

**Calendar No. 60**

118TH CONGRESS }  
*1st Session* }

SENATE

{ REPORT  
118-22

CHANGING AGE-DETERMINED ELIGIBILITY  
TO STUDENT INCENTIVE PAYMENTS ACT

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R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

ON

S. 467



MAY 10, 2023.—Ordered to be printed

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U.S. GOVERNMENT PUBLISHING OFFICE

39-010

WASHINGTON : 2023

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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### CHANGING AGE-DETERMINED ELIGIBILITY TO STUDENT INCENTIVE PAYMENTS ACT

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Ms. CANTWELL, from the Committee on Commerce, Science, and  
Transportation, submitted the following

### R E P O R T

[To accompany S. 467]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 467) to modify the age requirement for the Student Incentive Payment Program of the State maritime academies, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

#### PURPOSE OF THE BILL

The purpose of S. 467, the Changing Age-Determined Eligibility To Student Incentive Payment (CADETS) Act, as reported, is to update the age eligibility of the Maritime Administration's Student Incentive Payment Program.

#### BACKGROUND AND NEEDS

S. 467, the CADETS Act, would update the Maritime Administration's (MARAD) Student Incentive Payment (SIP) Program's age eligibility. Currently, students must be between the ages of 17 to 25 to qualify for the SIP Program. Students are also required to obtain a commission in the U.S. Navy Reserve, which accepts members between the ages of 17 and 42 depending on their prior military service.

SIP is a federally funded program that provides financial assistance to cadets seeking to become licensed officers in the U.S. Merchant Marine who are enrolled in the Strategic Sealift Officer Pro-

gram (SSOP) at one of six State maritime academies.<sup>1</sup> The program provides financial assistance of up to \$8,000 per school year, not to exceed 4 years or \$32,000.

Programs like SIP enable the recruitment of a wider pool of candidates to become officers, especially prior service military veterans. However, the merchant mariner force is at least 1,800 officers short of wartime needs. The average age of a merchant mariner is 47.<sup>2</sup> The recruitment and training of qualified officers to replace and expand the aging workforce is vital to national security.

SSOP is the primary capability to supply the U.S. armed forces globally. Having an adequate supply of officers in the SSOP to run sealift ships is an essential component of national defense. SSOP is composed of naval reserve officers who are licensed U.S. Merchant Marine officers with experience in sealift, maritime operations, and logistics. These officers are eligible to be called up to crew the ships of the Ready Reserve Fleet and Military Sealift Command in the event of war or national emergencies.<sup>3</sup>

SIP requires the following post-graduation service obligations: 3 years of service in the maritime industry, maintenance of U.S. Coast Guard Merchant Mariner credentials for 6 years, and service in a Naval Reserve commission as a strategic sealift officer for 8 years. Students enrolled in the SIP Program must apply for and be accepted as a midshipman in the Naval or Merchant Marine Reserve and be accepted for enlisted reserve status.<sup>4</sup> Current SIP age requirements prohibit cadets older than 25 from enrolling in the program. State maritime academies have a number of older cadets—many of them veterans—who currently are not eligible for the SIP Program due to this age requirement.

#### SUMMARY OF PROVISIONS

S. 467, the CADETS Act, as reported, would allow the Secretary of Transportation to make an agreement with qualified students who meet the age requirement for enlistment in the Navy Reserve at the time of graduation.

#### LEGISLATIVE HISTORY

S. 467 was introduced on February 16, 2023, by Senator Peters (for himself and Senators Young, Cruz, Klobuchar, Braun, and Baldwin) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. Senator Markey is an additional cosponsor. On March 22, 2023, the Committee met in open Executive Session and, by voice vote, ordered S. 467 reported favorably with an amendment.

<sup>1</sup>U.S. Department of Transportation, Maritime Administration, “The Student Incentive Payment (SIP) Program,” updated December 7, 2022 (<https://www.maritime.dot.gov/education/maritime-academies/student-incentive-payment-sip-program>).

<sup>2</sup>Geoffrey Brown, “U.S. Strategic Sealift’s Merchant Mariner Problem,” *The Maritime Executive*, July 2, 2021 (<https://www.maritime-executive.com/editorials/u-s-strategic-sealift-s-merchant-mariner-problem>).

<sup>3</sup>U.S. Navy, Naval Service Training Command, Naval Reserve Officers Training Corps, “Strategic Sealift Midshipman Program (SSMP),” (<https://www.netc.navy.mil/Commands/Naval-Service-Training-Command/NROTC/SSMP/>).

<sup>4</sup>U.S. Department of Transportation, Maritime Administration, “The Student Incentive Payment (SIP) Program,” updated December 7, 2022 (<https://www.maritime.dot.gov/education/maritime-academies/student-incentive-payment-sip-program>).

## ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

<b>S. 467, CADETS Act</b>			
As ordered reported by the Senate Committee on Commerce, Science, and Transportation on March 22, 2023			
By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	1	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	No
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 467 would modify the age requirement for the Maritime Administration's (MARAD's) Student Incentive Payment (SIP) program, which provides financial support of \$8,000 each year to cadets enrolled in the Strategic Sealift Midshipmen Program at state maritime academies. Under current law, a student must be between the ages of 17 and 25 at the time of enrollment to be eligible for SIP assistance. S. 467 would extend eligibility to students that meet the age requirement for enlistment or commission in the Navy Reserve, which is generally between the ages of 17 and 41, at graduation.

Using information from MARAD, CBO estimates that only a small number of people would qualify and apply for SIP assistance under the expanded eligibility rules and that the costs to fund those applicants would total about \$1 million over the 2023–2028 period. In addition, CBO estimates that it would cost the agency less than \$500,000 to amend the SIP program's guidelines, forms, and regulations. In total, CBO estimates that implementing S. 467 would cost \$1 million over the 2023–2028 period; such spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,  
Director, Congressional Budget Office.

## REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

## NUMBER OF PERSONS COVERED

S. 467 would expand the age eligibility for an already existing student financial aid program for maritime academies and, therefore, will not subject any individuals or businesses to new regulations.

## ECONOMIC IMPACT

S. 467 is anticipated to have a positive economic impact by expanding the recruitment and training potential for the U.S. Merchant Marine, a workforce that is currently aging and in need of growth to keep up with economic and national security demands.

## PRIVACY

S. 467 would not have any adverse impact on the personal privacy of the individuals.

## PAPERWORK

S. 467 would expand age eligibility for an existing educational financial assistance program and would not generate additional paperwork.

## CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

## SECTION-BY-SECTION ANALYSIS

*Section 1. Short title.*

This section would provide that the bill may be cited as the “Changing Age-Determined Eligibility To Student Incentive Payments Act” or the “CADETS Act”.

*Section 2. Age requirement for the Student Incentive Payment Program of the State Maritime Academies.*

This section would amend section 51509 of title 46, United States Code, to allow the Secretary of Transportation to enter into financial assistance agreements for the SIP Program with students who meet the age requirement for enlistment or commission in the U.S. Navy Reserve at the time of graduation from their State Maritime Academy.

## CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

\* \* \* \* \*

**UNITED STATES CODE**

\* \* \* \* \*

**TITLE 46—SHIPPING**

\* \* \* \* \*

**Subtitle V—Merchant Marine**

\* \* \* \* \*

**PART B—MERCHANT MARINE SERVICE**

\* \* \* \* \*

**CHAPTER 515—STATE MARITIME ACADEMY SUPPORT PROGRAM**

\* \* \* \* \*

**§ 51509. Student incentive payment agreements**

(a) \* \* \*

\* \* \* \* \*

(h) \* \* \*

(i) *AGE REQUIREMENT.*—*The Secretary may make an agreement under this section only with a qualified student who will meet the age requirement for enlistment or commission in the Navy Reserve at the time of graduation from the academy.*

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