

116TH CONGRESS
2D SESSION

H. R. 7464

To amend title 46, United States Code, to direct the Secretary of Transportation to establish a merchant mariner education loan program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2020

Mr. SEAN PATRICK MALONEY of New York (for himself, Mr. DEFazio, Mr. GRAVES of Missouri, and Mr. GIBBS) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend title 46, United States Code, to direct the Secretary of Transportation to establish a merchant mariner education loan program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Elijah E. Cummings
5 Merchant Mariner Workforce Development Act”.

1 **SEC. 2. CENTERS OF EXCELLENCE FOR DOMESTIC MARI-**
 2 **TIME WORKFORCE TRAINING AND EDU-**
 3 **CATION: TECHNICAL AMENDMENTS.**

4 (a) REDESIGNATION AND TRANSFER OF SECTION.—
 5 Section 54102 of title 46, United States Code, is redesign-
 6 nated as section 51706 of such title and transferred to
 7 appear after section 51705 of such title.

8 (b) CLERICAL AMENDMENTS.—Title 46, United
 9 States Code, is amended—

10 (1) in the analysis for chapter 541, by striking
 11 the item relating to section 54102; and

12 (2) in the analysis for chapter 517, by striking
 13 the item relating to section 51705 and inserting the
 14 following:

“51705. Training for use of force against piracy.

“51706. Center of excellence for domestic maritime workforce training and edu-
 cation”.

15 **SEC. 3. MERCHANT MARINER EDUCATION LOAN PROGRAM.**

16 (a) IN GENERAL.—Chapter 517 of title 46, United
 17 States Code, as amended by section 2 of this Act, is fur-
 18 ther amended by adding at the end the following:

19 **“§ 51707. Merchant mariner career training loan pro-**
 20 **gram**

21 “(a) ESTABLISHMENT.—The Secretary of Transpor-
 22 tation shall establish the Elijah E. Cummings Merchant
 23 Mariner Career Training Loan Program (in this section

1 referred to as the ‘program’) in accordance with the re-
2 quirements of this section.

3 “(b) PURPOSE.—The purpose of the program shall
4 be to make merchant mariner career training loans avail-
5 able to eligible students to provide for the training of
6 United States merchant mariners, including those working
7 to receive a Standards of Training, Certification and
8 Watchkeeping endorsement under subchapter B of chapter
9 I of title 46, Code of Federal Regulations.

10 “(c) ADMINISTRATION.—The program shall be car-
11 ried out by the Secretary, acting through the Adminis-
12 trator of the Maritime Administration.

13 “(d) DUTIES.—The Secretary shall—

14 “(1) allocate, on an annual basis, the award of
15 loans under the program based on the needs of stu-
16 dents;

17 “(2) develop an application process and eligi-
18 bility criteria for the award of loans under the pro-
19 gram;

20 “(3) approve applications for loans under the
21 program based on the eligibility criteria and alloca-
22 tions made under paragraph (1); and

23 “(4) designate maritime training institutions at
24 which loans made under the program may be used.

1 “(e) DESIGNATION OF MARITIME TRAINING INSTITU-
2 TIONS.—

3 “(1) IN GENERAL.—In designating maritime
4 training institutions under subsection (d)(4), the
5 Secretary—

6 “(A) may include Federal, State, and com-
7 mercial training institutions and nonprofit
8 training organizations, including centers of ex-
9 cellence designated under section 51706;

10 “(B) shall designate institutions based on
11 geographic diversity and scope of classes of-
12 fered;

13 “(C) shall ensure that designated institu-
14 tions have the ability to administer the pro-
15 gram; and

16 “(D) shall ensure that designated institu-
17 tions meet requirements to provide training in-
18 struction for appropriate Coast Guard-approved
19 training instruction.

20 “(2) EXCLUSIONS.—The Secretary—

21 “(A) may exclude from participation in the
22 program a maritime training institution that
23 has had severe performance deficiencies, includ-
24 ing deficiencies demonstrated by audits or pro-

1 gram reviews conducted during the 5 calendar
2 years immediately preceding the present year;

3 “(B) shall exclude from participation in
4 the program a maritime training institution
5 that has delinquent or outstanding debts to the
6 United States, unless such debts are being re-
7 paid under or in accordance with a repayment
8 arrangement satisfactory to the United States,
9 or the Secretary in the Secretary’s discretion
10 determines that the existence or amount of any
11 such debts has not been finally determined by
12 the appropriate Federal agency;

13 “(C) may exclude from participation in the
14 program a maritime training institution that
15 has failed to comply with quality standards es-
16 tablished by the Department of Labor, the
17 Coast Guard, or a State; and

18 “(D) may establish such other criteria as
19 the Secretary determines will protect the finan-
20 cial interest of the United States and promote
21 the purposes of this section.

22 “(f) STATE MARITIME ACADEMIES.—

23 “(1) USE OF FUNDS FOR LOANS TO STUDENTS
24 ATTENDING STATE MARITIME ACADEMIES.—The
25 Secretary may obligate not more than 50 percent of

1 the amounts appropriated to carry out this section
2 for a fiscal year for loans to undergraduate students
3 attending State maritime academies receiving assist-
4 ance under chapter 515 of this title.

5 “(2) ACADEMIC STANDARDS FOR STUDENTS.—

6 Students at State maritime academies receiving
7 loans under the program shall maintain satisfactory
8 progress toward the completion of their course of
9 study as evidenced by the maintenance of a cumu-
10 lative C average, or its equivalent, or academic
11 standing consistent with the requirements for grad-
12 uation, as determined by the institution.

13 “(g) LOAN AMOUNTS AND USE.—

14 “(1) MAXIMUM AMOUNTS.—

15 “(A) IN GENERAL.—The Secretary may
16 not make loans to a student under the program
17 in an amount that exceeds \$30,000 in a cal-
18 endar year or \$120,000 in the aggregate.

19 “(B) ADJUSTMENT FOR INFLATION.—The
20 Secretary shall, every 5 years for the life of a
21 loan under the program, adjust the maximum
22 amounts described in subparagraph (A) in ac-
23 cordance with any change in the Consumer
24 Price Index for All Urban Consumers published
25 by the Bureau of Labor Statistics of the De-

1 partment of Labor that occurs since the pre-
2 vious adjustment.

3 “(2) USE OF LOAN PROCEEDS.—A student who
4 receives a loan under the program may use the pro-
5 ceeds of the loan only for postsecondary expenses in-
6 curred at an institution designated by the Secretary
7 under subsection (d)(4) for books, tuition, required
8 fees, travel to and from training facilities, and room
9 and board.

10 “(h) STUDENT ELIGIBILITY.—

11 “(1) IN GENERAL.—Subject to paragraph (2),
12 to be eligible to receive a loan under the program,
13 a student shall—

14 “(A) be eligible to hold a license or mer-
15 chant mariner document issued by the Coast
16 Guard;

17 “(B) provide to the Secretary such infor-
18 mation as the Secretary may require, including
19 all current Coast Guard documents, certifi-
20 cations, proof of United States citizenship or
21 permanent legal status, and a statement of in-
22 tent to enter a maritime career;

23 “(C) meet the enrollment requirements of
24 a maritime training institution designated by
25 the Secretary under subsection (d)(4); and

1 “(D) sign an agreement to—

2 “(i) complete a course of instruction
3 at such a maritime training institution;
4 and

5 “(ii) maintain a license or document
6 and work under the authority of the license
7 or document and any associated endorse-
8 ments for at least 18 months following the
9 date of graduation from the maritime pro-
10 gram for which the loan proceeds will be
11 used.

12 “(2) LIMITATION.—An undergraduate student
13 at the United States Merchant Marine Academy
14 shall not be eligible for a loan under the program.

15 “(i) ADMINISTRATION OF LOANS.—

16 “(1) CONTENTS OF LOAN AGREEMENTS.—Any
17 agreement between the Secretary and a student bor-
18 rower for a loan under the program shall—

19 “(A) be evidenced by a note or other writ-
20 ten instrument that provides for the repayment
21 of the principal amount of the loan and any
22 origination fee, together with interest thereon,
23 in equal installments (or, if the student bor-
24 rower so requests, in graduated periodic install-
25 ments determined in accordance with such

1 schedules as may be approved by the Secretary)
2 payable quarterly, bimonthly, or monthly, at the
3 option of the student borrower, over a period
4 beginning 9 months from the date on which the
5 student borrower completes study or discon-
6 tinues attendance at the maritime program for
7 which the loans are used at the institution ap-
8 proved by the Secretary and not exceeding 10
9 years;

10 “(B) include provision for acceleration of
11 repayment of the whole, or any part, of such
12 loan, at the option of the student borrower;

13 “(C) provide the loan without security and
14 without endorsement;

15 “(D) provide that the liability to repay the
16 loan shall be canceled upon the death of the
17 student borrower, or if the student borrower be-
18 comes permanently and totally disabled, as de-
19 termined in accordance with regulations to be
20 issued by the Secretary;

21 “(E) contain a notice of the system of dis-
22 closure of information concerning default on
23 such loan to credit bureau organizations; and

24 “(F) include provisions for deferral of re-
25 payment, as determined by the Secretary.

1 “(2) RATE OF INTEREST.—A student borrower
2 who receives a loan under the program shall be obli-
3 gated to repay the loan amount to the Secretary, to-
4 gether with interest beginning in the period referred
5 to in paragraph (1)(A), at a rate of interest deter-
6 mined by the Secretary, in consultation with the
7 Secretary of Education, in accordance with section
8 455 of the Higher Education Act of 1965 (20
9 U.S.C. 1087e).

10 “(3) DISCLOSURE REQUIRED PRIOR TO DIS-
11 BURSEMENT.—

12 “(A) IN GENERAL.—The Secretary shall at
13 or prior to the time the Secretary makes a loan
14 to a student borrower under the program, pro-
15 vide thorough and adequate loan information on
16 such loan to the student borrower. The disclo-
17 sures required by this paragraph may be made
18 as part of the written application material pro-
19 vided to the student borrower, as part of the
20 promissory note evidencing the loan, or on a
21 separate written form provided to the student
22 borrower.

23 “(B) CONTENTS.—The disclosures shall
24 include—

1 “(i) the address to which communica-
2 tions and payments should be sent;

3 “(ii) the principal amount of the loan;

4 “(iii) the amount of any charges col-
5 lected at or prior to the disbursal of the
6 loan and whether such charges are to be
7 deducted from the proceeds of the loan or
8 paid separately by the student borrower;

9 “(iv) the stated interest rate on the
10 loan;

11 “(v) the yearly and cumulative max-
12 imum amounts that may be borrowed;

13 “(vi) an explanation of when repay-
14 ment of the loan will be required and when
15 the student borrower will be obligated to
16 pay interest that accrues on the loan;

17 “(vii) a statement as to the minimum
18 and maximum repayment term that the
19 Secretary may impose, and the minimum
20 monthly payment required by law and a
21 description of any penalty imposed as a
22 consequence of default, such as liability for
23 expenses reasonably incurred in attempts
24 by the Secretary to collect on a loan;

1 “(viii) a statement of the total cumu-
2 lative balance, including the loan applied
3 for, owed by the student borrower to the
4 Secretary, and an estimate of the projected
5 monthly payment, given such cumulative
6 balance;

7 “(ix) an explanation of any special op-
8 tions the student borrower may have for
9 loan consolidation or other refinancing of
10 the loan;

11 “(x) a statement that the student bor-
12 rower has the right to prepay all or part
13 of the loan, at any time, without penalty;

14 “(xi) a statement summarizing cir-
15 cumstances in which repayment of the loan
16 or interest that accrues on the loan may be
17 deferred, and a brief notice of the program
18 for repayment of loans, on the basis of
19 military service, pursuant to the Depart-
20 ment of Defense educational loan repay-
21 ment program (10 U.S.C. 16302);

22 “(xii) a definition of default and the
23 consequences to the student borrower if
24 the student borrower defaults, together
25 with a statement that the disbursement of,

1 and the default on, a loan under this part
2 shall be reported to a credit bureau or
3 credit reporting agency;

4 “(xiii) to the extent practicable, the
5 effect of accepting the loan on the eligi-
6 bility of the student borrower for other
7 forms of student assistance; and

8 “(xiv) an explanation of any cost the
9 student borrower may incur in the making
10 or collection of the loan.

11 “(C) INFORMATION TO BE PROVIDED
12 WITHOUT COST.—The information provided
13 under this paragraph shall be available to the
14 Secretary without cost to the student borrower.

15 “(4) REPAYMENT AFTER DEFAULT.—The Sec-
16 retary may require any student borrower who has
17 defaulted on a loan made under the program to—

18 “(A) pay all reasonable collection costs as-
19 sociated with such loan; and

20 “(B) repay the loan pursuant to an income
21 contingent repayment plan.

22 “(5) AUTHORIZATION TO REDUCE RATES AND
23 FEES.—Notwithstanding any other provision of this
24 section, the Secretary may prescribe by regulation
25 any reductions in the interest rate or origination fee

1 paid by a student borrower of a loan made under the
2 program as the Secretary determines appropriate to
3 encourage ontime repayment of the loan. Such re-
4 ductions may be offered only if the Secretary deter-
5 mines the reductions are cost neutral and in the best
6 financial interest of the United States.

7 “(6) COLLECTION OF REPAYMENTS.—The Sec-
8 retary shall collect repayments made under the pro-
9 gram and exercise due diligence in such collection,
10 including maintenance of all necessary records to en-
11 sure that maximum repayments are made. Collection
12 and servicing of repayments under the program shall
13 be pursued to the full extent of the law, including
14 wage garnishment if necessary. The Secretary of the
15 Department in which the Coast Guard is operating
16 shall provide the Secretary of Transportation with
17 any information regarding a merchant mariner that
18 may aid in the collection of repayments under this
19 section.

20 “(7) REPAYMENT SCHEDULE.—A student bor-
21 rower who receives a loan under the program shall
22 repay the loan quarterly, bimonthly, or monthly, at
23 the option of the student borrower, over a period be-
24 ginning 9 months from the date the student bor-
25 rower completes study or discontinues attendance at

1 the maritime program for which the loan proceeds
2 are used and ending not more than 10 years after
3 the date repayment begins. Provisions for deferral of
4 repayment shall be determined by the Secretary.

5 “(8) CONTRACTS FOR SERVICING AND COLLEC-
6 TION OF LOANS.—The Secretary may—

7 “(A) enter into a contract or other ar-
8 rangement with State or nonprofit agencies
9 and, on a competitive basis, with collection
10 agencies for servicing and collection of loans
11 under this section; and

12 “(B) conduct litigation necessary to carry
13 out this section.

14 “(j) REVOLVING LOAN FUND.—

15 “(1) ESTABLISHMENT.—The Secretary shall es-
16 tablish a revolving loan fund consisting of amounts
17 deposited in the fund under paragraph (2).

18 “(2) DEPOSITS.—The Secretary shall deposit in
19 the fund—

20 “(A) receipts from the payment of prin-
21 cipal and interest on loans made under the pro-
22 gram; and

23 “(B) any other monies paid to the Sec-
24 retary by or on behalf of individuals under the
25 program.

1 “(3) AVAILABILITY OF AMOUNTS.—Amounts in
2 the fund shall be available to the Secretary, without
3 further appropriation—

4 “(A) to cover the administrative costs of
5 the program, including the maintenance of
6 records and making collections under this sec-
7 tion; and

8 “(B) to the extent that amounts remain
9 available after paying such administrative costs,
10 to make loans under the program.

11 “(4) MAINTENANCE OF RECORDS.—The Sec-
12 retary shall maintain accurate records of the admin-
13 istrative costs referred to in paragraph (3)(A).

14 “(k) ANNUAL REPORT.—The Secretary, on an an-
15 nual basis, shall submit to the Committee on Transpor-
16 tation and Infrastructure of the House of Representatives
17 and the Committee on Commerce, Science, and Transpor-
18 tation of the Senate a report on the program, including—

19 “(1) the total amount of loans made under the
20 program in the preceding year;

21 “(2) the number of students receiving loans
22 under the program in the preceding year; and

23 “(3) the total amount of loans made under pro-
24 gram that are in default as of the date of the report.

1 “(l) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated for each of fiscal years
3 2021 through 2026—

4 “(1) \$10,000,000 for making loans under the
5 program; and

6 “(2) \$1,000,000 for administrative expenses of
7 the Secretary in carrying out the program.

8 **“§ 51708. Merchant mariner recruitment, training,**
9 **and retention program**

10 “(a) STRATEGIC PLAN.—

11 “(1) IN GENERAL.—Not later than one year
12 after the date of enactment of this section, and at
13 least once every 3 years thereafter, the Secretary of
14 Transportation, acting through the Administrator of
15 the Maritime Administration, shall publish in the
16 Federal Register a plan to recruit, train, and retain
17 merchant mariners for the 5-year period following
18 the date of publication of the most recently pub-
19 lished plan under this paragraph.

20 “(2) CONTENTS.—A plan published under para-
21 graph (1) shall contain—

22 “(A) a strategy to address merchant mar-
23 iner recruitment, training, and retention issues
24 in the United States; and

1 “(B) demonstration and research priorities
2 concerning merchant mariner recruitment,
3 training, and retention.

4 “(3) FACTORS.—In developing a plan under
5 paragraph (1), the Secretary shall take into account,
6 at a minimum—

7 “(A) the availability of existing research
8 (as of the date of publication of the plan); and

9 “(B) the need to ensure results that have
10 broad applicability.

11 “(4) CONSULTATION.—In developing a plan
12 under paragraph (1), the Secretary shall consult
13 with representatives of the maritime industry, labor
14 organizations, including the Commander of the
15 Transportation Command and the Commander of
16 the Military Sealift Command, and other govern-
17 mental entities and persons with an interest in the
18 maritime industry.

19 “(5) TRANSMITTAL TO CONGRESS.—The Sec-
20 retary shall transmit copies of a plan published
21 under paragraph (1) to the Committee on Transpor-
22 tation and Infrastructure of the House of Represent-
23 atives and the Committee on Commerce, Science,
24 and Transportation of the Senate.

25 “(b) DEMONSTRATION AND RESEARCH PROJECTS.—

1 “(1) IN GENERAL.—The Secretary may award
2 grants to, or enter into contracts or cooperative
3 agreements with, a maritime training institutions
4 designated under section 51607(e) or a consortium
5 such institutions, to carry out demonstration and re-
6 search projects that implement the priorities identi-
7 fied in the plan prepared under subsection (a)(1),
8 for the purpose of recruiting, training, or retaining
9 United States merchant mariners.

10 “(2) COMPETITIVE AWARDS.—Grants shall be
11 awarded. and contracts and cooperative agreements
12 shall be entered into, under this subsection on a
13 competitive basis under guidelines and requirements
14 to be established by the Secretary.

15 “(3) APPLICATIONS.—To be eligible to receive a
16 grant or enter into a contract or cooperative agree-
17 ment under this section for a project under this sub-
18 section, a maritime training institution shall submit
19 to the Secretary a proposal that includes, at a min-
20 imum—

21 “(A) a description of the project; and

22 “(B) a method for evaluating the effective-
23 ness of the project.

1 “(4) ELIGIBLE PROJECTS.—Projects eligible for
2 grants, contracts, and cooperative agreements under
3 this subsection—

4 “(A) shall carry out the demonstration and
5 research priorities included in the plan pub-
6 lished under subsection (a)(1); and

7 “(B) may—

8 “(i) provide training to upgrade the
9 skills of United States merchant mariners,
10 including training to acquire a Standards
11 of Training, Certification and
12 Watchkeeping endorsement under sub-
13 chapter B of chapter I of title 46, Code of
14 Federal Regulations;

15 “(ii) promote the use of distance
16 learning that enables students to take
17 courses through the use of teleconfer-
18 encing, the Internet, and other media tech-
19 nology;

20 “(iii) assist in providing services to
21 address merchant mariner recruitment and
22 training of youth residing in targeted high
23 poverty areas within empowerment zones
24 and enterprise communities;

1 “(iv) implement partnerships with na-
2 tional and regional organizations with spe-
3 cial expertise in developing, organizing,
4 and administering merchant mariner re-
5 cruitment and training services;

6 “(v) design, develop, and test an array
7 of approaches to providing recruitment,
8 training, or retention services, including to
9 one or more targeted populations;

10 “(vi) in conjunction with employers,
11 organized labor, other groups (such as
12 community coalitions), and Federal, State,
13 or local agencies, design, develop, and test
14 various training approaches in order to de-
15 termine effective practices; or

16 “(vii) assist in the development and
17 replication of effective service delivery
18 strategies for the national maritime indus-
19 try as a whole.

20 **“§ 51709. Authorization of appropriations**

21 “There are authorized to be appropriated for each of
22 fiscal years 2021 through 2026—

23 “(1) \$10,000,000 for making grants and enter-
24 ing into cooperative agreements under sections
25 51707 and 51708; and

1 “(2) \$1,000,000 for administrative expenses of
2 the Secretary in carrying out such sections.”.

3 (b) CONFORMING AMENDMENT.—The analysis for
4 such chapter is amended by adding at the end the fol-
5 lowing:

“51707. Merchant mariner career training loan program.

“51708. Merchant mariner recruitment, training, and retention program.

“51709. Authorization of appropriations.”.

○