

Navy John Lewis (TAO-205) Class Oiler Shipbuilding Program: Background and Issues for Congress

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Summary

The John Lewis (TAO-205) class oiler shipbuilding program is a program to build a new class of 20 fleet oilers for the Navy. The Navy procured the first TAO-205 in FY2016, and a total of 10 TAO-205s have been procured through FY2025. (The 10th was procured in FY2024, and no TAO-205s were procured in FY2025.) The first TAO-205 entered service in 2022, and a total of four were in service as of December 2024.

Beyond the 10 TAO-205s that have been procured through FY2025, H.R. 1, P.L. 119-21, of July 4, 2025—the FY2025 reconciliation act, commonly referred to as the One Big Beautiful Bill Act (OBBBA)—provided \$2,725.0 million (i.e., \$2.725 billion) in additional FY2025 funding for procuring more TAO-205s. Under H.R. 1, P.L. 119-21, this funding, which appears generally consistent with procuring three more TAO-205s, remains available for obligation through the end of FY2029, meaning that additional TAO-205s procured with this funding could be procured in one or more fiscal years through FY2029.

The Navy characterizes its budget submission for procuring more TAO-205s in FY2026 as follows:

- \$1,853.4 million in funding from H.R. 1, P.L. 119-21, to be used for paying about 99.6% of the estimated combined cost of procuring two more TAO-205s in FY2026; and
- \$8.3 million in additional procurement funding, requested as part of the Navy's regular FY2026 budget request, to be used for paying the remaining 0.4% of the estimated combined procurement cost of these two TAO-205s.

The Navy characterizes its total budget submission for procuring more TAO-205s in FY2026 as the sum of the two above elements—\$1,861.7 million for the procurement of two TAO-205s. The Navy's regular FY2026 budget request additionally requests \$19.2 million in cost-to-complete procurement funding to cover cost growth on TAO-205s procured in prior fiscal years.

An issue for Congress is whether to approve, reject, or modify the Navy's FY2026 budget submission for TAO-205 procurement. Congress's decisions on this issue could affect Navy capabilities and funding requirements and the U.S. shipbuilding industrial base.

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Introduction

This report provides background information and issues for Congress on the John Lewis (TAO-205) class oiler shipbuilding program, a program to build a new class of 20 fleet oilers for the Navy. The Navy procured the first TAO-205 in FY2016, and a total of 10 TAO-205s have been procured through FY2025. (The 10th was procured in FY2024, and no TAO-205s were procured in FY2025.) The first TAO-205 entered service in 2022, and a total of four were in service as of December 2024.

Beyond the 10 TAO-205s that have been procured through FY2025, H.R. 1, P.L. 119-21 of July 4, 2025—the FY2025 reconciliation act, commonly referred to as the One Big Beautiful Bill Act (OBBBA)—provided \$2,725.0 million (i.e., \$2.725 billion) in additional FY2025 funding for procuring more TAO-205s. Under H.R. 1, P.L. 119-21, this funding, which appears generally consistent with procuring three more TAO-205s, remains available for obligation through the end of FY2029, meaning that additional TAO-205s procured with this funding could be procured in one or more fiscal years through FY2029.

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An issue for Congress is whether to approve, reject, or modify the Navy's FY2026 budget submission for TAO-205 procurement. Congress's decisions on this issue could affect Navy capabilities and funding requirements and the U.S. shipbuilding industrial base.

Background

Navy Fleet Oilers

Role of Fleet Oilers

The primary role of Navy fleet oilers is to transfer fuel to Navy surface ships that are operating at sea, so as to extend the operating endurance of these surface ships and their embarked aircraft. Fleet oilers also provide other surface ships with lubricants, fresh water, and small amounts of dry cargo. Fleet oilers transfer fuel and other supplies to other surface ships in operations called

underway replenishments (UNREPs). During an UNREP, an oiler steams next to the receiving ship and transfers fuel by hose (see **Figure 1**, **Figure 2**, and **Figure 3**).¹

Figure 1. Fleet Oiler Conducting an UNREP



Source: Navy photo accessed May 5, 2014, at http://www.navy.mil/view_image.asp?id=163895. The Navy states that the photo is dated October 24, 2013, and shows the oiler *Tippecanoe* (TAO-199) extending its fuel probe to the Aegis cruiser *USS Antietam* (CG-54), a part of the *George Washington* (CVN-73) Carrier Strike Group, in the South China Sea.

Oilers are one kind of Navy UNREP ship; other Navy UNREP ships include ammunition ships, dry cargo ships, and multiproduct replenishment ships. The Navy's UNREP ships are known more formally as the Navy's combat logistics force (CLF). Most of the Navy's CLF ships are operated by the Military Sealift Command (MSC).

Although the role of fleet oilers might not be considered as glamorous as that of other Navy ships, fleet oilers are critical to the Navy's ability to operate in forward-deployed areas around the world

¹ The Navy states that

A typical connected replenishment starts when a warship makes an "approach" on a CLF ship. The CLF ship maintains steady course and speed while the "customer ship" approaches and comes alongside the CLF ship, matching course and speed. The distance between the two ships is usually between 120-200 feet. The CLF ship then passes heavy metal wires, to the customer ship, that are connected at the replenishment stations. These wires are placed under tension to support fuel hoses for refueling operations or trolleys that move pallets of provisions, ammunition, or other cargo from ship to ship. Ships with flight decks can also receive provisions and ammunition via vertical replenishment. During this evolution a helicopter transfers cargo in external sling loads, or in the case of mail or passengers, inside the helicopter.

(Statement of Mr. F. Scott DiLisio, Director, Strategic Mobility / Combat Logistics Division, Office of the Chief of Naval Operations, on the Logistics and Sealift Force Requirements and Force Structure Assessment Before the House Armed Services Committee Seapower and Projection Forces Subcommittee, July 30, 2014, p. 3.)

on a sustained basis. The U.S. Navy's ability to perform UNREP operations in a safe and efficient manner on a routine basis is a skill that many other navies lack. An absence of fleet oilers would significantly complicate the Navy's ability to operate at sea on a sustained basis in areas such as the Western Pacific or the Indian Ocean/Persian Gulf region.

Figure 2. Fleet Oiler Conducting an UNREP



Source: Cropped version of Navy photo accessed May 5, 2014, at http://www.navy.mil/view_image.asp?id=61415. The Navy states that the photo is dated July 13, 2008, and shows the oiler *Leroy Grumman* (TAO-195) refueling the frigate *Underwood* (FFG-36) during an exercise with the *Iwo Jima* (LHD-7) Expeditionary Strike Group in the Atlantic Ocean.

Figure 3. Fleet Oiler Conducting an UNREP



Source: Cropped version of Navy photo accessed May 5, 2014, at http://www.navy.mil/view_image.asp?id=1737. The Navy states that the photo is dated June 19, 2002, and shows the oiler *Walter S. Diehl* (TAO-193), at center, conducting simultaneous UNREPs with the aircraft carrier *John F. Kennedy* (CV-67) and the Aegis destroyer *Hopper* (DDG-70). CV-67, a conventionally powered carrier, has since retired from the Navy, and all of the

Navy's aircraft carriers today are nuclear powered. Even so, Navy oilers continue to conduct UNREPs with Navy aircraft carriers to provide fuel for the carriers' embarked air wings.

The Navy states that

the ability to rearm, refuel and re-provision our ships at sea, independent of any restrictions placed on it by a foreign country, is critical to the Navy's ability to project warfighting power from the sea.

As the lifeline of resupply to Navy operating forces underway, the ships of the Navy's Combat Logistic Force (CLF) enable Carrier Strike Groups and Amphibious Ready Groups to operate forward and remain on station during peacetime and war, with minimal reliance on host nation support.²

TAO Designation

Navy fleet oilers carry the designation TAO (also typed as T-AO). The T means the ship is operated by MSC with a mostly civilian crew; the A means it is an auxiliary ship of some kind; and the O means that it is, specifically, an oiler.

Existing Kaiser (TAO-187) Class Oilers

The Navy's older fleet oilers—the ships that are to be replaced by TAO-205s—are Henry J. Kaiser (TAO-187) class ships (**Figure 4**), or Kaiser-class oilers for short.³

Figure 4. Kaiser (TAO-187) Class Fleet Oiler



Source: Cropped version of U.S. Navy image accessed April 14, 2014, at <http://www.navy.mil/management/photodb/photos/130703-N-TG831-240.jpg>. (The oilers shown in **Figure 1**, **Figure 2**, and **Figure 3** are also Kaiser-class class oilers.)

² Statement of Mr. F. Scott DiLisio, Director, Strategic Mobility / Combat Logistics Division, Office of the Chief of Naval Operations, on the Logistics and Sealift Force Requirements and Force Structure Assessment Before the House Armed Services Committee Seapower and Projection Forces Subcommittee, July 30, 2014, pp. 2-3.

³ The oilers shown in **Figure 1**, **Figure 2**, and **Figure 3** are also Kaiser-class class oilers.

The Kaiser-class oilers were procured between FY1982 and FY1989 and entered service between 1986 and 1996. The ships were built by Avondale Shipyards of New Orleans, LA, a shipyard that eventually became part of the shipbuilding firm Huntington Ingalls Industries (HII). HII subsequently wound down Navy shipbuilding operations at Avondale, and the facility no longer builds ships. (HII continues to operate two other shipyards that build Navy ships.) Kaiser-class oilers have an expected service life of 35 years; the first ship in the class reached that age in 2021. Fourteen Kaiser-class oilers remained in service as of the end of FY2024, and the Navy's FY2025 30-year (FY2025-FY2054) shipbuilding plan calls for retiring seven of them during the period FY2025-FY2029.

TAO-205 Program

Program Name

TAO-205 is the Navy's next oiler after TAO-204, which is the final Kaiser-class oiler. On January 6, 2016, then-Secretary of the Navy Ray Mabus announced that the TAO-205 class ships will be named for "people who fought for civil rights and human rights,"⁴ and that the first ship in the class, TAO-205, which was procured in FY2016, was being named for Representative John Lewis,⁵ making TAO-205 one of a limited number of Navy ships that have been named for people who were living at the time that the naming announcement was made.⁶ TAO-205 class ships consequently are known as John Lewis-class oilers. On June 27, 2025, Secretary of Defense Pete Hegseth announced that the Department of the Navy would change the name of the second ship in the class, TAO-206, from *Harvey Milk* to *Oscar V. Peterson*. Secretary of the Navy John Phelan changed the ship's name the same day.⁷

Ship Design and Capabilities

TAO-205s (**Figure 5** and **Figure 6**) have capabilities similar to those of the Kaiser-class ships. To guard against oil spills, TAO-205s are double-hulled, like modern commercial oil tankers, with a space between the two hulls to protect the inner hull against events that puncture the outer hull. (The final Kaiser-class ships are double-hulled, but earlier ships in the class are single-hulled.)

Planned Total Procurement Quantity

Planned Total Procurement Quantity of 20

The required number of oilers largely depends on the numbers and types of other surface ships (and their embarked aircraft) to be refueled, and the projected operational patterns for these ships

⁴ Valerie Insinna, "Navy to Name Next Generation Oilers for Civil Rights Icons," *Defense Daily*, January 7, 2016. For more on the names of TAO-205 class ships, see CRS Report RS22478, *Navy Ship Names: Background for Congress*, by Ronald O'Rourke.

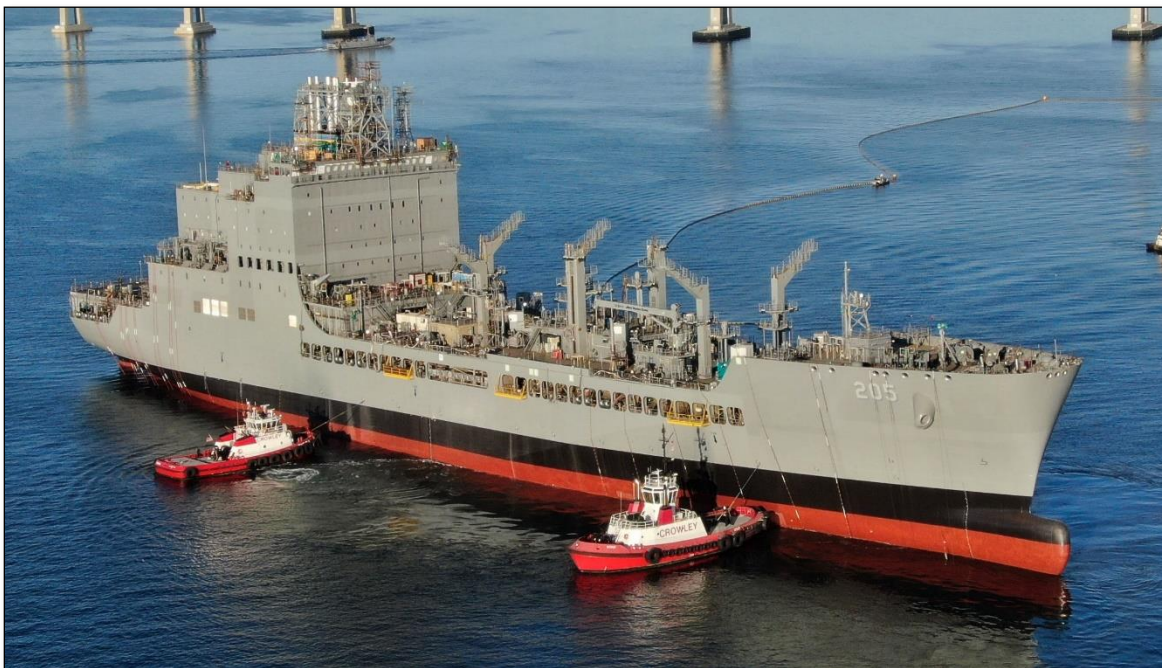
⁵ "Secretary of the Navy Ray Mabus Names Fleet Replenishment Oiler," *Navy News Service*, January 6, 2016; Sam LaGrone, "SECNAV Mabus Names First TAO(X) Next Generation Oiler After Rep. John Lewis," *USNI News*, January 6, 2016; "Navy to Name New Oiler after Civil Rights Icon," *Military.com*, January 6, 2020; Valerie Insinna, "Navy to Name Next Generation Oilers for Civil Rights Icons," *Defense Daily*, January 7, 2016.

⁶ Representative Lewis died on July 17, 2020. For more on Navy ships named for people who were living at the time that the naming announcement was made, see CRS Report RS22478, *Navy Ship Names: Background for Congress*, by Ronald O'Rourke.

⁷ For further discussion of the change in the ship's name, see CRS Report RS22478, *Navy Ship Names: Background for Congress*, by Ronald O'Rourke.

and aircraft. Navy plans call for procuring a total of 20 TAO-205s, and for supplementing these 20 ships with 13 additional light replenishment oilers (TAOLs) that are to be smaller and individually less expensive than TAO-205s. Another CRS report discusses the TAOL program in more detail.⁸

Figure 5. John Lewis (TAO-205)



Source: Cropped version of photograph accompanying National Steel and Shipbuilding Company, “General Dynamics NASSCO Launches First Ship in the T-AO Fleet Oiler Program for the U.S. Navy,” January 13, 2021.

Note: Launching is when a ship that is under construction is put into the water for the final phases of its construction.

Annual Procurement Quantities and Number in Service

The Navy procured the first TAO-205 in FY2016, and a total of 10 TAO-205s have been procured through FY2025 in annual procurement quantities for the period FY2016-FY2025 of 1-0-1-2-2-0-2-1-1-0. The first TAO-205 was delivered to the Navy on July 26, 2022; the second on July 11, 2023; the third on May 7, 2024; and the fourth on December 10, 2024.

Unit Procurement Cost

Under the Navy’s FY2026 budget submission, the two TAO-205s to be procured in FY2026 have an average estimated procurement cost of more than \$900 million each.

⁸ See CRS In Focus IF11674, *Navy Light Replenishment Oiler (TAOL) Program: Background and Issues for Congress*, by Ronald O'Rourke.

Builder

TAO-205s are being built by General Dynamics/National Steel and Shipbuilding Company (GD/NASSCO) of San Diego, CA, a shipyard that builds Navy auxiliaries, DOD sealift ships, and commercial cargo ships.

Figure 6. John Lewis (TAO-205)



Source: Cropped version of photograph accompanying Team Ships Public Affairs, “USNS John Lewis Conducts Builder’s Trials,” Naval Sea Systems Command, February 7, 2022.

Block Buy Contracts

The first six TAO-205s (TAOs 205 through 210) were procured under a block buy contract awarded to GD/NASSCO that was authorized by Section 127 of the FY2016 National Defense Authorization Act (NDAA) (S. 1356/P.L. 114-92 of November 25, 2015).⁹ In August 2022, the

⁹ It was earlier estimated that the block buy contract would reduce the procurement cost of the second through sixth TAO-205s by an average of about \$45 million each, compared to costs under the standard or default DOD approach of annual contracting. The Senate Armed Services Committee, in its report (S.Rept. 114-49 of May 19, 2015) on the FY2016 National Defense Authorization Act (S. 1376), stated,

Fleet replenishment oiler program (sec. 118)

The committee recommends a provision [Section 118] that would grant the Secretary of the Navy contracting authority to procure up to six fleet replenishment oilers (T-AO(X)). This new ship class is a nondevelopmental recapitalization program based on existing commercial technology and standards. The ship design is considered to be low risk by the Navy, with the design scheduled to be complete prior to the start of construction on the lead ship. This provision would generate an estimated \$45.0 million in savings per ship compared to annual procurement cost estimates. In addition, the provision would provide a long-term commitment to the shipbuilder and vendors, which would enable workforce stability and planning efficiency. (Pages 11-12)

The committee print that includes the legislative text and joint explanatory statement for the enacted FY2016 National Defense Authorization Act (S. 1356/P.L. 114-92 of November 25, 2015) stated,

Fleet replenishment oiler program (sec. 127)

The Senate amendment contained a provision (sec. 118) that would grant the Secretary of the Navy contracting authority to procure up to six fleet replenishment oilers (T-AO (X)). This new ship class is a non-developmental recapitalization program based on existing commercial technology and standards. The ship design is considered to be low risk by the Navy, with the design scheduled to be complete prior to the start of construction on the lead ship. This provision would enable an estimated \$45.0 million in savings per ship, for ships 2–6, for a total of \$225.0 million in savings compared to current annual procurement cost estimates.

(continued...)

Navy awarded GD/NASSCO a contract modification for two additional ships (TAOs 211 and 212). In May 2023, the Navy awarded GD/NASSCO a contract modification for a third additional ship (TAO-213).

The next eight TAO-205s (TAOs 214 through 221) are being procured under a block buy contract that was authorized by Section 128 of the FY2023 NDAA (H.R. 7776/P.L. 117-263 of December 23, 2022). The contract was awarded to GD/NASSCO on September 13, 2024.

Legislation Regarding U.S. Content Requirement for Certain Components

Section 845 of the FY2021 NDAA (H.R. 6395/P.L. 116-283 of January 1, 2021) amended 10 U.S.C. 2534 (a statute subsequently renumbered as 10 U.S.C. 4864) to include U.S. content requirements for certain components of TAO-205 class ships.

FY2026 Funding

Beyond the 10 TAO-205s that have been procured through FY2025, H.R. 1, P.L. 119-21, of July 4, 2025—the FY2025 reconciliation act, commonly referred to as the One Big Beautiful Bill Act (OBBBA)—provided \$2,725.0 million (i.e., \$2.725 billion) in additional FY2025 funding for procuring more TAO-205s. Under H.R. 1, P.L. 119-21, this funding, which appears generally consistent with procuring three more TAO-205s, remains available for obligation through the end of FY2029, meaning that additional TAO-205s procured with this funding could be procured in one or more fiscal years through FY2029.

The Department of Defense (DOD) characterizes its FY2026 budget submission as including two funding components:

- funding from H.R. 1, P.L. 119-21, that DOD intends to obligate for meeting certain FY2026 program needs, which DOD refers to in its budget submission as mandatory funding; and
- funding that DOD is requesting as part of its regular FY2026 budget request to meet other FY2026 program needs, which DOD refers to in its budget submission as discretionary funding.

In the funding tables of DOD's FY2026 budget submission, the column that DOD has labeled "FY 2026 Reconcil" or "FY26 Recon" is the first funding component listed above (funding from H.R. 1, P.L. 119-21, that DOD intends to obligate for meeting certain FY2026 program needs), and the column that DOD has labeled "FY 2026 Request" or "FY26 Base" is the second funding component listed above (funding that DOD is requesting as part of its regular FY2026 budget request to meet other FY2026 program needs). DOD prepared its FY2026 budget submission prior to the enactment of H.R. 1. Consequently, amounts shown in the "FY 2026 Reconcil" or "FY26 Recon" column of DOD's budget tables reflect DOD estimates of funding amounts that

(114th Congress, 1st Session, Committee Print No. 2, *National Defense Authorization Act for Fiscal Year 2016, Legislative Text and Joint Explanatory Statement to accompany S. 1356*, P.L. 114-92, November 2015, Printed for the use of the Committee on Armed Services of the House of Representatives, p. 608).

The Navy states that about \$35 million of the \$45 million in per-ship savings will come from using advance procurement (AP) funding for batch-ordering TAO-205 components. The Navy states that this use of AP funding could have occurred under annual contracting, and that the savings that are intrinsic to the block buy contract are thus about \$10 million per ship. (Source: Navy briefing on TAO-205 program for CRS and CBO, April 12, 2019.)

would eventually be provided by H.R. 1. In some cases, these estimated amounts *may not be consistent* with actual amounts that were eventually provided by H.R. 1, P.L. 119-21.

The Navy characterizes its budget submission for procuring more TAO-205s in FY2026 as follows:

- \$1,853.4 million in funding from H.R. 1, P.L. 119-21, to be used for paying about 99.6% of the estimated combined cost of procuring two more TAO-205s in FY2026; and
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Issues for Congress

FY2026 Budget Submission for TAO-205 Procurement

An issue for Congress is whether to approve, reject, or modify the Navy's budget submission for procuring TAO-205s in FY2026. In considering this issue, key questions include how many TAO-205s to procure in FY2026, and to what degree funding from H.R. 1, P.L. 119-21, should be used to fund TAO-205s that are procured in FY2026.

The question of to what degree funding from H.R. 1, P.L. 119-21, should be used to fund ships procured in FY2026 is a question not only for the TAO-205 program, but for other Navy shipbuilding programs as well: The Navy's budget submission calls for using funds from H.R. 1, P.L. 119-21, to procure 16 of the 19 ships that are requested for procurement in FY2026, and about 56.0% of the funding in the Navy's budget submission for the Navy's FY2026 shipbuilding account¹⁰—\$26.544 billion out of a total of \$47.384 billion—is to come from H.R. 1, P.L. 119-21. Considered separately, the remaining \$20.840 billion for the Navy's FY2026 shipbuilding account that is requested as part of the Navy's regular FY2026 budget request is about 46.6% less than \$39.023 billion that was appropriated for the Navy's shipbuilding account in FY2023.

A key question is whether shipbuilding procurement funding in H.R. 1, P.L. 119-21, should be treated as being supplemental to funding authorized in annual NDAA's and appropriated in annual DOD Appropriations Acts, or instead as funding that is to be substituted for funding that would otherwise be authorized in annual NDAA's and appropriated in annual DOD Appropriations Acts. At a June 10, 2025, hearing before the Senate Armed Services Committee on the Department of the Navy's FY2026 budget submission, the chairman of the committee, Senator Roger Wicker stated in his opening remarks:

I must say, I am deeply disappointed with the Administration's fiscal year 2026 budget request for the Navy. In particular, I am disturbed about the shipbuilding account, which plummeted to \$20.8 billion from last year's \$37 billion—\$20.8 billion down from last year's \$37 billion. This shortfall reflects efforts to game the budget in anticipation of

¹⁰ The formal name for the Navy's shipbuilding account is the Shipbuilding and Conversion, Navy (SCN) account.

congressional reconciliation funds, which were intended as supplemental, not a substitute.¹¹

On July 22, 2025, the chairmen of the House and Senate Armed Services Committees sent to DOD a letter with attached funding tables showing the intent of the two committees for using defense funding provided in H.R. 1, P.L. 119-21. For the funding provided for the TAO-205 program, the table includes a notation stating “Navy to send spend plan to SASC/HASC for quick confirmation.” (This notation is also used for several other entries in the table.)

Issues Discussed in June 2025 GAO Report and January 2025 DOT&E Report

June 2025 GAO Report

A June 2025 GAO report—the 2025 edition of an annual GAO report assessing major DOD acquisition programs—stated the following about the TAO-205 program:

Current Status

Since our last assessment, the program delivered the third ship (T-AO 207). The next seven ships are all tracking to deliver to the rebaselined schedule that we previously reported.

In September 2024, the program awarded a contract for eight ships using specific authority granted by Congress. The Navy expects this contracting approach to save money over contracting for each ship individually. However, there is still an increased average cost per ship because, per program officials, the program is experiencing higher material pricing following the COVID-19 pandemic and is allowing for a fair profit for the shipbuilder and suppliers.

Some key events, such as Initial Operational Test and Evaluation, were delayed since our last report. Program officials stated that these delays are affected by the availability of other fleet ships to participate in testing. The program office stated that T-AO completed its final significant test event in December 2024, a 16-month delay from the previous estimate. The program expects this delay to push planned initial operational capability from February 2024 to March 2025 and the full-rate production decision from March 2024 to July 2026. However, program officials noted that they expect the lead ship to be available to support the fleet in 2025. This availability includes overseas deployment, even if initial operational capability is further delayed due to more testing delays.

Program officials noted that user feedback from the lead ship drove improvements, such as modification of the ship’s water purification system to one that worked better.

Program Office Comments

We provided a draft of this assessment to the program office for comment and incorporated the program’s technical comments as appropriate. The program stated that T-AO 208 was delivered in December 2024, 3 months before the Navy’s planned delivery. It said that T-AO 209-214 delivery dates remain stable and that T-AO 206 successfully completed the final test demonstration with a carrier and destroyer in December 2024, putting the program on track to declare initial operational capability. The program noted that despite continued

¹¹ Transcript of hearing posted by the committee. See also Mallory Shelbourne and Sam LaGrone, “FY 2026 Budget: Future of F/A-XX, Frigate Unclear; \$47.2B Shipbuilding Budget Split Between Base Request, Reconciliation,” *USNI News*, June 26, 2025.

material cost growth above projected market indices, overall cost performance is stabilizing as the program moves into serial production.¹²

January 2025 DOT&E Report

A January 2025 report from DOD’s Director, Operational Test and Evaluation (DOT&E)—DOT&E’s annual report for FY2024—stated the following about the TAO-205 program:

TEST ADEQUACY

The Navy evaluated cyber survivability of T-AO 205 in FY23. Testing to assess T-AO 205’s cyber survivability posture and the crew’s ability to conduct their mission in a cyber-contested environment was conducted in accordance with the DOT&E-approved test plan and observed by DOT&E. Between April 2024 and September 2024, OPTEVFOR [the Navy’s Operational Test and Evaluation Force] conducted IOT&E [Initial Operational Test and Evaluation] aboard USNS Harvey Milk (TAO 206) in accordance with the DOT&E-approved test plan and with DOT&E observation. This testing continued IOT&E detailed in the FY23 Annual Report. The Navy expects to complete IOT&E in FY25. Testing could not demonstrate transfer to all ship classes within the IOT&E test design due to their unavailability during test execution, as well as limited T-AO 206 crew manning that could not support one test. Some remaining test events may move to FOT&E [Follow-on Operational Test And Evaluation] after sufficient data are available to determine overall operational effectiveness and suitability.

In September 2024, the Navy provided a verification and validation report for the modeling and simulation (M&S) tool used to predict the vulnerability of the ship to threat weapons. As part of the accreditation of the M&S used in assessing ship survivability, the Navy identified that modeling limitations prevent a representative prediction of damage from underwater weapons. The Navy plans to provide a Total Ship Survivability Trial (TSST) Report in FY25. TSST is a shipboard trial which simulated the damage from weapon events to evaluate the ability of the ship to implement effective damage control and maintain mission capability. TSST was conducted aboard USNS John Lewis in July of 2023. The Navy plans to issue the Final Survivability Assessment Report (FSAR) for T-AO 205 in FY25. The FSAR is a compilation report that details the findings from all T-AO 205 LFT&E [Live Fire Test and Evaluation] tests and analysis over the course of the program, including TSST and predictions from M&S. As identified above, the M&S tool could not be fully accredited for its use in LFT&E analysis.

PERFORMANCE

EFFECTIVENESS AND SUITABILITY

Insufficient data are available to determine operational effectiveness and suitability of the TAO-205-class. T-AO 205-class has successfully demonstrated the capability to deliver fuel and cargo, including vertical replenishment with multiple aircraft types, to a subset of Navy ship classes within the IOT&E test design. Ship manning has not yet been sufficient to evaluate the most stressing operations for the T-AO 205-class. DOT&E will report operational effectiveness and suitability after completion of IOT&E that the Navy expects to occur in FY25.

SURVIVABILITY

Analysis of platform survivability is ongoing. The M&S limitations are expected to constrain determination of ship survivability against underwater weapons. However, the findings of the FSAR and associated testing are expected to still support determination of

¹² Government Accountability Office, *Weapon Systems Annual Assessment[:]* *DOD Leaders Should Ensure That Newer Programs Are Structured for Speed and Innovation*, GAO-25-107569, June 2025, p. 153.

LFT&E critical issues for the T-AO 205-class, including recommendations for potential design improvements for ship survivability against threat weapons. DOT&E will report platform and cyber survivability within a classified IOT&E report after completion of IOT&E that the Navy expects to occur in FY25.

RECOMMENDATION

The Navy should:

1. Complete the remaining IOT&E as soon as feasible in FY25.¹³

TAO-205 Ship Self-Defense Equipment

Another issue for Congress is whether to encourage or direct the Navy to build TAO-205s with more ship self-defense equipment than currently planned by the Navy. The issue relates to how changes in the international security environment might affect how the Navy operates and equips its underway replenishment ships. For additional background information on this issue, see **Appendix A**.

Legislative Activity for FY2026

Summary of Congressional Action on FY2026 Budget Submission for Procurement

Table 1 summarizes congressional action on the Navy's FY2026 budget submission for procurement of TAO-205s.

Table 1. Congressional Action on FY2026 Funding for TAO-205s

Millions of dollars, rounded to nearest tenth

	A	B	C	D	Authorization (FY26 NDAA)			Appropriation (FY26 DOD Appropriations Act)		
					HASC	SASC	Enacted	HAC	SAC	Enacted
Proc.	2,725.0	1,853.4	8.3	1,861.7	8.3	8.3		1,657.4	8.3	
(Qty)	<i>n/a</i>	(2)	(0)	(2)	(2)	(2)		(2)	(2)	
AP	0	0	0	0	0	0		0	0	
CTC	0	76.8	19.2	96.0	<i>n/a</i> ^a	96.0		21.0	76.8	

Source: Navy FY2026 budget submission, committee and conference reports, and explanatory statements on FY2026 National Defense Authorization Act and FY2025 DOD Appropriations Act.

Notes: **Column A** is total procurement funding provided for the program in H.R. 1, P.L. 119-21, which is available for obligation through FY2029. **Column B** is funding from H.R. 1, P.L. 119-21, that Navy wants to use for FY2026 procurement. **Column C** is funding requested as part of Navy's regular FY2026 budget request. **Column D**—the sum of B and C—is how Navy characterizes its FY2026 budget submission for the program. **HASC** is House Armed Services Committee; **SASC** is Senate Armed Services Committee; **HAC** is House Appropriations Committee; **SAC** is Senate Appropriations Committee. Cost-to-complete funding. **Proc.** is procurement funding; **Qty.** is ship quantity; **AP** is advance procurement funding; **CTC** is cost-to-complete funding, also known as completion of PY (prior-year) shipbuilding programs, which is funding for the completion of ships procured in prior fiscal years. CTC funding is generally provided to cover cost growth on prior-year-funded ships.

¹³ Director, Operational Test & Evaluation, *FY 2024 Annual Report*, January 2025, pp. 277-278.

- a. The Navy's FY2026 budget submission requested a total of \$1,214.3 million in new FY2026 CTC funding for multiple Navy shipbuilding programs. The HASC report recommends reducing this request by \$250.0 million for "Program decrease" but does not specify how much of this reduction, if any, is to be applied to the TAO-205 program. (Page 456)

FY2026 National Defense Authorization Act (H.R. 3838/S. 2296)

House

The House Armed Services Committee, in its report (H.Rept. 119-231 of August 19, 2025) on H.R. 3838, recommended the funding levels shown in the HASC column of **Table 1**.

Senate

The Senate Armed Services Committee, in its report (S.Rept. 119-39 of July 15, 2025) on S. 2296, recommended the funding levels shown in the SASC column of **Table 1**.

FY2026 DOD Appropriations Act (H.R. 4016/S. 2572)

House

The House Appropriations Committee, in its report (H.Rept. 119-162 of June 16, 2025) on H.R. 4016, recommends the funding levels shown in the HAC column of **Table 1**. The House Appropriations Committee marked up H.R. 4016 prior to DOD's release of certain FY2026 budget documents, and as a consequence used figures projected for FY2026 in DOD's FY2025 budget submission as a reference guide. The funding figures of \$1,657.4 million for procurement of two ships and \$21.0 million in cost-to-complete funding match the projected figures for FY2026 for these items in the Navy's FY2025 budget submission.

Section 8091(a), a recurring provision, states,

SEC. 8091. (a) None of the funds provided in this Act for the TAO Fleet Oiler program shall be used to award a new contract that provides for the acquisition of the following components unless those components are manufactured in the United States: Auxiliary equipment (including pumps) for shipboard services; propulsion equipment (including engines, reduction gears, and propellers); shipboard cranes; spreaders for shipboard cranes; and anchor chains, specifically for the seventh and subsequent ships of the fleet.

Senate

The Senate Appropriations Committee, in its report (S.Rept. 119-52 of July 31, 2025) on S. 2572, recommends the funding levels shown in the SAC column of **Table 1**.

Section 8091(a), a recurring provision, states,

SEC. 8091. (a) None of the funds provided in this Act for the TAO Fleet Oiler program shall be used to award a new contract that provides for the acquisition of the following components unless those components are manufactured in the United States: Auxiliary equipment (including pumps) for shipboard services; propulsion equipment (including engines, reduction gears, and propellers); shipboard cranes; spreaders for shipboard cranes; and anchor chains, specifically for the seventh and subsequent ships of the fleet.

Appendix A. TAO-205 Ship Self-Defense Equipment

This appendix provides additional background information on the issue of whether to encourage or direct the Navy to build TAO-205s with more ship self-defense equipment than currently planned by the Navy.

During the Cold War, the Navy procured underway replenishment ships to support a two-stage approach to underway replenishment in which single-product “shuttle” ships (such as oilers, ammunition ships, and dry stores ships) would take their supplies from secure ports to relatively safe mid-ocean areas, where they would then transfer them to multiproduct “station” ships called TAOEs and AORs. The TAOEs and AORs would then travel to Navy carrier strike groups operating in higher-threat areas and transfer their combined supplies to the carrier strike group ships. As a result, single-product shuttle ships were equipped with lesser amounts of ship self-defense equipment, and TAOEs and AORs were equipped with greater amounts of such equipment.

When the Cold War ended and transitioned to the post-Cold War era, threats to U.S. Navy ships operating at sea were substantially reduced. As a consequence, the amount of ship self-defense equipment on the TAOEs and AORs was reduced, and a single-stage approach to underway replenishment, in which oilers and dry stores ships took supplies from secure ports all the way to carrier strike group ships, was sometimes used.

Now that the post-Cold War era has transitioned to a new strategic environment featuring renewed great power competition with countries like China and Russia,¹⁴ and a consequent renewal of potential threats to U.S. Navy ships operating at sea, the question is whether TAO-205s should be equipped with lesser amounts of ship self-defense equipment, like oilers were during both the Cold War and post-Cold War eras, or with greater amounts of ship self-defense equipment, like TAOEs and AORs were during the Cold War. Building TAO-205s with more ship self-defense equipment than currently planned by the Navy could increase TAO-205 procurement costs by tens of millions of dollars per ship, depending on the amount of additional ship self-defense equipment.

Section 1026 of the FY2016 National Defense Authorization Act (S. 1356/P.L. 114-92 of November 25, 2015) required an independent assessment of the Navy’s combat logistics force ships. The report was delivered to Congress in February 2016. A copy of the report was posted by the media outlet Politico on March 11, 2016. The report states the following:

The T-AO(X) will only have a limited capability to defeat a submarine launched torpedo attack and no capability to defeat a missile attack. When delivered, the TAO(X) will have:

—[the] NIXIE Torpedo Countermeasure System [for decoying certain types of torpedoes]

—[the] Advanced Degaussing System (Anti-Mine) [for reducing the ship’s magnetic signature, so as to reduce the likelihood of attack by magnetically fused mines]

When required, the T-AO(X) will also have ability to embark Navy Expeditionary Combat Command Expeditionary Security Teams (EST). The ESTs will embark with several crew served weapons and are designed to provide limited self-defense against a small boat attack.

¹⁴ For more on this transition, see CRS Report R43838, *Renewed Great Power Competition: Implications for Defense—Issues for Congress*, by Ronald O'Rourke.

The T-AO(X) will have Space, Weight, Power and Cooling (SWAP-C) margins for future installations of the following systems:

—[the] Close In Weapon System (CIWS) or SeaRAM (Rolling Airframe Missile) [for defense against missile attack]

—[the] Anti-Torpedo Torpedo Defense System (ATTDS) [for destroying torpedoes]

Even after the installation of a CIWS or ATTDS, if the T-AO(X) was to operate in anything other than a benign environment, the ship will require both air and surface escorts.

The decision to rely on [other] Fleet assets to provide force protection [i.e., defense against attacks] for the T-AO(X) was validated by the JROC [in June 2015].¹⁵

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¹⁵ Department of the Navy, *Report to Congress on Requirements for the Fleet Replenishment Oiler, T-AO(X)*, February 2016 (with cover letter dated February 12, 2016), p. 8. The report was posted by Politico on March 11, 2016, at <http://static.politico.com/1e/e0/f26a9fb1471aacd5358c420fcf10/navy-oiler-report.pdf>, and accessed by CRS on March 15, 2016.