SEC. 1022. REFUELING AND COMPLEX OVERHAUL OF NIMITZ-CLASS AIRCRAFT CARRIERS.

(a) OVERHAUL EXECUTION AUTHORITY.—The Secretary of the Navy is authorized to carry out a nuclear refueling and complex overhaul on each of the following Nimitz–class aircraft carriers:

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

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

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

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

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

Each such refueling and overhaul shall be carried out from amounts appropriated or otherwise made available within Shipbuilding and Conversion, Navy, for refueling the NIMITZ–class aircraft carriers.

(b) SPECIAL FUNDING AUTHORITY WHEN A CONTINUING RESOLUTION IS IN EFFECT.—Unless expressly prohibited in a continuing resolution enacted after this date, if advance procurement funds are appropriated for a fiscal year to begin a refueling and complex overhaul on a NIMITZ-class aircraft carrier identified in subsection (a), then Shipbuilding and Conversion, Navy, appropriations in the amounts contained in the President's Budget for that refueling and complex overhaul for the following Fiscal Year shall be available for obligation under a continuing resolution enacted for the following fiscal year to continue the refueling and complex overhaul on that aircraft carrier.

(c) INCREMENTAL FUNDING AUTHORITY.—The Secretary of the Navy is authorized to incrementally fund contracts entered into for a nuclear refueling and complex overhaul

authorized in subsection (a), for a period not to exceed six years after advance procurement funds for the nuclear refueling and complex overhaul effort are first obligated, from amounts appropriated or otherwise made available within Shipbuilding and Conversion, Navy for refueling the NIMITZ–class aircraft carriers.

(d) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (c) shall provide that any obligation of the United States to make a payment under a contract for carrier refueling in a fiscal year subsequent to the initial year of contract execution is subject to the availability of appropriations.

Section-by-Section Analysis

This proposal would authorize nuclear refueling and complex overhauls (RCOH) for each of the NIMITZ–class aircraft carriers that has not already undergone (or been scheduled for) such a refueling and overhaul and would provide standing contract authority to enter into incrementally funded RCOH contracts.

This proposal also would authorize Shipbuilding and Conversion, Navy (SCN), funds available under a continuing resolution to be used to continue a RCOH on an aircraft carrier if Advance Procurement (AP) funds were appropriated in the prior fiscal year to begin the RCOH efforts on that particular aircraft carrier.

An RCOH is a planned, mid-service-life, refueling and major overhaul of a NIMITZ–class aircraft carrier that is necessary in order for the carrier to meet its fifty-year service life. The period of performance for contracts to accomplish RCOHs is approximately three years in length.

This proposal is necessary to avoid a violation of the bona fide needs rule, which would otherwise require full funding for each RCOH by appropriations current as of the date of contract execution, because the RCOH effort is considered to be a non-severable completion effort.

Historically, the Department of the Navy (DON) has individually requested and received authority to incrementally fund prior RCOHs through a legislative proposal for the first year of execution. Individually requesting authority to incrementally fund each RCOH has led to schedule risk and inflexibility in allocation of funds. The DON proposal would eliminate the need for Congress to separately authorize incremental funding for each remaining RCOH and allow the Navy to schedule and accomplish RCOHs, and to allocate funds, as efficiently as possible.

This proposal would change the application of the bona-fide needs rule by authorizing incremental funding of RCOHs for the NIMITZ class aircraft carriers that have not already undergone (or been scheduled for) such a refueling and overhaul . In addition, continuing resolutions typically contain standard provisions that operate to restrict the Navy's ability to continue on with a RCOH for an aircraft carrier using SCN funds if only AP funds were appropriated in the prior fiscal year to begin the RCOH efforts. This legislation would change the application of those standard provisions in future continuing resolutions by authorizing SCN funds available under a continuing resolution to be used to continue a RCOH on an aircraft carrier if AP funds were appropriated in the prior fiscal year to begin the RCOH efforts.

Budgetary Implications: The DON foresees no changes in budget authority as a result of this proposal.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Navy	678.3	1,803	1,461.2		1,860.8	Shipbuilding and Conversion, Navy	2	5	0204112N
Navy	15.0	221.5	565.5	572.7	107.5	Shipbuilding and Conversion, Navy	2	6	0204112N
Total	693.3	2024.5	2026.7	572.7	1968.3				

Changes to Existing Law: This proposal would not amend an existing law.