THE CAN-DO CONGRESS?

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In December 2019, the U.S. Congress managed to defy expectations and enact several pieces of significant legislation. Major legislative successes included a massive $1.4 trillion spending deal for all 12 Fiscal Year 2020 (FY20) appropriations bills, as well as a defense policy authorization bill for more than $738 billion to support the national defense. Included in these legislative packages were a number of provisions related to the U.S. maritime sector.

Many of these provisions had their origins in the early days of the 116th Congress, when the congressional committees of jurisdiction held hearings and marked up their respective bills. As the second session of Congress gets underway, stakeholders are encouraged to engage now on issues of importance. Legislative initiatives are expected to develop quickly, and Congress will look to act early, before the election season begins in earnest.

SIGNIFICANT FUNDING FOR MARITIME INITIATIVES

Legislative action in the final weeks of 2019 belied the sentiment that this is a "do-nothing" Congress, and illustrated in some respects that this could actually be a Congress of doers, especially as it relates to maritime policy. Fully funding and reauthorizing a strong and vibrant Maritime Security Program (MSP), directing significant investments to the State Maritime Academies, and a show of continued support for increased spending on port infrastructure are just a few examples of how the 116th Congress has demonstrated a willingness to invest in the U.S. maritime sector.

With just hours to spare, government shutdown concerns were allayed this year when congressional appropriators finalized a package of two spending bills for FY20. The first package focused on national security appropriations, and the other focused on domestic priorities and international assistance. The compromise spending deals represent hours of hard work and bipartisan negotiations. The end result is more than $49 billion in additional spending for federal agencies over FY20.

The bills include several legislative provisions relating to the U.S. maritime industry. Notably, the legislation provides for:

Maritime Security Program ($300,000,000)
Full funding for the crucial MSP, which provides resources to maintain a U.S.-flagged merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the United States by directing payments to U.S.-flagged ship operators engaged in U.S. foreign trade.

State Maritime Academies ($342,280,000)
An additional $300 million for a third special purpose National Security Multi-Mission Vessel (NSMV), as well as $30 million to support Schoolship Maintenance and Repair. Congress continues to prioritize the replacement of all

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six State Maritime Academy training ships to support the training and education of the nation's marine transportation workforce.

Port Infrastructure Development Program ($225,000,000)
Another $225 million in funding to promote the Maritime Administration's new Port Infrastructure Development Program (PIDP). The PIDP was created to provide dedicated funding for projects that improve the intermodal functionality of U.S. coastal ports, including the Great Lakes, and river ports near coastal areas that accept seagoing ships. The additional $225 million follows a Fiscal Year 2019 (FY19) appropriation of $292.7 million to provide grants for the improvement of port facilities, transportation networks, and flows of cargo in, around, and through ports.

Assistance to Small Shipyards ($20,000,000)
Full funding at FY19 enacted levels to help small shipyards improve the efficiency of their operations by providing funding for equipment and other facility upgrades. The Small Shipyard Grant Program provides assistance in the form of grants, loans, and loan guarantees to small shipyards for capital improvements and training programs.

NATIONAL DEFENSE AUTHORIZATION ACT

For the 59th consecutive year, Congress was successful in advancing legislation in support of national defense. The National Defense Authorization Act (NDAA), which authorizes funding for the U.S. military for FY20, provides a historic $738 billion for the Pentagon, including a 3.1 percent pay increase for our men and women in uniform. Passage of the NDAA also advanced several priorities of the maritime industry:

Maritime Security Program
Reauthorizes MSP for an additional 10 years through 2035. In addition to the certainty of a long-term reauthorization, the MSP stipend was increased to $5.3 million per vessel per year in 2022, with gradual increases to $6.8 million in 2032. Without action, the existing statute would have reverted the MSP stipend to $3.7 million in Fiscal Year (FY22).

Cable Security Fleet
Provides a $5 million per vessel stipend for two cable installation vessels to enroll in the new Cable Security Fleet program. The MSP-like program will establish a fleet of privately owned, commercially viable, U.S.-documented cable vessels to meet national security requirements related to the installation, maintenance, or repair of submarine cables.

Tanker Security Fleet
Requires a report on U.S.-flagged tanker vessel capacity from the Secretary of Defense. The report will be created in conjunction with the Secretary of Transportation and is intended to identify the capabilities of the United States to maintain adequate U.S.-flagged fuel tanker vessel capacity to support the full range of anticipated military operations in 2020, between 2020 and 2025, and between 2020 and 2030.

National Security Multi-Mission Vessel
Authorizes an additional $600 million for construction of two NSMV training ships for the State Maritime Academies. The Armed Services Committees furthered their commitment to address the service life concerns of our maritime school training ships with the authorization of appropriations for the replacement of two more vessels.

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Auxiliary Ship Components
Outlines a requirement that large-medium speed diesel engines for certain auxiliary ships be procured from a manufacturer in the national technology and industrial base ("the persons and organizations that are engaged in research, development, production, integration, services, or information technology activities conducted within the United States, the United Kingdom, Australia, and Canada"). A more expansive House-passed version of this provision would have placed further procurement limitations on propulsion system components, shipboard cranes, auxiliary equipment, and spreaders for shipboard cranes.

CONGRESSIONAL OPPORTUNITIES REMAIN

Despite significant achievements in guiding legislation to passage in 2019, there are still several outstanding bills that will draw the attention of Congress in the early days of 2020, including bills of consequence to the U.S. maritime industry.

Authorizers remain deadlocked in negotiations to advance the Coast Guard Authorization Act of 2019, which would reauthorize appropriations for the Coast Guard and Federal Maritime Commission through Fiscal Year 2021 (FY21). The bill would also revise regulatory policies relating to passenger vessel security, coastwise endorsement determinations, and polar security cutter acquisitions. A provision in the House-passed bill would also guarantee that Coast Guard personnel would be paid in the event of a federal government shutdown.

In terms of other must-pass bills, Congress is expected to take up the Water Resources Development Act (WRDA) early in 2020. The biennial omnibus legislation that authorizes civil works activities of the U.S. Army Corps of Engineers is critical in supporting the maintenance, security, and efficiency of our inland waterways, and ensuring the safety and stability of our locks and dams.

LOOKING AHEAD TO 2020: THE CAN-DO CONGRESS?

After monumental achievements by congressional appropriators to close out the year, the hectic appropriations cycle is expected to kick off early for FY21. Deadlines for consideration in the NDAA and FY21 member appropriations requests are already rapidly approaching. The 2020 legislative calendar will only accelerate the intensity of appropriations action earlier in the calendar year. For those stakeholders who wish to participate in the legislative process, the importance of engaging early cannot be overstated.

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