tainer that is part of the complement of a quali-
24 fied vessel; or

25 “(B) cargo handling equipment.”;

1 (B) by redesignating subsection (c) as sub-
2 section (e); and

3 (C) by inserting after subsection (b) the
4 following:

5 “(c) FULLY AUTOMATED CARGO HANDLING EQUIP-
6 MENT.—No withdrawals may be made from a capital con-
7 struction fund to purchase fully automated cargo handling
8 equipment that is remotely operated or remotely mon-
9 itored with or without the exercise of human intervention
10 or control, if the Secretary determines such equipment
11 would result in a net loss of jobs within a marine terminal.

12 “(d) PROHIBITION ON CERTAIN CRANES.—No with-
13 drawals may be made from a capital construction fund to
14 purchase cranes manufactured in the People’s Republic of
15 China or by foreign entities of concern (as defined in sec-
16 tion 4 of the SHIPS for America Act of 2024).”;

17 (7) in section 53510—

18 (A) in subsection (b), by inserting “cargo
19 handling equipment,” after “barge,” both
20 places the term appears;

21 (B) in subsection (c), by inserting “cargo
22 handling equipment,” after “barge,” both
23 places the term appears; and

24 (C) in subsection (d), by inserting “cargo
25 handling equipment,” after “barges,”;

1 (8) in section 53511(e)(1), by striking the table
 2 contained therein and inserting the following:

“If the amount remains in the fund at the close of the-
 16th taxable year20 percent
 17th taxable year40 percent
 18th taxable year60 percent
 19th taxable year80 percent
 20th taxable year100 percent”;

3 and

4 (9) in section 53512(b)(1), by adding “cargo
 5 handling equipment,” after “advanced”.

6 (b) CARGO HANDLING EQUIPMENT AVAILABILITY.—

7 The Secretary shall annually publish in the Federal Reg-
 8 ister a request for information regarding the availability
 9 of cargo handling equipment manufactured in the United
 10 States and shall share the results of such request for infor-
 11 mation with capital construction fund holders.

12 **SEC. 506. ANTICIPATED COMMERCIAL VESSEL CONSTRUC-**
 13 **TION SURVEY.**

14 (a) IN GENERAL.—Chapter 501 of title 46, United
 15 States Code, is amended by adding at the end the fol-
 16 lowing:

17 **“§ 50115. Anticipated commercial vessel construction**
 18 **survey**

19 “(a) DEFINITION.—In this section, ‘commercial ves-
 20 sel of the United States’ means a vessel that is docu-
 21 mented under the laws of the United States, not less than
 22 6,000 deadweight tons, and operated in the domestic trade

1 of the United States or foreign commerce, and may in-
2 clude—

3 “(1) a bulk carrier vessel;

4 “(2) a tanker vessel;

5 “(3) a roll-on/roll-off vessel;

6 “(4) a liquefied natural gas tanker vessel;

7 “(5) a container vessel;

8 “(6) a multi-purpose vessel;

9 “(7) a cable vessel (as defined in section
10 53201)

11 “(8) a heavy-lift vessel; or

12 “(9) any other type of vessel determined appro-
13 priate by the Administrator, in consultation with the
14 Maritime Security Board.

15 “(b) IN GENERAL.—Not later than 180 days after
16 the date of enactment of this section, and annually there-
17 after, the Maritime Administrator shall conduct a survey
18 of owners, agents, or operators of commercial vessels of
19 the United States to identify plans for the construction,
20 maintenance, and modernization of commercial vessels of
21 the United States.

22 “(c) PURPOSE.—The purpose of the survey con-
23 ducted under this section is to inform the maritime indus-
24 trial base of the future need for the construction of com-
25 mercial vessels.

1 “(d) INCLUSIONS.—In conducting the survey under
2 this section, the Maritime Administrator shall collect the
3 following information from owners, agents, or operators
4 of commercial vessels of the United States who participate
5 in the survey:

6 “(1) The number of commercial vessels of the
7 United States the participant is looking to construct
8 during the 10-year period beginning on the date on
9 which the participant takes the survey.

10 “(2) The capabilities of the vessels described in
11 paragraph (1) that the participant is seeking in con-
12 structing such vessels.

13 “(3) Estimated timelines for when the partici-
14 pant aims to place each such vessel into service.

15 “(4) The number of major repairs of commer-
16 cial vessels of the United States and overhauls of
17 such commercial vessels the participant is looking to
18 carry out during the 10-year period described in
19 paragraph (1).

20 “(5) The major components that a shipbuilder
21 would need from industrial base suppliers to support
22 the construction, overhaul, or repair of commercial
23 vessels of the United States during such 10-year pe-
24 riod.

1 “(6) Estimates for the capital expenditures the
2 participant is planning to make for the construction,
3 overhaul, or repair of commercial vessels of the
4 United States during such 10-year period.

5 “(7) Any additional information the Maritime
6 Administrator determines appropriate.

7 “(e) PARTICIPATION.—The Administrator may not
8 require any owner, agent, or operator of a commercial ves-
9 sel of the United States to participate in the survey unless
10 that owner, agency, or operator is participating in a finan-
11 cial assistance program established under part C of this
12 subtitle.

13 “(f) RELEASE OF FINDINGS.—

14 “(1) DISTRIBUTION.—Each year, the Maritime
15 Administrator may release the findings of the survey
16 with shipyards in the United States and other mari-
17 time industrial base stakeholders the results of the
18 survey conducted under this section for such year in
19 such a manner as the Administrator determines ap-
20 propriate.

21 “(2) PROPRIETARY INFORMATION.—Notwith-
22 standing any other provision of law, including sec-
23 tion 552 of title 5, United States Code, at the re-
24 quest of a survey participant, the Maritime Adminis-
25 trator shall withhold proprietary information pro-

1 vided as a part of a survey conducted under this sec-
2 tion.

3 “(3) COORDINATION.—To the maximum extent
4 practicable, the Maritime Administrator shall seek to
5 conduct the annual surveys under this section and
6 publish the results of such surveys on a similar
7 timeline as the timeline for the annual naval vessel
8 construction plans under section 231(a)(1) of title
9 10 and other shipbuilding construction surveys pub-
10 lished by other Federal agencies.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for chapter 501 of title 46, United States Code, is amend-
13 ed by inserting after the item relating to section 50114
14 the following:

“50115. Anticipated commercial vessel construction survey.”.

15 **SEC. 507. STREAMLINED ENVIRONMENTAL REVIEW.**

16 Section 41001(6) of the Fixing America’s Surface
17 Transportation Act (42 U.S.C. 4370m(6)) is amended—

18 (1) in subparagraph (A)—

19 (A) in the matter preceding clause (i), by
20 inserting “the maritime industry” after “water-
21 ways,”;

22 (B) by redesignating clauses (iii) and (iv)
23 as clauses (iv) and (v), respectively; and

24 (C) by inserting after clause (ii) the fol-
25 lowing:

1 “(iii) is covered by a programmatic
2 plan or environmental review developed for
3 a project related to the maritime indus-
4 try;”; and

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

6 “(D) MARITIME INDUSTRY.—For the pur-
7 poses of subparagraph (A), the term ‘construc-
8 tion of infrastructure’ for the maritime industry
9 includes construction of—

10 “(i) shipyards and ship repair facili-
11 ties;

12 “(ii) port terminals and other port fa-
13 cilities;

14 “(iii) manufacturing facilities for
15 equipment and technology instrumental to
16 the facilitation of maritime trade and com-
17 merce, as defined by the Council; and

18 “(iv) other industrial base facilities
19 that support the Navy or the merchant
20 marine of the United States.”.

21 **SEC. 508. ELIGIBILITY FOR LOAN GUARANTEES.**

22 Section 1703(b) of the Energy Policy Act of 2005
23 (42 U.S.C. 16513(b)) is amended by inserting at the end
24 the following:

1 “(14) Marine transportation systems, including
2 commercial vessels of the United States, shipyards,
3 marine terminals, and port facilities.”.

4 **SEC. 509. REPORTS.**

5 (a) REPORT ON NATIONAL DEFENSE RESERVE
6 FLEET.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of this Act, and every
9 2 years thereafter, the Maritime Administrator, in
10 consultation with the Commander of the United
11 States Transportation Command and the Secretary
12 of the Navy, and in accordance with paragraph (2),
13 shall submit to the appropriate committees of Con-
14 gress and the Maritime Security Board a report—

15 (A) outlining a plan for using the ship-
16 building financial incentives program authorized
17 under section 53801 of title 46, United States
18 Code, as added by section 501, and the finan-
19 cial incentive programs under subpart C of sub-
20 title V of title 46, United States Code, to sup-
21 plement the size and readiness of the National
22 Defense Reserve Fleet and to improve national
23 shipbuilding and shipping infrastructure; and

24 (B) describing ways in which an expanded
25 and creative view of the make-up of vessels with

1 Voluntary Intermodal Sealift Agreements or
2 Voluntary Tanker Agreements and the ship-
3 building financial incentives program authorized
4 under such section can be used to ensure gov-
5 ernment access to other vessels that are critical
6 to national security, such as icebreakers, oil and
7 natural gas tankers, floating dry docks, salvage
8 vessels, dredges, ocean tugs, offshore construc-
9 tion vessels, multi-use workboats, and commer-
10 cial shipping vessels using small nuclear reac-
11 tors.

12 (2) ADDITIONAL CONSULTATION.—In preparing
13 the report under paragraph (1), the Maritime Ad-
14 ministrator shall also consult with the Secretary of
15 Commerce and the Secretary of Energy with respect
16 to shipping vessels or mobile maritime power plants
17 using small nuclear reactors.

18 (b) REPORT ON DE-RISKING MARITIME SECTOR.—
19 Not later than 180 days after the date of enactment of
20 this Act, and every 2 years thereafter, the Secretary of
21 Defense and the Secretary of Homeland Security, in co-
22 ordination with the Secretaries of Treasury and State, the
23 Maritime Administrator, the United States Trade Rep-
24 resentative, and the Director of the Office of Management
25 and Budget, shall submit to the appropriate committees

1 of Congress and the Maritime Security Board a report
2 outlining a comprehensive strategy for de-risking the
3 United States maritime domain from the People's Repub-
4 lic of China and other asymmetric or emerging maritime
5 threats.

6 (c) REPORT ON RESTRICTING FLOW OF CAPITAL TO
7 CCP.—Not later than 180 days after the date of enact-
8 ment of this Act, the Secretary of Transportation, the Sec-
9 retary of Defense, the Secretary of Commerce, the Sec-
10 retary of State, and the Secretary of the Treasury shall
11 submit to the appropriate committees of Congress and the
12 Maritime Security Board a report on ways and means for
13 restricting the flow of capital from the United States to
14 Chinese Communist Party maritime industries, which
15 shall include recommendations for promoting the flow of
16 capital within and between the United States and treaty
17 allies of the United States. The report shall also include
18 a survey of banks, pension funds, and large financial insti-
19 tutions, with recommendations for ways the United States
20 can incentivize domestic financial investments in the mari-
21 time industry.

22 **SEC. 510. EXPORT CONTROL REPORT.**

23 Not later than 1 year after the date of enactment
24 of this Act, the Secretary of State shall submit to Con-
25 gress a report assessing methods to reduce the use of ex-

1 port controls and other restrictions under the Arms Ex-
2 port Control Act (22 U.S.C. 2751 et seq.) and the Inter-
3 national Traffic in Arms Regulations under subchapter M
4 of chapter I of title 22, Code of Federal Regulations, or
5 successor regulations, that limit the ability of foreign-
6 owned marine industrial base companies to participate in
7 the United States shipbuilding industry, specifically in-
8 cluding shipbuilding for the Federal Government, while
9 ensuring appropriate safeguards for United States-based
10 firms and American workers.

11 **Subtitle B—Department of Defense**
12 **Programs**

13 **SEC. 511. ASSESSMENT OF THE USE OF COMMERCIAL BEST**
14 **PRACTICES FOR NAVY SHIPBUILDING.**

15 (a) ASSESSMENT.—

16 (1) IN GENERAL.—The Secretary of the Navy,
17 in coordination with the Secretary of Transportation
18 and the Secretary of the Department in which the
19 Coast Guard is operating, shall—

20 (A) conduct an assessment of best prac-
21 tices used in the construction and repair of
22 commercial, oceangoing maritime vessels; and

23 (B) identify—

24 (i) opportunities for the Navy and
25 Coast Guard to leverage those best prac-

1 tices to make ship construction and repair
2 efforts of combatant and non-combatant
3 vessels more efficient; and

4 (ii) advanced technologies that can be
5 leveraged to improve the overall readiness
6 and dominance of the United States mari-
7 time fleet (both commercial and military),
8 to specifically include small modular reac-
9 tors for ship power and propulsion.

10 (2) ELEMENTS.—The assessment required by
11 paragraph (1) shall include the following:

12 (A) An evaluation of the best practices de-
13 scribed in subparagraph (A) of such paragraph,
14 including best practices used by commercial
15 shipyards in foreign allied countries, consider-
16 ation of commercial design standards, and the
17 vessel construction manager model used to con-
18 struct the National Security Multi Mission Ves-
19 sel Program, that could improve the efficiency
20 of shipbuilding and repair by the Navy and
21 Coast Guard.

22 (B) An identification of commercial-grade
23 components and capabilities being used in state-
24 of-the-art commercial, oceangoing maritime ves-
25 sels and an assessment of whether the Navy

1 and Coast Guard could better use commercial
2 off-the-shelf components or capabilities to re-
3 duce costs, improve efficiencies, or enhance ca-
4 pabilities in the construction of new naval ves-
5 sels and cutters, and in repair of naval vessels
6 and cutters.

7 (C) A determination as to whether ship-
8 building and acquisition programs of the Navy
9 and Coast Guard use modern best practices
10 from the commercial maritime industry in
11 terms of contracting, ship design, construction,
12 overhaul, and maintenance.

13 (D) An identification of technologies and
14 procedures that are used in commercial ship-
15 building that, if used by the Navy and Coast
16 Guard, would improve the efficiency of design-
17 ing and constructing new naval vessels.

18 (E) An identification of technologies and
19 procedures that are used in commercial ship-
20 building and repair that, if used by the Navy
21 and Coast Guard, would improve the efficiency
22 of repairing naval vessels.

23 (F) An identification of opportunities to
24 improve commonality in ship design, ship com-
25 ponents, and shipbuilding procedures between

1 commercial, oceangoing maritime vessels, naval
2 vessels, and cutters that could lead to improved
3 efficiencies and a more resilient industrial base
4 to support shipbuilding and repair for military
5 and civil maritime vessels.

6 (G) An identification of advanced nuclear
7 technologies that are under development for use
8 in commercial shipbuilding that, if used by the
9 Navy and Coast Guard, would improve the
10 operational capability of naval vessels and cut-
11 ters.

12 (H) An identification of the barriers pre-
13 venting or making prohibitive the use of small
14 modular reactors in naval or commercial, ocean-
15 going maritime vessels, including—

16 (i) ambiguity in regulations governing
17 nuclear propulsion restricting the commer-
18 cial maritime industry from utilizing nu-
19 clear propulsion or collaborating between
20 United States and foreign entities under
21 export controls requirements, including
22 section 744.5 of title 15, Code of Federal
23 Regulations (or a similar successor regula-
24 tion); and

1 (ii) a lack of clarity in the meaning of
2 “maritime (civil) nuclear propulsion plant
3 projects” contained in the Export Adminis-
4 tration Regulations and “Naval Nuclear
5 Propulsion” contained in the International
6 Traffic in Arms Regulations (Cat VI).

7 (I) An evaluation of education and tech-
8 nology development best practices used by com-
9 mercial shipyards in foreign allied countries,
10 and an identification of education and tech-
11 nology development opportunities, that could
12 improve the efficiency of shipbuilding and re-
13 pair by the Navy and Coast Guard.

14 (J) An evaluation of whether adoption of
15 the best practices evaluated under subpara-
16 graph (A) for the construction and repair of
17 naval vessels and cutters would support the do-
18 mestic commercial maritime shipbuilding indus-
19 try, the commercial maritime industrial base,
20 and the merchant marine of the United States.

21 (b) BRIEFING.—Not later than 180 days after the
22 date of the enactment of this Act, the Secretary of the
23 Navy shall provide to the congressional defense commit-
24 tees a briefing on—

1 (1) the results of the assessment required by
2 subsection (a); and

3 (2) a plan to execute any measures pursuant to
4 such assessment.

5 (c) STRATEGY REQUIRED.—Not later than 1 year
6 after the date of enactment of this Act, and biennially
7 thereafter, the Secretary of the Navy and Secretary of the
8 Department in which the Coast Guard is operating shall—

9 (1) provide to the appropriate committees of
10 Congress strategies describing how measures identi-
11 fied as a result of the assessment required by sub-
12 section (a) will be incorporated into shipbuilding
13 programs for the Navy and Coast Guard; and

14 (2) publish a public version of the strategies.

15 (d) CONGRESSIONAL DEFENSE COMMITTEES DE-
16 FINED.—In this section, the term “congressional defense
17 committees” has the meaning given that term in section
18 101(a) of title 10, United States Code.

19 **SEC. 512. PLAN OF ACTION FOR USE OF DEFENSE PRODUC-**
20 **TION ACT OF 1950 AUTHORITIES.**

21 (a) IN GENERAL.—Not later than 180 days after the
22 date of the enactment of this Act, the President shall sub-
23 mit to the appropriate committees of Congress a report
24 on a plan of action for any use of authorities available

1 under title III of the Defense Production Act of 1950 (50
2 U.S.C. 4531 et seq.)—

3 (1) to establish or enhance a domestic produc-
4 tion capability for the construction of militarily use-
5 ful, commercial maritime vessels that can be oper-
6 ated in foreign commerce or the domestic commerce
7 of the United States;

8 (2) to establish, improve, or enhance the de-
9 fense shipyard industrial base; or

10 (3) to establish, improve, or enhance maritime
11 port infrastructure of the United States, including
12 containers and ship-to-shore cranes that were built
13 in the United States and are owned by citizens of
14 the United States.

15 (b) COORDINATION.—The President shall develop the
16 plan of action required by subsection (a) in consultation
17 with—

18 (1) the maritime security advisor (as estab-
19 lished by this Act);

20 (2) the Maritime Security Board (as established
21 by this Act);

22 (3) an advisory committee established under
23 section 708(d) of the Defense Production Act of
24 1950 (50 U.S.C. 4558(d)); and

1 (4) such stakeholders in the private sector as
2 the President considers appropriate.

3 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-
4 FINED.—In this section, the term “appropriate commit-
5 tees of Congress” means—

6 (1) the Committee on Armed Services, the
7 Committee on Commerce, Science, and Transpor-
8 tation, and the Committee on Appropriations of the
9 Senate; and

10 (2) the Committee on Armed Services, the
11 Committee on Transportation and Infrastructure,
12 and the Committee on Appropriations of the House
13 of Representatives.

14 **SEC. 513. STRATEGY ON DEVELOPMENT OF NAVAL REARM-**
15 **AT-SEA CAPABILITY.**

16 (a) STRATEGY REQUIRED.—

17 (1) IN GENERAL.—Not later than 180 days
18 after the date of the enactment of this Act, the Sec-
19 retary of the Navy shall submit to the congressional
20 defense committees a strategy for delivering a
21 rearm-at-sea capability to the surface fleet of the
22 Navy.

23 (2) ELEMENTS.—Such strategy required under
24 paragraph (1) shall include each of the following:

1 (A) A plan to develop, by not later than 3
2 years after the date of the enactment of this
3 Act, the capability to employ transportable re-
4 arming mechanism equipment to load missile
5 canisters into MK 41 vertical launch system
6 cells on Navy destroyers, including—

7 (i) an identification of the current and
8 planned investments of the Navy in tech-
9 nology development to achieve such capa-
10 bility; and

11 (ii) the anticipated cost and schedule
12 for such investments.

13 (B) A plan for the key milestone events
14 and associated dates in the development of such
15 capability.

16 (C) A plan to coordinate with allies of the
17 United States that use variants of the MK 41
18 vertical launch system manufactured by the
19 United States to jointly procure rearm-at-sea
20 capabilities.

21 (D) An identification of any courses of ac-
22 tion the Secretary of the Navy is considering
23 other than the plans referred to in subpara-
24 graphs (A) through (C) to address the gap be-
25 tween the rearm-at-sea capabilities of the

1 United States and the capabilities of other
2 countries, including the use of uncrewed tech-
3 nologies, and other commercial off-the-shelf
4 components or capabilities.

5 (E) Such other matters as the Secretary
6 determines appropriate.

7 (b) BRIEFING.—Not later than 90 days after the date
8 of the enactment of this Act, the Secretary of the Navy
9 shall provide to the congressional defense committees a
10 written briefing on the development of the strategy re-
11 quired under subsection (a).

12 **SEC. 514. MILITARY SEALIFT COMMAND.**

13 (a) AUTHORITY TO OFFER INCREASED PAID LEAVE
14 ACCRUAL.—The Secretary of the Navy is authorized to
15 offer government merchant mariners employed by Military
16 Sealift Command paid leave accrual at a faster rate than
17 provided pursuant to the standard General Schedule (GS)
18 system to make government seafaring jobs more competi-
19 tive with the commercial sector.

20 (b) REPORT ON RECRUITING AND RETENTION EF-
21 FORTS.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of the enactment of this Act, and an-
24 nually thereafter, the Secretary of the Navy, in co-
25 ordination with the Commander of the Military Sea-

1 lift Command and the Maritime Security Board, and
2 in consultation with the Commander of United
3 States Transportation Command, the Commander of
4 United States Fleet Forces Command, and the As-
5 sistant Secretary of the Navy for Research, Develop-
6 ment and Acquisition, shall submit to the appro-
7 priate committees of Congress a report on efforts to
8 improve recruitment and retention of Military Sealift
9 Command Mariners.

10 (2) ELEMENTS.—The report required under
11 paragraph (1) shall consider—

12 (A) opportunities to enhance the integra-
13 tion of Military Sealift Command civilian
14 mariners into the military command structure;

15 (B) providing training on the roles and sig-
16 nificance of Military Sealift Command civilian
17 mariner workforce to relevant military com-
18 mands; and

19 (C) authorities required to improve recruit-
20 ment and retention of civilian mariners in Mili-
21 tary Sealift Command.

22 (c) REPORT ON EXTENDING CHARTER DURA-
23 TIONS.—Not later than 90 days after the date of the en-
24 actment of this Act, the Secretary of the Navy shall sub-
25 mit to the appropriate committees of Congress a report

1 assessing the merits of extending the maximum charter
2 durations of commercial and specialty vessels for the Mili-
3 tary Sealift Command.

4 **Subtitle C—Shipbuilding**
5 **Innovation and Infrastructure**

6 **SEC. 521. UNITED STATES CENTER FOR MARITIME INNOVA-**
7 **TION.**

8 (a) IN GENERAL.—Section 50307(e) of title 46,
9 United States Code, is amended—

10 (1) in paragraph (1), by inserting “through the
11 establishment, management, and coordination of
12 geographically and topically diverse maritime incuba-
13 tors” after “maritime transportation system”; and

14 (2) by striking paragraphs (2), (3), and (4),
15 and inserting the following:

16 “(2) COOPERATIVE AGREEMENT.—The coopera-
17 tive agreement shall be with an organization or per-
18 sons with substantial experience in the maritime in-
19 dustry, as determined by the Secretary, in consulta-
20 tion with the Maritime Security Board.

21 “(3) SELECTION.—The Center shall be—

22 “(A) selected through a competitive proc-
23 ess of eligible entities, and if a private entity,
24 a domestic entity;

1 “(B) based in the United States with tech-
2 nical expertise in emerging marine technologies
3 and practices related to the maritime transpor-
4 tation system; and

5 “(C) located in close proximity to eligible
6 entities with expertise in United States emerg-
7 ing maritime technologies and practices.

8 “(4) COORDINATION.—The Secretary of Trans-
9 portation shall coordinate with the Maritime Secu-
10 rity Board and other agencies critical for science, re-
11 search, and regulation of emerging marine tech-
12 nologies for the maritime sector, including the De-
13 partment of Defense, the Department of Energy, the
14 Environmental Protection Agency, the National
15 Science Foundation, the Coast Guard, the National
16 Oceanic and Atmospheric Association, and the Ma-
17 rine Board of the National Academies when estab-
18 lishing the Center.

19 “(5) RESPONSIBILITIES.—The Center shall
20 carry out the following activities:

21 “(A) Establish and support maritime incu-
22 bators in accordance with paragraph (6).

23 “(B) Accelerate the adoption or integration
24 of commercial technologies within the maritime
25 industry to transform the capacity and capabili-

1 ties of the merchant marine of the United
2 States.

3 “(C) Serve as the principal liaison between
4 the Maritime Security Board and maritime in-
5 cubators.

6 “(D) Carry out programs, projects, and
7 other activities to strengthen the merchant ma-
8 rine of the United States and the maritime in-
9 dustrial base.

10 “(E) Coordinate and harmonize the activi-
11 ties of other organizations and elements of the
12 maritime industry on matters relating to com-
13 mercial technologies, dual use technologies, and
14 the innovation of such technologies.

15 “(F) Coordinate and advise efforts among
16 elements of the maritime industry on matters
17 relating to the development, procurement, and
18 fielding of nontraditional capabilities and con-
19 nect entities developing those capabilities with
20 the relevant incubators.

21 “(G) Coordinate with maritime industry
22 stakeholders to identify operational challenges
23 that have the potential to be addressed through
24 the use of nontraditional capabilities, including

1 dual-use technologies that are being developed
2 and financed in the commercial sector.

3 “(H) Coordinate with maritime industry
4 stakeholders and relevant Federal agencies to
5 enhance the capacity and performance of sea-
6 ports of the United States, including through
7 hardening security, enhancing preparedness,
8 and developing United States-based supply
9 chains for port technologies and equipment.

10 “(I) Coordinate with other research and
11 development programs and centers focused on
12 modes of transportation besides maritime to de-
13 velop intermodal interoperability with the mari-
14 time industry.

15 “(J) Develop a standard design for com-
16 mercial vessels and components and features of
17 commercial vessels to be manufactured in the
18 United States, using mature, proven designs,
19 which—

20 “(i) includes, to the maximum extent
21 practicable, included parts, components,
22 and material manufactured in and sourced
23 from the United States;

24 “(ii) does not include any parts, com-
25 ponents, or materials manufactured by for-

1 eign entities of concern or which are pro-
2 duced in foreign countries of concern (as
3 such terms are defined in section 4 of the
4 SHIPS for America Act of 2024); and

5 “(iii) includes priorities for design
6 identified in consultation with the Sec-
7 retary of the Navy, as necessary for stra-
8 tegic sealift, informed by requirements to
9 sustain a wartime economy and military
10 operations.

11 “(K) Lead engagement with industry, aca-
12 demia, labor organizations, and other non-
13 governmental entities to develop—

14 “(i) innovative, commercial, and dual-
15 use manufacturing technologies and proc-
16 esses to construct, rehabilitate, or repair
17 maritime vessels of the Armed Forces or
18 the merchant marine of the United States;

19 “(ii) additional naval architecture pro-
20 grams at institutions of higher education
21 in the United States and to expand exist-
22 ing naval architecture programs;

23 “(iii) next-generation propulsion tech-
24 nologies for the merchant marine of the
25 United States, to include small modular re-

1 actors, low-emission propulsion tech-
2 nologies, and other renewable energy solu-
3 tions;

4 “(iv) new and innovative hardware,
5 software, and systems for remote or auton-
6 omous operations at ports, intermodal fa-
7 cilities, or aboard oceangoing vessels;

8 “(v) technology and infrastructure so-
9 lutions that enhance the safe operation of
10 oceangoing vessels to protect lives, prop-
11 erty, and the environment;

12 “(vi) solutions to recruit, train, and
13 retain a skilled workforce capable of sup-
14 porting a vibrant and growing United
15 States maritime industry; and

16 “(vii) the capacity of international al-
17 lies and partners of the United States,
18 with respect to manufacturing technologies
19 and processes, to construct, rehabilitate, or
20 repair maritime vessels.

21 “(L) Work with academic and private sec-
22 tor response training centers and Centers of
23 Excellence for Domestic Maritime Workforce
24 Training and Education to develop maritime
25 strategies applicable to various segments of the

1 United States maritime industry, including the
2 inland, deep water, and coastal fleets.

3 “(M) Establish programs and initiatives to
4 share—

5 “(i) shipbuilding best practices and
6 maritime technology between vessels of the
7 Department of Defense and commercial
8 vessels of the United States; and

9 “(ii) port technology and logistics best
10 practices between the Department of De-
11 fense and commercial port operators and
12 port authorities within the United States.

13 “(N) Carry out such other activities as the
14 Maritime Security Board determines appro-
15 priate.

16 “(6) ESTABLISHMENT OF MARITIME INCUBA-
17 TORS.—

18 “(A) ESTABLISHMENT.—The Center shall,
19 in consultation with the Maritime Security
20 Board, seek out, identify, and support the de-
21 velopment of and experimentation with commer-
22 cial technologies that have the potential to be
23 implemented within the maritime industry,
24 through the establishment of a series of mari-
25 time incubators.

1 “(B) REFLECTION.—Each incubator shall
2 reflect the unique nature of the region’s capa-
3 bilities and academic and investor base.

4 “(C) SELECTION.—Incubators shall be—

5 “(i) selected through a competitive
6 process of eligible entities, and if a private
7 entity, a domestic entity;

8 “(ii) based in the United States with
9 technical expertise in emerging marine
10 technologies and practices related to the
11 maritime transportation system;

12 “(iii) based within a United States
13 maritime security investment zone as de-
14 fined in section 1400Z–3 of the Internal
15 Revenue Code of 1986 (as added by sec-
16 tion 708 of this Act);

17 “(iv) topic-specific, according to re-
18 gional maritime expertise in United States
19 emerging maritime technologies and prac-
20 tices, to include designated incubators fo-
21 cused on—

22 “(I) clean energy and alternative
23 fuels;

24 “(II) ports and shoreside infra-
25 structure;

1 “(III) vessel design and naval ar-
2 chitecture;

3 “(IV) shipbuilding and next gen-
4 eration manufacturing; and

5 “(V) other areas for maritime in-
6 novation and technology, as deter-
7 mined by the Center in coordination
8 with the Maritime Security Board.

9 “(D) INCUBATOR RESPONSIBILITIES.—
10 Each maritime incubator shall—

11 “(i) serve as the principal liaison be-
12 tween the Center and individuals and enti-
13 ties that can contribute to innovation with-
14 in the maritime industry, including other
15 maritime incubators under this subsection,
16 entrepreneurs, startups, commercial tech-
17 nology companies, and venture capital
18 sources; and

19 “(ii) establish and support multi-
20 stakeholder research and innovation part-
21 nerships, as described in subparagraph
22 (G).

23 “(E) REPORT.—Each incubator shall sub-
24 mit quarterly activity and status reports to the
25 Center.

1 “(F) REVIEW AND TERMINATION.—

2 “(i) IN GENERAL.—The Maritime Ad-
3 ministrator may, in consultation with the
4 Maritime Security Board, terminate an
5 agreement with an eligible entity selected
6 to lead a maritime incubator if the Admin-
7 istrator certifies that the eligible entity is
8 failing to meet the requirements of this
9 section.

10 “(ii) RESELECTION.—If the Adminis-
11 trator terminates an agreement with an el-
12 igible entity to lead a maritime incubator,
13 the Center shall initiate a new selection
14 process as required under subparagraph
15 (C) to select a new eligible entity.

16 “(iii) REVIEW OF ELIGIBLE ENTI-
17 TIES.—Not later than 5 years after the es-
18 tablishment of maritime incubators under
19 this paragraph, and every 5 years there-
20 after, the Administrator, in coordination
21 with the Maritime Security Board, shall
22 conduct a review of all eligible entities se-
23 lected to lead a maritime incubator and
24 confirm the entity is adequately fulfilling
25 the requirements of this section.

1 “(G) MULTI-STAKEHOLDER PARTNER-
2 SHIPS.—

3 “(i) IN GENERAL.—The maritime in-
4 cubators established under this subsection
5 shall establish and support multi-stake-
6 holder research and innovation partner-
7 ships that—

8 “(I) have the potential to gen-
9 erate technologies, processes, prod-
10 ucts, or other solutions that support
11 the United States maritime industry;

12 “(II) have as an objective the
13 technology transfer or commercializa-
14 tion of the work product generated by
15 the partnership, which may include
16 work product that incorporates intel-
17 lectual property developed by the Fed-
18 eral Government and licensed to the
19 partnership in accordance with clause
20 (iii); and

21 “(III) incentivize and expand
22 geographically diverse participation in
23 graduate and undergraduate institu-
24 tions of higher education, community

1 college, and other workforce programs
2 relevant to the maritime industry.

3 “(ii) SUPPORT PROVIDED.—Support
4 provided by the maritime incubator to a
5 multi-stakeholder research and innovation
6 partnership under this subsection may in-
7 clude—

8 “(I) providing funding or other
9 resources to the partnership;

10 “(II) participating in the part-
11 nership;

12 “(III) providing technical and
13 technological advice and guidance to
14 the partnership;

15 “(IV) suggesting and introducing
16 other participants for inclusion in the
17 partnership;

18 “(V) providing the partnership
19 with insight into desired solutions for
20 defense and security needs;

21 “(VI) providing access to Ready
22 Reserve ships for testing new tech-
23 nologies and conducting research, as
24 the maritime incubator determines ap-

1 appropriate, in coordination with the
2 Center and the Administrator; and

3 “(VII) such other forms of sup-
4 port as the Center, in consultation
5 with maritime incubators and Mari-
6 time Security Board, determines ap-
7 propriate.

8 “(iii) AVAILABILITY OF INTELLEC-
9 TUAL PROPERTY.—To the extent the Cen-
10 ter determines appropriate, the Center, in
11 coordination with the maritime incubators,
12 shall seek to actively inform potential par-
13 ticipants in multi-stakeholder research and
14 innovation partnerships of the availability
15 of intellectual property developed by the
16 Federal Government that may be licensed
17 to the partnership.

18 “(7) REPORT.—Not later than 180 days after
19 the date of enactment of the SHIPS for America
20 Act of 2024, and annually thereafter, the Center
21 shall submit to the Maritime Security Board and the
22 appropriate congressional committees a report on
23 the activities, advances, outcomes, and work product
24 of the maritime incubators and the multi-stakeholder

1 research and innovation partnerships supported
2 under this subsection.

3 “(8) AUTHORIZATION OF APPROPRIATIONS.—In
4 addition to the funding contributed under subsection
5 (a)(4), there is authorized to be appropriated, out of
6 the Maritime Security Trust Fund established under
7 section 9512 of the Internal Revenue Code of 1986,
8 \$50,000,000 for each of fiscal years 2025 through
9 2034.

10 “(9) DEFINITIONS.—In this subsection:

11 “(A) MULTI-STAKEHOLDER RESEARCH
12 AND INNOVATION PARTNERSHIP.—The term
13 ‘multi-stakeholder research and innovation part-
14 nership’ means a partnership composed of any
15 combination of 2 or more of the following:

16 “(i) Institutions of higher education
17 (as defined in section 102 of the Higher
18 Education Act of 1965 (20 U.S.C. 1002))
19 with research and innovation capability.

20 “(ii) Nonprofit organizations that pro-
21 vide policy, research, outreach, operations,
22 organizational, management, testing, eval-
23 uation, technology transfer, legal, financial,
24 or advocacy expertise.

1 “(iii) For-profit commercial enter-
2 prises that may be publicly or privately
3 owned, early stage or mature, and incor-
4 porated or operating by another ownership
5 structure.

6 “(iv) Centers of excellence for domes-
7 tic maritime workforce training and edu-
8 cation (established under section 51706).

9 “(v) Maritime labor organizations.

10 “(vi) Departments or agencies of the
11 Federal Government with expertise, oper-
12 ations, or resources related to the objec-
13 tives of the multi-stakeholder research and
14 innovation partnership.

15 “(vii) State maritime academies (as
16 defined in section 51102(4)).

17 “(viii) The United States Merchant
18 Marine Academy.

19 “(ix) National research laboratories
20 with expertise, operations, or resources re-
21 lated to the objectives of the partnership.

22 “(B) NONTRADITIONAL CAPABILITY.—The
23 term ‘nontraditional capability’ means a solu-
24 tion to an operational challenge that can signifi-
25 cantly leverage commercial innovation or exter-

1 nal capital with minimal dependencies on field-
2 ed systems.

3 “(C) MARITIME INDUSTRY.—The term
4 ‘maritime industry’ includes—

5 “(i) shipbuilders and ship repair fa-
6 cilities;

7 “(ii) ship owners;

8 “(iii) port operators;

9 “(iv) personnel of the merchant ma-
10 rine of the United States;

11 “(v) manufacturers of equipment and
12 technology instrumental to the facilitation
13 of maritime trade and commerce; and

14 “(vi) other members of the industrial
15 base that support the Navy or the mer-
16 chant marine of the United States.”.

17 (b) TRANSITION.—A Center for Maritime Innovation
18 established by the Secretary of Transportation through a
19 cooperative agreement pursuant to section 50307 of title
20 46, United States Code, as of the day before the date of
21 enactment of this Act shall—

22 (1) be deemed to be the United States Center
23 for Maritime Innovation under section 50307 of title
24 46, United States Code, as of the date of enactment

1 of this Act, with all the authorities granted by such
2 section; and

3 (2) coordinate activities of the Center with the
4 Maritime Security Board pursuant to subsection
5 (e)(4) of such section, as amended by this Act.

6 **SEC. 522. NATIONAL SHIPBUILDING RESEARCH PROGRAM.**

7 Section 50105(c) of title 46, United States Code, is
8 amended to read as follows:

9 “(c) NATIONAL SHIPBUILDING RESEARCH PRO-
10 GRAM.—

11 “(1) IN GENERAL.—The Maritime Adminis-
12 trator shall establish and carry out, in coordination
13 with Naval Sea Systems Command, the National
14 Shipbuilding Research Program.

15 “(2) PURPOSES.—The purpose of the National
16 Shipbuilding Research Program shall be to develop
17 plans for the economical construction of vessels and
18 their propelling machinery, of most modern economi-
19 cal types, giving thorough consideration to all well-
20 recognized means of propulsion and taking into ac-
21 count the benefits from standardized production
22 where practicable and desirable.

23 “(3) ACTIVITIES.—The National Shipbuilding
24 Research Program shall—

1 “(A) support technology transfers and in-
2 dustry networking;

3 “(B) select and execute research and devel-
4 opment projects, which may include—

5 “(i) advancing best practices in ship-
6 building and ship repair, including alter-
7 native project management and project fi-
8 nancing arrangements for shipyards, such
9 as public-private financing;

10 “(ii) improving efficiency across the
11 shipyard industrial base of the United
12 States; and

13 “(iii) developing, maturing, and imple-
14 menting industry-relevant shipbuilding and
15 sustainment technologies;

16 “(C) carry out ad hoc initiatives focused
17 on specific target areas in shipbuilding and ship
18 repair; and

19 “(D) carry out additional activities as de-
20 termined by the Maritime Administrator or the
21 Secretary of Defense.”.

22 **SEC. 523. ASSESSMENT ON MARINE INFRASTRUCTURE**
23 **READINESS.**

24 (a) IN GENERAL.—Not later than 180 days after the
25 date of enactment of this Act, the Maritime Administrator

1 shall submit to Congress a report on the status and re-
2 sources and authorities needed to execute and complete
3 necessary vessels, harborcraft, port, shipyard, and other
4 infrastructure improvements to ensure the national secu-
5 rity interests of the United States and support the domes-
6 tic and foreign commerce of the United States.

7 (b) CONTENTS.—The report under subsection (a)
8 shall include—

9 (1) consideration of existing literature and re-
10 porting from Federal and non-Federal sources;

11 (2) an assessment of the number of commercial
12 shipping vessels by class required to sustain a peace-
13 time and wartime national economy;

14 (3) an assessment of opportunities to leverage
15 private sector funding to enhance the capability of
16 marine infrastructure of the United States;

17 (4) an evaluation of future infrastructure needs
18 to support alternative fuels for vessels and
19 harborcraft;

20 (5) an assessment of an ability to construct and
21 repair seaports and shipyards during national secu-
22 rity emergencies, including readiness to construct
23 temporary facilities, and carry out marine salvage
24 and firefighting operations; and

1 (6) an evaluation of the possible effects on the
2 commercial operations of United States ports and
3 other critical infrastructure of prohibiting any entity
4 that owns or operates a port or terminal in the
5 United States from using or sharing data with—

6 (A) LOGINK;

7 (B) any logistics platform controlled by, af-
8 filiated with, or subject to the jurisdiction of
9 the Chinese Communist Party or the Govern-
10 ment of the People’s Republic of China; or

11 (C) any logistics platform that shares data
12 with a system described in subparagraph (A) or
13 (B).

14 (c) DEFINITIONS.—

15 (1) CRITICAL INFRASTRUCTURE.—The term
16 “critical infrastructure” has the meaning given the
17 term in section 721(a) of the Defense Production
18 Act of 1950 (50 U.S.C. 4565(a)).

19 (2) LOGNIK.—The term “LOGINK” means
20 the public, open, shared logistics information net-
21 work known as the National Public Information
22 Platform for Transportation and Logistics by the
23 Ministry of Transport of the People’s Republic of
24 China.

1 **TITLE VI—WORKFORCE**
2 **DEVELOPMENT**
3 **Subtitle A—Workforce Incentives**

4 **SEC. 601. PUBLIC SERVICE LOAN FORGIVENESS FOR MER-**
5 **CHANT MARINES.**

6 Section 455(m) of the Higher Education Act of 1965
7 (20 U.S.C. 1087e(m)) is amended—

8 (1) in paragraph (3)(B)(i), by inserting “the
9 United States Merchant Marine (as described in
10 paragraph (5)), a United States shipyard,” after
11 “law enforcement,”; and

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

13 “(5) FULL-TIME JOB IN UNITED STATES MER-
14 CHANT MARINE.—For purposes of loan cancellation
15 under this subsection, a full-time job in the United
16 States Merchant Marine shall mean possession of a
17 Merchant Mariner Credential authorized by the
18 Coast Guard and employment on board a vessel of
19 the United States for not less than 150 days in a
20 calendar year.”.

21 **SEC. 602. ELIGIBILITY FOR EDUCATIONAL ASSISTANCE.**

22 (a) IN GENERAL.—Chapter 521 of title 46, United
23 States Code, is amended by adding at the end the fol-
24 lowing:

1 **“§ 52102. Eligibility for educational assistance**

2 “(a) ELIGIBILITY.—A covered individual shall be
3 treated as an individual described in section 3311(b)(1)
4 of title 38, United States Code, for purposes of entitle-
5 ment to educational assistance under chapter 33 of such
6 title.

7 “(b) COVERED INDIVIDUAL.—

8 “(1) IN GENERAL.—In this section, the term
9 ‘covered individual’ means an individual who—

10 “(A) served as a full-time, credentialed
11 United States Merchant Mariner for not less
12 than 10 years;

13 “(B) as a result of such service received
14 the Merchant Marine Expeditionary Medal or
15 another award for service in a designated com-
16 bat zone after the date of enactment of this sec-
17 tion; and

18 “(C) is not eligible under any other provi-
19 sion of law for benefits under laws administered
20 by the Secretary of Veterans Affairs.

21 “(2) FULL-TIME, CREDENTIALLED UNITED
22 STATES MERCHANT MARINER.—For purposes of
23 paragraph (1), serving as a ‘full-time, credentialed
24 United States Merchant Mariner’ means possession
25 of a Merchant Mariner Credential authorized by the
26 Coast Guard and employment on board a vessel of

1 the United States for not less than 150 days in a
2 calendar year.

3 “(c) REIMBURSEMENT.—There is authorized to be
4 appropriated to the Secretary of Veterans Affairs such
5 sums as may be necessary to carry out this section from
6 the Maritime Security Trust Fund established under sec-
7 tion 9512 of chapter 98 of the Internal Revenue Code of
8 1986.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for chapter 521 of title 46, United States Code, is amend-
11 ed by adding at the end the following:

“52102. Eligibility for educational assistance.”.

12 **SEC. 603. ELIGIBILITY OF MARINERS TO ATTEND NAVAL**
13 **POSTGRADUATE SCHOOL.**

14 (a) IN GENERAL.—Section 8545 of title 10, United
15 States Code, is amended—

16 (1) in subsection (a), by adding at the end the
17 following new paragraph:

18 “(3) The Secretary may permit an officer or
19 unlicensed mariner of the United States Merchant
20 Marine to receive instruction at the Naval Post-
21 graduate School.”;

22 (2) in subsection (b)(1), by adding at the end
23 the following new sentence: “The Secretary of
24 Transportation shall bear the cost of the instruction
25 received by officers and unlicensed mariners of the

1 United States Merchant Marine detailed for that in-
2 struction.”; and

3 (3) in subsection (c), by inserting “, and offi-
4 cers and unlicensed mariners of the United States
5 Merchant Marine,” after “Coast Guard”.

6 (b) REPORT REQUIRED.—Not later than 180 days
7 after the date of enactment of this Act, the Secretary of
8 Transportation, in consultation with the Secretary of De-
9 fense, shall submit to Congress a report assessing what
10 matters relating to military training it would be beneficial
11 for mariners to study at the Naval Postgraduate School.

12 **SEC. 604. REIMBURSEMENT OF QUALIFYING SPOUSE RELI-**
13 **CENSING COSTS AND BUSINESS COSTS.**

14 (a) IN GENERAL.—Chapter 521 of title 46, United
15 States Code, as amended by section 602, is further amend-
16 ed by adding at the end the following:

17 **“§ 52103. Reimbursement of qualifying spouse reli-**
18 **censing costs and business costs**

19 “(a) IN GENERAL.—The Secretary of Transportation
20 shall establish a program to reimburse an individual serv-
21 ing in the merchant marine of the United States for quali-
22 fied relicensing costs and qualified business costs of the
23 spouse of that individual when the individual relocates to
24 a new jurisdiction or geographic area as the result of a
25 reassignment as a result of service as a commissioned offi-

1 cer in the Navy Reserve (including the Strategic Sealift
2 Officer Program, Navy Reserve), the Coast Guard Re-
3 serve, or any other reserve component of the Armed Serv-
4 ices of the United States.

5 “(b) LIMITATIONS.—

6 “(1) RELICENSING.—Reimbursement provided
7 to a member under this subsection for qualified reli-
8 censing costs may not exceed \$1,000 in connection
9 with each relocation described in paragraph (1).

10 “(2) BUSINESS COSTS.—Reimbursement pro-
11 vided to a member under this subsection for quali-
12 fied business costs may not exceed \$1,000 in connec-
13 tion with each relocation described in paragraph (1).

14 “(3) DEADLINE.—No reimbursement may be
15 provided under this subsection for qualified reli-
16 censing costs or qualified business costs paid or in-
17 curred after December 31, 2034.

18 “(c) QUALIFIED RELICENSING COSTS.—In this sec-
19 tion, the term ‘qualified relicensing costs’ means costs, in-
20 cluding exam, continuing education courses, business li-
21 cense, permit, and registration fees, incurred by the
22 spouse of an individual serving in the merchant marine
23 of the United States if—

24 “(1) the spouse was licensed or certified in a
25 profession, or owned a business, during the individ-

1 ual's previous assignment and requires a new profes-
2 sional license or certification, or business license or
3 permit, to engage in that profession in a new juris-
4 diction because of the individual's relocation de-
5 scribed in paragraph (1); and

6 “(2) the costs were incurred or paid to secure
7 or maintain the professional license or certification,
8 or business license or permit, from the new jurisdic-
9 tion in connection with such relocation.

10 “(d) QUALIFIED BUSINESS COSTS.—In this section,
11 the term ‘qualified business costs’ means costs, including
12 moving services for equipment, equipment removal, new
13 equipment purchases, information technology expenses,
14 and inspection fees, incurred by the spouse of an indi-
15 vidual serving in the merchant marine of the United
16 States if—

17 “(1) the spouse owned a business during the in-
18 dividual's previous assignment and the costs result
19 from the individual's relocation described in para-
20 graph (1); and

21 “(2) the costs were incurred or paid to move
22 such business to a new location in connection with
23 such relocation.

24 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
25 is authorized to be appropriated out of the Maritime Secu-

1 rity Trust Fund, established under section 9512 of the
2 Internal Revenue Code of 1986 to carry out this section,
3 \$500,000 for each of fiscal years 2025 through 2034.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 for chapter 521 of title 46, United States Code, as amend-
6 ed by section 602, is further amended by adding at the
7 end the following:

“52103. Reimbursement of qualifying spouse relicensing costs and business
costs.”.

8 **SEC. 605. NONCOMPETITIVE ELIGIBILITY FOR FEDERAL**
9 **EMPLOYMENT.**

10 (a) AMENDMENT.—Chapter 521 of title 46, United
11 States Code, as amended by sections 602 and 604, is
12 amended by adding at the end the following:

13 **“§ 52104. Noncompetitive eligibility for Federal em-**
14 **ployment**

15 “(a) DEFINITION OF AGENCY.—In this section, the
16 term ‘agency’—

17 “(1) has the meaning given the term ‘Executive
18 agency’ in section 105 of title 5, United States Code;

19 “(2) includes the United States Postal Service
20 and the Postal Regulatory Commission; and

21 “(3) does not include the Government Account-
22 ability Office.

23 “(b) APPOINTMENT AUTHORITY.—The head of an
24 agency may appoint noncompetitively—

1 “(1) a graduate of the United States Merchant
2 Marine Academy who has met all of the require-
3 ments of their cadet commitment agreement under
4 section 51306 of title 46, United States Code; or

5 “(2) a credentialed United States Merchant
6 Mariner with an officer or rating endorsement who
7 has completed not less than 7 years of service
8 aboard a vessel of the United States.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for chapter 521 of title 46, United States Code, as amend-
11 ed by sections 602 and 604, is amended by adding at the
12 end the following:

“52104. Noncompetitive eligibility for Federal employment.”.

13 **SEC. 606. UNITED STATES MERCHANT MARINE CAREER RE-**
14 **TENTION PROGRAM.**

15 (a) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that—

17 (1) it takes years of training and experience,
18 and costly license trainings, to earn mariner quali-
19 fications;

20 (2) with just around 12,000 merchant mariners
21 of the United States operating oceangoing vessels,
22 compared with China’s more than 1,700,000 sea-
23 farers, the United States may not have a sufficient
24 number of mariners to fully power the strategic sea-
25 lift vessels necessary in a future prolonged conflict;

1 (3) the United States requires a qualified work-
2 force of sufficient size that is ready and available to
3 crew vessels of the United States for national de-
4 fense or national emergency; and

5 (4) a workforce committed to take all measures
6 possible to expand, develop, and protect the domestic
7 maritime workforce should—

8 (A) support a retention program to permit
9 credentialed merchant mariners to maintain
10 recency through a coordinated Federal pro-
11 gram, in coordination with maritime labor orga-
12 nizations; and

13 (B) implement civil service, workplace, and
14 hiring protections.

15 (b) AMENDMENT.—Chapter 521 of title 46, United
16 States Code, as amended by sections 602, 604, and 605,
17 is further amended by adding at the end the following:

18 **“§ 52105. United States Merchant Marine Career Re-**
19 **tention Program**

20 “(a) ESTABLISHMENT.—The Maritime Adminis-
21 trator shall establish a program, to be known as the
22 ‘United States Merchant Marine Career Retention Pro-
23 gram’, to ensure that a qualified workforce of sufficient
24 size is ready to crew strategic sealift vessels in the event
25 of a national defense or national emergency activation.

1 Through the United States Merchant Marine Career Re-
2 tention Program, the Maritime Administrator shall estab-
3 lish and administer mechanisms to register merchant
4 mariners and mariner employers to participate in the Pro-
5 gram.

6 “(b) IMPLEMENTATION.—The Maritime Adminis-
7 trator shall—

8 “(1) appoint a board of directors to oversee the
9 United States Merchant Marine Career Retention
10 Program;

11 “(2) appoint and facilitate a working group to
12 recommend policies, procedures, and a prioritization
13 matrix for the United States Merchant Marine Ca-
14 reer Retention Program, which shall be composed of
15 representatives from major stakeholders, including
16 maritime labor organizations, credentialed United
17 States Merchant Mariners, vessel owners, vessel op-
18 erators, the United States Merchant Marine Acad-
19 emy, State maritime academies, United States Mili-
20 tary Sealift Command, and other likely employers of
21 members of the United States Merchant Marine Ca-
22 reer Retention Program; and

23 “(3) submit to Congress an annual evaluation
24 of the United States Merchant Marine Career Re-
25 tention Program.

1 “(c) MEMBERSHIP IN UNITED STATES MERCHANT
2 MARINE CAREER RETENTION PROGRAM.—

3 “(1) IN GENERAL.—There shall be 2 paths to
4 enrollment in the United States Merchant Marine
5 Career Retention Program as described in para-
6 graphs (2) and (3).

7 “(2) MEMBERS WHO WORK ASHORE WHO HOLD
8 MARINER QUALIFICATIONS.—

9 “(A) OPPORTUNITIES.—The United States
10 Merchant Marine Career Retention Program
11 shall provide individuals who hold Coast Guard
12 issued mariner qualifications who work ashore
13 with an opportunity to maintain, or potentially
14 upgrade, their mariner qualifications and cre-
15 dentials by—

16 “(i) providing qualified service at sea
17 on vessels of the United States; and

18 “(ii) participating in compulsory
19 training.

20 “(B) STRUCTURE.—The United States
21 Merchant Marine Career Retention Program
22 shall be open for enrollment to both licensed
23 and unlicensed mariners and provide members
24 with an 8–3–1 schedule as follows:

25 “(i) 8 months shoreside employment.

1 “(ii) 3 months sailing employment de-
2 signed to ensure that members meet the
3 minimum sea-time requirement to main-
4 tain the credentials required by the Stand-
5 ards of Training, Certification, and
6 Watchkeeping certification, or, depending
7 on mariner and employer requirements,
8 more frequent, but shorter-duration sailing
9 assignments.

10 “(iii) 1 month vacation, which is in
11 addition to vacation provided by the shore-
12 side employer.

13 “(C) ASHORE EMPLOYERS.—

14 “(i) EMPLOYER OBLIGATIONS.—The
15 employer of a member of the United States
16 Merchant Marine Career Retention Pro-
17 gram described under this paragraph shall
18 grant the member—

19 “(I) an unpaid leave of absence
20 for the duration of the member’s
21 training, sailing, and vacation with
22 the United States Merchant Marine
23 Career Retention Program; and

24 “(II) the same or an equivalent
25 position with the employer when the

1 member returns from training, sailing,
2 or vacation with the United States
3 Merchant Marine Career Retention
4 Program.

5 “(D) SEA DAY ASSIGNMENTS.—The United
6 States Merchant Marine Career Retention Pro-
7 gram shall, with respect to members described
8 under this paragraph—

9 “(i) maintain records of each mem-
10 ber’s qualifications, sea time, and avail-
11 ability, and prioritize assignments on these
12 and other factors with the goal of maxi-
13 mizing the United States Merchant Marine
14 Career Retention Program readiness to
15 support strategic sealift;

16 “(ii) maintain a ‘job call’ program of-
17 fice that coordinates how jobs become
18 available for members from State maritime
19 academies, vessel operating companies,
20 maritime labor organizations, United
21 States Military Sealift Command, and
22 other organizations responsible for crewing
23 vessels of the United States of qualifying
24 tonnage or horsepower;

1 “(iii) establish partnerships with State
2 maritime academies and the United States
3 Military Sealift Command that aim to es-
4 tablish reliable crewing jobs with job cycles
5 that maximize the readiness of United
6 States Merchant Marine Career Retention
7 Program;

8 “(iv) dispatch members to fill avail-
9 able jobs, prioritizing maximizing readiness
10 for strategic sealift, taking into consider-
11 ation mariner availability and credentials,
12 sea time requirements to maintain mer-
13 chant mariner credentials, predicted pro-
14 gram demand for specific ratings, and ex-
15 pected expansion or contraction of the pro-
16 gram’s membership; and

17 “(v) coordinate with vessel operators
18 and labor organizations to ensure that
19 members in the United States Merchant
20 Marine Career Retention Program are
21 given opportunities to fulfill their sea time
22 and maintain the credentials required by
23 the Standards of Training, Certification,
24 and, Watchkeeping certification.

1 “(E) USERRA PROTECTIONS.—Members
2 of the United States Merchant Marine Career
3 Retention Program described under this para-
4 graph shall be entitled to protections and obli-
5 gations under chapter 43 of title 38 (commonly
6 known as the ‘Uniformed Services Employment
7 and Reemployment Rights Act’).

8 “(F) REQUIREMENT.—A member in the
9 United States Merchant Marine Career Reten-
10 tion Program described under this paragraph
11 may not fail to accept a sea day assignment
12 and remain in good standing with the Program,
13 unless a hardship exemption is provided by the
14 Maritime Administrator under subsection (e).

15 “(3) MEMBERS SERVING ON FOREIGN VES-
16 SELS.—

17 “(A) IN GENERAL.—The United States
18 Merchant Marine Career Retention Program
19 shall be open for enrollment to individuals
20 who—

21 “(i) hold Coast Guard issued mer-
22 chant mariner credentials required by the
23 Standards of Training, Certification, and
24 Watchkeeping Certification;

1 “(ii) have completed their service obli-
2 gations with respect to any previous enroll-
3 ment in a Federal or State maritime acad-
4 emy, if applicable; and

5 “(iii) are serving on a foreign vessel
6 (as defined in section 110) that is not
7 owned by a foreign entity of concern (as
8 that term is defined in section 4 of the
9 SHIPS for America Act of 2024) or a ves-
10 sel registered under a registry of a foreign
11 country of concern or operated under the
12 authority of a foreign country of concern
13 (as that term is defined in such section 4).

14 “(B) REQUIREMENT.—Members of the
15 United States Merchant Marine Career Reten-
16 tion Program described under this paragraph
17 shall maintain—

18 “(i) Standards of Training, Certifi-
19 cation, and Watchkeeping Certification
20 currency;

21 “(ii) a valid merchant mariner creden-
22 tial, unlimited as to horsepower or ton-
23 nage, issued by the United States Coast
24 Guard as an officer in the merchant ma-
25 rine of the United States, accompanied by

1 the appropriate national and international
2 endorsements and certifications required
3 by the Coast Guard for service aboard ves-
4 sels on domestic and international voyages,
5 without limitation;

6 “(iii) a valid transportation worker
7 identification credential;

8 “(iv) a Coast Guard medical certifi-
9 cate; and

10 “(v) classes and certifications de-
11 scribed in subparagraph (C).

12 “(C) CERTIFICATIONS.—The Adminis-
13 trator shall publish a list of classes and certifi-
14 cations required for individuals described in
15 subparagraph (A) to be eligible for the United
16 States Merchant Marine Career Retention Pro-
17 gram.

18 “(D) RULE OF CONSTRUCTION.—Nothing
19 in subparagraph (A) shall be construed to allow
20 the United States Coast Guard to prevent or
21 delay a merchant mariner who is otherwise eli-
22 gible from attaining a more advanced rank or
23 credential for Merchant Mariners sailing on for-
24 eign vessels.

1 “(E) USERRA PROTECTIONS.—Members
2 of the United States Merchant Marine Career
3 Retention Program described under this para-
4 graph shall be entitled to protections and obli-
5 gations under chapter 43 of title 38 (commonly
6 known as the ‘Uniformed Services Employment
7 and Reemployment Rights Act’).

8 “(d) ENFORCEMENT.—The Maritime Administrator
9 shall ensure all members of the Merchant Marine Career
10 Retention Program remain in good standing with the re-
11 quirements of the Program.

12 “(1) ENFORCEMENT.—Subject to paragraph
13 (2), members found to be in noncompliance with the
14 requirements of the Program shall—

15 “(A) have their reservist status terminated;
16 and

17 “(B) forfeit the protections provided under
18 chapter 43 of title 38 (commonly known as the
19 ‘Uniformed Services Employment and Reem-
20 ployment Rights Act’).

21 “(2) EXCEPTION.—In cases where the Maritime
22 Administrator determines a hardship exists, which
23 prevents the mariner from meeting the requirements
24 of the Program, the requirements of paragraph (1)
25 shall not apply.

1 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated out of the Maritime Secu-
3 rity Trust Fund established under section 9512 of the In-
4 ternal Revenue Code of 1986 to carry out this section,
5 \$2,000,000 for each of fiscal years 2025 through 2034.”.

6 (c) CLERICAL AMENDMENT.—The table of sections
7 for chapter 521 of title 46, United States Code, as amend-
8 ed by sections 602, 604, and 605, is amended by adding
9 at the end the following:

“52105. United States Merchant Marine Career Retention Program.”.

10 **Subtitle B—Workforce Pipeline**

11 **SEC. 611. MARITIME AND SHIPBUILDING RECRUITING CAM-** 12 **PAIGN.**

13 (a) PURPOSES.—The purposes of this section are
14 to—

15 (1) address the shortage of workers in the mar-
16 itime sector and stimulate growth in the United
17 States Merchant Marine and shipbuilding industries
18 by providing funding for a comprehensive marketing,
19 recruiting, and public relations campaign; and

20 (2) expand and nurture a robust maritime
21 workforce that enhances the national security and
22 strategic sealift readiness of the United States.

23 (b) IN GENERAL.—The Maritime Administrator, in
24 consultation with the Maritime Security Board, through
25 contracts described in subsection (c), shall develop and de-

1 ploy branding, content, advertising buys, and local and na-
2 tional engagement strategies to implement the campaigns
3 described in subsection (d).

4 (c) CONTRACTS.—The contracts described in this
5 subsection shall be made to reputable marketing, recruit-
6 ing, and public relations firms through a competitive bid-
7 ding process.

8 (d) CAMPAIGNS.—The Maritime Administrator, in
9 coordination with the Secretary of Labor and in consulta-
10 tion with the Secretary of Defense, shall carry out tar-
11 geted campaigns under this section to—

12 (1) promote the virtues of work in the merchant
13 marine of the United States for the purpose of sail-
14 ing in international trade, including Military Sealift
15 Command mariner positions, and the critical need
16 for skilled workers in the maritime industry, and to
17 attract workers to such industry; and

18 (2) promote the virtues of work in the ship-
19 building industry of the United States, highlighting
20 the critical need for skilled workers in the ship-
21 building industry, and to attract workers to such in-
22 dustry.

23 (e) CAMPAIGN OBJECTIVES.—The campaigns under
24 this section shall focus on the following objectives:

1 (1) Emphasize the importance of maritime and
2 shipbuilding work for national security.

3 (2) Showcase the numerous opportunities avail-
4 able in the maritime industry and the shipbuilding
5 industry.

6 (3) Highlight the shortage of workers in the
7 maritime industry and the shipbuilding industry.

8 (4) Seek out new and non-traditional audiences
9 and platforms to bring workers from different back-
10 grounds and with different skill sets into the mari-
11 time industry and shipbuilding industry.

12 (5) Promote the excitement, benefits, and ap-
13 peal of a career in the maritime industry and the
14 shipbuilding industry.

15 (6) Inform potential workers of the points of
16 entry available to join and receive training for such
17 a career, including—

18 (A) the United States Merchant Marine
19 Academy;

20 (B) State and regional maritime academies
21 described in chapter 515 of title 46, United
22 States Code;

23 (C) merchant mariner and shipbuilding
24 labor organization training facilities;

1 (D) merchant mariner and shipbuilding
2 apprenticeship programs approved by the Sec-
3 retary of Labor;

4 (E) shipbuilding industry training pro-
5 grams;

6 (F) certain community colleges and private
7 institutions of higher education;

8 (G) maritime training high schools; and

9 (H) Centers of Excellence for Domestic
10 Maritime Workforce Training and Education
11 designated by the Maritime Administration.

12 (7) Inform potential workers of sources of fi-
13 nancial assistance for training for individuals inter-
14 ested in joining the maritime industry and the ship-
15 building industry.

16 (8) Attract workers to the maritime and ship-
17 building industries.

18 (9) Highlight successes in the United States
19 maritime and shipbuilding industries.

20 (f) TARGET AUDIENCE.—Each campaign under this
21 section shall target a diverse audience, including—

22 (1) potential workers interested in maritime in-
23 dustry careers or shipbuilding industry careers;

24 (2) educational institutions and their students
25 considering vocational training in the maritime in-

1 dustry and shipbuilding industry, including kinder-
2 garten through grade 12 levels;

3 (3) veterans and individuals seeking career
4 transitions; and

5 (4) the general public to raise awareness about
6 the importance of the maritime and shipbuilding in-
7 dustries.

8 (g) REPORTING AND ACCOUNTABILITY.—

9 (1) QUARTERLY REPORT.—Not later than 30
10 days after the last day of each quarter of each fiscal
11 year during which a campaign is carried out under
12 this section, the firm selected under subsection (b)
13 shall submit a report with respect to such quarter to
14 the Maritime Administrator and the appropriate
15 committees of Congress detailing the progress, out-
16 reach, and impact of each campaign carried out
17 under this section during such quarter and the effec-
18 tiveness of each such campaign in increasing appli-
19 cations for employment in the maritime and ship-
20 building industries of the United States.

21 (2) FINAL REPORT.—The firm selected under
22 subsection (b) shall submit a comprehensive final re-
23 port not later than 60 days after the conclusion of
24 all campaigns carried out under this section.

1 (h) EFFECTIVE DATE.—The Maritime Administrator
2 shall initiate the competitive bidding process described in
3 subsection (b) not later than 180 days after the date that
4 appropriations are first made available for this section.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) FY 2025-2028.—There are authorized to be
7 appropriated out of the Maritime Security Trust
8 Fund, established under section 9512 of the Internal
9 Revenue Code of 1986 to the Maritime Adminis-
10 trator, for each of fiscal year 2025, 2026, 2027, and
11 2028, \$15,000,000 to carry out this section, of
12 which—

13 (A) \$10,000,000 shall be for the program
14 established under subsection (d)(1) (work in the
15 United States Merchant Marine); and

16 (B) \$5,000,000 shall be for the program
17 established under subsection (d)(2) (work in the
18 shipbuilding industry).

19 (2) FY 2029-2034.—There are authorized to be
20 appropriated out of the Maritime Security Trust
21 Fund, established under section 9512 of the Internal
22 Revenue Code of 1986 to the Maritime Adminis-
23 trator, for each of fiscal year 2029, 2030, 2031,
24 2032, 2033, and 2034, \$25,000,000 to carry out
25 this section, of which—

1 (A) \$15,000,000 shall be for the program
2 established under subsection (d)(1) (work in the
3 United States Merchant Marine); and

4 (B) \$10,000,000 shall be for the program
5 established under subsection (d)(2) (work in the
6 shipbuilding industry).

7 **SEC. 612. CENTERS OF EXCELLENCE FOR DOMESTIC MARI-**
8 **TIME WORKFORCE TRAINING AND EDU-**
9 **CATION.**

10 Section 51706 of title 46, United States Code, is
11 amended—

12 (1) in subsection (c)(1)(B)(iii), by striking
13 “nonprofit entity” and inserting “entity”; and

14 (2) by adding to the end the following:

15 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated out of the Maritime Secu-
17 rity Trust Fund, established under section 9512 of the
18 Internal Revenue Code of 1986 to carry out this section,
19 \$25,000,000 for each of fiscal years 2025 through 2034.”.

20 **SEC. 613. MARITIME CAREER AND TECHNICAL EDUCATION**
21 **ADVISORY COMMITTEE.**

22 (a) DEFINITIONS.—In this section:

23 (1) ADMINISTRATOR.—The term “Adminis-
24 trator” means the Maritime Administrator.

1 (2) ADVISORY COMMITTEE.—The term “Advi-
2 sory Committee” means the Maritime Career and
3 Technical Education Advisory Committee established
4 under subsection (b).

5 (b) ADVISORY COMMITTEE PLAN AND ESTABLISH-
6 MENT.—

7 (1) PLAN.—Not later than 180 days after the
8 date of enactment of this Act, the Administrator
9 shall develop a plan, and notify Congress of such
10 plan, to establish a Maritime Career and Technical
11 Education Advisory Committee to—

12 (A) bring representatives of maritime in-
13 dustrial base employers and education providers
14 together to identify joint opportunities to train
15 needed workers for maritime careers; and

16 (B) develop and disperse best practices and
17 recommendations for the improvement of ship-
18 building education and training programs, naval
19 architecture education programs, and merchant
20 marine training and certification programs.

21 (2) ESTABLISHMENT.—Not later than 1 year
22 after the date of enactment of this Act, the Adminis-
23 trator shall establish the Advisory Committee.

24 (c) MEMBERSHIP.—

1 (1) ADMINISTRATOR.—The Advisory Committee
2 shall include the Administrator (or a delegate of the
3 Administrator) who shall serve as Chair of the Advisory
4 Committee.

5 (2) REPRESENTATIVES.—The Advisory Committee
6 shall be composed of representatives from
7 each of the following, to be appointed the Administrator:
8

9 (A) Maritime education, including representatives from—
10

11 (i) the Centers of Excellence for Domestic Maritime Workforce Training and
12 Education designated by the Maritime Administration, taking into consideration—
13

14 (I) geographic diversity;
15

16 (II) the rate of employment after
17 graduation;
18

19 (III) training or skillset diversity;
20 and
21

22 (IV) other qualities as determined by the Administrator;
23

 (ii) the United States Naval Sea Cadet Corps; and

1 (iii) kindergarten through grade 12
2 maritime education programs designated
3 by the Maritime Administration.

4 (B) The maritime workforce, including
5 representatives from—

6 (i) skilled workers representing a wide
7 swath of the career and technical maritime
8 industry both onshore and offshore;

9 (ii) career and technical education cer-
10 tified instructors; and

11 (iii) maritime labor organizations.

12 (C) Maritime industry, including represent-
13 atives from—

14 (i) shipbuilding, ship repair, and ship-
15 yard industry stakeholders;

16 (ii) maritime industrial base coali-
17 tions;

18 (iii) shipping industry stakeholders;

19 and

20 (iv) owners and operators of vessels of
21 the United States.

22 (D) Technical nonprofit organizations with
23 expertise in the maritime industry, including
24 representatives from—

25 (i) think tanks;

1 (ii) recognized classification societies;

2 and

3 (iii) professional societies.

4 (E) The Federal Government, including
5 representatives from—

6 (i) the Department of Education;

7 (ii) the Department of Labor;

8 (iii) the Department of Transpor-
9 tation;

10 (iv) the Department of the Navy;

11 (v) the United States Coast Guard;

12 (vi) the National Oceanic and Atmos-
13 pheric Administration;

14 (vii) the Army Corps of Engineers;

15 and

16 (viii) the Federal Maritime Commis-
17 sion

18 (d) MEETINGS.—

19 (1) IN GENERAL.—The Advisory Committee
20 shall meet not less often than annually.

21 (2) QUORUM ESTABLISHED.—Two thirds of all
22 members appointed by the Administrator under sub-
23 section (c) shall constitute a quorum for a meeting
24 of the Advisory Committee.

1 (3) WORKING GROUPS.—The Advisory Com-
2 mittee shall include working groups that shall meet
3 not less often than quarterly each year.

4 (e) FACA.—Chapter 10 of title 5, United States
5 Code, shall apply to the Advisory Committee.

6 (f) DEVELOPMENT OF CURRICULA.—Consistent with
7 the purposes of the Advisory Committee established in
8 subsection (b) and applicable law (including regulations),
9 the Advisory Committee shall recommend curricula for key
10 skills for maritime professionals and make such curricula
11 publicly available to institutions of higher education, ca-
12 reer and technical education schools, and State maritime
13 academies.

14 (g) REPORTING.—The Advisory Committee shall sub-
15 mit to the appropriate committees of Congress and the
16 Maritime Security Board and publish on the website of
17 the Maritime Administration, an annual report that in-
18 cludes best practices and policy recommendations, as de-
19 scribed in subsection (b).

20 (h) RULE OF CONSTRUCTION.—Nothing in this sec-
21 tion shall be construed to create new regulatory authority
22 or supersede existing law (including regulations) as of the
23 day before the date of enactment of this Act, relating to
24 shipbuilding education and training programs, naval ar-

1 chitecture education programs, and merchant marine
2 training and certification programs.

3 **SEC. 614. MILITARY CANDIDATES TO MARINER CAREERS**

4 **RECRUITMENT EXCHANGE.**

5 (a) DUTIES OF SECRETARY OF DEFENSE.—The Sec-
6 retary of Defense shall—

7 (1) encourage and incentivize military recruiters
8 to recommend the United States Department of
9 Transportation Maritime Administration to potential
10 recruits who do not qualify for military service in the
11 Armed Forces; and

12 (2) establish a mechanism for military recruit-
13 ers to introduce recruits described in paragraph (1)
14 who are interested in maritime service to representa-
15 tives from the Maritime Administration, in accord-
16 ance with the procedures established under sub-
17 section (b).

18 (b) DUTIES OF THE MARITIME ADMINISTRATOR.—
19 The Maritime Administrator shall—

20 (1) establish a mechanism to receive recruit-
21 ment referrals from military recruiters;

22 (2) provide hand-off services to connect recruits
23 with educational resources and institutions, recog-
24 nized Maritime Centers of Excellence, eligible mari-

1 time industry employers, and other maritime indus-
2 try career services, as appropriate;

3 (3) track the number of referrals from the De-
4 partment of Defense; and

5 (4) track the number of recruits who enroll in
6 maritime industry programs, to the extent prac-
7 ticable.

8 (c) REPORTING REQUIREMENT.—

9 (1) BRIEFING ON THE IMPLEMENTATION
10 STRATEGY.—Not later than 90 days after the date
11 of enactment of this Act, the Maritime Adminis-
12 trator, in coordination with the Secretary of De-
13 fense, shall submit a briefing to the appropriate
14 committees of Congress about a strategy for imple-
15 menting the activities required under this section,
16 including—

17 (A) a timeline for implementation; and

18 (B) the identification of the Department of
19 Defense recruiter incentives and training re-
20 quired for maximum utility in carrying out such
21 activities.

22 (2) ANNUAL REPORT ON PROGRAM EFFICACY.—

23 One year after the date of enactment of this Act,
24 and annually thereafter, the Maritime Adminis-
25 trator, in coordination with the Secretary of De-

1 fense, shall submit a report to the appropriate com-
2 mittees of Congress on the efficacy and utility of the
3 activities carried out under this section, including—

4 (A) the number of Department of Defense
5 referrals to the Maritime Administration;

6 (B) the number of Maritime Administra-
7 tion hand-offs to the maritime industry;

8 (C) an assessment of the efficacy of the ac-
9 tivities carried out under this section; and

10 (D) challenges and recommendations relat-
11 ing to such activities.

12 **SEC. 615. MARITIME WORKER DATA COLLECTION.**

13 (a) PUBLICATION OF REPORT.—The Maritime Ad-
14 ministrator shall publish an biennial report on the state
15 of the merchant mariner workforce.

16 (b) COMPLETION OF REPORT.—The Maritime Ad-
17 ministrator shall complete the biennial report required
18 under subsection (a) or enter into a contract with another
19 entity to complete the report.

20 (c) CONTENT OF REPORT.—The biennial report re-
21 quired under subsection (a) shall include, at minimum—

22 (1) a count of United States Merchant Mari-
23 ners with valid merchant mariner credentials and
24 credentials in continuity endorsement;

1 (2) a count of inactive but credentialed and for-
2 merly credentialed United States Merchant Mari-
3 ners, to the extent practicable, and an evaluation
4 of—

5 (A) the challenges to identifying such indi-
6 viduals;

7 (B) opportunities to partner with Federal,
8 State, local, and non-government entities to
9 identify such individuals; and

10 (C) an action plan of how to implement the
11 opportunities described under subparagraph
12 (B);

13 (3) a count of United States mariners and for-
14 eign workers employed on vessels, rigs, platforms,
15 and other vehicles or structures off the coast of the
16 United States and an evaluation of the percentage of
17 United States and foreign workers employed on—

18 (A) coastwise-endorsed vessels; and

19 (B) vessels of the United States which do
20 not have a coastwise endorsement;

21 (4) a listing of actively operating vessels of the
22 United States;

23 (5) a report of merchant mariner requirements
24 needed in the event of a national defense sealift op-
25 eration and any gaps identified in quantity and qual-

1 ity, and other variables of concern, as determined by
2 the Administrator;

3 (6) a general outlook for the future of the mer-
4 chant mariner industry and potential gaps or sur-
5 pluses of merchant mariners;

6 (7) identification of any concerns in the
7 credentialing of merchant mariners, which may in-
8 clude general processing issues, shortage of training
9 providers or instructors, and barriers to entry due to
10 costs to the economically disadvantaged; and

11 (8) recommendations, based on data collected,
12 on ways to—

13 (A) improve retention of existing merchant
14 mariners;

15 (B) create expedited pathways for mari-
16 ners with expired credentials to renew their cre-
17 dentials; and

18 (C) encourage new merchant mariners to
19 enter the industry.

20 (d) ACCESSIBILITY OF DATA.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the Maritime Administrator, and any au-
23 thorized agent of the Maritime Administrator, shall
24 have full access to available Coast Guard mariner
25 credentialing data, in a manner that ensures the

1 protection of personally identifiable information, in
2 order to complete the report required under sub-
3 section (a).

4 (2) EXCEPTION.—The Maritime Administrator,
5 and any authorized agent of the Maritime Adminis-
6 trator, may not have access to confidential medical
7 information pursuant to paragraph (1).

8 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated out of the Maritime Secu-
10 rity Trust Fund, established under section 9512 of the
11 Internal Revenue Code of 1986 to carry out this section,
12 \$1,000,000 for each of the fiscal years 2025 through
13 2029.

14 **SEC. 616. MILITARY TO MARITIME TRANSITION.**

15 (a) RECOMMENDATIONS REQUIRED.—Not later than
16 180 days after the date of enactment of this Act, the Sec-
17 retary of Defense, in consultation with the Secretary of
18 the Navy, the Secretary of the Air Force, the Secretary
19 of the Army, the Secretary of the department in which
20 the Coast Guard is operating, the Maritime Security
21 Board, the Department of Veterans Affairs, and the De-
22 partment of Labor, shall submit a report to the appro-
23 priate committees of Congress containing—

24 (1) recommendations about how to increase and
25 improve opportunities for transitioning

1 servicemembers to secure employment in the mari-
2 time industry at sea and shoreside; and

3 (2) a plan to implement those recommenda-
4 tions.

5 (b) CONSIDERATIONS.—In carrying out subsection
6 (a), the Secretary of Defense shall—

7 (1) identify barriers that servicemembers face
8 when trying to transition to the United States mari-
9 time industry, including the merchant marines, ship-
10 building, ship repair, and shipping;

11 (2) consider opportunities to improve, expedite,
12 and alleviate the burdens on servicemembers
13 transitioning to the maritime industry, including ef-
14 forts to—

15 (A) inform transitioning servicemembers of
16 employment opportunities in the United States
17 maritime industry;

18 (B) assist transitioning servicemembers in
19 determining how their military credentials and
20 experience translate to credentialed civilian em-
21 ployment in the maritime industry;

22 (C) increase the establishment and uptake
23 of accelerated or bridge programs to assist sep-
24 arating members of the Armed Forces in trans-

1 lating military credentials and experience into
2 maritime industry credentials and employment;

3 (D) increase the availability and accessi-
4 bility of preparatory activities under the
5 SkillBridge program established under section
6 1143(e) of title 10, United States Code, in the
7 United States maritime industry;

8 (E) incorporate the maritime industry in
9 the Transition Assistance Program, as de-
10 scribed in chapter 58 of title 10, United States
11 Code; and

12 (F) enhance the activities carried out pur-
13 suant to the Military to Mariners Act of 2022
14 (section 11514 of division K of the James M.
15 Inhofe National Defense Authorization Act for
16 Fiscal Year 2023 (Public Law 117–263)); and

17 (3) specifically consider the transition of
18 servicemembers to employment in the shipbuilding
19 and ship repair maritime industries.

20 **SEC. 617. EARLY MARITIME EDUCATION AND YOUTH IN-**
21 **VOVEMENT.**

22 (a) SECRETARY OF THE NAVY BUDGET REQUEST.—
23 In the Secretary of the Navy’s annual budget submission
24 to Congress, the Secretary of the Navy shall include, as

1 a distinct item, the funding request for the United States
2 Naval Sea Cadet Corps.

3 (b) ENGAGEMENT WITH ELEMENTARY SCHOOL AND
4 SECONDARY SCHOOL STUDENTS.—The Maritime Admin-
5 istrator shall encourage designated Centers of Excellence
6 for Domestic Maritime Workforce Training and Education
7 to engage with students in kindergarten through grade 12.

8 **SEC. 618. INTERNATIONAL SCHOLARSHIP FOR MARINER**
9 **AND NAVAL ARCHITECTURE EXCHANGES.**

10 (a) IN GENERAL.—The Maritime Administrator shall
11 establish an international exchange program for mariners,
12 naval architects, and marine engineers between the United
13 States and countries described in subsection (b).

14 (b) ELIGIBLE PARTICIPANTS.—In carrying out the
15 program under this section, the Administrator shall limit
16 participation to United States citizens and citizens of—

17 (1) member countries of NATO;

18 (2) treaty allies of the United States; and

19 (3) major non-NATO allies of the United
20 States.

21 (c) PLACEMENTS.—In carrying out the program
22 under this section, the Administrator shall seek corporate
23 and government partners for placement of eligible partici-
24 pants of the program.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated out of the Maritime Secu-
3 rity Trust Fund, established under section 9512 of the
4 Internal Revenue Code of 1986, \$2,000,000 to carry out
5 this section for each of fiscal years 2025 through 2034.

6 **Subtitle C—United States Mer-**
7 **chant Marine Academy and**
8 **State Maritime Academies**

9 **SEC. 621. AUTHORIZATION OF APPROPRIATIONS FOR**
10 **UNITED STATES MERCHANT MARINE ACAD-**
11 **EMY INFRASTRUCTURE AND FACILITIES**
12 **MODERNIZATION.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) The United States Merchant Marine Acad-
15 emy plays a critical role in training service-obligated
16 licensed merchant mariners to operate commercial
17 vessels, in peacetime and during times of conflict.

18 (2) The United States Merchant Marine Acad-
19 emy is 1 of the 5 Federal service academies and
20 plays a critical role in maintaining a domestic, com-
21 mercial maritime industry, with each graduate hav-
22 ing a commitment to serve not less than 8 years in
23 the foreign and domestic commerce and the national
24 defense of the United States, which may include
25 service on a merchant vessel documented under

1 chapter 121 of title 46, and graduates make up
2 more than 80 percent of the United States Navy's
3 Strategic Sealift Officer Program.

4 (3) The United States defense readiness and
5 economic security relies on a strong investment in
6 training and cultivating United States Merchant Ma-
7 rine officers at the United States Merchant Marine
8 Academy.

9 (4) Most of the facilities at the United States
10 Merchant Marine Academy date back to the Acad-
11 emy's founding, have not been modernized since, and
12 are not conducive to the immersive training and de-
13 manding coursework today's Midshipmen are re-
14 quired to complete.

15 (5) Rehabilitating and modernizing the campus
16 infrastructure at the United States Merchant Ma-
17 rine Academy is necessary to ensuring current and
18 future generations of Midshipmen receive a first-
19 class education.

20 (b) SENSE OF THE SENATE.—It is the sense of the
21 Senate—

22 (1) to ensure that the United States continues
23 to have a sufficient number of service-obligated li-
24 censed merchant mariners to meet current and fu-
25 ture economic and national security needs, the Mari-

1 time Administration and the Department of Trans-
2 portation have a responsibility to provide suitable
3 academic, training, and dormitory facilities at the
4 United States Merchant Marine Academy by rapidly
5 implementing a comprehensive plan for campus-wide
6 modernization in accordance with section 51329 of
7 title 46, United States Code, (referred to in this sec-
8 tion as the “Campus Modernization Plan”) and pro-
9 viding sufficient accountability and oversight to en-
10 sure that milestones in such plan are met;

11 (2) in developing the comprehensive Campus
12 Modernization Plan for the United States Merchant
13 Marine Academy, the Maritime Administration, and
14 the Department of Transportation should utilize, to
15 the maximum extent practicable, the “Merchant Ma-
16 rine Academy Full Speed Ahead Plan” developed by
17 the Maritime Security Infrastructure Council as
18 summarized in the Congressional Record, dated Feb-
19 ruary 28, 2024;

20 (3) given the conditions of the United States
21 Merchant Marine Academy as of the date of enact-
22 ment of this section, a comprehensive, campus-wide
23 modernization is needed to significantly upgrade or
24 replace facilities throughout the campus; and

1 (4) the Maritime Administration and the De-
2 partment of Transportation should identify opportu-
3 nities to utilize design-build contracts to increase de-
4 livery times and reduce costs.

5 (c) CAMPUS MODERNIZATION PLAN.—Chapter 513
6 of title 46, United States Code, is amended by adding at
7 the end the following:

8 **“§ 51329. 10-year Campus Modernization Plan**

9 “(a) IN GENERAL.—Not later than 180 days after
10 the date of enactment of this section, the Secretary shall
11 develop and begin to implement a comprehensive Campus
12 Modernization Plan (referred to in this section as the
13 ‘Campus Modernization Plan’), informed by the ‘United
14 States Merchant Marine Academy Full Speed Ahead Plan’
15 developed by the Maritime Security Infrastructure Council
16 as summarized in the Congressional Record, dated Feb-
17 ruary 28, 2024, to carry out a campus-wide modernization
18 at the United States Merchant Marine Academy.

19 “(b) OBJECTIVES.—In carrying out the Campus
20 Modernization Plan authorized under subsection (a), the
21 Administrator shall prioritize the following objectives:

22 “(1) Promoting modern education best prac-
23 tices by constructing learning facilities that leverage
24 state-of-the art technologies and learning best prac-
25 tices.

1 “(2) Providing Midshipmen with access to fa-
2 cilities needed to pass the United States Coast
3 Guard License Exam for Third Mate or Third As-
4 sistant Engineer Unlimited.

5 “(3) Ensuring Midshipmen have access to fa-
6 cilities sufficient to enable Midshipmen to maintain
7 physical readiness standards required of United
8 States Navy officers.

9 “(4) Developing campus infrastructure to en-
10 sure the Academy attracts a diverse pool of appli-
11 cants.

12 “(5) Providing facilities that enable industry
13 engagement and continuing education opportunities.

14 “(6) Maintaining a safe and secure campus en-
15 vironment for all Midshipmen, which shall include
16 any facilities or infrastructure needed to meet the
17 requirements of sections 51326, 51327, or 51328 of
18 this title.

19 “(7) Implementing, to the extent practicable,
20 the facilities and infrastructure recommendations in
21 chapter 4 of the report titled ‘Organizational Assess-
22 ment of the United States Merchant Marine Acad-
23 emy: A Path Forward’ issued by the National Acad-
24 emy of Public Administration in November 2021.

1 “(c) INCLUSIONS.—In meeting the objectives of sub-
2 section (b), the Campus Modernization Plan authorized
3 under subsection (a) shall include—

4 “(1) construction of new facilities or significant
5 renovation of existing facilities to provide—

6 “(A) Standards of Training, Certification,
7 and Watchkeeping applications laboratories;

8 “(B) a Safety Of Life At Sea training
9 pool;

10 “(C) engineering powerplant laboratories;

11 “(D) athletic facilities that meet the needs
12 of both male and female students;

13 “(E) enhanced waterfront facilities, to in-
14 clude a new pier;

15 “(F) a visitor welcome center and main
16 campus security office building;

17 “(G) housing facilities for senior staff and
18 faculty; and

19 “(H) sufficient parking facilities for fac-
20 ulty, staff, and campus visitors;

21 “(2) upgrades to all classrooms and laboratories
22 with modern information technology infrastructure;

23 “(3) a campus-wide upgrade and retrofit of—

24 “(A) the electric distribution power grid;

25 “(B) the sanitary sewer system piping;

1 “(C) the storm drainage system; and

2 “(D) the drinking water system, including
3 development of a separate and redundant fire
4 suppression system; and

5 “(4) renovations of existing campus facilities to
6 ensure all campus facilities—

7 “(A) are structurally sound;

8 “(B) have reliable heating and air condi-
9 tioning systems;

10 “(C) have functioning plumbing and elec-
11 trical systems;

12 “(D) are protected from the elements, in-
13 cluding through roof replacements and window
14 repairs or replacements, as needed;

15 “(E) are accessible in accordance with the
16 Americans with Disabilities Act of 1990; and

17 “(F) have working fire alarm and fire sup-
18 pression systems.

19 “(d) REQUIREMENTS.—For the duration of the Cam-
20 pus Modernization Plan authorized under subsection (a),
21 the Administrator shall ensure that the Academy remains
22 fully operational.

23 “(e) USE OF A FEDERAL CONSTRUCTION AGENT.—
24 Consistent with the requirements of section 3515(d)(3) of
25 the James M. Inhofe National Defense Authorization Act

1 for Fiscal Year 2023 (Public Law 117–263), the Adminis-
2 trator shall seek to enter into an agreement with a Federal
3 construction agent to carry out the Campus Modernization
4 Plan authorized under subsection (a).

5 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to the Department of
7 Transportation, out of the Maritime Security Trust Fund
8 established under section 9512 of the Internal Revenue
9 Code of 1986, for fiscal years 2025 through 2034, for the
10 phased rehabilitation, modernization, and construction of
11 facilities and infrastructure at the United States Merchant
12 Marine Academy, in accordance with this section, includ-
13 ing the Campus Modernization Plan authorized in sub-
14 section (a), \$1,020,000,000 of which—

15 “(1) \$54,000,000 is authorized to be appro-
16 priated for fiscal year 2025 for design and planning
17 purposes, which shall be used for the development of
18 a design-build plan for the phased rehabilitation,
19 modernization, and construction of facilities and in-
20 frastructure at the United States Merchant Marine
21 Academy in accordance with the Campus Moderniza-
22 tion Plan; and

23 “(2) for fiscal years 2026 through 2034,
24 \$107,333,333 is authorized to be appropriated for
25 each year for construction and contingency pur-

1 chases necessary to execute the Campus Moderniza-
2 tion Plan.”.

3 (d) CLERICAL AMENDMENT.—The table of sections
4 for chapter 513 of title 46, United States Code, is amend-
5 ed by adding at the end the following:

“51329. 10-Year Campus Modernization Plan.”.

6 **SEC. 622. UNITED STATES MERCHANT MARINE ACADEMY.**

7 (a) SENSE OF CONGRESS.—It is the sense of Con-
8 gress that—

9 (1) the United States Merchant Marine Acad-
10 emy, one of our Nation’s 5 Federal service acad-
11 emies, is vital to our national security, and modern-
12 izing the Academy’s aging infrastructure and invest-
13 ing in faculty and students must be congressional
14 priorities;

15 (2) sufficient funding must be provided to en-
16 able the maximum student enrollment that the cam-
17 pus infrastructure of the United States Merchant
18 Marine Academy can support; and

19 (3) considering the Academy’s role as a co-
20 equal military service academy, the United States
21 Merchant Marine Academy should be included in the
22 rotation of presidential attendance at graduations.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
24 51301 of title 46, United States Code, is amended by add-
25 ing at the end the following:

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Department of
3 Transportation \$125,000,000 for each of fiscal years 2025
4 through 2034 for Academy operations.”.

5 (c) REPORT ON ENROLLMENT.—Not later than 180
6 days after the date of enactment of this Act, the Maritime
7 Administrator shall submit a report to the appropriate
8 committees of Congress identifying the additional re-
9 sources needed to increase enrollment at the United States
10 Merchant Marine Academy.

11 **SEC. 623. RETIREMENT SERVICE CREDIT FOR SERVICE AS**
12 **A MIDSHIPMAN AT THE UNITED STATES MER-**
13 **CHANT MARINE ACADEMY.**

14 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
15 8331(13) of title 5, United States Code, is amended, in
16 the flush text following subparagraph (C), by inserting “or
17 the United States Merchant Marine Academy” after
18 “Naval Academy”.

19 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—
20 Section 8401(31) of title 5, United States Code, is amend-
21 ed, in the flush text following subparagraph (C), by insert-
22 ing “or the United States Merchant Marine Academy”
23 after “Naval Academy”.

24 (c) APPLICABILITY.—The amendments made by this
25 section shall apply to—

1 (1) any annuity, the eligibility for which is
2 based on a separation occurring before, on, or after
3 the date of enactment of this Act; and

4 (2) any period of service as a midshipman at
5 the United States Merchant Marine Academy occur-
6 ring before, on, or after the date of enactment of
7 this Act.

8 **SEC. 624. STATE MARITIME ACADEMIES.**

9 (a) IN GENERAL.—Not later than 180 days after the
10 date of enactment of this Act, the Maritime Administrator
11 shall submit a report to Congress containing the results
12 of a study to evaluate the additional resources needed to
13 allow State maritime academies to increase enrollment and
14 produce additional mariners.

15 (b) NEED FOR ADDITIONAL STATE MARITIME ACAD-
16 EMIES.—Such study shall consider whether there is a need
17 for additional State maritime academies in States that do
18 not operate a maritime academy.

19 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
20 51501 of title 46, United States Code, is amended by add-
21 ing at the end the following:

22 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated out of the Maritime Secu-
24 rity Trust Fund established under section 9512 of the In-
25 ternal Revenue Code of 1986, \$10,000,000 for assistance

1 to State maritime academies under subsection (a) for each
2 of fiscal years 2025 through 2034.”.

3 **SEC. 625. MILITARY TO MARINER ENROLLMENT AT A STATE**
4 **MARITIME ACADEMY.**

5 Section 51506 of title 46, United States Code, is
6 amended—

7 (1) in subsection (a)(2), by inserting before the
8 semicolon the following: “, which shall include stand-
9 ards for a program described in subsection (c)”;

10 (2) by redesignating subsection (c) as sub-
11 section (d); and

12 (3) by inserting after subsection (b) the fol-
13 lowing:

14 “(c) MERCHANT MARINER EXPEDITED PREPARA-
15 TION PROGRAM.—

16 “(1) IN GENERAL.—A State maritime academy
17 shall offer a program for eligible individuals de-
18 scribed in paragraph (2) through which the eligible
19 individuals—

20 “(A) complete a merchant marine officer
21 preparation program approved by the Secretary,
22 and the requirements for the issuance of a li-
23 cense under section 7101 of this title, in less
24 than 3 years; and

1 “(B) are not required to earn a bacca-
2 laureate or other degree from the State mari-
3 time academy.

4 “(2) ELIGIBLE INDIVIDUALS.—An eligible indi-
5 vidual described in paragraph (1) is an individual
6 who—

7 “(A)(i) is an honorably discharged veteran
8 of the Armed Forces; or

9 “(ii) is a member of the National Guard or
10 Reserves with not less than 6 years of service;
11 and

12 “(B) has earned a baccalaureate degree
13 from an institution of higher education (as de-
14 fined in section 102 of the Higher Education
15 Act of 1965 (20 U.S.C. 1002)) before entering
16 the State maritime academy program.”.

17 **SEC. 626. ENFORCEMENT OF SERVICE OBLIGATION RE-**
18 **QUIREMENTS.**

19 (a) IN GENERAL.—The Maritime Administrator shall
20 ensure that—

21 (1) each citizen who is appointed as a cadet at
22 the United States Merchant Marine Academy and
23 signs a cadet commitment agreement under section
24 51306 of title 46, United States Code, meets the

1 service obligation requirements of that agreement;
2 and

3 (2) each individual that signs a student incen-
4 tive payment agreement under section 51509 of title
5 46, United States Code, meets the service obligation
6 requirements under that agreement.

7 (b) REPORTING REQUIREMENT.—The Maritime Ad-
8 ministrator shall establish an electronic system through
9 which each individual with a service obligation under such
10 section 51306 or 51509 (referred to in this section as a
11 “service-obligated mariner”) shall annually demonstrate
12 that they are meeting their service obligation or have a
13 valid deferment consistent with section 51310 of title 46,
14 United States Code, or section 51510 of title 46, United
15 States Code, as applicable.

16 (c) NOTIFICATION OF VIOLATION.—The Maritime
17 Administrator shall transmit a written notice to each serv-
18 ice-obligated mariner who fails to meet the reporting re-
19 quirement of subsection (b), notifying such individual of
20 the applicable penalties established under section 51306
21 of title 46, United States Code, or section 51509 of title
22 46, United States Code, for failure to carry out the appli-
23 cable service requirements, including cost recovery.

24 (d) REPORT TO CONGRESS.—Not later than 180 days
25 after the date of enactment of this section, and annually

1 thereafter, the Maritime Administrator shall submit to the
2 appropriate committees of Congress a report on the status
3 of all service-obligated mariners, which shall include—

4 (1) information about how each service-obli-
5 gated mariner is meeting their service obligation re-
6 quirement, which shall be based on the results of the
7 data collected under subsection (b);

8 (2) the number of service-obligated mariners
9 who have not met their service obligation and have
10 not complied with the reporting requirement under
11 subsection (b); and

12 (3) the number of actions taken by the Mari-
13 time Administrator under sections 51306(b),
14 51306(d), 51306(f), and 51509(g) to recover costs
15 from service-obligated mariners who have not dem-
16 onstrated that they have met their service obligation
17 requirements.

18 **SEC. 627. FUEL FUNDING FOR TRAINING SHIPS OPERATED**
19 **BY STATE MARITIME ACADEMIES.**

20 (a) CONFORMING AMENDMENT.—Section 51504 of
21 title 46, United States Code, is amended by striking sub-
22 section (f) and inserting the following:

23 “(f) FUEL COSTS.—Subject to the availability of ap-
24 propriations, the Secretary shall pay to each State mari-
25 time academy the costs of fuel used by a vessel provided

1 under this section while used for training in accordance
2 with section 51512.”.

3 (b) AMENDMENT.—Chapter 515 of title 46, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 51512. Funding for training ships operated by**
7 **State maritime academies**

8 “(a) FUEL FUNDING.—

9 “(1) IN GENERAL.—Subject to the availability
10 of appropriations, the Secretary shall pay to each
11 State maritime academy the costs of fuel used by a
12 vessel that is loaned to the State maritime academy
13 in accordance with section 51504 while used for
14 training.

15 “(2) MAXIMUM AMOUNTS.—The amount of the
16 payment to a State maritime academy under sub-
17 section (a) may not exceed \$20,000,000 for each of
18 fiscal years 2025 through 2034.

19 “(3) PROHIBITION.—Maritime academies that
20 receive funding under subsection (a) may not—

21 “(A) profit from charging cadets to go to
22 sea for their licensing when using federally pro-
23 vided fuel; or

24 “(B) utilize the vessel as housing for stu-
25 dents outside of seasonal training cruises, un-

1 less students elect voluntarily to live aboard the
2 vessel.

3 “(4) REQUIREMENT.—Each State maritime
4 academy that receives fuel costs under this section
5 shall offer billets for liaison officers from each mili-
6 tary service during the time such vessel is provided
7 to that State maritime academy.

8 “(b) CREW.—

9 “(1) IN GENERAL.—Each State maritime acad-
10 emy shall make crew positions available on a vessel
11 that is loaned to the State maritime academy for
12 mariners enrolled in the United States Merchant
13 Marine Career Retention Program established under
14 section 52105.

15 “(2) CREW FUNDING.—For each crew slot filled
16 by a mariner enrolled in the career retention pro-
17 gram, as provided for under paragraph (1), the Sec-
18 retary shall pay the crew costs for that mariner,
19 subject to the availability of appropriations.

20 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
21 is authorized to be appropriated out of the Maritime Secu-
22 rity Trust Fund, established under section 9512 of the
23 Internal Revenue Code of 1986, \$120,000,000 to carry
24 out this section for each of fiscal years 2025 through
25 2034.”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for chapter 515 of title 46, United States Code, is amend-
3 ed by adding at the end the following:

“51512. Fuel funding for training ships operated by State maritime acad-
emies.”.

4 **SEC. 628. STATE MARITIME ACADEMY SEA TERM SCHOLAR-**
5 **SHIP PROGRAMS.**

6 (a) IN GENERAL.—Chapter 515 of title 46, United
7 States Code, as amended by section 627, is further amend-
8 ed by adding at the end the following:

9 **“§ 51513. State Maritime Academy Sea Term Scholar-**
10 **ship Programs**

11 “(a) IN GENERAL.—The Maritime Administrator
12 shall work with private entities in the maritime industry
13 to establish a scholarship program—

14 “(1) for students at State maritime academies
15 to offset expenses associated with completion of a
16 summer sea term to receive sea-time required to
17 earn a Coast Guard license; and

18 “(2) which is entirely or predominantly funded
19 through contributions from a private entity.

20 “(b) CONTRIBUTED FUNDS.—The Maritime Admin-
21 istrator shall enter into a cooperative agreement, or other
22 agreement, with private entities in the maritime industry
23 to accept funding from private entities for the purpose of
24 establishing such a scholarship program. The cooperative

1 agreement may include any terms considered necessary by
2 the Maritime Administrator.

3 “(c) PRIVILEGES.—The Maritime Administrator may
4 provide certain privileges to a private entity who contrib-
5 utes funds for a scholarship program under this section,
6 including opportunities to provide information about em-
7 ployment opportunities with the private entity to students
8 enrolled in the scholarship program.

9 “(d) STRUCTURE.—In establishing a scholarship pro-
10 gram to offset expenses associated with a summer sea
11 term—

12 “(1) the Maritime Administrator may enter into
13 an agreement with a student at a State maritime
14 academy that has an agreement with the Secretary
15 of Transportation under section 51505 of this title,
16 to offset expenses associated with completion of a
17 summer sea term; or

18 “(2) the Maritime Administrator may enter into
19 an agreement with a State maritime academy that
20 has an agreement with the Secretary of Transpor-
21 tation under section 51505 of this title, to offset ex-
22 penses for all students who participate in a summer
23 sea term program.

24 “(e) RELATIONSHIP TO FINANCIAL ASSISTANCE
25 PROGRAMS.—Recognizing the need for licensed merchant

1 mariners, the Maritime Administrator shall encourage
2 participants of the financial assistance programs under
3 part C of this subtitle, to enter into agreements under this
4 section to establish scholarship programs to offset ex-
5 penses associated with summer sea term.

6 “(f) REQUIREMENTS FOR STUDENTS.—Any student
7 who benefits from a scholarship program under this sec-
8 tion shall enter into an agreement with the Maritime Ad-
9 ministrator which requires the student to—

10 “(1) complete the course of instruction at the
11 academy the individual is attending;

12 “(2) obtain a merchant mariner license, without
13 limitation as to tonnage or horsepower, from the
14 Coast Guard as an officer in the merchant marine
15 of the United States, accompanied by the appro-
16 priate national and international endorsements and
17 certification required by the Coast Guard for service
18 aboard vessels on domestic and international voy-
19 ages, without limitation, within 3 months of comple-
20 tion of the course of instruction at the academy the
21 individual is attending;

22 “(3) serve in a position that supports the for-
23 eign and domestic commerce and the national de-
24 fense of the United States for at least 1 year after
25 graduation from the academy—

1 “(A) as a merchant marine officer on a
2 documented vessel or a vessel owned and oper-
3 ated by the United States Government or by a
4 State; or

5 “(B) as a commissioned officer on active
6 duty in an Armed Force of the United States,
7 as a commissioned officer in the National Oce-
8 anic and Atmospheric Administration, or in
9 other maritime-related Federal employment
10 which serves the national security interests of
11 the United States, as determined by the Mari-
12 time Administrator; and

13 “(4) report to the Maritime Administrator on
14 compliance with this subsection.

15 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated out of the Maritime Secu-
17 rity Trust Fund, established under section 9512 of the
18 Internal Revenue Code of 1986, \$2,500,000 to carry out
19 this section for each of fiscal years 2025 through 2034.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 515 of title 46, United States Code, as amend-
22 ed by section 627, is further amended by adding at the
23 end the following:

“51513. State Maritime Academy Sea Term Scholarship Programs.”.

1 **SEC. 629. NAVAL JOINT EXERCISE INVOLVEMENT FOR**
2 **TRAINING SHIPS OPERATED BY STATE MARI-**
3 **TIME ACADEMIES.**

4 (a) IN GENERAL.—The Secretary of the Navy, in co-
5 ordination with the Maritime Administrator, shall, to the
6 extent practicable, include in national and international
7 maritime warfare exercises not less than 1 training vessel
8 used by a State maritime academy and maintained pursu-
9 ant to section 51504 of title 46, United States Code, in
10 order to provide an opportunity to integrate merchant
11 mariners with naval and military operations.

12 (b) PARTICIPANTS.—Subject to guidance issued by
13 the Secretary of the Navy and Maritime Administrator,
14 an individual may participate in the exercise aboard that
15 training ship if the individual is—

16 (1) a licensed merchant mariner; or

17 (2) a student from the United States Merchant
18 Marine Academy, a State maritime academy, a Cen-
19 ter of Excellence for Domestic Maritime Workforce
20 Training and Education, or a merchant marine cen-
21 ter established under section 147 of the Workforce
22 Innovation and Opportunity Act (29 U.S.C. 3197),
23 as added by section 612 of this Act.

24 (c) PRIORITY.—In selecting participants under sub-
25 section (b) the Administrator shall give priority to stu-
26 dents described in paragraph (2) of subsection (b).

1 (d) VESSELS.—In coordination with the Secretary of
2 the Navy, the Maritime Administrator shall rotate train-
3 ing vessels to ensure that each training vessel described
4 in subsection (a) has an equal opportunity to participate
5 in such exercises.

6 **Subtitle D—Maritime**
7 **Credentialing Modernization**

8 **SEC. 631. MERCHANT MARINER CREDENTIALING MOD-**
9 **ERNIZATION.**

10 (a) MERCHANT MARINER CREDENTIALING MOD-
11 ERNIZATION.—The Secretary of the department in which
12 the Coast Guard is operating shall carry out necessary
13 system and process changes to carry out the activities de-
14 scribed in paragraphs (1) through (4).

15 (1) LICENSING, CERTIFICATION, AND DOCU-
16 MENTATION DATABASE.—Replacement of the mer-
17 chant mariner licensing, certification, and docu-
18 mentation database such that the database allows
19 for—

20 (A) the electronic submission of merchant
21 mariner credential applications (including sea
22 service, professional qualifications, course com-
23 pletion data, safety and suitability, and medical
24 records) and course approval requests;

1 (B) direct submission of sea service infor-
2 mation from employers and course completion
3 data from training providers and other stake-
4 holders to provide data securely and directly so
5 that documentation does not need to be sub-
6 mitted later by the merchant mariner; and

7 (C) the electronic processing and evalua-
8 tion of information for the issuance of creden-
9 tials and course approvals, including the capa-
10 bility for the Secretary to complete remote eval-
11 uation of the information submitted.

12 (2) SYSTEM FOR DATA EXCHANGE.—Implemen-
13 tation of a system that provides for the exchange of
14 data with government agencies and industry stake-
15 holders, which provides the Maritime Administration
16 and other agencies, as appropriate, anonymized and
17 aggregated data showing the following:

18 (A) The total amount of sea service for in-
19 dividuals with a valid merchant mariner creden-
20 tial.

21 (B) The number of credentialed mariners
22 by individual rating and the capability to filter
23 data by endorsements.

24 (C) Demographic information, including
25 age, gender, ethnicity, and address or location.

1 (D) National Maritime Center processing
2 times.

3 (E) The number of Coast Guard approved
4 training providers, and, for each such training
5 provider, the number of courses taken by indi-
6 viduals who have, or who are applying for, a
7 merchant mariner credential from that training
8 provider.

9 (3) PUBLIC FACING PORTAL.—Implementation
10 of a system that includes a public facing portal in
11 the .gov domain instead of the .mil domain to accept
12 merchant mariner applicant information, including
13 credential applications, course completion data, and
14 course approval requests, that complies with the re-
15 quirements for cybersecurity and privacy information
16 of electronic systems in the .gov domain.

17 (4) EXAMINATION PROCESSES.—Upgrading the
18 examination processes for merchant mariner exami-
19 nations, by—

20 (A) implementing an examination regime
21 that provides for electronic and third party ad-
22 ministration of examinations;

23 (B) reassessing the content of tests
24 through the development of job task analysis
25 for all credentials; and

1 (C) implementing a robust system to ana-
2 lyze examination data.

3 (b) REPORT.—The Secretary of the department in
4 which the Coast Guard is operating shall submit—

5 (1) an annual report to the Committee on Com-
6 merce, Science, and Transportation, the Committee
7 on Appropriations, and the Committee on Armed
8 Services of the Senate, and the Committee on
9 Transportation and Infrastructure, the Committee
10 on Appropriations, and the Committee on Armed
11 Services of the House of Representatives, on the
12 progress of the system and process changes required
13 under subsection (a); and

14 (2) a final report to those Committees 1 year
15 after full operating capability of the complete sys-
16 tem, comprised of all 4 systems required under sub-
17 section (a).

18 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated out of the Maritime Secu-
20 rity Trust Fund, established under section 9512 of the
21 Internal Revenue Code of 1986 to carry out this section,
22 \$20,000,000 for fiscal year 2025, to remain available until
23 expended.

1 **SEC. 632. REVISING MERCHANT MARINER DECK TRAINING**
2 **REQUIREMENTS.**

3 (a) GENERAL DEFINITIONS.—Section 2101 of title
4 46, United States Code, is amended—

5 (1) by redesignating paragraphs (20) through
6 (56) as paragraphs (21) through (57), respectively;
7 and

8 (2) by inserting after paragraph (19) the fol-
9 lowing:

10 “(20) ‘merchant mariner credential’ means a
11 merchant mariner license, certificate, or document
12 that the Secretary is authorized to issue pursuant to
13 this title.”.

14 (b) EXAMINATIONS.—Section 7116 of title 46,
15 United States Code, is amended by striking subsection (c).

16 (c) MERCHANT MARINERS DOCUMENTS.—

17 (1) GENERAL REQUIREMENTS.—Section 7306
18 of title 46, United States Code, is amended to read
19 as follows:

20 **“§ 7306. General requirements and classifications for**
21 **members of deck departments**

22 “(a) IN GENERAL.—The Secretary may issue a mer-
23 chant mariner credential, to members of the deck depart-
24 ment in the following classes:

25 “(1) Able Seaman-Unlimited.

26 “(2) Able Seaman-Limited.

1 “(3) Able Seaman-Special.

2 “(4) Able Seaman-Offshore Supply Vessels.

3 “(5) Able Seaman-Sail.

4 “(6) Able Seaman-Fishing Industry.

5 “(7) Ordinary Seaman.

6 “(b) CLASSIFICATION OF CREDENTIALS.—The Sec-
7 retary may classify the merchant mariner credential issued
8 under subsection (a) based on—

9 “(1) the tonnage and means of propulsion of
10 vessels;

11 “(2) the waters on which vessels are to be oper-
12 ated; or

13 “(3) other appropriate standards.

14 “(c) CONSIDERATIONS.—In issuing the credential
15 under subsection (a), the Secretary may consider the fol-
16 lowing qualifications of the merchant mariner:

17 “(1) Age.

18 “(2) Character.

19 “(3) Habits of life.

20 “(4) Experience.

21 “(5) Professional qualifications demonstrated
22 by satisfactory completion of applicable examinations
23 or other educational requirements.

24 “(6) Physical condition, including sight and
25 hearing.

1 “(7) Other requirements established by the Sec-
2 retary, including career patterns and service appro-
3 prium to the particular service, industry, or job
4 functions the individual is engaged.”.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 73 of title 46, United States Code, is amended by striking the item relating to section 7306 and inserting the following:

“7306. General requirements and classifications for members of deck departments.”.

9 (3) GENERAL REQUIREMENTS FOR MEMBERS
10 OF ENGINE DEPARTMENTS.—Section 7313(b) of title
11 46, United States Code, is amended by striking
12 “and coal passer”.

(4) TRAINING.—Section 7315 of title 46,
United States Code, is amended—

15 (A) by amending subsection (a) to read as
16 follows:

17 “(a) Graduation from a nautical school program ap-
18 proved by the Secretary may be substituted for the service
19 requirements under sections 7307 through 7311a and
20 7314.”;

21 (B) in subsection (b)—

(i) by striking “one-third” and inserting “one-half”; and

1 (ii) by striking “7307–7311 of this
2 title” and inserting “7307–7311a and
3 7314”; and

4 (C) by striking subsection (c).

5 (d) REDUCTION OF LENGTHS OF CERTAIN PERIODS
6 OF SERVICE.—

7 (1) IN GENERAL.—Title 46, United States
8 Code, is amended—

9 (A) in section 7307, by striking “3 years”
10 and inserting “18 months”;

11 (B) in section 7308, by striking “18
12 months” and inserting “12 months”; and

13 (C) in section 7309, by striking “12
14 months” and inserting “6 months”.

15 (2) TEMPORARY REDUCTION OF LENGTHS OF
16 CERTAIN PERIODS OF SERVICE.—Section 3534(j) of
17 the National Defense Authorization Act for Fiscal
18 Year 2024 (Public Law 118–31) is repealed.

19 (e) MERCHANT MARINER CREDENTIALS.—Section
20 7510 of title 46, United States Code, is amended by strik-
21 ing subsection (d).

22 (f) IMPLEMENTATION.—The Secretary of the depart-
23 ment in which the Coast Guard is operating shall imple-
24 ment the amended requirements under subsections (c)(3),
25 (c)(4), and (d)(1) of this section without regard to chap-

1 ters 5 and 6 of title 5, United States Code, and Executive
2 Orders 12866 and 13563 (5 U.S.C. 601 note).

3 **SEC. 633. INSPECTIONS FOR TRANSPORTATION SECURITY.**

4 (a) IN GENERAL.—Chapter 81 of part F of subtitle
5 II of title 46, United States Code, is amended by adding
6 at the end the following:

7 **“§ 8109. Inspections for transportation security**

8 “(a) IN GENERAL.—

9 “(1) INSPECTION.—The Secretary shall periodi-
10 cally, but not less than once annually, inspect each
11 covered facility to verify that the owner or operator
12 of the covered facility has a valid exemption under
13 subsection (c) of section 30 of the Outer Continental
14 Shelf Lands Act (43 U.S.C. 1356(c)).

15 “(2) COVERED FACILITY.—In this subsection,
16 the term ‘covered facility’ means a vessel, rig, plat-
17 form, or other vehicle or structure that, but for an
18 exemption under subsection (c) of section 30 of the
19 Outer Continental Shelf Lands Act (43 U.S.C.
20 1356(c)) would otherwise be subject to the regula-
21 tions under subsection (a)(3) of such section.

22 “(b) TRANSPORTATION SECURITY CARD.—During an
23 inspection under this section, the Secretary shall confirm
24 that all crew members that are required to have a trans-

1 portation worker identification credential pursuant to sec-
2 tion 70105 have such a credential.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for chapter 81 of title 46, United States Code, is amended
5 by adding at the end the following:

“8109. Inspections for transportation security.”.

6 **SEC. 634. TECHNICAL AMENDMENTS RELATING TO REF-**
7 **ERENCES TO SEAMEN.**

8 (a) MERCHANT MARINER CREDENTIALS.—The head-
9 ing for part E of subtitle II of title 46, United States
10 Code, is amended by striking “**MERCHANT SEAMEN LI-**
11 **CENSES, CERTIFICATES, AND DOCUMENTS**” and in-
12 serting “**MERCHANT MARINER CREDENTIALS**”.

13 (b) ABLE SEAFARERS—UNLIMITED.—

14 (1) IN GENERAL.—The section heading for sec-
15 tion 7307 of title 46, United States Code, is amend-
16 ed by striking “**seamen**” and inserting “**sea-**
17 **farers**”.

18 (2) CLERICAL AMENDMENT.—The table of sec-
19 tions for chapter 73 of title 46, United States Code,
20 is further amended in the item relating to section
21 7307 by striking “seamen” and inserting “sea-
22 farers”.

23 (c) ABLE SEAMEN—LIMITED.—

24 (1) IN GENERAL.—The section heading for sec-
25 tion 7308 of title 46, United States Code, is amend-

1 ed by striking “**seamen**” and inserting “**sea-**
2 **farers**”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions for chapter 73 of title 46, United States Code,
5 is further amended in the item relating to section
6 7308 by striking “seamen” and inserting “sea-
7 farers”.

8 (d) ABLE SEAFARERS—SPECIAL.—

9 (1) IN GENERAL.—The section heading for sec-
10 tion 7309 of title 46, United States Code, is amend-
11 ed by striking “**seamen**” and inserting “**sea-**
12 **farers**”.

13 (2) CLERICAL AMENDMENT.—The table of sec-
14 tions for chapter 73 of title 46, United States Code,
15 is further amended in the item relating to section
16 7309 by striking “seamen” and inserting “sea-
17 farers”.

18 (e) ABLE SEAFARERS—OFFSHORE SUPPLY VES-
19 SELS.—

20 (1) IN GENERAL.—The section heading for sec-
21 tion 7310 of title 46, United States Code, is amend-
22 ed by striking “**seamen**” and inserting “**sea-**
23 **farers**”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions for chapter 73 of title 46, United States Code,

1 is further amended in the item relating to section
2 7310 by striking “seamen” and inserting “sea-
3 farers”.

4 (f) ABLE SEAFARERS—SAIL.—

5 (1) IN GENERAL.—The section heading for sec-
6 tion 7311 of title 46, United States Code, is amend-
7 ed by striking “**seamen**” and inserting “**sea-**
8 **farers**”.

9 (2) CLERICAL AMENDMENT.—The table of sec-
10 tions for chapter 73 of title 46, United States Code,
11 is further amended in the item relating to section
12 7311 by striking “seamen” and inserting “sea-
13 farers”.

14 (g) ABLE SEAMEN—FISHING INDUSTRY.—

15 (1) IN GENERAL.—The section heading for sec-
16 tion 7311a of title 46, United States Code, is
17 amended by striking “**seamen**” and inserting
18 “**seafarers**”.

19 (2) CLERICAL AMENDMENT.—The table of sec-
20 tions for chapter 73 of title 46, United States Code,
21 is further amended in the item relating to section
22 7311a by striking “seamen” and inserting “sea-
23 farers”.

24 (h) PARTS E AND F.—Parts E and F of subtitle II
25 of title 46, United States Code, is amended—

1 (1) by striking “seaman” and inserting “sea-
2 farer” each place it appears; and

3 (2) by striking “seamen” and inserting “sea-
4 farers” each place it appears.

5 (i) CLERICAL AMENDMENTS.—The table of sections
6 for subtitle II of title 46, United States Code, is amended
7 in the item relating to part E by striking “MERCHANT
8 SEAMEN LICENSES, CERTIFICATES, AND DOCU-
9 MENTS” and inserting “MERCHANT MARINER CRE-
10 DENTIALS”.

11 **SEC. 635. RENEWAL OF MERCHANT MARINER LICENSES**
12 **AND DOCUMENTS.**

13 Section 7507 of title 46, United States Code, is
14 amended by adding at the end the following:

15 “(d) RENEWAL.—With respect to any renewal of a
16 valid merchant mariner credential issued under this part
17 that is not an extension under subsection (a) or (b), the
18 validity period of such credential shall begin the day after
19 the expiration of the current credential.”.

20 **SEC. 636. MERCHANT SEAMEN LICENSES, CERTIFICATES,**
21 **AND DOCUMENTS; MANNING OF VESSELS.**

22 (a) CITIZENSHIP OR NONCITIZEN NATIONALITY.—

23 (1) IN GENERAL.—Section 7102 of title 46,
24 United States Code, is amended—

1 (A) in the section heading, by inserting
2 **“or noncitizen nationality”** after **“Citi-**
3 **zenship”**; and

4 (B) by inserting “or noncitizen nationals
5 (as such term is described in section 308 of the
6 Immigration and Nationality Act (8 U.S.C.
7 1408))” after “citizens of the United States”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
9 tions for chapter 71 of title 46, United States Code,
10 is amended by striking the item relating to section
11 7102 and inserting the following:

“7102. Citizenship or noncitizen nationality.”.

12 (b) CITIZENSHIP OR NONCITIZEN NATIONALITY NO-
13 TATION ON MERCHANT MARINERS’ DOCUMENTS.—

14 (1) IN GENERAL.—Section 7304 of title 46,
15 United States Code, is amended—

16 (A) in the section heading, by inserting
17 **“or noncitizen nationality”** after **“Citi-**
18 **zenship”**; and

19 (B) by inserting “or noncitizen national
20 (as such term is described in section 308 of the
21 Immigration and Nationality Act (8 U.S.C.
22 1408))” after “citizen of the United States”.

23 (2) CLERICAL AMENDMENT.—The table of sec-
24 tions for chapter 73 of title 46, United States Code,

1 is amended by striking the item relating to section
2 7304 and inserting the following:

“7304. Citizenship or noncitizen nationality notation on merchant mariners’ documents.”.

3 (c) CITIZENSHIP OR NONCITIZEN NATIONALITY.—

4 (1) IN GENERAL.—Section 8103 of title 46,
5 United States Code, is amended—

6 (A) in the section heading by inserting “**or**
7 **noncitizen nationality**” after “**Citizen-**
8 **ship**”;

9 (B) in subsection (a), by inserting “or non-
10 citizen national” after “citizen of the United
11 States”;

12 (C) in subsection (b)—

13 (i) in paragraph (1)(A)(i), by insert-
14 ing “or noncitizen national” after “citizen
15 of the United States”; and

16 (ii) in paragraph (3)—

17 (I) in the matter preceding sub-
18 paragraph (A), by inserting “or non-
19 citizen nationality” after “citizen-
20 ship”; and

21 (II) in subparagraph (C), by in-
22 serting “or noncitizen nationals” after
23 “citizens of the United States”;

1 (D) in subsection (c), by inserting “or non-
2 citizen nationals” after “citizens of the United
3 States”;

4 (E) in subsection (d)—

5 (i) in paragraph (1), by inserting “or
6 noncitizen nationals” after “citizens of the
7 United States”; and

8 (ii) in paragraph (2), by inserting “or
9 noncitizen national” after “citizen of the
10 United States” each place it appears;

11 (F) in subsection (e), in the matter pre-
12 ceding paragraph (1), by inserting “or noncit-
13 izen national” after “citizen of the United
14 States” each place it appears;

15 (G) in subsection (i)(1)(A), by inserting
16 “or noncitizen national” after “citizen of the
17 United States”;

18 (H) in subsection (k)(1)(A), by inserting
19 “or noncitizen national” after “citizen of the
20 United States”; and

21 (I) by adding at the end the following:

22 “(l) NONCITIZEN NATIONAL DEFINED.—In this sec-
23 tion, the term ‘noncitizen national’ means an individual
24 described in section 308 of the Immigration and Nation-
25 ality Act (8 U.S.C. 1408).”.

1 (2) CLERICAL AMENDMENT.—The table of sec-
2 tions for chapter 81 of title 46, United States Code,
3 is amended by striking the item relating to section
4 8103 and inserting the following:

“8103. Citizenship or noncitizen nationality and Navy Reserve requirements.”.

5 (d) COMMAND OF DOCUMENTED VESSELS.—Section
6 12131(a) of title 46, United States Code, is amended by
7 inserting “or noncitizen national (as such term is de-
8 scribed in section 308 of the Immigration and Nationality
9 Act (8 U.S.C. 1408))” after “citizen of the United
10 States”.

11 (e) INVALIDATION OF CERTIFICATES OF DOCU-
12 MENTATION.—Section 12135(2) of title 46, United States
13 Code, is amended by inserting “or noncitizen national (as
14 such term is described in section 308 of the Immigration
15 and Nationality Act (8 U.S.C. 1408))” after “citizen of
16 the United States”.

17 **SEC. 637. REACTIVATION OF EXPIRED LICENSE.**

18 (a) IN GENERAL.—Chapter 75 of subtitle II of part
19 E, of title 46, United States Code, is amended by adding
20 at the end the following:

21 **“§ 7512. Authority for reactivation of United States**
22 **Merchant Mariner credentials**

23 **“(a) LICENSES AND CERTIFICATES OF REGISTRY.—**
24 **Notwithstanding sections 7106 and 7107, the Secretary**
25 **of the department in which the Coast Guard is operating**

1 may renew for not more than 2 years an expired license
2 or certificate of registry issued for an individual under
3 chapter 71 if the Secretary determines that the renewal
4 is in response to a national emergency declared by Con-
5 gress or declared under section 201 of the National Emer-
6 gencies Act (50 U.S.C. 1621), as deemed necessary by the
7 Secretary.

8 “(b) MERCHANT MARINER DOCUMENTS.—Notwith-
9 standing section 7302(g), the Secretary may renew for not
10 more than 2 years an expiring merchant mariner’s docu-
11 ment issued for an individual under chapter 73 if the Sec-
12 retary determines that the renewal is in response to a na-
13 tional emergency proclaimed by the President or declared
14 by Congress, as deemed necessary by the Secretary.

15 “(c) MANNER OF RENEWAL.—Any renewal granted
16 under this section may be granted to individual seamen
17 or a specifically identified group of seamen.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
19 for chapter 75 of title 46, United States Code, is amended
20 by adding at the end the following:

“7512. Authority for reactivation of United States Merchant Mariner creden-
tials.”.

1 **TITLE VII—AMENDMENTS TO**
2 **THE INTERNAL REVENUE**
3 **CODE OF 1986**

4 **SEC. 701. ESTABLISHMENT OF THE MARITIME SECURITY**
5 **TRUST FUND.**

6 (a) IN GENERAL.—Subchapter A of chapter 98 of the
7 Internal Revenue Code of 1986 is amended by adding at
8 the end the following new section:

9 **“SEC. 9512. MARITIME SECURITY TRUST FUND.**

10 “(a) CREATION OF TRUST FUND.—There is estab-
11 lished in the Treasury of the United States a trust fund
12 to be known as the ‘Maritime Security Trust Fund’, con-
13 sisting of such amounts as may be—

14 “(1) appropriated to such Trust Fund as pro-
15 vided in this section, or

16 “(2) credited to such Trust Fund as provided
17 in section 9602(b).

18 “(b) TRANSFERS TO TRUST FUND.—There are here-
19 by appropriated to the Trust Fund amounts equivalent
20 to—

21 “(1) the taxes received in the Treasury under—

22 “(A) section 1352 (relating to alternative
23 tax on qualifying shipping activities),

24 “(B) section 60301 of title 46, United
25 States Code (relating to regular tonnage taxes),

1 “(C) section 60302 of title 46, United
2 States Code (relating to special tonnage taxes),
3 and

4 “(D) section 60303 of title 46, United
5 States Code (relating to light money),

6 “(2) the amount received in the Treasury and
7 attributable to revenue collected from duties im-
8 posed—

9 “(A) under section 466 of the Tariff Act
10 of 1930 (19 U.S.C. 1466) (relating to equip-
11 ment and repair of vessels),

12 “(B) on and after July 6, 2018, with re-
13 spect to articles of the People’s Republic of
14 China pursuant to section 301 of the Trade Act
15 of 1974 (19 U.S.C. 2411), notice of which was
16 published in the Federal Register on June 20,
17 2018 (83 Fed. Reg. 28710), and

18 “(C) under section 60502 of title 46,
19 United States Code (relating to discriminating
20 duty on goods imported in foreign vessels or
21 from contiguous countries),

22 “(3) any penalties paid with respect to a vessel
23 pursuant to—

24 “(A) section 436 of the Tariff Act of 1930
25 (19 U.S.C. 1436),

1 “(B) section 453 of the Tariff Act of 1930
2 (19 U.S.C. 1453),

3 “(C) section 454 of the Tariff Act of 1930
4 (19 U.S.C. 1454),

5 “(D) section 464 of the Tariff Act of 1930
6 (19 U.S.C. 1464),

7 “(E) section 497 of the Tariff Act of 1930
8 (19 U.S.C. 1497),

9 “(F) section 584 of the Tariff Act of 1930
10 (19 U.S.C. 1584),

11 “(G) section 592 of the Tariff Act of 1930
12 (19 U.S.C. 1592),

13 “(H) section 593A of the Tariff Act of
14 1930 (19 U.S.C. 1593a),

15 “(I) section 7 of the Act of June 19, 1886
16 (24 Stat. 81, chapter 421; 19 U.S.C. 1706a),

17 “(J) section 2107 of title 46, United
18 States Code,

19 “(K) section 2302 of title 46, United
20 States Code,

21 “(L) section 3318 of title 46, United
22 States Code,

23 “(M) section 3718 of title 46, United
24 States Code,

1 “(N) section 4106 of title 46, United
2 States Code,

3 “(O) section 5116 of title 46, United
4 States Code,

5 “(P) section 11303 of title 46, United
6 States Code,

7 “(Q) section 11501 of title 46, United
8 States Code,

9 “(R) section 12151 of title 46, United
10 States Code,

11 “(S) section 12507 of title 46, United
12 States Code,

13 “(T) section 14701 of title 46, United
14 States Code,

15 “(U) section 30707 of title 46, United
16 States Code, with respect to the portion of the
17 fine that goes to the United States Government
18 under subsection (c) of such section 30707,

19 “(V) section 31309 of title 46, United
20 States Code,

21 “(W) section 31330 of title 46, United
22 States Code,

23 “(X) section 41107 of title 46, United
24 States Code,

1 “(Y) section 41108 of title 46, United
2 States Code,

3 “(Z) section 42108 of title 46, United
4 States Code,

5 “(AA) section 44104 of title 46, United
6 States Code,

7 “(BB) section 70052 of title 46, United
8 States Code,

9 “(CC) section 70119 of title 46, United
10 States Code,

11 “(DD) section 70506 of title 46, United
12 States Code, and

13 “(EE) section 80509 of title 46, United
14 States Code, and

15 “(4) any revenue generated in connection with
16 the seizure and forfeiture of a maritime vessel
17 under—

18 “(A) section 3 of the Act of August 5,
19 1935 (49 Stat. 518, chapter 438; 19 U.S.C.
20 1703),

21 “(B) section 70052 of title 46, United
22 States Code, and

23 “(C) section 70507 of title 46, United
24 States Code.

1 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
2 in the Maritime Security Trust Fund shall be available,
3 as provided by appropriation Acts, for making expendi-
4 tures before October 1, 2035, to meet those obligations
5 of the United States heretofore and hereafter incurred
6 which are authorized to be paid out of the Maritime Secu-
7 rity Trust Fund under the SHIPS for America Act of
8 2024”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for subchapter A of chapter 98 of the Internal Revenue
11 Code of 1986 is amended by adding at the end the fol-
12 lowing new item:

“Sec. 9512. Maritime Security Trust Fund.”.

13 **SEC. 702. UNITED STATES VESSEL INVESTMENT CREDIT.**

14 (a) IN GENERAL.—Subpart E of part IV of sub-
15 chapter A of chapter 1 of the Internal Revenue Code of
16 1986 is amended by inserting after section 48E the fol-
17 lowing new section:

18 **“SEC. 48F. UNITED STATES VESSEL INVESTMENT CREDIT.**

19 “(a) IN GENERAL.—For purposes of section 46, the
20 United States Vessel Investment credit for any taxable
21 year is an amount equal to the applicable percentage of
22 any qualified investment for such taxable year with respect
23 to any qualified vessel.

24 “(b) APPLICABLE PERCENTAGE.—For purposes of
25 subsection (a), the applicable percentage with respect to

1 any qualified vessel shall be an amount equal to the sum
2 of—

3 “(1) 33 percent, plus

4 “(2) in the case of any qualified vessel for
5 which the owner of such vessel will, as part of the
6 agreement described in subsection (d)(1)(F) and for
7 the duration of such agreement, obtain protection
8 and indemnity insurance with respect to such vessel
9 from an insurance company that is domiciled and
10 headquartered in the United States and is an under-
11 writer that is approved by the Maritime Adminis-
12 trator, 5 percent, plus

13 “(3) in the case of any qualified vessel which is
14 classified by and designed in accordance with the
15 rules of the American Bureau of Shipping or any
16 other classification society headquartered in the
17 United States and recognized by the Secretary of
18 the department in which the Coast Guard is oper-
19 ating in accordance with section 3316 of title 46,
20 United States Code, 2 percent.

21 “(c) QUALIFIED INVESTMENT.—For purposes of sub-
22 section (a), the qualified investment with respect to any
23 qualified vessel is equal to the amount paid or incurred
24 by the taxpayer in connection with the construction,
25 repowering, or reconstruction of such vessel—

1 “(1) in a shipyard of the United States, and

2 “(2) by an entity which is not a foreign entity
3 of concern.

4 “(d) QUALIFIED VESSEL.—

5 “(1) IN GENERAL.—For purposes of this sec-
6 tion, the term ‘qualified vessel’ means a cargo ves-
7 sel—

8 “(A) which is a United States flag vessel
9 (as defined in section 1355),

10 “(B) which, in the case of any repowering
11 or reconstruction of such vessel, was originally
12 constructed in the United States,

13 “(C) which operates in providing transpor-
14 tation in the United States foreign trade (as
15 such term is defined in section 1355(a)),

16 “(D) which is not a passenger vessel, as
17 defined in section 2101 of title 46, United
18 States Code,

19 “(E) which is—

20 “(i) a bulk carrier vessel,

21 “(ii) a tanker vessel,

22 “(iii) a roll-on/roll-off vessel,

23 “(iv) a container vessel,

24 “(v) a multi-purpose vessel,

25 “(vi) a cable vessel,

1 “(vii) a heavy-lift vessel, or

2 “(viii) any other type of vessel deter-
3 mined appropriate by the Maritime Admin-
4 istrator, in consultation with the Maritime
5 Security Board,

6 “(F) which, pursuant to an agreement be-
7 tween the taxpayer and the Maritime Adminis-
8 trator, operates as a vessel of the United States
9 for a period of not less than 10 years, and

10 “(G) the construction of which begins be-
11 fore January 1, 2032.

12 “(2) EXCLUSION RELATED TO FOREIGN ENTI-
13 TIES OF CONCERN.—The term ‘qualified vessel’ shall
14 not include a vessel which—

15 “(A) is, or was previously, owned or oper-
16 ated by a foreign entity of concern,

17 “(B) was constructed, repowered, or recon-
18 structed in a shipyard which is owned or oper-
19 ated by a foreign entity of concern, or

20 “(C) was registered as a vessel of a foreign
21 country of concern at any time prior to being
22 placed in service by the taxpayer.

23 “(e) DEFINITIONS.—

24 “(1) VESSELS.—For purposes of subsection
25 (d)(1)(E), any term used in such paragraph which

1 is also used in chapter 536 of title 46, United States
2 Code, shall have the same meaning as when used in
3 such chapter.

4 “(2) FOREIGN ENTITY OF CONCERN; FOREIGN
5 COUNTRY OF CONCERN.—For purposes of this sec-
6 tion, the terms ‘foreign entity of concern’ and ‘for-
7 eign country of concern’ have the same meaning
8 given such terms under section 4 of the SHIPS for
9 America Act of 2024.

10 “(f) CERTAIN PROGRESS EXPENDITURE RULES
11 MADE APPLICABLE.—Rules similar to the rules of sub-
12 sections (c)(4) and (d) of section 46 (as in effect on the
13 day before the date of the enactment of the Revenue Rec-
14 onciliation Act of 1990) shall apply for purposes of sub-
15 section (a).

16 “(g) REGULATIONS.—The Secretary, in consultation
17 with the Maritime Administrator, shall issue such regula-
18 tions or other guidance as may be necessary or appro-
19 priate to carry out the purposes of this section, including
20 any regulations or guidance which may be necessary or
21 appropriate to recapture the benefit of any credit deter-
22 mined under this section with respect to any qualified ves-
23 sel, or any increase in the applicable percentage under
24 subsection (b) with respect to any qualified vessel, in the
25 case of any taxpayer which fails to comply with the terms

1 of the agreement described in subsection (d)(1)(F) with
2 respect to such qualified vessel.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 46 of the Internal Revenue Code of
5 1986, as amended by section 13702(b)(1) of Public
6 Law 117–169, is amended—

7 (A) in paragraph (6), by striking “and” at
8 the end,

9 (B) in paragraph (7), by striking the pe-
10 riod at the end and inserting “, and”, and

11 (C) by adding at the end the following:

12 “(8) the United States Vessel Investment cred-
13 it.”.

14 (2) Section 49(a)(1)(C) of such Code, as
15 amended by section 13702(b)(2) of Public Law 117–
16 169, is amended—

17 (A) in clause (vii), by striking “and” at the
18 end,

19 (B) in clause (viii), by striking the period
20 at the end and inserting “, and”, and

21 (C) by adding at the end the following:

22 “(ix) with respect to any qualified ves-
23 sel (as defined in section 48F(d)), the por-
24 tion of the basis of such vessel attributable
25 to amounts paid or incurred by the tax-

1 payer in connection with the construction,
2 repowering, or reconstruction of such ves-
3 sel.”.

4 (3) The table of sections for subpart E of part
5 IV of subchapter A of chapter 1 of such Code is
6 amended by inserting after the item relating to sec-
7 tion 48E the following new item:

“Sec. 48F. United States Vessel Investment credit.”.

8 (c) RECAPTURE FOR FAILURE TO OPERATE AS A
9 VESSEL OF THE UNITED STATES.—Section 50(a) of the
10 Internal Revenue Code of 1986 is amended—

11 (1) in paragraph (4), by striking “or any appli-
12 cable transaction to which paragraph (3)(A) applies”
13 and inserting “any applicable transaction to which
14 paragraph (3)(A) applies, or any violation to which
15 paragraph (6)(A) applies”,

16 (2) by redesignating paragraph (6) as para-
17 graph (7),

18 (3) by inserting after paragraph (5) the fol-
19 lowing new paragraph:

20 “(6) FAILURE TO OPERATE QUALIFIED VESSEL
21 AS A VESSEL OF THE UNITED STATES.—

22 “(A) IN GENERAL.—If an applicable tax-
23 payer violates any of the requirements of the
24 agreement described in section 48F(d)(1)(F)
25 during the duration of such agreement with re-

1 spect to any investment credit property which is
2 eligible for the United States Vessel Investment
3 credit under section 48F(a), then the tax under
4 this chapter for the taxable year in which such
5 violation occurs shall be increased by 100 per-
6 cent of the aggregate decrease in the credits al-
7 lowed under section 38 for all prior taxable
8 years which would have resulted solely from re-
9 ducing to zero any credit determined under sec-
10 tion 46 which is attributable to the United
11 States Vessel Investment credit under section
12 48F(a) with respect to such property.

13 “(B) EXCEPTION.—Subparagraph (A)
14 shall not apply if the applicable taxpayer dem-
15 onstrates to the satisfaction of the Secretary
16 and the Maritime Administrator that the tax-
17 payer is in compliance with the agreement de-
18 scribed in section 48F(d)(1)(F) within 30 days
19 of a determination and notice by the Secretary.

20 “(C) REGULATIONS AND GUIDANCE.—The
21 Secretary shall issue such regulations or other
22 guidance as the Secretary determines necessary
23 or appropriate to carry out the purposes of this
24 paragraph, including regulations or other guid-
25 ance which provide for requirements for record-

1 keeping or information reporting for purposes
2 of administering the requirements of this para-
3 graph.”, and

4 (4) in paragraph (7) (as redesignated by para-
5 graph (2))—

6 (A) in subparagraph (C), by striking “or
7 (3)” and inserting “(3), or (4)”, and

8 (B) by striking subparagraph (E) and in-
9 serting the following:

10 “(E) APPLICABLE TAXPAYER.—For pur-
11 poses of this subsection, the term ‘applicable
12 taxpayer’ means any taxpayer who has been al-
13 lowed—

14 “(i) for purposes of paragraph (3), a
15 credit under section 48D(a) for any prior
16 taxable year, or

17 “(ii) for purposes of paragraph (6), a
18 credit under section 48F(a) for any prior
19 taxable year.”.

20 (d) ELECTIVE PAYMENT AND TRANSFER OF CRED-
21 IT.—

22 (1) ELECTIVE PAYMENT.—Section 6417 of the
23 Internal Revenue Code of 1986 is amended—

24 (A) in subsection (b), by adding at the end
25 the following:

1 “(13) The United States Vessel Investment
2 credit under section 48F.”, and

3 (B) in subsection (d)(1)—

4 (i) in subparagraph (E), by striking
5 “(C), or (D)” each place it appears and in-
6 serting “(C), (D), or (E)”,

7 (ii) by redesignating subparagraph
8 (E) (as amended by clause (i)) as subpara-
9 graph (F), and

10 (iii) by inserting after subparagraph
11 (D) the following:

12 “(E) ELECTION WITH RESPECT TO
13 UNITED STATES VESSEL INVESTMENT CRED-
14 IT.—If a taxpayer other than an entity de-
15 scribed in subparagraph (A) makes an election
16 under this subparagraph with respect to any
17 taxable year in which such taxpayer has made
18 a qualified investment with respect to any quali-
19 fied vessel (as defined in section 48F), such
20 taxpayer shall be treated as an applicable entity
21 for purposes of this section for such taxable
22 year, but only with respect to the credit de-
23 scribed in subsection (b)(13).”.

1 (2) TRANSFER.—Section 6418(f)(1)(A) of the
2 Internal Revenue Code of 1986 is amended by add-
3 ing at the end the following:

4 “(xii) The United States Vessel In-
5 vestment credit under section 48F.”.

6 (e) EXCEPTION RELATING TO ALTERNATIVE TAX ON
7 QUALIFYING SHIPPING ACTIVITIES.—Section 1357(c) of
8 the Internal Revenue Code of 1986 is amended—

9 (1) in paragraph (1), by striking “paragraph
10 (2)” and inserting “paragraph (2) or (4)”, and
11 (2) by adding at the end the following:

12 “(4) EXCEPTION FOR UNITED STATES VESSEL
13 INVESTMENT CREDIT.—Paragraph (1) shall not
14 apply with respect to any credit allowed to the tax-
15 payer under section 48F.”.

16 (f) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 December 31, 2024.

19 **SEC. 703. CERTAIN PAYMENTS FOR MARITIME SECURITY**
20 **EXCLUDED FROM GROSS INCOME.**

21 (a) IN GENERAL.—Part III of subchapter B of chap-
22 ter 1 of the Internal Revenue Code of 1986 is amended
23 by inserting after section 139I the following new sub-
24 section:

1 **“SEC. 139J. MARITIME SECURITY PAYMENTS.**

2 “(a) IN GENERAL.—Gross income shall not include
3 any payment made pursuant to—

4 “(1) section 53106 of title 46, United States
5 Code,

6 “(2) section 53801 of such title,

7 “(3) section 53206 of such title,

8 “(4) section 53406 of such title,

9 “(5) section 53604 of such title,

10 “(6) section 54101 of such title, or

11 “(7) section 54301 of such title.

12 “(b) DENIAL OF DOUBLE BENEFIT.—No deduction
13 or credit shall be allowed for, or by reason of, any expendi-
14 ture to the extent of the amount excluded under sub-
15 section (a) for any payment which was provided with re-
16 spect to such expenditure. The adjusted basis of any prop-
17 erty shall be reduced by the amount excluded under sub-
18 section (a) which was provided with respect to such prop-
19 erty.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for part III of subchapter B of chapter 1 of such Code
22 is amended by inserting after the item relating to section
23 139I the following new item:

“Sec. 139J. Maritime security payments.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

4 **SEC. 704. ELIMINATION OF 30-DAY LIMITATION ON DOMES-**
5 **TIC OPERATIONS.**

6 (a) IN GENERAL.—Section 1355 of the Internal Rev-
7 enue Code of 1986 is amended—

8 (1) in subsection (f), by striking paragraph (4),
9 and

10 (2) in subsection (g)(2), by striking subpara-
11 graph (D).

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 the date of enactment of this Act.

15 **SEC. 705. QUALIFYING SHIPPING ACTIVITIES.**

16 Section 1356(b) of the Internal Revenue Code of
17 1986 (relating to qualifying shipping activities) is amend-
18 ed by striking “activities in operating” and inserting “the
19 carriage of goods (as defined in section 1 of the Carriage
20 of Goods by Sea Act (46 U.S.C. 30701 note)) by”.

21 **SEC. 706. QUALIFYING VESSEL.**

22 Section 1355(a) of the Internal Revenue Code of
23 1986 is amended—

24 (1) by striking paragraph (4) and inserting the
25 following:

1 “(4) QUALIFYING VESSEL.—The term ‘quali-
2 fying vessel’ means a vessel which is—

3 “(A) self-propelled (or a combination self-
4 propelled and non-self-propelled),

5 “(B) a United States flag vessel or a
6 United States-owned foreign flag vessel,

7 “(C) not less than 6,000 deadweight tons,
8 and

9 “(D) used exclusively in the United States
10 foreign trade during the period that the election
11 under this subchapter is in effect.”, and

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

13 “(8) UNITED STATES-OWNED FOREIGN FLAG
14 VESSEL.—The term ‘United States-owned foreign
15 flag vessel’ means any vessel which—

16 “(A) is documented under the laws of a
17 country (other than the United States) or a for-
18 eign registry which is not a foreign country of
19 concern (as defined by section 4 of the SHIPS
20 for America Act of 2024),

21 “(B) is owned by a person which—

22 “(i)(I) is a citizen of the United
23 States (as determined under section 50501
24 of title 46, United States Code), or

1 “(II) is controlled (within the meaning
2 of section 954(d)(3)) by a citizen of the
3 United States (as so determined), and

4 “(ii) owns a fleet of United States
5 flag vessels, and

6 “(C) has in effect a Voluntary Intermodal
7 Sealift Agreement or Voluntary Tanker Agree-
8 ment with the Maritime Administrator.”.

9 **SEC. 707. CREDIT FOR CONSTRUCTION OF SHIPYARD FA-**
10 **CILITIES.**

11 (a) IN GENERAL.—Subpart E of part IV of sub-
12 chapter A of chapter 1 of the Internal Revenue Code of
13 1986, as amended by section 702(a), is amended by insert-
14 ing after section 48F the following new section:

15 **“SEC. 48G. CREDIT FOR CONSTRUCTION OF SHIPYARD FA-**
16 **CILITIES.**

17 “(a) IN GENERAL.—For purposes of section 46, the
18 shipyard investment tax credit for any taxable year is an
19 amount equal to 25 percent of the qualified investment
20 for such taxable year with respect to any qualified ship-
21 yard facility of a taxpayer described in section 48D(c)(1).

22 “(b) QUALIFIED INVESTMENT.—

23 “(1) IN GENERAL.—For purposes of subsection
24 (a), the qualified investment with respect to any
25 qualified shipyard facility for any taxable year is the

1 basis of any qualified property placed in service by
2 the taxpayer during such taxable year which is part
3 of a qualified shipyard facility.

4 “(2) QUALIFIED PROPERTY.—The term ‘quali-
5 fied property’ shall have the same meaning given
6 such term in section 48D(b)(2), except that subpara-
7 graph (A)(iv) of such section shall be applied by sub-
8 stituting ‘qualified shipyard facility’ for ‘advanced
9 manufacturing facility’.

10 “(3) QUALIFIED SHIPYARD FACILITY.—For
11 purposes of this section, the term ‘qualified shipyard
12 facility’ means a facility—

13 “(A) which is located within the United
14 States (including any territory or possession of
15 the United States), and

16 “(B) for which the primary purpose is—

17 “(i) constructing or repairing commer-
18 cial or military oceangoing vessels,

19 “(ii) manufacturing components which
20 are critical (as determined by the Sec-
21 retary, in consultation with the Secretary
22 of the Navy and the Maritime Adminis-
23 trator) to the operation of commercial or
24 military oceangoing vessels, or

1 “(iii) manufacturing equipment which
2 is used to produce or repair commercial or
3 military oceangoing vessels.

4 “(4) CERTAIN PROGRESS EXPENDITURE RULES
5 MADE APPLICABLE.—Rules similar to the rules of
6 subsections (c)(4) and (d) of section 46 (as in effect
7 on the day before the date of the enactment of the
8 Revenue Reconciliation Act of 1990) shall apply for
9 purposes of subsection (a).

10 “(c) DENIAL OF DOUBLE BENEFIT.—This section
11 shall not apply to any property placed in service by the
12 taxpayer during the taxable year if a credit was allowed
13 under section 48F to such taxpayer during such taxable
14 year.

15 “(d) REGULATIONS.—The Secretary shall issue such
16 regulations or other guidance as may be necessary or ap-
17 propriate to carry out the purposes of this section.

18 “(e) TERMINATION OF CREDIT.—The credit allowed
19 under this section shall not apply to property placed in
20 service after December 31, 2031.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 46 of the Internal Revenue Code of
23 1986, as amended by section 702(b)(1), is amend-
24 ed—

1 (A) in paragraph (7), by striking “and” at
2 the end,

3 (B) in paragraph (8), by striking the pe-
4 riod at the end and inserting “, and”, and

5 (C) by adding at the end the following:
6 “(9) the shipyard investment tax credit.”.

7 (2) Section 49(a)(1)(C) of such Code, as
8 amended by section 702(b)(2), is amended—

9 (A) in clause (viii), by striking “and” at
10 the end,

11 (B) in clause (ix), by striking the period at
12 the end and inserting “, and”, and

13 (C) by adding at the end the following:

14 “(x) the basis of any qualified prop-
15 erty (as defined in subsection (b)(2) of sec-
16 tion 48G) which is part of a qualified ship-
17 yard facility (as defined in subsection
18 (b)(3) of such section).”.

19 (3) Section 50(a)(2)(E) of such Code, as
20 amended by section 13702(b) of Public Law 117–
21 169, is amended by striking “or 48E(e)” and insert-
22 ing “48E(e), or 48G(b)(4)”.

23 (4) The table of sections for subpart E of part
24 IV of subchapter A of chapter 1 of such Code, as
25 amended by section 702(b)(3), is amended by insert-

1 ing after the item relating to section 48F the fol-
2 lowing new item:

“Sec. 48G. Shipyard investment tax credit.”.

3 (c) ELECTIVE PAYMENT AND TRANSFER OF CRED-
4 IT.—

5 (1) ELECTIVE PAYMENT.—Section 6417 of the
6 Internal Revenue Code of 1986, as amended by sec-
7 tion 702, is amended—

8 (A) in subsection (b), by adding at the end
9 the following:

10 “(14) The shipyard investment tax credit under
11 section 48G.”, and

12 (B) in subsection (d)(1)—

13 (i) in subparagraph (F), by striking
14 “(D), or (E)” each place it appears and in-
15 serting “(D), (E), or (F)”,

16 (ii) by redesignating subparagraph
17 (F) (as amended by clause (i)) as subpara-
18 graph (G), and

19 (iii) by inserting after subparagraph
20 (E) the following:

21 “(F) ELECTION WITH RESPECT TO THE
22 SHIPYARD INVESTMENT TAX CREDIT.—If a tax-
23 payer other than an entity described in sub-
24 paragraph (A) makes an election under this
25 subparagraph with respect to any taxable year

1 in which such taxpayer has placed in service
2 any qualified property which is part of a quali-
3 fied shipyard facility (as defined in section
4 48G), such taxpayer shall be treated as an ap-
5 plicable entity for purposes of this section for
6 such taxable year, but only with respect to the
7 credit described in subsection (b)(14).”.

8 (2) TRANSFER.—Section 6418(f)(1)(A) of the
9 Internal Revenue Code of 1986, as amended by sec-
10 tion 702, is amended by adding at the end the fol-
11 lowing:

12 “(xiii) The shipyard investment tax
13 credit under section 48G.”.

14 (d) EXCEPTION RELATING TO ALTERNATIVE TAX ON
15 QUALIFYING SHIPPING ACTIVITIES.—Paragraph (4) of
16 section 1357(c) of the Internal Revenue Code of 1986, as
17 added by section 702(e), is amended to read as follows:

18 “(4) EXCEPTION FOR UNITED STATES VESSEL
19 INVESTMENT CREDIT AND SHIPYARD INVESTMENT
20 TAX CREDIT.—Paragraph (1) shall not apply with
21 respect to any credit allowed to the taxpayer under
22 section 48F or 48G.”.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 December 31, 2024.

1 **SEC. 708. TAX INCENTIVES RELATING TO MERCHANT MA-**
2 **RINE CAPITAL CONSTRUCTION FUNDS.**

3 (a) IN GENERAL.—Section 7518 of the Internal Rev-
4 enue Code of 1986 is amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (1) and insert-
7 ing the following:

8 “(1) IN GENERAL.—The amount deposited in a
9 fund established under chapter 535 of title 46 of the
10 United States Code (hereinafter in this section re-
11 ferred to as a ‘capital construction fund’) for a tax-
12 able year may not exceed the amount specified in the
13 agreement under section 53503(a) of such title,
14 which shall be an amount that is related to a com-
15 mitment to invest the revenue from the capital con-
16 struction fund into funding the construction of new
17 vessels or funding cargo handling equipment.”,

18 (B) in paragraph (2), by striking “para-
19 graph (1)(B)” each place it appears and insert-
20 ing “paragraph (1)”, and

21 (C) by adding at the end the following new
22 paragraph:

23 “(4) REVENUE.—For the purposes of para-
24 graph (1), the revenue from the capital construction
25 fund may include—

1 “(A) income attributable to the operation
2 of any agreement vessel in foreign commerce or
3 domestic trade or fisheries or the operation of
4 a marine terminal in the United States,

5 “(B) the net proceeds from the disposition
6 of an agreement vessel or cargo handling equip-
7 ment or insurance or indemnity attributable to
8 the vessel or cargo handling equipment,

9 “(C) the receipts from the investment or
10 reinvestment of amounts held in the fund, and

11 “(D) the amount allowable as a deduction
12 under section 167 for the taxable year with re-
13 spect to the agreement vessels or cargo han-
14 dling equipment.”,

15 (2) in subsection (b)(2), by striking “Amounts
16 in any capital construction fund” and all that fol-
17 lows through “(not in excess of 60 percent)” and in-
18 serting “An agreed percentage”,

19 (3) in subsection (e)—

20 (A) by striking paragraph (1) and insert-
21 ing the following:

22 “(1) IN GENERAL.—A qualified withdrawal
23 from the fund is one made in accordance with the
24 terms of the agreement but only if it is for—

1 “(A) the acquisition, construction,
2 repowering, or reconstruction of—

3 “(i) a qualified vessel or a barge or
4 container that is part of the complement of
5 a qualified vessel, or

6 “(ii) cargo handling equipment, or

7 “(B) the payment of the principal on in-
8 debtedness incurred in the acquisition, con-
9 struction, repowering, or reconstruction of—

10 “(i) a qualified vessel or a barge or
11 container that is part of the complement of
12 a qualified vessel, or

13 “(ii) cargo handling equipment.

14 Except to the extent provided in regulations
15 prescribed by the Secretary, subparagraph (A),
16 and so much of subparagraph (B) as relates
17 only to barges and containers, shall apply only
18 with respect to barges and containers con-
19 structed in the United States.”,

20 (B) by redesignating paragraph (2) as
21 paragraph (4), and

22 (C) by inserting after paragraph (1) the
23 following:

24 “(2) FULLY AUTOMATED CARGO HANDLING
25 EQUIPMENT.—No withdrawals may be made from a

1 capital construction fund to purchase fully auto-
2 mated cargo handling equipment that is remotely
3 operated or remotely monitored with or without the
4 exercise of human intervention or control, if the Sec-
5 retary determines such equipment would result in a
6 net loss of jobs within a marine terminal.

7 “(3) PROHIBITION ON PEOPLE’S REPUBLIC OF
8 CHINA CRANES.—No withdrawals may be made from
9 a capital construction fund to purchase cranes man-
10 ufactured in the People’s Republic of China.”,

11 (4) in subsection (f)—

12 (A) in paragraph (2), by inserting “cargo
13 handling equipment,” after “barge,” both
14 places the term appears,

15 (B) in paragraph (3), by inserting “cargo
16 handling equipment,” after “barge,” both
17 places the term appears, and

18 (C) in paragraph (4), by inserting “cargo
19 handling equipment,” after “barges,”

20 (5) in subsection (g)—

21 (A) in the flush matter at the end of para-
22 graph (2), by inserting “cargo handling equip-
23 ment,” after “advanced”, and

24 (B) in paragraph (5)(A)—

1 (i) in the heading, by striking “25
2 YEARS” and inserting “15 YEARS”,

3 (ii) by striking “26th, 27th, 28th,
4 29th, or 30th taxable year” and inserting
5 “following specified taxable year”, and

6 (iii) by striking the table contained
7 therein and inserting the following:

“If the amount remains in the fund at the close of the- **The applicable percentage is-**

16th taxable year	20 percent
17th taxable year	40 percent
18th taxable year	60 percent
19th taxable year	80 percent
20th taxable year	100 percent”, and

8 (6) in subsection (i), by striking “as in effect on
9 the date of the enactment of this section”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2024.

13 **SEC. 709. EXEMPTION OF STUDENT INCENTIVE PAYMENT**
14 **AGREEMENTS FROM GROSS INCOME.**

15 (a) IN GENERAL.—Part III of subchapter B of chap-
16 ter 1 of the Internal Revenue Code of 1986, as amended
17 by section 703, is further amended by inserting after sec-
18 tion 139J the following new section:

19 **“SEC. 139K. STUDENT INCENTIVE PAYMENT AGREEMENTS.**

20 “In the case of an individual who has entered into
21 an agreement described in section 51509 of title 46,
22 United States Code, gross income does not include any

1 student incentive payments made to such individual pursu-
2 ant to such agreement.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for part III of subchapter B of chapter 1 of the Internal
5 Revenue Code of 1986, as amended by section 703, is fur-
6 ther amended by inserting after the item relating to sec-
7 tion 139J the following new item:

“Sec. 139K. Student incentive payment agreements.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply with respect to payments made
10 after December 31, 2024.

11 **SEC. 710. MARITIME FUEL TAX PARITY.**

12 Section 4041(g) of the Internal Revenue Code of
13 1986 is amended by adding at the end the following new
14 sentence: “For purposes of subsection (a)(2), the exemp-
15 tion under paragraph (1) shall also apply to fuel sold for
16 use or used by a vessel which is both described in section
17 4042(c)(1) and actually engaged in trade between the At-
18 lantic (including the Gulf of Mexico) or Pacific ports of
19 the United States (including any territory or possession
20 of the United States).”.

SHIPS for America Act

**Senator Mark Kelly / Senator Todd Young
Congressman John Garamendi / Congressman Trent Kelly**

12/19/2024

Summary:

The U.S. Maritime industry needs support. Roughly 80 oceangoing ships fly the American flag in international commerce. The U.S. shipbuilding industrial base lacks the capacity to produce oceangoing vessels at scale. And the need for qualified mariners is growing. The U.S. Merchant Marine will be relied upon to transport critical goods and military cargo during a time of war, and a strong U.S. Merchant Marine will strengthen American supply chains during peacetime.

This legislative proposal represents a comprehensive approach to revitalizing the U.S. Merchant Marine by establishing national oversight and consistent funding for U.S. maritime policy, making U.S.-flagged vessels commercially competitive in international commerce by cutting red tape, rebuilding the U.S. shipyard industrial base, and expanding and strengthening mariner and shipyard worker recruitment, training, and retention.

Section-by-Section:

Front matter:

- **Section 1:** Short Title & Table of Contents
- **Section 2:** Findings
- **Section 3:** Sense of Congress
- **Section 4:** Definitions

Title 1: Oversight and Accountability

Section 101: Maritime Security Advisor; Maritime Security Board

This section requires the President to appoint a Special Advisor, known as the Maritime Security Advisor, to coordinate national maritime affairs and policy, including maintaining and updating the National Maritime Strategy. The bill establishes the Office of the Maritime Security Advisor in the Executive Office of the President. The Maritime Security Advisor is authorized to appoint such officers and employees as the Maritime Security Advisor may deem necessary.

This section also establishes a Maritime Security Board, which is based within the White House, led by the Maritime Security Advisor, and consists of representatives from all federal agencies with responsibilities for the maritime industry. The Board, which has voting and nonvoting members, shall be responsible for the coordination of all efforts related to the National Maritime Strategy and marine transportation system of the United

States, including establishing target numbers for the size of the maritime security fleets, conducting independent oversight of cargo preference requirements, coordinating national efforts to develop a robust maritime workforce, establishing national priorities for research and development of next-generation technologies in the shipbuilding and maritime industries, coordinating interagency efforts to privilege U.S. vessels operating in international commerce while maintaining U.S. international obligations, protecting vessels of the United States from physical or cyber threats, and conducting oversight of the Maritime Security Trust Fund.

This section eliminates the U.S. Committee on Marine Transportation System.

Section 102. Maritime Transportation System National Advisory Committee

This section requires the Maritime Transportation System National Advisory Committee, an existing advisory group made up of industry experts, to report to the Maritime Security Board (as opposed to the Secretary of Transportation) and makes technical updates to how members are appointed to serve on the committee.

Section 103. Direct Hire Authority

This section provides the Maritime Administration and offices under the U.S. Coast Guard's Assistant Commandant for Prevention Policy with Direct Hire Authority.

Section 104. Implementation Plan

This section requires the Maritime Administration and U.S. Coast Guard to develop implementation plans for carrying out the programs and policies of this Act. Agencies must report on progress implementing this Act every two years.

This section also requires the Government Accountability Office (GAO) to conduct independent reviews of the implementation of this Act every two years.

Section 105. Federal Maritime Commission Report on Vessels of the United States

This section requires the Federal Maritime Commission to submit an annual report to the Maritime Security Board and appropriate Congressional committees evaluating the competitiveness of U.S. vessels in foreign commerce, which the Board will use to inform the National Maritime Strategy.

Title 2: Maritime Security Trust Fund

Section 201: Apportionment of the Maritime Security Trust Fund

Other modes of transportation are supported by dedicated trust funds, financed by user fees. These trust funds, like the Highway Trust Fund and Aviation Trust Fund, allow for sustained federal support for national transportation priorities, independent of the annual

appropriations process. This section (alongside Section 701) establishes a **Maritime Security Trust Fund** to create a dedicated source of funding for critical maritime security programs.

This section provides the Maritime Administration, the U.S. Coast Guard, and the Federal Maritime Commission with direct funding from the Maritime Security Trust Fund for administrative expenses necessary to carry out this legislation.

This section also clarifies that obligations made from the Maritime Security Trust Fund may support the following programs, which protects these programs from relying on annual appropriations:

- a. The U.S. Merchant Marine Academy
- b. State Maritime Academies and the National Security Multi-Mission Vessel Program
- c. Strategic Commercial Fleet (as established in this legislation)
- d. Title XI Loan Guarantees
- e. Shipbuilding Financial Incentives Program (as established in this legislation)
- f. Small Shipyard Grant Program
- g. Port Infrastructure Development Program
- h. Transportation Cost Reimbursement program
- i. The United States Center for Maritime Innovation
- j. The Merchant Marine Career Retention Program
- k. Maritime and shipbuilding recruiting campaigns
- l. Centers of Excellence for Domestic Maritime Workforce Training and Education
- m. Merchant Mariner Credentialing and Modernization
- n. Other Maritime Administration workforce development initiatives

Note: Specific funding allocated out of the trust fund is specified elsewhere in the legislation.

Section 202: Regular Tonnage Taxes; Presidential Suspension of Tonnage Taxes and Light Money

This section prevents the Presidential suspension of tonnage taxes and light money for vessels that are owned or operated by a foreign entity of concern or registered to a foreign country of concern (defined as Russia, China, Iran, and North Korea). In effect, this will impose a new duty on goods imported on Chinese-owned or Chinese-flagged vessels.

Title 3: Sealift Capability

Section 301: Sealift Capability

This section establishes that it is the policy of the United States to have a United States-flagged strategic fleet capable of meeting American national and economic security objectives. The Secretary of Transportation and Secretary of Defense are required to acquire and maintain sufficient civil, commercial, and military sealift capability. In carrying out these provisions, the United States may enter into agreements with treaty

allies to meet sealift requirements. The Secretary of Defense and Secretary of Transportation are required to provide reports, briefings, and assessments to Congress related to these objectives.

Section 302: National Freight Strategic Plan

This section requires the National Freight Strategic Plan to include maritime trade and strategic sealift considerations.

Section 303: Foreign Shipping Practices; Controlled Carriers

This section amends the Foreign Shipping Practices Act and the Controlled Carrier Act to enhance the Federal Maritime Commission's authority to prevent foreign countries and foreign flag operators from carrying out unfair trade practices for both cargo and cruise vessels.

Title 4: Vessels of the United States in International Commerce

Subtitle A – Strategic Sealift Programs

Section 401: Strategic Commercial Fleet

This section establishes a new program – the **Strategic Commercial Fleet Program** – to support the development of U.S.-built, U.S.-flagged vessels in international commerce.

Under this program, the Maritime Administration shall solicit bids for commercially viable, militarily useful, privately owned vessels to meet national security requirements and maintain a U.S. presence in international commercial shipping. The program will have a goal for establishing a fleet of 250 U.S.-flagged vessels in international commerce.

To participate in the program, an eligible carrier (or a team representing a carrier and a shipyard) shall submit a proposal to bring a vessel into the program, including a proposed support payment which shall cover the capital costs and operational costs associated with bringing a new, U.S.-built, U.S.-flagged, U.S.-crewed vessel into the fleet. The Maritime Administration shall select proposals which are the best value to the taxpayer. Vessels shall be included within the fleet for 7 years, and this operating agreement can be renewed twice (for a total of 21 years—the lifetime of a vessel). If an agreement is not renewed, the carrier shall receive a payment based on the remaining useful life of the vessel.

In order to increase the fleet rapidly, carriers may also submit a bid to bring a foreign-built vessel into the fleet and reflag it. This vessel may serve as an “interim vessel,” meaning it remains in the fleet only until it can be replaced by a U.S.-built vessel, or it may serve in the fleet under a full-term operating agreement. However, foreign-built vessels other than “interim vessels” shall not be allowed to enter the fleet after fiscal year 2029.

Recognizing that U.S. Transportation Command (TRANSCOM) has identified an imminent need for additional tanker vessels, the program includes specific language specifying that MARAD should prioritize adding tanker vessels through the Strategic Commercial Fleet program if TRANSCOM determines more tankers are needed than are available through the Tanker Security Fleet.

Section 402: Maritime Security Program

This section increases the annual stipend for the Maritime Security Fleet to \$7.23m by 2034. This section requires USTRANSCOM to perform an annual test (tabletop exercise) of the Maritime Security Fleet.

Section 403: Cable Security Fleet

This section increases the annual stipend for the Cable Security Fleet to \$12m by 2034. This section shall require the Secretary of Defense to conduct an assessment of the ability of the USNS Zeus and the Cable Security Fleet to address a situation where undersea cables are damaged by adversaries.

Section 404: Tanker Security Fleet

This section increases the annual stipend for the Tanker Security Fleet to \$9m.

Section 405: Modification to Duties Relating to Equipment and Repair of Vessels

Currently, any U.S.-flagged vessel must pay a duty of 50% for any repairs made on the vessel in a foreign shipyard of an allied country. This section increases the duty to 200% for any repairs made in shipyards in foreign countries of concern (*i.e.*, China) and creates a short-term authority for the Maritime Administrator to waive the duty for vessels enrolled in the Maritime Security Fleet, Cable Security Fleet, Tanker Security Fleet, Strategic Commercial Fleet, or with a Voluntary Intermodal Sealift Agreement (VISA) or Voluntary Tanker Agreement (VTA), if a vessel first makes a good faith effort to carry out repairs in the United States.

Subtitle B: Cargo Preference

Section 411: United States Government Cargo

This section raises the percentage of U.S. government cargo that must sail on U.S.-flagged vessels from 50 percent to 100 percent. It also includes a sense of Congress affirming the Maritime Administrator is responsible for determining the non-availability of qualified vessels of the United States.

Section 412: Cargo Preference Implementation Regulations

This section requires that the Maritime Administrator issue regulations and agency guidance related to the new cargo preference requirements. This section also authorizes the Maritime Administrator to consult with the Food Aid Consultative Group established by the Food for Peace Act.

Section 413: Cargo Preference Oversight and Audit

This section updates oversight and audit requirements for cargo preference laws and requires Congressional notification if an agency is found to be out of compliance with cargo preference requirements.

Section 414: Financing the Transportation of Agricultural Commodities

This section requires that the U.S. Agency for International Development, the Secretary of Agriculture, and the Commodity Credit Corporation be reimbursed out of the Maritime Security Trust Fund for transportation costs on U.S.-flagged vessels that exceeded market rates. This section includes provisions to ensure a transparent and timely reimbursement process.

Section 415: Importation from China on American ships

This section establishes a commercial cargo preference, requiring that within 15 years, 10 percent of all cargo imported into the United States from the People's Republic of China be imported on U.S.-flagged vessels.

Section 416: Priority for Vessels of the United States

This section establishes that a U.S.-flagged vessel shall be given priority at any port of the United States ahead of a waiting vessel of a foreign country.

Section 417: Moving Cargo on Vessels of the United States

This section requires the President, in consultation with the Maritime Security Advisor, the Secretary of Transportation, the Secretary of Commerce, the Federal Maritime Commission, and the U.S. Trade Representative, to identify existing authorities to provide tax benefits, modified import duties, and other maritime privileges to companies that chose to move commercial cargo aboard vessels of the United States. The President shall also make recommendations for Congress for additional legal authorities needed to incentivize movement of commercial cargo aboard U.S.-flag vessels.

Section 418: Transportation requirements for certain exports sponsored by the Secretary of Agriculture

This section clarifies that current U.S.-flagged vessel requirements for USDA's international food aid apply to all agricultural products (not only commodity crops).

Section 419: Clarifying amendments

This section clarifies that the authority to waive Cargo Preference requirements rests with the Maritime Administrator.

Section 420: Energizing American Shipbuilding

This section is the Energizing American Shipbuilding Act (S. 3467 / H.R. 6724), which requires that vessels built in the U.S. transport 15 percent of total seaborne LNG exports by 2043 and 10 percent of total seaborne crude oil exports by 2035.

Section 421: Ship America Office

This section establishes a Ship America Office within the Maritime Administration, to assist in facilitating the movement of commercial goods and government cargo on U.S.-flagged vessels, provide information to importers and carriers about cargo preference incentives, and aid in compliance efforts related to cargo preference requirements.

Subtitle C: Regulatory Reform

Section 431: Alternate Standards

The Maritime Security Program has a provision which allows a U.S.-flag vessel to obtain a U.S. Coast Guard Certificate of Inspection (COI) by complying with the standards of an authorized classification society. This section requires that this Alternate Compliance Program be made available to all U.S.-flagged vessels.

Section 432: Rulemaking Committee on Commercial Maritime Regulations and Standards

This section requires the U.S. Coast Guard to establish a rulemaking committee on commercial maritime regulations and standards to evaluate opportunities to better align U.S. Coast Guard regulations with the International Maritime Organization's (IMO) regulations. The committee shall be made up of representatives of federal maritime agencies, classification societies, carriers, shipbuilders, mariners, maritime labor, and outside experts. The Commandant of the Coast Guard shall initiate a rulemaking process to update regulations based on the committee's recommendations.

Section 433: Amendments to Shipowners' Limitation of Liability Act of 1851

Currently, all vessels in the United States have limited liability (no more than 1x the value of the vessel and freight) for accidents caused, even if major infrastructure is damaged. This section establishes that the liability of a foreign vessel for any claim, debt, or liability shall be 10x the value of the vessel and pending freight, whereas the value of a U.S.-flag vessel shall be 1x the value of the vessel and pending freight. This excludes liability for personal injury, wrongful death, or a claim for wages.

Title 5: Shipbuilding

Subtitle A: Shipbuilding Financial Incentives

Section 501: Shipbuilding Financial Incentives

This section establishes a shipbuilding financial incentive program which allows the Maritime Administration to aid in the construction of an eligible oceangoing vessel (but not a part of the Strategic Commercial Fleet) or to make qualified investments in U.S.

shipyards and facilities which produce critical components or subcomponents for shipyards. This section provides \$250m for each of the fiscal years 2025 through 2034 out of the Maritime Security Trust Fund.

Section 502: Assistance for Small Shipyards

This section provides \$100m per year in funding for the Assistance for Small Shipyards program from the Maritime Security Trust Fund for fiscal years 2025 through 2034. The program's eligibility is also expanded to cover industrial base investments.

Section 503: Federal Ship Financing (Title XI) Program

This section transforms the Title XI program into a revolving loan fund, with proceeds generated by loans and loan guarantees reinvested into the program. To capitalize the initial loan fund, \$100m is provided from the Maritime Security Trust Fund in fiscal year 2025. The program's eligible uses are expanded to include costs associated with re-flagging a vessel or converting a vessel to a more useful military configuration.

Section 504: Construction Reserve Fund

A Construction Reserve Fund (CRF) allows U.S.-flag operators to defer the gain attributable to the sale or loss of a vessel if the funds will be used to expand or modernize the U.S. merchant fleet. This section allows deposited funds to be held longer, placed into investment vehicles other than a bank account, and used for additional purposes.

Section 505: Capital Construction Fund

This section allows funds deposited in a Capital Construction Fund (CCF) to be held longer, expands the profits eligible to be deposited, expands how funds can be used, and allows any company, even one which does not currently own U.S.-flagged vessels, to create a CCF.

This section also expands the CCF program to allow marine terminal operators to create CCFs and use deposited funds to replace cargo handling equipment at marine terminals of the United States, unless such equipment is made by a Chinese-owned or controlled entity.

Section 506: Anticipated Commercial Vessel Construction Survey

This section requires the Maritime Administrator to conduct an annual survey of owners, agents, or operators of commercial maritime vessels and may distribute results to the maritime industrial base. Participation in the survey is voluntary, and proprietary information is protected from disclosure.

Section 507: Streamlined Environmental Review

This section streamlines environmental review requirements for shipyards, ship repair facilities, port terminals and other port facilities, and other facilities which support the

Navy or Merchant Marine of the United States. Under this provision, a lead federal agency will coordinate all reviews, and all reviews must be completed within two years.

Section 508: Eligibility for Loan Guarantees

This section allows Department of Energy loan guarantee programs to support investments in U.S.-flag vessels, shipyards, marine terminals, and port facilities.

Section 509: Reports

This section requires the Maritime Administrator, USTRANSCOM, and the Secretary of the Navy to submit reports to Congress indicating how the shipbuilding financial incentives program will be used to rebuild the Ready Reserve Fleet and derisk the maritime sector. It also requires a report on a plan to restrict capital flow to the Chinese maritime industry.

Section 510: Export Control Report

This section requires the Secretary of State to conduct a study on methods to reduce export controls and ITAR restrictions on foreign-owned maritime companies who wish to invest in the U.S. shipbuilding industry.

Subtitle B: Department of Defense Programs

Section 511: Assessment of the Use of Commercial Best Practices for Navy Shipbuilding

To help private shipbuilders serve both a military and commercial customers, this section would require the Navy and Coast Guard to assess and, where possible, integrate commercial best practices into the design, building, and repair of Navy and Coast Guard vessels.

Section 512: Plan of Action for Use of Defense Production Act Authorities

This section requires a plan of action to be developed to use Defense Production Act authorities to enhance shipyard infrastructure, the defense shipyard industrial base, and maritime port infrastructure in the United States.

Section 513: Strategy on Development of Naval Re-Arm at Sea Capability

This section requires the Secretary of the Navy to develop a strategy for delivering a rearm-at-sea capability to the surface fleet of the United States Navy.

Section 514: Military Sealift Command

This section provides additional authorities to the Secretary of the Navy to support recruitment and retention efforts for mariners employed by Military Sealift Command. It also requires the Navy and Military Sealift Command to report on recruitment and

retention efforts, and the Navy to assess the merits of extending charter durations of for Military Sealift Command.

Subtitle C: Shipbuilding Innovation and Infrastructure

Section 521: United States Center for Maritime Innovation

This section establishes a national maritime innovation incubator program within the Maritime Administration to advance and accelerate R&D for technologies and manufacturing processes which will support the maritime industrial base. The program expands the existing United States Center for Maritime Innovation Program by requiring the establishment of incubators to be located in different regions of the country, establish multi-stakeholder partnerships, and specialize in shipbuilding, alternative fuels, shoreside infrastructure, vessel design and naval architecture, and other areas identified as a priority by the Maritime Security Board. \$50m is provided from the Maritime Security Trust Fund for each of fiscal years 2025 through 2034.

Section 522: National Shipbuilding Research Program

This section authorizes the activities of the National Shipbuilding Research Program (NSRP) and requires increased coordination between NSRP and the Maritime Administration.

Section 523: Assessment on Marine Infrastructure Readiness

This section requires the Maritime Administrator to conduct an assessment on the infrastructure needs of United States shipbuilding, shipping, port, and shipyard infrastructure, including an evaluation of threats posed by the logistics platform LOGINX, which is affiliated with the Chinese government.

Title 6: Workforce Development

Subtitle A: Workforce Incentives

Section 601: Public Service Loan Forgiveness for Mariners

This section would allow merchant mariners with a USCG Merchant Mariner Credential or employees of a shipyard of the United States to qualify for public service loan forgiveness, recognizing their critical role to U.S. economic and national security. To qualify, workers must be employed on a U.S. vessel or by a U.S. shipyard for 10 years (with at least 150 days at sea in a calendar year for mariners).

Section 602: Eligibility for Educational Assistance

This section allows merchant mariners who have served full-time for at least 10 years as a credentialed merchant mariner and have received the Merchant Marine Expeditionary Medal or other mariner medals for service in a designated combat zone (after the date of enactment) to receive educational assistance under the GI bill, if they are not eligible under other VA benefits.

Section 603: Eligibility of Mariners to attend Naval Postgraduate School

This section establishes that the Secretary of the Navy may permit officers and unlicensed mariners of the U.S. Merchant Marine to attend the Naval Postgraduate School.

Section 604: Reimbursement of Qualifying Spouse Relicensing Costs and Business Costs

This section allows spouses of members of the Strategic Sealift Officer Program or Coast Guard Reserve to be reimbursed for costs, up to a certain amount, associated with relicensing or re-establishing a business as a result of service in the reserve programs. Funds for this program will come from the Maritime Security Trust Fund.

Section 605: Noncompetitive Eligibility for Federal Employment

This section allows individuals who 1) have graduated from the USMMA and met all of their cadet commitment agreement requirements, or 2) are a credentialed U.S. Merchant Mariner with an officer or rating endorsement who has served at least 7 years at sea on a vessel of the United States, to be eligible for noncompetitive federal employment. This is similar to the hiring preference afforded to veterans or Peace Corps volunteers.

Section 606: United States Merchant Marine Career Retention Program

Recognizing that in times of war, a reserve of mariners will be needed for strategic sealift opportunities, this section establishes a U.S. Merchant Marine Career Retention Program with two tracks.

- Track 1: Reserve members may work a shore-side job, with USERRA protections, and receive short-term deployments on merchant vessels to maintain mariner credentials.
- Track 2: After completing their service obligations, graduates of Merchant Marine Academies may serve on foreign flagged vessels while keeping their USCG certifications and retaining a reserve status to surge US sealift capacity.

Subtitle B: Workforce Pipeline

Sec. 611: Maritime and Shipbuilding Recruiting Campaign

This section requires the Maritime Administration to conduct targeted public recruiting campaigns, by entering into a contract with a national marketing firm, to promote the opportunities for and benefits of a career in the maritime industry. Funding is provided from the Maritime Security Trust Fund for each of fiscal years 2025 through 2034.

Section 612: Centers of Excellence for Domestic Maritime Workforce Training and Education

This section provides dedicated appropriations to the Centers of Excellence for Domestic Maritime Workforce Training and Education out of the Maritime Security Trust Fund.

Section 613: Maritime Career and Technical Education Advisory Committee

This section creates a federal advisory committee at the Maritime Administration to bring maritime industrial base employers and education providers together to identify joint opportunities to train needed workers for maritime careers.

Section 614: Military Candidates to Mariner Careers Recruitment Exchange

This section requires the Department of Defense to encourage military recruiters to recommend careers in the maritime industry to recruits who do not qualify for U.S. military service but wish to serve at-sea or work in a shipyard of the United States. It requires DoD to establish a mechanism to introduce these recruits to the Maritime Administration, who are then required to provide these recruits with appropriate maritime industry career resources and hand-offs.

Section 615: Maritime Worker Data Collection

This section requires the Maritime Administrator to publish a biennial report on the state of the U.S. Merchant Marine, to include the number of mariners actively sailing, and forecasts for needed mariners in the future and in a potential conflict.

Section 616: Military to Maritime Transition

This section requires DoD, Coast Guard, DoL, VA, and the Maritime Security Board to jointly submit a report detailing opportunities to reduce barriers for retiring military service members with military sea service credentials or skills transferable to the maritime industry to transition to jobs in the merchant marine, shipyards, or other maritime industries.

Section 617: Early Maritime Education and Youth Involvement

This section requires the Secretary of the Navy to specify funding for the Naval Sea Cadet Corps in the annual budget request and encourages the Maritime Administration (MARAD) Centers of Excellence to develop programs to work with K-12 educational programs to raise awareness of careers in the maritime industry.

Section 618: International Scholarship for Mariner and Naval Architecture Exchanges

This section establishes a new international exchange program between the United States and allied countries for post-graduate studies related to maritime architecture.

Subtitle C: U.S. Merchant Marine Academy and State Maritime Academies

Section 621: Authorization of Appropriations for United States Merchant Marine Academy Infrastructure and Facilities Modernization

This section requires the Maritime Administration to develop a 10-year campus modernization plan to make the campus capable of meeting the modern needs of the midshipmen and the maritime industry.

Section 622: United States Merchant Marine Academy

This section establishes a sense of Congress that the U.S. Merchant Marine Academy shall be considered a co-equal school to the other four military service academies and requires MARAD to conduct a study on increasing enrollment at the Academy.

This section also authorizes funding for the operations of the U.S. Merchant Marine Academy.

Section 623: Retirement Service Credit for Service as a Midshipman at the United States Merchant Marine Academy

This section clarifies that attendance at the U.S. Merchant Marine Academy, just like other federal service academies, is a qualifying time for federal retirement benefits.

Section 624: State Maritime Academies

This section requires the Maritime Administrator to evaluate whether additional resources are needed to allow State Maritime Academies to increase their enrollment. It also requires the Administrator to study if additional State Maritime Academies should be established.

This section also provides dedicated funding to State Maritime Academies out of the Maritime Security Trust Fund.

Section 625: Military to Mariner Enrollment at a State Maritime Academy

This section requires State Maritime Academies to establish a program to allow honorably discharged veterans to receive merchant marine officer credentials without requiring the veteran to receive a four-year degree. Such expedited programs shall last less than three years.

Section 626: Enforcement of Service Obligation Requirements

This section requires the Maritime Administration to develop an updated system to ensure all mariners meet their service obligation and inform those who have not met their obligation of their duty to do so, or else repay the cost of their education.

Section 627: Fuel Funding for Training Ships operated by State Maritime Academies

This section establishes that all fuel costs for training ships operated by State Maritime Academies shall be provided out of the Maritime Security Trust Fund. It also prohibits State Maritime Academies who receive this funding from making a profit on students who use training vessels at sea.

The section also establishes that State Maritime Academies should make use of mariners enrolled in the Career Retention Program to crew training vessels and allows the Maritime Administration to cover all such expenses associated with crew costs for individuals enrolled in the Career Retention Program on training ships, with funding provided out of the Maritime Security Trust Fund.

Section 628: State Maritime Academy Sea Term Scholarship Programs

This section requires the Maritime Administrator to partner with industry partners who would hire licensed mariners who complete summer sea term training on scholarships to offset the costs of a summer sea term program. The Maritime Administration can match contributed funds by industry partners for such programs with funding from the Maritime Security Trust Fund.

Section 629: Naval Joint Exercise Involvement for Training Ships Operated by State Maritime Academies

This section requires the Secretary of the Navy to find opportunities to include at least one training ship operated by a State Maritime Academy in annual joint-naval exercises and make space on the vessel available to students from USMMA, the SMAs, or other credentialed mariners.

Subtitle D: Maritime Licensing Modernization

Section 631: Merchant Mariner Credentialing Modernization

This section requires the U.S. Coast Guard to upgrade the merchant mariner credentialing program to allow for electronic submission of mariner applications and allow certain data to be shared between government agencies.

Section 632: Revising Merchant Mariner Deck Training Requirements

This section updates the sea-time and training requirements for unlicensed members of deck departments.

Section 633. Inspections for Transportation Security

This section requires the Coast Guard to verify that offshore vessels are following the manning requirements under 43 U.S.C. 1356 or has a valid exemption.

Section 634: Technical Amendments Relating to References to Seamen

This section replaces the word "seaman" with the term "seafarer" where it appears in statute.

Section 635: Renewal of Merchant Mariner Licenses and Documents

This section clarifies that renewals to existing merchant mariner credentials begin the day after the expiration of the existing credential.

Section 636: Merchant Seamen Licenses, Certificates, and Documents; Manning of Vessels

This section enables American Samoans who meet the definition of a United States National to be eligible for merchant mariner credentials.

Section 637: Reactivation of Expired License

This section grants authority to reactivate a merchant mariner's documents, expired license, and/or certificate of registry in response to a declared national emergency, if determined necessary by the Secretary.

Title 7: Tax Provisions

Section 701: Establishment of the Maritime Security Trust Fund

Other modes of transportation are supported by dedicated trust funds, financed by user fees. These trust funds, like the Highway Trust Fund and Aviation Trust Fund, allow for sustained federal support for national transportation priorities, independent of the annual appropriations process. This section (alongside Section 201) creates a **Maritime Security Trust Fund** to create a dedicated source of funding for critical maritime security programs.

The Maritime Security Trust Fund would be financed by funds collected from Customs and Border Protection through duties, fees, and penalties imposed on vessels in international commerce, the proceeds from regular tonnage taxes (as amended by section 202), special tonnage taxes, light money, and tariffs and duties imposed on foreign nations, to include Section 301 tariffs.

Section 702: United States Vessel Investment Credit

This section would establish a 33% investment tax credit for any investment made by a taxpayer to construct, repower, or reconstruct an eligible oceangoing vessel in the United States. To claim the credit, the vessel owner would have to enter into an agreement with the Maritime Administrator to document the ship under the laws of the United States for not less than 10 years and institutes a claw back mechanism if necessary. A bonus credit of 5% would be added on if the vessel owner enters into an agreement with the Maritime Administrator to receive protection and indemnity (P&I) insurance from a company headquartered in the United States. A bonus credit of 2.5% would be added on if the vessel is classified by and designed in accordance with the rules of a classification society headquartered in the United States.

Section 703: Certain Payments for Maritime Security Excluded from Gross Income

This section clarifies that funding received under the following programs is not considered taxable income:

- The Maritime Security Program
- The Shipbuilding Financial Incentives Program
- The Cable Security Program
- The Tanker Security Program
- The Strategic Commercial Fleet Program
- The Small Shipyards Grant Program
- The Port Infrastructure Development Program

Section 704: Elimination of 30-day Limitation on Domestic Operations

This section eliminates the statutory 30-day limitation under the domestic tonnage tax.

Section 705: Qualifying Shipping Activities

This section requires the IRS to update regulations to specify that “core” activities are any transportation services that a carrier is obligated to provide under a bill of lading covering the transportation of goods by ocean to or from U.S. ports in foreign trade as set forth in the Carriage of Goods by Sea Act (COGSA), which is the industry standard for “core” activities.

Section 706: Qualifying Vessel

This section allows owners of vessels of the United States, whose vessels have a VISA or VTA, to qualify for the tonnage tax regime for their entire fleet of vessels.

Section 707: Credit for Construction of Shipyard Facilities

This section establishes a 25% investment tax credit for any investment made by a taxpayer into a qualified shipyard facility in the United States, which includes shipyards for civil and military oceangoing vessels, and manufacturers that make critical components or equipment for such vessels.

Section 708: Tax Incentives Relating to Merchant Marine Capital Construction Funds

This section makes corresponding technical updates to the Internal Revenue Code related to the changes made to the Capital Construction Fund under Sec. 505. It also clarifies that fund withdrawals may not be used for fully automated cargo handling equipment or cranes manufactured in the PRC.

Section 709: Exemption of Student Incentive Payment Agreements from Gross Income

The Student Incentive Payment (SIP) Program provides financial support to eligible students enrolled at a State Maritime Academy to become licensed officers in the U.S. Merchant Marine. Students benefitting from SIP have a service obligation upon graduation. This section clarifies the payments received under the SIP Program are not considered a part of a student's taxable income.

Sec. 710 Maritime Fuel Tax Parity Act

This section is the Maritime Fuel Tax Parity Act (S. 3001 / H.R. 1044), which extends the exemption from the excise tax on alternative motor boat or motor vehicle fuels sold or used as supplies for certain vessels or aircraft engaged in trade between U.S. Atlantic or Pacific ports.