



COAST GUARD & MARITIME TRANSPORTATION ACT OF 2014



COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE

The Coast Guard & Maritime Transportation Act of 2014



The Coast Guard and Maritime Transportation Act of 2014 supports and strengthens the United States Coast Guard and the maritime sector of our national transportation system.

This important legislation authorizes the Coast Guard at fiscally responsible levels to carry out its vital missions, improves mission effectiveness, helps replace and modernize aging Coast Guard assets in a cost effective manner, enhances oversight, and reduces inefficiencies to save taxpayer dollars. Additionally, the bill improves our nation's competitiveness by strengthening U.S. maritime transportation and reducing regulatory burdens to create jobs and encourage economic growth.

The U.S. Coast Guard



The men and women of the United States Coast Guard enforce our laws on U.S. waters and on the high seas, and safeguard our nation's maritime interests around the world.

The Coast Guard conducts a variety of missions important to the safety and security of Americans and our marine environment. These include search and rescue, marine safety, maritime law enforcement, drug and migrant interdiction, maintaining aids-to-navigation, icebreaking, marine environmental protection, oil spill prevention and response, defense readiness, and ports, waterway, and coastal security.

In 2012, the Coast Guard responded to over 19,700 search and rescue cases and saved over 3,500 lives, conducted over 20,000 safety, security, and environmental inspections of U.S. and foreign flagged commercial vessels, and interdicted over 2,900 undocumented migrants and 163 metric tons of illegal drugs. The Coast Guard can also serve as the Nation's first responders in times of emergencies. In 2005, the USCG surged assets and personnel to the Gulf Coast in response to Hurricane Katrina, saving over 32,000 lives. In 2010, the Service again led response efforts in the Gulf during the DEEPWATER HORIZON oil spill.

Approximately 41,000 military personnel, 8,000 reservists, 8,500 civilian employees, and 30,000 volunteers of the Coast Guard Auxiliary comprise this adaptable, responsive military force within the Department of Homeland Security. As one of the Nation's five armed forces, the Coast Guard also is prepared to operate as a specialized service in the Navy in times of war or at the President's direction.

SUPPORTING AND STRENGTHENING THE COAST GUARD

Authorizes the Coast Guard for fiscal years 2015 and 2016: This fiscally responsible legislation reauthorizes the Coast Guard at currently authorized levels, ensuring the Service has the resources it needs to successfully conduct its critical missions.

Supports Coast Guard servicemembers: Supporting our men and women serving in the Coast Guard is a top priority. The Coast Guard and Maritime Transportation Act supports military pay raises for Coast Guard servicemembers consistent with servicemembers of the other Armed Forces. The bill also expands resources available to build housing for servicemembers and their families, and ensures servicemembers in certain fields have opportunity for career advancement.

Helps replace and modernize aging Coast Guard assets in a cost effective manner: It is essential to ensure the Coast Guard has the tools to carry out its important missions. This legislation authorizes funding at a level that will keep critically needed new assets on schedule, encourages the use of innovative acquisition strategies to reduce costs, and requires the Coast Guard to reexamine the largest cost drivers in its acquisition program to save taxpayer dollars without reducing mission effectiveness.

IMPROVING MISSION EFFECTIVENESS

Encourages working with the private sector: The Coast Guard and Maritime Transportation Act enhances the ability of the Coast Guard to work with the private sector to develop new technologies vital for mission success.

Reduces bureaucracy: Common sense reforms remove limitations on the authority of the Secretary of Homeland Security to call up Coast Guard reservists to respond to natural and manmade disasters and extend expedited workforce hiring authorities for Coast Guard acquisition personnel. The legislation also eliminates, consolidates, and modifies duplicative and outdated reporting requirements.

ENHANCING OVERSIGHT, INCREASING EFFICIENCY, AND SAVING TAXPAYER DOLLARS

Increases Congressional Oversight: In order to ensure accountability and stronger Congressional oversight, the legislation requires the Coast Guard to submit an annual authorization request to Congress to justify its funding and personnel levels.

Improves acquisition activities: In order to save time and money, the legislation requires the Coast Guard to develop plans and use current authorities to reduce the cost and accelerate the delivery of new assets under its \$25 billion major systems acquisition program.

Works to reduce the Coast Guard's excess property inventory: To save taxpayer dollars and allow the Coast Guard to focus on its core assets, the legislation requires the Coast Guard to conduct an inventory of its real property and to determine which property can be divested or consolidated.

Protects taxpayers: Currently the Coast Guard provides international iceberg patrols to foreign flagged vessels. The Coast Guard and Maritime Transportation Act prohibits the Coast Guard from continuing this activity unless foreign countries that flag these vessels reimburse the U.S. taxpayers for the Coast Guard's costs, as they are required to do under an international treaty.



Maritime Transportation



The maritime sector of our national transportation system is essential to our economy and vital to our national security. The U.S. maritime industry currently employs more than 260,000 Americans providing nearly \$29 billion in annual wages. There are more than 40,000 commercial vessels currently flying the American flag. The vast majority of these vessels are engaged in domestic commerce, moving over 100 million passengers and \$400 billion worth of goods between ports in the U.S. on an annual basis. Each year, the U.S. maritime industry accounts for over \$100 billion in economic output.

Beyond the important contributions to our economy, a healthy maritime industry is vital to our national security. Throughout our history, the Navy has relied on U.S. flagged commercial vessels crewed by American Merchant Mariners to carry troops, weapons, and supplies to the battlefield. During Operations Enduring Freedom and Iraqi Freedom, U.S. flagged commercial vessels transported 63 percent of all military cargos moved to Afghanistan and Iraq. Since we cannot rely on foreign vessels and crews to provide for our national security, it is critical that we maintain a robust fleet of U.S. flagged vessels, a large cadre of skilled American mariners, and a strong shipyard industrial base.



STRENGTHENING U.S. MARITIME TRANSPORTATION

Develops a National Maritime Strategy: The U.S. maritime industry employs more than 260,000 Americans, providing nearly \$29 billion in annual wages, and there are more than 40,000 commercial vessels currently flying the American flag. The vast majority of these vessels are engaged in domestic commerce, moving over 100 million passengers and \$400 billion worth of goods between ports in the United States on an annual basis. Each year, the U.S. maritime industry accounts for over \$100 billion in economic output. However, over the last 35 years, the number of U.S. flagged vessels sailing in the international trade has dropped from 850 to less than 100. In the same period, we have lost over 300 shipyards and thousands of jobs for American mariners. Preserving and strengthening our nation's maritime industry is important to our economy and vital to our national security. The Coast Guard and Maritime Transportation Act requires the Maritime Administration to develop a strategy to improve the competitiveness of the U.S. flagged fleet, reduce regulatory burdens on U.S. flagged vessel operators, increase the use of short seas shipping, and enhance U.S. shipbuilding capacity.

REDUCING REGULATORY BURDENS TO CREATE JOBS AND ENCOURAGE ECONOMIC GROWTH

Creates opportunities for veterans: Those who have served our country deserve every opportunity to put their skills to work, achieve their potential, and contribute fully to the Nation's economy. This legislation reduces regulatory burdens on recently retired military servicemembers seeking employment on U.S. flagged vessels.

Promotes common sense regulations: The Coast Guard and Maritime Transportation Act prohibits the Coast Guard from imposing federal regulations on small businesses operating on isolated waters where the Coast Guard has no presence until the Service notifies and considers comments from the public. The legislation also permanently exempts owners of fishing vessels and small commercial vessels from having to obtain EPA permits before discharging such substances as rain water runoff, air conditioner condensate, and bilge water from their vessels.

INCREASING OVERSIGHT AND REFORMING THE FEDERAL MARITIME COMMISSION

Reforms the Federal Maritime Commission: The Federal Maritime Commission (FMC) is the independent federal agency responsible for regulating the U.S. international ocean transportation system for the benefit of U.S. exporters, importers, and the U.S. consumer. Unlike commissioners on similar federal commissions, once a commissioner's term expires, the law currently allows the commissioner to continue to serve until a replacement is confirmed by the Senate. There are also no term limits on Federal Maritime Commissioners. This legislation prohibits a commissioner from serving more than one year after the five-year term expires, imposes a term limit of two terms, and codifies current conflict of interest prohibitions on the action of commissioners. Additionally, the legislation reauthorizes the Federal Maritime Commission at current funding levels.

THE COAST GUARD AND MARITIME TRANSPORTATION ACT OF 2014

SECTION-BY-SECTION

Title I—PROGRAM REFORMS AND STREAMLINING

Sec. 101. Authorization of Appropriations

This section authorizes \$8.7 billion in discretionary funds for the Coast Guard for fiscal years 2015 and 2016. These levels of funding support military pay raises for Coast Guard servicemembers at a level consistent with servicemembers of the other Armed Forces.

Sec. 102. Authorized Levels of Military Strength and Training

This section authorizes an end-of-year strength for active duty Coast Guard personnel of 43,000 for fiscal years 2015 and 2016.

Sec. 201. Commissioned Officers

This section sets the number of active duty officers in the Coast Guard at 6,700.

Sec. 202. Prevention and Response Workforces

This section ensures servicemembers in certain fields have opportunity for career advancement.

Sec. 203. Centers of Expertise

This section clarifies which activities the Coast Guard's six Centers of Expertise are authorized to conduct.

Sec. 204. Agreements

This section authorizes the Coast Guard to enter into cooperative agreements with public and private entities to carry out the research, development, test, and evaluation of technology to improve the performance of Coast Guard missions. It also authorizes the Service

to impose and collect a fee on such entities to cover Coast Guard expenses associated with such cooperative agreements. Fees collected are required to be deposited in the Treasury as offsetting receipts.

Sec. 205. Coast Guard Housing

This section would authorize the Coast Guard to deposit in the Housing Fund the proceeds from the lease of certain real property under its control.

Sec. 206. Determinations

This section would require the Coast Guard to undertake a rulemaking when determining that a waterway is subject to its jurisdiction. This section in no way impacts the criteria the Service uses in making such determinations.

Sec. 207. Annual Board of Visitors

This section would align the structure and authorities of the Coast Guard Academy Board of Visitors to the Naval Academy Board of Visitors.

Sec. 208. Repeal of Limitation on Medals of Honor

This section enables Coast Guard servicemembers to be awarded a Medal of Honor for each eligible act of valor.

Sec. 209. Mission Needs Statement

This section directs the Coast Guard to submit to the Committee a single, new Mission Needs Statement (MNS) covering all of its major acquisition programs with the submission of the budget request to Congress for fiscal years 2016 and 2019 and every four years thereafter. It further requires the Coast Guard to base the MNS on the funding provided in the Capital Investment Plan submitted for the fiscal year in which an MNS is required to be submitted. Finally, the Coast Guard is required to describe which missions it will not be able to achieve for any year in which the MNS identifies a gap between the mission hour targets and projected mission hours from new and legacy assets.

Sec. 210. Transmission of Annual Coast Guard Authorization Request

This section will require the Coast Guard to submit to the Committee an authorization request on an annual basis.

Sec. 211. Inventory of Real Property

This section would require the Coast Guard to establish and maintain an inventory of all of its real property and report to the Committee every five years on which property it recommends for divestiture or consolidation.

Sec. 212. Active Duty for Emergency Augmentation of Regular Forces

Under current law, the Secretary of Homeland Security may call Coast Guard reservists to active duty to prepare for and respond to a natural or manmade disaster. The Secretary's authority is limited to a call up of not more than 60 days in any four-month period and not more than 120 days in any two-year period. This limitation hampers the ability of the Coast Guard to respond to large-scale or multiple disasters. There is no similar limitation on other reserve components called up by the Secretary of Defense.

This section would eliminate the "not more than 60 days in any four-month period" limitation on the call up of Coast Guard reservists.

Sec. 213. Acquisition Workforce Expedited Hiring Authority

This section would extend through fiscal year 2017 the authority of the Commandant of the Coast Guard to hire experienced acquisition personnel on an expedited basis.

Sec. 214. Icebreakers

This section requires the Coast Guard to report to the Committee with a strategy to maintain icebreaking capabilities in the Polar regions that includes an analysis of the cost effectiveness of acquiring or leasing new icebreaker assets. It would also prohibit the Coast Guard from spending its resources on capabilities for a new Polar Class icebreaker added by other federal government agencies.

Sec. 215. Multiyear Procurement Authority for Offshore Patrol Cutters

This section would expressly authorize the Secretary of Homeland Security to enter into a multiyear contract for the procurement of the Offshore Patrol Cutter (OPC).

Sec. 216. Maintaining Medium Endurance Cutter Mission Capability

This section requires the Secretary of Homeland Security to provide the Committee with a plan for decommissioning the 210-foot Medium Endurance Cutters (MEC), extending the life of the 270-foot MECs to ensure the Coast Guard can maintain mission capability through the OPC acquisition, identifying the number of OPCs necessary to maintain historical sea state five capability, and acquiring OPCs that maintain historical sea state five capability, as well as OPCs that do not maintain such capability.

Sec. 217. Coast Guard Administrative Savings

This section would eliminate five annual reports the Coast Guard is required to submit to Congress. The information in these reports is already received in the documents that accompany the President's annual budget request. This section also consolidates and modifies three other annual reports.

Sec. 218. Technical Corrections to Title 14

This section makes technical and clarifying changes to title 14, United States Code.

Sec. 301. Treatment of Fishing Permits

This section clarifies that a fishing permit is not an appurtenant to a vessel and therefore not subject to a maritime lien.

Sec. 302. International Ice Patrol Reform

This section would prohibit the Coast Guard from conducting an International Ice Patrol after fiscal year 2014 unless the Service is reimbursed for its costs by foreign flagged states with vessels transiting the area. The section also authorizes the Coast Guard to conduct an unreimbursed IIP after fiscal year 2014 only if the President determines it necessary in the

interest of national defense. Nothing in this section limits the authority of the Coast Guard to conduct any of its missions in the area.

Sec. 303. Repeal

This section would repeal an inoperative section of title 46 that authorizes the Secretary of Commerce to encourage the use of mobile trade fairs.

Sec. 304. Donation of Historical Property

This section authorizes the Secretary of Transportation to donate historical property administered by the Maritime Administration to state and local governments or non-profit organizations.

Sec. 305. Small Shipyards

This section reauthorizes the Assistance to Small Shipyards Program through fiscal year 2016 at currently authorized levels. The program provides capital grants to small privately owned shipyards to expand shipbuilding capacity, efficiency, and competitiveness.

Sec. 306. Drug Testing Reporting

This section clarifies that federal agencies operating vessels are required to submit the results of failed drug tests administered to applicants for mariner positions on such vessels to the Coast Guard so the Coast Guard can take appropriate action with respect to the mariner's merchant mariner credential.

Sec. 307. Recourse for Noncitizens

This section clarifies that a foreign citizen may file a personal injury lawsuit in a U.S. court only if the accident occurred in U.S. waters, aboard a U.S. vessel, or the claimant is a permanent resident alien and does not have a right to bring suit in his country of residence or the flag state of the vessel from which the claim arose. The provision does not require a trial in, or under the laws of, the United States for any injury, illness, or death to any foreign seaman engaged aboard a foreign passenger vessel.

Sec. 308. Penalty Wages

Current law provides that if a vessel owner does not pay a seaman what the seaman is owed under his employment contract without sufficient cause, the vessel owner must pay the seaman two days' wages for each day the seaman is not paid the contractual amount. In case of a class action suit brought by seamen who serve on cruise ships, the total amount of the penalty is limited to 10 times the amount of wages owed. This section caps the penalty amount at 10 times the amount of wages owed for any seaman serving on a cruise ship, regardless of whether the relief is sought in a class action.

Sec. 309. Crediting Time in the Sea Services

Current Coast Guard regulations require merchant mariners seeking to serve as officers on commercial vessels demonstrate that they have served at least three months on a similarly sized vessel within the last three years. This presents a hardship to many retiring Navy and Coast Guard servicemembers who otherwise qualify to serve as an officer but may not have served aboard a vessel during their last tour of duty.

This section would enable retired servicemembers who meet all other qualifications to serve as an officer aboard a commercial vessel to have demonstrated three months of service within the last seven years. The section also requires the Coast Guard to expeditiously provide retired Coast Guard servicemembers with the necessary paperwork documenting their sea service so these servicemembers can gain employment in the maritime sector. Finally, the section requires the Coast Guard to report to Congress on what steps it is taking to further help its servicemembers transition to jobs in the maritime sector.

Sec. 310. Treatment of Abandoned Seafarers

This section establishes a fund to repatriate foreign seafarers abandoned in the United States and cover the expenses foreign seafarers that must remain in the United States to serve as material witnesses in federal criminal trials against vessel owners. The fund is capitalized through a partial diversion of existing penalties imposed on vessel owners guilty of certain environmental crimes.

Sec. 311. Clarification of High Risk Waters

This section clarifies the definition of High Risk Waters for the purposes of section 55305(e) of title 46, United States Code.

312. Uninspected Passenger Vessels in the Virgin Islands

This section enables U.S. owned uninspected passenger vessels operating in the U.S. Virgin Islands to carry up to 12 passengers provided the vessels meet certain safety requirements.

313. Offshore Supply Vessel Third-Party Inspection

This section establishes a process for the Coast Guard to enable classification societies to inspect offshore supply vessels.

314. Survival Craft

This section would phase-in a requirement to carry out-of-water survival craft by passenger vessels operating in certain waters.

315. Technical Correction to Title 46

This section makes a technical correction to title 46, United States Code.

Sec. 401. Authorization of Appropriations

This section would authorize the activities of the Federal Maritime Commission (FMC) at a level of \$24.7 million for fiscal years 2015 and 2016.

Sec. 402. Terms of Commissioners

This section prohibits a commissioner from serving more than one year after the five-year term expires. It also imposes a term limit of two terms. These changes are applicable to commissioners appointed after the date of enactment of this act. Finally, this section codifies current conflict of interest prohibitions on the actions of commissioners.

Sec. 501. Short Title

This section provides a short title to Title V.

Sec. 502. Discharges Incidental to the Normal Operation of Certain Vessels

This section exempts commercial fishing vessels and commercial vessels less than 79 feet without ballast tanks from EPA permits governing certain incidental discharges such as rain water runoff, deck wash, and condensation from air conditioners. This section does not impact the regulation of ballast water discharges by the Coast Guard, EPA, or state governments.

Sec. 601. Distant Water Tuna Fleet

This section eliminates requirements on U.S. flagged distant water tuna fleet vessels that are inconsistent with the requirements the Coast Guard places on all other U.S. flagged commercial fishing vessels. Additionally, this section requires distant water tuna fleet vessels to pass a Coast Guard administered vessel safety examination every five years. It also removes the requirement that these vessels call on certain U.S. ports at least once each year.

Sec. 602. Vessel Determination

This section deems the build date of a vessel rebuilt after being lost in a fire as the date on which the rebuilt vessel was delivered.

Sec. 603. Lease Authority

This section authorizes the Commandant of the Coast Guard to lease submerged lands and tidelands under the control the Coast Guard for a period of more than five years.

Sec. 604. National Maritime Strategy

This section requires the Secretary of Transportation to provide the Committee with a national maritime strategy that includes recommendations on ways to reduce regulatory burdens on U.S. flagged vessel owners, improve the competitiveness of the U.S. flagged fleet,

increase the use of short seas shipping, and enhance U.S. shipbuilding capacity.

Sec. 605. IMO Polar Code Negotiations

This section requires the Secretary of Homeland Security to report to the Committee on the status of negotiations on the Polar Code at the International Maritime Organization and the impacts the implementation of the Code will have on coastal communities in the Arctic.

Sec. 606. Valley View Ferry

This section would remove the requirement that any master of the Valley View Ferry be licensed by the Coast Guard if the Commonwealth of Kentucky implements a similar licensing requirement.

Sec. 607. Competition by United States Flagged Vessels

This section would authorize the National Academy of Sciences (NAS) to conduct an assessment of Coast Guard regulations governing the inspection of vessels to determine what impact such regulations have on the competitiveness of U.S. flagged vessels in the international trade. It also authorizes NAS to conduct an assessment of all factors that impact U.S. flagged vessel competitiveness.

Sec. 608. Survey

This section would require the Coast Guard to survey a parcel of property under its administrative control in Gig Harbor, Washington.