

115TH CONGRESS
1ST SESSION

H. R. 3201

To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2017

Mr. BACON introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To amend and enhance certain maritime programs of the Department of Transportation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Maritime Administration Authorization and Enhance-
6 ment Act for Fiscal Year 2018”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Authorization of the Maritime Administration.

Sec. 3. Removal adjunct professor limit at United States Merchant Marine Academy.

1 (B) \$25,051,000 shall remain available
2 until expended for capital asset management at
3 the Academy.

4 (2) For expenses necessary to support the State
5 maritime academies, \$29,550,000, of which—

6 (A) \$2,400,000 shall remain available until
7 September 30, 2018, for the Student Incentive
8 Program;

9 (B) \$3,000,000 shall remain available until
10 expended for direct payments to such acad-
11 emies;

12 (C) \$22,000,000 shall remain available
13 until expended for maintenance and repair of
14 State maritime academy training vessels;

15 (D) \$1,800,000 shall remain available until
16 expended for training ship fuel assistance; and

17 (E) \$350,000 shall remain available until
18 expended for expenses to improve the moni-
19 toring of the service obligations of graduates.

20 (3) For expenses necessary to support the Na-
21 tional Security Multi-Mission Vessel Program,
22 \$36,000,000, which shall remain available until ex-
23 pended.

1 (4) For expenses necessary to support Maritime
2 Administration operations and programs,
3 \$58,694,000.

4 (5) For expenses necessary to dispose of vessels
5 in the National Defense Reserve Fleet, \$20,000,000,
6 which shall remain available until expended.

7 (6) For administrative expenses associated with
8 the program authorized under chapter 537 of title
9 46, United States Code, \$3,000,000, which shall re-
10 main available until expended.

11 (b) ASSISTANCE FOR SMALL SHIPYARDS AND MARI-
12 TIME COMMUNITIES.—Section 54101(i) of title 46, United
13 States Code, is amended—

14 (1) in the matter preceding paragraph (1), by
15 striking “2015 through 2017” and inserting “2018
16 through 2020”;

17 (2) in paragraph (1), by striking “\$5,000,000”
18 and inserting “\$7,500,00”; and

19 (3) in paragraph (2), by striking
20 “\$25,000,000” and inserting “\$27,500,000”.

21 **SEC. 3. REMOVAL ADJUNCT PROFESSOR LIMIT AT UNITED**
22 **STATES MERCHANT MARINE ACADEMY.**

23 Section 51317 of title 46, United States Code, is
24 amended—

25 (1) in subsection (b)—

1 (A) in paragraph (1), by striking “and” at
2 the end; and

3 (B) in paragraph (2), by striking the pe-
4 riod at the end and inserting “; and”; and
5 (2) by striking subsections (c) and (d).

6 **SEC. 4. ACCEPTANCE OF GUARANTEES IN CONJUNCTION**
7 **WITH PARTIAL DONATIONS FOR MAJOR**
8 **PROJECTS OF THE UNITED STATES MER-**
9 **CHANT MARINE ACADEMY.**

10 (a) GUARANTEES.—Chapter 513 of title 46, United
11 States Code, is amended by adding at the end the fol-
12 lowing:

13 **“§ 51320. Acceptance of guarantees with gifts for**
14 **major projects**

15 “(a) DEFINITIONS.—In this section:

16 “(1) MAJOR PROJECT.—The term ‘major
17 project’ means a project estimated to cost at least
18 \$1,000,000 for—

19 “(A) the purchase or other procurement of
20 real or personal property; or

21 “(B) the construction, renovation, or re-
22 pair of real or personal property.

23 “(2) MAJOR UNITED STATES COMMERCIAL
24 BANK.—The term ‘major United States commercial
25 bank’ means a commercial bank that—

1 “(A) is an insured bank (as defined in sec-
2 tion 3(h) of the Federal Deposit Insurance Act
3 (12 U.S.C. 1813(h)));

4 “(B) is headquartered in the United
5 States; and

6 “(C) has total net assets of an amount
7 considered by the Maritime Administrator to
8 qualify the bank as a major bank.

9 “(3) MAJOR UNITED STATES INVESTMENT MAN-
10 AGEMENT FIRM.—The term ‘major United States in-
11 vestment management firm’ means—

12 “(A) any broker or dealer (as such terms
13 are defined in section 3 of the Securities Ex-
14 change Act of 1934 (15 U.S.C. 78c));

15 “(B) any investment adviser or provider of
16 investment supervisory services (as such terms
17 are defined in section 202 of the Investment
18 Advisers Act of 1940 (15 U.S.C. 80b–2)); or

19 “(C) a major United States commercial
20 bank that—

21 “(i) is headquartered in the United
22 States; and

23 “(ii) holds for the account of others
24 investment assets in a total amount consid-
25 ered by the Maritime Administrator to

1 qualify the bank as a major investment
2 management firm.

3 “(4) QUALIFIED GUARANTEE.—The term
4 ‘qualified guarantee’, with respect to a major
5 project, means a guarantee that—

6 “(A) is made by one or more persons in
7 connection with a donation for the project of a
8 total amount in cash or securities that the Mar-
9 itime Administrator determines is sufficient to
10 defray a substantial portion of the total cost of
11 the project;

12 “(B) is made to facilitate or expedite the
13 completion of the project in reasonable anticipa-
14 tion that other donors will contribute sufficient
15 funds or other resources in amounts sufficient
16 to pay for completion of the project;

17 “(C) is set forth as a written agreement
18 providing that the donor will furnish in cash or
19 securities, in addition to the donor’s other gift
20 or gifts for the project, any additional amount
21 that may become necessary for paying the cost
22 of completing the project by reason of a failure
23 to obtain from other donors or sources funds or
24 other resources in amounts sufficient to pay the
25 cost of completing the project; and

1 “(D) is accompanied by—

2 “(i) an irrevocable and unconditional
3 standby letter of credit for the benefit of
4 the United States Merchant Marine Acad-
5 emy that is in the amount of the guarantee
6 and is issued by a major United States
7 commercial bank; or

8 “(ii) a qualified account control agree-
9 ment.

10 “(5) QUALIFIED ACCOUNT CONTROL AGREE-
11 MENT.—The term ‘qualified account control agree-
12 ment’, with respect to a guarantee of a donor, means
13 an agreement among the donor, the Maritime Ad-
14 ministrator, and a major United States investment
15 management firm that—

16 “(A) ensures the availability of sufficient
17 funds or other financial resources to pay the
18 amount guaranteed during the period of the
19 guarantee;

20 “(B) provides for the perfection of a secu-
21 rity interest in the assets of the account for the
22 United States for the benefit of the United
23 States Merchant Marine Academy with the
24 highest priority available for liens and security
25 interests under applicable law;

1 “(C) requires the donor to maintain in an
2 account with the investment management firm
3 assets having a total value that is not less than
4 130 percent of the amount guaranteed; and

5 “(D) requires the investment management
6 firm, whenever the value of the account is less
7 than the value required to be maintained under
8 subparagraph (C), to liquidate any noncash as-
9 sets in the account and reinvest the proceeds in
10 Treasury bills issued under section 3104 of title
11 31.

12 “(b) ACCEPTANCE AUTHORITY.—Subject to sub-
13 section (d), the Maritime Administrator may accept a
14 qualified guarantee from a donor or donors for the comple-
15 tion of a major project for the benefit of the United States
16 Merchant Marine Academy.

17 “(c) OBLIGATION AUTHORITY.—The amount of a
18 qualified guarantee accepted under this section shall be
19 considered as contract authority to provide obligation au-
20 thority for purposes of Federal fiscal and contractual re-
21 quirements. Funds available for a project for which such
22 a guarantee has been accepted may be obligated and ex-
23 pended for the project without regard to whether the total
24 amount of funds and other resources available for the

1 project (not taking into account the amount of the guar-
2 antee) is sufficient to pay for completion of the project.

3 “(d) NOTICE.—The Maritime Administrator may not
4 accept a qualified guarantee under this section for the
5 completion of a major project until 30 days after the date
6 on which a report of the facts concerning the proposed
7 guarantee is submitted to Congress.

8 “(e) PROHIBITION ON COMMINGLING FUNDS.—The
9 Maritime Administrator may not enter into any contract
10 or other transaction involving the use of a qualified guar-
11 antee and appropriated funds in the same contract or
12 transaction.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 for chapter 513 of title 46, United States Code, is amend-
15 ed by adding at the end the following:

“51320. Acceptance of guarantees with gifts for major projects.”.

16 **SEC. 5. AUTHORITY TO PAY CONVEYANCE OR TRANSFER**
17 **EXPENSES IN CONNECTION WITH ACCEPT-**
18 **ANCE OF A GIFT TO THE UNITED STATES**
19 **MERCHANT MARINE ACADEMY.**

20 Section 51315 of title 46, United States Code, is
21 amended by inserting at the end the following:

22 “(f) PAYMENT OF EXPENSES.—The Maritime Ad-
23 ministrator may pay all necessary expenses in connection
24 with the conveyance or transfer of a gift, devise, or be-
25 quest accepted under this section.”.

1 **SEC. 6. AUTHORITY TO PARTICIPATE IN FEDERAL, STATE**
2 **OR OTHER RESEARCH GRANTS.**

3 (a) RESEARCH GRANTS.—Chapter 513 of title 46,
4 United States Code, as amended by section 3 through 5,
5 is further amended by adding at the end the following:

6 **“§ 51321. Grants for scientific and educational re-**
7 **search**

8 “(a) DEFINED TERM.—In this section, the term
9 ‘qualifying research grant’ is a grant that—

10 “(1) is awarded on a competitive basis by the
11 Federal Government (except for the Department of
12 Transportation), a State, a corporation, a fund, a
13 foundation, an educational institution, or a similar
14 entity that is organized and operated primarily for
15 scientific or educational purposes; and

16 “(2) is to be used to carry out a research
17 project with a scientific or educational purpose.

18 “(b) ACCEPTANCE OF QUALIFYING RESEARCH
19 GRANTS.—Notwithstanding any other provision of law,
20 the United States Merchant Marine Academy may com-
21 pete for and accept qualifying research grants if the work
22 under the grant is to be carried out by a professor or in-
23 structor of the United States Merchant Marine Academy.

24 “(c) ADMINISTRATION OF GRANT FUNDS.—

25 “(1) ESTABLISHMENT OF ACCOUNT.—The Mar-
26 itime Administrator shall establish a separate ac-

1 count for administering funds received from research
2 grants under this section.

3 “(2) USE OF GRANT FUNDS.—The Super-
4 intendent shall use grant funds deposited into the
5 account established pursuant to paragraph (1) in ac-
6 cordance with applicable regulations and the terms
7 and conditions of the respective grants.

8 “(d) RELATED EXPENSES.—Subject to such limita-
9 tions as may be provided in appropriations Acts, appro-
10 priations available for the United States Merchant Marine
11 Academy may be used to pay expenses incurred by the
12 Academy in applying for, and otherwise pursuing, a quali-
13 fying research grant.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for chapter 513 of title 46, United States Code, as amend-
16 ed by section 4(b), is further amended by adding at the
17 end the following:

“51321. Grants for scientific and educational research.”.

18 **SEC. 7. CONTINUING FUNDING FOR THE UNITED STATES**
19 **MERCHANT MARINE ACADEMY.**

20 Section 51301 of title 46, United States Code, is
21 amended by adding at the end the following:

22 “(d) CONTINUING FUNDING.—

23 “(1) IN GENERAL.—Out of any funds in the
24 general fund of the Treasury not otherwise appro-
25 priated, there are hereby appropriated such sums as

1 may be necessary for operations of the United States
2 Merchant Marine Academy for any period during
3 which interim or full-year appropriations are not in
4 effect for the United States Merchant Marine Acad-
5 emy, for fiscal year 2018, and for each fiscal year
6 thereafter.

7 “(2) TERMINATION.—Amounts made available
8 for a fiscal year under this subsection shall remain
9 available until the earlier of—

10 “(A) the enactment into law of an appro-
11 priation for such fiscal year (including a con-
12 tinuing appropriation for such operations); or

13 “(B) the enactment into law for the Mari-
14 time Administration of the applicable regular
15 appropriation for such fiscal year, or continuing
16 appropriations resolution for such fiscal year,
17 without any appropriation for such oper-
18 ations.”.

19 **SEC. 8. ACCESS TO SATELLITE PHONE DURING SEA YEAR**
20 **PROGRAM.**

21 Section 3514 of the National Defense Authorization
22 Act for Fiscal Year 2017 (Public Law 114–328) is amend-
23 ed—

24 (1) by striking “Not later than” and inserting
25 the following:

1 “(a) VESSEL OPERATOR REQUIREMENTS.—Not later
2 than”; and

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

4 “(b) SATELLITE PHONE ACCESS.—The Maritime Ad-
5 ministrator shall ensure that each student participating
6 in the Sea Year program is provided or has access to a
7 functional satellite communication device. A student may
8 not be denied from using such device whenever the student
9 determines that such use is necessary to prevent or report
10 sexual harassment or assault.”.

11 **SEC. 9. ASSISTANCE FOR SMALL SHIPYARDS AND MARI-**
12 **TIME COMMUNITIES.**

13 Section 54101 of title 46, United States Code, is
14 amended—

15 (1) by striking subsection (b) and inserting the
16 following:

17 “(b) AWARDS.—

18 “(1) IN GENERAL.—In providing assistance
19 under the program, the Administrator shall take into
20 account—

21 “(A) the economic circumstances and con-
22 ditions of maritime communities;

23 “(B) projects that would be effective in
24 fostering efficiency, competitive operations, and

1 quality ship construction, repair, and reconfig-
2 uration; and

3 “(C) projects that would be effective in
4 fostering employee skills and enhancing produc-
5 tivity.

6 “(2) TIMING OF AWARD.—

7 “(A) IN GENERAL.—Except as provided in
8 subparagraph (B), the Administrator shall
9 award grants under this section not later than
10 120 days after the date of the enactment of the
11 appropriations Act for the fiscal year con-
12 cerned.

13 “(B) REALLOCATION OF UNUSED
14 FUNDS.—If a grant is awarded under this sec-
15 tion and, for any reason, the grant funds are
16 not used by the grantee, the Administrator may
17 reallocate such unused funds to award another
18 grant under this section.”; and

19 (2) in subsection (c), by adding at the end the
20 following:

21 “(3) BUY AMERICAN.—

22 “(A) REQUIREMENT.—A grant provided
23 under this section may be used for a project
24 only if the steel, iron, and manufactured goods

1 used in the project are produced in the United
2 States.

3 “(B) WAIVER.—The Administrator may
4 waive subparagraph (A) if the Administrator
5 determines that the waiver would be permitted
6 under section 5323(j)(2) of title 49.”.

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