



THE INTERNATIONAL PROPELLER CLUB *of the United States*

An international business network dedicated
to the promotion of the maritime industry,
commerce and global trade.

This year the National Defense Authorization Act (NDAA) of 2021 (H.R. 3695) also includes authorization of appropriations and statutory changes to the authorities of 3 other Federal maritime agencies:

- The Maritime Administration
- The Coast Guard
- The Federal Maritime Commission

The full NDAA Conference Report agreed to by the House and the Senate can be viewed at this link:

[NDAA 2021 CR](#)

A summary of the bill prepared by the House Committee on Armed Services can be viewed at this link:

[HASC NDAA Summary](#)

President Trump has threatened to veto the NDAA over issues related to the naming of U.S. military installations after Confederate Generals, liability for social media companies, and China. However, it is expected that any veto would be over-ridden by the House and Senate.

Below is a list of some of the key elements of this legislation that affect the U.S. maritime industry.

Maritime Administration

Authorization of Appropriations:

- \$85.4 million for the U.S. Merchant Marine Academy (Sec. 3501)
- \$50.7 million for State Maritime Academies (Sec. 3501)
- \$9.7 million for the Marine Highways Program
- \$494 million for the Maritime Security Program
- \$388 million for the National Security Multi-Mission Vessel (State Maritime Academy Training Vessel)
- \$33 million for the Title XI loan guarantee program
- \$20 million for the small shipyard grant program
- \$750 million for the Port and Intermodal Improvement Program

Maritime Transportation System Emergency Relief Program - Establishes a Maritime Transportation System Emergency Relief Program within the Maritime Administration for grants for the cost of capital projects to protect, repair, reconstruct, or replace equipment and facilities of the U.S. marine transportation system that are in danger of suffering or have suffered serious physical damage

as the result of an emergency and operating costs for one-year beginning on the declaration of the emergency. (Sec. 3505)

Merchant Marine Academy Cadets - Requires operators of vessels participating in the Maritime Security Program, the Cable Security Fleet, and the Tanker Security Fleet to carry 2 cadets from the U.S. Merchant Marine Academy on each voyage. (Sec. 3506)

Strategic Plan for recruiting merchant mariners - Requires the Administrator of the Maritime Administration to publish a 5-year strategic plan for the recruitment, training, and retention of merchant mariners. (Sec. 3508)

Tanker Security Program - Establishes a Tanker Security Fleet Program (modeled after the Maritime Security Fleet Program) for privately owned U.S.-flag product tankers that will be made available to meet national defense and maintain a U.S. presence in international commercial shipping. MarAd will pay program participants \$6 million for each vessel participating in the program. Appropriations are authorized for 10 vessels to participate in this program. (Sec. 3511)

Coastwise Trade & National Security – There is a “sense of the Congress” that declares that the “coastwise trade laws promote a strong domestic trade maritime industry, which supports the national security and economic vitality of the United States.” (Sec. 3522)

Coastwise and vessel inspection waivers – Clarifies the current authority of the Secretary of Defense to request a waiver of the vessel inspection laws and coastwise trade laws “to the extent the Secretary considers necessary in the interest of national defense to address an immediate adverse effect on military operations.” The maximum length of that waiver is for 45 days. (Sec. 3502)

Cargo Preference Study – Requires the Government Accountability Office to conduct an audit of the federal agencies to determine their compliance (or noncompliance) with the Cargo Preference Laws and to submit to Congress the results of that audit and study within one year after the date of enactment of the NDAA. (Sec. 8404)

Offshore Wind Farms – This section amends the Outer Continental Shelf Lands Act to extend the Constitution and laws and civil and political jurisdiction of the United States to the to “installations and other devices permanently or temporarily attached to the seabed ... including non-mineral energy resources.” This effectively extends the application of the U.S. coastwise trade laws (the Jones Act) to offshore wind farms. (Sec. 9503)

Coast Guard Authorization Act of 2020

The Elijah E. Cummings Coast Guard Authorization Act of 2020 is also included in the NDAA. These provisions include:

- Authorizing \$8.4 billion for the Coast Guard operations for FY 2021 (Sec. 8101)
- Authorizing \$3.3 billion for Acquisition, Construction, and Improvement (AC&I) of Coast Guard shore facilities, vessels, and aircraft. (Sec. 8101)
- Authorizes increasing the end strength of the Coast Guard from 43,000 military personnel to 44,500 military personnel.
- Authorizes \$745 million for the construction of a Polar Security Cutter.
- Authorizes \$650 million for the acquisition of a National Security Cutter.
- Expresses the “Sense of the Congress” that an additional Coast Guard icebreaker is needed for the Great Lakes and authorizes \$160 million to begin that acquisition.
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- Establishes a 27-member Marine Transportation System National Advisory Committee to advise the Secretary of Transportation on matters related to the U.S. maritime transportation system and its seamless integration with other segments of the transportation system. (Sec. 8332)
- Makes it unlawful to strike a vessel operating on the navigable waters of the U.S. with a laser beam pointer. (Sec. 8342)

Federal Maritime Commission

- Authorizes \$29.6 million to be appropriated for the Federal Maritime Commission. (Sec 8602)
- Establishes a 24- member “National Shipper Advisory Committee” to advise the Commission on policies related to the competitiveness, reliability, integrity, and fairness of the international ocean freight system. (Sec. 8604)