SEC. 1209. EXPANDED AUTHORITY FOR TRANSFER OF EXCESS NAVAL VESSELS TO FOREIGN NATIONS.

Section 7307(a) of title 10, United States Code, is amended by striking "3,000 tons" and inserting "4,500 tons".

Section-by-Section Analysis

Section 7307(a) of title 10, United States Code, requires congressional approval for the transfer of excess naval vessels to foreign nations in cases where the naval vessels exceed a specified tonnage threshold; this proposal would increase that threshold. This increased threshold would enable excess frigates to be transferred through the standard excess defense article (EDA) processes for major end items without the additional time and administrative burden required to gain congressional legislative approval specific to each potential transfer.

This proposal is part of a package of security cooperation authorities reform proposals intended to consolidate and simplify Title 10 security cooperation authorities as part of a new Chapter 16 in Title 10.

Gaining congressional approval for past transfers of ships exceeding the 3,000 ton threshold has taken an average of 18 months, and required extensive staff work, for each approved transfer; moreover, congressional inaction in response to proposed transfers has, in many instances, prevented such transfers altogether. Advanced notification to Congress is already required for the transfer of Excess Defense Articles (EDA) valued (in terms of original acquisition cost) at $7,000,000 or more (22 U.S.C. 2321J, Authority to Transfer Excess Defense Articles); therefore, naval vessel transfers affected by this proposal would still be notified to Congress, but would not require specific statutory approval.

The Oliver Hazard Perry class frigates still in the U.S. Navy inventory will be offered for transfer through the Excess Defense Articles (EDA) authority during the next few years. This proposal will speed the disbursement of these vessels through the EDA process by avoiding a long and cumbersome administrative process required for ships that exceed the threshold under 10 U.S.C. . The 3,000 ton threshold has been in place since 1976. The first frigate of the Oliver Hazard Perry class was commissioned in 1977.

Budget Implications: This proposal is neutral in its impact to the budget. The proposal merely raises the tonnage threshold for requiring an act of Congress to effect a transfer.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Dept of Defense	0	0	0	0	0				

Changes to Existing Law: This section would make the following change in existing law:

TITLE 10, UNITED STATES CODE

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CHAPTER 633—NAVAL VESSELS

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§7307. Disposals to foreign nations

(a) LARGER OR NEWER VESSELS.—A naval vessel that is in excess of ~~**3,000**~~ **4,500** tons or that is less than 20 years of age may not be disposed of to another nation (whether by sale, lease, grant, loan, barter, transfer, or otherwise) unless the disposal of that vessel, or of a vessel of the class of that vessel, is authorized by law enacted after August 5, 1974. A lease or loan of such a vessel under such a law may be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.). In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilities as the named vessel. In the case of an authorization by law for the disposal of vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the number of such vessels specified in that law as being authorized for disposal.

(b) OTHER VESSELS.—(1) A naval vessel not subject to subsection (a) may be disposed of to another nation (whether by sale, lease, grant, loan, barter, transfer, or otherwise) in accordance with applicable provisions of law, but only after—

(A) the Secretary of the Navy notifies the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives in writing of the proposed disposition; and

(B) 30 days of continuous session of Congress have expired following the date on which such notice is sent to those committees.

(2) For purposes of paragraph (1)(B), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in

session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 30-day period.