

**H.R. 2500—FY20 NATIONAL DEFENSE
AUTHORIZATION BILL**

**SUBCOMMITTEE ON SEAPOWER AND
PROJECTION FORCES**

SUMMARY OF BILL LANGUAGE.....	1
BILL LANGUAGE.....	10
DIRECTIVE REPORT LANGUAGE.....	83

SUMMARY OF BILL LANGUAGE

Table Of Contents

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

LEGISLATIVE PROVISIONS

SUBTITLE B—NAVY PROGRAMS

Section 111—Modification of Annual Report on Cost Targets for Certain Aircraft Carriers

Section 112—Repeal of Requirement to Adhere to Navy Cost Estimates for Certain Aircraft Carriers

Section 113—Ford Class Aircraft Carrier Support for F-35C Aircraft

Section 114—Prohibition on Use of Funds for Reduction of Aircraft Carrier Force Structure

Section 115—Design and Construction of Amphibious Transport Dock Designated LPD-31

Section 117—National Defense Reserve Fleet Vessel

SUBTITLE C—AIR FORCE PROGRAMS

Section 121—Modification of Requirement to Preserve Certain C-5 Aircraft

Section 122—Modification of Limitation on Use of Funds for KC-46A Aircraft

Section 124—Prohibition on Availability of Funds for Reduction in KC-10 Primary Mission Aircraft Inventory

Section 125—Limitation on Availability of Funds for VC-25B Aircraft

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

LEGISLATIVE PROVISIONS

SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

Section 215—Documentation Relating to B-52 Commercial Engine Replacement Program

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

LEGISLATIVE PROVISIONS

SUBTITLE A—ACQUISITION POLICY AND MANAGEMENT

Section 804—Requirement That Certain Ship Components Be Manufactured in the National Technology and Industrial Base

Section 805—Application of Limitation on Procurement of Goods other than United States Goods to the FFG-Frigate Program

TITLE X—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS

SUBTITLE C—NAVAL VESSELS AND SHIPYARDS

Section 1021—Transportation by Sea of Supplies for the Armed Forces and Defense Agencies

Section 1023—Formal Schoolhouse Training for Shipboard System Programs of Record

Section 1024—Report on Shipbuilder Training and the Defense Industrial Base

SUBTITLE E—MISCELLANEOUS AUTHORITIES AND LIMITATIONS

Section 1041—Scheduling of Department of Defense Executive Aircraft Controlled by Secretaries of Military Departments

Section 1045—Limitation on Use of Funds for the Inactivation of Army Watercraft Units

SUBTITLE F—STUDIES AND REPORTS

Section 1065—Mobility Capabilities Requirement Study

Section 1069—Independent Review of the Transportation Working-Capital Fund

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

TITLE XXXV—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS

SUBTITLE A—MARITIME ADMINISTRATION

Section 3501—Authorization of the Maritime Administration

Section 3502—Reauthorization of Maritime Security Program

Section 3503—Maritime Occupational Safety and Health Advisory Committee

SUBTITLE B—TANKER SECURITY FLEET

Section 3511—Tanker Security Fleet

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

LEGISLATIVE PROVISIONS

SUBTITLE B—NAVY PROGRAMS

Section 111—Modification of Annual Report on Cost Targets for Certain Aircraft Carriers

This section would amend section 126(c) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328), that requires an annual report on cost reduction efforts for CVN-79 and CVN-80. This section would amend Public Law 114-328 to include CVN-81, and reflect changes made to the cost cap language.

Section 112—Repeal of Requirement to Adhere to Navy Cost Estimates for Certain Aircraft Carriers

This section would repeal section 122 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364), as amended by section 121 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66), section 122 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92), and section 121(a) of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91).

Section 113—Ford Class Aircraft Carrier Support for F-35C Aircraft

This section would require the Secretary of the Navy to ensure that the aircraft carrier to be designated CVN-79 is capable of deploying with the F-35 prior to accepting delivery.

Section 114—Prohibition on Use of Funds for Reduction of Aircraft Carrier Force Structure

This section would limit the Secretary of Defense from reducing the aircraft carrier force structure below the level required by section 5062 of title 10, United States Code.

The committee continues to believe that the nation's preeminent power projection capability is embodied with the aircraft carrier strike group. The ability to rapidly relocate a strategic asset and launch long-range, deep penetrating strike from a location that is not hampered by sovereign limitations represents the linchpin in our nation's national security. The committee concurs with the Navy's

assessment that the aircraft carrier is more survivable today than at any point in the last 75 years.

The committee continues to support an expansion of the aircraft carrier force structure to obtain the Navy's requirement of 12 aircraft carriers. The committee is supportive of the two-carrier procurement authorized in section 121 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232) and is supportive of further efforts to reduce the span between aircraft carrier construction.

Additionally, the budget request contained no funds for the Refueling and Complex Overhaul (RCOH) of the USS Harry S. Truman. The committee is encouraged that the administration reversed its recommendation to retire the USS Harry S. Truman before the planned RCOH and agrees with the overwhelming view within Congress that maintaining this strategic asset for another 25 years is crucial to national security. Therefore, the committee recommends \$17.0 million to begin procurement of the long lead items associated with the USS Harry S. Truman RCOH.

Section 115—Design and Construction of Amphibious Transport Dock Designated LPD-31

This section would authorize the Secretary of the Navy to enter into a contract for the amphibious transport dock ship designated LPD-31. Additionally, the Secretary would be authorized to use incremental funding authority to complete the construction.

Section 117—National Defense Reserve Fleet Vessel

This section would direct the Secretary of the Navy to enter into a contract for one sealift vessel, subject to certain requirements.

SUBTITLE C—AIR FORCE PROGRAMS

Section 121—Modification of Requirement to Preserve Certain C-5 Aircraft

This section would amend section 141(d) of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) to reinstate the requirement for the Secretary of the Air Force to continue to preserve certain C-5 aircraft in a storage condition that would allow a recall of retired aircraft to future service in the Air Force Reserve, Air National Guard, or Active Force structure.

Section 122—Modification of Limitation on Use of Funds for KC-46A Aircraft

This section would amend section 146 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232), to limit the

use of funds for KC-46A aircraft pending submittal of certification, to include a military flight release.

Section 124—Prohibition on Availability of Funds for Reduction in KC-10 Primary Mission Aircraft Inventory

This section would prohibit the retirement of any primary inventory KC-10 aircraft in fiscal year 2020.

Section 125—Limitation on Availability of Funds for VC-25B Aircraft

This section would prohibit the Secretary of the Air Force from obligating or expending any funds to exercise the over-and-above clause of the VC-25B contract until the Secretary submits a certification to the congressional defense committees.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

LEGISLATIVE PROVISIONS

SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

Section 215—Documentation Relating to B-52 Commercial Engine Replacement Program

This section would limit funds for the B-52 commercial engine replacement program until the Secretary of the Air Force submits a capability development document and a signed test and evaluation master plan.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

LEGISLATIVE PROVISIONS

SUBTITLE A—ACQUISITION POLICY AND MANAGEMENT

Section 804—Requirement That Certain Ship Components Be Manufactured in the National Technology and Industrial Base

This section would amend section 2534 of title 10, United States Code, and would require certain auxiliary ship components to be procured from a manufacturer in the national technology and industrial base.

Section 805—Application of Limitation on Procurement of Goods other than United States Goods to the FFG-Frigate Program

This section would allow funds authorized for the FFG-Frigate program to be used to award a contract that does not domestically source propulsion or certain auxiliary equipment.

TITLE X—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS

SUBTITLE C—NAVAL VESSELS AND SHIPYARDS

Section 1021—Transportation by Sea of Supplies for the Armed Forces and Defense Agencies

This section would modify section 2631 of title 10, United States Code, to expand application of cargo transported by the Department of Defense to include defense agencies. Additionally, this section would require additional latitude in the transportation of fuel products to better expand opportunities for U.S. flagged resources.

Section 1023—Formal Schoolhouse Training for Shipboard System Programs of Record

This section would require the Secretary of the Navy to ensure there is a formal schoolhouse for all shipboard systems that are current programs of record in the fleet.

Section 1024—Report on Shipbuilder Training and the Defense Industrial Base

This section would require the Secretary of the Navy to submit a report on how the Navy plans to manage the need to grow the shipbuilding workforce as it builds to a 355-ship Navy.

SUBTITLE E—MISCELLANEOUS AUTHORITIES AND LIMITATIONS

Section 1041—Scheduling of Department of Defense Executive Aircraft Controlled by Secretaries of Military Departments

This section would require the Secretary of Defense to ensure there is a common scheduler for the scheduling and prioritization of executive airlift across the entire Department of Defense.

Section 1045—Limitation on Use of Funds for the Inactivation of Army Watercraft Units

This section would prohibit the use of any funds for fiscal year 2020 for the inactivation of an Army watercraft unit until the Secretary of Defense has completed a review and the findings have been validated by a federally funded research and development corporation.

SUBTITLE F—STUDIES AND REPORTS

Section 1065—Mobility Capabilities Requirement Study

This section would require the Commander, U.S. Transportation Command to submit a report and a briefing to the House Committee on Armed Services by January 1, 2021, with an interim update by June 1, 2020, assessing the operational risk for meeting the mobility requirements of the geographic combatant commanders.

Section 1069—Independent Review of the Transportation Working-Capital Fund

This section would require the Secretary of Defense, in coordination with the Secretaries of the military departments, to contract with an independent federally funded research and development center to conduct a review of the Transportation Working Capital-Fund (TWCF) of the U.S. Transportation Command.

The committee is disappointed to learn that U.S. Transportation Command has delayed the implementation of the changes that were mandated by the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91) as it pertains to the management of the channel system. The channel system was designed to be a revenue generator for the TWCF but has consistently failed to meet this objective. The U.S. Transportation Command has done a poor job of projecting overhead costs and cargo as it relates to the channel system which has resulted in the military services budgeting incorrectly for the costs associated with using the channel system. The committee believes that rather than having the military services budget for the cost of using the channel system which then flow to the TWCF, U.S. Transportation Command should improve their cost projections and budget directly for them. The committee is also concerned that there has not been adequate oversight of where excess TWCF funds have been allocated. The committee expects U.S. Transportation Command to better disclose where excess TWCF funds are being allocated in the future.

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

TITLE XXXV—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS

SUBTITLE A—MARITIME ADMINISTRATION

Section 3501—Authorization of the Maritime Administration

This section would authorize appropriations for the national security aspects of the Maritime Administration for fiscal year 2020.

Section 3502—Reauthorization of Maritime Security Program

This section would reauthorize the Maritime Security Program and extend it to 2035.

Section 3503—Maritime Occupational Safety and Health Advisory Committee

This provision would amend section 656 of title 29, United States Code, and establish the Maritime Occupational Safety and Health Advisory Committee as a continuing body that does not have to be reestablished every 2 years as previously structured.

SUBTITLE B—TANKER SECURITY FLEET

Section 3511—Tanker Security Fleet

This section would authorize a tanker security fleet program.

BILL LANGUAGE

1 **Subtitle B—Navy Programs**

2 **SEC. 111 [Log 69802]. MODIFICATION OF ANNUAL REPORT** 3 **ON COST TARGETS FOR CERTAIN AIRCRAFT** 4 **CARRIERS.**

5 Section 126(c) of the National Defense Authorization
6 Act for Fiscal Year 2017 (Public Law 114–328; 130 Stat.
7 2035) is amended—

8 (1) in the subsection heading, by striking “AND
9 CVN–80” and inserting “, CVN–80, AND CVN–81”;

10 (2) in paragraph (1), by striking “costs de-
11 scribed in subsection (b) for the CVN–79 and CVN–
12 80” and inserting “cost targets for the CVN–79, the
13 CVN–80, and the CVN–81”; and

14 (3) in paragraph (2)—

15 (A) in the matter preceding subparagraph
16 (A), by striking “ and the CVN–80” and insert-
17 ing “, the CVN–80, and the CVN–81”

18 (B) in subparagraph (A), by striking
19 “costs described in subsection (b)” and insert-
20 ing “cost targets”;

21 (C) in subparagraph (F), by striking
22 “costs specified in subsection (b)” and inserting
23 “cost targets”; and

1 (D) in subparagraph (G), by striking
2 “costs specified in subsection (b)” and inserting
3 “cost targets”.

1 **SEC. 112 [Log 69139]. REPEAL OF REQUIREMENT TO AD-**
2 **HERE TO NAVY COST ESTIMATES FOR CER-**
3 **TAIN AIRCRAFT CARRIERS.**

4 Section 122 of the John Warner National Defense
5 Authorization Act for Fiscal Year 2007 (Public Law 109–
6 364; 120 Stat. 2104), as most recently amended by sec-
7 tion 121(a) of the National Defense Authorization Act for
8 Fiscal Year 2018 (Public Law 115–91; 131 Stat. 1309),
9 is repealed.

1 **SEC. 113 [Log 69320]. FORD CLASS AIRCRAFT CARRIER SUP-**
2 **PORT FOR F-35C AIRCRAFT.**

3 Before accepting delivery of the Ford class aircraft
4 carrier designated CVN-79, the Secretary of the Navy
5 shall ensure that the aircraft carrier is capable of oper-
6 ating and deploying with the F-35C aircraft.

1 **SEC. 114 [Log 70180]. PROHIBITION ON USE OF FUNDS FOR**
2 **REDUCTION OF AIRCRAFT CARRIER FORCE**
3 **STRUCTURE.**

4 None of the funds authorized to be appropriated by
5 this Act or otherwise made available for fiscal year 2020
6 for the Department of Defense may be obligated or ex-
7 pended to reduce the number of operational aircraft car-
8 riers of the Navy below the number specified in section
9 8062(b) of title 10, United States Code.

1 **SEC. 115 [Log 69553]. DESIGN AND CONSTRUCTION OF AM-**
2 **PHIBIOUS TRANSPORT DOCK DESIGNATED**
3 **LPD-31.**

4 (a) **IN GENERAL.**—Using funds authorized to be ap-
5 propriated for the Department of Defense for Shipbuilding
6 and Conversion, Navy, the Secretary of the Navy may
7 enter into a contract, beginning with the fiscal year 2020
8 program year, for the design and construction of the am-
9 phibious transport dock designated LPD-31.

10 (b) **USE OF INCREMENTAL FUNDING.**—With respect
11 to the contract entered into under subsection (a), the Sec-
12 retary may use incremental funding to make payments
13 under the contract.

14 (c) **CONDITION FOR OUT-YEAR CONTRACT PAY-**
15 **MENTS.**—The contract entered into under subsection (a)
16 shall provide that any obligation of the United States to
17 make a payment under such contract for any fiscal year
18 after fiscal year 2020 is subject to the availability of ap-
19 propriations for that purpose for such later fiscal year.

1 **SEC. 117 [Log 70237]. NATIONAL DEFENSE RESERVE FLEET**
2 **VESSEL.**

3 (a) IN GENERAL.—Subject to the availability of ap-
4 propriations, the Secretary of the Navy, acting through
5 the executive agent described in subsection (e), shall seek
6 to enter into a contract for the construction of one sealift
7 vessel for the National Defense Reserve Fleet.

8 (b) DELIVERY DATE.—The contract entered into
9 under subsection (a) shall specify a delivery date for the
10 sealift vessel of not later than September 30, 2026.

11 (c) DESIGN AND CONSTRUCTION REQUIREMENTS.—

12 (1) USE OF EXISTING DESIGN.—The design of
13 the sealift vessel shall be based on a domestic or for-
14 eign design that exists as of the date of the enact-
15 ment of this Act.

16 (2) COMMERCIAL STANDARDS AND PRAC-
17 TICES.—Subject to paragraph (1), the sealift vessel
18 shall be constructed using commercial design stand-
19 ards and commercial construction practices that are
20 consistent with the best interests of the Federal
21 Government.

22 (3) DOMESTIC SHIPYARD.—The sealift vessel
23 shall be constructed in a shipyard that is located in
24 the United States.

25 (d) CERTIFICATE AND ENDORSEMENT.—The sealift
26 vessel shall meet the requirements necessary to receive a

1 certificate of documentation and a coastwise endorsement
2 under chapter 121 of title 46, United States Code, and the
3 Secretary of the Navy shall ensure that the completed ves-
4 sel receives such a certificate and endorsement.

5 (e) EXECUTIVE AGENT.—

6 (1) IN GENERAL.—The Secretary of the Navy
7 shall seek to enter into a contract or other agree-
8 ment with a private-sector entity under which the
9 entity shall act as executive agent for the Secretary
10 for purposes of the contract under subsection (a).

11 (2) RESPONSIBILITIES.—The executive agent
12 described in paragraph (1) shall be responsible for—

13 (A) selecting a shipyard for the construc-
14 tion of the sealift vessel;

15 (B) managing and overseeing the construc-
16 tion of the sealift vessel; and

17 (C) such other matters as the Secretary of
18 the Navy determines to be appropriate

19 (f) USE OF INCREMENTAL FUNDING.—With respect
20 to the contract entered into under subsection (a), the Sec-
21 retary of the Navy may use incremental funding to make
22 payments under the contract.

23 (g) SEALIFT VESSEL DEFINED.—In this section, the
24 term “sealift vessel” means the sealift vessel constructed

- 1 for the National Defense Reserve Fleet pursuant to the
- 2 contract entered into under subsection (a).

1 **Subtitle C—Air Force Programs**

2 **SEC. 121 [Log 70001]. MODIFICATION OF REQUIREMENT TO**
3 **PRESERVE CERTAIN C-5 AIRCRAFT.**

4 Section 141(d) of the National Defense Authorization
5 Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat.
6 1661) is amended—

7 (1) in paragraph (1), by striking “until the date
8 that is 30 days after the date on which the briefing
9 under section 144(b) of the National Defense Au-
10 thorization Act for Fiscal Year 2018 is provided to
11 the congressional defense committees”; and

12 (2) in paragraph (2)(A), by striking “can be re-
13 turned to service” and inserting “is inducted into or
14 maintained in type 1000 recallable storage”.

1 **SEC. 122 [Log 69543]. MODIFICATION OF LIMITATION ON**
2 **USE OF FUNDS FOR KC-46A AIRCRAFT.**

3 Section 146(a)(1) of the John S. McCain National
4 Defense Authorization Act for Fiscal Year 2019 (Public
5 Law 115-232) is amended by striking “the military type
6 certification” and inserting “either the military type cer-
7 tification or a military flight release”.

1 **SEC. 124 [Log 69786]. PROHIBITION ON AVAILABILITY OF**
2 **FUNDS FOR REDUCTION IN KC-10 PRIMARY**
3 **MISSION AIRCRAFT INVENTORY.**

4 None of the funds authorized to be appropriated by
5 this Act or otherwise made available for fiscal year 2020
6 for the Air Force may be obligated or expended to reduce
7 the number of KC-10 aircraft in the primary mission air-
8 craft inventory of the Air Force.

1 **SEC. 125 [Log 69244]. LIMITATION ON AVAILABILITY OF**
2 **FUNDS FOR VC-25B AIRCRAFT.**

3 (a) LIMITATION.—None of the funds authorized to
4 be appropriated by this Act or otherwise made available
5 for fiscal year 2020 or any subsequent fiscal year for the
6 Air Force may be obligated or expended to carry out over-
7 and-above work on the VC-25B aircraft until the date on
8 which the Secretary of the Air Force certifies to the con-
9 gressional defense committees that—

10 (1) such work will not result in changes to the
11 VC-25B aircraft that cause the aircraft to exceed—

12 (A) the specification requirements applica-
13 ble to the VC-25A aircraft; or

14 (B) the quality or grade of the VC-25A
15 aircraft;

16 (2) the livery for the VC-25B aircraft will com-
17 ply with the criteria set forth in the report of the
18 Boeing Company titled “Phase II Aircraft Livery
19 and Paint Study Final Report” as submitted to the
20 Federal Government in April 2017;

21 (3) such work is not a result of late design
22 changes made by the Federal Government to the in-
23 terior design of the VC-25B aircraft; and

24 (4) such work is not a result of rework that ex-
25 ceeds the criteria set forth in the report of the Boe-
26 ing Company titled “Presidential Quality Interior

1 Acceptance Standards Report” as submitted to the
2 Federal Government in September 2018.

3 (b) OVER-AND-ABOVE WORK DEFINED.—In this sec-
4 tion, the term “over-and-above work” means work discov-
5 ered during the course of performing overhaul, mainte-
6 nance, or repair efforts that—

7 (1) is within the general scope of the contract
8 pursuant to which such efforts are carried out;

9 (2) is not covered by a line item for the basic
10 work under the contract; and

11 (3) is necessary in order to satisfactorily com-
12 plete the contract.

1 **SEC. 215 [Log 69608]. DOCUMENTATION RELATING TO B-52**
2 **COMMERCIAL ENGINE REPLACEMENT PRO-**
3 **GRAM.**

4 (a) DOCUMENTATION REQUIRED.—The Secretary of
5 the Air Force shall submit to the congressional defense
6 committees the following documentation relating to the B-
7 52 commercial engine replacement program of the Air
8 Force:

9 (1) A capability development document for the
10 program, approved by the Secretary of the Air
11 Force.

12 (2) A test and evaluation master plan for the
13 program, approved by the Director of Operational
14 Test and Evaluation.

15 (b) LIMITATION.—Of the funds authorized to be ap-
16 propriated by this Act or otherwise made available for fis-
17 cal year 2020 for the Air Force, not more than 75 percent
18 may be obligated or expended until the date on which the
19 Secretary of the Air Force submits to the congressional
20 defense committees the documentation required under
21 subsection (a).

1 **SEC. 804.[Log 69176] REQUIREMENT THAT CERTAIN SHIP**
2 **COMPONENTS BE MANUFACTURED IN THE**
3 **NATIONAL TECHNOLOGY AND INDUSTRIAL**
4 **BASE.**

5 (a) **ADDITIONAL PROCUREMENT LIMITATION.**—Sec-
6 tion 2534(a) of title 10, United States Code, is amended
7 by adding at the end the following new paragraph:

8 “(6) **COMPONENTS FOR AUXILIARY SHIPS.**—
9 Subject to subsection (k), the following components:

10 “(A) Auxiliary equipment, including
11 pumps, for all shipboard services.

12 “(B) Propulsion system components, in-
13 cluding engines, reduction gears, and propellers.

14 “(C) Shipboard cranes.

15 “(D) Spreaders for shipboard cranes.”.

16 (b) **IMPLEMENTATION.**—Such section is further
17 amended by adding at the end the following new sub-
18 section:

19 “(k) **IMPLEMENTATION OF AUXILIARY SHIP COMPO-**
20 **NENT LIMITATION.**—Subsection (a)(6) applies only with
21 respect to contracts awarded by the Secretary of a military
22 department for new construction of an auxiliary ship after
23 the date of the enactment of the National Defense Author-
24 ization Act for Fiscal Year 2020 using funds available for
25 National Defense Sealift Fund programs or Shipbuilding

1 and Conversion, Navy. For purposes of this subsection,
2 the term ‘auxiliary ship’ does not include an icebreaker.’’.

1 **SEC. 805.[Log 005/Log 70238] APPLICATION OF LIMITATION**
2 **ON PROCUREMENT OF GOODS OTHER THAN**
3 **UNITED STATES GOODS TO THE FFG-FRIG-**
4 **ATE PROGRAM.**

5 Notwithstanding any other provision of law, amounts
6 authorized to carry out the FFG-Frigate Program may
7 be used to award a new contract that provides for the ac-
8 quisition of the following components regardless of wheth-
9 er those components are manufactured in the United
10 States:

11 (1) Auxiliary equipment (including pumps) for
12 shipboard services.

13 (2) Propulsion equipment (including engines,
14 reduction gears, and propellers).

15 (3) Shipboard cranes.

16 (4) Spreaders for shipboard cranes.

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

3 **SEC. 1021 [Log 69137]. TRANSPORTATION BY SEA OF SUP-**
4 **PLIES FOR THE ARMED FORCES AND DE-**
5 **FENSE AGENCIES.**

6 Section 2631 of title 10, United States Code, is
7 amended—

8 (1) in the first sentence of subsection (a), by in-
9 serting “or for a Defense Agency” after “Marine
10 Corps”; and

11 (2) in subsection (b)—

12 (A) by redesignating paragraphs (2) and
13 (3) as paragraphs (3) and (4), respectively;

14 (B) by inserting after paragraph (1) the
15 following new paragraph (2):

16 “(2) Before entering into a contract for the transpor-
17 tation by sea of fuel products under this section, the Sec-
18 retary shall provide a minimum variance of three days on
19 the shipment date.”; and

20 (C) in paragraph (4), as redesignated by
21 subparagraph (A), by striking “the requirement
22 described in paragraph (1)” and insert “a re-
23 quirement under paragraph (1) or (2)”.

1 **SEC. 1023 [Log 69140]. FORMAL SCHOOLHOUSE TRAINING**
2 **FOR SHIPBOARD SYSTEM PROGRAMS OF**
3 **RECORD.**

4 (a) IN GENERAL.—The Secretary of the Navy shall
5 ensure that there is a formal schoolhouse available at
6 which training is provided in any shipboard system that
7 is program of record on Navy surface vessels.

8 (b) TIMELINE FOR IMPLEMENTATION.—

9 (1) CURRENT PROGRAMS.—In the case of any
10 shipboard system program of record that is in use
11 as of the date of the enactment of this Act for which
12 no formal schoolhouse is available, the Secretary
13 shall ensure that such a schoolhouse is available for
14 the provision of training in such program by not
15 later than 12 months after the date of the enact-
16 ment of this Act.

17 (2) FUTURE PROGRAMS.—In the case of any
18 shipboard system program of record that is first
19 used after the date of the enactment of this Act, the
20 Secretary shall ensure that a formal schoolhouse is
21 established for the provision of training in such pro-
22 gram by not later than 12 months after the date on
23 which the shipboard system program of record is
24 first used.

1 **SEC. 1024 [Log 69927]. REPORT ON SHIPBUILDER TRAINING**
2 **AND THE DEFENSE INDUSTRIAL BASE.**

3 Not later than 180 days after the date of the enact-
4 ment of this Act, the Secretary of Defense shall submit
5 to the Committees on Armed Services of the Senate and
6 House of Representatives a report on shipbuilder training
7 and hiring requirements necessary to achieve the Navy's
8 30-year shipbuilding plan and to maintain the ship-
9 building readiness of the defense industrial base. Such re-
10 port shall include each of the following:

11 (1) An analysis and estimate of the time and
12 investment required for new shipbuilders to gain
13 proficiency in particular shipbuilding occupational
14 specialties, including detailed information about the
15 occupational specialty requirements necessary for
16 construction of naval surface ship and submarine
17 classes to be included in the Navy's 30-year ship-
18 building plan.

19 (2) An analysis of the age demographics and
20 occupational experience level (measured in years of
21 experience) of the shipbuilding defense industrial
22 workforce.

23 (3) An analysis of the potential time and invest-
24 ment challenges associated with developing and re-
25 taining shipbuilding skills in organizations that lack
26 intermediate levels of shipbuilding experience.

1 (4) Recommendations concerning how to ad-
2 dress shipbuilder training during periods of demo-
3 graphic transition, including whether emerging tech-
4 nologies, such as augmented reality, may aid in new
5 shipbuilder training.

6 (5) Recommendations concerning how to en-
7 courage young adults to enter the defense ship-
8 building industry and to develop the skills necessary
9 to support the shipbuilding defense industrial base.

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

3 **SEC. 1041 [Log 69134]. SCHEDULING OF DEPARTMENT OF**
4 **DEFENSE EXECUTIVE AIRCRAFT CON-**
5 **TROLLED BY SECRETARIES OF MILITARY DE-**
6 **PARTMENTS.**

7 (a) IN GENERAL.—Chapter 2 of title 10, United
8 States Code, is amended by adding at the end the fol-
9 lowing new section:

10 **“§ 120. Department of Defense executive aircraft con-**
11 **trolled by Secretaries of military depart-**
12 **ments**

13 “(a) IN GENERAL.—The Secretary of Defense shall
14 ensure that the Chief of the Air Force Special Air Mission
15 Office is given the responsibility for scheduling all Depart-
16 ment of Defense executive aircraft controlled by the Secre-
17 taries of the military departments.

18 “(b) RESPONSIBILITIES.—(1) The Secretary of each
19 of the military departments shall ensure that there is rep-
20 resentation from each of the armed forces within the Air
21 Force Special Air Mission Office to provide for daily man-
22 agement and scheduling of the aircraft controlled by that
23 military department.

1 “(2) The Secretary of Defense shall be responsible
2 for resolving conflicts and arbitrating the allocation of air-
3 craft based on demand and priority.

4 “(c) LIMITATIONS.—(1) The Secretary of Defense
5 may not establish a new command and control organiza-
6 tion to support aircraft controlled by the Secretary of a
7 military department.

8 “(2) No aircraft controlled by the Secretary of a mili-
9 tary department may be permanently stationed at any lo-
10 cation without required users.

11 “(d) DEFINITIONS.—In this section:

12 “(1) The term ‘required use traveler’ has the
13 meaning given such term in Department of Defense
14 directive 4500.56, as in effect on the date of the en-
15 actment of this section.

16 “(2) The term ‘executive aircraft’ has the
17 meaning given such term in Department of Defense
18 directive 4500.43, as in effect on the date of the en-
19 actment of this section.”.

20 “(b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by adding
22 at the end the following new item:

“120. Department of Defense executive aircraft controlled by Secretaries of mili-
tary departments.”.

1 **SEC. 1045 [Log 69177]. LIMITATION ON USE OF FUNDS FOR**
2 **THE INACTIVATION OF ARMY WATERCRAFT**
3 **UNITS.**

4 None of the funds authorized to be appropriated by
5 this Act or otherwise made available for fiscal year 2020
6 may be obligated or expended for the inactivation of any
7 Army watercraft unit until the Secretary of Defense sub-
8 mits to Congress certification that—

9 (1) the Secretary has completed the Army
10 Watercraft Requirements Review;

11 (2) the Secretary has entered into a contract
12 with a federally funded research and development
13 corporation for the review of the ability of the Army
14 to meet the watercraft requirements of the combat-
15 ant commanders; and

16 (3) the federally funded research and develop-
17 ment corporation has completed such review and
18 validated the findings of such review.

1 **SEC. 1065 [Log 69132]. MOBILITY CAPABILITY REQUIRE-**
2 **MENTS STUDY.**

3 (a) IN GENERAL.—The Commander of the United
4 States Transportation Command, in coordination with the
5 Chairman of the Joint Chiefs of Staff and the Secretaries
6 of the military departments, shall conduct a study of the
7 end-to-end, full-spectrum mobility requirements to fulfill
8 the national defense strategy required by section 113(g)
9 of title 10, United States Code, for 2018. Such study shall
10 be completed not later than January 1, 2021.

11 (b) ELEMENTS OF STUDY.—The study required
12 under subsection (a) shall include each of the following:

13 (1) An assessment of the ability of the pro-
14 grammed airlift aircraft, tanker aircraft, sealift
15 ships, and key mobility enablers to meet the inte-
16 grated mobility requirements in expected strategic
17 environments, as defined by the guidance in such
18 national defense strategy.

19 (2) An identification, quantification, and de-
20 scription of the associated risk-to-mission (as de-
21 fined by Chairman of the Joint Chiefs of Staff Man-
22 ual 3105.01, Joint Risk Analysis) required to fulfill
23 such strategy, including—

24 (A) as assessment of risk-to-mission associ-
25 ated with achieving strategic and operational
26 objectives using the programmed airlift aircraft,

1 tanker aircraft, sealift ships, and key mobility
2 enablers; and

3 (B) a description of the combinations of
4 airlift aircraft, tanker aircraft, sealift ships, and
5 key mobility enabler requirements and capabili-
6 ties that provide low, moderate, significant, and
7 high levels of risk-to-mission to fulfill such
8 strategy.

9 (3) An identification of any mobility capability
10 gaps, shortfalls, overlaps, or excesses, including—

11 (A) an assessment of associated risks with
12 respect to the ability to conduct operations; and

13 (B) recommended mitigation strategies
14 where possible.

15 (4) The articulation of all key assumptions and
16 decisions made and excursions examined in con-
17 ducting the study with respect to—

18 (A) risk;

19 (B) programmed forces and infrastructure;

20 (C) the availability of commercial airlift
21 and sealift capabilities and resources, when ap-
22 plicable;

23 (D) aircraft usage rates, aircraft mission
24 availability rates, aircraft mission capability

1 rates, aircrew ratios, aircrew production, and
2 aircrew readiness rates;

3 (E) readiness, crewing, and activation
4 rates for sealift ships;

5 (F) prepositioning, forward stationing,
6 seabasing, engineering, and infrastructure;

7 (G) demand signals used to represent mis-
8 sions described in the national defense strategy
9 for 2018, in competition and wartime;

10 (H) concurrency and global integration of
11 demand signals;

12 (I) integrated global presence and basing
13 strategy;

14 (J) host nation or third-country support;

15 (K) adversary actions to degrade and dis-
16 rupt United States mobility operations;

17 (L) aircraft being used for training or un-
18 dergoing depot maintenance or modernization
19 or ships undergoing depot maintenance;

20 (M) mobility enabling forces availability,
21 readiness, and use;

22 (N) logistics concept of operations, includ-
23 ing any support concepts, methods, combat sup-
24 port forces, and combat service support forces
25 that are required to enable the projection and

1 enduring support to forces both deployed and in
2 combat for each analytic scenario;

3 (O) anticipated attrition rates for the as-
4 sessed force structure; and

5 (P) such other matters as the Commander
6 determines appropriate.

7 (5) Such other elements as the Commander de-
8 termines appropriate.

9 (c) REPORTS AND BRIEFINGS.—

10 (1) INTERIM REPORT AND BRIEFING.—Not
11 later than June 1, 2020, the Commander of the
12 United States Transportation Command, in coordi-
13 nation with the Chairman of the Joint Chiefs of
14 Staff and the Secretaries of the military depart-
15 ments, shall—

16 (A) submit to the Committee on Armed
17 Services of the House of Representatives an in-
18 terim report on the study; and

19 (B) provide to such Committee a briefing
20 on the report.

21 (2) FINAL REPORT AND BRIEFING.—Not later
22 than January 1, 2021, the Commander of the
23 United States Transportation Command, in coordi-
24 nation with the Chairman of the Joint Chiefs of

1 Staff and the Secretaries of the military depart-
2 ments, shall—

3 (A) submit to the Committee on Armed
4 Services of the House of Representatives a final
5 report on the study; and

6 (B) provide to such Committee a briefing
7 on the report.

8 (3) FORM OF REPORTS.—The reports required
9 by paragraphs (1) and (2) shall be submitted in un-
10 classified form, but may include a classified annex.

11 (d) DEFINITION OF SEALIFT SHIP.—In this section,
12 the term “sealift ship” includes surge sealift vessels, tank-
13 er vessels, and non-governmental vessels incorporated as
14 part of the maritime logistics enterprise.

1 **SEC. 1069 [Log 70069]. INDEPENDENT REVIEW OF TRANS-**
2 **PORTATION WORKING-CAPITAL FUND.**

3 (a) IN GENERAL.—Not later than 30 days after the
4 date of the enactment of this Act, the Secretary of De-
5 fense, in coordination with the Secretary of each of the
6 military departments, shall enter into a contract with a
7 federally funded research and development center for the
8 conduct of an independent review of the transportation
9 working-capital fund (hereinafter referred to as the
10 “TWCF”) of the United States Transportation Command.

11 (b) MATTERS FOR INCLUSION.—The review con-
12 ducted under subsection (a) shall include each of the fol-
13 lowing:

14 (1) The viability of the TWCF as it is struc-
15 tured as of the date of the enactment of this Act.

16 (2) An assessment of any instances in which ex-
17 cess TWCF funds were used for procurement or
18 modernization efforts that would not otherwise have
19 been funded using amounts made available for oper-
20 ation and maintenance.

21 (3) Recommendations for how the TWCF could
22 be restructured in order to make the fund more ef-
23 fective and efficient.

24 (4) Potential alternative funding mechanisms
25 for certain components of the TWCF, including the
26 channel system.

1 (5) Any other matters the Secretaries jointly
2 determine appropriate.

3 (c) REPORT.—Not later than March 1, 2021, the
4 Secretary of Defense and the Secretary of each of the mili-
5 tary departments shall jointly submit the to the congres-
6 sional defense committees a copy of the review conducted
7 under subsection (a).

1 **Subtitle A—Maritime**
2 **Administration**

3 **SEC. 3501 [Log 69974]. AUTHORIZATION OF THE MARITIME**
4 **ADMINISTRATION.**

5 There are authorized to be appropriated to the De-
6 partment of Transportation for fiscal year 2020, to be
7 available without fiscal year limitation if so provided in
8 appropriations Acts, for programs associated with main-
9 taining the United States merchant marine, the following
10 amounts:

11 (1) For expenses necessary for operations of the
12 United States Merchant Marine Academy,
13 \$81,944,000, of which—

14 (A) \$77,944,000 shall be for Academy op-
15 erations; and

16 (B) \$4,000,000 shall remain available until
17 expended for capital asset management at the
18 Academy.

19 (2) For expenses necessary to support the State
20 maritime academies, \$38,480,000, of which—

21 (A) \$2,400,000 shall remain available until
22 September 30, 2020, for the Student Incentive
23 Program;

1 (B) \$30,080,000 shall remain available
2 until expended for maintenance and repair of
3 State maritime academy training vessels; and

4 (C) \$6,000,000 shall remain available until
5 expended for direct payments to such acad-
6 emies.

7 (3) For expenses necessary to support the Na-
8 tional Security Multi-Mission Vessel Program,
9 \$300,000,000, which shall remain available until ex-
10 pended.

11 (4) For expenses necessary to support Maritime
12 Administration operations and programs,
13 \$53,273,000.

14 (5) For expenses necessary to dispose of vessels
15 in the National Defense Reserve Fleet, \$5,000,000,
16 which shall remain available until expended.

17 (6) For expenses necessary to maintain and
18 preserve a United States flag merchant marine to
19 serve the national security needs of the United
20 States under chapter 531 of title 46, United States
21 Code, \$300,000,000.

22 (7) For expenses necessary for the loan guar-
23 antee program authorized under chapter 537 of title
24 46, United States Code, \$33,000,000, of which—

1 (A) \$30,000,000 may be used for the cost
2 (as defined in section 502(5) of the Federal
3 Credit Reform Act of 1990 (2 U.S.C. 661a(5)))
4 of loan guarantees under the program; and

5 (B) \$3,000,000 may be used for adminis-
6 trative expenses relating to loan guarantee com-
7 mitments under the program.

8 (8) For expenses necessary to provide small
9 shipyards and maritime communities grants under
10 section 54101 of title 46, United States Code,
11 \$35,000,000.

1 **SEC. 3502 [Log 69143]. REAUTHORIZATION OF MARITIME SE-**
2 **CURITY PROGRAM.**

3 (a) AWARD OF OPERATING AGREEMENTS.—Section
4 53103 of title 46, United States Code, is amended by
5 striking “2025” each place it appears and inserting
6 “2035”.

7 (b) EFFECTIVENESS OF OPERATING AGREE-
8 MENTS.—Section 53104(a) of title 46, United States
9 Code, is amended by striking “2025” and inserting
10 “2035”.

11 (c) PAYMENTS.—Section 53106(a)(1) of title 46,
12 United States Code, is amended—

13 (1) in subparagraph (B), by striking “and”;

14 (2) in subparagraph (C), by striking
15 “\$3,700,000 for each of fiscal years 2022, 2023,
16 2024, and 2025.” and inserting “\$5,300,000 for
17 each of fiscal years 2022, 2023, 2024, and 2025;
18 and”; and

19 (3) by adding at the end the following new sub-
20 paragraphs:

21 “(D) \$5,800,000 for each of fiscal years
22 2026, 2027, and 2028;

23 “(E) \$6,300,000 for each of fiscal years
24 2029, 2030, and 2031; and

25 “(F) \$6,800,000 for each of fiscal years
26 2032, 2033, 2034, and 2035.”.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
2 53111 of title 46, United States Code, is amended—

3 (1) in paragraph (2), by striking “and”;

4 (2) in paragraph (3), by striking
5 “\$222,000,000 for each fiscal year thereafter
6 through fiscal year 2025.” and inserting
7 “\$318,000,000 for each of fiscal years 2022, 2023,
8 2024, and 2025;”; and

9 (3) by adding at the end the following new
10 paragraphs:

11 “(4) \$348,000,000 for each of fiscal years
12 2026, 2027, and 2028;

13 “(5) \$378,000,000 for each of fiscal years
14 2029, 2030, and 2031; and

15 “(6) \$408,000,000 for each of fiscal years
16 2032, 2033, 2034, and 2035.”.

1 **SEC. 3503 [Log 70148]. MARITIME OCCUPATIONAL SAFETY**
2 **AND HEALTH ADVISORY COMMITTEE.**

3 Section 7 of the Occupational Safety and Health Act
4 of 1970 (29 U.S.C. 656) is amended by adding at the end
5 the following:

6 “(d) There is established a Maritime Occupational
7 Safety and Health Advisory Committee, which shall be a
8 continuing body and shall provide advice to the Secretary
9 in formulating maritime industry standards, consistent
10 with applicable international agreements and associated
11 guidelines, and regarding matters pertaining to the admin-
12 istration of this Act related to the maritime industry. The
13 composition of such advisory committee shall be consistent
14 with the advisory committees established under subsection
15 (b). A member of the advisory committee who is otherwise
16 qualified may continue to serve until a successor is ap-
17 pointed. The Secretary may promulgate or amend regula-
18 tions as necessary to implement this subsection.”.

1 **Subtitle B—Tanker Security Fleet**

2 **SEC. 3511 [Log 69790]. TANKER SECURITY FLEET.**

3 (a) IN GENERAL.—Subtitle VII of title 46, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“CHAPTER 707—TANKER SECURITY FLEET**

- “70701. Definitions.
- “70702. Establishment of the Tanker Security Fleet.
- “70703. Vessel standards.
- “70704. Award of operating agreements.
- “70705. Effectiveness of operating agreements.
- “70706. Obligations and rights under operating agreements.
- “70707. Payments.
- “70708. National security requirements.
- “70709. Regulatory relief.
- “70710. Special rule regarding age of participating Fleet vessels.
- “70711. Regulations.
- “70712. Authorization of appropriations.
- “70713. Acquisition of Fleet vessels.

7 **“§ 70701. 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 of this title.

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

20 “(A) means a trust for which—

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

23 “(ii) the application for documenta-
24 tion of the vessel under chapter 121 of this
25 title includes an affidavit of each trustee

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

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

1 than 25 percent of the aggregate authority to
2 so direct or remove a trustee; and

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

7 **“§ 70702. Establishment of the Tanker Security Fleet**

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

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

21 “(1) meets the requirements under paragraph
22 (1), (2), (3), or (4) of subsection (c);

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

1 “(3) is self-propelled;

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

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

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

12 “(7) is—

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

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

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

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

24 “(c) REQUIREMENTS REGARDING CITIZENSHIP OF
25 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 of this title.

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 of this title or that is a United
18 States citizen trust; and

19 “(ii) demise chartered to a person—

20 “(I) that is eligible to document
21 the vessel under chapter 121 of this
22 title;

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

1 board of directors of which are citi-
2 zens of the United States under sec-
3 tion 50501 of this title, and are ap-
4 pointed and subjected to removal only
5 upon approval by the Secretary; and

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

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

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

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

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

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

18 “(i) is eligible to document a vessel
19 under chapter 121 of this title;

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

1 “(iii) has entered into a special secu-
2 rity agreement for the purpose of this
3 paragraph with the Secretary of Defense;

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

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

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

23 “(4) VESSELS OWNED BY DOCUMENTATION
24 CITIZENS AND CHARTERED TO SECTION 50501 CITI-
25 ZENS.—A vessel meets the requirements of this

1 paragraph if, during the period of an operating
2 agreement under this chapter, the vessel will be—

3 “(A) owned by a person who is eligible to
4 document a vessel under chapter 121 of this
5 title; and

6 “(B) demise chartered to a person that is
7 a citizen of the United States under section
8 50501 of this title.

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

14 “(e) VESSEL STANDARDS.—

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

23 “(A) the vessel is classed by and designed
24 in accordance with the rules of the American
25 Bureau of Shipping, or another classification

1 society accepted by the Commandant of the
2 Coast Guard;

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

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

13 “(2) RELIANCE ON CLASSIFICATION SOCIETY.—

14 “(A) IN GENERAL.—The Commandant of
15 the Coast Guard may rely on a certification
16 from the American Bureau of Shipping or, sub-
17 ject to subparagraph (B), another classification
18 society accepted by the Commandant of the
19 Coast Guard, to establish that a vessel is in
20 compliance with the requirements of paragraph
21 (1).

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

1 “(i) to the extent that the government
2 of the foreign country in which the society
3 is headquartered provides access on a re-
4 ciprocal basis to the American Bureau of
5 Shipping; and

6 “(ii) if the foreign classification soci-
7 ety has offices and maintains records in
8 the United States.

9 **“§ 70703. Vessel standards**

10 “(a) CERTIFICATE OF INSPECTION.—A vessel used to
11 provide transportation service as a common carrier that
12 the Secretary of Transportation determines meets the cri-
13 teria of section 53102(b) of this title, which on the date
14 of enactment of this section is not a documented vessel
15 (as that term is defined in section 106 of this title), shall
16 be eligible for a certificate of inspection if the Secretary
17 determines that—

18 “(1) the vessel is classed by and designed in ac-
19 cordance with the rules of the American Bureau of
20 Shipping or another classification society accepted
21 by the Secretary;

22 “(2) the vessel complies with applicable inter-
23 national agreements and associated guidelines, as
24 determined by the country in which the vessel was

1 documented immediately before becoming a docu-
2 mented vessel (as defined in that section); and

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

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

10 “(c) RELIANCE ON CLASSIFICATION SOCIETY.—

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

17 “(2) FOREIGN CLASSIFICATION SOCIETY.—The
18 Secretary may accept certification from a foreign
19 classification society under paragraph (1) only—

20 “(A) to the extent that the government of
21 the foreign country in which the society is
22 headquartered provides access on a reciprocal
23 basis to the American Bureau of Shipping; and

1 “(B) if the foreign classification society
2 has offices and maintains records in the United
3 States.

4 **“§ 70704. Award of operating agreements**

5 “(a) IN GENERAL.—The Secretary of Transportation
6 shall require, as a condition of including any vessel in the
7 Fleet, that the owner or operator of the vessel enter into
8 an operating agreement with the Secretary under this sec-
9 tion.

10 “(b) PROCEDURE FOR APPLICATIONS.—

11 “(1) PARTICIPATING FLEET VESSELS.—

12 “(A) IN GENERAL.—The Secretary of
13 Transportation shall accept an application for
14 an operating agreement for a participating
15 Fleet vessel under the priority under paragraph
16 (2) only from a person that has authority to
17 enter into an operating agreement under this
18 chapter.

19 “(B) VESSEL UNDER DEMISE CHARTER.—

20 For purposes of subparagraph (A), in the case
21 of a vessel that is subject to a demise charter
22 that terminates by its own terms on September
23 30, 2035 (without giving effect to any extension
24 provided therein for completion of a voyage or
25 to effect the actual redelivery of the vessel), or

1 that is terminable at the will of the owner of
2 the vessel after such date, only the owner of the
3 vessel shall be treated as having the authority
4 referred to in subparagraph (A).

5 “(C) VESSEL OWNED BY A UNITED STATES
6 CITIZEN TRUST.—For purposes of subpara-
7 graph (B), in the case of a vessel owned by a
8 United States citizen trust, the term ‘owner of
9 the vessel’ includes the beneficial owner of the
10 vessel with respect to such trust.

11 “(2) DISCRETION WITHIN PRIORITY.—The Sec-
12 retary of Transportation—

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

16 “(B) shall award operating agreements
17 within any such priority—

18 “(i) in accordance with operational re-
19 quirements specified by the Secretary of
20 Defense;

21 “(ii) in the case of operating agree-
22 ments awarded under subparagraph (B) of
23 paragraph (1), according to applicants’
24 records of owning and operating vessels;
25 and

1 “(iii) subject to approval of the Sec-
2 retary of Defense.

3 “(c) LIMITATION.—For any fiscal year, the Secretary
4 may not award operating agreements under this chapter
5 that require payments under section 70707 of this title
6 for more than 10 vessels.

7 **“§ 70705. Effectiveness of operating agreements**

8 “(a) IN GENERAL.—Subject to the availability of ap-
9 propriations for such purpose, the Secretary of Transpor-
10 tation may enter into an operating agreement under this
11 chapter for fiscal year 2021 and any subsequent fiscal
12 year. Each such agreement may be renewed annually for
13 up to seven years.

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

18 “(c) TERMINATION.—

19 “(1) TERMINATION BY SECRETARY FOR LACK
20 OF OWNER OR OPERATOR COMPLIANCE.—If the
21 owner or operator with respect to an operating
22 agreement materially fails to comply with the terms
23 of the agreement—

24 “(A) the Secretary shall notify the owner
25 or operator and provide a reasonable oppor-

1 tunity to comply with the operating agreement;
2 and

3 “(B) the Secretary shall terminate the op-
4 erating agreement if the owner or operator fails
5 to achieve such compliance.

6 “(2) TERMINATION BY OWNER OR OPER-
7 ATOR.—

8 “(A) IN GENERAL.—If an owner or oper-
9 ator provides notice of the intent to terminate
10 an operating agreement under this chapter on
11 a date specified by not later than 60 days prior
12 to such date, such agreement shall terminate on
13 the date specified by the owner or operator.

14 “(B) REPLACEMENT.—An operating agree-
15 ment with respect to a vessel shall terminate on
16 the date that is three years after the date on
17 which the vessel begins operating under the
18 agreement, if—

19 “(i) the owner or operator notifies the
20 Secretary, by not later than two years
21 after the date the vessel begins operating
22 under the agreement, that the owner or op-
23 erator intends to terminate the agreement
24 under this subparagraph; and

1 “(ii) the Secretary of Transportation,
2 in coordination with the Secretary of De-
3 fense, determines that—

4 “(I) an application for an oper-
5 ating agreement under this chapter
6 has been received for a replacement
7 vessel that is acceptable to the Secre-
8 taries; and

9 “(II) during the period of an oper-
10 ating agreement under this chapter
11 that applies to the replacement vessel,
12 the replacement vessel will be—

13 “(aa) owned and operated
14 by one or more persons that are
15 citizens of the United States
16 under section 50501 of this title;
17 or

18 “(bb) owned by a person
19 who is eligible to document the
20 vessel under chapter 121 of this
21 title, and operated by a person
22 that is a citizen of the United
23 States under section 50501 of
24 this title.

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

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

4 “(A) the Secretary of Transportation shall
5 submit to the Committee on Armed Services
6 and the Committee on Commerce, Science, and
7 Transportation of the Senate and the Com-
8 mittee on Armed Services and the Committee
9 on Transportation and Infrastructure of the
10 House of Representatives notice that such
11 agreement shall be not renewed effective on the
12 60th day of the fiscal year, unless such funds
13 are made available before such day; and

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

18 “(2) RELEASE OF VESSELS FROM OBLIGA-
19 TIONS.—If an operating agreement for a vessel
20 under this chapter is not renewed pursuant to para-
21 graph (1), then the owner or operator of the vessel
22 is released from any further obligation under the op-
23 erating agreement as of the date of such termination
24 or nonrenewal.

1 “(3) FOREIGN TRANSFER AND REGISTRA-
2 TION.—The owner or operator of a vessel covered by
3 an operating agreement under this chapter may
4 transfer and register such vessel under a foreign
5 registry that is acceptable to the Secretary and the
6 Secretary of Defense, notwithstanding section 70701
7 of this title.

8 “(4) REQUISITION.—If chapter 563 of this title
9 is applicable to a vessel after registration, then the
10 vessel is available to be requisitioned by the Sec-
11 retary pursuant to chapter 563 of this title.

12 **“§ 70706. Obligations and rights under operating**
13 **agreements**

14 “(a) OPERATION OF VESSEL.—An operating agree-
15 ment under this chapter shall require that, during the pe-
16 riod the vessel covered by the agreement is operating
17 under the agreement the vessel shall—

18 “(1) be operated in the United States foreign
19 commerce, mixed United States foreign commerce
20 and domestic trade allowed under a registry endorse-
21 ment issued under section 12111 of this title, for-
22 eign-to-foreign commerce, or under a charter to the
23 United States;

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

1 “(3) be documented under chapter 121 of this
2 title.

3 “(b) OPERATING AGREEMENT IS AN OBLIGATION OF
4 THE UNITED STATES GOVERNMENT.—An operating
5 agreement under this chapter constitutes a contractual ob-
6 ligation of the United States Government to pay the
7 amounts provided for in the agreement to the extent of
8 actual appropriations.

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

10 “(1) IN GENERAL.—The owner or operator of a
11 vessel covered by an operating agreement under this
12 chapter shall agree, as a condition of such agree-
13 ment, to remain obligated to carry out the require-
14 ments described in paragraph (2) until the termi-
15 nation date specified in the agreement, even in the
16 case of early termination of the agreement under
17 section 70705(c) of this title. This subsection shall
18 not apply in the case of an operating agreement ter-
19 minated for lack of funds under section 70705(d) of
20 this title.

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

23 “(A) To continue the documentation of the
24 vessel under chapter 121 of this title.

1 “(B) To be bound by the requirements of
2 section 70708 of this title.

3 “(C) That all terms and conditions of an
4 emergency preparedness agreement entered into
5 under section 70708 of this title shall remain in
6 effect, except that the terms of such emergency
7 preparedness agreement may be modified by the
8 mutual consent of the owner or operator, the
9 Secretary and the Secretary of Defense as pro-
10 vided in such section.

11 “(d) TRANSFER OF OPERATING AGREEMENTS.—The
12 owner or operator of a vessel covered by an operating
13 agreement under this chapter may transfer that agree-
14 ment (including all rights and obligations under the agree-
15 ment) to any person that is eligible to enter into that oper-
16 ating agreement under this chapter, if the transfer is ap-
17 proved by the Secretary of Transportation and the Sec-
18 retary of Defense.

19 “(e) REPLACEMENT OF VESSELS COVERED BY
20 AGREEMENTS.—A owner or operator may replace a vessel
21 covered by an operating agreement with another vessel
22 that is eligible to be included in the Fleet under section
23 70702(b), if the Secretary of Transportation, in coordina-
24 tion with the Secretary of Defense, approves the replace-

1 ment of the vessel. In selecting a replacement vessel, the
2 owner or operator shall give primary consideration to—

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

4 “(2) the utility of the vessel with respect to the
5 operating requirements of the owner or operator;
6 and

7 “(3) ensuring that the commercial and military
8 utility of any replacement vessel is not less than that
9 of the initial vessel.

10 **“§ 70707. Payments**

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

21 “(b) CERTIFICATION REQUIRED FOR PAYMENT.—As
22 a condition of receiving payment under this section for a
23 fiscal year for a vessel, the owner or operator for the vessel
24 shall certify, in accordance with regulations issued by the
25 Secretary, that the vessel has been and will be operated

1 in accordance with section 70706 of this title for at least
2 320 days during the fiscal year. Days during which the
3 vessel is drydocked, surveyed, inspected, or repaired shall
4 be considered days of operation for purposes of this sub-
5 section.

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

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

11 “(2) more than 25 years of age.

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

15 “(1) except as provided in paragraph (2), may
16 not reduce such a payment for the operation of the
17 vessel to carry military or other preference cargoes
18 under section 55302(a), 55304, 55305, or 55314 of
19 this title, section 2631 of title 10, or any other cargo
20 preference law of the United States;

21 “(2) may not make such a payment for any day
22 that the vessel is engaged in transporting more than
23 7,500 tons of civilian bulk preference cargoes pursu-
24 ant to section 55302(a), 55305, or 55314 of this
25 title, section 901(a) or (b) of the Merchant Marine

1 Act, 1936 (46 App. U.S.C. 1241(a), 1241(b), or
2 1241(f)), that is bulk cargo; and

3 “(3) shall make a pro rata reduction for each
4 day less than 320 in a fiscal year that the vessel is
5 not operated in accordance with section 70706 of
6 this title.

7 “(e) LIMITATIONS REGARDING NONCONTIGUOUS DO-
8 MESTIC TRADE.—

9 “(1) IN GENERAL.—No owner or operator shall
10 receive payments pursuant to this chapter during a
11 period in which it participates in noncontiguous do-
12 mestic trade.

13 “(2) LIMITATION ON APPLICATION.—Paragraph
14 (1) shall not apply to a owner or operator that is a
15 citizen of the United States within the meaning of
16 section 50501 of this title, applying the 75 percent
17 ownership requirement of that section.

18 “(3) PARTICIPATES IN A NONCONTIGUOUS
19 TRADE DEFINED.—In this subsection the term ‘par-
20 ticipates in a noncontiguous domestic trade’ means
21 directly or indirectly owns, charters, or operates a
22 vessel engaged in transportation of cargo between a
23 point in the contiguous 48 States and a point in
24 Alaska, Hawaii, or Puerto Rico, other than a point
25 in Alaska north of the Arctic Circle.

1 **“§ 70708. National security requirements**

2 “(a) EMERGENCY PREPAREDNESS AGREEMENT RE-
3 QUIRED.—The Secretary of Transportation, in coordina-
4 tion with the Secretary of Defense, shall establish an
5 emergency preparedness program under this section under
6 which the owner or operator of a vessel covered by an op-
7 erating agreement under this chapter shall agree, as a
8 condition of the operating agreement, to enter into an
9 emergency preparedness agreement with the Secretaries.
10 Each such emergency preparedness agreement shall be en-
11 tered into as promptly as practicable after the owner or
12 operator has entered into the operating agreement.

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

15 “(1) shall provide that upon request by the Sec-
16 retary of Defense during time of war or national
17 emergency, or whenever determined by the Secretary
18 of Defense to be necessary for national security or
19 contingency operation (as that term is defined in
20 section 101 of title 10), the owner or operator shall
21 make available commercial transportation resources
22 (including services) described in subsection (d) to
23 the Secretary of Defense;

24 “(2) shall include such additional terms as may
25 be established by the Secretary of Transportation
26 and the Secretary of Defense; and

1 “(3) shall allow for the modification or addition
2 of terms upon agreement by the Secretary of Trans-
3 portation and the owner or operator and the ap-
4 proval by the Secretary of Defense.

5 “(c) PARTICIPATION AFTER EXPIRATION OF OPER-
6 ATING AGREEMENT.—Except as provided by section
7 70706 of this title, the Secretary may not require, through
8 an emergency preparedness agreement or an operating
9 agreement, that an owner or operator of a vessel covered
10 by an operating agreement continue to participate in an
11 emergency preparedness agreement after the operating
12 agreement has expired according to its terms or is other-
13 wise no longer in effect. After the expiration of an emer-
14 gency preparedness agreement, a owner or operator may
15 voluntarily continue to participate in the agreement.

16 “(d) RESOURCES MADE AVAILABLE.—The commer-
17 cial transportation resources to be made available under
18 an emergency preparedness agreement shall include ves-
19 sels or capacity in vessels, terminal facilities, management
20 services, and other related services, or any agreed portion
21 of such nonvessel resources for activation as the Secretary
22 of Defense may determine to be necessary, seeking to min-
23 imize disruption of the owner or operator’s service to com-
24 mercial customers.

25 “(e) COMPENSATION.—

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

6 “(2) SPECIFIC REQUIREMENTS.—Compensation
7 under this subsection—

8 “(A) shall not be less than the owner or
9 operator’s commercial market charges for like
10 transportation resources;

11 “(B) shall be fair and reasonable consid-
12 ering all circumstances;

13 “(C) shall be provided from the time that
14 a vessel or resource is required by the Secretary
15 of Defense until the time it is redelivered to the
16 owner or operator and is available to reenter
17 commercial service; and

18 “(D) shall be in addition to and shall not
19 in any way reflect amounts payable under sec-
20 tion 70707 of this title.

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

1 “(1) an owner or operator may operate or em-
2 ploy in foreign commerce a foreign-flag vessel or for-
3 eign-flag vessel capacity as a temporary replacement
4 for a vessel of the United States or vessel of the
5 United States capacity that is activated by the Sec-
6 retary of Defense under an emergency preparedness
7 agreement or a primary Department of Defense sea-
8 lift readiness program; and

9 “(2) such replacement vessel or vessel capacity
10 shall be eligible during the replacement period to
11 transport preference cargoes subject to sections
12 55302(a), 55304, 55305, and 55314 of this title and
13 section 2631 of title 10 to the same extent as the
14 eligibility of the vessel or vessel capacity replaced.

15 “(g) REDELIVERY AND LIABILITY OF THE UNITED
16 STATES FOR DAMAGES.—

17 “(1) IN GENERAL.—All commercial transpor-
18 tation resources activated under an emergency pre-
19 paredness agreement shall, upon termination of the
20 period of activation, be redelivered to the owner or
21 operator in the same good order and condition as
22 when received, less ordinary wear and tear, or the
23 Secretary of Defense shall fully compensate the
24 owner or operator for any necessary repair or re-
25 placement.

1 “(2) LIMITATION ON UNITED STATES LIABIL-
2 ITY.—Except as may be expressly agreed in an
3 emergency preparedness agreement, or as otherwise
4 provided by law, the Government shall not be liable
5 for disruption of an owner or operator’s commercial
6 business or other consequential damages to an owner
7 or operator arising from the activation of commer-
8 cial transportation resources under an emergency
9 preparedness agreement.

10 **“§ 70709. Regulatory relief**

11 “(a) OPERATION IN FOREIGN COMMERCE.—An
12 owner or operator for a vessel included in an operating
13 agreement under this chapter may operate the vessel in
14 the foreign commerce of the United States without restric-
15 tion.

16 “(b) OTHER RESTRICTIONS.—The restrictions of sec-
17 tion 55305(a) of this title concerning the building, rebuild-
18 ing, or documentation of a vessel in a foreign country shall
19 not apply to a vessel for any day the operator of the vessel
20 is receiving payments for the operation of that vessel
21 under an operating agreement under this chapter.

22 “(c) TELECOMMUNICATIONS EQUIPMENT.—The tele-
23 communications and other electronic equipment on an ex-
24 isting vessel that is redocumented under the laws of the
25 United States for operation under an operating agreement

1 under this chapter shall be deemed to satisfy all Federal
2 Communications Commission equipment certification re-
3 quirements, if—

4 “(1) such equipment complies with all applica-
5 ble international agreements and associated guide-
6 lines as determined by the country in which the ves-
7 sel was documented immediately before becoming
8 documented under the laws of the United States;

9 “(2) that country has not been identified by the
10 Secretary as inadequately enforcing international
11 regulations as to that vessel; and

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

16 **“§ 70710. Special rule regarding age of participating**
17 **Fleet vessels**

18 “Any age restriction under section 70702(b)(4) of
19 this title shall not apply to a participating Fleet vessel
20 during the 30-month period beginning on the date the ves-
21 sel begins operating under an operating agreement under
22 this chapter, if the Secretary of Transportation determines
23 that the owner or operator of the vessel has entered into
24 an arrangement to obtain and operate under the operating
25 agreement for the participating Fleet vessel a replacement

1 vessel that, upon commencement of such operation, will
2 be eligible to be included in the Fleet under section
3 70702(b) of this title.

4 **“§ 70711. Regulations**

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

8 **“§ 70712. Authorization of appropriations**

9 “There is authorized to be appropriated for payments
10 under section 70707, \$60,000,000 for each of fiscal years
11 2021 through 2035, to remain available until expended.

12 **“§ 70713. Acquisition of Fleet vessels**

13 “(a) IN GENERAL.—Upon replacement of a Fleet
14 Vessel under an operating agreement under this chapter,
15 and subject to agreement by the owner or operator of the
16 vessel, the Secretary of Transportation is authorized, sub-
17 ject to the concurrence of the Secretary of Defense, to ac-
18 quire the vessel being replaced for inclusion in the Na-
19 tional Defense Reserve Fleet.

20 “(b) REQUIREMENTS.—To be eligible for acquisition
21 by the Secretary of Transportation under this section a
22 vessel shall—

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

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

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

6 “(d) APPROPRIATIONS.—Vessel acquisitions under
7 this section shall be subject to the availability of appro-
8 priations. Amounts made available to carry out this sec-
9 tion shall be derived from amounts authorized to be appro-
10 priated for the National Defense Reserve Fleet. Amounts
11 authorized to be appropriated to carry out the Maritime
12 Security Program may not be use to carry out this sec-
13 tion.”.

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

“707. Tanker Security Fleet 70701”.

17 (c) DEADLINE FOR ACCEPTING APPLICATIONS.—

18 (1) IN GENERAL.—The Secretary of Transpor-
19 tation shall begin accepting applications for enroll-
20 ment of vessels in the Tanker Security Fleet estab-
21 lished under chapter 707 of title 46, United States
22 Code, as added by subsection (a), by not later than
23 30 days after the date of the enactment of this Act.

24 (2) APPROVAL.—Not later than 90 days after
25 receipt of an application for the enrollment of a ves-

1 sel in the Tanker Security Fleet, the Secretary, in
2 coordination with the Secretary of Defense shall—

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

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

DIRECTIVE REPORT LANGUAGE

Table Of Contents

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

SHIPBUILDING AND CONVERSION, NAVY

Items of Special Interest

AN/SPY-6(V) on DDG-51 Flight IIA

DDG Aegis modernization

Naval Oceanographic Office vessel requirements

Navy Cyclone-class patrol craft replacement

Report on operational energy planning assumptions for the future surface combatant

AIRCRAFT PROCUREMENT, AIR FORCE

Items of Special Interest

B-1 readiness recovery plan

C-130H aircraft propellers and engines

Tanker force structure and modernization

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

Items of Special Interest

Advanced Manufacturing of Critical Scale Materials

Critical bandwidth gaps for Navy deployments

Navigation channel clearance for nuclear powered ballistic missile submarines

TITLE X—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

OTHER MATTERS

Incorporation of Cleared U.S.-Flag Commercial Ship Operators in Wargames and Exercises

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

SHIPBUILDING AND CONVERSION, NAVY

Items of Special Interest

AN/SPY-6(V) on DDG-51 Flight IIA

The committee notes the President’s budget request for the Air and Missile Defense Radar (AMDR) stated that fiscal year 2020 funds “are required to scale AMDR to backfit Active Electronically-Steered Array and digital beamforming technology on a Flight IIA DDG and to complete development of Advanced Distributed Radar (ADR) capability for integration into AMDR.” The committee fully supports the funding of these efforts in fiscal year 2020 and encourages the Navy to accelerate the procurement of AN/SPY-6 radars for the modernization of DDG 51 Flight IIA ships into fiscal year 2021. As such, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by March 1, 2020, on the cost and technical feasibility of an accelerated plan for modernizing DDG 51 Flight IIA ships with AN/SPY-6 radars.

DDG Aegis modernization

The committee recognizes the need and importance to deliver increased warfighting capability to the over seven dozen ships that comprise the existing fleet of Aegis destroyers via the ongoing destroyer modernization program as well as through new construction of the Flight III Arleigh Burke Aegis destroyers. Together, these efforts will provide our nation with the most powerful frontline warships, which will include robust integrated air and missile defense capabilities. However, the committee is concerned that there is an excessive amount of variance of Aegis baselines within the current fleet, and that the Navy should consider potential ways to accelerate modernization efforts that will reduce combat system variances. The committee also understands that there are new initiatives which leverage advances in digital technology, solid-state hardware, small and modular virtualization techniques, and other innovative hardware and software upgrades that can better sustain the in-service destroyers to the end of their extended service lives.

Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services not later than March 1, 2020, on initiatives that support a complementary approach to provide more rapid fielding of improvements for Aegis fleet readiness, lethality, and survivability.

Naval Oceanographic Office vessel requirements

The committee notes that the Naval Oceanographic Office (NAVOCEANO) operates seven oceanographic ships. These seven ships are designated the T-AGS 60 class and are designed to provide multipurpose oceanographic capabilities in coastal and deep-ocean areas for NAVOCEANO. The committee is aware of existing commercial advances in autonomous survey vessel technology and notes that there are unmanned vessels currently being used to support surveying and other important commercial hydrography and oceanography missions. The committee is concerned that the Navy is not taking advantage of commercially available autonomous vessel technologies to facilitate its charting and mapping missions. The committee believes employment of an autonomous survey ship by the Navy Oceanographic Office would result in dramatic savings in both procurement and operation and maintenance costs while increasing the rate at which uncharted portions of the ocean floor become accurately mapped. The use of existing unmanned surface vessel (USV) designs and technology for an autonomous survey vessel would also allow the Navy to rapidly gain valuable experience in the operational use of USVs in a low threat environment.

Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by March 1, 2020, that includes NAVOCEANO's ship requirements and an assessment of the opportunities to modernize this fleet to support autonomous operations.

Navy Cyclone-class patrol craft replacement

The committee notes that the legacy Cyclone-class patrol vessels located in Bahrain are being decommissioned and eventually replaced with the littoral combat ship. The committee is aware that the U.S. Coast Guard's Sentinel-class fast response cutter is in serial production and that the U.S. Coast Guard is pursuing a 64-vessel program of record. The committee believes that there is merit in reviewing all available options to replace the Cyclone-class patrol vessels.

Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees not later than February 1, 2020, that assesses options for the replacement of the Cyclone-class patrol vessels. Specifically, this report shall include a comparison of the Cyclone-class patrol vessels, Independence variant littoral combat ship, Freedom-class variant littoral combat ship, the Sentinel-class fast response cutter, and larger surface combatants in terms of one-time procurement costs, annual recurring personnel costs, and annual recurring maintenance costs. Additionally, this report shall assess the ability to meet the mission requirements of the current patrol craft. This report may include a classified annex.

Report on operational energy planning assumptions for the future surface combatant

The committee understands that hybrid electric drive (HED) propulsion systems provide both greater efficiency and extended range. Equally important, such drives provide the power needed for future weapons systems that will be used on U.S. Navy vessels, and often come with lower life-cycle costs than conventional propulsion systems. Given these benefits, the committee believes the Navy should be pursuing HED propulsion systems more aggressively, to include consideration on the future large surface combatant.

The committee directs the Secretary of the Navy to provide a report to the House Committee on Armed Services not later than February 1, 2020, on the propulsion systems being considered for the future surface combatant. In addition to describing the type of system, for example, integrated propulsion and hybrid electric drive, the report shall include initial cost, life-cycle cost, range, and the system's ability to provide adequate power for future weapons systems including directed energy and rail gun. The report should also include potential opportunities to prototype new propulsion systems in order to accelerate the technology, and field a more mature system that can be integrated into a ship.

AIRCRAFT PROCUREMENT, AIR FORCE

Items of Special Interest

B-1 readiness recovery plan

The committee notes that the nation's ability to meet its long-range precision strike requirements may be placed at increased risk by aging structural problems with the B-1 bomber aircraft. The committee is concerned B-1 readiness does not have the priority and resources to improve B-1 mission capable rates. This is evidenced by fully mission capable aircraft currently in single digits and aircrew being rerouted from flying the B-1 to other aircraft due to lack of B-1 aircraft for training.

Therefore, the committee directs the Secretary of the Air Force to provide a briefing to the House Committee on Armed Services not later than March 1, 2020, on the Air Force's current plans to increase the readiness of the B-1 that shall include the following elements:

- (1) aircraft structural issues;
- (2) plan for continued structural deficiency data analysis and testing;
- (3) projected repair timelines; and
- (4) future mitigation strategies.

Additionally, this briefing shall include the following information during any B-1 degradation period:

- (1) pilot and maintainer training plan; and
- (2) recovery timeline to meet future deployment tasking.

C-130H aircraft propellers and engines

The committee notes 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 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. The inherent danger associated with legacy propellers came to light in the mishap report from the KC-130T Hercules aircraft of the United States Marine Corps Reserve that crashed in Leflore County, Mississippi, killing 17 service members. The Air Force convened an additional review board which identified a potential hazard with propellers that were produced before 1971. This review appears arbitrary considering that the failed blade on the Marine Corps mishap C-130T was manufactured in 1983.

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 performance enhancement 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 March 1, 2020, on the long-awaited acquisition strategy for procuring new blades. This plan should include 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.

Tanker force structure and modernization

The committee notes that the Department of Defense Mobility Capability Requirement Study identified a tanker force structure inventory requirement of 479 aircraft. Integral to this capability is the delivery of mission capable KC-46A aircraft and the continued development of additional tanker aircraft after the expiration of the current KC-46A contract with lot 13 in 2027. The committee notes that the Secretary of the Air Force has completed a capability-based assessment and signed out the initial capability document for the requirements associated with the next-generation tanker, but has not started an analysis of alternatives. The committee believes that the Secretary of the Air Force has several viable options to ensure future tanker capability, to include acquiring a non-developmental

commercial derivative tanker while "bridging" from the end of the KC-46A production to the new developmental tanker.

Therefore, the committee directs the Secretary of the Air Force to submit a report to the congressional defense committees by September 30, 2020, on a 30-year vision for the tanker force structure. The report shall include the following:

- (1) the current KC-46A tanker acquisition timeline through lot 13;
- (2) future tanker production options to include an acquisition timeline comparison of a "bridging" non-developmental commercial derivative tanker and new tanker development; and
- (3) modernization options for the entire tanker force structure through the 30-year vision timeline.

Additionally, the committee continues to support the fixed-price development and production of the KC-46A contract. The committee believes that there have been several lessons learned with unique fixed-price type contracts that were employed in this contract. Therefore, in accordance with a recommendation included in the Government Accountability Office (GAO) report entitled "KC-46 Tanker Modernization: Aircraft Delivery Has Begun, but Deficiencies Could Affect Operations and Will Take Time to Correct" (GAO-19-480), the committee directs the Secretary of the Air Force to submit a report to the congressional defense committees by March 1, 2020, on the lessons learned regarding the utilization of a fixed-price contract for development.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

Items of Special Interest

Advanced Manufacturing of Critical Scale Materials

To ensure the next generation of submarines incorporates the most cutting edge technologies, the Navy must advance the qualification and certification of Advanced Manufacturing (AM) processes, materials, and components to allow the Navy to integrate AM capabilities into current and future systems and platforms. The committee directs the Secretary of the Navy to report to the committee by December 1, 2019 what efforts are underway to integrate AM. Further, as part of this report, the committee directs the Navy to include specific information about the testing and qualification of processes, materials, and components required to meet Columbia Class requirements and milestones.

Critical bandwidth gaps for Navy deployments

The committee recognizes that the Department of Defense requires the capability to utilize in real time the massive amount of data compiled from

technically advanced weapons systems. Current limitations in bandwidth and geographically challenging environments hinder the Department's ability to securely share in real time large volumes of data between warfighting units at the network's edge and command-and-control facilities. Nowhere is this problem more acute than for naval ships operating at sea. To address one specific gap, the Navy has established the Maritime Dynamic Over the Horizon Targeting System (MDOTS). MDOTS will utilize advanced commercially integrated technologies to generate a secure high-bandwidth network for a new over-the-horizon weapons system. The Navy has plans to test this system in 2019 and the committee is aware that other programs in the Department could also benefit from this capability.

One other example of a critical gap is in operational support to the F-35 Joint Strike Fighter. The F-35 generates massive amounts of data that must be shared in real-time with the pilot and command-and-control facilities to maximize effectiveness, intelligence, and readiness. The Navy's communications infrastructure currently lacks the high-bandwidth capabilities to enable the sharing of this volume of data.

Therefore, the committee directs the Assistant Secretary of the Navy for Research, Development, and Acquisition to explore the potential for using the MDOTS for a pilot project to establish a high-bandwidth networking capability to support Dynamic Over the Horizon Targeting at sea and on land. In addition, the committee directs the Assistant Secretary to review the Navy's existing networking capabilities, and identify critical gaps in support for deployments across the Navy and Marine Corps portfolio of programs. The committee further directs the Assistant Secretary to provide a briefing to the House Committee on Armed Services by March 1, 2020, that identifies priority gaps to be addressed.

Navigation channel clearance for nuclear powered ballistic missile submarines

The committee recognizes that 70 percent of the United States nuclear deterrent is committed to ballistic missile submarines (SSBNs) concentrated at just two Navy bases in Bangor, Washington, and Kings Bay, Georgia. Each time an SSBN departs or returns to its respective home port, it must travel through shallow, restricted waterways that are open to commercial and private traffic. The committee is aware that U.S. Strategic Command has a requirement to survey these waterways in order to monitor for threats and obstructions which could damage transiting submarines and is interested in steps being taken by the Navy to meet this requirement to protect critical strategic assets.

Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees by October 1, 2019, on measures instituted to ensure the safety and security of ballistic missile nuclear submarines operating in the approaches to Navy bases in Bangor, Washington, and Kings Bay, Georgia. The report should include:

(1) security measures mandated by the Department of Defense related to the operation of ballistic missile submarines entering and leaving the ports of Bangor, Washington, and Kings Bay, Georgia;

(2) current operational posture and capabilities employed to meet the mandated security requirements and any requirements not currently met; and

(3) specific measures to ensure the navigation channels for these ports are free of obstructions and other threats to transiting ballistic missile submarines.

TITLE X—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

OTHER MATTERS

Incorporation of Cleared U.S.-Flag Commercial Ship Operators in Wargames and Exercises

Given the critical role that U.S.-flag commercial ship operators play in the combat logistics force and in strategic sealift, as well as the increasing threat environment outlined in the National Defense Strategy, the committee is concerned about vulnerabilities arising from potential capacity shortfalls and attrition. The committee therefore directs the Secretary of the Navy to brief the House Committee on Armed Services no later than October 1, 2019, on any plans to include cleared U.S.-flag commercial ship operators in wargames and exercises, including but not limited to Large Scale Exercise 2020.