



(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend title 46, United States Code, with respect to grants for vessel concept development and infrastructure to build commercially viable specialty vessels for supporting energy transition initiatives, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DELUZIO introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 46, United States Code, with respect to grants for vessel concept development and infrastructure to build commercially viable specialty vessels for supporting energy transition initiatives, 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.**

4 This Act may be cited as the “Shipbuilding Innova-
5 tion Act”.

1 **SEC. 2. MARKET OPPORTUNITY STUDY.**

2 (a) IN GENERAL.—The Secretary of Transportation,
3 in consultation with the Secretary of Energy, the Sec-
4 retary of the Navy, and the Secretary of the Department
5 of which the Coast Guard is operating, shall complete a
6 market opportunity study for United States based con-
7 struction and support of specialty vessels for supporting
8 energy transition initiatives.

9 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to carry out this section \$250,000.

11 **SEC. 3. VESSEL CONCEPT DEVELOPMENT AND INFRA-**
12 **STRUCTURE GRANT PROGRAM.**

13 (a) IN GENERAL.—Chapter 541 of title 46, United
14 States Code, is amended by adding at the end the fol-
15 lowing:

16 **“§ 54102. Vessel concept development and infrastruc-**
17 **ture grant program**

18 “(a) ESTABLISHMENT OF PROGRAM.—Subject to the
19 availability of appropriations, the Administrator of the
20 Maritime Administration shall execute agreements with
21 shipyards funding new vessel concept development to be
22 built in the United States.

23 “(b) AWARDS.—

24 “(1) IN GENERAL.—In providing assistance
25 under the program, the Administrator shall consider
26 projects that foster—

1 “(A) efficiency, competitive operations, and
2 quality ship construction, repair, and reconfig-
3 uration;

4 “(B) new vessel concept development and
5 the infrastructure necessary to build commer-
6 cially viable specialty vessels for supporting en-
7 ergy transition initiatives; and

8 “(C) new vessel concept development and
9 the infrastructure necessary to build commer-
10 cially viable vessels made with innovative and
11 energy efficient parts, including power and pro-
12 pulsion systems.

13 “(2) TIMING OF GRANT NOTICE.—The Adminis-
14 trator shall post a Notice of Funding Opportunity
15 regarding grants awarded under this section not
16 more than 15 days after the date of enactment of
17 the appropriations Act for the fiscal year concerned.

18 “(3) TIMING OF GRANTS.—The Administrator
19 shall award grants under this section not later than
20 120 days after the date of the enactment of the ap-
21 propriations Act for the fiscal year concerned.

22 “(4) REUSE OF UNEXPENDED GRANT FUNDS.—
23 Notwithstanding paragraph (3), amounts awarded
24 as a grant under this section that are not expended

1 by the grantee shall remain available to the Admin-
2 istrator for use for grants under this section.

3 “(c) USE OF FUNDS.—

4 “(1) IN GENERAL.—Assistance provided under
5 this section may be used to—

6 “(A) make capital and related improve-
7 ments in shipyards to build commercially viable
8 specialty vessels for supporting energy transi-
9 tion initiatives and commercially viable vessels
10 made with innovative and energy efficient parts,
11 including power and propulsion systems; and

12 “(B) build vessels described in subpara-
13 graph (A).

14 “(2) ADMINISTRATIVE COSTS.—Not more than
15 2 percent of amounts made available to carry out
16 this section may be used for the necessary costs of
17 grant administration.

18 “(d) PROHIBITED USES.—

19 “(1) IN GENERAL.—Funds awarded under this
20 section may not be used to construct buildings or ac-
21 quire land.

22 “(2) BUY AMERICA.—

23 “(A) IN GENERAL.—Subject to subpara-
24 graph (B), manufactured articles, materials, or
25 supplies procured in connection with this pro-

1 gram are manufactured substantially all from
2 articles, materials, or supplies mined, produced,
3 or manufactured in the United States if the
4 cost of such component articles, materials, or
5 supplies—

6 “(i) supplied not later than the date
7 of the enactment of this Act, exceeds 70
8 percent of cost of the manufactured arti-
9 cles, materials, or supplies procured; and

10 “(ii) supplied on or after January 1,
11 2029, exceeds 80 percent of the cost of the
12 manufactured articles, materials, or sup-
13 plies.

14 “(B) EXCEPTIONS.—

15 “(i) IN GENERAL.—Notwithstanding
16 subparagraph (A), the requirements of
17 such subparagraph shall not apply with re-
18 spect to a particular article material or
19 supply—

20 “(I) if the Administrator deter-
21 mines that such product or material is
22 not available in the United States in
23 sufficient and reasonably available
24 quantities, of a satisfactory quality, or
25 on a timely basis;

1 “(II) to articles manufactured in
2 countries that have executed a recip-
3 rocal defense procurement memo-
4 randum of understanding with the
5 United States entered into pursuant
6 to section 4851 of title 10; or

7 “(III) from a country that is a
8 member of the national technology
9 and industrial base (as defined by sec-
10 tion 4801 of title 10).

11 “(ii) FEDERAL REGISTER.—The Ad-
12 ministrator shall publish in the Federal
13 Register any determination made under
14 this subparagraph.

15 “(e) MATCHING REQUIREMENTS.—

16 “(1) FEDERAL SHARE.—The Federal share of
17 any eligible project under this section shall not ex-
18 ceed 80 percent of the total cost of such project.

19 “(2) AUTHORIZATION FOR VESSEL CONCEPT
20 DEVELOPMENT.—There is authorized to be appro-
21 priated to make grants under subsection (a)
22 \$100,000,000 for each of fiscal years 2025 through
23 2029.

24 “(f) APPLICATIONS.—

1 “(1) IN GENERAL.—To be eligible for assist-
2 ance under this section, not later than 60 days after
3 the date of enactment of an appropriations Act for
4 any fiscal year funding grants under this section, an
5 applicant shall submit an application in such form
6 and containing such information and assurances as
7 the Administrator may require.

8 “(2) MINIMUM STANDARDS FOR PAYMENT OR
9 REIMBURSEMENT.—Applications submitted under
10 paragraph (1) shall include a comprehensive descrip-
11 tion of—

12 “(A) the need for the project;

13 “(B) the methodology for implementing the
14 project; and

15 “(C) any existing programs or arrange-
16 ments that can be used to supplement or lever-
17 age assistance under this section.

18 “(3) PROCEDURAL SAFEGUARDS.—The Admin-
19 istrator, in consultation with the inspector general of
20 the Department of Transportation, shall issue guide-
21 lines to establish appropriate accounting, reporting,
22 and review procedures to ensure that—

23 “(A) grant funds are used for the purposes
24 for which they were made available;

1 “(B) grantees have properly accounted for
2 all expenditures of grant funds; and

3 “(C) grant funds not used for such pur-
4 poses and amounts not obligated or expended
5 are returned.

6 “(4) PROJECT APPROVAL REQUIRED.—The Ad-
7 ministrator may not award a grant under this sec-
8 tion unless the Administrator determines that—

9 “(A) sufficient funding is available to meet
10 the matching requirements of subsection (e);

11 “(B) the project will be completed without
12 unreasonable delay; and

13 “(C) the recipient has authority to carry
14 out the proposed project.

15 “(g) AUDITS AND EXAMINATIONS.—Recipients of
16 grants under this section shall maintain such records as
17 the Administrator may require and make such records
18 available for review and audit by the Administrator.”.

19 (b) CLERICAL AMENDMENT.—The analysis for chap-
20 ter 541 of title 46, United States Code, is amended by
21 adding at the end the following:

“54102. Vessel concept development and infrastructure grant program.”.

22 **SEC. 4. REPORT TO CONGRESS.**

23 Not later than 1 year after the date of enactment
24 of this Act, and annually thereafter, the Secretary of
25 Transportation, in consultation with the Secretary of the

1 Navy, and the Secretary of the Department of which the
2 Coast Guard is operating, shall submit to Congress a re-
3 port on the status and outlook for United States-flagged
4 vessels capable of supporting energy transition initiatives.