the Department in which the Coast Guard is operating to ensure that any vessel that is, or was, covered by an operating agreement under this chapter is permanently ineligible for a coastwise endorsement under section 12112 of this title or to otherwise participate in the coastwise trade, as required under paragraph (1)(B).

"(c) MILESTONES AND PAYMENTS.—The operating agreement shall—

"(1) prescribe specific milestones for project completeness, as agreed upon between the Administrator and the covered entity; and

"(2) specify the schedule of operating support payments, and as applicable, capital support payments and other incentives and payments, based on completion of such milestones and consistent with the eligible application submitted by the covered entity under section 53602(c)(3)(A), as agreed to by the Administrator and the covered entity.

"(d) INCENTIVES.—

"(1) STATE OF THE ART TECHNOLOGY INCENTIVES.—An operating agreement required under subsection (a) may include incentives to support the testing or adoption of state of the art technology, including artificial intelligence, advanced shipbuilding techniques, automation, modern propulsion systems, environmental performance, crew safety, military features, and other technologies identified by the Maritime Security Board to be relevant in advancing the military and economic security of the United States.

"(2) PERFORMANCE INCENTIVES.—The operating agreement may include incentive payments for eligible entities that exceed the milestones established under subsection (c)(1).

"(e) LENGTH OF OPERATING AGREEMENT.—

"(1) IN GENERAL.—An operating agreement to participate in the Fleet shall be for a period of 7 years.

"(2) RENEWAL OF AGREEMENT.—

"(A) IN GENERAL.—A covered entity for a vessel participating in the Fleet under an operating agreement under this section may apply to renew such operating agreement.

"(B) RENEWAL LIMITATION.—An operating agreement under this section may be renewed not more than 2 times.

"(3) TERMINATION PAYMENT.—

"(A) NO-FAULT TERMINATION DURING CONTRACT.—Subject to subparagraph (B), a covered entity for a vessel operating under an operating agreement under this section shall receive a termination payment if any of the following applies:

"(i) NO-FAULT TERMINATION.—Capital support payments provided to a covered entity under an operating agreement are terminated during a contract term.

"(ii) NO-FAULT NON-RENEWAL.—An operating agreement is not selected to be renewed under paragraph (2).

"(B) ADMINISTRATOR DETERMINATION FOR MATERIAL LACK OF COMPLIANCE.—In any case in which the Administrator determines under subsection (f) that a covered entity for a vessel operating under an operating agreement under this section materially fails to comply with the terms of the operating agreement and, due to such failure to comply, the operating agreement is terminated or not selected for renewal, the Administrator may determine that the covered entity is not entitled to a termination payment and subparagraph (A) shall not apply.

"(C) TERMINATION PAYMENT DEFINED.— In this paragraph, the term 'termination payment' means a payment in an amount that equals 50 percent of—

"(i) the percentage of the remaining useful life of the vessel, calculated using 21 years as the maximum useful life of the vessel; multiplied by

"(ii) the difference in the cost of constructing the vessel in the United States and the cost of constructing the vessel in a foreign country, to the extent such cost difference was not recovered by the covered entity through payments received under any operating agreement under this section.

"(f) TERMINATION BY ADMINISTRATOR FOR LACK OF PROGRAM PARTICIPANT COMPLIANCE.—If a covered entity for a vessel operating under an operating agreement under this section materially fails to comply with the terms of the operating agreement—

"(1) the Administrator shall notify the covered entity and provide a reasonable opportunity to comply with the operating agreement; and

"(2) if the covered entity fails to achieve such compliance, the Administrator—

"(A) shall terminate the operating agreement;

"(B) shall not renew the operating agreement under subsection (e)(2); and

"(C) may take steps to recover an amount equal to the payments and incentives provided to the covered entity under this chapter.

"(g) NONRENEWAL FOR LACK OF FUNDS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by this chapter for that fiscal year, then the Administrator shall notify the appropriate committees of Congress that operating agreements authorized under this chapter for which sufficient funds are not available will not be renewed for that fiscal year if sufficient funds are not appropriated by the 60th day of that fiscal year.

"(h) RELEASE OF VESSELS FROM OBLIGATIONS.—

"(1) IN GENERAL.—A vessel covered by an operating agreement under this chapter is released from any further obligation under the operating agreement, except for the requirements of subsection (b)(1)(B), if—

"(A) the Administrator terminated or did not renew the operating agreement under subsection (f); or

"(B) funds are not appropriated to the Administrator for payments under the operating agreement under this chapter for any fiscal year by the 60th day of that fiscal year.

"(2) AUTHORITY TO TRANSFER VESSEL.—

"(A) IN GENERAL.—After a vessel is released from obligations under paragraph (1), the covered entity may transfer and register such vessel under a foreign registry that—

"(i) is acceptable to the Administrator and the Secretary of Defense, and allows the requisitioning of the vessel for title or use, notwithstanding section 56101 of this title; and

"(ii) is not a foreign country of concern.

"(B) EMERGENCY ACQUISITION OF VESSELS.—If chapter 563 of this title is applicable to a vessel after registration in a foreign registry described in subparagraph (A), then the vessel is available to be requisitioned by the

Secretary of Transportation pursuant to such chapter.

"(i) JUDICIAL REVIEW.—No court shall have jurisdiction to review the Administrator's decision with respect to the award or non-award of an operating agreement issued under this chapter.

"§ 53604. Payments

"(a) IN GENERAL.—An operating agreement under this chapter shall require that the Administrator make payments to the covered entity, in accordance with the milestones established under section 53603(c)(1) and the operating agreement under section 53603 and subject to the availability of appropriations under subsection (e).

"(b) LIMITATIONS.—Notwithstanding any other provision of this chapter, the Administrator shall not make any payment under this chapter for a vessel—

"(1) with respect to any day for which—

"(A) the vessel is not operated or maintained in accordance with an operating agreement under this chapter;

"(B) the vessel is under a charter to the United States Government; or

"(C) except as provided under subsection (c), the vessel is engaged in transporting military or other preference cargoes under section

55302(a), 55304, 55305, or 55314 of this title, section 2631 of title 10, or any other cargo preference law of the United States; or

"(2) that participates in the coastwise trade in violation of the operating agreement and section 53603(b)(1)(B).

"(c) PREFERENCE CARGOS.—The Administrator may waive the requirement of subsection (b)(1)(C) to the extent, in the manner, and on the terms the Administrator prescribes, only if—

"(1) the Administrator, acting in the Administrator's capacity as Director of the National Shipping Authority, makes a determination of the nonavailability of qualified vessels of the United States that are not enrolled in the Strategic Commercial Fleet;

"(2) the Administrator ensures reasonable notice has been provided to the owners and operators of qualified vessels of the United States that are not enrolled in the Strategic Commercial Fleet; and

"(3) by not later than 7 days after issuing a waiver under this subsection, the Administrator notifies the appropriate committees of Congress and posts such waiver on a public website of the Maritime Administration.

"(d) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this chapter constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement, subject to the availability of appropriations under subsection (e).

"(e) APPROPRIATIONS FROM THE MARITIME SECURITY TRUST FUND.—

"(1) IN GENERAL.—There is authorized to be appropriated to the Administrator for payments to covered entities under this section, out of the Maritime Security Trust Fund established under section 9512 of the Internal Revenue Code of 1986—

"(A) for fiscal year 2025, $150,000,000;

"(B) for fiscal year 2026, $300,000,000;

"(C) for fiscal year 2027, $550,000,000;

"(D) for fiscal year 2028, $800,000,000;

"(E) for fiscal year 2029, $1,000,000,000;

"(F) for fiscal year 2030, $1,200,000,000;

"(G) for fiscal year 2031, $1,400,000,000;

"(H) for fiscal year 2032, $1,600,000,000;

"(I) for fiscal year 2033, $1,900,000,000; and

"(J) for fiscal year 2034, $2,100,000,000.

"(2) AVAILABILITY.—Amounts made available under paragraph (1) shall remain available until expended.

"(f) CLARIFICATION.—The provision by the Administrator of a payment under this section shall not be considered to be a major Federal action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or an undertaking for the purposes of division A of subtitle III of title 54, United States Code.

"(g) BUY AMERICA.—Section 54101(d)(2) shall apply to any funds obligated by the Administrator under this section.

"§ 53605. National security requirements

"(a) EMERGENCY PREPAREDNESS AGREEMENT REQUIRED.—The Administrator, in coordination with the Secretary of Defense, shall establish an emergency preparedness program under this section under which the program participant for an operating agreement under this chapter shall agree, as a condition of the operating agreement, to enter into an emergency preparedness agreement with the Administrator. The Administrator shall negotiate and enter into an emergency preparedness agreement with each program participant as promptly as practicable after the program participant has entered into the operating agreement.

"(b) USE OF EXISTING PROGRAM.—The Administrator may use an existing emergency preparedness program, as of the date of enactment of the SHIPS for America Act of 2024, to satisfy the requirements of subsection (a).

"(c) TERMS OF AGREEMENT.—The terms of an emergency preparedness agreement under this section shall—

"(1) provide that upon request by the Secretary of Defense during time of war or national emergency, or whenever determined by the Secretary of Defense to be necessary for national security or contingency operation (as that term is defined in section 101 of title 10), the program participant shall make available commercial transportation resources (including services) described in subsection (e) to the Secretary of Defense;

"(2) shall include such additional terms as may be established by the Administrator and the Secretary of Defense; and

"(3) shall allow for the modification or addition of terms upon agreement by the Administrator and the program participant and the approval by the Secretary of Defense.

"(d) PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.—The Administrator may not require, through an emergency preparedness agreement or an operating agreement, that a program participant covered by an operating agreement continue to participate in an emergency preparedness agreement after the operating agreement has expired according to its terms or is otherwise no longer in effect. After the expiration of an emergency preparedness agreement, a program participant may voluntarily continue to participate in the agreement.

"(e) RESOURCES MADE AVAILABLE.—The commercial transportation resources to be made available under an emergency preparedness agreement shall include vessels or capacity in vessels, terminal facilities, management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary of Defense may determine to be necessary, seeking to minimize disruption of the program participant's service to commercial customers.

"(f) COMPENSATION.—

"(1) IN GENERAL.—The Administrator shall include in each emergency preparedness agreement provisions approved by the Secretary of Defense under which the Secretary of Defense shall pay fair and reasonable compensation for all commercial transportation resources provided pursuant to this section.

"(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

"(A) shall not be less than the program participant's commercial market charges for like transportation resources;

"(B) shall be fair and reasonable considering all circumstances;

"(C) shall be provided from the time that a vessel or resource is required by the Secretary of Defense until the time it is redelivered to the program participant and is available to reenter commercial service; and

"(D) shall be in addition to and shall not in any way reflect amounts payable under section 53604 of this title.

"(g) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding section 55302(a), 55304, 55305, or 55314 of this title, section 2631 of title 10, or any other cargo preference law of the United States—

"(1) a program participant may operate or employ in foreign commerce a foreign vessel, or capacity in a foreign vessel, as a temporary replacement for a vessel of the United States or vessel of the

United States capacity that is activated by the Secretary of Defense under an emergency preparedness agreement or a primary Department of Defense sealift-approved readiness program; and

"(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to sections 55302(a), 55304, 55305, and 55314 of this title and section 2631 of title 10, to the same extent as the eligibility of the vessel or vessel capacity replaced.

"(h) REDELIVERY AND LIABILITY OF THE UNITED STATES FOR DAMAGES.—

"(1) IN GENERAL.—All commercial transportation resources activated under an emergency preparedness agreement shall, upon termination of the period of activation, be redelivered to the program participant in the same good order and condition as when received, less ordinary wear and tear, or the Secretary of Defense shall fully compensate the program participant for any necessary repair or replacement.

"(2) LIMITATION ON UNITED STATES LIABILITY.—Except as may be expressly agreed in an emergency preparedness agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a program participant's commercial business or other consequential damages to the program participant arising from the activation of commercial transportation resources under an emergency preparedness agreement.

"§ 53606. Regulations

"The Administrator and the Secretary of Defense may each prescribe rules as necessary to carry out their respective responsibilities under this chapter.".

(b) CONFIRMING AMENDMENTS.—Section 51307(b) of title 46, United States Code, is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ", or the" and inserting ", the"; and

(ii) by inserting ", or the Strategic Commercial Fleet under chapter 536 of this title" before "to—"; and

(B) in subparagraph (A), by striking "or Tanker Security Fleet vessel" and inserting "Tanker Security Fleet vessel, or Strategic Commercial Fleet vessel"; and

(2) in paragraph (2), by striking "or 534" and inserting "534, or 536".

(c) CLERICAL AMENDMENT.—The table of chapters for subtitle V of title 46, United States Code, is amended by adding at the end the following:

SEC. 402. MARITIME SECURITY PROGRAM.

(a) ANNUAL PAYMENTS.—Section 53106(a)(1) of title 46, United States Code, is amended—

(1) in subparagraph (C), by striking "fiscal years 2022, 2023, 2024, and 2025" and inserting "fiscal years 2022, 2023, and 2024"; and

(2) by striking subparagraphs (D) through (F) and inserting the following:

"(D) $6,500,000 for each of fiscal years 2025 and 2026;

"(E) $6,675,000 for each of fiscal years 2027 and 2028;

"(F) $6,855,000 for each of fiscal years 2029 and 2030;

"(G) $7,040,000 for each of fiscal years 2031 and 2032; and

"(H) $7,230,000 for each of fiscal years 2033 and 2034.".

(b) CARGO PREFERENCE.—Section 53105(a) of title 46, United States Code, is amended—

(1) in paragraph (2), by striking "and" after the semicolon;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) except for the limitations established under subsection (d), the vessel shall receive priority consideration to carry military or other preference cargoes under section 55305 or 55314 of this title, section 2631 of title 10, or any other cargo preference law of the United States, over vessels of the United States that are enrolled in other financial assistance programs established under chapters 532, 534, and 536 of this part.".

(c) MARITIME SECURITY FLEET.—

(1) TEST.—Not later than 180 days after the date of enactment of this Act, the Commander of the United States Transportation Command, in coordination with the Secretary of the Navy and the Maritime Administrator, shall devise a tabletop exercise to test the effective control of the Maritime Security Fleet under chapter 531 of title 46, United States Code, in case of crisis or war.

(2) BRIEFING.—After completion of the exercise under paragraph (1), the Commander shall submit to the appropriate committees of Congress a

briefing on the results of the tabletop exercise under paragraph (1).

(3) ANNUAL TESTING.—Beginning not later than 1 year after the briefing is submitted under paragraph (2), the Commander shall—

(A) carry out tabletop drills to test effective control of the Maritime Security Fleet under chapter 531 of title 46, United States Code; and

(B) provide to the appropriate committees of Congress a briefing after each such drill on the results of such drill.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 53111 of title 46, United States Code, is amended—

(1) in paragraph (3), by striking "fiscal years 2022, 2023, 2024, and 2025" and inserting "fiscal years 2022, 2023, and 2024"; and

(2) by striking paragraphs (4) through (6) and inserting the following:

"(4) $390,000,000 for each of fiscal years 2025 and 2026;

"(5) $400,500,000 for each of fiscal years 2027 and 2028;

"(6) $411,300,000 for each of fiscal years 2029 and 2030;

"(7) $422,400,000 for each of fiscal years 2031 and 2032; and

"(8) $433,800,000 for each of fiscal years 2033 and 2034.".

SEC. 403. CABLE SECURITY FLEET.

(a) ANNUAL PAYMENTS.—Section 53206(a)(1) of title 46, United States Code, is amended by striking "equal to $5,000,000 for each fiscal year 2021 through 2035" and inserting "equal to—

"(A) $6,500,000 for each of fiscal years 2025 and 2026;

"(B) $8,000,000 for each of fiscal years 2027 and 2028;

"(C) $9,500,000 for each of fiscal years 2029 and 2030;

"(D) $10,500,000 for each of fiscal years 2031 and 2032; and

"(E) $12,000,000 for each of fiscal years 2033 and 2034.".

(b) ASSESSMENT OF UNDERSEA CABLE REPAIR CONTINGENCIES.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense, in coordination with the Maritime Administrator, the Federal Communications Com-

mission, and other relevant Federal agencies, shall submit to the appropriate committees of Congress an assessment on the ability and preparedness of the USNS Zeus and the Cable Security Fleet under chapter 532 of title 46, United States Code, to repair transoceanic submarine fiber optic cables that may be damaged or cut by adversaries.

(2) CONTENTS.—The assessment under paragraph (1) shall include—

(A) a description of preparedness to address a situation in which the cables of partner countries in both the Pacific and Atlantic Oceans are damaged or severed at or around the same time;

(B) a determination as to how long it would take for the Cable Security Fleet, in coordination with partner countries, to repair such cables; and

(C) the options available to provide connectivity in an emergency or crisis caused by, or related to, the damaging or severing of such cables.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 53209 of title 46, United States Code, is amended—

(1) by striking "section 53206, $10,000,000 for each of the fiscal years 2021 through 2035."; and inserting the following: "section 53206—

"(1) $13,000,000 for each of fiscal years 2025 and 2026;

"(2) $16,000,000 for each of fiscal years 2027 and 2028;

"(3) $19,000,000 for each of fiscal years 2029 and 2030;

"(4) $21,000,000 for each of fiscal years 2031 and 2032; and

"(5) $24,000,000 for each of fiscal years 2033 and 2034.".

SEC. 404. TANKER SECURITY FLEET.

(a) PAYMENTS.—Section 53406(a) of title 46, United States Code, is amended—

(1) by striking "$6,000,000" and inserting "$9,000,000."; and

(2) by striking the last sentence.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 53411 of title 46, United States Code, is amended by striking ", and $120,000,000 for fiscal years 2024 through 2035" and inserting ", $120,000,000 for fiscal year 2024, and $180,000,000 for fiscal years 2025 through 2035".