AMENDMENT TO H.R. 4435, AS REPORTED
OFFERED BY MR. SMITH OF WASHINGTON

Strike section 1026 and insert the following:

SEC. 1026. AVAILABILITY OF FUNDS FOR RETIREMENT OR INACTIVATION OF TICONDEROGA CLASS CRUISERS OR DOCK LANDING SHIPS.

(a) LIMITATION ON AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Except as provided below, none of the funds authorized to be appropriated by this Act or otherwise made available for the Department of Defense may be obligated or expended to retire, prepare to retire, inactivate, or place in storage a cruiser or dock landing ship.

(2) SHIP, MODERNIZATION, OPERATIONS, AND SUSTAINMENT FUND.—The Ship, Modernization, Operations, and Sustainment Fund (SMOSF) covers eleven Ticonderoga Class cruisers (CG 63 through CG 73) and three Dock Landing Ships (LSD 41, LSD 42, and LSD 46). The SMOSF may only be used to sustain and modernize the ships referred to in the preceding sentence.

(b) PHASED MODERNIZATION OF TICONDEROGA CLASS CRUISERS AND DOCK LANDING SHIPS.—The Sec-
Secretary of the Navy may retain 22 Ticonderoga Class cruisers (CGs) and 12 Whidbey Island/Harpers Ferry Class dock landing ships (LSDs) until the end of their service lives, as follows:

(1) The naval combat forces of the Navy shall include not less than 11 operational CGs and 11 operational LSDs. For purposes of this subsection, an operational CG and LSD includes a CG or LSD that is available for worldwide deployment other than during routine or scheduled maintenance or repair.

(2) The Secretary of the Navy may conduct phased modernization of 11 CGs and 3 LSDs. During the phased modernization period, the Navy may reduce manning on these ships to the minimal level necessary to ensure safety and security of the ship and to retain critical skills;

(3) The 11 CGs referred to in paragraph (1) may be decommissioned individually once replaced by a CG undergoing phased modernization in paragraph (2). After being reintroduced into the operational fleet, the 11 CGs referred to in paragraph (2) may be decommissioned individually upon reaching their expected service lives. The three LSDs referred to in paragraph (2), after completing the
phased modernization will be reintroduced into the operational fleet and may be decommissioned upon reaching their expected service lives.

(c) **AUTHORITIES AND LIMITATIONS DURING PHASED MODERNIZATION.**—

(1) **AUTHORITIES.**—During the period of phased modernization, for the ships listed in subsection (b), the Secretary of the Navy is authorized to—

(A) Continue to maintain the ships in a manner that will ensure the ships’ ability to re-enter the operational fleet;

(B) Conduct planning activities to ensure scheduled and deferred maintenance and modernization work items are identified and included in availability work packages;

(C) Conduct hull, mechanical, and electrical and combat system modernization necessary to achieve a service life of 40 years;

(D) Time completion of maintenance and modernization of the CGs, including required testing and crew training, to replace on a one-for-one basis active CGs that will be decommissioned upon reaching their expected service life;
(E) Ensure adequate funds are available to execute phased modernization activities on all ships covered by SMOSF.

(2) LIMITATIONS.—During the period of phased modernization, for the ships listed in subsection (b), the Secretary of the Navy may not:

(A) permit the removal or cannibalization of equipment or systems to support operational ships, with the exception of rotatable pool equipment and any exemption necessary to support urgent operational requirements that is approved by the Secretary of the Navy; or

(B) make any irreversible modifications that will prohibit the ship from reentering the operational fleet.

(d) AUTHORITY TO ENTER INTO ECONOMIC ORDER QUANTITY CONTRACTS.—The Secretary of the Navy may enter into contracts known as “economic order quantity contracts” with private shipyards for ship maintenance and modernization, and with private industry for equipment procurement for the phased modernization of the vessels referred to in subsection (a).

(e) REPORT REQUIRED.—The Secretary of the Navy shall submit to the congressional defense committees a written report on the status of the phased modernization
program. Such report will be submitted annually with the President’s budget submission, and shall include, as a minimum, the following information for the ships undergoing phased modernization pursuant to subsection (b)(2):

(1) the status of phased modernization efforts, including availability schedules, equipment procurement schedules, and by year funding requirements;

(2) the vessel’s readiness, operational and manning status;

(3) the vessel’s material condition assessment;

(4) a list of rotatable pool equipment that is identified across the Ticonderoga Class cruisers to support operations on a continuing basis;

(5) a listing of equipment, other than rotatable pool equipment and components incidental to performing maintenance, removed from the vessel, including a justification for the removal, the disposition of the equipment, and plan for restoration of the equipment;

(6) a plan detailing planned obligations and expenditures by ship for the upcoming fiscal year, and projections of obligations by ship by year for the remaining time a ship is in the phased modernization program. The Navy will notify the congressional de-
fense committees in writing 30 days prior to executing any deviations to the annual plan; and

(7) in accordance with the detailed funding plan, the Navy shall ensure the SMOSF account is adequately resourced to execute no less than the execution year plus the plan’s projection for the next fiscal year.