

1 a number of tanker vessels that is consistent
2 with the requirements of the Study.

3 “(E) CONSIDERATIONS FOR REVIEW.—In
4 evaluating eligible applications submitted under
5 this subsection for selection in the Fleet, the
6 Administrator shall—

7 “(i) ensure that any vessel so selected
8 will be suitable for use by the United
9 States for national defense or military pur-
10 poses in time of war or national emer-
11 gency;

12 “(ii) ensure that any vessel so selected
13 will aid in the promotion and development
14 of foreign commerce;

15 “(iii) confirm that—

16 “(I) the proposed use of the ves-
17 sel in commercial service is reason-
18 able; and

19 “(II) the owner or operator of
20 the vessel possesses the ability, experi-
21 ence, financial resources, and other
22 qualifications necessary for the oper-
23 ation and maintenance of the vessel;

24 “(iv) confirm that a shipyard selected
25 to construct a vessel under this section

1 possesses the ability, experience, financial
2 resources, equipment, and other qualifica-
3 tions necessary to properly construct the
4 vessel;

5 “(v) ensure the price for the construc-
6 tion (if applicable) and operation of a ves-
7 sel under this section is fair and reason-
8 able;

9 “(vi) consider whether the covered en-
10 tity commits to—

11 “(I) use equipment, materials,
12 and supplies that are produced in the
13 United States; and

14 “(II) utilize, to the maximum ex-
15 tent practicable, subcontractors and
16 suppliers that are based in the United
17 States;

18 “(vii) consider whether the covered
19 entity commits to repair, repower, and re-
20 condition a vessel under this section in a
21 shipyard of the United States; and

22 “(viii) consider whether the covered
23 entity has made commitments to worker
24 and community investment, including
25 through—

1 “(I) programs to expand employ-
2 ment opportunity for economically dis-
3 advantaged individuals; or

4 “(II) securing commitments from
5 regional educational and training enti-
6 ties and institutions of higher edu-
7 cation, as defined in section 102 of
8 the Higher Education Act of 1965 (20
9 U.S.C. 1002), to provide workforce
10 training, including programming for
11 training and job placement of eco-
12 nomically disadvantaged individuals.

13 “(5) TIMING.—

14 “(A) QUALIFIED FOREIGN VESSEL.—Not
15 later than 180 days after entering into an oper-
16 ating agreement under section 53603 with a
17 covered entity for inclusion of a qualified for-
18 eign-built vessel into the Fleet, such vessel shall
19 be placed into service as part of the Fleet.

20 “(B) NEWLY CONSTRUCTED VESSEL.—Not
21 later than 36 months after entering into an op-
22 erating agreement under section 53603 with a
23 covered entity for inclusion of a newly con-
24 structed United States built vessel described in

1 paragraph (2)(A), such vessel shall be placed
2 into service as part of the Fleet.

3 “(C) DELAYED ADMISSION.—The Adminis-
4 trator may delay the entry of a vessel selected
5 to participate in the Fleet for—

6 “(i) a delay in the construction of
7 such vessel; or

8 “(ii) difficulty of the owner or oper-
9 ator of such vessel in recruiting United
10 States mariners as required under section
11 53603(b)(1)(A).

12 “(d) VESSEL ELIGIBILITY.—A vessel is eligible to be
13 included in the Fleet if—

14 “(1) the vessel—

15 “(A) is a vessel of the United States; or

16 “(B) is not a vessel of the United States,
17 but—

18 “(i) the owner of the vessel has dem-
19 onstrated an intent to have the vessel doc-
20 umented under chapter 121 of this title if
21 it is included in the Fleet; and

22 “(ii) at the time an operating agree-
23 ment is entered into under section 53603,
24 the vessel is eligible for documentation
25 under chapter 121 of this title;

1 “(2) the vessel is a United States built vessel
2 or a qualified foreign-built vessel;

3 “(3) the vessel is—

4 “(A) a bulk carrier vessel;

5 “(B) a tanker vessel;

6 “(C) a roll-on/roll-off vessel;

7 “(D) a liquefied natural gas tanker vessel;

8 “(E) a container vessel;

9 “(F) a multi-purpose vessel;

10 “(G) a cable vessel (as defined in section
11 53201 of this title);

12 “(H) a heavy-lift vessel; or

13 “(I) any other type of vessel determined
14 appropriate by the Administrator, in consulta-
15 tion with the Maritime Security Board;

16 “(4) the vessel is operated (or will be operated)
17 in providing transportation in foreign commerce;

18 “(5) the vessel meets the requirements of para-
19 graph (1), (2), (3), or (4) of subsection (e);

20 “(6) the vessel—

21 “(A) is suitable for use by the United
22 States for national defense or military purposes
23 in time of war or national emergency, as deter-
24 mined by the Secretary of Defense;

1 “(B) is commercially viable, as determined
2 by the Administrator; and

3 “(C) has dedicated space for the training
4 of—

5 “(i) cadets of the Merchant Marine
6 Academy consistent with the requirements
7 of section 51307(b);

8 “(ii) students of a State maritime
9 academy, consistent with the requirements
10 of section 51507; or

11 “(iii) participants in another work-
12 force training program identified by the
13 Administrator; and

14 “(7) the vessel will, for the period of an oper-
15 ating agreement under section 53603 that applies to
16 the vessel, meet any other requirement determined
17 appropriate by the Administrator.

18 “(e) REQUIREMENTS REGARDING CITIZENSHIP OF
19 OWNERS, CHARTERERS, AND OPERATORS.—

20 “(1) VESSEL OWNED AND OPERATED BY SEC-
21 TION 50501 CITIZENS.—A vessel meets the require-
22 ments of this paragraph if, during the period of an
23 operating agreement under this chapter that applies
24 to the vessel, the vessel will be owned and operated

1 by 1 or more persons that are citizens of the United
2 States under section 50501.

3 “(2) VESSEL OWNED BY SECTION 50501 CITIZEN
4 OR UNITED STATES CITIZEN TRUST AND CHAR-
5 TERED TO DOCUMENTATION CITIZEN.—A vessel
6 meets the requirements of this paragraph if—

7 “(A) during the period of an operating
8 agreement under this chapter that applies to
9 the vessel, the vessel will be—

10 “(i) owned by a person that is a cit-
11 izen of the United States under section
12 50501 of this title or that is a United
13 States citizen trust; and

14 “(ii) demise chartered to a person—

15 “(I) that is eligible to document
16 the vessel under chapter 121 of this
17 title;

18 “(II) the chairman of the board
19 of directors, chief executive officer,
20 and a majority of the members of the
21 board of directors of which are citi-
22 zens of the United States under sec-
23 tion 50501 of this title, and are ap-
24 pointed and subjected to removal only

1 upon approval by the Administrator;
2 and

3 “(III) that certifies to the Ad-
4 ministrator that there are no treaties,
5 statutes, regulations, or other laws
6 that would prohibit the covered entity
7 for the vessel from performing its ob-
8 ligations under an operating agree-
9 ment under this chapter;

10 “(B) in the case of a vessel that will be de-
11 mise chartered to a person that is owned or
12 controlled by another person that is not a cit-
13 izen of the United States under section 50501
14 of this title, the other person enters into an
15 agreement with the Administrator not to influ-
16 ence the operation of the vessel in a manner
17 that will adversely affect the interests of the
18 United States; and

19 “(C) the Administrator and the Secretary
20 of Defense notify the appropriate committees of
21 Congress that they concur with the certification
22 required under subparagraph (A)(ii)(III) and
23 have reviewed and agree that there are no other
24 legal, operational, or other impediments that
25 would prohibit the covered entity for the vessel

1 from performing its obligations under an oper-
2 ating agreement under this chapter.

3 “(3) VESSEL OWNED AND OPERATED BY DE-
4 FENSE CONTRACTOR.—A vessel meets the require-
5 ments of this paragraph if—

6 “(A) during the period of an operating
7 agreement under this chapter that applies to
8 the vessel, the vessel will be owned and oper-
9 ated by a person that—

10 “(i) is eligible to document a vessel
11 under chapter 121 of this title;

12 “(ii) operates or manages other
13 United States-documented vessels for the
14 Secretary of Defense, or charters other
15 vessels to the Secretary of Defense;

16 “(iii) has entered into a special secu-
17 rity agreement for purposes of this para-
18 graph with the Secretary of Defense;

19 “(iv) makes the certification described
20 in paragraph (2)(A)(ii)(III); and

21 “(v) in the case of a vessel described
22 in paragraph (2)(B), enters into an agree-
23 ment referred to in that paragraph; and

24 “(B) the Administrator and the Secretary
25 of Defense notify the appropriate committees of

1 Congress that they concur with the certification
2 required under subparagraph (A)(iv), and have
3 reviewed and agree that there are no other
4 legal, operational, or other impediments that
5 would prohibit the covered entity for the vessel
6 from performing its obligations under an oper-
7 ating agreement under this chapter.

8 “(4) VESSEL OWNED BY DOCUMENTATION CIT-
9 IZEN AND CHARTERED TO SECTION 50501 CITIZEN.—
10 A vessel meets the requirements of this paragraph if,
11 during the period of an operating agreement under
12 this chapter that applies to the vessel, the vessel will
13 be—

14 “(A) owned by a person that is eligible to
15 document a vessel under chapter 121; and

16 “(B) demise chartered to a person that is
17 a citizen of the United States under section
18 50501.

19 **“§ 53603. Operating agreements**

20 “(a) IN GENERAL.—The Administrator shall require,
21 as a condition of including any vessel in the Fleet, that
22 the covered entity for the vessel enter into an operating
23 agreement under this section.

24 “(b) REQUIREMENTS.—

1 “(1) IN GENERAL.—An operating agreement re-
2 quired under subsection (a) shall require the vessel
3 subject to such agreement to meet the following re-
4 quirements:

5 “(A) During the period in which the vessel
6 is operating under the agreement—

7 “(i) the vessel will be crewed by only
8 United States mariners;

9 “(ii) the vessel shall be operated with-
10 in the Fleet exclusively in foreign com-
11 merce and not in coastwise trade; and

12 “(iii) the covered entity will have in
13 effect an emergency preparedness agree-
14 ment described in section 53605 for the
15 period of such agreement.

16 “(B) Beginning on the first day of the op-
17 erating agreement, the vessel will be perma-
18 nently ineligible for a coastwise endorsement
19 under section 12112 of this title or to otherwise
20 participate in the coastwise trade, even if the
21 operating agreement is terminated or not re-
22 newed.

23 “(2) COORDINATION WITH COAST GUARD RE-
24 GARDING COASTWISE TRADE PROHIBITION.—The
25 Administrator shall coordinate with the Secretary of