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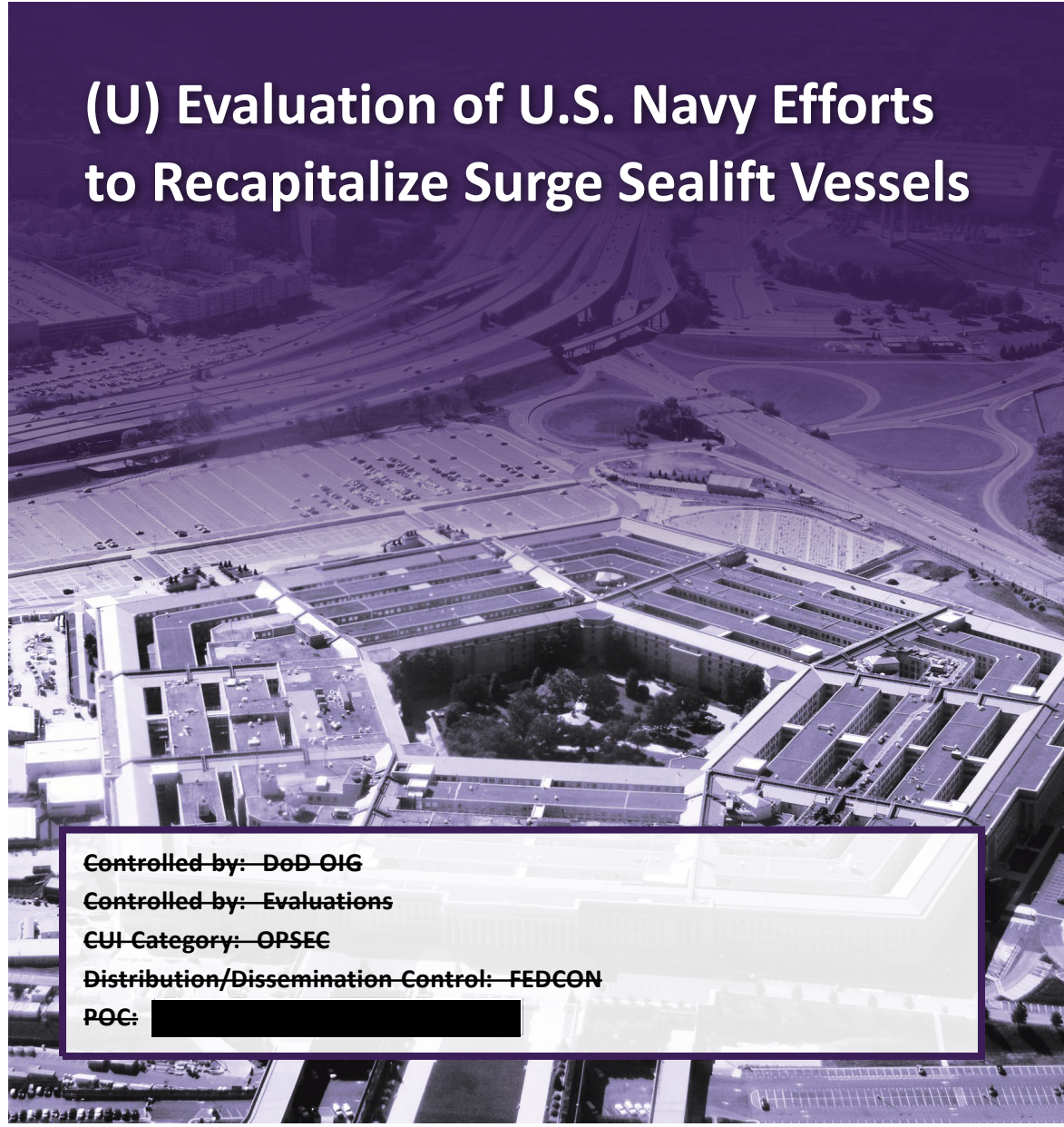
# INSPECTOR GENERAL

*U.S. Department of Defense*

JUNE 20, 2025



## (U) Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels



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# (U) Results in Brief

## *(U) Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels*

June 20, 2025

### (U) Objective

(U) The objective of this evaluation was to assess the effectiveness with which the U.S. Navy recapitalized the surge sealift fleet. Specifically, we evaluated the U.S. Navy's efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of its surge sealift capability.

### (U) Background

(U) In response to an FY 2018 National Defense Authorization Act requirement, the Navy submitted a report to Congress titled "Sealift That the Nation Needs." The report described the strategy of the Navy, U.S. Transportation Command (USTRANSCOM), and U.S. Department of Transportation Maritime Administration (MARAD) to recapitalize the sealift fleet and identified a near-term sealift capacity gap before newly constructed vessels could become operable. The Navy's recapitalization strategy included a comprehensive, three-phased approach to: (1) extend the service life of 31 existing vessels, (2) acquire an estimated 26 used vessels, and (3) build new vessels to begin replenishing the fleet.

### (U) Finding

(U) The Navy, in conjunction with USTRANSCOM and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025. Specifically, from 2018 to 2025, the Navy, in conjunction with USTRANSCOM and MARAD, took the following actions.

- (U) Extended the service life of only 6 of the planned 31 vessels in the Ready Reserve Force (RRF). This occurred because, according to USTRANSCOM and MARAD officials, extending the service life of existing vessels is increasingly costly and typically does not ensure a higher level of readiness.
- (U) Acquired only 7 of the estimated 26 used vessels needed. This occurred because, as of FY 2025, Congress limited the number of foreign-built vessels that the Navy can obtain to 10 vessels. In addition, according to Navy, USTRANSCOM, and MARAD officials, the United States does not have a market for domestically built roll-on/roll-off vessels.
- (U) Did not initiate construction of any new vessels. This occurred because, according to USTRANSCOM officials, the Navy ended the Common Hull Auxiliary Multi-Mission Platform program in 2019 because of high costs. Specifically, Navy officials stated that the Chief of Naval Operations realigned the program funding to support the acquisition of used ships.

(U) [REDACTED]



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# (U) Results in Brief

## *(U) Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels*

### (U) Recommendations

(U) We recommend that the Chief of Naval Operations, in coordination with the USTRANSCOM Commander and the MARAD Maritime Administrator, conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure the Navy is capable of meeting readiness requirements in the event of a contingency.

### (U) Management Comments and Our Response

(U) The Deputy Chief of Naval Operations for Installations and Logistics, responding for the Chief of Naval Operations, disagreed with the recommendation; therefore, the recommendation is unresolved and will remain open. We request that the Chief of Naval Operations provide additional comments within 30 days of the final report that describe plans to address the recommendation.

(U) Please see the Recommendations Table on the next page for the status of recommendations.

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***(U) Recommendations Table***

<b>(U)</b> <b>Management</b>	<b>Recommendations Unresolved</b>	<b>Recommendations Resolved</b>	<b>Recommendations Closed</b>
Chief of Naval Operations	1	None	None <b>(U)</b>

(U) Please provide Management Comments by July 20, 2025.

**(U) Note:** The following categories are used to describe agency management's comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **(U) Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.

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**OFFICE OF INSPECTOR GENERAL**  
**DEPARTMENT OF DEFENSE**  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500

June 20, 2025

MEMORANDUM FOR AUDITOR GENERAL, DEPARTMENT OF THE NAVY

SUBJECT: (U) Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels  
(Report No. DODIG-2025-116)

(U) This final report provides the results of the DoD Office of Inspector General's evaluation. We previously provided copies of the draft report and requested written comments on the recommendation. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) This report contains a recommendation that is considered unresolved because the Chief of Naval Operations did not agree with the recommendation presented in the report and did not offer an alternative.

(U) Therefore, the recommendation will remain open. We will track the recommendation until management agrees to take actions that we determine to be sufficient to meet the intent of the recommendation and management officials submit adequate documentation showing that all agreed-on actions are complete.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, within 30 days please provide us your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to [REDACTED] if unclassified or [REDACTED] if classified SECRET.

(U) If you have any questions, please contact [REDACTED]

*Bryan Clark*

Bryan T. Clark  
Assistant Inspector General for Evaluations  
Programs, Combatant Commands, and Operations

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## (U) Introduction

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### (U) Objective

(U) The objective of this evaluation was to assess the effectiveness with which the U.S. Navy recapitalized the surge sealift fleet. Specifically, we evaluated the Navy's efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of its surge sealift capability.

### (U) Background

(U) According to the Deputy Chief of Naval Operations for Fleet Readiness and Logistics, sealift is a key enabler of U.S. power projection and supports the afloat movement of unit equipment and supplies for major ground combat operations. The surge sealift fleet consists of 48 vessels owned and maintained by the U.S. Department of Transportation's Maritime Administration (MARAD). These 48 vessels are known as the Ready Reserve Force (RRF). The surge sealift fleet also includes one vessel owned and maintained by the Military Sealift Command. According to Navy officials, the Military Sealift Command plans to transfer this vessel to MARAD in the third quarter of FY 2025, and it will become part of the RRF.<sup>1</sup> The surge sealift fleet is positioned strategically around the continental United States to support U.S. military forces if a contingency occurs.<sup>2</sup> In addition, the surge sealift fleet, in combination with the commercial fleet, transports approximately 90 percent of combat unit equipment for the Army and Marine Corps during deployments.

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<sup>1</sup> (U) According to U.S. Transportation Command and Navy officials, the U.S. Naval Ship Watson is the last part of the Military Sealift Command Surge, and it plans to transfer the vessel to the MARAD RRF in the third quarter FY 2025, pending approval, authority, and funding. According to Navy officials, two additional roll-on/roll-off vessels were purchased in FY 2021 and FY 2022 and are scheduled to become part of the RRF in 2025. Specifically, according to Navy officials, the vessel Cape Starr completed final sea trials in March 2025, and MARAD anticipates the vessel will enter the RRF in June 2025. In addition, the vessel Cape Arundel is scheduled to complete a regulatory dry-dock and overhaul in spring 2025, and MARAD anticipates the vessel will enter the RRF in July 2025.

<sup>2</sup> (U) According to the Center for Naval Analyses report, "Surge Sealift Performance-to-Plan Analytic Update," February 26, 2021, surge sealift is responsible for transporting the majority of Joint Force combat equipment and sustainment and provides a ready and responsive fleet of ships to support the U.S. Transportation Command in delivering and sustaining combat power for the unified combatant commands. The Joint Doctrine, Education, and Training Electronic Information System defines a contingency as a situation requiring military operations in response to natural disasters, terrorists, or subversives or as otherwise directed by appropriate authority to protect U.S. interests.

(U) As part of the sealift operations, MARAD manages and maintains a fleet of government-owned vessels, known as the National Defense Reserve Fleet (Reserve Fleet), which is ready to support national defense and emergencies.<sup>3</sup> The Reserve Fleet includes the military-focused RRF, which supports the rapid, worldwide deployment of U.S. military forces.<sup>4</sup>

(U) According to the U.S. Transportation Command (USTRANSCOM) memorandum, “Strategic Sealift Program Guidance FY 2025 to FY 2031,” the current roll-on/roll-off (RO/RO) sealift cargo capacity requirement for the RRF is 10.6 million square feet.<sup>5</sup> In addition, according to the this memorandum and the Military Sealift Command Handbook, the DoD expects MARAD to ensure that the RRF ships are fully operational and ready to deploy in their assigned 5- and 10-day readiness requirement.<sup>6</sup> Once ready, the RRF ships sail to designated loading berths to primarily support the transport of Army and Marine Corps unit equipment, combat support equipment, and initial resupply during critical surge periods.<sup>7</sup>

### ***(U) The Navy’s 2018 Proposed Recapitalization Efforts***

(U) The Navy submitted the 2018 report to Congress, “Sealift That the Nation Needs,” (Sealift Needs report) in response to an FY 2018 National Defense Authorization Act (NDAA) requirement.<sup>8</sup> The report described the Navy, USTRANSCOM, and MARAD strategy to recapitalize the sealift fleet and identified near-term sealift needs before newly constructed vessels could become operable.<sup>9</sup> According to the Sealift Needs report, the ability to deploy and sustain a sizable land force is a cornerstone of the Nation’s defense strategies and results in an enduring requirement for a ready and responsive sealift fleet. In addition, according to the USTRANSCOM Commander, by 2032, approximately 70 percent

<sup>3</sup> (U) According to MARAD’s website, the Reserve Fleet consists of approximately 100 government-owned vessels, typically cargo and tanker ships, waiting in reserve to provide additional domestic or international logistic support.

<sup>4</sup> (U) According to MARAD’s website, the RRF is a subset of the Reserve Fleet and is composed of vessels available for additional surge shipping or rapid deployment of U.S. military forces to support USTRANSCOM. Therefore, the RRF is part of the surge sealift fleet.

<sup>5</sup> (U) USTRANSCOM Memorandum for MARAD and the Military Sealift Command, “Strategic Sealift Program Guidance FY 2025 to FY 2031,” September 6, 2024. This memorandum states that the current sealift cargo capacity requirement for the RRF is 10.56 million square feet. For the purposes of this report, we rounded to 10.6 million square feet.

In addition, according to the Navy’s website, the Navy defines RO/RO ships as those designed to carry military wheeled and tracked vehicles and rolling stock. These ships have large stern ramps to load and unload their cargo.

<sup>6</sup> (U) Military Sealift Command 2023 Handbook, March 2023.

<sup>7</sup> (U) The Navy’s Military Sealift Command 2023 Handbook defines a critical surge period as the period before commercial ships are secured for similar support.

<sup>8</sup> (U) Office of the Chief of Naval Operations Report to Congress, “Sealift That the Nation Needs,” March 2018. According to this report, the FY 2018 NDAA required the Navy, in consultation with the USTRANSCOM Commander and MARAD, to provide a report to the congressional defense committees on sealift recapitalization.

(U) National Defense Authorization Act for Fiscal Year 2018, Public Law No. 115-91, 131 Stat. 1283 (2017).

<sup>9</sup> (U) For the purposes of this report, recapitalization refers to the rebuilding or replacing of assets. In addition, we use the terms “ship” and “vessel” interchangeably.



(U) of government-owned surge sealift ships will approach the end of their service life and must be replaced.<sup>10</sup> According to the Sealift Needs report, maintaining these older vessels and their associated obsolete equipment is challenging and expensive because of the vessels' age and material condition.

(U) The Navy, USTRANSCOM, and MARAD recapitalization strategy included a comprehensive, three-phased approach with the following requirements.

- (U) Extend the service life of 31 existing RRF vessels in the fleet by 10 years.
- (U) Acquire an estimated 26 used commercial vessels to modify as military sealift.<sup>11</sup>
- (U) Build new vessels to begin replenishment of the fleet.<sup>12</sup>

(U) According to the Sealift Needs report, the Navy, USTRANSCOM, and MARAD recapitalization strategy is an integrated strategy that addresses near-term needs and establishes a strategically placed, long-term, new shipbuilding construction program in U.S. shipyards. Additionally, the Navy, USTRANSCOM, and MARAD intended the comprehensive, three-phased approach described in the report to allow the DoD to recapitalize and maintain its current fleet capacity. This report assesses the Navy, USTRANSCOM, and MARAD progress towards implementing the Sealift Needs report and identifies challenges that may prevent the implementation of the recapitalization strategy.

### ***(U) Navy, USTRANSCOM, and MARAD Roles in Fleet Recapitalization***

(U) According to Navy, USTRANSCOM, and MARAD officials, the surge sealift capability, including recapitalization of government-owned sealift ships, is a joint, interagency effort that requires coordination among the Navy, USTRANSCOM, and MARAD. A 2024 memorandum of agreement between the DoD and U.S. Department of Transportation identifies this relationship and outlines the responsibilities for the administration of the Reserve Fleet, including the: (1) acquisition,

<sup>10</sup> (U) USTRANSCOM Commander Testimony Before the Senate Armed Services Committee, "Hearing to Receive Testimony on the Posture of United States European Command and United States Transportation Command," March 29, 2022.

<sup>11</sup> (U) According to the Sealift Needs report, 26 is the estimated total number of used vessels required to maintain the sealift that the nation needs over 30 years.

<sup>12</sup> (U) According to the Sealift Needs report, "New construction at U.S. shipyards for Common Hull Auxiliary Multi-Mission Platform vessels is the final element and long-term solution to sealift and auxiliary recapitalization. Newly constructed vessels would initially be delivered to afloat pre-positioned fleets, strengthening the ability to support employment across the full range of military operations." Auxiliary recapitalization refers to the recapitalization of auxiliary ships, which are hospital, oiler, crane, and other ships. In addition, the Sealift Needs report did not provide completion dates for extending the service life of 31 vessels and acquiring 26 vessels. However, the report stated that new vessel constructions would first be delivered in FY 2031, and procurement would continue through FY 2040.

(U) lay-up, berthing, and maintenance of vessels; (2) training of personnel; and (3) conditions under which vessels will be activated for DoD operational control, operated, and subsequently deactivated.<sup>13</sup>

(U) In addition, the memorandum of agreement states that USTRANSCOM, in coordination with the Navy, will provide MARAD with specific guidance on the types and number of vessels essential for sealift requirements, including desired features and priorities of each. Furthermore, the memorandum of agreement states that MARAD will acquire the vessels in accordance with U.S. Department of Transportation acquisition authorities and maintain ownership and title of the vessels.

(U) In addition, a Sealift Requirements and Acquisition Board (SAB) charter provides the structure to coordinate and provide direction to the Navy, USTRANSCOM, and MARAD on acquiring vessels for recapitalizing the surge sealift fleet.<sup>14</sup> The SAB is composed of three echelons: the Executive Committee, General Officer Steering Committee, and Sealift Acquisition Working Group. Executive leadership from the Navy, USTRANSCOM, and MARAD oversee this process, acting as the decision-making body. In the SAB, the Navy and USTRANSCOM define program requirements while MARAD conducts vessel acquisitions.

### ***(U) Laws for Recapitalizing the Surge Sealift Fleet***

(U) Laws governing the recapitalization of surge sealift vessels include 10 U.S.C. § 2218 and 46 U.S.C. § 57100. These laws address the requirements for funding, readiness, and fleet maintenance, including construction, acquisition, and sustainment of vessels essential for national defense.

### ***(U) National Defense Sealift Fund***

(U) The National Defense Sealift Fund is established in 10 U.S.C. § 2218 and outlines the requirements for sustaining and modernizing the sealift fleet. Provisions in section 2218 include establishing requirements to fund the construction, purchase, alteration, and conversion of DoD sealift vessels; the operation, maintenance, and lease of DoD vessels for national defense purposes; and the installation and maintenance of defense features for national defense purposes on privately owned and operated vessels that are constructed in and documented under the laws of the United States.

<sup>13</sup> (U) "Memorandum of Agreement Between the Department of Defense and Department of Transportation for the Administration of the National Defense Reserve Fleet," June 2024.

<sup>14</sup> (U) Officials from the Office of the Chief of Naval Operations, USTRANSCOM, Office of the Assistant Secretary of the Navy (Research, Development, and Acquisition), and the Military Sealift Command signed the SAB charter on October 26, 2022. The MARAD official signed the charter on January 10, 2023.

(U) According to 10 U.S.C. § 2218, the construction, alteration, or conversion of vessels funded by the National Defense Sealift Fund must primarily occur in U.S. shipyards. However, the Secretary of Defense may deviate from this requirement as part of a program to recapitalize the RRF component of the Reserve Fleet. In such cases, the Secretary may purchase a used vessel, regardless of its construction location, if it is part of the Maritime Security Fleet and available for purchase at a reasonable cost.<sup>15</sup> In addition, according to 10 U.S.C. § 2218, the Secretary may not purchase more than 10 foreign-constructed vessels.<sup>16</sup>

### ***(U) National Defense Reserve Fleet***

(U) Title 46 U.S.C. § 57100 establishes the requirements for maintaining the Reserve Fleet and outlines the authority and procedures for acquiring new vessels or modernizing existing sealift vessels to ensure that the fleet remains capable of supporting military contingency operations. According to 46 U.S.C. § 57100, subject to the availability of funds, the Secretary of Transportation, in consultation with the Office of the Chief of Naval Operations and the Coast Guard, must complete the design of a sealift vessel for the Reserve Fleet, allowing construction to start in FY 2025. Additionally, the Secretary of Transportation, in consultation with the Secretary of the Navy, may seek an agreement with a vessel construction manager, who will oversee contracts for construction of up to 10 vessels.

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<sup>15</sup> (U) According to 10 U.S.C. § 2218, if a vessel that meets these requirements cannot be purchased, the Secretary of Defense may purchase a used vessel, regardless of its construction location, if available for purchase at a reasonable cost. In addition, according to MARAD's website, the Maritime Security Program maintains a fleet of commercially viable, militarily useful merchant ships that are available to support DoD sustainment sealift requirements during times of conflict or national emergencies.

<sup>16</sup> (U) The FY 2025 NDAA, or Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, changed the limit of foreign-constructed vessels from 9 to 10.



## (U) Finding

### (U) The Navy, USTRANSCOM, and MARAD Were Unable to Recapitalize the Surge Sealift Fleet

(U) The Navy, in conjunction with USTRANSCOM and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025. Specifically, from 2018 when the Navy submitted the Sealift Needs report to Congress to 2025, the Navy, in conjunction with USTRANSCOM and MARAD, took the following actions.

- (U) Extended the service life of only 6 of the planned 31 vessels in the RRF. This occurred because, according to USTRANSCOM and MARAD officials, extending the service life of existing vessels is increasingly costly and typically does not ensure a higher level of readiness. In addition, according to USTRANSCOM and MARAD officials and based on readiness analysis reports that we reviewed, as ships age, they require more frequent maintenance, and repair parts become more difficult to find or manufacture, which leads to higher costs and reduced readiness.
- (U) Acquired only 7 of the estimated 26 used vessels needed. This occurred because, as of FY 2025, Congress limited the number of foreign-built vessels that the Navy can obtain to a total of 10 vessels, in accordance with the FY 2025 NDAA. In addition, according to officials from the Navy, USTRANSCOM, and MARAD, the United States does not have a market for domestically built RO/RO vessels. Therefore, the supply of RO/RO vessels is insufficient for the DoD to find used vessels that were built in the United States.
- (U) Did not initiate construction of any new vessels. This occurred because, according to USTRANSCOM officials, the Navy ended the Common Hull Auxiliary Multi-Mission Platform (CHAMP) program in 2019 because of high costs. Specifically, Navy officials also stated that the Chief of Naval Operations realigned the program funding to instead support the acquisition of used ships.

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(U) [REDACTED]

In addition, in March 2022 testimony before the Senate Armed Services Committee, the USTRANSCOM Commander stated that failing to responsibly manage and recapitalize the fleet would significantly undermine the ability to mobilize and deploy essential equipment during periods of high demand. See classified Appendix B for the USTRANSCOM surge sealift fleet readiness projections.

## **(U) The Navy, USTRANSCOM, and MARAD Were Unable to Recapitalize the Surge Sealift Fleet**

(U) The Navy, in conjunction with USTRANSCOM and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025. The Sealift Needs report to Congress outlined the Navy's strategy to recapitalize the sealift fleet by extending the service life of 31 existing ships, acquiring an estimated 26 used commercial vessels, and constructing new ships. However, from 2018 to 2025, the Navy, USTRANSCOM, and MARAD extended the service life of only 6 of the planned 31 vessels, acquired only 7 of the estimated 26 used vessels needed, and did not initiate construction of any new vessels.

### ***(U) The Navy, USTRANSCOM, and MARAD Extended the Service Life of Only 6 of the Planned 31 Vessels Because of Increasing Maintenance Costs***

(U) Navy, USTRANSCOM, and MARAD officials extended the service life of only 6 of the planned 31 vessels. According to the Sealift Needs report, the Navy allocated funding from FY 2017 through FY 2019 to extend 31 ships' service life from 50 to 60 years. However, as of February 2025, the Navy, USTRANSCOM, and MARAD extended the service life of only 6 ships from 50 to 60 years. According to a MARAD official, they completed the six service-life extensions in FY 2019 at a cost of approximately \$6.7 million.

<sup>17</sup> (U) In February 2025, the Navy provided us with this data in the form of an Excel spreadsheet, which they refer to as the "Readiness Analysis Report."

(U) [REDACTED]

<sup>18</sup> (U) [REDACTED]

(U) According to USTRANSCOM and MARAD officials and our review of the 2021 Center for Naval Analyses report, extending the service life of existing vessels is increasingly costly and typically does not ensure a higher level of readiness.<sup>19</sup> In addition, according to USTRANSCOM and MARAD officials and based on readiness analysis reports that we reviewed, as ships age, they require more frequent maintenance, and repair parts become more difficult to find or manufacture, which leads to higher costs and reduced readiness.

(U) MARAD officials stated that the cost to maintain older vessels increased overall and, according to USTRANSCOM's "Report to Congress on Availability of Used Sealift Vessels," the average age of a ship in the RRF is over 40 years old.<sup>20</sup> In addition, MARAD officials stated that the increased maintenance costs primarily stemmed from mandatory annual inspections and vessel repairs in a shipyard. Furthermore, according to USTRANSCOM officials, by continuing to maintain older ships, the Navy expended funds without receiving increased readiness in return.

~~(CUI)~~ For example, MARAD officials stated that maintaining readiness for the required sealift RO/RO cargo capacity of 10.6 million square feet for the RRF fleet has become increasingly difficult because of the age and current material condition of the fleet. [REDACTED]  
[REDACTED]

(U) In addition, according to MARAD officials, many vessels face challenges with unsupportable systems and obsolete components, which further increase maintenance costs and reduce operational readiness. For example, some vessels have systems with replacement parts that cannot be obtained in a reasonable time, or service providers from the original equipment manufacturer or their licensing partners are no longer available.

(U) According to USTRANSCOM officials, during a meeting in September 2019, the USTRANSCOM Commander advised the Secretary of Defense that the Sealift Needs report relied too heavily on extending the service life of existing vessels. The Navy recommended to the SAB General Officer Steering Committee that they target divestment of low-performing, high-cost ships that would require large maintenance and repair spending with little return on investment.

(U) According to SAB Executive Committee meeting documentation and meeting minutes from April 2020, the number of planned service-life extensions of ships was reduced from 31 to 8 because of ship age and the increase in maintenance

<sup>19</sup> ~~(CUI)~~ [REDACTED]

<sup>20</sup> (U) USTRANSCOM, "Report to Congress on Availability of Used Sealift Vessels," June 12, 2024.



(U) and repair costs.<sup>21</sup> Although the SAB recommended extending the service life of 8 ships, MARAD only completed service-life extension repairs for 6 ships as of March 2025. In addition, in April 2020, the SAB Executive Committee revised the service-life extension plan to early retire 7 of 31 high-cost, low-readiness ships previously identified for service-life extension and focus on accelerating recapitalization efforts by acquiring used vessels. However, the FY 2025 NDAA limitation on purchasing foreign-built vessels poses another challenge to the recapitalization efforts.

***(U) The Navy, USTRANSCOM, and MARAD Acquired Only 7 of the Estimated 26 Used Vessels Needed Because of Congressional Restrictions and the Limitations of the Used Ship Market***

(U) Navy, USTRANSCOM, and MARAD officials acquired only 7 of the estimated 26 used vessels needed. According to the Sealift Needs report and considering the material condition of the current fleet, expected service life, and the new build acquisition timeline, 26 used vessels was the estimated total number required to maintain the sealift that the Nation needs. The report stated that acquiring used vessels was the most cost-effective approach to replacing the aging fleet and bridging the gap for surge sealift capability until a new construction program became operable.<sup>22</sup>

(U) According to Navy officials, as of February 2025, the Navy and USTRANSCOM, in coordination with MARAD, purchased seven used RO/RO vessels; however, only five became surge capable and were transferred to the RRF. In addition, MARAD officials planned to purchase an additional two RO/RO vessels in FY 2025. As of FY 2025, Congress authorized the purchase of a total of 10 foreign-built ships. However, according to Navy and USTRANSCOM officials, obtaining the proposed 10 vessels will not be enough to maintain a robust sealift fleet.

(U) According to Navy, USTRANSCOM, and MARAD officials, they need ships with RO/RO capability to recapitalize the RRF; however, RO/RO-capable ships are not typically built in the United States because the United States does not have a commercial market for them. According to USTRANSCOM's "Report to Congress on Availability of Used Sealift Vessels," MARAD's market analysis revealed that the global inventory of used vessels available for the DoD to purchase is significantly lower because of high market demand and delayed new ship deliveries.

<sup>21</sup> (U) SAB Executive Committee Slides, "POM Sealift Recapitalization Option 1 – Buy Used Only," April 9, 2020.

<sup>22</sup> (U) MARAD officials estimate that it takes approximately 8 to 10 months from the time they receive approval to buy the vessel until it is delivered.

(U) In addition, this report states that global commercial RO/RO growth, notably the addition of new construction vessels, is relatively low, and the cost of constructing new ships rose significantly.

(U) The restrictions placed on the Navy, USTRANSCOM, and MARAD, combined with the lack of domestically made RO/RO vessels, makes maintaining a robust surge sealift fleet difficult for Navy officials.<sup>23</sup> Between FY 2018 and FY 2025, Navy officials submitted five legislative proposals to Congress to lift the foreign-built vessel limit. However, Congress did not approve any of these legislative proposals. On September 26, 2024, the Secretary of Defense sent a letter to the Chairman of the Senate Armed Services Committee requesting discretionary authority to purchase used vessels without limitation for FY 2025. However, Congress did not approve the Secretary's request.

***(U) The Navy Did Not Initiate Construction of Any New Vessels Because of Funding Limitations and the Lack of Alternative Ship Design Plans***

(U) Navy officials did not initiate construction of any new vessels. According to the Sealift Needs report, the Navy planned to use the CHAMP program to introduce new ships into the surge sealift fleet. This program was designed to leverage a domestic, common-hull ship design as a baseline for new ships joining the fleet and was intended to be a long-term solution to sealift and auxiliary recapitalization.

(U) Contrary to the stated objectives for new construction in the Sealift Needs report, USTRANSCOM officials stated that the Navy ended the CHAMP program in 2019 because of high costs. We requested documentation to support the dissolution of the CHAMP initiative and the reasoning behind the decision. USTRANSCOM officials directed us to request this information from Navy officials. When asked, Navy officials stated that the Chief of Naval Operations made the decision in June 2020 for the CHAMP funding to be realigned to acquire used vessels. However, the Navy was unable to provide sufficient documentation to support this statement.

(U) In the FY 2024 NDAA, Congress required the Navy to submit a report outlining a strategy to complete the design of a new sealift vessel for the Reserve Fleet.<sup>24</sup> On August 20, 2024, the Navy submitted to Congress the required acquisition strategy information for new construction, which communicated the Navy's plan to build up to 10 vessels. In December 2024, the President signed the FY 2025 NDAA,

<sup>23</sup> (U) According to a MARAD survey, no U.S.-built vessel was compatible with surge sealift fleet requirements.

<sup>24</sup> (U) National Defense Authorization Act for Fiscal Year 2024, Public Law No. 118-31.

(U) stating that vessel construction is subject to the availability of appropriations and that the Secretary of Transportation, in consultation with the Secretary of the Navy, will complete the design of a sealift vessel for the Reserve Fleet to allow for the construction to begin in FY 2025 for no more than 10 vessels.

(U) To ensure that the surge sealift fleet is effectively recapitalized, the Navy, in coordination with USTRANSCOM and MARAD, should conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure that the Navy is capable of meeting readiness requirements in the event of a contingency.

### **(U) The Navy, USTRANSCOM, and MARAD Did Not Maintain the Required RO/RO Cargo Capacity for a Potential Contingency**

(U) [REDACTED]

[REDACTED]

According to the USTRANSCOM Commander's March 2022 testimony before the Senate Armed Services Committee, failing to responsibly manage and recapitalize the fleet would significantly undermine the ability to mobilize and deploy essential equipment during periods of high demand. See classified Appendix B for the readiness projections for the USTRANSCOM surge sealift fleet.

### **(U) Management Comments on the Finding and Our Response**

(U) Summaries of management comments on the finding and our response are in Appendix C.

## **(U) Recommendations, Management Comments, and Our Response**

### ***(U) Recommendation 1***

**(U) We recommend that the Chief of Naval Operations, in coordination with the Commander of the U.S. Transportation Command and the Maritime Administrator of the U.S. Department of Transportation, conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure that the Navy is capable of meeting readiness requirements in the event of a contingency.**

### ***(U) Chief of Naval Operations Comments***

(U) The Deputy Chief of Naval Operations for Installations and Logistics, responding for the Chief of Naval Operations, disagreed and stated that the recommendation did not accurately reflect the Navy's recapitalization efforts to date as part of the long-term recapitalization effort. The Deputy Chief recommended updating the recommendation to reflect that sealift stakeholders continue to conduct annual reviews of the recapitalization strategy as part of the SAB. Specifically, the Deputy Chief recommended updating the recommendation to state that the Chief of Naval Operations, in coordination with the USTRANSCOM Commander and the Maritime Administrator of the U.S. Department of Transportation, continue participating in the SAB, initially chartered in 2020, to provide direction and serve as the validation authority for the DoD's surge sealift recapitalization strategy, milestone development, and execution.

(U) Additionally, the Deputy Chief suggested adding a recommendation to direct the Secretary of the Navy to seek legislative relief from the 10 foreign-built used-ship limit to continue recapitalizing the surge sealift capacity. Furthermore, the Deputy Chief suggested adding a recommendation directing the Chief of Naval Operations to continue capability development to begin new sealift construction with USTRANSCOM and MARAD.

### ***(U) Our Response***

(U) Comments from the Deputy Chief did not address the specifics of the recommendation; therefore, the recommendation is unresolved. According to the SAB charter, the SAB provides the structure to coordinate and provide direction to the Navy, USTRANSCOM, and MARAD on acquiring vessels for recapitalizing the surge sealift fleet. However, the SAB charter does not require the board to conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones. In addition, the Navy did not provide documentation during our evaluation, or with

(U) their management comments, to support that the SAB conducts annual reviews of the recapitalization strategy. Therefore, the recommendation is unresolved and will remain open. We request that the Chief of Naval Operations provide additional comments within 30 days of the final report describing the planned actions to implement the recommendation.

(U) In addition, although we did not add the suggested recommendations, we agree that the Navy would benefit from the Secretary of the Navy seeking legislative relief from the 10 foreign-built used-ship limit and continuing to develop sealift construction coordination with USTRANSCOM and MARAD.

### ***(U) U.S. Transportation Command Comments***

(U) Although not required to comment, the USTRANSCOM Director of Strategic Plans, Policy, and Logistics disagreed and stated that USTRANSCOM, the Navy, and MARAD already conduct reviews of the recapitalization plan at least annually. In addition, the Director stated that these reviews update USTRANSCOM's sealift guidance and the Navy's 30-year shipbuilding plan. Additionally, the Director stated that USTRANSCOM stressed the need for consistent, stable, and predictable congressional authorities for sealift recapitalization, funding by the Navy, and appropriations from Congress.

### ***(U) Our Response***

(U) Although the Director stated that the Navy, USTRANSCOM, and MARAD conduct reviews of the recapitalization plan at least annually, USTRANSCOM officials did not provide documentation to support this statement; therefore, we did not modify the recommendation. In addition, we agree that sealift recapitalization requires consistent, stable, and predictable congressional authorities, funding by the Navy, and appropriations from Congress, and we encourage the Navy and USTRANSCOM to pursue these issues with Congress.



## (U) Appendix A

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### (U) Scope and Methodology

(U) We conducted this evaluation from July 2024 through March 2025 in accordance with the “Quality Standards for Inspection and Evaluation,” published in December 2020 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

(U) The objective and scope of this evaluation was to determine whether the Navy effectively recapitalized the surge sealift fleet. Specifically, we evaluated the Navy’s efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of its surge sealift capability between 2018 and 2025. To perform our evaluation and achieve our objective, we identified and reviewed the following criteria as they relate to the recapitalization efforts of the surge sealift fleet.

- (U) Office of the Chief of Naval Operations Report, “Sealift That the Nation Needs” (Sealift Needs report)
- (U) 10 U.S.C. § 2218
- (U) 46 U.S.C. § 57100

(U) We obtained and reviewed responses to requests for information from the Navy, USTRANSCOM, and MARAD regarding the status of the surge sealift fleet’s recapitalization efforts. In addition, we reviewed the Navy’s coordination efforts with USTRANSCOM and MARAD by analyzing relevant documentation, such as memorandums, implementation plans, and policies. Specifically, we obtained and reviewed program policies, directives, Navy readiness analysis reports, and MARAD material condition reports related to service-life extensions. Specifically, we analyzed a February 2025 Navy readiness analysis report to determine the RRF RO/RO cargo capacity. In addition, we determined RRF RO/RO square footage that had major failures preventing the ships from getting underway to execute the primary surge sealift mission. We reviewed the Department of the Navy agreement on the acquisition approach for used RO/RO vessels and tailored acquisition processes, as well as USTRANSCOM’s “Report to Congress on Availability of Used Sealift Vessels.” Furthermore, we obtained and reviewed the Navy’s 30-year shipbuilding plan for FY 2025.

(U) As part of our analysis, we also reviewed NDAA's from 2018 to 2025, along with legislative proposals the Navy submitted to Congress between FY 2022 and FY 2025. In September 2024, we conducted a site visit to Scott Air Force Base, where we met with officials from USTRANSCOM to discuss the status of efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of surge sealift capabilities. Additionally, in October 2024, we met with officials from the Office of the Chief of Naval Operations to discuss the status of the efforts to recapitalize the surge sealift fleet. Furthermore, we interviewed representatives from USTRANSCOM, the Office of the Chief of Naval Operations, and MARAD to:

- (U) determine the roles and responsibilities of individuals and organizations involved in the recapitalization efforts of the surge sealift fleet;
- (U) identify and discuss implementation plans, milestones, and initiatives on the recapitalization efforts;
- (U) identify challenges that the Navy, USTRANSCOM, and MARAD experienced with the modernization efforts; and
- (U) determine how the DoD, U.S. Department of Transportation, and MARAD mitigated or addressed these challenges.

## **(U) Use of Computer-Processed Data**

(U) We did not use computer-processed data to perform this evaluation.

## **(U) Prior Coverage**

(U) No prior coverage was conducted on the recapitalization of the surge sealift fleet during the last 5 years.

## **(U) Appendix B**

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### **(U) The Navy, USTRANSCOM, and MARAD Did Not Maintain the Required RO/RO Cargo Capacity for a Potential Contingency**

(U) This classified appendix contains information about the readiness projections for the USTRANSCOM surge sealift fleet. To request access to Appendix B, please file a Freedom of Information Act request online at <https://www.dodig.mil/FOIA/Submit-FOIA/>.

## (U) Appendix C

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### (U) Management Comments on the Finding and Our Response

#### *(U) Chief of Naval Operations Comments on the Report Finding*

(U) The Deputy Chief of Naval Operations for Installations and Logistics, responding for the Chief of Naval Operations, commented on the Finding. The Deputy Chief disagreed with the finding that the Navy, in conjunction with USTRANSCOM and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025, stating that the Navy continues planned actions to recapitalize the surge sealift fleet. The Deputy Chief stated that the 2018 Sealift Needs report for recapitalization involves “maintaining surge sealift capacity levels over the next 30 years.”

#### *(U) Our Response*

(U) We appreciate the Deputy Chief’s comments. We acknowledge that the Sealift Needs report involves maintaining surge sealift capacity levels over the next 30 years. Specifically, the Sealift Needs report includes a mix of near-, mid-, and long-term actions to recapitalize the sealift fleet. We evaluated the Navy’s efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of its surge sealift capability as of February 2025. This report assesses the Navy, USTRANSCOM, and MARAD progress toward implementing the Sealift Needs report as of February 2025 and identifies challenges that may prevent the implementation of the recapitalization strategy. Therefore, we did not update the final report.

#### *(U) Chief of Naval Operations Comments on Service Life Extensions*

(U) The Deputy Chief disagreed with the finding that as of February 2025, the Navy, in conjunction with USTRANSCOM and MARAD, extended the service life of only 6 of the planned 31 vessels in the RRF. Specifically, The Deputy Chief stated that the Navy, in conjunction with USTRANSCOM and MARAD, had completed the service-life extension of 6 vessels in the RRF and continues the extension of an additional 8 vessels according to the revised service-life extension plan, updated in 2020. The Deputy Chief stated that the initial plan to extend the service life of 31 vessels was amended by the SAB in 2020. The Deputy Chief stated that the Navy provided the following response to our initial request for information.

(U) In April 2020, the SAB EXCOM [Executive Committee] approved a revised service-life extension plan, reducing the number of planned extensions from 31 to an additional 8; those service-life extensions are still in progress. The decision was coupled with the decision to early retire seven high-cost, low-readiness ships previously identified for service life extension and to accelerate recapitalization through Buy Used.

### ***(U) Our Response***

(U) We agree that the Navy, in conjunction with USTRANSCOM and MARAD, completed the service-life extension of 6 vessels. As stated in this report, according to SAB Executive Committee meeting documentation and meeting minutes from April 2020, the number of planned service-life extensions of ships was reduced from 31 to 8 because of ship age and the increase in maintenance and repair costs. In addition, this report states that although the SAB recommended extending the service life of 8 ships, MARAD only completed service-life extension repairs for 6 ships as of March 2025. Therefore, we did not update the final report.

### ***(U) Chief of Naval Operations Comments on Used Vessels Acquired***

(U) The Deputy Chief also disagreed with the finding that as of February 2025, the Navy, in conjunction with USTRANSCOM and MARAD, acquired only 7 of the planned 26 used vessels. Specifically, the Deputy Chief stated that the Sealift Needs report provided an estimate to procure 26 used vessels and shows the time-phased plan to recapitalize with a combination of new and used vessels. The Deputy Chief stated that the “Navy is currently on-plan, executing congressional authorities.” In addition, the Deputy Chief stated that the Navy provided the following response to our initial request for information.

(U) Currently, 10 U.S.C. 2218 provides authority for the purchase of up to nine foreign built ships. Seven ships have been purchased to date, and the Navy’s Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025, Appendix 5, communicates the Navy’s plan to procure an additional 39 used RO/RO ships for FY 2025 to FY 2046 to maintain surge sealift capacity. PB [Participatory Budgeting] 2025 supports a two ship/year profile, providing \$248 million in FY 2025 / \$1.4B FYDP [Future Years Defense Program] for the procurement and modification of used ships.<sup>25</sup>

<sup>25</sup> (U) Office of the Chief of Naval Operations, “Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025,” March 2024.

### ***(U) Our Response***

(U) We agree that the Sealift Needs report provided an estimate to procure 26 used vessels. As explained in this report, as of February 2025, the Navy, in conjunction with USTRANSCOM and MARAD, acquired only 7 of the estimated 26 used vessels needed. Furthermore, as stated in this report, as of FY 2025, Congress limited the number of foreign-built vessels that the Navy can obtain up to a total of 10 vessels, in accordance with the FY 2025 NDAA. In addition, we acknowledge that Appendix 5 of the Long-Range Plan communicates the Navy's plan to procure an additional 39 used RO/RO ships in FY 2025 through FY 2046; however, as stated in this report, according to officials from the Navy, USTRANSCOM, and MARAD, the United States does not have a market for domestically built RO/RO vessels. Therefore, the supply of RO/RO vessels is insufficient for the DoD to find used vessels that were built in the United States. Therefore, we did not update the final report.

### ***(U) Chief of Naval Operations Comments on New Construction***

(U) The Deputy Chief disagreed with the finding that as of February 2025, the Navy, in conjunction with USTRANSCOM and MARAD, did not initiate any of the planned 18 new construction sealift vessels. Specifically, the Deputy Chief stated that the Sealift Needs report outlined a plan to replace aging, mission-specific sealift and auxiliary ships beginning in FY 2031. In addition, the Deputy Chief stated that in August 2024, the Secretary of the Navy delivered to Congress an acquisition strategy for design of a sealift vessel for the Reserve Fleet. Furthermore, the Deputy stated that Appendix 5 of the Navy's Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025 (Long-Range Plan) communicates the Navy's plan to build eight prepositioning RO/RO sealift vessels beginning in FY 2030.

### ***(U) Our Response***

(U) We acknowledge in this report that the Sealift Needs report stated that new vessel constructions would first be delivered in FY 2031. In addition, we acknowledge that Appendix 5 of the Long-Range Plan communicates the Navy's plan to build 8 prepositioning RO/RO sealift vessels beginning in FY 2030; however, as explained in this report, as of February 2025, the Navy, in conjunction with USTRANSCOM and MARAD, did not initiate construction of any new vessels. In addition, as stated in this report, in the FY 2024 NDAA, Congress required the Navy to submit a report outlining a strategy to complete the design of a new sealift vessel for the Reserve Fleet. On August 20, 2024, the Navy submitted to Congress the required acquisition strategy information for new construction, which communicated the Navy's plan to build up to 10 vessels. Therefore, we did not update the final report.



### ***(U) Chief of Naval Operations Comments on the CHAMP Program***

(U) The Deputy Chief also disagreed that the Chief of Naval Operations realigned CHAMP funding to instead support the acquisition of used ships. Specifically, the Deputy Chief stated that this portion of the finding did not match the data the Navy provided to us, the Office of Management and Budget did not support the planned CHAMP profile, and the funding for new construction was converted to the buy used vessels.

### ***(U) Our Response***

(U) As stated in this report, according to USTRANSCOM officials, the Navy ended the CHAMP program in 2019 because of high costs. In addition, as discussed in this report, we requested documentation to support the dissolution of the CHAMP initiative and the reasoning behind the decision. USTRANSCOM officials directed us to request this information from Navy officials. When asked, Navy officials stated that the Chief of Naval Operations made the decision in June 2020 for the CHAMP funding to be realigned to acquire used vessels. However, the Navy was unable to provide sufficient documentation to support this statement. Therefore, we did not update the final report.

### ***(U) Chief of Naval Operations Comments on the Report Conclusion***

(U) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In addition, the Deputy Chief stated that the report finding is conflating fleet readiness with recapitalization and that available square footage refers to the percentage of owned capacity that is ready for tasking. Furthermore, the Deputy Chief stated that although recapitalization is expected to improve readiness as old vessels are replaced with newer ships, current readiness is not a measure of recapitalization status.

### ***(U) Our Response***

(~~EUH~~) We agree with the Deputy Chief that current readiness is not a measure of recapitalization status; however, actions taken to recapitalize the surge sealift fleet impacts fleet readiness. For example, as stated in this report, as it relates to extending the service life of existing vessels, according to USTRANSCOM and MARAD officials, as ships age, they require more frequent maintenance, and repair parts become more difficult to find or manufacture, which leads to higher costs and reduced readiness. [REDACTED]

[REDACTED]

[REDACTED] According to a Navy official, total loss means major failures that prevent ships from getting underway to execute the primary surge sealift mission. Therefore, we did not update the final report.

### ***(U) Chief of Naval Operations Comments on Square Footage Owned***

(~~EUH~~) [REDACTED]

### ***(U) Our Response***

(~~EUH~~) [REDACTED]

[REDACTED] The Deputy Chief did not provide documentation showing that the Navy and MARAD owned 10 million square feet. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on the Finding***

(U) Although not required to comment, the USTRANSCOM Director of Strategic Plans, Policy, and Logistics commented on the Finding. The Director stated that USTRANSCOM disagrees with the draft report because not all of their technical corrections to the discussion draft report were included, resulting in incorrect findings. Specifically, the Director stated that the draft report inaccurately bases its findings solely on the Sealift Needs report, despite information provided indicating that the recapitalization strategy changed in 2020 to the Accelerated Acquisition Plan, as approved by the SAB. Additionally, the Director stated that Appendix 5 of the Long-Range Plan and USTRANSCOM's Annual Strategic Sealift Guidance reflect this strategy as sealift recapitalization progresses and should be the basis of the report.

### ***(U) Our Response***

(U) We appreciate the Director's comments. We reviewed USTRANCOM comments to the discussion draft report and updated the draft report with changes that we could support with evidence and documentation.

(U) As stated in this report, we evaluated the Navy's efforts to extend the service life of existing vessels, acquire used vessels, and construct new vessels in support of its surge sealift capability. We agree that the plan to extend the service life of 31 vessels was amended by the SAB in 2020. Specifically, as stated in this report, in April 2020, the SAB Executive Committee revised the service-life extension plan to early retire 7 of the 31 high-cost, low-readiness ships previously identified for service-life extension and focused on accelerating recapitalization efforts by acquiring used vessels. Furthermore, although we acknowledge that the Long-Range Plan communicates the Navy's plan to acquire used vessels, it is not a comprehensive strategy that addresses the three-phased approach in the Sealift Needs report, which included extending the service life of existing vessels, acquiring used vessels, and building new vessels. In addition, as explained in this report, the Navy, in conjunction with USTRANSCOM, and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025. Specifically, the Navy, in conjunction with USTRANSCOM and MARAD, extended the service life of only 6 of the planned 31 vessels in the RRF, acquired only 7 of the estimated 26 vessels needed, and did not initiate construction of any new vessels. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on the Timeline for Recapitalization***

(U) The Director also stated that they disagreed with the finding because it was written in past tense, as if recapitalization is complete and Navy, USTRANSCOM, and MARAD were unable to complete the task. In addition, the Director stated that the Navy's 30-year shipbuilding plan shows recapitalization will continue out into the 2040s, not stop at 2025. The Director requested that the Finding be rewritten to reflect the current 30-year shipbuilding plan, not the Sealift Needs report. The Director also stated that the plan to extend the service life of 31 vessels was amended by the SAB in 2020 under the Accelerated Acquisition Plan.

### ***(U) Our Response***

(U) We agree that the SAB amended the number of planned service-life extensions in 2020. As stated in this report, according to SAB Executive Committee meeting documentation and meeting minutes from April 2020, the number of planned service-life extensions of ships was reduced from 31 to 8 because of ship age and the increase in maintenance and repair costs. In addition, we acknowledge that recapitalization efforts are not complete as of 2025 and that construction of new vessels would continue until 2040. Specifically, as stated in this report, the 2018 Sealift Needs report did not provide completion dates for extending the service life of 31 vessels and acquiring 26 vessels. However, the report stated that new vessel constructions would first be delivered in FY 2031, and procurement would continue through FY 2040. Furthermore, this report assesses the Navy, USTRANSCOM, and MARAD progress toward implementing the Sealift Needs report and identifies challenges that may prevent the implementation of the recapitalization strategy. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on Used Vessels Acquired***

(U) The Director disagreed with the total number of used ships purchased. The Director added that the program is on track, purchasing 7 of 10 used ships and spending funding that Congress provided. The Director also disagreed that only seven used vessels were purchased because of congressional restrictions and limitations of the used ship market. In addition, the Director stated that in all annual cycles of purchases, the limitation was appropriations, and if more funding had been provided, more ships could have been purchased.

### ***(U) Our Response***

(U) As stated in this report, the Sealift Needs report provided an estimate to procure 26 used vessels. In addition, as stated in this report, as of FY 2025, Congress limited the number of foreign-built vessels that the Navy can obtain to a total of 10 vessels, in accordance with the FY 2025 NDAA. Additionally, as stated in this report, according to officials from the Navy, USTRANSCOM, and MARAD, the United States does not have a market for domestically built RO/RO vessels. Therefore, the supply of RO/RO vessels is insufficient for the DoD to find used vessels that were built in the United States. Furthermore, as discussed in this report, the Navy submitted several legislative proposals to Congress to have the foreign-built vessel limit lifted; however, Congress did not approve any of those legislative proposals. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on the CHAMP Program***

(U) The Director stated that USTRANSCOM did not describe CHAMP as an “abandoned” program. In addition, the Director stated that new construction was not due to start until the 2030s.

### ***(U) Our Response***

(U) We acknowledge that USTRANSCOM officials did not describe CHAMP as an “abandoned” program. As stated in this report, USTRANSCOM officials stated that the Navy ended the CHAMP program in 2019 because of high costs. In addition, we acknowledge that new construction would not be delivered until FY 2031. Specifically, as stated in this report, new vessel constructions would first be delivered in FY 2031. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on the Use of the Readiness Report***

(U) [REDACTED]

[REDACTED]

[REDACTED] The Director stated that this was not accurate because a daily readiness indicator does not measure recapitalization status.

### ***(U) Our Response***

(U) We agree with the Director that a daily readiness indicator does not measure recapitalization status. However, actions taken to recapitalize the surge sealift fleet impact fleet readiness. For example, as stated in this report as it relates

(U) to extending the service life of existing vessels, according to USTRANSCOM and MARAD officials, as ships age, they require more frequent maintenance, and repair parts become more difficult to find or manufacture, which leads to higher costs and reduced readiness. Therefore, we did not update the final report.

### ***(U) U.S. Transportation Command Comments on the Report Conclusion***

(U) The Director disagreed with the conclusion. The Director stated that before FY 2025 retirements, the recapitalization program purchased sufficient capacity to fully replace the capacity that was early retired in 2022 and 2023. In addition, the Director stated that the readiness state of the existing capacity was an entirely different discussion and was not included in the entrance conference as part of the evaluation.

### ***(U) Our Response***

(U) We acknowledge that the Navy has acquired more vessels through recapitalization efforts. However, actions taken to recapitalize the surge sealift fleet impact fleet readiness. Therefore, we did not update the final report.



# (U) Management Comments

## (U) Chief of Naval Operations





~~CUI~~  
**DEPARTMENT OF THE NAVY**  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
2000 NAVY PENTAGON  
WASHINGTON DC 20350-2000

May 1, 2025

### INFORMATION MEMO

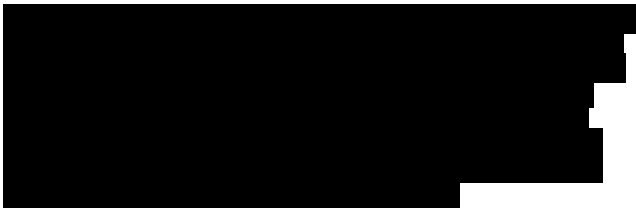
FOR: Mr. Steven Stebbings, Acting Inspector General

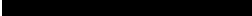
FROM: VADM J. T. Jablon, Deputy Chief of Naval Operations for Installations and Logistics (DCNO N4)   
Digitally signed by [Redacted] Date: 2025.05.01 15:08:47 -0400

SUBJECT: (~~CUI~~) 

- Mr. Inspector General, the Navy does not concur with the findings and recommendations in the Draft Report on Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels. The findings and recommendations do not accurately reflect the Navy’s recapitalization efforts to date as part of the long-term recapitalization effort.
- Our recommended changes to the findings and recommendations are below:
  - Non-Concur with the DoDIG Draft Finding opening summary statement:

The Navy, in conjunction with USTRANSCOM and MARAD, was not able to recapitalize the surge sealift fleet as of February 2025. Specifically, from 2018 when the Navy submitted the Sealift Needs report to Congress to 2025, the Navy, in conjunction with USTRANSCOM and MARAD, took the following actions.
  - Recommend updating the DoDIG Draft Finding opening summary statement to reflect the current status of recapitalization efforts using the following verbiage:

■ 

Controlled by: USN  
Controlled by: OPNAV N4  
CUI Category: OPSEC  
Distribution/Dissemination Control: FEDCON  
POC: 

~~CUI~~

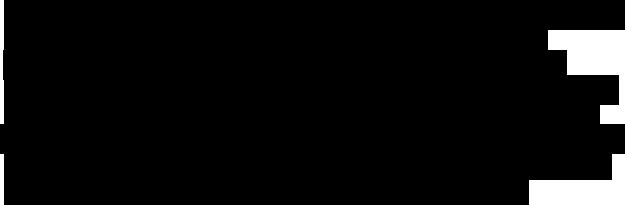
## (U) Chief of Naval Operations (cont'd)

~~CUI~~

- o Non-Concur with the DoDIG Draft Recommendation 1 statement:

We recommend that the Chief of Naval Operations, in coordination with the Commander of the U.S. Transportation Command and the Maritime Administrator of the U.S. Department of Transportation, conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure that the Navy is capable of meeting readiness requirements in the event of a contingency.

- o Recommend updating the DoDIG Draft Recommendation 1 statement to reflect that sealift stakeholders continue to conduct annual reviews of the recapitalization strategy as part of the Sealift Acquisition Board process using the following verbiage:

- 

- Please find additional comments and recommended changes in TAB B.

COORDINATION:  
None

Attachments:  
TAB A – Draft Report (Project No. DEV0PA-0128.000)  
TAB B – DOD IG Draft Report CRM\_v3 (document is classified CUI)

Prepared by: 

2  
~~CUI~~

## (U) Chief of Naval Operations (cont'd)

CUI

Controlled by: OPNAV N4L3  
 CUI Category: PRIVILEGE  
 Distribution/Dissemination Controls: FEDCON  
 POC: [REDACTED]

## DOD IG Discussion Draft of Proposed Report - Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels

Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
1	[REDACTED]	i	1	C	Change: (U) "The objective of this evaluation was to assess the effectiveness with which the U.S. Navy <del>recapitalized</del> <del>is recapitalizing</del> the surge sealift fleet."	Recommend updating Objective to match Oct 1 2024, RFI to N4 "RFI for the Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels". Draft report changes objective to "recapitalized" which indicates the effort is complete. Per 2018 "Sealift That The Nation Needs" Report to Congress, on page 6, PARA V. states "Maintaining Surge Sealift capacity levels over the next 30 years requires a mix of near-, mid- and long term actions". Recapitalization is an on-going effort to replace capacity as it ages out and not a one time effort.
2	[REDACTED]	i	3	M	Change: (U) The Navy, in conjunction with USTRANSCOM and MARAD, <del>was not able to fully continues planned actions to</del> recapitalize the surge sealift fleet as of February 2025. <del>The 2018 Sealift that the Nation Needs report to Congress communicated a three-phased approach for maintaining surge sealift capacity over a 30-year time horizon. Currently, Navy resources 10M square feet of roll-on / roll-off cargo capacity, 94% of 10.56M square feet required, and is on plan to procure two additional used ships in FY25 to reach 98% of the requirement.</del>	This statement as written is misleading and does not align with data provided. In accordance with the 2018 SNN plan for recapitalization is, "maintaining surge sealift capacity levels over the next 30 years..." (pg. 6) with a visual example provided in table 4. Currently, Navy and MARAD own 10M sqft, or 94% of the 10.55M sqft required, and is on plan to procure two additional used ships in FY25 bringing the owned sqft to 10.4M sqft (98% of required capacity).
3	[REDACTED]	i	4	S	Change: (U) <del>Completed the extension of</del> <del>Extended the service life of only 6 of the planned 31 vessels in the Ready Reserve Force and continues the extension of an additional 8 vessels per the updated 2020 revised SLE plan.</del>	This statement is misleading, and the paragraph incomplete. The initial plan to SLEP 31 vessels was amended via the SAB in 2020. The following was provided in Navy's initial RFI response: "In April 2020 the SAB EXCOM approved a revised SLE plan, reducing the number of planned extensions from 31 to an additional 8, those SLEPs are still in progress. The decision was coupled with the decision to early retire 7 high-cost / low-readiness ships previously identified for SLE, and to accelerate recapitalization through Buy Used."

CUI

## (U) Chief of Naval Operations (cont'd)

CUI						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
4	[REDACTED]	i	5	M	Change: (U) Acquired <del>only 7 of the planned 26</del> used vessels.	This statement is misleading, and the paragraph incomplete. The SNN provided an estimate (not a plan) to procure 26 used vessels. Table 4 on Page 7 of SNN, shows the time phased plan to recapitalize with a combination of new and used vessels. Navy is currently on-plan, executing Congressional authorities. The following was provided in Navy's initial RFI response: "Currently 10 U.S.C. 2218 provides authority for the purchase of up to 9 foreign built ships. 7 ships have been purchased to date, and Navy's Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025, Appendix 5 communicates Navy's plan to procure an additional 39 used RORO ships FY25-FY46 in order to maintain surge sealift capacity. PB 2025 supports a 2 ship/year profile, providing \$248M FY 2025 / \$1.4B FYDP for the procurement and modification of used ships. "
5	[REDACTED]	i	5	M	Delete: (U) This occurred because, as of FY2025, Congress limited the number of foreign-built vessels that the Navy can obtain to a total of 10 vessels, in accordance with the FY2025 NDAA.	This statement is misleading, the Navy has acquired 7 used vessels as of FY25, per the 2020 Sealift Acquisition Board approved Accelerated Acquisition Plan (AAP 20.V5) plan and programmed in POM 22. Navy has expended all programmed funding to purchase the 7 used vessels. Navy is currently executing to plan.
6	[REDACTED]	i	6	M	Change: (U) <del>Did not initiate</del> Has not yet begun construction of <del>any of the planned 18</del> new construction sealift vessels.	SNN outlined a plan to replace aging mission specific sealift and auxiliary ships with beginning in FY 2031. In August 2024 Secretary of the Navy (SECNAV) delivered to Congress an acquisition strategy for design of a sealift vessel for the NDRF (Attachment 6). Navy's Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025, Appendix 5 communicates Navy's plan to build 8 Prepositioning RORO sealift vessels begging FY 2030.
7	[REDACTED]	i	6	C	Delete: (U)-This occurred because, according to USTRANSCOM officials, the Navy abandoned the Common Hull Auxiliary Multi-Mission Platform (CHAMP) program in 2019 because of high costs. Specifically, Navy officials also stated that the Chief of Naval Operations realigned CHAMP funding to instead support the acquisition of used ships.	This statement as written is misleading and does not align with data provided. Office of Management and Budget (OMB) did not support the planned CHAMP profile, ref: Per PB22 Issue 14180 WFC-MCP-Surge Sealift Recap, the SCN funding for new construction was converted to the used buy program.  Source: (1) PB21 SCN LI 5094 Exhibit (Sealift); (2) FY22 PDM I Insert; (3) PB-22 SCN LI 5094 Exhibit (T-AKR(X)); (4) PB22 Issue 14180-WFC-Surge Sealift Recap
CUI						

## (U) Chief of Naval Operations (cont'd)

CUI						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
8	[REDACTED]	i	7	C	[REDACTED] (CUI)	[REDACTED]
9	[REDACTED]	i	7	C	(CUI) [REDACTED]	[REDACTED]
10	[REDACTED]	i	8	C	<p>Replace: (U) Recommendation (U) <del>We recommend that the Chief of Naval Operations, in coordination with the Commander of the U.S. Transportation Command and the Maritime Administrator of the U.S. Department of Transportation, conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure that the Navy is capable of meeting readiness requirements in the event of a contingency.</del></p> <p>The Sealift Acquisition Board (SAB), initially chartered in 2020, continue to provide direction and serve as the validation authority for DoD's surge sealift recapitalization strategy, milestones development, and execution. Chartered members of the SAB include the Navy, U.S. Transportation Command, and the Maritime Administration.</p>	<p>Disagree with recommendation . The Sealift Acquisition Board (SAB), established in 2020, plays a critical role in guiding and validating the Department of Defense's surge sealift recapitalization strategy, including the development and execution of milestones. SAB charter members consist of the Navy, U.S. Transportation Command, and the Maritime Administration. The board has conducted thorough reviews of the recapitalization strategy and implemented significant revisions that were omitted in the findings of this draft report. These adjustments enabled the Navy to successfully resource 10 million square feet of roll-on/roll-off cargo capacity, achieving 94% of the required 10.56 million square feet. Additionally, plans are in place to procure two more used ships in FY25, which will raise the capacity to 98% of the requirement. It is recommended that factual inaccuracies in the findings be addressed, and the following revised recommendations be considered as replacements.</p>

CUI

## (U) Chief of Naval Operations (cont'd)

CUI

Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
11	[REDACTED]	1	1	C	Change: (U) "The objective of this evaluation was to assess the effectiveness with which the U.S. Navy <del>recapitalized</del> is <del>recapitalizing</del> the surge sealift fleet."	Recommend updating Objective to match Oct 1 2024, RFI to N4 "RFI for the Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels". Draft report changes objective to "recapitalized" which indicates the effort is complete. Per 2018 "Sealift That The Nation Needs" Report to Congress, on page 6, PARA V. states " Maintaining Surge Sealift capacity levels over the next 30 years requires a mix of near-, mid- and long term actions". Recapitalization is an on-going effort to replace capacity as it ages out and not a one time effort.
12	[REDACTED]	1	2	S	Change" (U) "The surge sealift fleet is positioned strategically around the <del>world-continental</del> United States to support the <del>Army and Marine Corps</del> Joint Force if a contingency occurs."	This is factually incorrect, the surge sealift fleet is strategically located in the continental U.S. Per USTRANSCOM Strategic Sealift Guidance FY25-FY31 Para 2.e.Siting and specified in Encl. 1.
13	[REDACTED]	1	2	S	Change: (U) According to Navy officials, <del>the</del> MSC <del>plans to</del> <del>will</del> transfer this vessel to MARAD...	The vessel is planned to be transferred to MARAD pending approval, authority, and funding.
14	[REDACTED]	1	3	S	Change: (U) As part of the sealift operations, MARAD manages and maintains a fleet of <del>inactive</del> <del>Reduced</del> <del>Operating Status</del> , government-owned...	This is factually incorrect, the surge sealift fleet is in a reduced operating status, not inactive status. Per USTRANSCOM Strategic Sealift Guidance FY25-FY31 Para 2.b.Ship Inventory
15	[REDACTED]	1	Note 1	A	[REDACTED]	[REDACTED]
16	[REDACTED]	2	2	S	[REDACTED]	[REDACTED]
17	[REDACTED]	3	2	S	Change: (U) Acquire <del>26</del> -used, commercial vessels to modify as military sealift	26 vessels was an estimate in SNN, not the communicated plan. Navy's plan is communicated via the annual 30 year shipbuilding plan. SNN page 9, "the estimated total number of used vessels required is 26 to maintain the Sealift That the Nation Needs. The Department will continue to work with Congress for authorization to acquire additional used vessels (beyond the 2 currently author"
18	[REDACTED]	3	2	S	Change: (U) Build <del>18</del> -new vessels to begin replenishment of the fleet	Source: SSN pg. 4, para. 5. SNN provides an example profile of how 18 new in combination with 26 used could close the retirement gap. The plan does not state 18 new construction vessels as THE PLAN. This statement is misdealing. See annual 30 year shipbuilding plan for Navy's new construction plan.

CUI



## (U) Chief of Naval Operations (cont'd)

CUI

Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
19	[REDACTED]	4	3	M	Change: (U) In the SAB, the Navy and USTRANSCOM define program requirements, with Navy's PEO Ships MARAD holding authority over acquisition and milestone decisions.	2022 SAB Charter, page 1, paragraph 2c. "Deputy Assistant Secretary of the Navy (DASN) Ships designated PEO Ships as the Milestone Decision Authority (MDA) for the acquisition of used vessels. MARAD is assigned as the Program Manager. PEO Ships will support MARAD, through an Integrated Program Office (IPO), to define processes, roles, responsibilities, and Department of Navy reporting requirements associated with the acquisition of sealift used vessels.
20	[REDACTED]	6	1	M	Change: (U) The Navy, in conjunction with USTRANSCOM and MARAD, <del>was not able to</del> continues planned actions to recapitalize the surge sealift fleet as of February 2025.	This statement as written is misleading and does not align with data provided. In accordance with the 2018 SNN plan for recapitalization is, "maintaining surge sealift capacity levels over the next 30 years..." (pg. 6) with a visual example provided in table 4. Currently, Navy and MARAD own 10M sqft, or 94% of the 10.55M sqft required, and is on plan to procure two additional used ships in FY25 bringing the owned sqft to 10.4M sqft (98% of required capacity).
21	[REDACTED]	6	2	S	Change: (U) <del>Completed the extension of service life of only 6 of the planned 31</del> vessels in the RRF and continues the extension of an additional 8 vessels per the updated 2020 revised SLE plan.	This statement is misleading, and the paragraph incomplete. The initial plan to SLEP 31 vessels was amended via the SAB in 2020. The following was provided in Navy's initial RFI response: "In April 2020 the SAB EXCOM approved a revised SLE plan, reducing the number of planned extensions from 31 to an additional 8, those SLEPs are still in progress. The decision was coupled with the decision to early retire 7 high-cost / low-readiness ships previously identified for SLE, and to accelerate recapitalization through Buy Used."
22	[REDACTED]	6	2	M	Change: (U) Acquired <del>only 7 of the planned 26</del> used vessels.	This statement is misleading, and the paragraph incomplete. The SNN provided an estimate (not a plan) to procure 26 used vessels. Table 4 on Page 7 of SNN, shows the time phased plan to recapitalize with a combination of new and used vessels. Navy is currently on-plan, executing Congressional authorities. The following was provided in Navy's initial RFI response: "Currently 10 U.S.C. 2218 provides authority for the purchase of up to 9 foreign built ships. 7 ships have been purchased to date, and Navy's Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025, Appendix 5 communicates Navy's plan to procure an additional 39 used RORO ships FY25-FY46 in order to maintain surge sealift capacity. PB 2025 supports a 2 ship/year profile, providing \$248M FY 2025 / \$1.4B FYDP for the procurement and modification of used ships. "

CUI

## (U) Chief of Naval Operations (cont'd)

[illegible]

## (U) Chief of Naval Operations (cont'd)

CUI						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
28	[REDACTED]	8	Title	C	Change: (U) The Navy, USTRANSCOM, and MARAD <del>Were Unable to Fully</del> are on plan to Recapitalize the Surge Sealift Fleet	This title as written is misleading and does not align with data provided. SNN and AAP 2.0V5 describes an ongoing recapitalization strategy.
29	[REDACTED]	8	1	C	Change: (U) The Navy, in conjunction with USTRANSCOM and MARAD, <del>was not able to fully</del> continues planned actions to recapitalize the surge sealift fleet as of February 2025.	This statement as written is misleading and does not align with data provided. In accordance with the 2018 SNN plan for recapitalization is, "maintaining surge sealift capacity levels over the next 30 years..." (pg. 6) with a visual example provided in table 4. Currently, Navy and MARAD own 10M sqft, or 94% of the 10.55M sqft required, and is on plan to procure two additional used ships in FY25 bringing the owned sqft to 10.4M sqft (98% of required capacity).
30	[REDACTED]	8	1	M	Change: (U) The Navy's 2018 Sealift Needs report to Congress outlined the Navy's <del>plan to recapitalize the sealift fleet by extending the service life of 31 existing ships, acquiring 26 used commercial vessels, and constructing 18 new ships,</del> three-phased approach will deliver the required capability and capacity in the most cost effective manner. Near-term efforts will include investments for (1) service life extensions; mid-term efforts will continue to refine (2) acquire used acquisition plans; and to achieve the long-term goal of (3) new construction	Sealift that the Nation Needs (SNN) Report to Congress, pg. 11.
31	[REDACTED]	8	1		Change: (U) From 2018 to 2025, the Navy, USTRANSCOM, and MARAD <del>have</del> extended the service life of <del>only</del> 6 existing <del>of the planned 31</del> vessels, acquired <del>only</del> 7 of 10 authorized <del>of the planned 26</del> used vessels, and <del>did not initiate</del> maintain a plan for new construction <del>of any of the planned 18 new vessels</del> by 2031. Surge sealift currently maintains 10M square feet of roll-on / roll-off cargo capacity, 94% of the 10.55M square feet required.	SNN communicated: (1) first phase SLEP for near term retention of capacity to bridge gap until Congressional authorities allow for procurement of used vessels; (2) buy used is the second phase with quantities (26) communicated as an estimate to maintain capacity as existing ships retire from service; and (3) New Construction as the third phase with lead ship delivery anticipated in 2031, consistent with Navy's FY25 30 year shipbuilding plan.
32	[REDACTED]	8	2	M	Change: (U) The Navy, USTRANSCOM, and MARAD <del>Revised the Extended the</del> Service Life <del>Extension Plan in 2020 of Only 6 of the Planned 31 Vessels</del> Because of Increasing Maintenance Costs and the Accelerate Acquisition Plan.	This title is misleading, and the paragraph incomplete. The initial plan to SLEP 31 vessels was amended via the SAB in 2020. The following was provided in Navy's initial RFI response: "In April 2020 the SAB EXCOM approved a revised SLE plan, reducing the number of planned extensions from 31 to an additional 8, those SLEPs are still in progress. The decision was coupled with the decision to early retire 7 high-cost / low-readiness ships previously identified for SLE, and to accelerate recapitalization through Buy Used."
CUI						

## (U) Chief of Naval Operations (cont'd)

CUI						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
33	[REDACTED]	9	1	C	Delete: (CUI) [REDACTED]	[REDACTED]
34	[REDACTED]	9	1	C	Delete: (CUI) [REDACTED]	[REDACTED]
35	[REDACTED]	9	5	S	Change: (U) The Navy, USTRANSCOM, and MARAD Acquired <del>Only 7 of 26 Planned</del> Used Vessels <del>Because of Congressional Restrictions and the Limitations of the Used Ship Market</del>	This requires context. Navy is currently on plan, executing on buy-used authorities, which have increased since the initiation of the program, but still limit the program to 10. Navy/ MARAD is on-plan to procure two additional vessels in FY25, anticipating owned capacity to increase to 98% of the 10.55M sqft required.
36	[REDACTED]	10	5	M	Change: (U) The Navy <del>did</del> has not initiated Construction of <del>Any of the Planned 18 New Vessels Because of Funding Limitations and the Lack of Alternative Ship Design Plans--</del>	SNN identified lead ship delivery for 2031. FY25 30 year shipbuilding plan continues to identify new construction delivery in FY31. 18 new ships was an example in SNN, but not identified as a defined plan. AAP 2.0 refined Navy's plan for a combination of new and used vessels, resulting in a steady profile of buy-used, and 8 new sealift ships in the 30 year shipbuilding plan beginning 2031. Navy has coordinated with USTRANSCOM and MARAD to approve new construction top-level-requirements.
37	[REDACTED]	11	2	C	Delete: (U) <del>Contrary to the stated objectives for new construction in the Navy's 2018 Sealift Needs report, USTRANSCOM officials stated that the Navy abandoned the CHAMP program in 2019 because of high costs. We requested documentation to support the dissolution of the CHAMP initiative and the reasoning behind the decision... When asked, Navy officials stated that the Chief of Naval Operations made the decision in June 2020 for the CHAMP funding to be realigned to acquire used vessels. However, the Navy was unable to provide sufficient documentation to support this statement.</del>	This statement as written is misleading and does not align with data provided. Per PB22 Issue 14180 WFC-MCP-Surge Sealift Recap, the CNO made the decision to convert the SCN funding for new construction for the used buy program.  Source: (1) PB21 SCN LI 5094 Exhibit (Sealift); (2) FY22 PDM I Insert; (3) PB-22 SCN LI 5094 Exhibit (T-AKR(X)); (4) PB22 Issue 14180-WFC-Surge Sealift Recap
CUI						

(U) Chief of Naval Operations (cont'd)

CUH

Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
38	[REDACTED]	12	Title	C	Revise Title: (U) The Navy, USTRANSCOM, and MARAD <del>Did Not Maintain the Required RO/RO Cargo Capacity for a Potential Contingency.</del>	This title is misleading and not aligned with any data/source reference provided. Surge Sealift currently consists of 94% of the 10.56M sqft of cargo capacity required, and is on plan to procure two buy-used ships in FY25 to reach 97% of planned capacity.
39	[REDACTED]	12	1	C	Change: (CUH) [REDACTED]	[REDACTED]
40	[REDACTED]	12	1	C	Change: (CUH) [REDACTED]	[REDACTED]

CUH

## (U) Chief of Naval Operations (cont'd)

CUH						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
41		12	2	C	Replace: (U) Recommendation 1 (U) <del>We recommend that the Chief of Naval Operations, in coordination with the Commander of the U.S. Transportation Command and the Maritime Administrator of the U.S. Department of Transportation, conduct an annual review of the current recapitalization strategy, revise the strategy based on known limiting factors, and develop viable milestones based on those factors to ensure that the Navy is capable of meeting readiness requirements in the event of a contingency.</del> We recommend the Chief of Naval Operations, in coordination with the Commander, U.S. Transportation Command and the Maritime Administrator of the U.S. Department of Transportation continue participating in the Sealift Acquisition Board (SAB), initially chartered in 2020, continue to provide direction and serve as the validation authority for DoD's surge sealift recapitalization strategy, milestones development, and execution. Chartered members of the SAB include the Navy, U.S. Transportation Command, and the Maritime Administration.	Disagree with recommendation 1. The Sealift Acquisition Board (SAB), established in 2020, plays a critical role in guiding and validating the Department of Defense's surge sealift recapitalization strategy, including the development and execution of milestones. SAB charter members consist of the Navy, U.S. Transportation Command, and the Maritime Administration. The board has conducted thorough reviews of the recapitalization strategy and implemented significant revisions that were omitted in the findings of this draft report. These adjustments enabled the Navy to successfully resource 10 million square feet of roll-on/roll-off cargo capacity, achieving 94% of the required 10.56 million square feet. Additionally, plans are in place to procure two more used ships in FY25, which will raise the capacity to 98% of the requirement. It is recommended that factual inaccuracies in the findings be addressed, and the following revised recommendations be considered as replacements.
42		12		S	Add: (U) Recommendation 1: SECNAV should seek legislative relief from the 10 ship limit on foreign-built used ships to continue recapitalizing surge sealift capacity.	Additional Congressional authorizes are currently are required to continue Navy's recapitalization plan beyond FY26
43		12		S	Add: (U) Recommendation 2: CNO, in coordination with USTRANSCOM and MARAD, should continue capability development to begin new sealift construction.	Navy is currently on plan to deliver a new construction ship in FY31 pending appropriation of funds for detailed design and construction.
44		13	2	C	Change: (U) "The objective of this evaluation was to determine whether the Navy is effectively <del>recapitalized-recapitalizing</del> the surge sealift fleet."	Recommend updating Objective to match Oct 1 2024, RFI to N4 "RFI for the Evaluation of U.S. Navy Efforts to Recapitalize Surge Sealift Vessels". Draft report changes objective to "recapitalized" which indicates the effort is complete. Per 2018 "Sealift That The Nation Needs" Report to Congress, on page 6, PARA V. states "Maintaining Surge Sealift capacity levels over the next 30 years requires a mix of near-, mid- and long term actions". Recapitalization is an on-going effort to replace capacity as it ages out and not a one time effort.
CUH						

(U) Chief of Naval Operations (cont'd)

CUI						
Item #	Org / Reviewer / Phone	Page #	Para #	Type of Comment A / M / S / C	Recommendation	Rationale
45		Appendix B	1	C	(U) Finding	The entire paragraph is incorrect. Per SNN Table 4 on Page 7, by 2032 even without recapitalization, existing RRF capacity would equal ~6M square feet. To date, Navy has recapitalized an additional 1.5M sqft, and are on plan to continue executing both buy-used authorities and new construction beginning in FY31. Note: Additional authorities are required to continue buy-used beyond FY26 (10 used ships) to maintain 10.55M sqft of surge sealift capacity.
C – Critical (Contentious issue that will cause non-concurrence with publication) M – Major (Incorrect material that may cause non-concurrence with publication) S – Substantive (Factually incorrect material) A – Administrative (grammar, punctuation, style, etc.)						
CUI						



## (U) Commander of the U.S. Transportation Command



### UNITED STATES TRANSPORTATION COMMAND

STRATEGIC PLANS, POLICY, AND LOGISTICS DIRECTORATE  
508 SCOTT DRIVE  
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

23 April 2025

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

FROM: USTCJ5/J4

SUBJECT: Response to DoDIG Draft Report "Evaluation of the U.S. Navy's Efforts to Recapitalize Surge Sealift Vessels" Dated April 2025 (Project No. D2024-DEV0PA-0128.000)

1. The United States Transportation Command (USTRANSCOM) does not concur with the Draft Report as not all of our technical corrections were included, resulting in incorrect findings and recommendations. Please see attached comments and recommended changes.
2. The draft report inaccurately bases its findings and recommendations solely on the 2018 Sealift That the Nation Needs Report to Congress, despite information provided indicating the recapitalization strategy changed in 2020 to the Accelerated Acquisition Plan as approved by the Sealift Acquisition Board (SAB). Navy's Annual Long-Range Plan for Construction of Naval Vessels Appendix V and USTRANSCOM's Annual Strategic Sealift Guidance reflect this strategy as sealift recapitalization progresses and should be the basis of the report.
3. During sessions with the DoDIG, USTRANSCOM emphasized the need for consistent, stable, and predictable congressional authorities and Service funding to keep sealift recapitalization on track.
4. The point of contact in this matter is [REDACTED], TCIG, who can be reached at [REDACTED], or email: (unclassified) [REDACTED], with any questions or concerns.

DEREK A. TRINQUE  
Rear Admiral, U.S. Navy  
Director, Strategic Plans, Policy, and  
Logistics

Attachment:  
USTRANSCOM DODIG Sealift Recap Draft Report CRM v3

(U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL

Click or tap to enter a date.

U	1	1	1	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> In the Objective paragraph, the word “recapitalized” is in past tense, which seems to indicate it is complete, and this doesn’t match the Entrance Conference briefing which stated “recapitalizing.”</p> <p><b>Coordinator Recommended Change:</b> Change word to recapitalizing as the recapitalization program is long term per the Navy’s 30-year shipbuilding plan.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	2	1	Footnote 1	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> CAPE STARR completed sea trials in Mar 25 and expected to enter the RRF in Jun 25.</p> <p><b>Coordinator Recommended Change:</b></p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	3	1	Footnote 3	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> According to MARAD’s website, there are 88 ships in the NDRF.</p> <p><b>Coordinator Recommended Change:</b></p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
U	4	2	2	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The sealift cargo capacity requirement is 10.56 million square feet, not 10.6 million.</p> <p><b>Coordinator Recommended Change:</b> Replace 10.6 with 10.56. Refer to USTRANSCOM Sealift Guidance per the footnote on page 2.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
U	5	2	2		<p><b>Coordinator Comment and Justification:</b> The sealift cargo capacity requirement is 10.56 million square feet, not 10.6 million.</p> <p><b>Coordinator Recommended Change:</b> Replace 10.6 with 10.56. Refer to USTRANSCOM Sealift Guidance per the footnote on page 2.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>







## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
U	6	2	2	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> Remove the end of the sentence that states, "...10-day readiness requirement." No ships in the RRF have a 10 day requirement. MSC 2023 handbook is in error and the last ship to be in 10-day readiness retired several years ago.</p> <p><b>Coordinator Recommended Change:</b> End the sentence with "...5-day readiness requirement." Refer to current USTRANSCOM Sealift Guidance Enclosure 1 for directed readiness status.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	7	3	2	<input checked="" type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The combination of extended service life, acquire used and new construction are not static plans with static numbers. In 2018, these were the numbers that worked to meet the 15.3 million square feet requirement. The paragraph needs to then account for the Navy's 30-year shipbuilding plan, year after year for how the numbers change, based on ship acquisitions and retirements.</p> <p><b>Coordinator Recommended Change:</b> Rewrite the paragraph to account for changes in each 30-year shipbuilding plan from 2018 to current year.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	8	3	4	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph refers to a June 2024 Memorandum of Agreement, which would have been a draft document. The MOA referenced was signed and completed on 22 Nov 24.</p> <p><b>Coordinator Recommended Change:</b> Refer to the completed MOA.</p> <p><b>Originator Response:</b> Choose an item.</p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<b>Originator Reasoning:</b>	
U	9	5	Add	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The report comes to an abrupt halt on page 5, as if all parties are still reflecting progress based on the 2018 Sealift That the Nation Needs. During discussions with the IG team, we provided information on how the Sealift Recapitalization strategy changed from Sealift the Nation Needs in 2018 to the Accelerated Acquisition Plan (AAP 2.0V5) which was approved by the Sealift Acquisition Board in 2020 and enacted in the 2022 Navy POM submission. This change of strategy, should be what the IG is evaluating the various agencies on, yet the report ties itself to the predecessor SNN of 2018 and makes no mention of AAP at all in the report. As a result, all information on the findings from this point to the end of the report are essentially factually incorrect. Each year sealift guidance and the Navy's 30-year shipbuilding plan change to reflect the changes in the fleet, so they are not static like the 2018 SNN point in time.</p> <p><b>Coordinator Recommended Change:</b> Starting at page 3, after the discussion on SNN 2018, include a discussion on AAP, how it changed the various targets regarding service life extensions, used purchases, and new construction and then revise the remainder of the report to reflect progress against AAP, which reflects the various yearly issuances of the sealift guidance and the 30-year shipbuilding plans.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	10	6	1	<input checked="" type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph on "Finding" is written in the past tense, as it recapitalization is complete and Navy, USTRANSCOM and MARAD were unable to complete the task, which is factually incorrect. Navy's 30-year shipbuilding plan shows recapitalization will continue out into the 2040s, not stop at 2025.</p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]



## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<p><b>Coordinator Recommended Change:</b> Rewrite the finding to reflect the current 30-year shipbuilding plan, not the 2018 Sealift That the Nation Needs.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	
U	11	6	2	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> This statement is misleading, and the paragraph incomplete. The plan to SLEP 31 vessels was amended via the SAB in 2020 under AAP2.OV5 down to 8 which are still in progress. The decision was coupled with the decision to early retire 7 high-cost / low-readiness ships previously identified for SLE, and to accelerate recapitalization through Buy Used."</p> <p><b>Coordinator Recommended Change:</b> Rewrite the paragraph to reflect SAB 2020 decisions under AAP2.OV5 vice 2018 SNN.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS,   
U	12	6	3	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph incorrectly reflects the 2018 SNN, not the current 30-year shipbuilding plan which shows a different total number of used buys than SNN. Currently the program is on track, purchasing 7 of 10 used ships and spending funding that Congress has provided each appropriation cycle.</p> <p><b>Coordinator Recommended Change:</b> Rewrite the paragraph to reflect progress against the 30-year shipbuilding plan, and also to reflect progress based on annual appropriations for ships.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS,   

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
U	13	6	3	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph is factually incorrect, and USTRANSCOM did not describe CHAMP as an “abandoned” program. Additionally, whether 2018 SNN or current 30-year shipbuilding plans, new construction was not due to start until the 2030s.</p> <p><b>Coordinator Recommended Change:</b> Rewrite the paragraph reflecting current Navy plans for new construction.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
<del>CUI</del>	14	6	4	<input checked="" type="checkbox"/>	<p>[REDACTED]</p> <p><b>Coordinator Recommended Change:</b> [REDACTED]</p> <p><b>Originator Response:</b> [REDACTED]</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	15	8	1	<input checked="" type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The “finding” title as written indicates recapitalization in the past tense, as if complete, which is inaccurate. The program is ongoing.</p> <p><b>Coordinator Recommended Change:</b> Rewrite the paragraph to reflect recapitalization as an ongoing process, selecting AAP2.OV5 and 30-year shipbuilding plans.</p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<b>Originator Response:</b> Choose an item.  <b>Originator Reasoning:</b>	
U	16	8	1	<input checked="" type="checkbox"/>	<b>Coordinator Comment and Justification:</b> The paragraph is inaccurate as it doesn't reflect current progress of the recapitalization program against the current 30-year shipbuilding plan and AAP2.OV5 vice 2018 SNN.  <b>Coordinator Recommended Change:</b> Rewrite paragraph to reflect current progress of the sealift recapitalization program.  <b>Originator Response:</b> Choose an item.  <b>Originator Reasoning:</b>	USTRANSCOM TCJ5-IS, 
U	17	8	2	<input checked="" type="checkbox"/>	<b>Coordinator Comment and Justification:</b> The paragraph states that only 6 of 31 vessels were extended due to increasing maintenance costs, which is factually incorrect. The plan to extend vessels was changed in AAP2.OV5, which is not reflected in the report.  <b>Coordinator Recommended Change:</b> Rewrite the back portion of the report to include AAP2.OV5 and update this paragraph to accurately reflect current status.  <b>Originator Response:</b> Choose an item.  <b>Originator Reasoning:</b>	
U	18	8	3	<input type="checkbox"/>	<b>Coordinator Comment and Justification:</b> The paragraph discusses extended service life as reflected by the 2018 SNN, which has not been the current plan since it was revised and approved by the SAB in 2020.	USTRANSCOM TCJ5-IS, 



## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<p><b>Coordinator Recommended Change:</b> Rewrite the report to include AAP2.0V5 to reflect the current status of recapitalization.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	
U	19	8	4	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> There is nothing factually incorrect in the paragraph, but it does not pertain to evaluating recapitalization because the premise that recapitalization is delayed due to increasing maintenance costs is not correct.</p> <p><b>Coordinator Recommended Change:</b> Rewrite the report to include AAP2.0V5 to reflect the current status of recapitalization.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	20	9	4	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> This paragraph is the type of information that belongs in the body of the report after the discussion on 2018 SNN, as it discusses how SNN changed to AAP2.0V5. This discussion then should be the basis of the evaluation of recapitalization, but in context of each sealift guidance, each 30-year shipbuilding plan and each annual set of authorities and appropriations provided by Congress.</p> <p><b>Coordinator Recommended Change:</b> Move this paragraph into the body of the report, then rewrite this finding section to reflect the issues mentioned.</p> <p><b>Originator Response:</b> Choose an item.</p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<b>Originator Reasoning:</b>	
U	21	9	5	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph states that only 7 used vessels were purchased because of congressional restrictions and the limitations of the used ship market, which is inaccurate. In all annual cycles of purchases the limitation was appropriations. Had more funding been provided, more ships could have been purchased.</p> <p><b>Coordinator Recommended Change:</b> Revise the paragraph for accuracy.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	22	10	2	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> This paragraph is written as if there is finality for the five ships that “became surge capable and transferred to the RRF”, which is not accurate. Upon ship purchase, there is a process that MARAD goes through to reflag the ship from foreign flag to US flag and then a process to install National Defense Features and make the ship ready for the RRF. All seven ships are in various stages of that process and eventually all seven ships will be inducted (not transferred) into the RRF.</p> <p><b>Coordinator Recommended Change:</b> Consult MARAD to rewrite this paragraph.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]
U	23	10	3	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph accurately describes the 2024 Report to Congress required of USTRANSCOM, but this issue cannot directly be tied to the finding and should be removed from the report. In all annual purchase cycles, the amount and availability of funding has been the</p>	USTRANSCOM TCJ5-IS, [REDACTED] [REDACTED]

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<p>limitation on purchases. Given more funding in all cases, more ships could be acquired.</p> <p><b>Coordinator Recommended Change:</b> Delet the discussion.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	
U	24	10	5	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The paragraph is not accurate in that even in 2018 SNN, new construction was not due to start until the 2030s, so when evaluated against SNN, it is on track. However, AAP2.0V5 and its emphasis on used buys and the change in legislation from Congress between 2023 and 2025 is not reflected in the paragraph, making it an incomplete discussion.</p> <p><b>Coordinator Recommended Change:</b> Revise the paragraph to reflect AAP2.0V5, and most recent Navy 30-year shipbuilding plans. Additionally, revise to reflect current progress to develop Top Level Requirements and MARAD's progress with a design firm to design the ship.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
U	25	11	4	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The recommendation provided in this paragraph is insufficient in that USTRANSCOM, OPNAV and MARAD already conduct review of the recapitalization plan at least annually. These reviews are what create the USTRANSCOM Sealift Guidance and changes to the Navy's 30-year shipbuilding plan. Through the SAB as needed, these updates as mentioned ought to be the basis of the report, not 2018 SNN.</p> <p><b>Coordinator Recommended Change:</b> When we met with the IG team, we stressed the need for consistent, stable and predictable congressional</p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					<p>authorities for sealift recapitalization, and consistent, stable and predictable funding by Navy and appropriations by Congress. Recommend the report reflect the current status of recapitalization and these recommendations.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	
U	26	12	1	<input checked="" type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The conclusion in this paragraph does not match the objective of the report and is not pertinent to the report, not is it accurate. Currently, prior to FY25 retirements, the recapitalization program has purchased sufficient capacity to fully replace the capacity that was early retired in 2022 and 2023. The readiness state of the existing capacity is an entirely different discussion and was not included in the entrance conference as part of the evaluation.</p> <p><b>Coordinator Recommended Change:</b> Delete the paragraph.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<del>CUI</del>	27	12	2	<input checked="" type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> [REDACTED]</p> <p>[REDACTED]</p> <p><b>Coordinator Recommended Change:</b> [REDACTED]</p> <p>[REDACTED]</p> <p><b>Originator Response:</b> [REDACTED]</p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

## (U) Commander of the U.S. Transportation Command (cont'd)

DODIG Report:						
CLASS	#	PAGE	PARA	BASIS FOR NON-CONCUR?	COMMENTS, JUSTIFICATION, AND ORIGINATOR JUSTIFICATION FOR RESOLUTION	COMPONENT AND POC NAME, PHONE, AND E-MAIL
					Originator Reasoning:	
U	28	12	3	<input type="checkbox"/>	<p><b>Coordinator Comment and Justification:</b> The recommendation provided in this paragraph is insufficient in that USTRANSCOM, OPNAV and MARAD already conduct review of the recapitalization plan at least annually. These reviews are what create the USTRANSCOM Sealift Guidance and changes to the Navy's 30-year shipbuilding plan. Through the SAB as needed, these updates as mentioned ought to be the basis of the report, not 2018 SNN.</p> <p><b>Coordinator Recommended Change:</b> When we met with the IG team, we stressed the need for consistent, stable and predictable congressional authorities for sealift recapitalization, and consistent, stable and predictable funding by Navy and appropriations by Congress. Recommend the report reflect the current status of recapitalization and these recommendations.</p> <p><b>Originator Response:</b> Choose an item.</p> <p><b>Originator Reasoning:</b></p>	<p>USTRANSCOM TCJ5-IS,</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

# (U) Acronyms and Abbreviations

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<b>CHAMP</b>	Common Hull Auxiliary Multi-Mission Platform
<b>MARAD</b>	Maritime Administration
<b>NDAA</b>	National Defense Authorization Act
<b>RO/RO</b>	Roll-on/Roll-off
<b>RRF</b>	Ready Reserve Force
<b>SAB</b>	Sealift Requirements and Acquisition Board
<b>USTRANSCOM</b>	U.S. Transportation Command

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