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Navy Light Replenishment Oiler (TAOL) Program: Background and Issues for Congress

Introduction

The Navy's Light Replenishment Oiler (TAOL) program, previously called the Next-Generation Logistics Ship (NGLS) program, envisages procuring a new class of 13 at-sea resupply ships for the Navy. The Navy's FY2026 budget submission suggests that the first TAOL is programmed for procurement in FY2028. The TAOL program received \$100.0 million in FY2025 advance procurement (AP) funding from H.R. 1/P.L. 119-21 of July 4, 2025, the One Big Beautiful Bill Act (aka reconciliation act). The Navy's proposed FY2026 budget requests no FY2026 procurement funding and \$1.1 million in FY2026 research and development (R&D) funding for the program. An issue for Congress is whether to approve, reject, or modify the Navy's funding requests and acquisition strategy for the program.

Terminology

The Navy's *Combat Logistics Force (CLF)* ships, also called *underway replenishment (UNREP)* ships, are logistics ships that resupply the Navy's combatant ships (e.g., aircraft carriers, surface combatants, and amphibious ships) at sea, so that the combatant ships can continue operating at sea without having to return to port.

The Navy's current CLF ships include oilers (TAOs), dry cargo and ammunition ships (TAKEs), and fast combat support ships (TAOEs). In these designations, T means the ship is operated by the Military Sealift Command (MSC) with a mostly civilian crew, A means auxiliary ship, O means oiler, K means cargo, and E means ammunition (i.e., explosives). (TAO, TAKE, etc. are also typed as T-AO, T-AKE, etc.) These CLF ships are large auxiliary ships. In the designation TAOL (also typed as T-AOL), the L means light, meaning a smaller version of such a ship. TAOL thus means an oiler that is smaller than a full-sized oiler.

New Fleet Architecture and Operational Concepts

To more effectively counter the improving A2/AD capabilities (i.e., capabilities that aim to create a defended area around a country that in time of conflict would be a "no-go zone" for opposing military forces) of China in particular, the Navy wants to begin shifting to a new, more distributed fleet architecture (i.e., mix of ships) that is intended to support a new Navy and Marine Corps operational concept (i.e., a general approach for using forces) called Distributed Maritime Operations (DMO), and an associated new Marine Corps operational concept called Expeditionary Advanced Base Operations (EABO).

DMO aims at avoiding a situation in which an adversary could defeat U.S. naval forces by concentrating its attacks

on a relatively small number of large, high-value U.S. Navy ships. Under EABO, relatively small Marine Corps units armed with anti-ship cruise missiles and other weapons would hop on and off islands in the Western Pacific to conduct "shoot-and-scoot" operations against adversary ships. For more on DMO, EABO, and the Navy's more distributed fleet architecture, see CRS In Focus IF12599, *Defense Primer: Navy Distributed Maritime Operations (DMO) Concept*, by Ronald O'Rourke, and CRS Report R46374, *Navy Medium Landing Ship (LSM) Program: Background and Issues for Congress*, by Ronald O'Rourke.

Logistics Ships Currently Being Procured

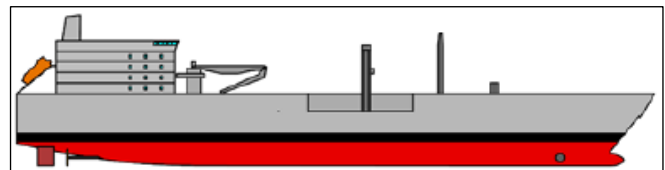
The Navy is currently procuring new John Lewis (TAO-205) class oilers, which are large CLF ships. TAO-205s have a currently estimated procurement cost of more than \$800 million per ship. For more on the TAO-205 program, see CRS Report R43546, *Navy John Lewis (TAO-205) Class Oiler Shipbuilding Program: Background and Issues for Congress*, by Ronald O'Rourke.

TAOL Program

Basic Concept for Ship

The TAOL program (referred to in some documents as the NGLS or Next-Generation Medium Logistics Ship program) was initiated in the Navy's FY2021 budget submission. The program envisages building a new class of CLF ships (or a family of CLF ship designs) that would be smaller and individually less expensive to procure than the Navy's current CLF ships. **Figure 1** shows a sketch of a Navy notional TAOL design concept.

Figure 1. Navy Notional TAOL Design Concept



Source: U.S. Navy information paper, June 14, 2022, received by CRS from Navy Office of Legislative Affairs, June 16, 2022. The Navy states that the rendering "was developed by the Navy as an illustration of the indicative design that supports the refuel, rearm and resupply missions currently contemplated by the NGLS program. This illustration does not represent the final NGLS design."

The Navy states that the TAOL

is planned to be a new class of ships to augment the traditional Combat Logistics Force (CLF) to enable refueling, rearming, and resupply of Naval assets - afloat and ashore - near contested environments via ship-to-ship operations and ship-to port operations

in support of Distributed Maritime Operations (DMO), Littoral Operations in a Contested Environment (LOCE), and Expeditionary Advanced Base Operations (EABO). Augmenting the traditional CLF, NGLS will provide a flexible, responsive platform to move fuel, personnel, equipment, and supplies between ships, advanced bases, ports, and dispersed nodes of the seabase; sustaining afloat (Surface Action Group) and ashore (Expeditionary Advanced Base) requirements.

(*Department of Defense, Fiscal Year (FY) 2026 Budget Estimates, Navy, Research, Development, Test & Evaluation, Navy* [account], Justification Book Volume 2 of 5, June 2025, page 437.)

Procurement Quantity

The Navy's preferred 381-ship force-level goal includes 13 TAOLs. The Navy's FY2025 30-year (FY2025-FY2054) shipbuilding plan similarly indicates that the Navy envisages procuring a total of 13 TAOLs, but also indicates that the total desired number of TAOLs is subject to further analysis and could change. (See CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.) The Navy has not submitted an FY2026 30-year (FY2026-FY2055) shipbuilding plan.

Procurement Schedule and Cost

The Navy's FY2025 budget submission programmed the procurement of the first TAOL in FY2027, the second in FY2028, and the third in FY2029. The Navy's FY2026 budget submission in general does not include information on ships programmed for procurement after FY2026, but the submission suggests that the programmed procurement of the first TAOL has been deferred to FY2028—the submission states that “Concept Refinement efforts will be performed by several industry partners beginning in FY 2025 to support Detail Design & Construction Contract award occurring in FY 2028.” (*Department of Defense, Fiscal Year (FY) 2026 Budget Estimates, Navy, Research, Development, Test & Evaluation, Navy* [account], Justification Book Volume 2 of 5, June 2025, page 438.)

The Navy's FY2025 budget submission programmed the procurement costs of the first three TAOLs at \$453 million each. The Navy's FY2026 budget submission does not include information on programmed TAOL procurement costs.

Industry Studies

A January 6, 2022, press report stated that the Navy on December 17, 2021, awarded contracts to Austal USA of Mobile, AL; Bollinger Shipyards of Lockport, LA; and TAI Engineers, with main offices in New Orleans, LA, for industry studies for the TAOL program. The contracts

reportedly had a base value of \$2 million each, with Austal USA's contract having a potential value of up to \$3.65 million, Bollinger's up to \$4.1 million, and TAI Engineers' up to \$3.46 million. The Navy used the studies to inform its understanding of cost-capability trade-offs for the TAOL.

Funding

R&D funding for the TAOL program is provided through Project 4045 (Next-Generation Medium Logistics Ship) in Program Element (PE) 0603563N, Ship Concept Advanced Design, which is line 45 in the Navy's FY2026 R&D account. The program received \$43.2 million in R&D funding in FY2023 and prior years, \$8.5 million in R&D funding in FY2024, and \$7.7 million in R&D funding in FY2025.

The program received \$100.0 million in advance procurement (AP) funding—the program's first procurement funding—from H.R. 1; P.L. 119-21 of July 4, 2025, the One Big Beautiful Bill Act (aka reconciliation act).

The Navy's proposed FY2026 budget requests no procurement funding for the program and \$59.2 million in R&D funding for line 45, including \$1.1 million for Project 4045.

The Senate Armed Services Committee, in its report (S.Rept. 119-139 of July 15, 2025) on the FY2026 National Defense Authorization Act (S. 2296), recommended no FY2026 procurement funding for the program, and recommended approving the funding request for line 45.

The House Appropriations Committee, in its report (H.Rept. 119-162 of June 16, 2025) on the FY2026 DOD Appropriations Act (H.R. 4016), recommended no FY2026 procurement funding for the program, and \$111.2 million for line 45. (The Navy's FY2025 budget submission had projected an FY2026 funding request of \$111.2 million for line 45, including no funding for Project 4045.) Section 1011 of S. 2296 would require the Navy, in implementing the TAOL program, to use a Vessel Construction Manager (VCM) acquisition strategy, employing commercial design standards and construction practices, and an external entity to contract for construction of the ships.

The Senate Appropriations Committee, in its report (S.Rept. 119-52 of July 31, 2025) on the FY2026 DOD Appropriations Act (S. 2572), recommended no FY2026 procurement funding for the program, and recommended approving the R&D funding request for the program within line 45.

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