

**H.R. 4310—FY13 NATIONAL DEFENSE  
AUTHORIZATION BILL**

**SUBCOMMITTEE ON SEAPOWER AND  
PROJECTION FORCES**

TITLE I           PROCUREMENT

TITLE II           RESEARCH, DEVELOPMENT, TEST, AND  
EVALUATION

TITLE X           GENERAL PROVISIONS

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# **SUMMARY OF BILL LANGUAGE**

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## **DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

### **TITLE I—PROCUREMENT**

#### **LEGISLATIVE PROVISIONS**

##### **SUBTITLE B—ARMY PROGRAMS**

###### **Section 112—Reports on Airlift Requirements of the Army**

This section would require the Secretary of the Army to provide a report to the congressional defense committees by October 31, 2012, and annually thereafter until 2017, a report that shall include the following information from the preceding fiscal year: (1) the total number of Time-Sensitive/Mission-Critical cargo airlift movements that were required for training, steady-state and contingency operations; (2) the total number of Time-Sensitive/Mission-Critical cargo airlift sorties executed for training, steady-state, and contingency operations; and (3) the total number of Time-Sensitive/Mission-Critical cargo sorties executed for training, steady-state, and contingency operations, aggregated by Department of the Army aircraft, Department of the Air Force aircraft, and contractor-provided airlift aircraft. This section would also require the Secretary of the Army to provide for each Time-Sensitive/Mission-Critical cargo airlift sortie not executed by Department of the Air Force aircraft, the reason(s) Department of the Air Force aircraft were not utilized to support the mission.

##### **SUBTITLE C—NAVY PROGRAMS**

###### **Section 121—Retirement of Nuclear-Powered Ballistic Submarines**

This section would require the Secretary of the Navy to maintain a minimum of 12 ballistic missile submarines in the fleet.

###### **Section 122—Extension of Ford-Class Aircraft Carrier Construction Authority**

This section would amend the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) by extending the incremental funding of the *Ford* class aircraft carriers (CVN-79 and CVN-80) from a 5-year period to a 6-year period.

## Section 125—Multiyear Procurement Authority for Arleigh Burke-Class Destroyers and Associated Systems

This section would authorize the Secretary of the Navy to enter into a multiyear procurement contract for up to 10 *Arleigh Burke* class destroyers (DDG-51). The budget request included \$3.0 billion for the procurement of two *Arleigh Burke* class destroyers. For many years, this class of ships was efficiently procured through multiyear procurement contracts, until the restart of production. The DDG-51 Flight IIA possesses a stable design and the committee supports the budget request to continue DDG-51 production through the Future Years Defense Program.

## Section 126—Multiyear Procurement Authority for Virginia-Class Submarine Program

This section would authorize the Secretary of the Navy to enter into a multiyear contract for the procurement of up to 10 *Virginia* class submarines beginning in fiscal year 2014. This section would also authorize the Secretary of the Navy to fund this contract through the use of incremental funding.

## Section 127—Refueling and Complex Overhaul of the U.S.S. Abraham Lincoln

This section would authorize the Secretary of the Navy to enter into a contract for the refueling and complex overhaul of the *USS Abraham Lincoln* (CVN-72). This section would also set a limit of \$1.6 billion for this purpose in fiscal year 2013, since it is the first year of 2-year incremental funding.

## SUBTITLE D—AIR FORCE PROGRAMS

### Section 131—Retirement of B-1 Bomber Aircraft

This section would require the Secretary of the Air Force to maintain 36 combat-coded B-1 bomber aircraft beyond fiscal year 2013.

### Section 133—Maintenance of Strategic Airlift Aircraft

This section would provide the Secretary of the Air Force temporary relief from maintaining a minimum floor of 301 inter-theater aircraft as well as require that all C-5A aircraft retired during or after fiscal year 2013, be placed in Type-1000 storage at the Aerospace Maintenance and Regeneration Group. This section would also require the Commander, U.S. Transportation Command to submit to the congressional defense committees by February 1, 2013, a report assessing the operational risk for meeting the geographical combatant commanders' airlift requirements with a fleet of less than 301 inter-theater airlift aircraft.

## TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

## LEGISLATIVE PROVISIONS

### SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

#### Section 211—Next-Generation Long-Range Strike Bomber Aircraft Nuclear Certification Requirement

This section would require the Secretary of the Air Force to make certain that the new long-range strike bomber will be certified to use strategic weapons by the date it receives declaration of initial operational capability.

#### Section 212—Unmanned Combat Air System

This section would require the Secretary of the Navy to conduct additional risk reduction activities related to the technology development of the follow-on Unmanned Carrier-launched Surveillance and Strike system.

#### Section 213—Extension of Limitation on Availability of Funds for Unmanned Carrier-Launched Surveillance and Strike System Program

This section would amend section 213 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) and would preclude the Secretary of the Navy from obligating 25 percent of appropriated funds until the reporting and certification requirements of section 213 are met. This section would also prevent the Secretary of the Navy from "down-selecting" to less than two prime contract competitors prior to the critical design review milestone for the program.

## TITLE X—GENERAL PROVISIONS

### LEGISLATIVE PROVISIONS

#### SUBTITLE C—NAVAL VESSELS AND SHIPYARDS

#### Section 1021—Repeal of Policy Relating To Major Combatant Vessels of the Strike Forces of the United States Navy

This section would repeal section 1012 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181) which required all combatant vessels of the strike forces of the Navy, including all new classes of such vessel, be designed with integrated nuclear power systems.

## **DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS**

## TITLE XXXV—MARITIME ADMINISTRATION

### LEGISLATIVE PROVISIONS

#### Section 3501—Authorization of Appropriations for National Security Aspects of the Merchant Marine for Fiscal Year 2013

This section would authorize appropriations for the national security aspects of the Merchant Marine for fiscal year 2013.

#### Section 3502—Application of the Federal Acquisition Regulation

This section would clarify that the appropriate version of the Federal Acquisition Regulations would be applied to a contract for purchase of recycling services is the version in effect at the time the contract is awarded.

#### Section 3503—Procurement of Ship Disposal

This section would include ship disposal and ship disposal related contracts in the Maritime Administration's exemption from Federal procurement law, and would eliminate the word "merchant" before the word "vessels", making it consistent with the disposal authority for merchant vessels and vessels capable of being converted to merchant use.

#### Section 3504—Limitation of National Defense Reserve Fleet Vessels to Those Over 1,500 Gross Tons

This section would clarify that vessels in the National Defense Reserve Fleet are to be 1,500 gross tons or greater and those vessels the Secretary of Transportation determines are appropriate to be included in the National Defense Reserve Fleet. This section would also provide the Maritime Administration the flexibility to more efficiently dispose of vessels smaller than 1,500 gross tons through the vessel sales process provided by the General Services Administration, and give the Secretary the option of determining the best practical options for the disposal of smaller vessels.

#### Section 3505—Donation of Excess Fuel to Maritime Academies

This section would authorize the Maritime Administration, with the concurrence of the owner of the fuel or excess equipment, to donate excess fuel on National Defense Reserve Fleet vessels to the State Maritime Academies to carry out training. In the case of Ready Reserve Force vessels, the owner of the vessels and the fuel would be the Secretary of the Navy.

#### Section 3506—Clarification of Heading

This section would change the title of section 57103 of title 46, United States Code, from "Sale of Obsolete Vessels in the National Defense Reserve Fleet" to "Donation of Non-Retention Vessels in the National Defense Reserve Fleet". This would be a purely technical correction.

#### Section 3507—Transfer of Vessels into the National Defense Reserve Fleet

This section would clarify the Maritime Administration's authority to receive vessels from the Armed Forces and other Federal entities, enhancing the Administration's ability to efficiently dispose of obsolete Government vessels.

#### Section 3508—Amendments Relating To the National Defense Reserve Fleet

This section would provide the Maritime Administration the flexibility in determining when to conduct activations and sea trials of vessels in the National Defense Reserve Fleet, while still ensuring readiness in accordance with Department of Defense readiness requirements.

#### Section 3509—Extension of Maritime Security Fleet Program

This section would authorize the Secretary of Transportation to extend existing operating agreements in the Maritime Security Program through September 30, 2025. For those agreements where the contractor does not wish to enter into an extension, the Secretary would be authorized to award the operating agreement to a new contractor, on the basis of military need, for the new vessel in coordination with the Secretary of Defense. This section would include periodic increases to the stipend for participants through fiscal year 2025 to account for inflation.

# **BILL LANGUAGE**

**Titles 1, 2, 10, & 35**

1 **SEC. 112 [Log #13285]. REPORTS ON AIRLIFT REQUIRE-**  
2 **MENTS OF THE ARMY.**

3 (a) REPORTS.—Not later than October 31, 2012, and  
4 each year thereafter through 2017, the Secretary of the  
5 Army shall submit to the congressional defense commit-  
6 tees a report on the time-sensitive or mission-critical airlift  
7 requirements of the Army.

8 (b) MATTERS INCLUDED.—The reports under sub-  
9 section (a) shall include, with respect to the fiscal year  
10 before the fiscal year in which the report is submitted,  
11 the following information:

12 (1) The total number of time-sensitive or mis-  
13 sion-critical airlift movements required for training,  
14 steady-state, and contingency operations.

15 (2) The total number of time-sensitive or mis-  
16 sion-critical airlift sorties executed for training,  
17 steady-state, and contingency operations.

18 (3) Of the total number of sorties listed under  
19 paragraph (2), the number of such sorties that were  
20 operated using each of—

21 (A) aircraft of the Army;

22 (B) aircraft of the Air Force; and

23 (C) aircraft of contractors.

24 (4) For each sortie described under subpara-  
25 graph (A) or (C) of paragraph (3), an explanation

- 1 for why the Secretary did not use aircraft of the Air
- 2 Force to support the mission.

1           **Subtitle C—Navy Programs**

2   **SEC. 121 [Log #15730]. RETIREMENT OF NUCLEAR-POWERED**  
3                   **BALLISTIC SUBMARINES.**

4           Section 5062 of title 10, United States Code, is  
5 amended by adding at the end the following new sub-  
6 section:

7           “(e)(1) Beginning October 1, 2012, the Secretary of  
8 the Navy may not retire or decommission a nuclear-pow-  
9 ered ballistic missile submarine if such retirement or de-  
10 commissioning would result in the active or commissioned  
11 fleet of such submarines consisting of less than 12 sub-  
12 marines.

13           “(2) The limitation in paragraph (1) shall not apply  
14 to a nuclear-powered ballistic submarine that has been  
15 converted to carry exclusively non-nuclear payloads as of  
16 October 1, 2012.”.

1 **SEC. 122 [Log #15730]. EXTENSION OF FORD-CLASS AIR-**  
2 **CRAFT CARRIER CONSTRUCTION AUTHOR-**  
3 **ITY.**

4 Section 121(a) of the John Warner National Defense  
5 Authorization Act for Fiscal Year 2007 (Public Law 109–  
6 364; 120 Stat. 2104), as amended by section 124 of the  
7 National Defense Authorization Act for Fiscal Year 2012  
8 (Public Law 112–81; 125 Stat. 1320), is amended by  
9 striking “four fiscal years” and inserting “five fiscal  
10 years”.

1 **SEC. 125 [Log #15729]. MULTIYEAR PROCUREMENT AUTHOR-**  
2 **ITY FOR ARLEIGH BURKE-CLASS DESTROY-**  
3 **ERS AND ASSOCIATED SYSTEMS.**

4 (a) **AUTHORITY FOR MULTIYEAR PROCUREMENT.**—  
5 In accordance with section 2306b of title 10, United  
6 States Code, the Secretary of the Navy may enter into  
7 a multiyear contract, beginning with the fiscal year 2013  
8 program year, for the procurement of not more than 10  
9 Arleigh Burke-class guided missile destroyers, including  
10 the Aegis weapon systems, MK 41 vertical launching sys-  
11 tems, and commercial broadband satellite systems associ-  
12 ated with such vessels.

13 (b) **AUTHORITY FOR ADVANCE PROCUREMENT.**—The  
14 Secretary of the Navy may enter into a contract, begin-  
15 ning in fiscal year 2013, for advance procurement associ-  
16 ated with the vessels and systems for which authorization  
17 to enter into a multiyear procurement contract is provided  
18 under subsection (a).

19 (c) **CONDITION FOR OUT-YEAR CONTRACT PAY-**  
20 **MENTS.**—A contract entered into under subsection (a)  
21 shall provide that any obligation of the United States to  
22 make a payment under the contract for a fiscal year after  
23 fiscal year 2013 is subject to the availability of appropria-  
24 tions or funds for that purpose for such later fiscal year.

1 **SEC. 126 [Log #15728]. MULTIYEAR PROCUREMENT AUTHOR-**  
2 **ITY FOR VIRGINIA-CLASS SUBMARINE PRO-**  
3 **GRAM.**

4 (a) **AUTHORITY FOR MULTIYEAR PROCUREMENT.—**

5 (1) **IN GENERAL.—**In accordance with section  
6 2306b of title 10, United States Code, the Secretary  
7 of the Navy may enter into a multiyear contract, be-  
8 ginning with the fiscal year 2014 program year, for  
9 the procurement of not more than 10 Virginia-class  
10 submarines and Government-furnished equipment  
11 associated with the Virginia-class submarine pro-  
12 gram.

13 (2) **USE OF INCREMENTAL FUNDING.—**The  
14 Secretary may use incremental funding with respect  
15 to a contract entered into under paragraph (1).

16 (b) **AUTHORITY FOR ADVANCE PROCUREMENT.—**The  
17 Secretary of the Navy may enter into a contract, begin-  
18 ning in fiscal year 2013, for advance procurement associ-  
19 ated with the vessels and systems for which authorization  
20 to enter into a multiyear procurement contract is provided  
21 under subsection (a)(1).

22 (c) **CONDITION FOR OUT-YEAR CONTRACT PAY-**  
23 **MENTS.—**A contract entered into under subsection (a)(1)  
24 shall provide that any obligation of the United States to  
25 make a payment under the contract for a fiscal year after

1 fiscal year 2014 is subject to the availability of appropria-  
2 tions or funds for that purpose for such later fiscal year.

1 **SEC. 127 [Log # 16269]. REFUELING AND COMPLEX OVER-**  
2 **HAUL OF THE U.S.S ABRAHAM LINCOLN.**

3 (a) REFUELING AND COMPLEX OVERHAUL.—Of the  
4 funds authorized to be appropriated or otherwise made  
5 available for fiscal year 2013 for shipbuilding and conver-  
6 sion, Navy, not more than \$1,613,392,000 may be obli-  
7 gated or expended for the commencement of the nuclear  
8 refueling and complex overhaul of the U.S.S. Abraham  
9 Lincoln (CVN-72) during such fiscal year. Such amount  
10 shall be the first increment in the two-year sequence of  
11 incremental funding planned for such nuclear refueling  
12 and complex overhaul.

13 (b) CONTRACT AUTHORITY.—The Secretary of the  
14 Navy may enter into a contract during fiscal year 2013  
15 for the nuclear refueling and complex overhaul of the  
16 U.S.S. Abraham Lincoln.

17 (c) CONDITION FOR OUT-YEAR CONTRACT PAY-  
18 MENTS.—A contract entered into under subsection (b)  
19 shall provide that any obligation of the United States to  
20 make a payment under the contract for a fiscal year after  
21 fiscal year 2013 is subject to the availability of appropria-  
22 tions for that purpose for that later fiscal year.

1       **Subtitle D—Air Force Programs**

2       **SEC. 131 [Log #13278]. RETIREMENT OF B-1 BOMBER AIR-**  
3                               **CRAFT.**

4           (a) IN GENERAL.—Section 8062 of title 10, United  
5 States Code, is amended by adding at the end the fol-  
6 lowing new subsection:

7           “(h)(1) Beginning October 1, 2011, the Secretary of  
8 the Air Force may not retire more than six B-1 aircraft.

9           “(2) The Secretary shall maintain in a common capa-  
10 bility configuration not less than 36 B-1 aircraft as com-  
11 bat-coded aircraft.

12           “(3) In this subsection, the term ‘combat-coded air-  
13 craft’ means aircraft assigned to meet the primary aircraft  
14 authorization to a unit for the performance of its wartime  
15 mission.”.

16           (b) CONFORMING AMENDMENT.—Section 132 of the  
17 National Defense Authorization Act for Fiscal Year 2012  
18 (Public Law 112-81; 125 Stat. 1320) is amended by strik-  
19 ing subsection (c).

1 **SEC. 133 [Log #13281]. MAINTENANCE OF STRATEGIC AIR-**  
2 **LIFT AIRCRAFT.**

3 (a) STRATEGIC AIRLIFT AIRCRAFT.—During fiscal  
4 year 2013, the Secretary of the Air Force may carry out  
5 section 8062(g)(1) of title 10, United States Code, by sub-  
6 stituting “275” for “301”.

7 (b) MODIFICATION TO LIMITATION ON RETIREMENT  
8 OF C-5 AIRCRAFT.—Section 137(d)(3)(B) of the National  
9 Defense Authorization Act for Fiscal Year 2010 (Public  
10 Law 111-84; 123 Stat. 2222) is amended by striking  
11 “316” and inserting “301”.

12 (c) TREATMENT OF RETIRED C-5A AIRCRAFT.—

13 (1) IN GENERAL.—With respect to each C-5A  
14 aircraft retired by the Secretary of the Air Force  
15 during fiscal year 2013 or thereafter, the Secretary  
16 shall preserve each such aircraft as described in  
17 paragraph (2).

18 (2) PRESERVATION.—The preservation de-  
19 scribed in this paragraph is preservation of C-5A  
20 aircraft that allows for such aircraft to—

21 (A) be stored in flyable condition;

22 (B) be returned to service; and

23 (C) not be used to supply parts to other  
24 aircraft unless specifically authorized by the  
25 Secretary of Defense upon a request by the  
26 Secretary of the Air Force.

1 (d) REPORT.—

2 (1) IN GENERAL.—Not later than February 1,  
3 2013, the Commander of the United States Trans-  
4 portation Command shall submit to the congres-  
5 sional defense committees a report assessing the  
6 operational risk of meeting the steady-state and  
7 warfighting requirements of the commanders of the  
8 geographical combatant commands with respect to  
9 the Secretary of the Air Force maintaining an inven-  
10 tory of strategic airlift aircraft of less than 301 air-  
11 craft.

12 (2) MATTERS INCLUDED.—The report under  
13 paragraph (1) shall include a description and anal-  
14 ysis of the assumptions made by the Commander  
15 with respect to—

16 (A) aircraft usage rates;

17 (B) aircraft mission availability rates;

18 (C) aircraft mission capability rates;

19 (D) aircrew ratios;

20 (E) aircrew production;

21 (F) aircrew readiness rates; and

22 (G) any other assumption the Commander  
23 uses to develop such report.

1           (3) FORM.—The report required by paragraph  
2           (1) shall be submitted in unclassified form, but may  
3           include a classified annex.

1 **Subtitle B—Program Requirements, Restrictions, and Limitations**  
2  
3

4 **SEC. 211 [Log #13279]. NEXT-GENERATION LONG-RANGE**  
5 **STRIKE BOMBER AIRCRAFT NUCLEAR CER-**  
6 **TIFICATION REQUIREMENT.**

7 The Secretary of the Air Force shall ensure that the  
8 next-generation long-range strike bomber is certified to  
9 use both conventional weapons and strategic nuclear weap-  
10 ons as of the date on which such aircraft achieves initial  
11 operating capability.

1 **SEC. 212 [Log #14201]. UNMANNED COMBAT AIR SYSTEM.**

2 The Secretary of the Navy shall—

3 (1) conduct additional technology development  
4 risk reduction activities using the unmanned combat  
5 air system; and

6 (2) preserve a competitive acquisition environ-  
7 ment for the Unmanned Carrier-launched Surveil-  
8 lance and Strike system program.

1 **SEC. 213 [Log #14200]. EXTENSION OF LIMITATION ON**  
2 **AVAILABILITY OF FUNDS FOR UNMANNED**  
3 **CARRIER-LAUNCHED SURVEILLANCE AND**  
4 **STRIKE SYSTEM PROGRAM.**

5 (a) **EXTENSION OF LIMITATION.**—Subsection (a) of  
6 section 213 of the National Defense Authorization Act for  
7 Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1330)  
8 is amended by inserting “or fiscal year 2013” after “fiscal  
9 year 2012”.

10 (b) **TECHNOLOGY DEVELOPMENT PHASE.**—Such sec-  
11 tion is further amended by adding at the end the following  
12 new subsection:

13 “(d) **TECHNOLOGY DEVELOPMENT AND CRITICAL**  
14 **DESIGN PHASES.**—

15 “(1) **CONTRACTORS.**—The Secretary of the  
16 Navy may not reduce the number of prime contrac-  
17 tors working on the Unmanned Carrier-launched  
18 Surveillance and Strike system program to one  
19 prime contractor for the technology development  
20 phase of such program prior to the program achiev-  
21 ing the critical design review milestone.

22 “(2) **CRITICAL DESIGN REVIEW.**—The Un-  
23 manned Carrier-launched Surveillance and Strike  
24 system program may not achieve the critical design  
25 review milestone until on or after October 1, 2016.”.

1           (c) TECHNICAL AMENDMENT.—Such section is fur-  
2 ther amended by striking “Future Unmanned Carrier-  
3 based Strike System” each place it appears and inserting  
4 “Unmanned Carrier-launched Surveillance and Strike sys-  
5 tem”.

1           **Subtitle C—Naval Vessels and**  
2                                   **Shipyards**

3   **SEC. [1021/Log #15731]. REPEAL OF POLICY RELATING TO**  
4                                   **MAJOR COMBATANT VESSELS OF THE STRIKE**  
5                                   **FORCES OF THE UNITED STATES NAVY.**

6           Section 1012 of the National Defense Authorization  
7   Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat.  
8   303) is hereby repealed.

1                   **TITLE XXXV—MARITIME**  
2                   **ADMINISTRATION**

3   **SEC. 3501. [LOG 23072] AUTHORIZATION OF APPROPRIA-**  
4                   **TIONS FOR NATIONAL SECURITY ASPECTS OF**  
5                   **THE MERCHANT MARINE FOR FISCAL YEAR**  
6                   **2013.**

7       Funds are hereby authorized to be appropriated for  
8   fiscal year 2013, to be available without fiscal year limita-  
9   tion if so provided in appropriations Acts, for the use of  
10   the Department of Transportation for Maritime Adminis-  
11   tration programs associated with maintaining national se-  
12   curity aspects of the merchant marine, as follows:

13               (1) For expenses necessary for operations of the  
14       United States Merchant Marine Academy,  
15       \$77,253,000, of which—

16               (A) \$67,253,000 shall remain available  
17       until expended for Academy operations; and

1 (B) \$10,000,000 shall remain available  
2 until expended for capital asset management at  
3 the Academy.

4 (2) For expenses necessary to support the State  
5 maritime academies, \$16,045,000, of which—

6 (A) \$2,400,000 shall remain available until  
7 expended for student incentive payments;

8 (B) \$2,545,000 shall remain available until  
9 expended for direct payments to such acad-  
10 emies; and

11 (C) \$11,100,000 shall remain available  
12 until expended for maintenance and repair of  
13 State maritime academy training vessels.

14 (3) For expenses necessary to dispose of vessels  
15 in the National Defense Reserve Fleet, \$12,717,000,  
16 to remain available until expended.

17 (4) For expenses to maintain and preserve a  
18 United States-flag merchant marine to serve the na-  
19 tional security needs of the United States under  
20 chapter 531 of title 46, United States Code,  
21 \$186,000,000.

22 (5) For the cost (as defined in section 502(5)  
23 of the Federal Credit Reform Act of 1990 (2 U.S.C.  
24 6661a(5)) of loan guarantees under the program au-  
25 thORIZED by chapter 537 of title 46, United States

1 Code, \$3,750,000, all of which shall remain available  
2 until expended for administrative expenses of the  
3 program.

1 **SEC. 3502. [LOG 28227] APPLICATION OF THE FEDERAL AC-**  
2 **QUISITION REGULATION.**

3 Section 3502(b) of the Floyd D. Spence National De-  
4 fense Authorization Act for Fiscal Year 2001, as enacted  
5 into law by Public Law 106–398 (114 Stat. 1645A–490),  
6 is amended by striking “the enactment of this Act” and  
7 inserting “contract award”.

1 **SEC. 3503. [LOG 28229] PROCUREMENT OF SHIP DISPOSAL.**

2 Section 113(e)(15) of title 40, United States Code,  
3 is amended—

4 (1) by inserting “disposal for recycling and all  
5 contracts related thereto (including contracts for  
6 towing, dry-docking, sale or purchase of services for  
7 recycling, or management of vessels during dis-  
8 posal),” after “charter, construction, reconstruc-  
9 tion,”;

10 (2) by striking “merchant”; and

11 (3) by inserting “and with the Federal Acquisi-  
12 tion Regulation” after “under this subtitle”.

1 **SEC. 3504. [LOG 28230] LIMITATION OF NATIONAL DEFENSE**  
2 **RESERVE FLEET VESSELS TO THOSE OVER**  
3 **1,500 GROSS TONS.**

4 Section 57101(a) of title 46, United States Code, is  
5 amended by inserting “of 1,500 gross tons or more or such  
6 other vessels as the Secretary of Transportation shall de-  
7 termine are appropriate” after “Administration”.

1 **SEC. 3505. [LOG 28231] DONATION OF EXCESS FUEL TO MAR-**  
2 **ITIME ACADEMIES.**

3 Section 51103(b)(1) of title 46, United States Code,  
4 is amended by striking so much as precedes paragraph  
5 (2) and inserting the following:

6 “(b) PROPERTY FOR INSTRUCTIONAL PURPOSES.—

7 “(1) IN GENERAL.—The Secretary of Transpor-  
8 tation may cooperate with and assist the institutions  
9 named in paragraph (2) by making vessels, fuel,  
10 shipboard equipment, and other marine equipment,  
11 owned by the United States Government and deter-  
12 mined by the entity having custody and control of  
13 such property to be excess or surplus, available to  
14 those institutions for instructional purposes, by gift,  
15 loan, sale, lease, or charter on terms and conditions  
16 the Secretary considers appropriate. The consent of  
17 the Secretary of Navy shall be obtained with respect  
18 to any property from National Defense Reserve  
19 Fleet vessels, 50 U.S.C. App. 1744, where such ves-  
20 sels are either Ready Reserve Force vessels or other  
21 National Defense Reserve Fleet vessels determined  
22 to be of sufficient value to the Navy to warrant their  
23 further preservation and retention.”.

1 **SEC. 3506. [LOG 28232] CLARIFICATION OF HEADING.**

2 (a) IN GENERAL.—The heading of section 57103 of  
3 title 46, United States Code, is amended to read as fol-  
4 lows:

5 **“§ 57103. Donation of nonretention vessels in the na-  
6 tional defense reserve fleet”.**

7 (b) CONFORMING AMENDMENT.—The item relating  
8 to section 57103 in the analysis of chapter 571 of such  
9 title is amended to read as follows:

“57103. Donation of nonretention vessels in the national defense reserve fleet.”.

1 **SEC. 3507. [LOG 28237] TRANSFER OF VESSELS TO THE NA-**  
2 **TIONAL DEFENSE RESERVE FLEET.**

3 Section 57101 of title 46, United States Code, is  
4 amended by adding at the end the following:

5 “(c) **AUTHORITY OF FEDERAL ENTITIES TO TRANS-**  
6 **FER VESSELS.**—All Federal entities are authorized to  
7 transfer vessels to the National Defense Reserve Fleet  
8 without reimbursement subject to the approval of the Sec-  
9 retary of Transportation and the Secretary of the Navy  
10 with respect to Ready Reserve Force vessels and the Sec-  
11 retary of Transportation with respect to all other vessels.”.

1 **SEC. 3508. [LOG 28238] AMENDMENTS RELATING TO THE NA-**  
2 **TIONAL DEFENSE RESERVE FLEET.**

3 Subparagraphs (B), (C), and (D) of sections 11(e)(1)  
4 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App.  
5 1744(e)(1)) are amended to read as follows:

6 “(B) activate and conduct sea trials on  
7 each vessel at a frequency that is deemed nec-  
8 essary;

9 “(C) maintain and adequately crew, as  
10 necessary, in an enhanced readiness status  
11 those vessels that are scheduled to be activated  
12 in 5 or less days;

13 “(D) locate those vessels that are sched-  
14 uled to be activated near embarkation ports  
15 specified for those vessels; and”.

1 **SEC. 3509. [LOG 28246] EXTENSION OF MARITIME SECURITY**  
2 **FLEET PROGRAM.**

3 (a) Section 53101 of title 46, United States Code,  
4 is amended—

5 (1) by amending paragraph (4) to read as fol-  
6 lows:

7 “(4) FOREIGN COMMERCE.—The term foreign  
8 commerce means—

9 “(A) commerce or trade between the  
10 United States, its territories or possessions, or  
11 the District of Columbia, and a foreign country;  
12 and

13 “(B) commerce or trade between foreign  
14 countries.”;

15 (2) by striking paragraph (5);

16 (3) by redesignating paragraphs (6) through  
17 (13) as paragraphs (5) through (12), respectively;  
18 and

19 (4) by amending paragraph (5), as so redesign-  
20 nated, to read as follows:

21 “(5) PARTICIPATING FLEET VESSEL.—The  
22 term participating fleet vessel means any vessel  
23 that—

24 “(A) on October 1, 2015—

1 “(i) meets the requirements of para-  
2 graph (1), (2), (3), or (4) of section  
3 53102(c); and

4 “(ii) is less than 20 years of age if the  
5 vessel is a tank vessel, or is less than 25  
6 years of age for all other vessel types; and

7 “(B) on December 31, 2014, is covered by  
8 an operating agreement under this chapter.”.

9 (b) Section 53102(b) of such title is amended to read  
10 as follows:

11 “(b) VESSEL ELIGIBILITY.—A vessel is eligible to be  
12 included in the Fleet if—

13 “(1) the vessel meets the requirements of para-  
14 graph (1), (2), (3), or (4) of subsection (c);

15 “(2) the vessel is operated (or in the case of a  
16 vessel to be constructed, will be operated) in pro-  
17 viding transportation in foreign commerce;

18 “(3) the vessel is self-propelled and—

19 “(A) is a tank vessel that is 10 years of  
20 age or less on the date the vessel is included in  
21 the Fleet; or

22 “(B) is any other type of vessel that is 15  
23 years of age or less on the date the vessel is in-  
24 cluded in the Fleet;

25 “(4) the vessel—

1           “(A) is suitable for use by the United  
2 States for national defense or military purposes  
3 in time of war or national emergency, as deter-  
4 mined by the Secretary of Defense; and

5           “(B) is commercially viable, as determined  
6 by the Secretary; and

7           “(5) the vessel—

8           “(A) is a United States-documented vessel;  
9 or

10           “(B) is not a United States-documented  
11 vessel, but—

12           “(i) the owner of the vessel has dem-  
13 onstrated an intent to have the vessel docu-  
14 mented under chapter 121 of this title if  
15 it is included in the Fleet; and

16           “(ii) at the time an operating agree-  
17 ment for the vessel is entered into under  
18 this chapter, the vessel is eligible for docu-  
19 mentation under chapter 121 of this  
20 title.”.

21           (c) Section 53103 of such title is amended—

22           (1) by amending subsection (b) to read as fol-  
23 lows:

24           “(b) EXTENSION OF EXISTING OPERATING AGREE-  
25 MENTS.—

1           “(1) OFFER TO EXTEND.—Not later than 60  
2 days after the date of enactment of this paragraph,  
3 the Secretary shall offer, to an existing contractor,  
4 to extend, through September 30, 2025, an oper-  
5 ating agreement that is in existence on the date of  
6 enactment of this paragraph. The terms and condi-  
7 tions of the extended operating agreement shall in-  
8 clude terms and conditions authorized under this  
9 chapter, as amended from time to time.

10           “(2) TIME LIMIT.—An existing contractor shall  
11 have not later than 120 days after the date the Sec-  
12 retary offers to extend an operating agreement to  
13 agree to the extended operating agreement.

14           “(3) SUBSEQUENT AWARD.—The Secretary  
15 may award an operating agreement to an applicant  
16 that is eligible to enter into an operating agreement  
17 for fiscal years 2016 through 2025 if the existing  
18 contractor does not agree to the extended operating  
19 agreement under paragraph (2).”; and

20           (2) by amending subsection (c) to read as fol-  
21 lows:

22           “(c) PROCEDURE FOR AWARDED NEW OPERATING  
23 AGREEMENTS.—The Secretary may enter into a new oper-  
24 ating agreement with an applicant that meets the require-  
25 ments of section 53102(c) (for vessels that meet the quali-

1 fications of section 53102(b)) on the basis of priority for  
2 vessel type established by military requirements of the  
3 Secretary of Defense. The Secretary shall allow an appli-  
4 cant at least 30 days to submit an application for a new  
5 operating agreement. After consideration of military re-  
6 quirements, priority shall be given to an applicant that  
7 is a United States citizen under section 50501 of this title.  
8 The Secretary may not approve an application without the  
9 consent of the Secretary of Defense. The Secretary shall  
10 enter into an operating agreement with the applicant or  
11 provide a written reason for denying the application.”.

12 (d) Section 53104 of such title is amended—

13 (1) in subsection (c), by striking paragraph (3);

14 and

15 (2) in subsection (e), by striking “an operating  
16 agreement under this chapter is terminated under  
17 subsection (c)(3), or if”.

18 (e) Section 53105 of such title is amended—

19 (1) by amending subsection (e) to read as fol-  
20 lows:

21 “(e) TRANSFER OF OPERATING AGREEMENTS.—A  
22 contractor under an operating agreement may transfer the  
23 agreement (including all rights and obligations under the  
24 operating agreement) to any person that is eligible to  
25 enter into the operating agreement under this chapter if

1 the Secretary and the Secretary of Defense determine that  
2 the transfer is in the best interests of the United States.  
3 A transaction shall not be considered a transfer of an op-  
4 erating agreement if the same legal entity with the same  
5 vessels remains the contracting party under the operating  
6 agreement.”; and

7 (2) by amending subsection (f) to read as fol-  
8 lows:

9 “(f) REPLACEMENT VESSELS.—A contractor may re-  
10 place a vessel under an operating agreement with another  
11 vessel that is eligible to be included in the Fleet under  
12 section 53102(b), if the Secretary, in conjunction with the  
13 Secretary of Defense, approves the replacement of the ves-  
14 sel.”.

15 (f) Section 53106 of such title is amended—

16 (1) in subsection (a)(1), by striking “and (C)  
17 \$3,100,000 for each of fiscal years 2012 through  
18 2025.” and inserting the following:

19 “(C) \$3,100,000 for each of fiscal years  
20 2012, 2013, 2014, 2015, 2016, 2017, and  
21 2018;

22 “(D) \$3,500,000 for each of fiscal years  
23 2019, 2020, and 2021; and

24 “(E) \$3,700,000 for each of fiscal years  
25 2022, 2023, 2024, and 2025.”;

1           (2) in subsection (c)(3)(C), by striking “a  
2 LASH vessel.” and inserting “a lighter aboard ship  
3 vessel.”; and

4           (3) by striking subsection (f).

5           (g) Section 53107(b)(1) is amended to read as fol-  
6 lows:

7           “(1) IN GENERAL.—An Emergency Prepared-  
8 ness Agreement under this section shall require that  
9 a contractor for a vessel covered by an operating  
10 agreement under this chapter shall make commercial  
11 transportation resources (including services) avail-  
12 able, upon request by the Secretary of Defense dur-  
13 ing a time of war or national emergency, or when-  
14 ever the Secretary of Defense determines that it is  
15 necessary for national security or contingency oper-  
16 ation (as that term is defined in section 101 of title  
17 10, United States Code).”.

18           (h) Section 53109 is repealed.

19           (i) Section 53111 is amended—

20           (1) by striking “and” at the end of paragraph  
21 (2); and

22           (2) by amending paragraph (3) to read as fol-  
23 lows:

24           “(3) \$186,000,000 for each of fiscal years  
25 2012, 2013, 2014, 2015, 2016, 2017, and 2018;

1           “(4) \$210,000,000 for each of fiscal years  
2           2019, 2020, and 2021; and

3           “(5) \$222,000,000 for each fiscal year there-  
4           after through fiscal year 2025.”.

5           (j) EFFECTIVE DATE OF AMENDMENTS.—The  
6           amendments made by—

7           (1) paragraphs (2), (3), and (4) of section  
8           3308(a) of this Act take effect on December 31,  
9           2014; and

10           (2) section 3308(f)(2) of this Act take effect on  
11           December 31, 2014.

# **SUMMARY OF DIRECTIVE REPORT LANGUAGE**

## **Titles 1 & 2**

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

SHIPBUILDING AND CONVERSION, NAVY

Items of Special Interest

*Littoral Combat Ship*

AIRCRAFT PROCUREMENT, AIR FORCE

Items of Special Interest

*Long-range strike bomber programs*

**TITLE II—RESEARCH, DEVELOPMENT, TEST, AND  
EVALUATION**

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

Items of Special Interest

*Shipbuilding material comparison*

# **DIRECTIVE REPORT LANGUAGE**

## **Titles 1 & 2**

# DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

## TITLE I—PROCUREMENT

### SHIPBUILDING AND CONVERSION, NAVY

#### Items of Special Interest

##### *Littoral Combat Ship*

The committee is aware of considerable issues that have plagued the Littoral Combat Ship (LCS) program over recent years. While the Navy has briefed the congressional defense committees on problems involving the LCS program, the committee believes that the Navy has not adequately informed Congress to the full extent possible on program deficiencies, including mechanical and structural failures. The committee is also concerned with the lack of transparency regarding these significant issues as was addressed in the annual report by the Director, Operational Test and Evaluation which stated that its assessment of the program was limited because the “program offices have not released any formal developmental T&E reports.” Therefore, the committee directs the Secretary of the Navy to provide a comprehensive briefing to the House Committee on Armed Services within 30 days after the date of the enactment of this Act on the LCS program, in a classified or unclassified session.

### AIRCRAFT PROCUREMENT, AIR FORCE

#### Items of Special Interest

##### *Long-range strike bomber programs*

The budget request contained \$983.1 million for B-1, B-2, B-52 and the new long-range strike bomber programs.

The budget request is a decrease of \$236.7 million below the amount the Air Force had planned for the fiscal year 2013 budget in the Future Years Defense Program. The committee notes significant changes to critical bomber modernization programs, such as B-52 Combat Network Communications Technology (CONNECT), B-52 Strategic Radar Replacement, and B-52 and B-2 Extremely High Frequency communication upgrades that the Air Force will no longer undertake due to affordability issues. The committee believes that as a result of these cancellations, the ability of the Air Force to meet combatant commander warfighting requirements and maintain reasonable operations and sustainment costs for the legacy bomber fleet is at risk.

The committee is disappointed that despite the successful completion of all engineering, manufacturing, and development (EMD) efforts on the B-52 CONNECT

program, the Secretary of the Air Force has decided to forfeit the taxpayer's investment in EMD by not continuing the procurement and fielding phases of the program. The committee believes that if the B-52 CONECT procurement program is continued, modernization of the B-52 fleet with B-52 CONECT would increase B-52's combat capability, flexibility, and maintainability; reduce in-flight crew workload; and provide the warfighter with more precise, timely, and effective close-air support.

The committee is also discouraged that the Air Force is unable to clearly articulate when the new long-range strike bomber will become certified for nuclear operations after attaining initial operating capability status. The committee does not believe that test and evaluation master plan affordability should be the limiting factor for certification. However, the committee supports the Air Force's plan to maintain the legacy bomber fleet inventory at current fiscal year 2012 and fiscal year 2013 combat-coded levels for each of the bomber fleets.

Elsewhere in this title, the committee includes a provision that would support the Air Force's plan to maintain the legacy bomber fleet inventory at current levels. In addition, elsewhere in this Act, the committee includes a provision that would require the Air Force to certify the new long-range strike bomber for nuclear operations upon declaration of the initial operating capability status. Furthermore, the committee encourages the Secretary of the Air Force to obligate fiscal year 2012 appropriations procurement funds for the B-52 CONECT program, and directs the Secretary to conduct a risk-based, mission-effectiveness analysis regarding the advantages and disadvantages of not continuing the B-52 CONECT procurement program and maintaining the B-52 fleet of aircraft in the current configuration and to provide a report on the findings to the congressional defense committees by February 5, 2013. The report should include an evaluation of various procurement quantities and pricing options that would enhance the affordability of the B-52 CONECT procurement program in order to garner a sufficient return on investment resulting from the EMD efforts to date.

The committee recommends \$983.1 million, the full amount requested, for B-1, B-2, B-52 and the new long-range strike bomber programs.

## TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

#### Items of Special Interest

##### *Shipbuilding material comparison*

In a recent article published in "Inside the Navy", it was reported that, "superstructure cracking in several classes of surface combatants is being addressed, but in some cases is proving costly". The committee is aware that three materials have been used in the deckhouses of surface combatants: steel,

aluminum, and most recently for the deckhouse of the DDG-1000 *Zumwalt* class, composite material.

The committee is also aware that there is a cost differential in both up-front procurement and production and in lifecycle maintenance cost for these materials. The next opportunity that the Navy will have to influence a design will be with Flight III of the DDG-51 *Arleigh Burke* destroyers. The committee directs the Secretary of the Navy to provide a report to the congressional defense committees with delivery of the fiscal year 2014 budget request, comparing the estimated construction costs for a deckhouse made of each of the three materials, or even a possible hybrid of two or all three, and then compares the estimated lifecycle costs for the designed life of the ship.