

175th CONGRESS

S.2

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2024

Introduced by Mr. Pluribus, for themselves, Mr. Harris-Charest, Mr. Twos
IN THE HOUSE: Ms. Trump, Mr. Hersey, Mr. Molhoj

A BILL

To provide for an enhanced domestic content requirement for Navy shipbuilding programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Naval Domestic Shipbuilding Requirement Act of 2024.”

SEC. 2. ENHANCED DOMESTIC CONTENT REQUIREMENT FOR NAVY SHIPBUILDING

(B) supplied during the period beginning January 1, 2027, and ending December 31, 2032, exceeds 75 percent of the cost of the manufactured(a) ENHANCED DOMESTIC CONTENT REQUIREMENT.—

(1) CONTRACTING REQUIREMENTS.—Except as provided in paragraph (2), for purposes of chapter 83 of title 41, United States Code, manufactured articles, materials, or supplies procured as part of a Navy shipbuilding program are manufactured substantially all from articles,

materials, or supplies mined, produced, or manufactured in the United States if the cost of such component articles, materials, or supplies—

(A) supplied during the period beginning January 1, 2025, and ending December 31, 2027, exceeds 65 percent of the cost of the manufactured articles, materials, or supplies;

articles, materials, or supplies; and

(C) supplied on or after January 1, 2032, equals 100 percent of the cost of the manufactured articles, materials, or supplies.

(2) **APPLICABILITY TO RESEARCH, DEVELOPMENT, TEST, AND EVALUATION ACTIVITIES.**—Contracts related to shipbuilding programs entered into under paragraph (1) to carry out research, development, test, and evaluation activities shall require that these activities and the components specified during these activities must meet the domestic content requirements delineated under paragraph (1).

(3) **EXCLUSION FOR CERTAIN MANUFACTURED ARTICLES.**—Paragraph (1) shall not apply to manufactured articles that consist wholly or predominantly of iron, steel, or a combination of iron and steel.

(4) **WAIVER.**—The Secretary of Defense may request a waiver from the requirements under paragraph (1) in order to expand sourcing to members of the national technical industrial base (as that term is defined in section 4801 of title 10, United States Code). Any such waiver shall be subject to the approval of the Inspector General of the Department of Defense and may only be requested if it is determined that any of the following apply:

(A) Application of the limitation would increase the cost of the overall acquisition by more than 25 percent or cause unreasonable delays to be incurred.

(B) Satisfactory quality items manufactured by a domestic entity are not available or domestic production of such items cannot be initiated without significantly delaying the project for which the item is to be acquired.

(C) It is inconsistent with the public interest.

(5) RULEMAKING.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in concurrence with the Inspector General of the Department of Defense, shall issue rules to determine the treatment of the lowest price offered for a foreign end product for which 55 percent or more of the component articles, materials, or supplies of such foreign end product are manufactured substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States if—

(A) the application of paragraph (1) results in an unreasonable cost; or

(B) no offers are submitted to supply manufactured articles, materials, or supplies manufactured substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States.

(6) APPLICABILITY.—The requirements of this subsection shall apply to contracts entered into on or after January 1, 2025.

(b) REPORTING ON COUNTRY OF ORIGIN MANUFACTURING.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall submit to Congress a report on country of origin tracking and reporting as it relates to manufactured content procured as part of Navy shipbuilding programs, including through primary contracts and subcontracts at the second and third tiers. The report shall describe measures taken to ensure that the country of origin information pertaining to such content is reported accurately in terms of the location of manufacture and not determined by the location of sale.