

Congress Reaches Agreement on Key Maritime Legislation

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On December 3, 2020, the House and Senate Armed Services committees released the conference report agreement for the [Mac Thornberry National Defense Authorization Act for Fiscal Year 2021](#).

The Act establishes a new ten-vessel Tanker Security Fleet modeled upon the successful Maritime Security Program. Under the new program, owners of eligible product tankers may apply for a \$6 million per year stipend in exchange for making the vessels available to the U.S. Government in times of war or national emergency. Another provision temporarily increases the stipend for Maritime Security Program participants by \$3 million per vessel to address COVID-related pressures.

The bill also strengthens certain Ship American or “cargo preference” requirements applicable to the movement of military cargoes and calls for a new study regarding Federal shipper agencies’ compliance with existing civilian and military cargo preference rules. Additionally, the measure strengthens existing requirements that vessels under charter to the United States be repaired or modified in U.S. yards during the length of the charter and provides added flexibility to purchase used foreign-built vessels to recapitalize the Federally-owned sealift reserve fleet.

The Act establishes a new Maritime Transportation System Emergency Relief program to provide financial assistance to the maritime sector during State or Federally declared emergencies, including COVID-19. Eligible participants include U.S. entities in maritime transportation, including vessel owners and operators, ship construction, or maritime education and training, with priority for state and tribal applicants. Costs eligible for relief funding include cleaning, sanitization, PPE, fuel, debt service payments, workforce retention, infrastructure repair, and “other marine transportation systems.”

Lastly, the bill includes new provisions to further tighten and make transparent requests to waive the Jones Act in cases where such waivers are requested by the Secretary of Defense. Under current law, waivers other than those coming through the Defense Department are subject to numerous transparency and reporting requirements, and other limitations.

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