

Senator Tammy Baldwin's *Made in America Shipbuilding Act* (S. 2731)

Purpose: To ensure U.S. national and economic security through support of the domestic shipbuilding industrial base. The *Made in America Shipbuilding Act* strengthens Buy American requirements for the federal government's purchase of ships by expanding current law to cover all federal agencies, all classes of ships, and substantially more shipboard components, including items made in Wisconsin. In short, under the bill, if a federal agency uses U.S. taxpayer dollars to purchase any type of vessel it must be constructed in the United States with U.S. materials—like steel, iron, and aluminum—and the onboard components—like diesel engines, air circuit breakers, valves, hoists, and winches—must be made in the United States.

While the Department of Defense accounts for the majority of government ship purchases, other federal agencies, like the National Oceanic and Atmospheric Administration and the Department of Interior buy vessels. In the case of the Navy, Buy American requirements for components only apply to certain classes of ships, like auxiliary and sealift ships, and that is only because Congress includes those requirements every year in annual appropriations bills.

Summary: Current law has a hodgepodge of domestic content requirements throughout the U.S. Code. Many of these provisions apply to different agencies, or only to certain classes of ships, or only to certain shipboard components. Each of these provisions can be waived under varying circumstances, including those related to cost, schedule or national security. The *Made in America Shipbuilding Act* intends to harmonize these domestic content requirements and expand the circumstances in which they apply.

A sample of covered components include: air circuit breakers; valves, welded shipboard anchor and mooring chain with a diameter of four inches or less; auxiliary equipment, including pumps, for all shipboard services; propulsion system components (engines, reduction gears, and propellers); shipboard cranes; spreaders for shipboard cranes; capstans; winches; hoists; outboard engines, and certain specialty metals.

Section by Section:

Sec. 1: Titled the *Made in America Shipbuilding Act* of 2018

Sec. 2: Requires all ships acquired by a federal agency to be constructed in the United States.

Sec. 3: Adds new domestic content requirements for shipboard components—based on various existing DoD requirements in Title 10—to Title 41, which governs all federal procurement.

- a) Requires that the listed components be manufactured in the United States.
- b) Specialty Metals: takes the current DoD restriction that it cannot procure items, or any components thereof, containing a specialty metal that was not melted or produced in the United States, and applies it government-wide. There are a number of waivers to this requirement because there is not a viable supply of many different covered metals in the United States.
- c) Requires the vessel to be constructed with steel, iron, aluminum, and manufactured products that are produced in the United States.

Sec. 4: To ensure consistency with the newly amended section of Title 41, adds new items to the original DoD source provision in Title 10 governing the domestic procurement of shipboard components.