

118TH CONGRESS
1ST SESSION

H. R. 4526

To ensure fairness and transparency in the processes used by the Navy to award contracts for ship maintenance and repair, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2023

Mr. PETERS introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To ensure fairness and transparency in the processes used by the Navy to award contracts for ship maintenance and repair, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Smart Ship Repair
5 Act of 2023”.

6 **SEC. 2. LIMITATION ON USE OF GOVERNMENT-OPERATED**
7 **DRYDOCKS.**

8 The Secretary of the Navy shall ensure that no Gov-
9 ernment-operated drydock is eligible to compete for the
10 award of a contract for private sector non-nuclear surface

1 ship maintenance unless the Secretary determines, in ac-
2 cordance with section 2466 of title 10, United States
3 Code, that there is not sufficient private sector dock com-
4 petition.

5 **SEC. 3. STUDY ON PRICE DIFFERENTIALS USED IN NAVY**
6 **SHIP REPAIR SOLICITATIONS.**

7 (a) IN GENERAL.—Subject to the availability of ap-
8 propriations, the Secretary of the Navy shall seek to enter
9 into an agreement with a federally funded research and
10 development center to conduct a study to assess whether
11 relevant price differentials used by the Navy in ship repair
12 solicitations accurately reflect the true market value of the
13 activity undertaken to complete the repair work involved
14 in the absence of any such differential.

15 (b) ELEMENTS.—The study under subsection (a)
16 shall address all relevant price differentials used by the
17 Navy in ship repair solicitations, including—

18 (1) the use of government owned and operated
19 dry docks;

20 (2) the use of inter-port differentials; and

21 (3) the use of pier differentials.

22 (c) REPORTS.—

23 (1) FFRDC REPORT.—The federally funded re-
24 search and development center that conducts the
25 study under subsection (a) shall submit to the Sec-

1 retary of the Navy a report on the results of the
2 study.

3 (2) SUBMITTAL TO CONGRESS.—Not later than
4 September 30, 2024, the Secretary of the Navy shall
5 submit to the congressional defense committees an
6 unaltered copy of the report received by the Sec-
7 retary under paragraph (1) together with a separate
8 statement of the views of the Secretary on the re-
9 sults of the study conducted under subsection (a).

10 **SEC. 4. REPORT ON NAVY POLICY FOR SOLICITING**
11 **COASTWIDE BIDS FOR CERTAIN REPAIR**
12 **AVAILABILITIES.**

13 (a) IN GENERAL.—Not later than March 30, 2024,
14 the Secretary of the Navy shall submit to the congres-
15 sional defense committees a report on the policy of the
16 Navy for soliciting coastwide bids for repair availabilities
17 longer than 10 months.

18 (b) ELEMENTS.—The report under subsection (a)
19 shall explain and assess each of the following:

20 (1) The intent of the policy described in sub-
21 section (a).

22 (2) The data the Navy uses to assess the effi-
23 cacy of such policy.

24 (3) How the Navy estimates the cost of moving
25 vessels out of their home port to complete the avail-

1 ability and the actual cost of moving vessels out of
2 their home port to complete the availability.

3 (4) How the Navy estimates the financial, labor
4 force, servicemember and family well-being, berthing,
5 and related costs associated with moving a vessel out
6 of its home port to complete a repair availability
7 longer than 10 months.

8 **SEC. 5. REPORT ON USE OF GOVERNMENT DOCKS FOR**
9 **SHIP REPAIR AND MAINTENANCE.**

10 On an annual basis, the Secretary of the Navy shall
11 submit to the congressional defense committees a report
12 that—

13 (1) identifies each instance in the year pre-
14 ceding the date of the report in which the Navy used
15 a Government dock for a ship repair and mainte-
16 nance availability when sufficient capacity was avail-
17 able in private docks during the period in which
18 such repairs and maintenance were expected to be
19 performed; and

20 (2) for each such instance, provides an expla-
21 nation of the reasons the Navy used a Government
22 dock rather than a private dock.

1 **SEC. 6. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

2 In this Act, the term “congressional defense commit-
3 tees” has the meaning given that term in section
4 101(a)(16) of title 10, United States Code.

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