119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–147

AMERICAN CARGO FOR AMERICAN SHIPS ACT

JUNE 6, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRAVES, from the Committee on Transportation and Infrastructure, submitted the following

REPORT

[To accompany H.R. 2035]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 2035) to amend title 46, United States Code, to direct the Secretary of Transportation to ensure that all cargoes procured, furnished, or financed by the Department of Transportation are transported on privately-owned commercial vessels of the United States, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

	Page
Purpose of Legislation	2
Background and Need for Legislation	2
Hearings	2
Legislative History and Consideration	2
Committee Votes	3
Committee Oversight Findings and Recommendations	3
New Budget Authority and Tax Expenditures	3
Congressional Budget Office Cost Estimate	3
Performance Goals and Objectives	6
Duplication of Federal Programs	6
Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits	6
Federal Mandates Statement	6
Preemption Clarification	6
Advisory Committee Statement	6
Applicability to Legislative Branch	6
Section-by-Section Analysis of the Legislation	7
Changes in Existing Law Made by the Bill, as Reported	7

59–006

PURPOSE OF LEGISLATION

The purpose of H.R. 2035 is to amend title 46, United States Code, to direct the Secretary of Transportation to ensure that all cargoes procured, furnished, or financed by the Department of Transportation are transported on privately-owned commercial vessels of the United States, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

Under the *Military Cargo Preference Act of 1904*, all items procured for or owned by United States military departments and defense agencies that are transported on ocean vessels must be carried on United States-flag vessels.[1] However, this cargo preference is not extended to cargo belonging to civilian United States agencies. Instead, under the *Cargo Preference Act of 1954*, only 50 percent of the gross tonnage of all Government generated cargo transported by ship must be transported on privately owned, United States-flagged commercial vessels.[2] This legislation would strengthen the United States maritime industry by implementing a 100 percent cargo preference to cargo procured, furnished, or financed by the United States Department of Transportation.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 119th Congress, the following hearing was used to develop H.R. 2035:

The Subcommittee on Coast Guard and Maritime Transportation held a hearing on February 5, 2025, entitled, "*America Builds: Maritime Infrastructure*," to examine the state of the Nation's maritime infrastructure. The Subcommittee received testimony from Mr. Paul Anderson, President and Chief Executive Officer, Port Tampa Bay; Mr. Joe Rella, President, St. John's Shipbuilding Inc. on behalf of the Shipbuilders Council of America; Mr. Tom Reynolds, Chief Strategy Officer, Seasats, on behalf of the Association for Uncrewed Vehicle Systems International; and Mr. Brian Schoeneman, Political and Legislative Director, Seafarers International Union of North America, on behalf of USA Maritime.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 2035, the *American Cargo for American Ships Act*, was introduced in the United States House of Representatives of March 11, 2025, by Rep. Carbajal, with Rep. Ezell as an original cosponsor, and referred to the Committee on Transportation and Infrastructure. Within the Committee on Transportation and Infrastructure, H.R. 2035 was referred to the Subcommittee on Coast Guard and Maritime Transportation. The Subcommittee on Coast Guard and Maritime Transportation was discharged from further consideration of H.R. 2035 on April 2, 2025.

[1] 10 U.S.C. § 2631; *see also* U.S. DEP'T OF TRANSP., MARAD, *Cargo Preference Laws and Regulations, available at* https://www.maritime.dot.gov/cargo-preference/military-cargoes/cargo-preference-laws-and-regulations.

[2] 46 U.S.C. § 55305; *see also* U.S. DEP'T OF TRANSP., MARAD, *Cargo Preference Laws and Regulations, available at* https://www.maritime.dot.gov/cargo-preference/military-cargoes/cargo-preference-laws-and-regulations.

The Committee considered H.R. 2035 on April 2, 2025, and ordered the measure to be reported to the House with a favorable recommendation, without amendment, by voice vote.

Committee Votes

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against.

No recorded votes were requested for H.R. 2035.

Committee Oversight Findings and Recommendations

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

New Budget Authority and Tax Expenditures

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act of 1974* has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

Congressional Budget Office Cost Estimate

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the enclosed cost estimate for H.R. 2035 from the Director of the Congressional Budget Office:

Legislation Considered Under Suspension of the Rules

The Majority Leader of the House of Representatives announces bills that will be considered under suspension of the rules in that chamber. Under suspension, floor debate is limited, all floor amendments are prohibited, points of order against the bill are waived, and final passage requires a two-thirds majority vote.

At the request of the Majority Leader and the House Committee on the Budget, CBO estimates the effects of those bills on direct spending and revenues. CBO has limited time to review the legislation before consideration. Although it is possible in most cases to determine whether the legislation would affect direct spending or revenues, time may be insufficient to estimate the magnitude of those effects. If CBO has prepared estimates for similar or identical legislation, a more detailed assessment of budgetary effects, including effects on spending subject to appropriation, may be included.

EFFECTS ON DIRECT SPENDING AND REVENUES OF LEGISLATION CONSIDERED UNDER SUSPENSION OF THE RULES IN THE HOUSE OF REPRESENTATIVES
WEEK OF JUNE 9, 2025

Bill Number	Title	Effect on Direct Spending	Effect on Revenues	Additional Information on Direct Spending and Revenue Effects	Link to Published Estimates	Suspension Bill Text at docs.house.gov
H.R. 188	Amtrak Transparency and Accountability for Passengers and Taxpayers Act, as amended.	None	None		https://www.cbo.gov/publication/61031	https://docs.house.gov/billsthisweek/20250609/h188_rh_xml.pdf
H.R. 248	Baby Changing on Board Act	None	None		https://www.cbo.gov/publication/61462	https://docs.house.gov/billsthisweek/20250609/h248_rh_xml.pdf
H.R. 252	Secure Our Ports Act, as amended	None	None			https://docs.house.gov/billsthisweek/20250609/h252_rh_xml.pdf
H.R. 1182	Compressed Gas Cylinder Safety and Oversight Improvements Act of 2025.	None	None		https://www.cbo.gov/publication/61275	https://docs.house.gov/billsthisweek/20250609/H1182_RH_xml.pdf
H.R. 1373	Tennessee Valley Authority Transparency Act of 2025, as amended.	None	None			https://docs.house.gov/billsthisweek/20250609/H1373_RH_xml.pdf
H.R. 1948	To authorize the International Boundary and Water Commission to accept funds for activities relating to wastewater treatment and flood control works, and for other purposes.	Reduce by Less Than $500K.	None		https://www.cbo.gov/publication/61358	https://docs.house.gov/billsthisweek/20250609/h1948_rh_xml.pdf
H.R. 2035	American Cargo for American Ships Act	Increase by Less Than $500K.	None			https://docs.house.gov/billsthisweek/20250609/H2035_RH_xml.pdf
H.R. 2351	To direct the Commandant of the Coast Guard to update the policy of the Coast Guard regarding the use of medication to treat drug overdose, and for other purposes.	None	None		https://www.cbo.gov/publication/61446	https://docs.house.gov/billsthisweek/20250609/h2351_rh_xml[1].pdf
H.R. 2390	Maritime Supply Chain Security Act	None	None		https://www.cbo.gov/publication/61437	https://docs.house.gov/billsthisweek/20250609/h2390_rh_xml.pdf
H. Res. 137	Designating the House Press Gallery (Rooms H–315, H–316, H–317, H–318, and H–319 of the United States Capitol) as the "Frederick Douglass Press Gallery", as amended.	None	None			https://docs.house.gov/billsthisweek/20250609/HR137_RH_xml.pdf

H. Res. _	Denouncing the antisemitic terrorist attack in Boulder, Colorado.	None	None			https://docs.house.gov/billsthisweek/20250609/H%20Res%20_%20(Evans).pdf
H. Res. _	Condemning the rise in ideologically motivated attacks on Jewish individuals in the United States, including the recent violent assault in Boulder, Colorado, and reaffirming the House of Representatives commitment to combating antisemitism and politically motivated violence.	None	None			https://docs.house.gov/billsthisweek/20250609/H%20Res%20_%20(Van%20Drew).pdf

Source: Congressional Budget Office

Performance Goals and Objectives

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to ensure that all cargoes procured, furnished, or financed by the Department of Transportation are transported on privately-owned commercial vessels of the United States.

Duplication of Federal Programs

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 2035 establishes or reauthorizes a program of the Federal government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

Federal Mandates Statement

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act* was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

Preemption Clarification

Section 423 of the Congressional Budget Act Of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee finds that H.R. 2035 does not preempt any state, local, or tribal law.

Advisory Committee Statement

No advisory committees within the definition of Section 5(b) of Public Law 92–463 (5 U.S.C. 1004(b)), United States Code, are created by this legislation.

Applicability to Legislative Branch

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides that this bill may be cited as the "American Cargo for American Ships Act".

Section 2. Cargoes procured, furnished, or financed by United States Government

This section amends Section 55305 of title 46, United States Code, to require the Department of Transportation to ensure that 100 percent of the gross tonnage of equipment, materials, or commodities procured, furnished or financed for its own account is transported on ocean vessels is done so on privately-owned commercial vessels flagged in the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

TITLE 46, UNITED STATES CODE

* * * * * * *

SUBTITLE V—MERCHANT MARINE

* * * * * * *

PART D—PROMOTIONAL PROGRAMS

* * * * * * *

CHAPTER 553—PASSENGER AND CARGO PREFERENCES

* * * * * * *

SUBCHAPTER I—GOVERNMENT IMPELLED TRANSPORTATION

* * * * * * *

§ 55305. Cargoes procured, furnished, or financed by the United States Government

(a) MINIMUM TONNAGE.—【When the United States Government】 *Except as provided in subsection (c), when the United States Gov-*

ernment procures, contracts for, or otherwise obtains for its own account, or furnishes to or for the account of a foreign country, organization, or persons without provision for reimbursement, any equipment, materials, or commodities, or provides financing in any way with Federal funds for the account of any persons unless otherwise exempted, within or without the United States, or advances funds or credits, or guarantees the convertibility of foreign currencies in connection with the furnishing or obtaining of the equipment, materials, or commodities, the appropriate agencies shall take steps necessary and practicable to ensure that at least 50 percent of the gross tonnage of the equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) which may be transported on ocean vessels is transported on privately-owned commercial vessels of the United States, as provided under subsection (b), to the extent those vessels are available at fair and reasonable rates for commercial vessels of the United States, in a manner that will ensure a fair and reasonable participation of commercial vessels of the United States in those cargoes by geographic areas.

(b) ELIGIBLE VESSELS.—To be eligible to carry cargo as provided under subsection (a), a privately-owned commercial vessel shall be documented under the laws of the United States—

(1) for not less than three years; or

(2) after January 1, 2030, for less than three years, if the vessel owner signs an agreement with the Secretary providing that—

(A) the vessel shall remain documented under the laws of the United States for not less than three years; and

(B) the vessel owner shall, upon request of the Secretary, agree to enroll the vessel in an emergency preparedness agreement or voluntary agreement authorized under section 708 of the Defense Production Act of 1950 (50 U.S.C. 4558) and shall ensure the vessel remains so enrolled until the vessel ceases to be documented under the laws of the United States.

(c) EXCEPTION.—When the Department of Transportation procures, contracts for, or otherwise obtains for its own account, or provides financing in any way with Federal funds or advances funds or credits, for the furnishing or obtaining of the equipment, materials, or commodities, the Secretary of Transportation or recipient of such financing shall take steps necessary and practicable to ensure that 100 percent of the gross tonnage of the equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) which may be transported on ocean vessels is transported on privately-owned commercial vessels of the United States, as provided under subsection (b), to the extent those vessels are available at fair and reasonable rates for commercial vessels of the United States, in a manner that will ensure a fair and reasonable participation of commercial vessels of the United States in those cargoes by geographic areas.

【(c)】 *(d)* VIOLATION OF AGREEMENT.—A vessel under an agreement executed pursuant to subsection (b)(2) may be seized by, and forfeited to, the United States if, in violation of that agreement—

(1) the vessel owner places the vessel under foreign registry; or

(2) a person operates the vessel under the authority of a foreign country.

【(d)】 *(e)* WAIVERS.—(1) Notwithstanding any other provision of law, when the President, the Secretary of Defense, or the Secretary of Transportation declares the existence of an emergency justifying a temporary waiver of this section or section 55314 of this title, the President, the Secretary of Defense, or the Secretary of Transportation, following a determination by the Maritime Administrator, acting in the Administrator's capacity as Director, National Shipping Authority, of the non-availability of qualified United States flag capacity at fair and reasonable rates for commercial vessels of the United States to meet the requirements of this section or section 55314 of this title, may waive compliance with such section to the extent, in the manner, and on the terms the Maritime Administrator, acting in such capacity, prescribes, and no other waivers of the requirements of this section or section 55314 of this title shall be authorized.

(2)(A) Subject to subparagraphs (B) and (C), a waiver issued under this subsection shall be for a period of not more than 60 days.

(B) Upon termination of the period of a waiver issued under this subsection, the Maritime Administrator may extend the waiver for an additional period of not more than 30 days, if the Maritime Administrator makes the determinations described in paragraph (1).

(C) The aggregate duration of the period of all waivers and extensions of waivers under this subsection with respect to any one set of events shall not exceed three months in a fiscal year.

(3) The Maritime Administrator shall—

(A) for each determination referred to in paragraph (1), identify any actions that could be taken to enable qualified United States flag capacity to meet the requirements of this section or section 55314 at fair and reasonable rates for commercial vessels of the United States;

(B) provide notice of each determination referred to in paragraph (1) to the Secretary of Transportation and, as applicable, the President or the Secretary of Defense; and

(C) publish each determination referred to in paragraph (1)—

(i) on the website of the Maritime Administration not later than 24 hours after notice of the determination is provided to the Secretary of Transportation; and

(ii) in the Federal Register.

(4) The Maritime Administrator shall notify—

(A) the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives of—

(i) any request for a waiver (or an extension thereof) made by the Secretary of Transportation of this section or section 55314(a) of this title by not later than 72 hours after receiving such a request; and

(ii) the issuance of any such waiver (or an extension thereof), and why such waiver or extension was necessary, by not later than 72 hours after such issuance; and

(B) the Committee on Commerce, Science, and Transportation and the Committee on Armed Services of the Senate and the Committee on Transportation and Infrastructure and the

Committee on Armed Services of the House of Representatives of—

(i) any request for a waiver (or an extension thereof) made by the Secretary of Defense of this section or section 55314(a) [1] of this title by not later than 72 hours after receiving such a request; and

(ii) the issuance of any such waiver (or an extension thereof), and why such waiver or extension was necessary, by not later than 72 hours after such issuance.

[(e)**]** *(f)* PROGRAMS OF OTHER AGENCIES.—

(1) Each department or agency that has responsibility for a program under this section shall administer that program with respect to this section under regulations and guidance issued by the Secretary of Transportation. The Secretary, after consulting with the department or agency or organization or person involved, shall have the sole responsibility for determining if a program is subject to the requirements of this section.

(2) The Secretary—

(A) shall conduct an annual review of the administration of programs determined pursuant to paragraph (1) as subject to the requirements of this section and annually submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the administration of such programs;

(B) may direct agencies to require the transportation on United States-flagged vessels of cargo shipments not otherwise subject to this section in equivalent amounts to cargo determined to have been shipped on foreign carriers in violation of this section;

(C) may impose on any person that violates this section, or a regulation prescribed under this section, a civil penalty of not more than $25,000 for each violation willfully and knowingly committed, with each day of a continuing violation following the date of shipment to be a separate violation; and

(D) may take other measures as appropriate under the Federal Acquisition Regulations issued pursuant to section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 1303(a)(1)) or contract with respect to each violation.

[(f)**]** *(g)* SECURITY OF GOVERNMENT-IMPELLED CARGO.—

(1) In order to ensure the safety of vessels and crewmembers transporting equipment, materials, or commodities under this section, the Secretary of Transportation shall direct each department or agency (except the Department of Defense), when responsible for the carriage of such equipment, materials, or commodities, to reimburse, subject to the availability of appropriations, the owners or operators of vessels of the United States carrying such equipment, materials, or commodities for the cost of providing armed personnel aboard such vessels if the vessels are transiting high-risk waters.

(2) In this subsection, the term "high-risk waters" means waters so designated by the Commandant of the Coast Guard in the maritime security directive issued by the Commandant

and in effect on the date on which an applicable voyage begins, if the Secretary of Transportation—

(A) determines that an act of piracy occurred in the 12-month period preceding the date the voyage begins; or

(B) in such period, issued an advisory warning that an act of piracy is possible in such waters.

* * * * * * *

○