

A B I L L

To provide for the transfer of naval vessels to certain foreign recipients.

1 *Be it enacted by the Senate and House of Representatives of the United States of America*
2 *in Congress assembled,*

3 **SECTION 1. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN**
4 **RECIPIENTS.**

5 (a) TRANSFERS BY GRANT.—The President is authorized to transfer vessels to foreign
6 countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C.
7 2321j), as follows:

8 (1) TURKEY.—To the Government of Turkey, the “OLIVER HAZARD PERRY”
9 class guided missile frigates JARRETT (FFG-33) and DOYLE (FFG-39).

10 (2) EGYPT.—To the Government of Egypt, the “OLIVER HAZARD PERRY”
11 class guided missile frigate BOONE (FFG-28).

12 (3) COLOMBIA.—To the Government of Colombia, the “OLIVER HAZARD
13 PERRY” class guided missile frigates STEPHEN W. GROVES (FFG-29) and JOHN L.
14 HALL (FFG-32).

15 (4) CHILE.—To the Government of Chile, the “NEWPORT” class amphibious
16 tank landing ship TUSCALOOSA (LST-1187).

17 (5) MOROCCO.—To the Government of Morocco, the “NEWPORT” class
18 amphibious tank landing ship BOULDER (LST-1190).

19 (b) ALTERNATIVE TRANSFER AUTHORITY.—In the event that a recipient to which a vessel
20 transfer is authorized under subsection (a) declines to accept the transfer, the Secretary of the

1 Navy is authorized to transfer such vessel to another eligible recipient justified to the Congress
2 as required by law for the fiscal year in which the transfer is authorized. Each such transfer shall
3 be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761), or a grant
4 basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), and shall be
5 subject to the applicable Congressional notification requirements of those Acts.

6 (c) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE

7 ARTICLES.—The value of a vessel transferred to another country on a grant basis pursuant to
8 authority provided by subsection (a) or (b) shall not be counted against the aggregate value of
9 excess defense articles transferred in any fiscal year under section 516 of the Foreign Assistance
10 Act of 1961 (22 U.S.C. 2321j).

11 (d) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection
12 with a transfer authorized by this section shall be charged to the recipient (notwithstanding
13 section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j (e)(1))).

14 (e) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum
15 extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a
16 vessel under this section, that the recipient to which the vessel is transferred have such repair or
17 refurbishment of the vessel as is needed, before the vessel joins the naval forces of the recipient,
18 performed at a shipyard located in the United States, including a United States Navy shipyard.

19 (f) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section
20 shall expire at the end of the three-year period beginning on the date of the enactment of this Act.

Section-by-Section Analysis

This legislative proposal would authorize the Secretary of the Navy to transfer seven naval vessels by grant to Turkey, Egypt, Colombia, Chile and Morocco. Because these naval vessels displace in excess of 3,000 tons or are less than 20 years of age, section 7307(a) of title

10, United States Code, requires statutory approval for the transfers.

Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) provides the general authority for the grant transfer of excess defense articles to foreign recipients. Section 21 of the Arms Export Control Act (22 U.S.C. 2761) provides general authority for the sale of defense articles to foreign recipients from stock.

In accordance with section 7307(a) of title 10, for those vessels specifically authorized for transfer by name in subsection (a) of this proposal, the Secretary of Defense may substitute another vessel of the same class if the vessel substituted has virtually identical capabilities as the named vessel. This proposal also would provide authority to the Secretary of the Navy to transfer a naval vessel specified in subsection (a) to another recipient if the recipient specified in subsection (a) declines to accept the proposed transfer. Under this alternative authority the Secretary of the Navy may transfer the vessel by grant or sale only after appropriate Congressional notification. This authority would permit the Navy to develop alternative transfer prospects without having to wait for another legislative cycle before it could offer a previously declined vessel to another prospective recipient.

This proposal provides that the authorized transfers must be executed within three years of the date of enactment of the Act of which this proposal is a part. Three years are needed to accommodate transfers of active naval vessels with approved future decommissioning dates. Based on the global economic climate, the Department of the Navy expects recipients to require additional time to arrange financing. Therefore, an increase in the execution period from two years (for previous transfers) to three years would provide time to arrange sufficient financing and allow a reasonable opportunity for agreement on terms for the transfer between the U.S. Government and the recipient.

This proposal does not alter the effect of the Toxic Substances Control Act (or any other law) with regard to their applicability to the transfer of ships by the United States to foreign countries for military or humanitarian use. The laws and regulations that apply today would apply in the same manner if this section were enacted.

Budget Implications: The Department of Defense estimates it would cost \$395,000 per year (\$79,000 per vessel) to maintain in Mayport, Florida or San Diego, California the five guided missile frigates proposed for transfer. The Department of Defense estimates that it would cost \$222,000 per year (\$111,000 per vessel) to maintain in Philadelphia, Pennsylvania and Pearl Harbor, Hawaii the two amphibious tank landing ships proposed for transfer.

Changes to Existing Law: This would be a free-standing provision and would not change the text of any current law.