

**H.R. 4909—FY17 NATIONAL DEFENSE  
AUTHORIZATION BILL**

**SUBCOMMITTEE ON SEAPOWER AND  
PROJECTION FORCES**

SUMMARY OF BILL LANGUAGE.....	1
BILL LANGUAGE.....	9
DIRECTIVE REPORT LANGUAGE .....	50



# **SUMMARY OF BILL LANGUAGE**

# Table Of Contents

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

### **TITLE I—PROCUREMENT**

#### **LEGISLATIVE PROVISIONS**

##### **SUBTITLE C—NAVY PROGRAMS**

Section 121—Procurement Authority for Aircraft Carrier Programs

Section 122—Sense of Congress on Aircraft Carrier Procurement Schedules

Section 123—Design and Construction of LHA Replacement Ship Designated LHA 8

Section 124—Design and Construction of Replacement Dock Landing Ship Designated LX(R) or Amphibious Transport Dock Designated LPD-29

Section 125—Ship to Shore Connector Program

Section 126—Limitation on Availability of Funds for Littoral Combat Ship or Successor Frigate

##### **SUBTITLE D—AIR FORCE PROGRAMS**

Section 131—Elimination of Annual Report on Aircraft Inventory

Section 132—Repeal of the Requirement to Preserve Certain Retired C-5 Aircraft

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

#### **LEGISLATIVE PROVISIONS**

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

Section 212—Notification Requirement for Certain Rapid Prototyping, Experimentation, and Demonstration Activities

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

#### **LEGISLATIVE PROVISIONS**

##### **SUBTITLE D—OTHER MATTERS**

Section 838—Requirement that Certain Ship Components be Manufactured in the National Technology and Industrial Base

### **TITLE X—GENERAL PROVISIONS**

#### **LEGISLATIVE PROVISIONS**

##### **SUBTITLE C—NAVAL VESSELS AND SHIPYARDS**

Section 1022—Warranty Requirements for Shipbuilding Contracts

Section 1023—National Sea-Based Deterrence Fund

Section 1024—Availability of Funds for Retirement or Inactivation of Ticonderoga-Class Cruisers or Dock Landing Ships

##### **SUBTITLE E—MISCELLANEOUS AUTHORITIES AND LIMITATIONS**

Section 1042—Limitation on Retirement, Deactivation, or Decommissioning of Mine Countermeasures Ships

##### **SUBTITLE G—OTHER MATTERS**

Section 1089—Sense of Congress Regarding Connecticut's Submarine Century

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

**TITLE XXXV—MARITIME ADMINISTRATION**

**LEGISLATIVE PROVISIONS**

Section 3501—Authorization of the Maritime Administration

Section 3502—Authority to Make Pro Rata Annual Payments Under Operating Agreements for Vessels Participating in Maritime Security Fleet

Section 3503—Authority to Extend Certain Age Restrictions Relating to Vessels in the Maritime Security Fleet

Section 3504—Corrections to Provisions Enacted by Coast Guard Authorization Acts

Section 3505—Status of National Defense Reserve Fleet Vessels

Section 3506—NDRF National Security Multi-Mission Vessel

Section 3508—Use of National Defense Reserve Fleet Scrapping Proceeds

Section 3509—Operational Requirement Document for a New Polar Icebreaker

---

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

**LEGISLATIVE PROVISIONS**

**SUBTITLE C—NAVY PROGRAMS**

Section 121—Procurement Authority for Aircraft Carrier Programs

This section would provide economic order quantity authority for the construction of two Ford-class aircraft carriers and incremental funding authority for the nuclear refueling and complex overhaul of five Nimitz-class aircraft carriers.

Section 122—Sense of Congress on Aircraft Carrier Procurement Schedules

This section would provide the sense of Congress that the Secretary of the Navy's schedule to procure 1 aircraft carrier every 5 years will reduce the overall aircraft carrier inventory to 10 aircraft carriers, a level insufficient to meet peacetime and war plan requirements. The section also recommends that the Secretary begin construction for the Ford-class aircraft carrier designated CVN-81 in fiscal year 2022 and align advance procurement activities with this accelerated programming.

Section 123—Design and Construction of LHA Replacement Ship Designated LHA 8

This section would authorize the Secretary of the Navy to enter into and incrementally fund a contract for design and construction of the LHA Replacement ship designated LHA 8.

Section 124—Design and Construction of Replacement Dock Landing Ship Designated LX(R) or Amphibious Transport Dock Designated LPD-29

This section would authorize the Secretary of the Navy to enter into and incrementally fund a contract for design and construction of the replacement dock landing ship designated LX(R) or the amphibious transport dock designated LPD-29.

Section 125—Ship to Shore Connector Program

This section would authorize the Secretary of the Navy to enter into a contract for the procurement of up to 45 Ship to Shore Connector vessels.

Section 126—Limitation on Availability of Funds for Littoral Combat Ship or Successor Frigate

This section would prohibit the Department of the Navy from selecting a single contractor for the Littoral Combat Ship or frigate program until the Secretary of the Navy certifies to the congressional defense committees that such a selection of a single contractor is conducted using competitive procedures and is performed for the purpose of constructing a frigate class ship.

SUBTITLE D—AIR FORCE PROGRAMS

Section 131—Elimination of Annual Report on Aircraft Inventory

This section would strike the requirement from section 231a of title 10, United States Code, for the Secretary of Defense to deliver an annual report on the military services' aircraft inventory to the congressional defense committees.

Section 132—Repeal of the Requirement to Preserve Certain Retired C-5 Aircraft

This section would amend section 141 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) to terminate 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.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

LEGISLATIVE PROVISIONS

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

### Section 212—Notification Requirement for Certain Rapid Prototyping, Experimentation, and Demonstration Activities

This section would require the Secretary of the Navy to provide written notification to the congressional defense committees within 10 days before initiating a rapid prototyping, experimentation, or demonstration activity using funds from PE 63382N.

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

### LEGISLATIVE PROVISIONS

#### SUBTITLE D—OTHER MATTERS

### Section 838—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.

## TITLE X—GENERAL PROVISIONS

### LEGISLATIVE PROVISIONS

#### SUBTITLE C—NAVAL VESSELS AND SHIPYARDS

### Section 1022—Warranty Requirements for Shipbuilding Contracts

This section would require shipbuilding contracts to include warranty of work for a period of at least 1 year. A contracting officer may waive this requirement if a limited liability of warranted work is in the best interest of the government.

The committee is concerned about incentives that reward shipbuilders for delivering a ship that needs additional work. The committee notes that the Government Accountability Office completed an assessment entitled "Navy Should Reconsider Approach to Warranties for Correcting Construction Defects" dated March 6, 2016. The report indicated that in most instances, the Navy paid the shipbuilder to build the ship as part of the construction contract, and then paid the same shipbuilder again, including profit, to repair the ship when defects were discovered after delivery.

## Section 1023—National Sea-Based Deterrence Fund

This section would expand the transfer authority provided by section 1022(b)(1) of the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291) to include fiscal year 2018. Also, this section would amend section 2218a of title 10, United States Code, relating to the national sea-based deterrence fund to include authority for multi-year procurement of critical components to support continuous production. Finally, this section would clarify the definition of a national sea-based deterrence vessel.

## Section 1024—Availability of Funds for Retirement or Inactivation of Ticonderoga-Class Cruisers or Dock Landing Ships

This section would prohibit the Secretary of the Navy from using funds authorized to be appropriated by this Act to retire a cruiser or dock landing ship or to place in a modernization status more than six cruisers and one dock landing ship. Furthermore, the Secretary of Defense would be prohibited from obligating more than 75 percent of the funds made available for the Office of the Secretary of Defense until the Secretary of the Navy enters into a contract for the modernization of four cruisers and one dock landing ship and enters into a contract for the procurement of combat systems upgrades associated with six such cruisers.

### SUBTITLE E—MISCELLANEOUS AUTHORITIES AND LIMITATIONS

## Section 1042—Limitation on Retirement, Deactivation, or Decommissioning of Mine Countermeasures Ships

This section would modify section 1090 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 111-92) to prohibit funds authorized to be appropriated in fiscal year 2017 to be used to deactivate, decommission, or place in reduced operating status any mine countermeasures ships. The limitation in this section may be waived if the Secretary of the Navy certifies that the operational test and evaluation for replacement mine countermeasures capabilities are available in sufficient quantity and capacity to meet combatant commander requirements. This section would also modify the reporting requirement of such section 1090 of Public Law 111-92.

### SUBTITLE G—OTHER MATTERS

## Section 1089—Sense of Congress Regarding Connecticut's Submarine Century

This provision would express the sense of Congress commending the dedication and contribution of the people of Connecticut to the Navy and the submarine force.

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

**TITLE XXXV—MARITIME ADMINISTRATION**

**LEGISLATIVE PROVISIONS**

**Section 3501—Authorization of the Maritime Administration**

This section would authorize appropriations for the national security aspects of the merchant marine for fiscal year 2017.

**Section 3502—Authority to Make Pro Rata Annual Payments Under Operating Agreements for Vessels Participating in Maritime Security Fleet**

This section would amend subsection (d) of section 53106 of title 46, United States Code, to permit the Secretary of Transportation to make a pro rata reduction in the amounts paid to vessel owners or operators under operating agreements under chapter 531 of that title if appropriations are insufficient to make full payment of the amounts authorized and agreed to under subsection (a) of section 53106.

**Section 3503—Authority to Extend Certain Age Restrictions Relating to Vessels in the Maritime Security Fleet**

This section would amend section 53102 of title 46, United States Code, to authorize the Secretary of Defense, in conjunction with the Secretary of Transportation, to extend the 20- and 25-year age restrictions applicable to a “participating fleet vessel” found in subsection (5)(A)(ii) of section 53101, and subsection (c)(3) of section 53106 of title 46, United States Code, for a period of up to 5 years, when the Secretaries jointly determine that it would be in the national interest to do so.

This section would also provide additional technical and conforming changes.

**Section 3504—Corrections to Provisions Enacted by Coast Guard Authorization Acts**

This section would make technical and conforming corrections to provisions of the Coast Guard Authorization Act of 2015 (Public Law 114-120).

**Section 3505—Status of National Defense Reserve Fleet Vessels**

This section would codify the legal status of National Defense Reserve Fleet (NDRF) vessels and provide clarity in situations involving foreign countries. This section would also clarify that U.S. Maritime Administration's training ships, which are part of the NDRF, are public vessels. Finally, this provision would make clear that NDRF vessels remain “vessels” within the meaning of section 3 of title 1, United States Code, until they are delivered to a dismantling facility.

#### Section 3506—NDRF National Security Multi-Mission Vessel

This section would provide authority to the Maritime Administrator to enter into a contract for a National Security Multi-Mission Vessel.

#### Section 3508—Use of National Defense Reserve Fleet Scrapping Proceeds

This section would increase the apportionment of National Defense Reserve Fleet scrapping proceeds to the National Maritime Heritage Grant Program.

#### Section 3509—Operational Requirement Document for a New Polar Icebreaker

The section requires the Secretary of the department in which the Coast Guard is operating to submit the operational requirements document for a new polar icebreaker to the Committee on Armed Services and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate within 10 days of the date of the enactment of this Act.

# **BILL LANGUAGE**

1           **Subtitle C—Navy Programs**

2   **SEC. 121 [Log 63641]. PROCUREMENT AUTHORITY FOR AIR-**  
3           **CRAFT CARRIER PROGRAMS.**

4           (a) PROCUREMENT AUTHORITY IN SUPPORT OF CON-  
5   STRUCTION OF FORD CLASS AIRCRAFT CARRIERS.—

6           (1) AUTHORITY FOR ECONOMIC ORDER QUAN-  
7   TITY.—The Secretary of the Navy may procure ma-  
8   teriel and equipment in support of the construction  
9   of the Ford class aircraft carriers designated CVN-  
10   80 and CVN-81 in economic order quantities when  
11   cost savings are achievable.

12          (2) LIABILITY.—Any contract entered into  
13   under paragraph (1) shall provide that any obliga-  
14   tion of the United States to make a payment under  
15   the contract is subject to the availability of appro-  
16   priations for that purpose, and that total liability to  
17   the Government for termination of any contract en-  
18   tered into shall be limited to the total amount of  
19   funding obligated at time of termination.

20          (b) REFUELING AND COMPLEX OVERHAUL OF NIM-  
21   ITZ CLASS AIRCRAFT CARRIERS.—

22          (1) IN GENERAL.—The Secretary of the Navy  
23   may carry out the nuclear refueling and complex  
24   overhaul of each of the following Nimitz class air-  
25   craft carriers:

1 (A) U.S.S. George Washington (CVN-73).

2 (B) U.S.S. John C. Stennis (CVN-74).

3 (C) U.S.S. Harry S. Truman (CVN-75).

4 (D) U.S.S. Ronald Reagan (CVN-76).

5 (E) U.S.S. George H.W. Bush (CVN-77).

6 (2) USE OF INCREMENTAL FUNDING.—With re-  
7 spect to any contract entered into under paragraph  
8 (1) for the nuclear refueling and complex overhaul  
9 of a Nimitz class aircraft carrier, the Secretary may  
10 use incremental funding for a period not to exceed  
11 six years after advance procurement funds for such  
12 nuclear refueling and complex overhaul effort are  
13 first obligated.

14 (3) CONDITION FOR OUT-YEAR CONTRACT PAY-  
15 MENTS.—Any contract entered into under paragraph  
16 (1) shall provide that any obligation of the United  
17 States to make a payment under the contract for a  
18 fiscal year after fiscal year 2017 is subject to the  
19 availability of appropriations for that purpose for  
20 that later fiscal year.

1 **SEC. 122 [Log 63666]. SENSE OF CONGRESS ON AIRCRAFT**  
2 **CARRIER PROCUREMENT SCHEDULES.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) In a report submitted to Congress on March  
5 17, 2015, the Secretary of the Navy indicated the  
6 Department of the Navy has a requirement of 11  
7 aircraft carriers.

8 (2) In the Congressional Budget Office report  
9 titled “An Analysis of the Navy’s Fiscal Year 2016  
10 Shipbuilding Plan”, the Office stated as follows: “To  
11 prevent the carrier force from declining to 10 ships  
12 in the 2040s, 1 short of its inventory goal of 11, the  
13 Navy could accelerate purchases after 2018 to 1  
14 every four years, rather than 1 every five years”.

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

17 (1) the plan of the Department of the Navy to  
18 schedule the procurement of one aircraft carrier  
19 every five years will reduce the overall aircraft car-  
20 rier inventory to 10 aircraft carriers, a level insuffi-  
21 cient to meet peacetime and war plan requirements;  
22 and

23 (2) to accommodate the required aircraft car-  
24 rier force structure, the Department of the Navy  
25 should—

1           (A) begin to program construction for the  
2           Ford class aircraft carrier designated CVN-81  
3           in fiscal year 2022; and

4           (B) program the required advance procure-  
5           ment activities to accommodate the construction  
6           of such carrier.

1 **SEC. 123 [Log 63286]. DESIGN AND CONSTRUCTION OF LHA**  
2 **REPLACEMENT SHIP DESIGNATED LHA 8.**

3 (a) IN GENERAL.—The Secretary of the Navy may  
4 enter into a contract, beginning with the fiscal year 2017  
5 program year, for the design and construction of the LHA  
6 Replacement ship designated LHA 8 using amounts au-  
7 thorized to be appropriated for the Department of Defense  
8 for Shipbuilding and Conversion, Navy.

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

13 (c) CONDITION FOR OUT-YEAR CONTRACT PAY-  
14 MENTS.—The contract entered into under subsection (a)  
15 shall provide that any obligation of the United States to  
16 make a payment under such contract for any fiscal year  
17 after fiscal year 2017 is subject to the availability of ap-  
18 propriations for that purpose for such fiscal year.

1 **SEC. 124 [Log 63768]. DESIGN AND CONSTRUCTION OF RE-**  
2 **PLACEMENT DOCK LANDING SHIP DES-**  
3 **IGNATED LX(R) OR AMPHIBIOUS TRANSPORT**  
4 **DOCK DESIGNATED LPD-29.**

5 (a) IN GENERAL.—The Secretary of the Navy may  
6 enter into a contract, beginning with the fiscal year 2017  
7 program year, for the design and construction of the re-  
8 placement dock landing ship designated LX(R) or the am-  
9 phibious transport dock designated LPD-29 using  
10 amounts authorized to be appropriated for the Depart-  
11 ment of Defense for Shipbuilding and Conversion, Navy.

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

16 (c) CONDITION FOR OUT-YEAR CONTRACT PAY-  
17 MENTS.—The contract entered into under subsection (a)  
18 shall provide that any obligation of the United States to  
19 make a payment under such contract for any fiscal year  
20 after fiscal year 2017 is subject to the availability of ap-  
21 propriations for that purpose for such fiscal year.

1 **SEC. 125 [Log 63673]. SHIP TO SHORE CONNECTOR PRO-**  
2 **GRAM.**

3 (a) **CONTRACT AUTHORITY.**—Notwithstanding sec-  
4 tion 2306b of title 10, United States Code, the Secretary  
5 of the Navy may enter into a contract to procure up to  
6 45 Ship to Shore Connector craft.

7 (b) **LIABILITY.**—Any contract entered into under  
8 subsection (a) shall provide that any obligation of the  
9 United States to make a payment under the contract is  
10 subject to the availability of appropriations for that pur-  
11 pose, and that the total liability to the Government for  
12 termination of any contract entered into shall be limited  
13 to the total amount of funding obligated at time of termi-  
14 nation.

1 **SEC. 126 [Log 63966]. LIMITATION ON AVAILABILITY OF**  
2 **FUNDS FOR LITTORAL COMBAT SHIP OR SUC-**  
3 **CESSOR FRIGATE.**

4 None of the funds authorized to be appropriated by  
5 this Act or otherwise made available for fiscal year 2017  
6 for the Navy shall be used to select only a single con-  
7 tractor for the construction of the Littoral Combat Ship  
8 or any successor frigate class ship program until the Sec-  
9 retary of the Navy certifies to the congressional defense  
10 committees that such selection of a single contractor will  
11 be conducted—

12 (1) using competitive procedures; and

13 (2) for the limited purpose of awarding a con-  
14 tract for—

15 (A) an engineering change proposal for a  
16 frigate class ship; or

17 (B) the construction of a frigate class ship.

1       **Subtitle D—Air Force Programs**

2       **SEC. 131 [Log 62767]. ELIMINATION OF ANNUAL REPORT ON**  
3                               **AIRCRAFT INVENTORY.**

4               Section 231a of title 10, United States Code, is  
5 amended—

6                       (1) by striking subsection (e); and

7                       (2) by redesignating subsection (f) as sub-  
8               section (e).

1 **SEC. 132 [Log 63465]. REPEAL OF REQUIREMENT TO PRE-**  
2 **SERVE CERTAIN RETIRED C-5 AIRCRAFT.**

3 Section 141 of the National Defense Authorization  
4 Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat.  
5 1659) is amended by striking subsection (d).

1 **SEC. 212 [Log 62736]. NOTIFICATION REQUIREMENT FOR**  
2 **CERTAIN RAPID PROTOTYPING, EXPERIMEN-**  
3 **TATION, AND DEMONSTRATION ACTIVITIES.**

4 (a) NOTICE REQUIRED.—The Secretary of the Navy  
5 shall not initiate a covered activity until a period of 10  
6 business days has elapsed following the date on which the  
7 Secretary submits to the congressional defense committees  
8 the notice described in subsection (b) with respect to such  
9 activity.

10 (b) ELEMENTS OF NOTICE.—The notice described in  
11 this subsection is a written notice of the intention of the  
12 Secretary to initiate a covered activity. Each such notice  
13 shall include the following:

14 (1) A description of the activity.

15 (2) Estimated costs and funding sources for the  
16 activity, including a description of any cost-sharing  
17 or in-kind support arrangements with other partici-  
18 pants.

19 (3) A description of any transition agreement,  
20 including the identity of any partner organization  
21 that may receive the results of the covered activity  
22 under such an agreement.

23 (4) Identification of major milestones and the  
24 anticipated date of completion of the activity.

25 (c) COVERED ACTIVITY.—In this section, the term  
26 “covered activity” means a rapid prototyping, experimen-

1 tation, or demonstration activity carried out under pro-  
2 gram element 0603382N.

3 (d) SUNSET.—The requirements of this section shall  
4 terminate 5 years after the date of the enactment of this  
5 Act.

1 **SEC. 838 [Log 63602]. 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 2017 using funds available for  
25 National Defense Sealift Fund programs or Shipbuilding  
26 and Conversion, Navy.”.

1 **SEC. 1022[Log 62702]. WARRANTY REQUIREMENTS FOR**  
2 **SHIPBUILDING CONTRACTS.**

3 (a) IN GENERAL.—Chapter 633 of title 10, United  
4 States Code, is amended by adding at the end the fol-  
5 lowing new section:

6 **“§ 7318. Warranty requirements for shipbuilding con-**  
7 **tracts**

8 “(a) REQUIREMENT.—A contracting officer for a  
9 contract for which funds are expended from the Ship-  
10 building and Conversion, Navy account shall require, as  
11 a condition of the contract, that the work performed under  
12 the contract is covered by a warranty for a period of at  
13 least one year.

14 “(b) WAIVER.—If the contracting officer for a con-  
15 tract covered by the requirement under subsection (a) de-  
16 termines that a limited liability of warranted work is in  
17 the best interest of the Government, the contracting offi-  
18 cer may agree to limit the liability of the work performed  
19 under the contract to a level that the contracting officer  
20 determines is sufficient to protect the interests of the Gov-  
21 ernment and in keeping with historical levels of warranted  
22 work on similar vessels.”.

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

“7318. Warranty requirements for shipbuilding contracts.”.

1 **SEC. 1023[Log 62693]. NATIONAL SEA-BASED DETERRENCE**  
2 **FUND.**

3 (a) TRANSFER AUTHORITY.—Section 1022(b)(1) of  
4 the National Defense Authorization Act for Fiscal Year  
5 2015 (Public Law 113–291; 128 Stat. 3487), as amended  
6 by section 1022(b) of the National Defense Authorization  
7 Act for Fiscal Year 2016 (Public Law 114–92), is further  
8 amended by striking “or 2017” and inserting “2017, or  
9 2018”.

10 (b) AUTHORITY FOR MULTIYEAR PROCUREMENT OF  
11 CRITICAL COMPONENTS TO SUPPORT CONTINUOUS PRO-  
12 Duction.—Section 2218a of title 10, United States Code,  
13 is amended—

14 (1) by redesignating subsections (i) and (j) as  
15 subsections (j) and (k), respectively; and

16 (2) by inserting after subsection (h) the fol-  
17 lowing new subsection (i):

18 “(i) AUTHORITY FOR MULTIYEAR PROCUREMENT OF  
19 CRITICAL COMPONENTS TO SUPPORT CONTINUOUS PRO-  
20 Duction.—(1) To implement the continuous production  
21 of critical components, the Secretary of the Navy may use  
22 funds deposited in the Fund, in conjunction with funds  
23 appropriated for the procurement of other nuclear-pow-  
24 ered vessels, to enter into one or more multiyear contracts  
25 (including economic ordering quantity contracts), for the  
26 procurement of critical contractor-furnished and Govern-

1 ment-furnished components for national sea-based deter-  
2 rence vessels. The authority under this subsection extends  
3 to the procurement of equivalent critical parts, compo-  
4 nents, systems, and subsystems common with and re-  
5 quired for other nuclear-powered vessels.

6 “(2) Any contract entered into pursuant to para-  
7 graph (1) shall provide that any obligation of the United  
8 States to make a payment under the contract is subject  
9 to the availability of appropriations for that purpose and  
10 that the total liability to the Government for the termi-  
11 nation of the contract shall be limited to the total amount  
12 of funding obligated for the contract as of the date of the  
13 termination.”.

14 (c) DEFINITION OF NATIONAL SEA-BASED DETER-  
15 RENCE VESSEL.—Subsection (k)(2) of such section, as re-  
16 designated by subsection (b), is amended—

17 (1) by striking “any vessel” and inserting “any  
18 submersible vessel constructed or purchased after  
19 fiscal year 2016 that is”; and

20 (2) by inserting “and” before “that carries”.

1 **SEC. 1024[Log 62694]. AVAILABILITY OF FUNDS FOR RETIRE-**  
2 **MENT OR INACTIVATION OF TICONDEROGA-**  
3 **CLASS CRUISERS OR DOCK LANDING SHIPS.**

4 (a) LIMITATION ON RETIREMENT OR INACTIVA-  
5 TION.—None of the funds authorized to be appropriated  
6 by this Act or otherwise made available for the Depart-  
7 ment of Defense for fiscal year 2017 may be obligated or  
8 expended—

9 (1) to retire, prepare to retire, or inactivate a  
10 cruiser or dock landing ship; or

11 (2) to place in a modernization status more  
12 than six cruisers and one dock landing ship identi-  
13 fied in section 1026(a)(2) of the Carl Levin and  
14 Howard P. “Buck” McKeon National Defense Au-  
15 thorization Act for Fiscal Year 2015 (Public Law  
16 113–291; 128 Stat. 3490).

17 (b) HULL, MECHANICAL, AND ELECTRICAL MOD-  
18 ERNIZATION.—Not more than 75 percent of the funds  
19 made available for the Office of the Secretary of Defense  
20 for fiscal year 2017 may be obligated until the Secretary  
21 of the Navy—

22 (1) enters into a contract for the modernization  
23 industrial period associated with four cruisers and  
24 one dock landing ship referred to in section  
25 1026(a)(2) of the Carl Levin and Howard P.  
26 “Buck” McKeon National Defense Authorization

1 Act for Fiscal Year 2015 (Public Law 113–291; 128  
2 Stat. 3490); and

3 (2) enters into a contract for the procurement  
4 of combat systems upgrades associated with six such  
5 cruisers and one such dock landing ship.

1 **SEC. 1042[Log 62821]. LIMITATION ON RETIREMENT, DEAC-**  
2 **TIVATION, OR DECOMMISSIONING OF MINE**  
3 **COUNTERMEASURES SHIPS.**

4 Section 1090 of the National Defense Authorization  
5 Act for Fiscal Year 2016 (Public Law 111–92; 129 Stat.  
6 1016) is amended by striking subsection (b) and inserting  
7 the following:

8 “(b) LIMITATION ON RETIREMENT OF MCM  
9 SHIPS.—

10 “(1) IN GENERAL.—None of the funds author-  
11 ized to be appropriated by this Act or otherwise  
12 made available for the Department of the Navy for  
13 fiscal year 2017 may be obligated or expended to re-  
14 tire, deactivate, decommission, to prepare to retire,  
15 deactivate, decommission, or to place in storage  
16 backup inventory or reduced operating status any  
17 MCM-1 class ship.

18 “(2) WAIVER AUTHORITY.—

19 “(A) IN GENERAL.—The Secretary of the  
20 Navy may waive the limitation under paragraph  
21 (1) with respect to any MCM-1 class ship if the  
22 Secretary provides to the congressional defense  
23 committees certification that the operational  
24 test and evaluation for replacement capabilities  
25 for the ship is complete and such capabilities  
26 are available in sufficient quantities to ensure

1 sufficient mine countermeasures capacity is  
2 available to meet requirements as set forth in  
3 the Joint Strategic Capabilities Plan, the cam-  
4 paign plans of the combatant commanders, and  
5 the Navy's Force Structure Assessment.

6 “(B) REPORT.—The first time the Sec-  
7 retary of the Navy exercises the waiver author-  
8 ity under subparagraph (A), the Secretary shall  
9 submit to the congressional defense committees  
10 a report that includes—

11 “(i) the recommendations of the Sec-  
12 retary regarding MCM force structure;

13 “(ii) the recommendations of the Sec-  
14 retary regarding how to ensure the oper-  
15 ational effectiveness of the surface MCM  
16 force through 2025 based on current capa-  
17 bilities and capacity, replacement sched-  
18 ules, and service life extensions or retire-  
19 ment schedules;

20 “(iii) an assessment of the MCM ves-  
21 sels, including the decommissioned MCM-1  
22 and MCM-2 ships and the potential of  
23 such ships for reserve operating status;  
24 and

1                   “(iv) an assessment of the Littoral  
2                   Combat Ship MCM mission package incre-  
3                   ment one performance against the initial  
4                   operational test and evaluation criteria.”.

1 **SEC. 1089[Log 63314]. SENSE OF CONGRESS REGARDING**  
2 **CONNECTICUT'S SUBMARINE CENTURY.**

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

5 (1) On March 2, 1867, Congress enacted a  
6 naval appropriations Act that authorized the Sec-  
7 retary of the Navy to “receive and accept a deed of  
8 gift, when offered by the State of Connecticut, of a  
9 tract of land with not less than one mile of shore  
10 front on the Thames River near New London, Con-  
11 necticut, to be held by the United States for naval  
12 purposes”.

13 (2) The people of Connecticut and the towns  
14 and cities in the southeastern region of Connecticut  
15 subsequently gifted land to establish a military in-  
16 stallation to fulfil the Nation’s need for a naval facil-  
17 ity on the Atlantic coast.

18 (3) On April 11, 1868, the Navy accepted the  
19 deed of gift of land from Connecticut to establish a  
20 naval yard and storage depot along the eastern  
21 shore of the Thames River in Groton, Connecticut;

22 (4) Between 1868 and 1912, the New London  
23 Navy Yard supported a diverse range of missions,  
24 including berthing inactive Civil War era ironclad  
25 warships and serving as a coaling station for refuel-  
26 ing naval ships traveling in New England waters.

1           (5) Congress rejected the Navy’s proposal to  
2 close New London Navy Yard in 1912, following an  
3 impassioned effort by Congressman Edwin W. Hig-  
4 gins, who stated that “this action proposed is not  
5 only unjust but unreasonable and unsound as a mili-  
6 tary proposition”.

7           (6) The outbreak of World War I and the  
8 enemy use of submarines to sink allied military and  
9 civilian ships in the Atlantic sparked a new focus on  
10 developing submarine capabilities in the United  
11 States.

12           (7) October 18, 1915, marked the arrival at the  
13 New London Navy Yard of the submarines G–1, G–  
14 2, and G–4 under the care of the tender U.S.S.  
15 OZARK, soon followed by the arrival of submarines  
16 E–1, D–1, and D–3 under the care of the tender  
17 U.S.S. TONOPAH, and on November 1, 1915, the  
18 arrival of the first ship built as a submarine tender,  
19 the U.S.S. FULTON (AS–1).

20           (8) On June 21, 1916, Commander Yeates Stir-  
21 ling assumed the command of the newly designated  
22 Naval Submarine Base New London, the New Lon-  
23 don Submarine Flotilla, and the Submarine School;

24           (9) In the 100 years since the arrival of the  
25 first submarines to the base, Naval Submarine Base

1 New London has grown to occupy more than 680  
2 acres along the east side of the Thames River, with  
3 more than 160 major facilities, 15 nuclear sub-  
4 marines, and more than 70 tenant commands and  
5 activities, including the Submarine Learning Center,  
6 Naval Submarine School, the Naval Submarine Med-  
7 ical Research Laboratory, the Naval Undersea Med-  
8 ical Institute, and the newly established Undersea  
9 Warfighting Development Center.

10 (10) In addition to being the site of the first  
11 submarine base in the United States, Connecticut  
12 was home to the foremost submarine manufacturers  
13 of the time, the Lake Torpedo Boat Company in  
14 Bridgeport and the Electric Boat Company in Gro-  
15 ton, which later became General Dynamics Electric  
16 Boat.

17 (11) General Dynamics Electric Boat, its tal-  
18 ented workforce, and its Connecticut-based and na-  
19 tionwide network of suppliers have delivered more  
20 than 200 submarines from its current location in  
21 Groton, Connecticut, including the first nuclear-pow-  
22 ered submarine, the U.S.S. NAUTILUS (SSN 571),  
23 and nearly half of the nuclear submarines ever built  
24 by the United States.

1           (12) The Submarine Force Library and Mu-  
2           seum, located adjacent to Naval Submarine Base  
3           New London in Groton, Connecticut, is the only sub-  
4           marine museum operated by the United States Navy  
5           and today serves as the primary repository for arti-  
6           facts, documents, and photographs relating to the  
7           bold and courageous history of the Submarine Force  
8           and highlights as its core exhibit the Historic Ship  
9           NAUTILUS (SSN 571) following her retirement  
10          from service.

11          (13) Reflecting the close ties between Con-  
12          necticut and the Navy that began with the gift of  
13          land that established the base, the State of Con-  
14          necticut has set aside \$40,000,000 in funding for  
15          critical infrastructure investments to support the  
16          mission of the base, including construction of a new  
17          dive locker building, expansion of the Submarine  
18          Learning Center, and modernization of energy infra-  
19          structure.

20          (14) On September 29, 2015, Connecticut Gov-  
21          ernor Dannel Malloy designated October 2015  
22          through October 2016 as Connecticut's Submarine  
23          Century, a year-long observance that celebrates 100  
24          years of submarine activity in Connecticut, including  
25          the Town of Groton's distinction as the Submarine

1 Capital of the World, to coincide with the centennial  
2 anniversary of the establishment of Naval Sub-  
3 marine Base New London and the Naval Submarine  
4 School.

5 (15) Whereas Naval Submarine Base New Lon-  
6 don still proudly proclaims its motto of “The First  
7 and Finest”.

8 (16) Congressman Higgins’ statement before  
9 Congress in 1912 that “Connecticut stands ready, as  
10 she always has, to bear her part of the burdens of  
11 the national defense” remains true today.

12 (b) SENSE OF CONGRESS.—Congress—

13 (1) commends the longstanding dedication and  
14 contribution to the Navy and submarine force by the  
15 people of Connecticut, both through the initial deed  
16 of gift that established what would become Naval  
17 Submarine Base New London and through their on-  
18 going commitment to support the mission of the  
19 base and the Navy personnel assigned to it;

20 (2) honors the submariners who have trained  
21 and served at Naval Submarine Base New London  
22 throughout its history in support of the Nation’s se-  
23 curity and undersea superiority;

1           (3) recognizes the contribution of the industry  
2           and workforce of Connecticut in designing, building,  
3           and sustaining the Navy's submarine fleet; and

4           (4) encourages the recognition of Connecticut's  
5           Submarine Century by Congress, the Navy, and the  
6           American people by honoring the contribution of the  
7           people of Connecticut to the defense of the United  
8           States and the important role of the submarine force  
9           in safeguarding the security of the United States for  
10          more than a century.

1 **SEC. 3501 [Log 62691]. AUTHORIZATION OF THE MARITIME**  
2 **ADMINISTRATION.**

3 Funds are hereby authorized to be appropriated for  
4 fiscal year 2017, to be available without fiscal year limita-  
5 tion if so provided in appropriations Acts, for the use of  
6 the Department of Transportation for Maritime Adminis-  
7 tration programs associated with maintaining the United  
8 States merchant marine, as follows:

9 (1) For expenses necessary for operations of the  
10 United States Merchant Marine Academy,  
11 \$99,902,000.

12 (2) For expenses necessary to support the State  
13 maritime academies, \$29,550,000.

14 (3) For expenses necessary to support Maritime  
15 Administration operations and programs,  
16 \$58,694,000.

17 (4) For expenses necessary to dispose of vessels  
18 in the National Defense Reserve Fleet, \$20,000,000,  
19 to remain available until expended.

20 (5) For expenses to maintain and preserve a  
21 United States-flag merchant marine to serve the na-  
22 tional security needs of the United States under  
23 chapter 531 of title 46, United States Code,  
24 \$299,997,000.

1 **SEC. 3502 [Log 63014]. AUTHORITY TO MAKE PRO RATA AN-**  
2 **NUAL PAYMENTS UNDER OPERATING AGREE-**  
3 **MENTS FOR VESSELS PARTICIPATING IN**  
4 **MARITIME SECURITY FLEET.**

5 Section 53106(d) of title 46, United States Code, is  
6 amended—

7 (1) by striking “and” at the end of paragraph

8 (2);

9 (2) by striking the period at the end of para-  
10 graph (3) and inserting “; and”; and

11 (3) by adding at the end following:

12 “(4) may make a pro rata reduction in payment  
13 if sufficient funds have not been appropriated to pay  
14 the full annual payment authorized in subsection  
15 (a).”.

1 **SEC. 3503 [Log 63016]. AUTHORITY TO EXTEND CERTAIN**  
2 **AGE RESTRICTIONS RELATING TO VESSELS**  
3 **IN THE MARITIME SECURITY FLEET.**

4 (a) AUTHORITY.—

5 (1) IN GENERAL.—Section 53102 of title 46,  
6 United States Code, is amended by adding at the  
7 end the following new subsection:

8 “(g) AUTHORITY TO EXTEND MAXIMUM SERVICE  
9 AGE FOR VESSEL.—The Secretary of Defense, in conjunc-  
10 tion with the Secretary of Transportation, may, for a par-  
11 ticular participating fleet vessel, extend the maximum age  
12 restrictions under section 53101(5)(A)(ii) and section  
13 53106(c)(3) for a period of up to 5 years if the Secretaries  
14 jointly determine that it is in the national interest to do  
15 so.”.

16 (2) CONFORMING AMENDMENT.—The heading  
17 of subsection (f) of such section is amended to read  
18 as follows: “AUTHORITY TO WAIVE AGE RESTRIC-  
19 TION FOR ELIGIBILITY OF A VESSEL TO BE IN-  
20 CLUDED IN FLEET.—”.

21 (b) REPEAL OF REDUNDANT AGE LIMITATION.—  
22 Section 53106(c)(3) of such title is amended—

23 (1) in subparagraph (A), by striking “or (C);”  
24 and inserting “; or”;

25 (2) in subparagraph (B), by striking “; or” and  
26 inserting a period; and

1 (3) by striking subparagraph (C).

1 **SEC. 3504 [Log 63152]. CORRECTIONS TO PROVISIONS EN-**  
2 **ACTED BY COAST GUARD AUTHORIZATION**  
3 **ACTS.**

4 (a) **SHORT TITLE CORRECTION.**—The Coast Guard  
5 Authorization Act of 2015 (Public Law 114–120) is  
6 amended by striking “Coast Guard Authorization Act of  
7 2015” each place it appears (including in quoted material)  
8 and inserting “Coast Guard Authorization Act of 2016”.

9 (b) **TITLE 46, U.S.C.**—

10 (1) Section 7510 of title 46, United States  
11 Code, is amended—

12 (A) in subsection (c)(1)(D), by striking  
13 “engine” and inserting “engineer”; and

14 (B) in subsection (c)(9), by inserting a pe-  
15 riod after “App”;

16 (2) Section 4503(f)(2) of title 46, United States  
17 Code, is amended by striking “, that” and inserting  
18 “, then”.

19 (c) **PROVISIONS RELATING TO THE PRIBILOF IS-**  
20 **LANDS.**—

21 (1) **SHORT TITLE CORRECTION.**—Section 521  
22 of the Coast Guard Authorization Act of 2016 (Pub-  
23 lic Law 114–120; [\_\_\_\_ Stat. \_\_\_\_]), as amended  
24 by subsection (a), is further amended by striking  
25 “2015” and inserting “2016”.

1           (2) CONFORMING AMENDMENT.—Section  
2           105(e)(1) of the Pribilof Islands Transition Act (16  
3           U.S.C. 1161 note; Public Law 106–562) is amended  
4           by striking “2015” and inserting “2016”.

5           (3) TECHNICAL CORRECTION.—Section  
6           522(b)(2) of the Coast Guard Authorization Act of  
7           2016 (Public Law 114–120; [\_\_\_\_ Stat. \_\_\_\_]), as  
8           amended by subsection (a), is further amended by  
9           striking “subsection (a)” and inserting “paragraph  
10          (1)”.

11          (d) TITLE 14, UNITED STATES CODE.—

12           (1) REDISTRIBUTION OF AUTHORIZATIONS OF  
13           APPROPRIATIONS.—Section 2702 of title 14, United  
14           States Code, is amended—

15           (A) in paragraph (1)(B), by striking  
16           “\$6,981,036,000” and inserting  
17           “\$6,986,815,000”; and

18           (B) in paragraph (3)(B), by striking  
19           “\$140,016,000” and inserting “\$134,  
20           237,000”.

21          (2) CLERICAL AMENDMENT.—The analysis at  
22          the beginning of part III of title 14, United States  
23          Code, is amended by striking the period at the end  
24          of the item relating to chapter 29.

1           (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect as if included in the enact-  
3 ment of Public Law 114–120.

1 **SEC. 3505 [Log 63613]. STATUS OF NATIONAL DEFENSE RE-**  
2 **SERVE FLEET VESSELS.**

3 Section 4405 of title 50, United States Code, is  
4 amended—

5 (1) in subsection (a), by adding at the end the  
6 following: “Vessels in the National Defense Reserve  
7 Fleet, including vessels loaned to State Maritime  
8 Academies, shall be considered public vessels of the  
9 United States.”; and

10 (2) by adding at the end the following:

11 “(g) VESSEL STATUS.—A vessel in the National De-  
12 fense Reserve Fleet determined by the Maritime Adminis-  
13 tration to be of insufficient value to remain in the National  
14 Defense Reserve Fleet shall remain a vessel within the  
15 meaning of that term in section 3 of title 1 and subject  
16 to the rights and responsibilities of a vessel under admi-  
17 ralty law at least until such time as the vessel is delivered  
18 to a dismantling facility or is disposed of otherwise from  
19 the National Defense Reserve Fleet.”.

1 **SEC. 3506 [Log 63887]. NDRF NATIONAL SECURITY MULTI-**  
2 **MISSION VESSEL.**

3 (a) IN GENERAL.—Subject to the availability of ap-  
4 propriations for fiscal year 2017 and each fiscal year  
5 thereafter, the Maritime Administrator shall seek to con-  
6 tract for construction of a national security multi-mission  
7 vessel for the National Defense Reserve Fleet for—

8 (1) use as a training vessel that can be provided  
9 to State maritime academies, under section  
10 51504(b) of title 46, United States Code; and

11 (2) humanitarian assistance, disaster response,  
12 domestic and foreign emergency contingency oper-  
13 ations, and other authorized uses of vessels of the  
14 National Defense Reserve Fleet.

15 (b) CONSTRUCTION AND DOCUMENTATION REQUIRE-  
16 MENTS.—A vessel constructed under this section shall—

17 (1) be constructed in a private United States  
18 shipyard;

19 (2) be constructed in accordance with designs  
20 approved by the Maritime Administrator; and

21 (3) meet—

22 (A) the safety requirements of the Coast  
23 Guard as a documented vessel; and

24 (B) the content standards of the Coast  
25 Guard to qualify the vessel for a coastwise en-

1           dorsement as if such vessel were a privately  
2           owned and operated commercial vessel; and  
3           (4) be documented under section 12103 of title  
4           46, United States Code.

5           (c) INCREMENTAL FUNDING.—The Maritime Admin-  
6           istrator may enter into one or more contracts for procure-  
7           ment of such construction and associated equipment and  
8           services using incremental funding.

9           (d) DESIGN STANDARDS AND CONSTRUCTION PRAC-  
10          TICES.—Subject to subsection (b), construction of a vessel  
11          under this section shall use commercial design standards  
12          and commercial construction practices that are consistent  
13          with the best interests of the Federal Government.

14          (e) GENERAL AGENT REQUIREMENT.—The Maritime  
15          Administrator shall enter into a contract or other agree-  
16          ment with the Secretary of the Navy under which the  
17          Navy shall act as general agent for the Maritime Adminis-  
18          tration for purposes of construction of a vessel under this  
19          section.

20          (f) CONTRACTS WITH OTHER FEDERAL ENTITIES.—  
21          The Maritime Administrator may contract on a reimburs-  
22          able basis with other Federal entities for goods and serv-  
23          ices in connection with this section and other associated  
24          future activities.

1           (g) CONTRACTORS.—Any contractor selected by the  
2 Maritime Administration through its general agent to con-  
3 struct the vessel under (a) shall be an entity established  
4 under the laws of the United States or of a State, com-  
5 monwealth, or territory of the United States, that during  
6 the five-year period preceding the date of the enactment  
7 of this Act, either directly or through a subsidiary, com-  
8 pleted the construction of a vessel in excess of 10,000  
9 gross tons and documented under section 12103 of title  
10 46, United States Code.

11           (h) REPEAL OF PLAN APPROVAL REQUIREMENT.—  
12 Section 109(j)(3) of title 49, United States Code, is re-  
13 pealed.

1 **SEC. 3508 [Log 63921]. USE OF NATIONAL DEFENSE RE-**  
2 **SERVE FLEET SCRAPPING PROCEEDS.**

3 Section 308704(a)(1)(C) of title 54, United States  
4 Code, is amended to read as follows:

5 “(C) The remainder shall be available to  
6 the Secretary to carry out the Program, as pro-  
7 vided in subsection (b).”.

1 **SEC. 3509 [Log 63967]. OPERATIONAL REQUIREMENT DOCU-**  
2 **MENT FOR A NEW POLAR ICEBREAKER.**

3 Not later than 10 days after the date of the enact-  
4 ment of this Act, the Secretary of the department in which  
5 the Coast Guard is operating shall submit to the Com-  
6 mittee on Armed Services and the Committee on Trans-  
7 portation and Infrastructure of the House of Representa-  
8 tives and the Committee on Armed Services and the Com-  
9 mittee on Commerce, Science, and Transportation of the  
10 Senate the operational requirement document for a new  
11 polar icebreaker.

# **DIRECTIVE REPORT LANGUAGE**

# Table Of Contents

## DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

### TITLE I—PROCUREMENT

#### SHIPBUILDING AND CONVERSION, NAVY

##### Items of Special Interest

*Cruiser replacement strategy*

*Expeditionary Mobile Base ship*

*Frigate*

*TAO(X) oiler shipbuilding program*

*Virginia class submarine industrial base capacity*

#### OTHER PROCUREMENT, NAVY

##### Items of Special Interest

*Joint Strike Fighter integration on amphibious ships*

#### AIRCRAFT PROCUREMENT, AIR FORCE

##### Items of Special Interest

*Aircraft urethane sealant upgrades*

*B-21 bomber*

*B-21 Development Progress Matrix*

*Reporting requirement for C-130H recapitalization and modernization*

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

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

##### Items of Special Interest

*Advanced Low Cost Munitions Ordnance*

*Autonomous Undersea Vehicles*

*Submarine acoustic warfare development*

*UCLASS, CBARS, RAQ-25, MQ-25, MQ-XX*

### TITLE X—GENERAL PROVISIONS

#### ITEMS OF SPECIAL INTEREST

##### OTHER MATTERS

*Airlift Safety and Readiness for Certain Aircraft*

---

## DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

### TITLE I—PROCUREMENT

#### SHIPBUILDING AND CONVERSION, NAVY

##### Items of Special Interest

### *Cruiser replacement strategy*

The committee notes that the Secretary of the Navy's reluctance to implement congressional direction regarding modernization of the guided missile Ticonderoga-class cruisers is jeopardizing the long-term viability and recapitalization of these ships. Specifically, the committee is concerned that the Secretary's request to obviate the "2-4-6" cruiser modernization plan is hindering efforts to develop a replacement capability for these cruisers, which the Navy has assessed will begin to retire in 2035. The committee supports the Navy's Future Surface Combatant Capability Based Assessment that has been proposed for funding in Cross Platform System Development Research, Development, Test, and Evaluation, Navy PE 0603563N. Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by March 1, 2017, regarding the overall timeline to develop a replacement strategy for the Ticonderoga-class cruisers in accordance with the retirement timelines included in the "2-4-6" cruiser modernization strategy.

### *Expeditionary Mobile Base ship*

The committee notes that the flexible capabilities of the recently-renamed Expeditionary Mobile Base (ESB, formerly AFSB) class of ships are increasingly important to Navy and Marine Corps leaders and planners, as is the attractive affordability of this platform. USNS Lewis B. Puller, the first ESB, was delivered in 2015 and represents a flexible platform for a wide-range of missions, including U.S. Marine Corps Special Purpose Marine Air Ground Task Force-Crisis Response (SPMAGTF-CR) and special operations. Three AFSB-ESBs have been funded to date, in addition to two Mobile Landing Platforms (MLPs), formally renamed Expeditionary Transfer Docks. Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by March 1, 2017, as to how the procurement of additional ships of this class would provide multiple mission requirements around the globe including SPMAGTF-CR and special operations. The committee specifically requests additional analysis as to how this capability is integrated into the overall Navy force structure assessment.

### *Frigate*

In December 2015, citing concerns with the Navy's balance between capability and quantity of platforms, the Secretary of Defense directed the Secretary of the Navy, among other actions, to procure 40 Littoral Combat Ships (LCS) and frigates, a reduction of 12 ships. In response to this direction, the Navy modified the LCS procurement and initiated acquisition of the frigate based on a modified LCS in 2018, a year earlier than planned in the Navy's budget request for fiscal year 2016. The committee notes that there is considerable uncertainty in the frigate program, as reported by the U.S. Government Accountability Office. The committee notes that over \$8.00 billion in investment remains to procure the

frigate. Therefore, the committee directs the Comptroller General of the United States to submit a report to the congressional defense committees by March 1, 2017, as to the following items relating to the frigate production:

- (1) Plans to develop and mature the frigate design prior to starting production;
- (2) The strategy for acquiring the frigate;
- (3) Realism of frigate cost estimates; and
- (4) Planned capability of the frigate and the degree to which it will meet the Navy's small surface combatant needs.

#### *TAO(X) oiler shipbuilding program*

The committee notes that the budget request seeks to execute a block buy for TAO(X) ships and includes \$73.0 million in fiscal year 2017 Advance Procurement (AP) funding, as well as similar amounts in subsequent years to leverage the cost efficiency of a block buy for these required assets. The program's first ship was authorized in fiscal year 2016, and section 127 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92) provided the Navy the authority for use of a block buy for the program. The committee further notes that the 1-ship-per-year TAO(X) procurement rate planned beginning in fiscal year 2018 will result in a lengthy period to fulfill the 17-ship requirement and will not optimally utilize the industrial base, which has the capacity to produce at least 2 ships per year. Accelerating this procurement may serve to reduce overall program costs and minimize the time that the Navy has to continue to operate single-hulled fleet oilers.

Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees concurrent with the date on which the budget for fiscal year 2018 is submitted to Congress pursuant to section 1105 of title 31, United States Code, on the potential benefits and program savings that could be achieved by increasing the program procurement rate to two ships per year as well as by taking continued advantage of block-buy procurement. The Secretary is further directed to report on the industrial base capacity to construct two TAO(X) fleet oilers per year.

#### *Virginia class submarine industrial base capacity*

The committee notes that since the end of the Cold War, the United States has produced an average of less than one attack submarine (SSN) per year. Over the next 20 years, submarine production is planned to average two submarines per year, and, for most of those years, one of the two submarines will be an Ohio Replacement ballistic missile submarine (SSBN), which is roughly two and a half times larger than the attack submarines currently under construction. The committee believes that this sustained annual submarine production workload at the nation's two nuclear shipbuilders and their vendor base will double from what it has been in the recent past. Managing this increase in production to be both

affordable and executable in delivering critically needed capabilities to the fleet will require careful planning and attention, as well as continued coordination with the carrier programs.

While SSBN requirements will be met under current shipbuilding plans, attack submarine force levels will fall below the Navy requirement of 48 SSNs in 2025, and reach a nadir of 41 attack submarines in 2030. The committee is concerned that this unprecedented shrinkage in undersea force structure will come at a time of growing demand for naval forces, particularly for the assured access and capabilities provided by submarines. The committee has received testimony from a wide range of military leaders and experts about the strain that the submarine force is under today, and the need to mitigate the projected reduction in the fleet. Given the increasing demand on undersea capabilities, the committee firmly supports the sustainment of the current two a year production rate of new attack submarines.

Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees by March 1, 2017, as to the submarine industrial base and the viability of producing additional attack submarines beyond the fiscal year 2017 shipbuilding plan in the 2017-2030 timeframe. This report should address the following specific elements:

- (1) The capacity of the submarine shipyards and vendor base and factors limiting submarine production;
- (2) The viability of adding SSNs to Navy shipbuilding plans;
- (3) The impact of increasing attack submarine production during the 2017-2030 timeframe on Navy undersea force levels;
- (4) The impact of increasing attack submarine production on overall Virginia and Ohio Replacement program costs and workload profiles; and
- (5) Potential efficiencies and economies that might be achieved in increasing SSN production.

## OTHER PROCUREMENT, NAVY

### Items of Special Interest

#### *Joint Strike Fighter integration on amphibious ships*

The committee notes that the Department of the Navy will begin deployments of the F-35B on amphibious ships in the near future. However, the committee also notes that all the accompanying communication system upgrades necessary to fully utilize the F-35B capabilities have not been programmed to be fielded for the entirety of the amphibious force structure. The committee believes that limited amphibious ship communications system capability may limit the capabilities provided to the fleet by the F-35B. Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by March 1, 2017, detailing F-35B integration for amphibious ships. This briefing should specifically include the F-35B deployment schedule, the proposed

amphibious ship modernization plan, and the proposed integrated communications architecture that is being developed to support F-35B.

## AIRCRAFT PROCUREMENT, AIR FORCE

### Items of Special Interest

#### *Aircraft urethane sealant upgrades*

The committee notes that the KC-135 and B-52 fleets experience chronic leaks primarily in the wing cavities. Current wet cavity sealing technology is specified for polysulfide. The committee understands that polysulfide becomes brittle over a short period of time and cracks, which results in repeated removals and replacements of the material to try to repair leaks, or more commonly maintainers add more polysulfide sealant over the cracked material and significantly increase the aircraft weight.

In order to better assess this issue, the committee directs the Secretary of the Air Force to conduct a study into the value of using the polyurethane Integral Fuel Tank sealant to correct chronic leaks in KC-135 and B-52 military aircraft, and brief the House Committee on Armed Services by September 30, 2016, on the results of the study. The study should include an evaluation of the long-term savings in maintenance and operating costs using dollars per pound per flight hour.

#### *B-21 bomber*

The committee received independent testimony stating that the Air Force should procure between 174 and 205 B-21 bombers to ensure that enough aircraft are available to meet combatant commander, training, test, back-up inventory, and attrition reserve requirements. Additionally, the Global Strike commander indicated that the previously announced 100 B-21 bombers should be treated as the lower limit of the total required number.

The committee directs the Secretary of the Air Force to submit a report to the congressional defense committees by February 1, 2017, that estimates the number of B-21 bomber aircraft needed to meet the combatant commander requirements. The report, which may include a classified annex, shall include the following elements:

- (1) A detailed explanation of the strategy and associated force sizing and shaping constructs, associated scenarios and assumptions used to conduct the analysis;
- (2) A range of numbers to meet requirements for B-21 bombers given best case and worst case assumptions and the associated risk based on Chairman of the Joint Chiefs of Staff risk management classifications; and
- (3) A detailed transition plan that integrates the B-21 into the current bomber fleet through 2040.

### *B-21 Development Progress Matrix*

The committee notes that the Air Force, through the Rapid Capabilities Office (RCO), entered into a contract for the Engineering, Manufacturing, and Development (EMD) phase associated with the B-21 bomber. The committee is pleased to see progress on this program and believes that this program has stable requirements in place. However, the committee is concerned that, given the length of time associated with the EMD phase and the amount of resources planned for this phase, the congressional defense committees need an improved ability to track annual progress and cost throughout the development. Therefore, the committee directs the Secretary of the Air Force to submit an initial B-21 Development Progress Matrix to the congressional defense committees, concurrent with the budget request for fiscal year 2018 that includes. The matrix should provide milestones and metrics for measuring progress made in technology, design, software, manufacturing, testing, and product reliability maturity in relationship to the resources that are planned and expended. The committee may consider requesting annual updates to the matrix in the future.

### *Reporting requirement for C-130H recapitalization and modernization*

The committee notes that the Air Force Reserve and Air National Guard, as well as the Special Operations Command, U.S. Marine Corps, and U.S. Coast Guard, are all well on their way to recapitalize their legacy C-130Hs with the newer, more cost effective, and more operationally capable, C-130Js. The Air Force has stated that some C-130H units within the Guard and Reserve will be modernized with upgraded avionics, while others will be recapitalized with C-130Js. What remains unclear at this point is which units will be modernized and which ones will be recapitalized.

Therefore, the committee directs the Secretary of the Air Force to submit a report to the congressional defense committees by February 28, 2017, on C-130H recapitalization and modernization that shall include the following elements:

- (1) C-130H to C-130J recapitalization timeline by unit for the Air National Guard and Air Force Reserve;
- (2) C-130H Avionics Modernization Program Increment 1 and Increment 2 fielding timeline by unit for the Air National Guard and Air Force Reserve; and
- (3) C-130H propulsion system upgrades: T56 3.5 engine modification, NP 2000 8-bladed propeller, and electronic propeller controller system, timeline by unit for the Air National Guard and Air Force Reserve.

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

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

#### Items of Special Interest

### *Advanced Low Cost Munitions Ordnance*

The committee continues to support development of the Advanced Low Cost Munition Ordnance (ALaMO). The ALaMO is a guided 57mm projectile, with fire-and-forget capability that requires no Littoral Combat Ship fire control system changes to counter threats against small boat swarms, unmanned aerial systems, and other emerging threats.

The committee directs the Assistant Secretary of the Navy for Research, Development, and Acquisition to provide a briefing to the House Committee on Armed Services by August 30, 2016, on achieving the objective of an initial operational capability decision in 2019. The briefing should also include, but not be limited to, an evaluation of the current funding profile of this program across the Future Years Defense Program, as well as discuss potential courses of action to accelerate or streamline the current program strategy.

### *Autonomous Undersea Vehicles*

The committee notes that the Chief of Naval Operations provided a comprehensive assessment of the desired capabilities of Autonomous Undersea Vehicles projected to 2025 in the February 2016 report to Congress entitled "Autonomous Undersea Vehicle Requirement for 2025." The committee also notes that the Department of the Navy is performing a gap analysis of autonomous undersea vehicle requirements "to determine the inventory requirements of 2025 and beyond." In addition, the committee is aware that the Secretary of the Navy is developing an Unmanned Systems roadmap strategy in 2016 to help inform future inventory requirements and investment decisions.

The committee remains interested in maintaining a significant peer advantage in the undersea domain and believes autonomous undersea vehicles represent an asymmetric opportunity to leverage atypical capabilities. Therefore, the committee directs the Secretary of the Navy to provide a report to the congressional defense committees, concurrent with the date on which the budget for fiscal year 2018 is submitted to Congress pursuant to section 1105 of title 31, United States Code, that details the Unmanned Systems roadmap strategy and the program objective memorandum 2018 investment strategy to obtain such a capability.

### *Submarine acoustic warfare development*

Considering the increasing and evolving undersea threats, the committee believes the Department of the Navy must continue to develop next generation countermeasures, including a mix of internal and external expendable acoustic countermeasures, to maintain and improve the survivability of all U.S. submarine classes in response to torpedo attack. While the committee acknowledges that the budget request for fiscal year 2017 included an increase of \$3.4 million to stabilize the Next Generation Countermeasure Program and associated Submarine Acoustic

Warfare System research and development efforts, the committee supports the planned requirement for a fully capable, reactive, and mobile device constrained in size to 3 inches in diameter and 39 inches in length. However, the committee is concerned that the current next generation countermeasure requirement requires a single 3-inch device to be launched from both internal and external launchers, despite the fact that the latter currently deploys a 6-inch device. The committee urges Navy officials to consider a more diversified approach that allows for a next generation, 6-inch externally launched countermeasure, as well as an enhanced Acoustic Device Countermeasure (ADC) MK2 device for internal launch, which could be fielded sooner and at a much more affordable cost than the Navy's current plan.

Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services not later than September 30, 2016, on the Navy's plan to achieve the most cost effective and advanced torpedo defense capability for its submarine fleet. The briefing shall include, but not be limited to: the rationale underpinning the Navy's plan to focus on smaller devices that require adaptation to launch from external tubes, with specific attention paid to the inherent limitations of internally launched countermeasures; a detailed description of plans to incrementally enhance existing internal countermeasures, such as ADC MK2; any plans to develop a fully capable 6-inch next generation countermeasure, with mobility and communications capabilities, to be launched from external launchers; and an assessment of risk and unit production costs of each of the three aforementioned program sets.

#### *UCLASS, CBARS, RAQ-25, MQ-25, MQ-XX*

The committee is encouraged that the Department of Defense has completed its review of the Unmanned Carrier Launched Surveillance and Strike (UCLASS) program and has decided to move forward with a slight variation that will include airborne tanking as an additional requirement. While this new capability was not identified as a requirement in the UCLASS Initial Capabilities Document (ICD) or the draft Capabilities Development Document (CDD) that had been previously validated by the Chief of Naval Operations, the committee recognizes the need for the enhanced capability and the positive impact it could have on the overall Carrier Air Wing (CVW). A requirement that was included in both the UCLASS ICD and CDD was the need for persistent, carrier-based intelligence, surveillance, reconnaissance (ISR) and precision strike. Furthermore, as stated in the Carrier Based Aerial Refueling System (CBARS) budget documents, "The CBARS requirements are aligned with the UCLASS which highlights the need for a persistent, carrier-based ISR, and precision strike asset." The budget documents go on to note in the Air Segment Product Development description that the unmanned vehicle will be "capable of aerial refueling (give) and persistent Intelligence Surveillance and Reconnaissance (ISR) operations with future precision strike."

The committee is concerned that while the follow on program continues to leverage the UCLASS ICD as its requirements justification and seems to have clear justification for the need for this platform to possess a precision strike capability, the final Request for Proposals that goes to industry may not include this as a required capability. The committee believes that, should this be the case, the Navy may be excluding a critical capability and precluding future growth in a platform that will likely be integrated into the carrier air wing for the next 30 years. In order to stay consistent with the requirements of the UCLASS ICD, the committee encourages the Secretary of the Navy to ensure that precision strike is a requirement of any follow-on platform that attempts to leverage the UCLASS ICD.

Additionally, the committee notes that the Joint Explanatory Statement to Accompany S. 1356, the National Defense Authorization Act for Fiscal Year 2016 (Committee Print No. 2) indicated that the Navy should develop a penetrating, air refuelable, unmanned carrier-launched aircraft capable of performing in a non-permissive environment. The committee continues to believe that the effectiveness of the carrier and its air wing would be enhanced by the development of an unmanned carrier-based aircraft capable of penetrating in non-permissive environments and conducting strike. The committee encourages the Secretary of the Navy to pursue the development and fielding of this capability.

Finally, the committee directs the Comptroller General of the United States to provide a report to the congressional defense committees by March 1, 2017, on the Navy's carrier based unmanned aircraft acquisition program(s). The report shall include the following:

(1) The Navy's requirements and acquisition strategy for the program(s), including whether the strategies are consistent with acquisition management best practices identified by the Comptroller General;

(2) The extent to which the program(s) have established and are meeting cost, schedule, and performance goals, including test plans and progress;

(3) The extent to which critical technologies are mature; system and subsystem designs are stable; and manufacturing processes are understood and have demonstrated capability to efficiently produce reliable, high quality systems; and

(4) Any additional matters that the Comptroller General considers appropriate to fully inform the congressional defense committees of the status of relevant naval carrier based unmanned aircraft acquisition program(s).

## TITLE X—GENERAL PROVISIONS

### ITEMS OF SPECIAL INTEREST

#### OTHER MATTERS

## Airlift Safety and Readiness for Certain Aircraft

As noted elsewhere in this report, the committee is concerned about the recent rise in Class A mishaps across the services. The committee has also observed the decrease in the readiness and availability of C-40, C-37, C-32, C-21, C-20, C-12, and C-9 aircraft, which has led to the cancellation or delay of a number of high-priority missions. These cancellations and delays, coupled with data on other recent mishaps, may suggest that the unique way the military services operate these aircraft may be leading to unforeseen maintenance issues, which could present a safety risk. The committee also continues to be concerned with the inconsistent way these aircraft are scheduled, tasked, operated, and managed among the military services.

Therefore, the committee directs the Comptroller General of the United States to conduct an assessment of the safety, readiness, and utilization of C-40, C-32, C-37, C-21, C-20, C-12, and C-9 aircraft across the military services and to provide a report on the findings of such assessment to the congressional defense committees by March 1, 2017. The committee expects the Secretary of Defense to provide the Comptroller General any information and background materials necessary for completion of the assessment. At a minimum, the report should include:

- (1) A summary of ground and flying safety mishap incidents by military service, aircraft type, model, and series over the past 10 years;
- (2) A summary of both requested and actual funding for maintenance and spare parts by military service, aircraft type, model, and series over the past 10 years;
- (3) Current policies and directives governing the operation and use of these aircraft;
- (4) The overall requirement for C-40, C-37, C-32, C-21, C-20, C-12, and C-9 aircraft compared to the current inventory;
- (5) A comprehensive review of scheduling, operational tasking, and operating procedures, including tactical control, across all of the military services, including integration and interoperability among the military services, and potential ways to standardize these practices;
- (6) Utilization rates across all of the military services and a comparison with commercial practices and standards, including maintenance intervals;
- (7) Maintenance plans, processes, and procedures for sustainment of the C-40, C-37, C-32, C-21, C-20, C-12, and C-9 aircraft and the impact of maintenance deferrals on operational availability; and
- (8) Any other items the Comptroller General deems relevant to the assessment.