SEC. 604. LODGING ACCOMMODATIONS FOR MEMBERS ASSIGNED TO DUTY IN CONNECTION WITH COMMISSIONING OR FITTING OUT OF A SHIP.

(a) EXTENSION TO PRECOMMISSIONING UNIT SAILORS.—Subsection (a) of section 7572 of title 10, United States Code, is amended—

(1) by inserting "or assigned to duty in connection with commissioning or fitting out of a ship" after "sea duty"; and

(2) by inserting ", because the ship is under construction and is not yet habitable," after "because of repairs,".

(b) EXTENSION TO ENLISTED MEMBERS.—Subsection (d) of such section is amended—

(1) in paragraph (1)—

(A) by striking "After the expiration of the authority provided in subsection (b), an officer" and inserting "A member";

(B) by striking "officer's quarters" and inserting "member's quarters";

(C) by striking "obtaining quarters" and inserting "obtaining housing"; and

(D) by striking "the officer" and inserting "the member";

(2) in paragraph (2)—

(A) by striking "an officer" both places it appears and inserting "a member";

(B) by striking "quarters" and inserting "housing"; and

(C) by striking "officer's grade" and inserting "member's grade"; and

(3) in paragraph (3)—

(A) by striking "an officer" and inserting "a member"; and

(B) by striking “quarters” and inserting “housing”.

(c) SHIPYARDS AFFECTED BY BRAC 2005.—Such section is further amended by adding at the end the following new subsection:

“(e)(1) The Secretary may reimburse a member of the naval service assigned to duty in connection with commissioning or fitting out of a ship in Pascagoula, Mississippi, or Bath, Maine, who is deprived of quarters on board a ship because the ship is under construction and is not yet habitable, or because of other conditions that make the member’s quarters uninhabitable, for expenses incurred in obtaining housing, but only when the Navy is unable to furnish the member with lodging accommodations under subsection (a).

“(2) The total amount that a member may be reimbursed under this subsection may not exceed an amount equal to the basic allowance for housing of a member without dependents of that member’s grade.

“(3) A member without dependents, or a member who resides with dependents while assigned to duty in connection with commissioning or fitting out of a ship at one of the locations specified in paragraph (1), may not be reimbursed under this subsection.

“(4) The Secretary may prescribe regulations to carry out this subsection.”.

(d) CONFORMING AMENDMENTS.—

(1) The heading of such section is amended to read as follows:

“§ 7572. Quarters: accommodations in place for members on sea duty or assigned to duty in connection with commissioning or fitting out of a ship”.

(2) The table of sections at the beginning of chapter 649 of such title is amended by striking the item relating to section 7572 and inserting the following new item:

“7572. Quarters: accommodations in place for members on sea duty or assigned to duty in connection with commissioning or fitting out of a ship.”.

Section-by-Section Analysis

This proposal changes current law in two ways. First, the proposal seeks to revise section 7572 of title 10, United States Code, to provide and pay for housing of Pre-Commissioning Unit (PCU) Servicemembers. Second, this proposal permits enlisted personnel to receive reimbursement for housing if their ship is uninhabitable due to being under repair or overhaul. Only officers are covered for this situation at present.

First, the proposal provides for housing reimbursement for housing expenses associated with the assignment to Pre-Commissioning Units. Under the current authority, military personnel assigned to PCUs are not entitled to reimbursement for housing costs if the Navy is unable to provide housing for them. Historically, Navy has provided barracks space for these Servicemembers. However, due to Base Closure and Realignment (BRAC) 2005, housing will no longer be available at two PCU locations. This would result in PCU sailors, who are geographic bachelors, having to pay for housing out of their own pockets. The language in this proposal would ensure that these sailors can be reimbursed for housing when the Navy is unable to provide housing. This change is effected by the insertion of section a (1), as well as b (2) and b (3) of the legislative proposal.

PCU crews play an integral role in the Navy's acceptance of new ships. PCU Servicemembers are volunteers and the first crew members as ships come to life. PCU Sailors stationed at the shipbuilding sites must learn new and often unique shipboard systems, and they must ensure their required systems' training is completed before ship delivery. Their skills are critical to successful acceptance of a vessel and to the long-term mission readiness of the Navy's newest ships and submarines.

Because duty at the shipbuilding site is generally six to eighteen months in duration, followed by relocation to the ship's home port, volunteers for PCUs crews must decide whether to relocate their families twice in quick succession. As an alternative, a Sailor may decide to report to the shipbuilding site unaccompanied, as a "geographical bachelor" (male or female) for this short-term duty that exceeds TDY limits. Since a large percentage of Sailors who are assigned to PCU crews are married, approximately three-fourths of those who choose to leave their families until the future home port of the ship is identified, become geographical bachelors rather than move their families. These decisions result in considerable Permanent Change of Station (PCS) cost avoidances for the Navy budget because Sailors do not move their family twice. However, when a Servicemember chooses to go to a PCU site as a geographical bachelor, he or she funds berthing costs out of pocket; in essence this results in maintaining costs for two households. The minor amount of funding required to avoid this undue burden to the Sailor is substantially less than paying for multiple PCS moves. In addition, there are emotional costs to the Sailors' families associated with two quick moves.

In 2008, the Navy completed a study of PCU berthing needs in order to establish consistent practices governing berthing at shipbuilding sites and to assess the impact of base closures on berthing availability. This study assessed all PCU housing requirements, including those for berthing, anti-terrorism force protection, quality of life, and funding.

The study's findings indentified a gap in the current statute for housing entitlements of servicemembers at PCU sites. Section 7572 of title 10, United States Code, provides authority for certain sailors to have quarters while on sea duty and if their ship is uninhabitable. However, PCU servicemembers attached to ships in *new* construction that are not yet commissioned vessels are not considered on sea duty. Therefore, the ability to finance berthing costs is less clear**.**

Navy has explored all other legal and operational means by which to provide housing to geographic bachelors who choose not to move their families to the PCU site. Navy researched alternative authorities, but none are available for this purpose. For example, the use of Assignment Incentive Pay (AIP) cannot properly address this problem. Title 37 U.S.C. § 307a establishes AIP in order to create an incentive for members to agree to accept orders to certain hard to fill assignments. AIP is assigned to a particular billet and runs for the length of the orders assigning a member to that billet. The incentive has been established as an encouragement to accept orders and is not aligned with the actual housing expenses of an individual member. As a result, Sailors could negotiate orders, transfer and then continue to face out of pocket expense far greater than the incentive negotiated under AIP. Moreover, when using AIP to address this issue, it is very likely that a Sailor who may not need an additional housing allowance would still be eligible for AIP upon acceptance of orders. Additionally, the AIP would continue even after the ship was commissioned, or after a family has moved to the PCU location. Because AIP was designed to address manning shortages in units with a relatively stable Permanent Duty Station, it is not a good fit for this need.

Navy also explored other options to provide berthing for PCU Servicemembers. For example, Navy is in the process of retaining its Lakeside Housing facility in Pascagoula, Mississippi from BRAC 2005. However, this facility is very old and subject to increasing maintenance and environmental problems. This will provide living space for some PCU sailors, but at a reduced capacity and future increased maintenance costs to the Navy.

The second change performed by this proposal is that it would expand coverage currently authorized only for officers assigned to uninhabitable commissioned vessels to enlisted personnel. Under current law, only officers assigned to commissioned ships in overhaul, maintenance or repair are entitled to reimbursement for quarters if the Navy does not have quarters available. This proposed change would now include enlisted members as eligible for reimbursement. This change is effected by the insertion of a (2), b(1), b (2) and b (3) of the legislative proposal.

Both of these changes are needed to address conditions directly related to the habitability on board a naval vessel within the shipyards. When living quarters on board a naval vessel become uninhabitable, current law does not provide a means to adequately support members of the military for housing. Historically, this problem has been addressed by placing Servicemembers into available barracks space. However, due to impending closures of government quarters under BRAC 2005, this solution will no longer be available. This proposal would permit the Secretary to address these shortfalls. All crewmembers, both officers and enlisted, could be compensated when their ship becomes uninhabitable and alternative military housing is unavailable in those locations. Members with dependents in the vicinity of the

permanent duty station and members without dependents would retain their eligibility to receive Basic Allowance for Housing under normal conditions and would not obtain reimbursement under this subsection.

Budget Implications: There are budgetary implications to the portion of the proposal that are needed to provide the authority to finance berthing costs for PCU Sailors. The Department estimates that the annual cost is about $3.0 million a year, substantially less costly than issuing multiple PCS orders. The associated cost each year, for Bath, Maine and Pascagoula, Mississippi is:

a. Bath: 45 Servicemembers: $13.2K/yr/person = $.6M/yr
b. Pascagoula: 200 Servicemembers: $12K/yr/person = 2.4M/yr

Growth is not included in the budget estimates as ship construction schedules and manning are, at best, a rough order estimate. Exact costs will be dependent on ship delivery dates by fiscal year and the number of PCU Servicemembers needed for each ship type.

The funding is budgeted in Operation & Maintenance, Navy (O&M, N) as noted below.

PCU NUMBER OF PERSONNEL AFFECTED (Navy only; no new strength needed)							
	FY 2012	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Appropriation To**	**Personnel Type**
Total	245	245	245	245	245	N/A	Officer and Enlisted

PCU RESOURCE REQUIREMENTS ($MILLIONS) (Navy only)								
	FY 2012	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Total	3.00	3.00	3.00	3.00	3.00	O&M, N	01	1B5B

The second portion of the legislative provision, which extends housing authority to enlisted personnel, is not expected to have any budgetary implications over the FYDP. At present, the current authority to reimburse officers has not been used. Similarly, once passed, it is not expected that expanded authority for enlisted personnel will be required. However, this expansion of authority would provide equity to military personnel, as well as support the Chief of Naval Operation's shore housing initiatives.

Changes to Existing Law: This proposal would make the following changes to 10 U.S.C. 7572:

§ 7572. Quarters: accommodations in place ~~of~~ for members on sea duty <u>or assigned to duty in connection with commissioning or fitting out of a ship</u>

(a) If public quarters are not available, the Secretary of the Navy may provide lodging accommodations for any—

(1) member of the naval service;

(2) member of the Coast Guard when it is operating as a service in the Navy; or

(3) member of the National Oceanic and Atmospheric Administration serving with the Navy;

on sea duty or assigned to duty in connection with commissioning or fitting out of a ship who is deprived of his quarters on board ship because of repairs, because the ship is under construction and is not yet habitable, or because of other conditions that make his quarters uninhabitable. Lodging accommodations so provided may not be occupied by the member's dependents.

[(b) Repealed]

(c) The Secretary, to the extent he considers proper, may delegate the authority conferred by subsection (a) to any person in the Department of the Navy, with or without the authority to make successive redelegations.

(d)(1) ~~After the expiration of the authority provided in subsection (b), an officer~~ A member of the naval service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the ~~officer's~~ member's quarters uninhabitable may be reimbursed for expenses incurred in obtaining ~~quarters~~ housing if it is impracticable to furnish the ~~officer~~ member with accommodations under subsection (a).

(2) The total amount that a~~n officer~~ a member may be reimbursed under this subsection may not exceed an amount equal to the basic allowance for ~~quarters~~ housing of a~~n officer~~ a member of that ~~officer's~~ member's grade.

(3) This subsection shall not apply to a~~n officer~~ a member who is entitled to basic allowance for ~~quarters~~ housing.

(4) The Secretary may prescribe regulations to carry out this subsection.

(e)(1) The Secretary may reimburse a member of the naval service assigned to duty in connection with commissioning or fitting out of a ship in Pascagoula, Mississippi, or Bath, Maine, who is deprived of quarters on board a ship because the ship is under construction and is not yet habitable, or because of other conditions that make the member's quarters uninhabitable, for expenses incurred in obtaining housing, but only when the Navy is unable to furnish the member with lodging accommodations under subsection (a).

(2) The total amount that a member may be reimbursed under this subsection may not exceed an amount equal to the basic allowance for housing of a member without dependents of that member's grade.

(3) A member without dependents, or a member who resides with dependents while assigned to duty in connection with commissioning or fitting out of a ship at one of the locations specified in paragraph (1), may not be reimbursed under this subsection.

(4) The Secretary may prescribe regulations to carry out this subsection.