

**H.R. 6395—FY21 NATIONAL DEFENSE  
AUTHORIZATION BILL**

**SUBCOMMITTEE ON SEAPOWER AND  
PROJECTION FORCES**

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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—NAVY PROGRAMS**

##### **Section 111—Independent Cost Estimate of FFG(X) Frigate Program**

This section would require the Secretary of Defense to ensure that an independent cost estimate has been completed prior to milestone B.

#### **SUBTITLE C—AIR FORCE PROGRAMS**

##### **Section 121—Modification of Minimum Inventory Requirement for B-1 Bomber Aircraft**

This provision would amend section 9062(h)(2) of title 10, United States Code, by changing the B-1 combat coded aircraft requirement from 36 to 24.

##### **Section 125—Inventory Requirements for Certain Air Refueling Tanker Aircraft**

This section would prohibit the use of funds authorized to be appropriated in fiscal year 2021 to fiscal year 2023 for the retirement of any KC-135 aircraft. This section would also require the Air Force to maintain a minimum of 50 primary mission KC-10A aircraft in fiscal year 2021, 38 primary mission KC-10A aircraft in fiscal year 2022, and 26 primary mission KC-10A aircraft in fiscal year 2023.

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

### **LEGISLATIVE PROVISIONS**

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

##### **Section 220—Program Executive Officer for Autonomy**

This section would create a Program Executive Officer for autonomy within the Navy.

##### **Section 222—Limitations Relating to Large Unmanned Surface Vessels and Associated Offensive Weapon Systems**

This section would prohibit the procurement of any large unmanned surface vessels in fiscal year 2021 until a certification regarding technology maturity has been submitted to Congress. This section also includes a prohibition on the inclusion of offensive weapons systems until the Secretary of Defense certifies how these systems will comply with the Law of Armed Conflict.

## TITLE X—GENERAL PROVISIONS

### LEGISLATIVE PROVISIONS

#### SUBTITLE C—NAVAL VESSELS

##### Section 1021—Limitation on Availability of Certain Funds without Naval Vessels Plan and Certification

This section would amend section 231(e) of title 10, United States Code, by restricting 75 percent of the operation and maintenance funds for the Secretary of Defense until the 30-year shipbuilding plan of the Navy has been delivered to Congress.

##### Section 1022—Limitations on Use of Funds in the National Defense Sealift Fund for Purchase of Foreign Constructed Vessels

This section would amend section 2218 of title 10, United States Code, by authorizing the purchase of a total of nine used foreign-built ships and four used foreign-built ships prior to the Navy initiating an acquisition strategy for a sealift recapitalization plan.

##### Section 1023—Use of National Sea-Based Deterrence Fund for Incrementally Funded Contracts to Provide Full Funding for Columbia Class Submarines

This section would amend section 2218a(h)(1) of title 10, United States Code, by authorizing the use of incremental funding for the full funding of the first two Columbia class submarines.

##### Section 1025—Biannual Report on Shipbuilder Training and the Defense Industrial Base

This section would amend chapter 863 of title 10, United States Code, to require the Secretary of Defense, in coordination with the Secretary of Labor, to submit a report to Congress on the state of defense industrial base training, hiring, and the ability to meet the requirements of the 30-year shipbuilding plan.

##### Section 1026—Prohibition on Use of Funds for Retirement of Certain Littoral Combat Ships

This section would prohibit the Secretary of the Navy from retiring LCS-3 and LCS-4 until the Secretary has submitted a certification that all operational tests have been completed on all mission modules.

Section 1027—Report on Implementation of Commandant's Planning Guidance

This section would require the Secretary of Defense to submit a report regarding the implementation of the Commandant of the Marine Corps's planning guidance.

Section 1028—Limitation on Naval Force Structure Changes

This section would prohibit the retirement of any Navy ship in fiscal year 2021 until 30 days after the Secretary of Defense has delivered the Integrated Navy Force Structure Assessment to the congressional defense committees.

SUBTITLE E—MISCELLANEOUS AUTHORITIES AND LIMITATIONS

Section 1041—Prohibition on Retirement of Nuclear Powered Aircraft Carriers before First Refueling

This section would amend section 8062 of title 10, United States Code, by prohibiting the retirement of any aircraft carrier prior to its first reactor refueling.

Section 1042—Required Minimum Inventory of Tactical Airlift Aircraft

This section would amend section 9062 of title 10, United States Code, by setting a minimum number of tactical airlift in the tactical airlift inventory.

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

**TITLE XXXV—MARITIME ADMINISTRATION**

**LEGISLATIVE PROVISIONS**

**SUBTITLE A—MARITIME ADMINISTRATION**

Section 3502—Sense of Congress regarding Role of Domestic Maritime Industry in National Security

This section would express the sense of the Congress regarding the role of the domestic maritime industry in national security.



SUBTITLE B—TANKER SECURITY FLEET

Section 3511—Tanker Security Fleet

This section would amend part C of subtitle V of title 46, United States Code, to authorize the establishment of a Tanker Security Program in order to provide a fleet of 10 United States flagged tanker vessels.

# **BILL LANGUAGE**

1           **Subtitle B—Navy Programs**

2   **SEC. 111 [Log 71198]. INDEPENDENT COST ESTIMATE OF**  
3           **FFG(X) FRIGATE PROGRAM.**

4           In accordance with section 2334(b) of title 10, United  
5 States Code, the Secretary of Defense shall ensure that  
6 an independent cost estimate of the full life-cycle cost of  
7 the FFG(X) frigate program of the Navy has been com-  
8 pleted before the conclusion of milestone B of such pro-  
9 gram.

1       **Subtitle C—Air Force Programs**

2       **SEC. 121 [Log 71003]. MODIFICATION OF MINIMUM INVEN-**  
3                   **TORY REQUIREMENT FOR B-1 BOMBER AIR-**  
4                   **CRAFT.**

5           (a) MODIFICATION OF MINIMUM INVENTORY RE-  
6       QUIREMENT.—Section 9062(h)(2) of title 10, United  
7       States Code, is amended by striking “36” and inserting  
8       “24”.

9           (b) TEMPORARY AUTHORITY TO RETIRE AIR-  
10       CRAFT.—

11           (1) IN GENERAL.—Notwithstanding section  
12       9062(h)(1) of title 10, United States Code, the Sec-  
13       retary of the Air Force may retire up to seventeen  
14       B-1 aircraft.

15           (2) TERMINATION OF AUTHORITY.—The au-  
16       thority of the Secretary of the Air Force to retire  
17       aircraft under paragraph (1) shall terminate on Jan-  
18       uary 1, 2023.

1 **SEC. 125 [Log 70968]. INVENTORY REQUIREMENTS FOR**  
2 **CERTAIN AIR REFUELING TANKER AIRCRAFT.**

3 (a) **MINIMUM INVENTORY REQUIREMENTS FOR KC-**  
4 **10A AIRCRAFT.—**

5 (1) **FISCAL YEAR 2021.**—During the period be-  
6 ginning on the date of the enactment of this Act and  
7 ending on October 1, 2021, the Secretary of the Air  
8 Force shall maintain a minimum of 50 KC-10A air-  
9 craft designated as primary mission aircraft inven-  
10 tory.

11 (2) **FISCAL YEAR 2022.**—During the period be-  
12 ginning on October 1, 2021, and ending on October  
13 1, 2022, the Secretary of the Air Force shall main-  
14 tain a minimum of 38 KC-10A aircraft designated  
15 as primary mission aircraft inventory.

16 (3) **FISCAL YEAR 2023.**—During the period be-  
17 ginning on October 1, 2022, and ending on October  
18 1, 2023, the Secretary of the Air Force shall main-  
19 tain a minimum of 26 KC-10A aircraft designated  
20 as primary mission aircraft inventory.

21 (b) **PROHIBITION ON RETIREMENT OF KC-135 AIR-**  
22 **CRAFT.—**

23 (1) **PROHIBITION.**—Except as provided in para-  
24 graph (2), during the period beginning on the date  
25 of the enactment of this Act and ending on October

1           1, 2023, the Secretary of the Air Force may not re-  
2           tire, or prepare to retire, any KC-135 aircraft.

3           (2) EXCEPTION.—The prohibition in paragraph  
4           (1) shall not apply to individual KC-135 aircraft  
5           that the Secretary of the Air Force determines, on  
6           a case-by-case basis, to be no longer mission capable  
7           because of mishaps, other damage, or being uneco-  
8           nomical to repair.

9           (c) PRIMARY MISSION AIRCRAFT INVENTORY DE-  
10          FINED.—In this section, the term “primary mission air-  
11          craft inventory” has the meaning given that term in sec-  
12          tion 9062(i)(2)(B) of title 10, United States Code.

1 **SEC. 220 [Log 71464]. PROGRAM EXECUTIVE OFFICER FOR**  
2 **AUTONOMY.**

3 (a) IN GENERAL.—Not later than February 1, 2022,  
4 the Secretary of the Navy shall designate a program execu-  
5 tive officer for autonomy who shall be the official within  
6 the Department of the Navy with primary responsibility  
7 for the development and integration of autonomous tech-  
8 nology into weapon systems.

9 (b) PROGRAM EXECUTIVE OFFICER DEFINED.—In  
10 this section, the term “program executive officer” has the  
11 meaning given that term in section 1737(a)(4) of title 10,  
12 United States Code.

1 **SEC. 222 [Log 71000]. LIMITATIONS RELATING TO LARGE**  
2 **UNMANNED SURFACE VESSELS AND ASSOCI-**  
3 **ATED OFFENSIVE WEAPON SYSTEMS.**

4 (a) LIMITATION ON AVAILABILITY OF FUNDS FOR  
5 LUSV.—

6 (1) LIMITATION.—None of the funds authorized  
7 to be appropriated by this Act or otherwise made  
8 available for fiscal year 2021 for the Department of  
9 the Navy for the procurement of a large unmanned  
10 surface vessel may be obligated or expended until a  
11 period of 60 days has elapsed following the date on  
12 which the Secretary of the Navy submits to the con-  
13 gressional defense committees the certification de-  
14 scribed in paragraph (2).

15 (2) CERTIFICATION DESCRIBED.—The certifi-  
16 cation described in this paragraph is a written state-  
17 ment of the Secretary of the Navy certifying, with  
18 respect to any large unmanned surface vessel to be  
19 procured by the Secretary, the following:

20 (A) A hull system, a mechanical system,  
21 and an electrical system have been developed  
22 for the vessel and each system—

23 (i) has attained a technology readiness  
24 level of seven or greater; and

25 (ii) can be operated autonomously for  
26 a minimum of 30 days.



1 (B) A command control system has been  
2 developed for the vessel and the system—

3 (i) can be operated autonomously;

4 (ii) includes autonomous detection;

5 and

6 (iii) has attained a technology readi-  
7 ness level of seven or greater.

8 (C) A detailed plan has been developed for  
9 measuring and demonstrating the reliability of  
10 the vessel.

11 (D) All payloads expected to be carried on  
12 the vessel have attained a technology readiness  
13 level of seven or greater.

14 (b) LIMITATION ON LUSV WEAPON INTEGRATION.—

15 The Secretary of the Navy may not integrate any offensive  
16 weapon system into a large unmanned surface vessel until  
17 the date on which the Secretary of the Defense certifies  
18 to the congressional defense committees that any large un-  
19 manned surface vessel that employs offensive weapons will  
20 comply with the law of armed conflict. Such certification  
21 shall include a detailed explanation of how such compli-  
22 ance will be achieved.

1                   **Subtitle C—Naval Vessels**

2   **SEC. 1021 [Log 70997]. LIMITATION ON AVAILABILITY OF**  
3                   **CERTAIN FUNDS WITHOUT NAVAL VESSELS**  
4                   **PLAN AND CERTIFICATION.**

5           Section 231(e) of title 10, United States Code, is  
6 amended—

7           (1) in paragraph (1)—

8                   (A) by striking “Secretary of the Navy”  
9                   and inserting “Secretary of Defense”; and

10                   (B) by striking “50 percent” and inserting  
11                   “25 percent”; and

12           (2) in paragraph (2)—

13                   (A) by striking “Secretary of the Navy”  
14                   and inserting “Secretary of Defense”; and

15                   (B) by striking “operation and mainte-  
16                   nance, Navy” and inserting “operation and  
17                   maintenance, Defense-wide”.

1 **SEC. 1022 [Log 70998]. LIMITATIONS ON USE OF FUNDS IN**  
2 **THE NATIONAL DEFENSE SEALIFT FUND FOR**  
3 **PURCHASE OF FOREIGN CONSTRUCTED VES-**  
4 **SELS.**

5 Section 2218(f)(3) of title 10, United States Code,  
6 is amended—

7 (1) in subparagraph (C), by striking “seven”  
8 and inserting “nine”; and

9 (2) in subparagraph (E), by striking “two” and  
10 inserting “four”.

1 **SEC. 1023 [Log 70999]. USE OF NATIONAL SEA-BASED DETER-**  
2 **RENCE FUND FOR INCREMENTALLY FUNDED**  
3 **CONTRACTS TO PROVIDE FULL FUNDING**  
4 **FOR COLUMBIA CLASS SUBMARINES.**

5 Section 2218a(h)(1) of title 10, United States Code,  
6 is amended by striking “and properly phased installment  
7 payments” and inserting “, properly phased installment  
8 payments, and full funding for the first two Columbia  
9 class submarines”.

1 **SEC. 1025 [Log 71460]. BIENNIAL REPORT ON SHIPBUILDER**  
2 **TRAINING AND THE DEFENSE INDUSTRIAL**  
3 **BASE.**

4 (a) IN GENERAL.—Chapter 863 of title 10, United  
5 States Code, is amended by adding at the end the fol-  
6 lowing new section:

7 **“§ 8692. Biennial report on shipbuilder training and**  
8 **the defense industrial base**

9 “ Not later than February 1 of each even-numbered  
10 year until 2026, the Secretary of Defense, in coordination  
11 with the Secretary of Labor, shall submit to the Com-  
12 mittee on Armed Services and the Committee on Health,  
13 Education, Labor, and Pensions of the Senate and the  
14 Committee on Armed Services and the Committee on Edu-  
15 cation and Labor of the House of Representatives a report  
16 on shipbuilder training and hiring requirements necessary  
17 to achieve the Navy’s 30-year shipbuilding plan and to  
18 maintain the shipbuilding readiness of the defense indus-  
19 trial base. Each such report shall include each of the fol-  
20 lowing:

21 “(1) An analysis and estimate of the time and  
22 investment required for new shipbuilders to gain  
23 proficiency in particular shipbuilding occupational  
24 specialties, including detailed information about the  
25 occupational specialty requirements necessary for  
26 construction of naval surface ship and submarine

1 classes to be included in the Navy’s 30-year ship-  
2 building plan.

3 “(2) An analysis of the age demographics and  
4 occupational experience level (measured in years of  
5 experience) of the shipbuilding defense industrial  
6 workforce.

7 “(3) An analysis of the potential time and in-  
8 vestment challenges associated with developing and  
9 retaining shipbuilding skills in organizations that  
10 lack intermediate levels of shipbuilding experience.

11 “(4) Recommendations concerning how to ad-  
12 dress shipbuilder training during periods of demo-  
13 graphic transition and evolving naval fleet architec-  
14 ture consistent with the Navy’s 2020 Integrated  
15 Force Structure Assessment.

16 “(5) An analysis of whether emerging tech-  
17 nologies, such as augmented reality, may aid in new  
18 shipbuilder training

19 “(6) Recommendations concerning how to en-  
20 courage young adults to enter the defense ship-  
21 building industry and to develop the skills necessary  
22 to support the shipbuilding defense industrial base.”.

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 at the beginning of such chapter is amended by adding  
25 at the end the following new item:

“8692. Biannual report on shipbuilder training and the defense industrial base.”.

1 **SEC. 1026 [Log 70995]. PROHIBITION ON USE OF FUNDS FOR**  
2 **RETIREMENT OF CERTAIN LITTORAL COM-**  
3 **BAT SHIPS.**

4 (a) PROHIBITION.—None of the funds authorized to  
5 be appropriated by this Act or otherwise made available  
6 for fiscal year 2021 for the Navy may be obligated or ex-  
7 pended to retire or prepare for the retirement, transfer,  
8 or placement in storage any ships designated as LCS-3  
9 or LCS-4 until the date on which the Secretary of the  
10 Navy submits the certification required under subsection  
11 (b).

12 (b) CERTIFICATION.—Upon the completion of all  
13 operational tests on each of the mission modules designed  
14 for the Littoral Combat Ship, the Secretary of the Navy  
15 shall submit to the congressional defense committees cer-  
16 tification of such completion.

1 **SEC. 1027 [Log 71199]. REPORT ON IMPLEMENTATION OF**  
2 **COMMANDANT'S PLANNING GUIDANCE.**

3 (a) IN GENERAL.—Not later than 180 days after the  
4 date of the enactment of this Act, the Secretary of Defense  
5 shall submit to the congressional defense committees a re-  
6 port on the implementation of the Commandant's Plan-  
7 ning Guidance. Such report shall include a detailed de-  
8 scription of each of the following:

9 (1) The specific number and type of manned  
10 littoral ships required to execute such Guidance.

11 (2) The role of long-range unmanned surface  
12 vessels in the execution of such Guidance.

13 (3) How platforms referred to in paragraphs  
14 (1) and (2) account for and interact with ground-  
15 based missiles fielded by teams of Marines deployed  
16 throughout the Indo-Pacific region.

17 (4) The integrated naval command and control  
18 architecture required to support the platforms re-  
19 ferred to in paragraphs (1) and (2);

20 (5) The projected cost and any additional re-  
21 sources required to deliver the platforms referred to  
22 in paragraph (1) and (2) by not later than five years  
23 after the date of the enactment of this Act.

24 (b) FORM OF REPORT.—The report required under  
25 this section shall be submitted in unclassified form, but



- 1 may contain a classified annex. The unclassified report
- 2 shall be made publicly available.

1 **SEC. 1028 [Log 70996]. LIMITATION ON NAVAL FORCE**  
2 **STRUCTURE CHANGES.**

3 None of the funds authorized to be appropriated by  
4 this Act or otherwise made available for fiscal year 2021  
5 for the Navy may be obligated or expended to retire, or  
6 to prepare for the retirement, transfer, or placement in  
7 storage of, any Department of the Navy ship until the date  
8 that is 30 days after the date on which Secretary of De-  
9 fense submits to the congressional defense committees the  
10 2020 Naval Integrated Force Structure Assessment.

1           **Subtitle E—Miscellaneous**  
2           **Authorities and Limitations**

3   **SEC. 1041 [Log 71005]. PROHIBITION ON RETIREMENT OF**  
4                   **NUCLEAR POWERED AIRCRAFT CARRIERS**  
5                   **BEFORE FIRST REFUELING.**

6           Section 8062 of title 10, United States Code, is  
7 amended by adding at the end the following new sub-  
8 section:

9           “(f) A nuclear powered aircraft carrier may not be  
10 retired before its first refueling.”.

1 **SEC. 1042 [Log 71006]. REQUIRED MINIMUM INVENTORY OF**  
2 **TACTICAL AIRLIFT AIRCRAFT.**

3 Section 9062 of title 10, United States Code, is  
4 amended by adding at the end the following new sub-  
5 section:

6 “(k) The Secretary of the Air Force shall maintain  
7 a total inventory of tactical airlift aircraft of not less than  
8 292 aircraft.”.

1 **SEC. 3502 [Log 71157]. SENSE OF CONGRESS REGARDING**  
2 **ROLE OF DOMESTIC MARITIME INDUSTRY IN**  
3 **NATIONAL SECURITY.**

4 (a) FINDINGS.—Congress makes the following find-  
5 ings:

6 (1) The United States domestic maritime indus-  
7 try, with a fleet of nearly 40,000 vessels, supports  
8 nearly 650,000 American jobs and provides more  
9 than \$150,000,000 in annual economic output.

10 (2) The vessel innovations of the domestic  
11 trades that transformed worldwide maritime com-  
12 merce include the development of container ships,  
13 self-unloading vessels, articulated tug-barges, trailer  
14 barges, chemical parcel tankers, railroad-on-barge  
15 carfloats, and river flotilla towing systems.

16 (3) The domestic fleet is essential to national  
17 security is needed to crew United States Govern-  
18 ment-owned and other sealift vessels to protect the  
19 Nation.

20 (4) The Department of Defense and the entire  
21 national security infrastructure of the United States  
22 benefits from a robust commercial shipyard and ship  
23 repair industry, which helps provide both economic  
24 and military sealift support.

25 (5) The Department of Defense depends on the  
26 United States domestic trades' fleet of container

1 ships, roll-on/roll-off ships, product tankers, and  
2 other vessels to assist with the flow of military car-  
3 goes during both peace time and war time.

4 (b) SENSE OF CONGRESS.—It is the sense of Con-  
5 gress that—

6 (1) United States coastwise trade laws promote  
7 a strong domestic trade maritime industry, which  
8 supports the national security and economic vitality  
9 of the United States and the efficient operation of  
10 the United States transportation system; and

11 (2) a strong commercial maritime industry  
12 makes the United States more secure.

1 **Subtitle B—Tanker Security Fleet**

2 **SEC. 3511 [Log 71002]. TANKER SECURITY FLEET.**

3 (a) IN GENERAL.—Part C of subtitle V of title 46,  
4 United States Code, is amended by inserting after chapter  
5 531 the following new chapter:

6 **“CHAPTER 532—TANKER SECURITY FLEET**

- “53201. Definitions.
- “53202. Establishment of the Tanker Security Fleet.
- “53203. Vessel standards.
- “53204. Award of operating agreements.
- “53205. Effectiveness of operating agreements.
- “53206. Obligations and rights under operating agreements.
- “53207. Payments.
- “53208. National security requirements.
- “53209. Regulatory relief.
- “53210. Special rule regarding age of participating Fleet vessels.
- “53211. Regulations.
- “53212. Authorization of appropriations.
- “53213. Acquisition of Fleet vessels.

7 **“§ 53201. Definitions**

8 “In this chapter:

9 “(1) FOREIGN COMMERCE.—The term ‘foreign  
10 commerce’ means—

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

15 “(B) commerce or trade between foreign  
16 countries including trade between foreign ports  
17 in accordance with normal commercial bulk  
18 shipping practices in such a manner as will per-  
19 mit vessels of the United States freely to com-

1           pete with foreign-flag liquid bulk carrying ves-  
2           sels in their operation or in competing charters,  
3           subject to rules and regulations promulgated by  
4           the Secretary of Transportation pursuant to  
5           this chapter or subtitle.

6           “(2) PARTICIPATING FLEET VESSEL.—The  
7           term ‘participating Fleet vessel’ means any tank ves-  
8           sel covered by an operating agreement under this  
9           chapter on or after January 1, 2021.

10          “(3) PERSON.—The term ‘person’ includes cor-  
11          porations, partnerships, and associations existing  
12          under, or authorized by, laws of the United States,  
13          or any State, territory, district, or possession there-  
14          of, or any foreign country.

15          “(4) TANK VESSEL.—The term ‘tank vessel’  
16          has the meaning that term has under section 2101.

17          “(5) UNITED STATES CITIZEN TRUST.—The  
18          term ‘United States citizen trust’—

19                 “(A) means a trust for which—

20                         “(i) each of the trustees is a citizen of  
21                         the United States; and

22                         “(ii) the application for documenta-  
23                         tion of the vessel under chapter 121 in-  
24                         cludes an affidavit of each trustee stating  
25                         that the trustee is not aware of any reason



1           involving a beneficiary of the trust that is  
2           not a citizen of the United States, or in-  
3           volving any other person who is not a cit-  
4           izen of the United States, as a result of  
5           which the beneficiary or other person  
6           would hold more than 25 percent of the  
7           aggregate power to influence or limit the  
8           exercise of the authority of the trustee with  
9           respect to matters involving any ownership  
10          or operation of the vessel that may ad-  
11          versely affect the interests of the United  
12          States;

13           “(B) does not include a trust for which  
14          any person that is not a citizen of the United  
15          States has authority to direct, or participate in  
16          directing, a trustee for a trust in matters in-  
17          volving any ownership or operation of the vessel  
18          that may adversely affect the interests of the  
19          United States or in removing a trustee without  
20          cause, either directly or indirectly through the  
21          control of another person, unless the trust in-  
22          strument provides that persons who are not citi-  
23          zens of the United States may not hold more  
24          than 25 percent of the aggregate authority to  
25          so direct or remove a trustee; and

1           “(C) may include a trust for which a per-  
2           son who is not a citizen of the United States  
3           holds more than 25 percent of the beneficial in-  
4           terest in the trust.

5   **“§ 53202. Establishment of the Tanker Security Fleet**

6           “(a) IN GENERAL.—The Secretary of Transpor-  
7           tation, in consultation with the Secretary of Defense, shall  
8           establish a fleet of active, commercially viable, militarily  
9           useful, privately owned product tankers to meet national  
10          defense and other security requirements and maintain a  
11          United States presence in international commercial ship-  
12          ping. The fleet shall consist of privately owned vessels of  
13          the United States for which there are in effect operating  
14          agreements under this chapter, and shall be known as the  
15          ‘Tanker Security Fleet’ (hereinafter in this chapter re-  
16          ferred to as the ‘Fleet’).

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

19                 “(1) meets the requirements under paragraph  
20                 (1), (2), (3), or (4) of subsection (c);

21                 “(2) is operated (or in the case of a vessel to  
22                 be constructed, will be operated) in providing trans-  
23                 portation in United States foreign commerce;

24                 “(3) is self-propelled;

1           “(4) is not more than ten years of age on the  
2           date the vessel is first included in the Fleet and not  
3           more than 25 years of age at any time during which  
4           the vessel is included in the Fleet;

5           “(5) is determined by the Secretary of Defense  
6           to be suitable for use by the United States for na-  
7           tional defense or military purposes in time of war or  
8           national emergency; and

9           “(6) is commercially viable, as determined by  
10          the Secretary of Transportation; and

11          “(7) is—

12                 “(A) a vessel of the United States; or

13                 “(B) not a vessel of the United States,  
14          but—

15                         “(i) the owner of the vessel has dem-  
16                         onstrated an intent to have the vessel doc-  
17                         umented under chapter 121 if it is in-  
18                         cluded in the Fleet; and

19                         “(ii) at the time an operating agree-  
20                         ment is entered into under this chapter,  
21                         the vessel is eligible for documentation  
22                         under chapter 121.

23          “(c) REQUIREMENTS REGARDING CITIZENSHIP OF  
24          OWNERS, CHARTERERS, AND OPERATORS.—

1           “(1) VESSELS OWNED AND OPERATED BY SEC-  
2           TION 50501 CITIZENS.—A vessel meets the require-  
3           ments of this paragraph if, during the period of an  
4           operating agreement under this chapter that applies  
5           to the vessel, the vessel will be owned and operated  
6           by one or more persons that are citizens of the  
7           United States under section 50501.

8           “(2) VESSELS OWNED BY A SECTION 50501 CIT-  
9           IZEN, OR UNITED STATES CITIZEN TRUST, AND  
10          CHARTERED TO A DOCUMENTATION CITIZEN.—A  
11          vessel meets the requirements of this paragraph if—

12                   “(A) during the period of an operating  
13                   agreement under this chapter that applies to  
14                   the vessel, the vessel will be—

15                           “(i) owned by a person that is a cit-  
16                           izen of the United States under section  
17                           50501 or that is a United States citizen  
18                           trust; and

19                                   “(ii) demise chartered to a person—  
20   “(I) that is eligible to document  
21   the vessel under chapter 121;

22   “(II) the chairman of the board  
23   of directors, chief executive officer,  
24   and a majority of the members of the  
25   board of directors of which are citi-

1                   zens of the United States under sec-  
2                   tion 50501, and are appointed and  
3                   subjected to removal only upon ap-  
4                   proval by the Secretary; and

5                   “(III) that certifies to the Sec-  
6                   retary that there are no treaties, stat-  
7                   utes, regulations, or other laws that  
8                   would prohibit the owner or operator  
9                   for the vessel from performing its ob-  
10                  ligations under an operating agree-  
11                  ment under this chapter;

12                 “(B) in the case of a vessel that will be de-  
13                 mise chartered to a person that is owned or  
14                 controlled by another person that is not a cit-  
15                 izen of the United States under section 50501,  
16                 the other person enters into an agreement with  
17                 the Secretary not to influence the operation of  
18                 the vessel in a manner that will adversely affect  
19                 the interests of the United States; and

20                 “(C) the Secretary of Transportation and  
21                 the Secretary of Defense notify the Committee  
22                 on Armed Services and the Committee on Com-  
23                 merce, Science, and Transportation of the Sen-  
24                 ate and the Committee on Armed Services and  
25                 the Committee on Transportation and Infra-

1 structure of the House of Representatives that  
2 the Secretaries concur with the certification re-  
3 quired under subparagraph (A)(ii)(III), and  
4 have reviewed and agree that there are no legal,  
5 operational, or other impediments that would  
6 prohibit the owner or operator for the vessel  
7 from performing its obligations under an oper-  
8 ating agreement under this chapter.

9 “(3) VESSELS OWNED AND OPERATED BY A DE-  
10 FENSE OWNER OR OPERATOR.—A vessel meets the  
11 requirements of this paragraph if—

12 “(A) during the period of an operating  
13 agreement under this chapter that applies to  
14 the vessel, the vessel will be owned and oper-  
15 ated by a person that—

16 “(i) is eligible to document a vessel  
17 under chapter 121;

18 “(ii) operates or manages other ves-  
19 sels of the United States for the Secretary  
20 of Defense, or charters other vessels to the  
21 Secretary of Defense;

22 “(iii) has entered into a special secu-  
23 rity agreement for the purpose of this  
24 paragraph with the Secretary of Defense;

1                   “(iv) makes the certification described  
2                   in paragraph (2)(A)(ii)(III); and

3                   “(v) in the case of a vessel described  
4                   in paragraph (2)(B), enters into an agree-  
5                   ment referred to in that subparagraph; and

6                   “(B) the Secretary of Transportation and  
7                   the Secretary of Defense notify the Committee  
8                   on Armed Services and the Committee on Com-  
9                   merce, Science, and Transportation of the Sen-  
10                  ate and the Committee on Armed Services and  
11                  the Committee on Transportation and Infra-  
12                  structure of the House of Representatives that  
13                  they concur with the certification required  
14                  under subparagraph (A)(iv), and have reviewed  
15                  and agree that there are no legal, operational,  
16                  or other impediments that would prohibit the  
17                  owner or operator for the vessel from per-  
18                  forming its obligations under an operating  
19                  agreement under this chapter.

20                  “(4) VESSELS OWNED BY DOCUMENTATION  
21                  CITIZENS AND CHARTERED TO SECTION 50501 CITI-  
22                  ZENS.—A vessel meets the requirements of this  
23                  paragraph if, during the period of an operating  
24                  agreement under this chapter, the vessel will be—

1           “(A) owned by a person who is eligible to  
2           document a vessel under chapter 121; and

3           “(B) demise chartered to a person that is  
4           a citizen of the United States under section  
5           50501.

6           “(d) REQUEST BY SECRETARY OF DEFENSE.—The  
7           Secretary of Defense shall request that the Commandant  
8           of the Coast Guard issue any waiver under section 501  
9           that the Secretary of Defense determines is necessary for  
10          purposes of this chapter.

11          “(e) VESSEL STANDARDS.—

12           “(1) CERTIFICATE OF INSPECTION.—A vessel  
13           used to provide oceangoing transportation that the  
14           Commandant of the Coast Guard determines meets  
15           the criteria of subsection (b) but which, on the date  
16           of enactment of this section, is not documented  
17           under chapter 121, shall be eligible for a certificate  
18           of inspection if the Commandant of the Coast Guard  
19           determines that—

20           “(A) the vessel is classed by and designed  
21           in accordance with the rules of the American  
22           Bureau of Shipping, or another classification  
23           society accepted by the Commandant of the  
24           Coast Guard;



1           “(B) the vessel complies with applicable  
2 international agreements and associated guide-  
3 lines, as determined by the country in which the  
4 vessel was documented immediately before be-  
5 coming documented under chapter 121; and

6           “(C) the country has not been identified by  
7 the Commandant of the Coast Guard as inad-  
8 equately enforcing international vessel regula-  
9 tions as to that vessel.

10       “(2) RELIANCE ON CLASSIFICATION SOCIETY.—

11           “(A) IN GENERAL.—The Commandant of  
12 the Coast Guard may rely on a certification  
13 from the American Bureau of Shipping or, sub-  
14 ject to subparagraph (B), another classification  
15 society accepted by the Commandant of the  
16 Coast Guard, to establish that a vessel is in  
17 compliance with the requirements of paragraph  
18 (1).

19           “(B) FOREIGN CLASSIFICATION SOCI-  
20 ETY.—The Secretary may accept certification  
21 from a foreign classification society under sub-  
22 paragraph (A) only—

23           “(i) to the extent that the government  
24 of the foreign country in which the society  
25 is headquartered provides access on a re-

1 reciprocal basis to the American Bureau of  
2 Shipping; and  
3 “(ii) if the foreign classification soci-  
4 ety has offices and maintains records in  
5 the United States.

6 **“§ 53203. Vessel standards**

7 “(a) CERTIFICATE OF INSPECTION.—A vessel used to  
8 provide transportation service as a common carrier that  
9 the Secretary of Transportation determines meets the cri-  
10 teria of section 53102(b), which on the date of enactment  
11 of this section is not a documented vessel, shall be eligible  
12 for a certificate of inspection if the Secretary determines  
13 that—

14 “(1) the vessel is classed by and designed in ac-  
15 cordance with the rules of the American Bureau of  
16 Shipping or another classification society accepted  
17 by the Secretary;

18 “(2) the vessel complies with applicable inter-  
19 national agreements and associated guidelines, as  
20 determined by the country in which the vessel was  
21 documented immediately before becoming a docu-  
22 mented vessel (as defined in that section); and

23 “(3) that country has not been identified by the  
24 Secretary as inadequately enforcing international  
25 vessel regulations as to that vessel.

1           “(b) CONTINUED ELIGIBILITY FOR CERTIFICATE.—  
2 Subsection (a) does not apply to any vessel that has failed  
3 to comply with the applicable international agreements  
4 and association guidelines referred to in subsection (a)(2).

5           “(c) RELIANCE ON CLASSIFICATION SOCIETY.—

6                 “(1) IN GENERAL.—The Secretary may rely on  
7 a certification from the American Bureau of Ship-  
8 ping or, subject to paragraph (2), another classifica-  
9 tion society accepted by the Secretary, to establish  
10 that a vessel is in compliance with the requirements  
11 of subsections (a) and (b).

12                 “(2) FOREIGN CLASSIFICATION SOCIETY.—The  
13 Secretary may accept certification from a foreign  
14 classification society under paragraph (1) only—

15                         “(A) to the extent that the government of  
16 the foreign country in which the society is  
17 headquartered provides access on a reciprocal  
18 basis to the American Bureau of Shipping; and

19                         “(B) if the foreign classification society  
20 has offices and maintains records in the United  
21 States.

22 **“§ 53204. Award of operating agreements**

23           “(a) IN GENERAL.—The Secretary of Transportation  
24 shall require, as a condition of including any vessel in the  
25 Fleet, that the owner or operator of the vessel enter into

1 an operating agreement with the Secretary under this sec-  
2 tion.

3 “(b) PROCEDURE FOR APPLICATIONS.—

4 “(1) PARTICIPATING FLEET VESSELS.—

5 “(A) IN GENERAL.—The Secretary of  
6 Transportation shall accept an application for  
7 an operating agreement for a participating  
8 Fleet vessel under the priority under paragraph  
9 (2) only from a person that has authority to  
10 enter into an operating agreement under this  
11 chapter.

12 “(B) VESSEL UNDER DEMISE CHARTER.—

13 For purposes of subparagraph (A), in the case  
14 of a vessel that is subject to a demise charter  
15 that terminates by its own terms on September  
16 30, 2035 (without giving effect to any extension  
17 provided therein for completion of a voyage or  
18 to effect the actual redelivery of the vessel), or  
19 that is terminable at the will of the owner of  
20 the vessel after such date, only the owner of the  
21 vessel shall be treated as having the authority  
22 referred to in subparagraph (A).

23 “(C) VESSEL OWNED BY A UNITED STATES  
24 CITIZEN TRUST.—For purposes of subpara-  
25 graph (B), in the case of a vessel owned by a

1 United States citizen trust, the term ‘owner of  
2 the vessel’ includes the beneficial owner of the  
3 vessel with respect to such trust.

4 “(2) DISCRETION WITHIN PRIORITY.—The Sec-  
5 retary of Transportation—

6 “(A) may award operating agreements  
7 under paragraph (1) according to such prior-  
8 ities as the Secretary considers appropriate; and

9 “(B) shall award operating agreements  
10 within any such priority—

11 “(i) in accordance with operational re-  
12 quirements specified by the Secretary of  
13 Defense;

14 “(ii) in the case of operating agree-  
15 ments awarded under subparagraph (B) of  
16 paragraph (1), according to applicants’  
17 records of owning and operating vessels;  
18 and

19 “(iii) subject to approval of the Sec-  
20 retary of Defense.

21 “(c) LIMITATION.—For any fiscal year, the Secretary  
22 may not award operating agreements under this chapter  
23 that require payments under section 53207 for more than  
24 10 vessels.

1 **“§ 53205. Effectiveness of operating agreements**

2 “(a) IN GENERAL.—Subject to the availability of ap-  
3 propriations for such purpose, the Secretary of Transpor-  
4 tation may enter into an operating agreement under this  
5 chapter for fiscal year 2021 and any subsequent fiscal  
6 year. Each such agreement may be renewed annually for  
7 up to seven years.

8 “(b) VESSELS UNDER CHARTER TO THE UNITED  
9 STATES.—The owner or operator of a vessel under charter  
10 to the United States is eligible to receive payments pursu-  
11 ant to any operating agreement that covers such vessel.

12 “(c) TERMINATION.—

13 “(1) TERMINATION BY SECRETARY FOR LACK  
14 OF OWNER OR OPERATOR COMPLIANCE.—If the  
15 owner or operator with respect to an operating  
16 agreement materially fails to comply with the terms  
17 of the agreement—

18 “(A) the Secretary shall notify the owner  
19 or operator and provide a reasonable oppor-  
20 tunity to comply with the operating agreement;  
21 and

22 “(B) the Secretary shall terminate the op-  
23 erating agreement if the owner or operator fails  
24 to achieve such compliance.

25 “(2) TERMINATION BY OWNER OR OPER-  
26 ATOR.—

1           “(A) IN GENERAL.—If an owner or oper-  
2 ator provides notice of the intent to terminate  
3 an operating agreement under this chapter by  
4 not later than 60 days prior to the date speci-  
5 fied by the owner or operator for such termi-  
6 nation, such agreement shall terminate on the  
7 date specified by the owner or operator.

8           “(B) REPLACEMENT.—An operating agree-  
9 ment with respect to a vessel shall terminate on  
10 the date that is three years after the date on  
11 which the vessel begins operating under the  
12 agreement, if—

13           “(i) the owner or operator notifies the  
14 Secretary, by not later than two years  
15 after the date the vessel begins operating  
16 under the agreement, that the owner or op-  
17 erator intends to terminate the agreement  
18 under this subparagraph; and

19           “(ii) the Secretary of Transportation,  
20 in coordination with the Secretary of De-  
21 fense, determines that—

22           “(I) an application for an oper-  
23 ating agreement under this chapter  
24 has been received for a replacement

1 vessel that is acceptable to the Secre-  
2 taries; and

3 “(II) during the period of an op-  
4 erating agreement under this chapter  
5 that applies to the replacement vessel,  
6 the replacement vessel will be—

7 “(aa) owned and operated  
8 by one or more persons that are  
9 citizens of the United States  
10 under section 50501; or

11 “(bb) owned by a person  
12 who is eligible to document the  
13 vessel under chapter 121, and  
14 operated by a person that is a  
15 citizen of the United States  
16 under section 50501.

17 “(d) NONRENEWAL FOR LACK OF FUNDS.—

18 “(1) IN GENERAL.—If sufficient funds are not  
19 made available to carry out an operating agreement  
20 under this chapter—

21 “(A) the Secretary of Transportation shall  
22 submit to the Committee on Armed Services  
23 and the Committee on Commerce, Science, and  
24 Transportation of the Senate and the Com-  
25 mittee on Armed Services and the Committee



1           on Transportation and Infrastructure of the  
2           House of Representatives notice that such  
3           agreement shall be not renewed effective on the  
4           60th day of the fiscal year, unless such funds  
5           are made available before such day; and

6           “(B) effective on the 60th day of such fis-  
7           cal year, terminate such agreement and provide  
8           notice of such termination to the owner or oper-  
9           ator of the vessel covered by the agreement.

10          “(2) RELEASE OF VESSELS FROM OBLIGA-  
11          TIONS.—If an operating agreement for a vessel  
12          under this chapter is not renewed pursuant to para-  
13          graph (1), then the owner or operator of the vessel  
14          is released from any further obligation under the op-  
15          erating agreement as of the date of such termination  
16          or nonrenewal.

17          “(3) FOREIGN TRANSFER AND REGISTRA-  
18          TION.—The owner or operator of a vessel covered by  
19          an operating agreement under this chapter may  
20          transfer and register such vessel under a foreign  
21          registry that is acceptable to the Secretary and the  
22          Secretary of Defense, notwithstanding section  
23          53201.

24          “(4) REQUISITION.—If chapter 563 is applica-  
25          ble to a vessel after registration, then the vessel is

1 available to be requisitioned by the Secretary pursu-  
2 ant to chapter 563.

3 **“§ 53206. Obligations and rights under operating**  
4 **agreements**

5 “(a) OPERATION OF VESSEL.—An operating agree-  
6 ment under this chapter shall require that, during the pe-  
7 riod the vessel covered by the agreement is operating  
8 under the agreement the vessel shall—

9 “(1) be operated in the United States foreign  
10 commerce, mixed United States foreign commerce  
11 and domestic trade allowed under a registry endorse-  
12 ment issued under section 12111, in foreign-to-for-  
13 eign commerce, or under a charter to the United  
14 States;

15 “(2) not be operated in the coastwise trade ex-  
16 cept as described in paragraph (1); and

17 “(3) be documented under chapter 121.

18 “(b) OPERATING AGREEMENT IS AN OBLIGATION OF  
19 THE UNITED STATES GOVERNMENT.—An operating  
20 agreement under this chapter constitutes a contractual ob-  
21 ligation of the United States Government to pay the  
22 amounts provided for in the agreement to the extent of  
23 actual appropriations.

24 “(c) OBLIGATIONS OF OWNER OR OPERATOR.—

1           “(1) IN GENERAL.—The owner or operator of a  
2 vessel covered by an operating agreement under this  
3 chapter shall agree, as a condition of such agree-  
4 ment, to remain obligated to carry out the require-  
5 ments described in paragraph (2) until the termi-  
6 nation date specified in the agreement, even in the  
7 case of early termination of the agreement under  
8 section 53205(c). This subsection shall not apply in  
9 the case of an operating agreement terminated for  
10 lack of funds under section 53205(d).

11           “(2) REQUIREMENTS.—The requirements de-  
12 scribed in this paragraph are the following:

13           “(A) To continue the documentation of the  
14 vessel under chapter 121.

15           “(B) To be bound by the requirements of  
16 section 53208.

17           “(C) That all terms and conditions of an  
18 emergency preparedness agreement entered into  
19 under section 53208 shall remain in effect, ex-  
20 cept that the terms of such emergency pre-  
21 paredness agreement may be modified by the  
22 mutual consent of the owner or operator, the  
23 Secretary and the Secretary of Defense as pro-  
24 vided in such section.

1           “(d) TRANSFER OF OPERATING AGREEMENTS.—The  
2 owner or operator of a vessel covered by an operating  
3 agreement under this chapter may transfer that agree-  
4 ment (including all rights and obligations under the agree-  
5 ment) to any person that is eligible to enter into that oper-  
6 ating agreement under this chapter, if the transfer is ap-  
7 proved by the Secretary of Transportation and the Sec-  
8 retary of Defense.

9           “(e) REPLACEMENT OF VESSELS COVERED BY  
10 AGREEMENTS.—An owner or operator of a vessel covered  
11 by an operating agreement under this chapter may replace  
12 the vessel with another vessel that is eligible to be included  
13 in the Fleet under section 53202(b), if the Secretary of  
14 Transportation, in coordination with the Secretary of De-  
15 fense, approves the replacement of the vessel. In selecting  
16 a replacement vessel, the owner or operator shall give pri-  
17 mary consideration to—

18                   “(1) the commercial viability of the vessel;

19                   “(2) the utility of the vessel with respect to the  
20 operating requirements of the owner or operator;  
21 and

22                   “(3) ensuring that the commercial and military  
23 utility of any replacement vessel is not less than that  
24 of the initial vessel.

1 **“§ 53207. Payments**

2       “(a) ANNUAL PAYMENT.—Subject to the availability  
3 of appropriations for such purpose and the other provi-  
4 sions of this chapter, the Secretary shall pay to the owner  
5 or operator of a vessel covered by an operating agreement  
6 under this chapter an amount equal to \$6,000,000 for  
7 each vessel covered by the agreement for each fiscal year  
8 that the vessel is covered by the agreement. Such amount  
9 shall be paid in equal monthly installments on the last day  
10 of each month. The amount payable under this subsection  
11 may not be reduced except as provided by this section.

12       “(b) CERTIFICATION REQUIRED FOR PAYMENT.—As  
13 a condition of receiving payment under this section for a  
14 fiscal year for a vessel, the owner or operator of the vessel  
15 shall certify, in accordance with regulations issued by the  
16 Secretary, that the vessel has been and will be operated  
17 in accordance with section 53206 for at least 320 days  
18 during the fiscal year. Days during which the vessel is  
19 drydocked, surveyed, inspected, or repaired shall be con-  
20 sidered days of operation for purposes of this subsection.

21       “(c) GENERAL LIMITATIONS.—The Secretary may  
22 not make any payment under this chapter for a vessel with  
23 respect to any days for which the vessel is—

24               “(1) not operated or maintained in accordance  
25 with an operating agreement under this chapter; or

26               “(2) more than 25 years of age.

1           “(d) REDUCTIONS IN PAYMENTS.—With respect to  
2 payments under this chapter for a vessel covered by an  
3 operating agreement, the Secretary—

4           “(1) except as provided in paragraph (2), may  
5 not reduce such a payment for the operation of the  
6 vessel to carry military or other preference cargoes  
7 under section 55302(a), 55304, 55305, or 55314,  
8 section 2631 of title 10, or any other cargo pref-  
9 erence law of the United States;

10           “(2) may not make such a payment for any day  
11 that the vessel is engaged in transporting more than  
12 7,500 tons of civilian bulk preference cargoes pursu-  
13 ant to section 55302(a), 55305, or 55314, that is  
14 bulk cargo; and

15           “(3) shall make a pro rata reduction for each  
16 day less than 320 in a fiscal year that the vessel is  
17 not operated in accordance with section 53206.

18           “(e) LIMITATIONS REGARDING NONCONTIGUOUS DO-  
19 MESTIC TRADE.—

20           “(1) IN GENERAL.—No owner or operator shall  
21 receive payments pursuant to this chapter during a  
22 period in which it participates in noncontiguous do-  
23 mestic trade.

24           “(2) LIMITATION ON APPLICATION.—Paragraph  
25 (1) shall not apply to a owner or operator that is a

1 citizen of the United States within the meaning of  
2 section 50501, applying the 75 percent ownership  
3 requirement of that section.

4 “(3) PARTICIPATES IN A NONCONTIGUOUS  
5 TRADE DEFINED.—In this subsection the term ‘par-  
6 ticipates in a noncontiguous domestic trade’ means  
7 directly or indirectly owns, charters, or operates a  
8 vessel engaged in transportation of cargo between a  
9 point in the contiguous 48 States and a point in  
10 Alaska, Hawaii, or Puerto Rico, other than a point  
11 in Alaska north of the Arctic Circle.

12 **“§ 53208. National security requirements**

13 “(a) EMERGENCY PREPAREDNESS AGREEMENT RE-  
14 QUIRED.—The Secretary of Transportation, in coordina-  
15 tion with the Secretary of Defense, shall establish an  
16 emergency preparedness program under this section under  
17 which the owner or operator of a vessel covered by an op-  
18 erating agreement under this chapter shall agree, as a  
19 condition of the operating agreement, to enter into an  
20 emergency preparedness agreement with the Secretaries.  
21 Each such emergency preparedness agreement shall be en-  
22 tered into as promptly as practicable after the owner or  
23 operator has entered into the operating agreement.

24 “(b) TERMS OF AGREEMENT.—The terms of an  
25 agreement under this section—

1           “(1) shall provide that upon request by the Sec-  
2           retary of Defense during time of war or national  
3           emergency, or whenever determined by the Secretary  
4           of Defense to be necessary for national security or  
5           contingency operation (as that term is defined in  
6           section 101 of title 10), the owner or operator shall  
7           make available commercial transportation resources  
8           (including services) described in subsection (d) to  
9           the Secretary of Defense;

10           “(2) shall include such additional terms as may  
11           be established by the Secretary of Transportation  
12           and the Secretary of Defense; and

13           “(3) shall allow for the modification or addition  
14           of terms upon agreement by the Secretary of Trans-  
15           portation and the owner or operator and the ap-  
16           proval by the Secretary of Defense.

17           “(c) PARTICIPATION AFTER EXPIRATION OF OPER-  
18           ATING AGREEMENT.—Except as provided by section  
19           53206, the Secretary may not require, through an emer-  
20           gency preparedness agreement or an operating agreement,  
21           that an owner or operator of a vessel covered by an oper-  
22           ating agreement continue to participate in an emergency  
23           preparedness agreement after the operating agreement  
24           has expired according to its terms or is otherwise no  
25           longer in effect. After the expiration of an emergency pre-



1   paredness agreement, a owner or operator may voluntarily  
2   continue to participate in the agreement.

3       “(d) RESOURCES MADE AVAILABLE.—The commer-  
4   cial transportation resources to be made available under  
5   an emergency preparedness agreement shall include ves-  
6   sels or capacity in vessels, terminal facilities, management  
7   services, and other related services, or any agreed portion  
8   of such nonvessel resources for activation as the Secretary  
9   of Defense may determine to be necessary, seeking to min-  
10  imize disruption of the owner or operator’s service to com-  
11  mercial customers.

12       “(e) COMPENSATION.—

13           “(1) IN GENERAL.—Each emergency prepared-  
14   ness agreement under this section shall provide that  
15   the Secretary of Defense shall pay fair and reason-  
16   able compensation for all commercial transportation  
17   resources provided pursuant to this section.

18           “(2) SPECIFIC REQUIREMENTS.—Compensation  
19   under this subsection—

20           “(A) shall not be less than the owner or  
21   operator’s commercial market charges for like  
22   transportation resources;

23           “(B) shall be fair and reasonable consid-  
24   ering all circumstances;

1           “(C) shall be provided from the time that  
2           a vessel or resource is required by the Secretary  
3           of Defense until the time it is redelivered to the  
4           owner or operator and is available to reenter  
5           commercial service; and

6           “(D) shall be in addition to and shall not  
7           in any way reflect amounts payable under sec-  
8           tion 53207.

9           “(f) TEMPORARY REPLACEMENT VESSELS.—Not-  
10          withstanding section 55302(a), 55304, 55305, or 55314,  
11          section 2631 of title 10, or any other cargo preference law  
12          of the United States—

13                 “(1) an owner or operator may operate or em-  
14                 ploy in foreign commerce a foreign-flag vessel or for-  
15                 eign-flag vessel capacity as a temporary replacement  
16                 for a vessel of the United States or vessel of the  
17                 United States capacity that is activated by the Sec-  
18                 retary of Defense under an emergency preparedness  
19                 agreement or a primary Department of Defense sea-  
20                 lift readiness program; and

21                 “(2) such replacement vessel or vessel capacity  
22                 shall be eligible during the replacement period to  
23                 transport preference cargoes subject to sections  
24                 55302(a), 55304, 55305, and 55314 and section

1           2631 of title 10 to the same extent as the eligibility  
2           of the vessel or vessel capacity replaced.

3           “(g) REDELIVERY AND LIABILITY OF THE UNITED  
4 STATES FOR DAMAGES.—

5           “(1) IN GENERAL.—All commercial transpor-  
6           tation resources activated under an emergency pre-  
7           paredness agreement shall, upon termination of the  
8           period of activation, be redelivered to the owner or  
9           operator in the same good order and condition as  
10          when received, less ordinary wear and tear, or the  
11          Secretary of Defense shall fully compensate the  
12          owner or operator for any necessary repair or re-  
13          placement.

14          “(2) LIMITATION ON UNITED STATES LIABIL-  
15          ITY.—Except as may be expressly agreed in an  
16          emergency preparedness agreement, or as otherwise  
17          provided by law, the Government shall not be liable  
18          for disruption of an owner or operator’s commercial  
19          business or other consequential damages to an owner  
20          or operator arising from the activation of commer-  
21          cial transportation resources under an emergency  
22          preparedness agreement.

23       **“§ 53209. Regulatory relief**

24          “(a) OPERATION IN FOREIGN COMMERCE.—An  
25          owner or operator for a vessel included in an operating

1 agreement under this chapter may operate the vessel in  
2 the foreign commerce of the United States without restric-  
3 tion.

4 “(b) OTHER RESTRICTIONS.—The restrictions of sec-  
5 tion 55305(a) concerning the building, rebuilding, or docu-  
6 mentation of a vessel in a foreign country shall not apply  
7 to a vessel for any day the operator of the vessel is receiv-  
8 ing payments for the operation of that vessel under an  
9 operating agreement under this chapter.

10 “(c) TELECOMMUNICATIONS EQUIPMENT.—The tele-  
11 communications and other electronic equipment on an ex-  
12 isting vessel that is redocumented under the laws of the  
13 United States for operation under an operating agreement  
14 under this chapter shall be deemed to satisfy all Federal  
15 Communications Commission equipment certification re-  
16 quirements, if—

17 “(1) such equipment complies with all applica-  
18 ble international agreements and associated guide-  
19 lines as determined by the country in which the ves-  
20 sel was documented immediately before becoming  
21 documented under the laws of the United States;

22 “(2) that country has not been identified by the  
23 Secretary as inadequately enforcing international  
24 regulations as to that vessel; and

1           “(3) at the end of its useful life, such equip-  
2           ment shall be replaced with equipment that meets  
3           Federal Communications Commission equipment  
4           certification standards.

5   **“§ 53210. Special rule regarding age of participating**  
6                           **Fleet vessels**

7           “Any age restriction under section 53202(b)(4) shall  
8           not apply to a participating Fleet vessel during the 30-  
9           month period beginning on the date the vessel begins oper-  
10          ating under an operating agreement under this chapter,  
11          if the Secretary of Transportation determines that the  
12          owner or operator of the vessel has entered into an ar-  
13          rangement to obtain and operate under the operating  
14          agreement for the participating Fleet vessel a replacement  
15          vessel that, upon commencement of such operation, will  
16          be eligible to be included in the Fleet under section  
17          53202(b).

18   **“§ 53211. Regulations**

19          “The Secretary of Transportation and the Secretary  
20          of Defense may each prescribe rules as necessary to carry  
21          out their respective responsibilities under this chapter.

22   **“§ 53212. Authorization of appropriations**

23          “There is authorized to be appropriated for payments  
24          under section 53207, \$60,000,000 for each of fiscal years  
25          2021 through 2035, to remain available until expended.

1 **“§ 53213. Acquisition of Fleet vessels**

2       “(a) IN GENERAL.—Upon replacement of a Fleet ves-  
3 sel under an operating agreement under this chapter, and  
4 subject to agreement by the owner or operator of the ves-  
5 sel, the Secretary of Transportation may, subject to the  
6 concurrence of the Secretary of Defense, acquire the vessel  
7 being replaced for inclusion in the National Defense Re-  
8 serve Fleet.

9       “(b) REQUIREMENTS.—To be eligible for acquisition  
10 by the Secretary of Transportation under this section a  
11 vessel shall—

12               “(1) have been covered by an operating agree-  
13 ment under this chapter for not less than three  
14 years; and

15               “(2) meet recapitalization requirements for the  
16 Ready Reserve Force.

17       “(c) FAIR MARKET VALUE.—A fair market value  
18 shall be established by the Maritime Administration for  
19 acquisition of an eligible vessel under this section.

20       “(d) APPROPRIATIONS.—Vessel acquisitions under  
21 this section shall be subject to the availability of appro-  
22 priations. Amounts made available to carry out this sec-  
23 tion shall be derived from amounts authorized to be appro-  
24 priated for the National Defense Reserve Fleet. Amounts  
25 authorized to be appropriated to carry out the Maritime

1 Security Program may not be use to carry out this sec-  
2 tion.”.

3 (b) CLERICAL AMENDMENT.—The table of chapters  
4 for subtitle VII of title 46, United States Code, is amend-  
5 ed by adding at the end the following:

“532. Tanker Security Fleet ..... 53201”.

6 (c) DEADLINE FOR ACCEPTING APPLICATIONS.—

7 (1) IN GENERAL.—The Secretary of Transpor-  
8 tation shall begin accepting applications for enroll-  
9 ment of vessels in the Tanker Security Fleet estab-  
10 lished under chapter 532 of title 46, United States  
11 Code, as added by subsection (a), by not later than  
12 30 days after the date of the enactment of this Act.

13 (2) APPROVAL.—Not later than 90 days after  
14 receipt of an application for the enrollment of a ves-  
15 sel in the Tanker Security Fleet, the Secretary, in  
16 coordination with the Secretary of Defense, shall—

17 (A) approve the application and enter into  
18 an operating agreement with the applicant; or

19 (B) provide to the applicant a written ex-  
20 planation for the denial of the application.

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# DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

## TITLE I—PROCUREMENT

### SHIPBUILDING AND CONVERSION, NAVY

#### Items of Special Interest

##### *Advanced degaussing for DDG-51 destroyers*

The committee understands that the DDG-51 destroyers, including the latest Flight III version, incorporate a mine protection degaussing system dating back to the lead ship, DDG-51, commissioned on July 4, 1991. This more than 28-year-old degaussing mine protection system is seriously out of date, significantly outside of the Navy's own magnetic signature specifications, and leaves the Navy's primary large surface combatant, with a crew of 329, vulnerable to the most basic mines available today. The Navy has invested considerable research and development funding to develop advanced degaussing systems, the latest of which will be incorporated into LPD 28/29/30, that will provide greater than five times more effective mine protection than the current system aboard all the DDG-51 destroyers. The newest advanced degaussing systems are a third of the weight, requiring a third of the cable and cable length and typically require less electrical power. The committee believes the Navy should consider a backfit plan for in-service destroyers as well as a plan to incorporate an advanced degaussing system on new-construction destroyers. Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by February 1, 2021, on the potential to backfit in-service destroyers with advanced degaussing as well as the potential for incorporating it on new-construction destroyers.

##### *Variable Depth Sonar for DDG-51 destroyers*

The committee recognizes and supports the Navy's efforts to leverage mature technologies and systems for the DDG-51 and small surface combatant programs. The committee continues to encourage the Secretary of the Navy to emphasize commonality across Navy platforms, commonality with existing platform equipment, and reduced acquisition and lifecycle and sustainment costs in developing a best value solution for the platform. However, the committee also believes it is critical that the Navy increase technical capabilities, particularly in the area of anti-submarine warfare (ASW). Given ongoing efforts by adversarial nations to increase the capability, lethality, and size of their respective submarine fleets, the committee recognizes the critical role the DDG-51 and small surface combatants will play in performing ASW missions around the globe. As such, it is

imperative that the platform be deployed with the most capable ASW technology available.

Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services not later than February 1, 2021, on the feasibility of backfitting the AN/SQS-62 Variable Depth Sonar system on surface combatants. The briefing shall include:

(a) an explanation of the current DDG-51 ASW performance capabilities, including any plans for ensuring the DDG-51s are part of a broader implementation of low-frequency active capabilities aboard tactical surface ships;

(b) an analysis of commonality with program of record ASW systems, particularly those recently developed as part of the littoral combat ship ASW Mission Package, to include common hardware, spares, training, and logistics;

(c) an acquisition plan, including schedule, for AN/SQS-62 backfit into DDG-51s;

(d) the program schedule to fully incorporate AN/SQS-62 into the ASW mission packages associated with the littoral combat ship; and

(e) an assessment of options to forward fit AN/SQS-62 into frigate.

## OTHER PROCUREMENT, NAVY

### Items of Special Interest

#### *Long-term charter requirements*

The committee notes that the Secretary of the Navy has entered long-term charter agreements for nine transoceanic vessels for the Departments of the Navy and Army. The committee believes that organic transoceanic vessels may be more cost effective than the long-term charter strategy currently employed by the Secretary of the Navy. Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by February 1, 2021, on alternative force structure options to support these long-term charter requirements. The briefing shall include an assessment of the current long-term charter requirements and a cost comparison of an organic fleet capability compared with the long-term charters.

#### *Unmanned maritime systems*

The Navy is refocusing its maritime strategy to counter an increasing competition among nations in the maritime environment, coupled with a rapid rise in technological creation and adoption of new weapons. To expedite technology development and accelerate fielding initial capabilities, the Navy is using a range of new acquisition authorities that allow the department to bypass traditional lines of program oversight. In particular, the Navy has added significant resources to its budget to rapidly and aggressively acquire a family of over 200 new unmanned and optionally manned surface and undersea vehicles. While unmanned maritime

systems offer promise, past efforts, such as the Remote Minehunting Vehicle, have proven costly and unsuccessful.

Therefore, the committee directs the Comptroller General of the United States to provide a report to the congressional defense committees by March 1, 2021, on a review of the Navy's unmanned surface and undersea vehicles. As part of this review, the Comptroller General shall assess:

(1) the current status of the Navy's efforts to develop and produce unmanned and optionally manned surface and undersea vehicles, including cost and schedule;

(2) the successes and challenges the Navy is experiencing in executing and planning its unmanned surface and undersea vehicles;

(3) the extent to which the Navy is managing requirements to best ensure that the planned capabilities will meet mission needs;

(4) the Navy's plans for replacing manned ships with unmanned ships and also including unmanned systems in its ship counts; and

5) any other areas that the Comptroller General deems appropriate.

## AIRCRAFT PROCUREMENT, AIR FORCE

### Items of Special Interest

#### *C-130H propeller/engine upgrades*

The committee notes again that the C-130H aircraft that are flown primarily by the Air National Guard and Air Force Reserve continue to provide critical tactical airlift capabilities and will continue to support this mission for years to come. The committee is again disappointed with the amount of time it has taken for the Air Force to address a safety of flight issue with the legacy propeller system of the C-130H.

Procurement of new composite propeller blades is the obvious solution to this serious safety of flight and readiness issue. The Air Force has moved slowly in addressing the issue and still refers to the propeller upgrade as a capability improvement and not a safety requirement. A new composite blade would also decrease maintenance time and improve logistics support, which will result in increased readiness. Delays are unacceptable considering the inherent safety of flight and readiness risks surrounding this issue.

Therefore, the committee directs the Secretary of the Air Force to provide a briefing to the House Committee on Armed Services by January 31, 2021, updating the acquisition strategy for procuring new blades. This plan should include updated estimated costs, timelines, and a unit upgrade schedule. The briefing should also include the Air Force plan to incorporate C-130H T-56 Series 3.5 Engine Enhancement Packages. Congress has repeatedly added additional funds for these upgrades and the Air Force has yet to budget for them despite the demonstrated performance benefits and fuel efficiencies.

### *KC-46A full rate production*

The committee notes that Boeing Defense has not yet delivered 6 of 7 Lot 1 and 6 of 12 Lot 2 KC-46A aircraft. These Lot 1 and 2 aircraft were authorized in fiscal year 2015 and 2016 respectively. Considering the budget request for fiscal year 2021 supported a Lot 7 order of 15 aircraft, the delays associated with Lots 1 and 2 could impact deliveries of Lot 7.

Additionally, the committee notes that the KC-46A has three category one deficiencies: the remote vision system, the boom telescope actuator, and a new excessive fuel system leak. The category one deficiency in the remote vision system has resulted in the Air Force determination that the KC-46A is not capable of being operationally employed. The Air Force has assessed the remote vision system category one deficiency will take approximately 3 to 4 years to correct. If Boeing can maintain schedule they will have delivered the first 6 lots representing a total of 79 aircraft that are not capable of being operationally employed.

The Air Force has indicated their intent in fiscal year 2021 to conclude the initial operational test and evaluation and proceed to full rate production of an aircraft that is not operationally capable. The committee believes that a decision to enter full rate production before these category one deficiencies are corrected and production challenges are alleviated should be carefully considered by the milestone decision authority. Therefore, the committee directs the Secretary of the Air Force to provide a briefing to the House Committee on Armed Services by September 1, 2020, before the KC-46A program goes into full rate production, as to how the Secretary intends to mitigate the concurrency of development associated with these category one deficiencies with a full rate production decision.

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

### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

#### Items of Special Interest

#### *Flight test air refueling support*

The committee recognizes the importance of air refueling to flight test aircraft and the many requirements for tanker aircraft. The committee is concerned with the impact of the Air Force's tanker reductions and with unintended consequences of insufficient tanker support for test programs, such as program delays and increased costs. The committee directs the Secretary of the Air Force to provide a briefing to the House Committee on Armed Services by February 1, 2021, that explains the plan to support flight test requirements with air refueling. The brief should determine the overall test requirements and consider the effectiveness and efficiency of tanker aircraft assigned to the test community versus augmenting tanker support with aircraft from other bases.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE

### Items of Special Interest

#### *GPS-based precision approach and landing system*

The committee is encouraged by the Navy's success in procuring a global positioning system (GPS)-based, all-weather, precision approach and landing system for eventual deployment on all Navy aircraft carriers and amphibious assault ships for its F-35-B, F-35C, and MQ-25 aircraft. The committee understands that the Navy and Marine Corps are currently conducting feasibility studies to determine whether the F/A-18E, F/A-18F, EA-18G, and all variants of the V-22 can also be integrated into its precision approach and landing system.

The committee believes that expanding the sea-based joint precision approach and landing system capability to other U.S. military aircraft that operate in expeditionary environments would permit such aircraft to safely land at remote, forward-deployed airbases, even in situations involving difficult terrain or extremely low visibility. The committee directs the Secretary of Defense to provide a report to the House Committee on Armed Services by February 1, 2021, on the feasibility and advisability of integrating a common expeditionary GPS-based, all-weather, precision approach and landing system capability into its aircraft that are most likely to serve in forward-deployed environments, the C-130, F-16 and H-60.

## TITLE III—OPERATION AND MAINTENANCE

### ITEMS OF SPECIAL INTEREST

#### LOGISTICS AND SUSTAINMENT ISSUES

##### Pilot Program for Enhancing Ship Readiness through Digital Techniques

The committee supports the ongoing pilot program that the American Bureau of Shipping and the Military Sealift Command (MSC) have developed to enhance the readiness of MSC vessels through a condition-based approach. This pilot program has already shown positive results in improving the availability and readiness of MSC vessels, with potential long-term cost avoidance in maintenance and repair of such vessels. The committee encourages MSC to further expand the program to other vessels under its control.

The committee also believes that the readiness of our nation's surface naval and auxiliary fleet is a critical issue that deserves enhanced attention. The committee directs the Secretary of the Navy to evaluate the use of a similar condition-based approach to cover the surface vessel fleet through a partnership with an organization that has experience classing Navy vessels. The committee further directs the Secretary of the Navy to provide a report to the Committees on

Armed Services of the Senate and the House of Representatives, not later than February 1, 2021, on the steps being taken to improve the availability and readiness of surface naval and auxiliary vessels using a condition-based approach and commercial best practices for digital methods for ship condition monitoring, vessel readiness, and maintenance planning.

## READINESS ISSUES

### Surface Navy Seamanship and Skills Assessment

The committee recognizes that the Navy has made some significant improvements to the training curriculum for surface warfare officers. However, the committee continues to have concerns that enlisted training has not seen the same emphasis. In an effort to fully understand the impact of recent changes to officer surface warfare training and the current state of enlisted training, the committee believes a holistic assessment should be conducted. The goal of the assessment would be to conduct a top-to-bottom review of how the surface Navy qualifies its topside watchstanders involved in seamanship and navigation. The assessment should include Personal Qualification Standards, Watch Team Replacement Plans methods of simulator training at various officer and enlisted milestones, as well as at-sea assessments evaluating all Mobility Navigation/Seamanship evolutions as outlined in the current surface force training and readiness manual with attention to special evolutions while restricted maneuvering doctrine is in effect. Of particular interest is an objective assessment of how we qualify/requalify officers of the deck underway, as well as the master shiphandling skills expected of commanding officers and executive officers at sea. The goal of this study is to obtain an accurate, objective outside assessment of the status of seamanship skills in the surface Navy.

Therefore, the committee directs the Secretary of the Navy to contract with a federally funded research and development center to provide a report to the congressional defense committees not later than February 1, 2022, on a top-down assessment of Navy surface warfare training. The assessment should review both officer and enlisted training.

## TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

### ITEMS OF SPECIAL INTEREST

#### Utilization of Smaller Vessels in Indo-Pacific Area of Operations

The committee remains concerned that the Navy has yet to provide an updated shipbuilding plan as required by section 231 of title 10, United States Code, or a briefing on the updated Integrated Force Structure Assessment. Without the requisite information, the committee is unable to properly assess whether vessels smaller than 200 meters in length may have a forward deployed mission set,

such as supporting Expeditionary Advanced Base Operations. Therefore, the committee directs the Chief of Naval Operations to provide a briefing to the House Committee on Armed Services not later than February 1, 2021, on the feasibility of utilizing smaller vessels in the Indo-Pacific to patrol coastal areas and enhance presence in a contested environment.

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

### **TITLE XXXV—MARITIME ADMINISTRATION**

#### **ITEMS OF SPECIAL INTEREST**

##### **Commercial Design Options for Sealift Recapitalization**

The committee notes that the strategic sealift force can only generate 65 percent of the Department of Defense’s required capacity and faces an imminent decline in capacity as obsolete ships are retired. The committee continues to believe that the most cost-effective and time-sensitive strategy for acquiring a new domestically built sealift ship is through a commercial model that focuses on mature designs. The committee believes the Navy should focus on maximizing commercial design criteria where possible and limit the amount of military specifications. The Maritime Administration has been utilizing a commercial-style contracting process for the acquisition of the National Security Multi-Mission Vessel (NSMV). The committee strongly encourages the Secretary of the Navy to coordinate closely with the Maritime Administrator in order to leverage lessons learned from the NSMV process and ultimately develop a similar acquisition strategy for sealift recapitalization. Based on the authorities granted by Congress such as incremental funding, the committee believes that the Navy could acquire a new-construction ship without overly disrupting the Navy shipbuilding account and still meet the 2026 delivery mandate.

Therefore, the committee directs the Secretary of the Navy, in coordination with the Maritime Administrator, to provide a briefing to the Committee on Armed Services of the House of Representatives not later than September 1, 2020, on what progress the Navy has made in developing an acquisition strategy for sealift recapitalization that maximizes commercial designs and contracting best practices.