



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO

OPNAVINST 4770.5G
N8

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OPNAV INSTRUCTION 4770.5G

From: Chief of Naval Operations

Subj: GENERAL POLICY FOR THE INACTIVATION, RETIREMENT, AND
DISPOSITION OF U.S. NAVAL VESSELS

Ref: (a) OPNAVINST 4780.6E
(b) OPNAVINST 5090.1C
(c) Naval Ships Technical Manual, Chapter 050
(d) SECNAVINST 4900.50
(e) OPNAVINST 5400.44
(f) SECNAVINST 5030.8
(g) Section 2244(a) of Title 10, United States Code
(h) OPNAVINST 4730.5P
(i) OPNAVINST 4730.7E
(j) OPNAVINST 4440.19E

Encl: (1) GENERAL POLICY FOR THE INACTIVATION, RETIREMENT, AND
DISPOSITION OF U.S. NAVAL VESSELS

1. Purpose. To set forth the policy and guidance for the inactivation, transfer, and disposal of vessels of the United States Navy and the administration of those assets following inactivation. This instruction has been revised substantially and should be reviewed in its entirety. Throughout the instruction, the term "vessel" refers to all naval ships and service craft. Additional guidance specific to retirement and disposal of service craft can be found in reference (a).
2. Cancellation. OPNAVINST 4770.5F and OPNAVINST 5440.76A.
3. Definitions. See appendix A.
4. Background. Inactive vessels designated as retention assets form a reserve of sea power. It is the Navy's objective to hold the future mobilization assets designated for long-term retention in a state of preservation consistent with available funds.

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a. Inactive vessels will be maintained in the highest practicable state of preservation that is consistent with their inactive status, available funds, and higher priority Navy requirements for material as determined by the Chief of Naval Operations (CNO). Deputy Chief of Naval Operations (DCNO) (Integration of Capabilities and Resources) (CNO) (N8) will review the composition of the inventory of inactive ships and their material condition to determine the numbers of vessels to be held in the various categories of readiness as well as identifying which vessels will be sold, leased, donated, or disposed of as part of the ship disposition process.

b. Nuclear-powered ships and submarines are de-fueled during the inactivation process. These vessels, having no further useful life, are not relied on as a reserve of sea power.

c. Inactivation, storage, maintenance, and preparation for disposal of Navy vessels must comply with applicable Federal, State, and local laws and regulations for the protection of natural, cultural, and historic resources and minimize pollution and hazardous waste. Reference (b) provides guidance for matters concerning environmental protection compliance that will be stringently adhered to in the implementation of this instruction.

5. Scope and Applicability

a. This instruction applies to all conventionally-powered and non-self propelled vessels of the United States Navy that are listed in the Naval Vessel Register (NVR).

b. This instruction also applies to the inactivation of nuclear-powered ships and submarines, ships and service craft with nuclear support spaces, and nuclear engineering and nuclear support facilities as governed by instructions implemented by the Commander, Naval Sea Systems Command (COMNAVSEASYS COM). This instruction does not supersede or change responsibilities and authorities of the Director, Naval Nuclear Propulsion Program, as outlined in Executive Order 12344, which is codified by section 7158 of Title 42, United States Code (U.S.C.), section 2406 of Title 50, U.S.C.

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c. Enclosure (1) of this directive provides policy guidance for administering the inactivation, maintenance, storage, and ultimate disposition of naval vessels.

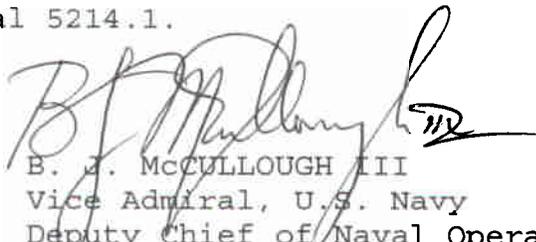
6. Action. Addressees are responsible for implementing and administering the policies and guidance found herein. COMNAVSEASYSKOM is the Navy's agent in matters pertaining to the inactivation, maintenance, storage, and disposal of naval vessels and will issue additional procedures as necessary to ensure the uniform compliance with the policies herein. The major stakeholders' roles and responsibilities are outlined in chapter 1 of enclosure (1).

7. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed in accordance with Secretary of the Navy (SECNAV) Manual 5210.1.

8. Forms and Reports

a. OPNAV 4790/CK, Ship's Configuration Change Form, may be obtained using requisitioning procedures contained in Naval Forms Online at <https://navalforms.daps.dla.mil>.

b. The reports required by this instruction are exempt from reports control by SECNAV Manual 5214.1.



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DEPARTMENT OF THE NAVY



**GENERAL POLICY FOR THE INACTIVATION, RETIREMENT,
AND DISPOSITION OF U.S. NAVAL VESSELS**

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CHAPTER 1
ROLES AND RESPONSIBILITIES

1. General. This chapter identifies the roles and responsibilities of the major stakeholders involved with the retirement, transfer, disposition, and disposal of U.S. naval vessels.

2. Chief of Naval Operations (CNO)

a. Inactive Ships Requirements and Resource Sponsor (Office of the Chief of Naval Operations (OPNAV) (N8F))

(1) Provide ship inactivation and disposition policy guidance.

(2) Serve as the requirements and resource sponsor for the maintenance, disposition, and disposal of ships in the inactive ship inventory. Maintain oversight over the ship inactivation funding account throughout the Planning, Programming, Budgeting, and Execution (PPBE) process. After the first year of lay-up in the inactive fleet, fund the inactive ship and facility maintenance costs for the retention and non-retention assets.

(3) Manage the ship disposition decision process, including chairing the Ship Inactivation Decision (SID) and Ship Disposition Review (SDR) conferences, and provide all information, including status changes to those vessels already in the inactive ship inventory to the CNO for approval.

(4) Assign disposition categories for all ships scheduled for inactivation/decommissioning/deactivation, including those vessels designated to support Fleet training requirements, experimental use, and those being disposed of via donation, interagency or foreign military transfer, artificial reefing, and dismantling.

(5) Initiate correspondence to the Secretary of the Navy (SECNAV), recommending the striking of ships from the Naval Vessel Register (NVR) prior to removal from the Navy's inventory as recommended by the CNO.

(6) Coordinate decisions regarding changes in the method of disposal once a vessel is recommended for disposal and is struck from the NVR.

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(7) Coordinate with the OPNAV resource and platform sponsors, Commander, U.S. Fleet Forces Command (COMUSFLTFORCOM), and Board of Inspection and Survey (INSURV) the Fleet request to waive decommissioning survey as described in chapter 9 of this instruction.

b. CNO Ship Resource and Platform Sponsors: Strategic Sealift/Combat Logistics Force (OPNAV (N42)), Expeditionary Warfare (OPNAV (N85)), Surface Warfare (OPNAV (N86)), Submarine Warfare (OPNAV (N87)), and Air Warfare (OPNAV (N88))

(1) Support the SDR process.

(2) Provide OPNAV (N8F) with the Future Years Defense Program's (FYDP) decommissioning schedule and determine future mobilization requirements.

(3) Budget and program funds through the PPBE process for the planning and execution of the nuclear powered ship inactivation, disposal, and recycling program to support inactivations that are scheduled across the FYDP.

(4) Budget and program funds for non-nuclear ship inactivations and costs that are associated with the first year's maintenance in the inactive ship inventory. Provide OPNAV (N8F) with funding profiles for ships that are scheduled to be inactivated across the FYDP throughout the PPBE process.

(5) Assist in the reprogramming of funds necessary to execute ship inactivations when ship decommissioning dates are accelerated that do not allow Program Objective Memorandum (POM) programming or when planned Foreign Military Sale (FMS) hot ship transfers become non-executable.

(6) Coordinate with Commander, Naval Sea Systems Command (COMNAVSEASYS COM) and Military Sealift Command (MSC) ship program managers and life cycle managers for modernization planning and execution requirements to mobilize assets.

(7) Coordinate with OPNAV (N8F) and Naval Sea Systems Command (NAVSEA) when directing a hot ship transfer of a decommissioning vessel to another Department of Defense (DoD) service, Federal, State, or local government or non-government agency.

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(8) Coordinate and fund the removal of non-transferable technology equipment for ships designated for foreign military transfer.

c. Director, Navy Staff (DNS)

(1) Support the SDR process.

(2) Staff the Organizational Change Request (OCR) for the inactivation of nuclear-powered vessels and subsequent decommissioning/deactivation of naval vessels to the appropriate OPNAV N-code for review, including Manpower Personnel Education and Training (CNO (N1)); Operations (CNO (N3)); Fleet Readiness (OPNAV (N43)); Shore Infrastructure (OPNAV (N46)); Communications Networks (CNO (N6)); OPNAV (N8F); Programming Division (OPNAV (N80)); and Financial Management and Budget Division (OPNAV (N82)), as well as the appropriate CNO ship resource and platform sponsors, which include Navy Reserve (CNO (N095)), OPNAV (N42), OPNAV (N85), OPNAV (N86), OPNAV (N87), and OPNAV (N88).

d. CNO (N1)

(1) Support the SDR process.

(2) Coordinate manning level requirements for ships scheduled to inactivate with the ship's commanding officer.

e. OPNAV (N43)

(1) Support the SDR process.

(2) Act as the resource sponsor for environmental preparations on ships that are designated for use in a fleet training exercise.

(3) Authorize the use of environmentally-remediated vessels in a fleet training exercise in accordance with reference (b).

(4) Validate all Fleet requests for vessels used in support of fleet training exercises.

f. Director, Environmental Readiness (OPNAV (N45))

(1) Support the SDR process.

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(2) Coordinate all actions (described in chapter 5) for any vessels that are used in support of fleet training exercises, reefing, experimental use, such as Live Fire Test and Evaluation (LFT&E) or Weapons Effect Testing (WET), or other.

g. OPNAV (N46)

(1) Act as resource sponsor for service craft program.

(2) Recommend striking of service craft from the NVR to the Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN (RDA)).

h. Navy History and Heritage Command (OPNAV (N09BH))

(1) Support the SDR process.

(2) Perform a curator survey on ships that are scheduled to inactivate within 12 months of the date of inactivation.

(3) Collect, preserve, and exhibit naval relics, trophies, paintings, and other memorabilia of historical significance from inactivating vessels.

(4) Coordinate the removal of designated items as described in chapter 10.

(5) Coordinate the submission and disposition of the vessel's final command history and historical records to OPNAV (N09BH)'s Naval Warfare Division, Ships Histories Branch, and Type Commanders (TYCOMs) with the responsible vessel custodian.

i. Strategy and Policy Division (OPNAV (N5SP))

(1) Support the SDR process.

(2) Provide OPNAV (N8F) with foreign transfer requirement projections and status of Foreign Military Lease (FML) ships.

(3) Coordinate foreign ship transfer with Navy International Programs Office (IPO), OPNAV (N8F), NAVSEA, and the Fleet.

(4) Coordinate with the Navy IPO to advise OPNAV (N8F) and NAVSEA of pending FML expirations and recommend a disposition.

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(5) Coordinate with the Navy IPO to advise OPNAV (N8F) when international partners no longer have viable interest in vessels that are on hold for foreign ship transfer.

(6) Coordinate with Navy IPO and NAVSEA on identifying non-transferable technology equipment.

3. Board of INSURV

a. Support the SDR process.

b. Conduct a survey on vessels that are scheduled to inactivate and be retained in an Out of Commission, In Reserve (OCIR) or Out of Service, In Reserve (OSIR) status and on vessels that are scheduled for FMS transfer within the 12-month period prior to the planned inactivation date unless waived by OPNAV (N8F).

c. Conduct surveys on inactive ships as needed.

d. Conduct surveys on service craft according to the guidance outlined in reference (a).

4. COMNAVSEASYSKOM

a. Support the SDR process.

b. Disseminate additional procedures as necessary to comply with the policies and guidelines herein, which will aid in ensuring compliance by claimant activities.

c. Perform command and support responsibilities assigned to the NAVSEA Inactive Ships Management Office (INACTSHIPOFF), Portsmouth, VA, and the NAVSEA Inactive Ships On-site Maintenance Offices (INACTSHIPMAINTOs).

d. Provide for the custody, security, maintenance, and readiness of vessels assigned to NAVSEA INACTSHIPOFF except for MSC mobilization assets; formerly nuclear-powered ships and submarines and vessels with nuclear-powered support spaces that are berthed at a naval shipyard and are the responsibility of that yard; and inactive ships that are still in TYCOM custody prior to turnover to an INACTSHIPMAINTO.

e. Develop and disseminate a ship inactivation plan that is in accordance with the OPNAV assigned ship disposition.

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f. Provide execution funding as programmed by the CNO ship resource and platform sponsors to support inactivation work to be completed by the Fleet and INACTSHIPMAINTOs.

g. Accept inactivated/decommissioned/deactivated ships upon arrival at the INACTSHIPMAINTO for vessels that have been laid up in accordance with reference (c) and the ship's inactivation plan.

h. When authorized, prepare vessels that are in the inactive ships inventory for final disposal.

i. Manage and execute the disposal of vessels.

j. Implement the foreign transfers of inactive service craft under NAVSEA custody per reference (d).

k. Identify and coordinate removal of non-transferable technology equipment.

l. Execute the FMS program as directed by the Navy IPO. Provide additional instructions to the Fleet, in coordination with OPNAV (N8F), regarding the preparation of ships for FMS transfer. Coordinate case funding for the execution of FMS transfer requirements (i.e., funding for any alterations or improvements, ship transfer support, inactive equipment maintenance, vessel storage, and preservation requirements).

m. Coordinate with OPNAV (N8F) before authorizing the removal of equipment from assets that are designated for FMS and donation hold.

n. Specify the payback requirements when responding to cannibalization requests.

o. Provide program and budget requirements to OPNAV (N8F) for the inactivation, maintenance, and disposal of naval vessels. Provide OPNAV (N8F) with funding profiles and execution status reports for non-nuclear and nuclear-powered inactive vessels as requested.

p. Execute ship inactivation funds from the ship resource and platform sponsors. Coordinate budget preparation and financial administration for all ship inactivations and vessel disposals for which funds have been provided.

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- q. Recommend changes to ship disposition assignments to OPNAV (N8F).
- r. Submit proposals for inspections of inactive ships that are under NAVSEA responsibility to President of the Board of Inspection and Survey (PRESINSURV) as necessary.
- s. Initiate correspondence to ASN (RDA) to strike service craft from the NVR.
- t. Certify vessels used in support of fleet training exercises, LFT&E, or WET testing have been prepared to environmental standards.
- u. Prepare an annual report for submission by OPNAV (N45) to the Environmental Protection Agency (EPA) administrator for vessels sunk during Navy fleet training exercises within the preceding calendar year.
- v. Coordinate the removal of equipment from retention assets to support Fleet requirements where payback replacement exceeds 6 months or a waiver of payback is requested and notify OPNAV (N8F) and CNO resource and platform sponsors.

5. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM)
(Silver Program Office)

- a. Support the SDR process.
- b. Act as the program manager for silver service items. Coordinate the custody and preservation of silver service items aboard vessels.
- c. Coordinate the removal and disposition of silver service items during the decommissioning and disposal process.

6. COMUSFLTFORCOM/Commander, U.S. Pacific Fleet (COMPACFLT)

- a. Support the SDR process.
- b. Execute the policies and orders of this instruction.
- c. Issue implementing directives as necessary and ensure compliance by subordinate activities.
- d. Coordinate with TYCOMs and numbered Fleet commanders an inactivation stand down period for ships required to inactivate,

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decommission, or deactivate via the quarterly scheduling conference. Numbered Fleet commanders are responsible for hosting quarterly scheduling conferences.

e. In coordination with the TYCOM for nuclear-powered ships, submit an OCR, in accordance with reference (e), providing notification to CNO (DNS) on the planned inactivation availability start date within the CNO approved inactivation Fiscal Year (FY) and the projected decommissioning date. Additional guidance can be found in chapter 3. Update the OCR as required based on changes to the inactivation timeline.

f. In coordination with the TYCOM, for non-nuclear powered ships, submit an OCR, in accordance with reference (e), providing formal notification to CNO (DNS) on a decommission date for the ship.

g. In coordination with commanding officers and masters for all ships, submit naval messages to the Standard Naval Distribution List (SNDL) address "CNO WASHINGTON DC// N8F//" and the ship's chain of command as follows:

(1) For nuclear powered ships, a message reporting the actual inactivation availability start date and a subsequent message reporting the actual decommissioning date.

(2) For non-nuclear powered ships designated United States Ship (USS)/United States Naval Ship (USNS), a message announcing the decommissioning/deactivation date, normally transmitted in conjunction with the decommissioning or deactivation ceremony. The decommissioning/deactivation message shall "INFO" all appropriate support activities, including OPNAV (N09BH) and give a brief history of the significant events in the life of the ship.

h. Coordinate the appropriate manning level required to support the ship's inactivation (see chapter 8 for additional information).

i. Execute Operational Control (OPCON)/Administrative Control (ADCON) of a ship that is scheduled for inactivation/safe stowage until the ship has been delivered to NAVSEA's custody at the INACTSHIPMAINTO.

j. Oversee the planning and execution of ship inactivations. Provide barge support for duty crew messing and berthing during inactivation availabilities. Provide funding

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for Intraservice Supply Support Operations Team offload of ship's spare parts during ship inactivation when a ship is to be struck from the NVR. For nuclear ships, coordinate with NAVSEA as appropriate.

k. Comply with additional NAVSEA directives for execution of the inactivation process.

l. Coordinate directly with OPNAV (N8F) prior to altering the inactivation schedule of a ship that is previously designated for hot ship transfer to a foreign country.

m. Act as the implementing agent for foreign hot ship transfers. Maintain responsibility for ships that are designated for hot ship transfer until custody is transferred to the foreign government.

n. Develop cost estimates or task regional maintenance centers to develop cost estimates for inactivation tasks that are considered beyond the capability of ship's force and provide to NAVSEA for budget development and funding.

o. Coordinate towing requirements, including the funding of vessel towing in accordance with the Navy Tow Manual to the post-inactivation storage facility.

p. Coordinate with the Navy curator for removal of designated items as described in chapter 10.

q. Provide program costs and requirements that are associated with the towing preparations of a vessel that is designated for use in a fleet training exercise.

7. MSC

a. Support the SDR process.

b. Coordinate with the CNO ship resource and platform sponsors to provide OPNAV (N8F) with the ship inactivation schedule over the FYDP and in determining future mobilization requirements for inactivating ships.

c. Establish inactivation stand down and out-of-service dates within the approved FY.

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d. Send an official naval message, advising the CNO, NAVSEA, and the Navy curator of planned inactivation dates and actions.

e. Maintain responsibility for MSC ships until transfer of custody to NAVSEA at an INACTSHIPMAINTO.

f. Manage the planning and execution of MSC ship inactivations in accordance with reference (c) and the CNO assigned ship disposition.

g. Budget and program funds in coordination with OPNAV (N8F) and plan requirements for inactivation (i.e., towing preparations, towing, first-year maintenance costs, and other costs associated with the ship's movement in support of arrival or removal from its storage site).

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CHAPTER 2
SHIP RETIREMENT POLICY

1. General. Pursuant to section 7304 of Title 10, U.S.C., the decision to ultimately retire a ship is made by SECNAV after receiving recommendations by CNO. The Navy continuously evaluates the threat and evolving security environment to determine the necessary forces required. When determining which vessels will be retired, various factors are taken into consideration, e.g., Estimated Service Life (ESL); material condition; manning requirements; annual operational and life cycle costs; and total Navy force structure requirements as reflected in the Navy's Annual Long-Range Plan for Construction of Naval Vessels. This 30-year shipbuilding plan will formulate the baseline when scheduling the inactivation/decommissioning/deactivation date of a battleforce ship, upon which the ship is taken out of service and prepared for inactivation. Classifications of naval ships can be found in reference (f).

2. ESL. When a battleforce ship reaches its ESL, it is anticipated the ship will be inactivated/decommissioned. At a minimum, the following factors will be considered when determining which vessels will be inactivated:

a. Whether the ship's operational effectiveness and continued interoperability is still viable to mission requirements.

b. Whether required system upgrades and design changes can be feasibly made to justify a ship's continued service.

c. Whether the operational mission of the ship is obsolete; therefore, there is no continued operational purpose.

3. Action Required to Retire a Ship Prior to ESL.

Recommendations for early retirement of naval ships must be approved by CNO (N8) via OPNAV (N8F) in the form of a decision memorandum that at a minimum addresses the following:

a. Describe why it is in the best interest of the Navy to retire the vessel(s) prior to reaching its ESL.

b. Identify any gaps in capability that will occur upon the decommissioning of each ship, including the duration of that capability gap.

c. Recommend strategies to mitigate gaps in capability.

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4. Action Required to Extend a Ship's ESL. Recommendations for extending a ship's service life must be approved by CNO (N8) via OPNAV (N8F) in the form of a decision memorandum that addresses any warfare capability gaps that would occur as a result of the ship decommissioning at the current ESL. All requests to extend a ship's ESL, if not generated by the applicable resource sponsor, must be formally coordinated with CNO ship/platform resource sponsors (OPNAV (N42), OPNAV (N85), OPNAV (N86), OPNAV (N87), and OPNAV (N88)), NAVSEA, and the applicable program executive officer prior to forwarding the request to OPNAV (N8F).

5. Non-Battleforce Ships. Retirement decisions concerning non-battleforce ships should be coordinated with the operational commander, OPNAV resource/platform sponsors, and OPNAV (N8F).

6. Service Craft. Service craft are not considered part of the Navy's battleforce. The guidelines for determining when service craft will be removed from service are contained in reference (a).

7. Annual OPNAV Ship Inactivation/Decommissioning/Deactivation Announcement. CNO (N8) will release a Naval administrative message in the third quarter of the FY, promulgating anticipated inactivation dates for nuclear vessels, decommissioning dates for USS vessels, and deactivation dates for USNS vessels for the upcoming FY.

8. United States Fleet Forces Command (USFFC)/United States Pacific Fleet (PACFLT) Ship Reporting Requirements. For the end of FY recording, certification, and battleforce counting purposes, COMUSFLTFORCOM/COMPACFLT will send a joint message to the CNO during the month of October to summarize the previous FY's actual decommissioning, deactivation, and inactivation dates of battleforce ships.

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CHAPTER 3 INACTIVATION POLICY

1. General. Ships typically begin the inactivation process at the commencement of the inactivation stand down; exceptions will be coordinated through the OPNAV resource/platform sponsor. Whenever practicable, decommissioning dates for ships designated for foreign military transfer should be scheduled for the third and fourth quarters of the FY to facilitate implementation of legislative authority to allow hot ship transfers. The ship's TYCOM is responsible for the inactivation and decommissioning/deactivation and inactivation of non-nuclear vessels. NAVSEA will prepare and issue plans for inactivation and preservation of vessels, including the adequate control of the quality and progress of inactivation work. Inactivation of nuclear-powered ships and submarines, ships and service craft with nuclear support spaces, and nuclear engineering and Nuclear Support Facilities (NSFs) will be governed by instructions implemented by COMNAVSEASYSKOM. To the maximum extent possible, the inactivation of the vessel is normally carried out in the ship's homeport.

2. Inactivation Decision. Inactivation decisions are made during the SID conference as discussed in chapter 4 of this instruction. OPNAV (N8F) in coordination with the ship's platform sponsor will decide the lay-up and maintenance category to be assigned to the ship (see section 4 and section 5 of this chapter for additional information). Appendix B graphically portrays some of the considerations used in determining the disposition of ships in the active Fleet. Based on the results from the ship disposition process, the following will be considered:

a. Retention Assets. If there is a future mobilization requirement for the ship, there are two options:

(1) Retain the vessel in the inactive ship inventory as a retention asset identified as OCIR for commissioned vessels or OSIR for non-commissioned vessels.

(2) Offer the ship for FML which is a decision to maintain the ship in an operating condition and lease it to a foreign government. The ship is in a retention status since it could be returned to U.S. Navy operations upon expiration of the lease. If the FML offer is approved by Congress and the ship is accepted, plans will be developed to finalize the lease arrangements and prepare the ship for delivery to the foreign

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government. If the offer is not accepted by the foreign government, the decision of retaining the ship for future mobilization requirements or removing the ship from the Navy's inventory will be made at the subsequent SDR as discussed in chapter 4.

b. Non-Retention Asset. If the ship is no longer required to be a retention asset, it will be classified as a non-retention asset and be processed for removal from the Navy's inventory. Non-retention assets are vessels considered excess to the Navy's requirements or surplus. These vessels are stricken from the NVR and will be considered for use as a Logistic Support Asset (LSA), primarily for the remaining ships in its class, fleet training exercise support, experimental use, or evaluated for removal via one of the disposition methods listed in chapter 5.

3. Action Required By the Fleet to Submit an OCR. To obtain approval for a ship's inactivation, the Fleet and MSC must submit an OCR in accordance with reference (e). The OCR is the formal paperwork from the ship's custodian, which is needed by OPNAV to support the ship's inactivation process and update various programmatic databases, including the SNDL, Total Force Manpower Management System, Global Force Management, Ship and Aircraft Supplemental Data Table, and Programming and Budget Information System.

a. For nuclear-powered ships, the OCR provides a planned inactivation availability start date and a projected decommission date.

(1) The start date for the inactivation process must be within the CNO approved inactivation FY.

(2) For the final release of remaining crew members, the projected decommissioning date need not be in the same FY as the inactivation date. It typically occurs 9 to 12 months after the inactivation start date.

b. For non-nuclear-powered ships, the OCR will provide the decommission date. The decommission date must be within the CNO approved FY. This allows lead time for the ship's crew to complete their portion of the inactivation process.

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4. Modernization

a. Alterations and improvements, if authorized, will only be accomplished when vessels are undergoing full inactivation as identified in subparagraph 5c of this chapter. In the case of FML or FMS, the government-to-government agreement will determine if alterations and improvements are to be accomplished. Ships destined for either disposal or LSA will not have any alterations or improvements accomplished. During the period that a ship is in the inactive ship inventory, alterations and improvements will not normally be accomplished; however, an OPNAV resource/ platform sponsor may elect to have an alteration/improvement installed on a Category B ship (see subparagraph 6b(1) below of this chapter). If so elected, the OPNAV resource/platform sponsor, In-Service Engineering Agent/Activity (ISEA) or Inventory Manager (IM) is responsible for funding the alteration.

b. In accordance with reference (g), vessels shall not be modified or modernized within 5 years of retirement or disposal, except for safety alterations and modifications, certain other categories of modifications that fall within exceptions from this statute, or modifications for which a secretarial waiver is obtained. See the ASN (RDA) Memo of 9 August 2006 with the subject "New Guidance for Statute Prohibiting Modifications of a Weapons Platform Within Five Years of Disposal" for further guidance and procedures to comply with this statute.

c. Records of alterations, repairs, and other material changes for individual ships and service craft are essential to proper activation planning and will be kept up to date as directed by NAVSEA. All configuration changes will be reported using the OPNAV 4790/CK Ship's Configuration Change Form via the normal routing. Once records have reached the end of their life-cycle with NAVSEA, they will be disposed of in accordance with SECNAV Manual 5210.1.

5. Lay-up Categories. Naval vessels are laid up for long-term storage or for safe storage pending disposal (see appendix C for a typical vessel's life cycle). The lay-up category determines the amount of maintenance and repair that will be performed prior to or during the inactivation. Maintenance procedures to meet these requirements will be established by NAVSEA. The categories are: safe stowage inactivation, standard inactivation, and full inactivation. Lay-up categories will be assigned during the SDR.

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a. Full Inactivation. A standard inactivation that includes pre-inactivation ship overhaul and dry docking.

b. Standard Inactivation. This type of inactivation is performed on vessels designated to be retained on the NVR as retention assets for possible future reactivation. The ship and its equipment is to be preserved in an as-is condition to minimize long-term degradation and maintain the ship's condition at decommissioning. Ships designated for retention for longer than 4 years will receive a standard inactivation plan. All C-3/C-4 Casualty Report (CASREPs) deficiencies require correction before decommissioning unless the responsible OPNAV ship resource/platform sponsor waives this requirement.

c. Safe Stowage Inactivation. This type of inactivation is performed on vessels that are to be stricken from the NVR and designated for disposal. Safe stowage inactivation is intended to accomplish the minimum work necessary to make the vessel safe for storage (e.g., fire and flooding protection) and to prevent environmental releases. The ship's material condition is expected to deteriorate if not disposed of in a timely manner, which may require additional safe stowage maintenance to be performed. Ships designated for retention for less than 4 years will receive a safe stowage inactivation plus dehumidification and cathodic protection. Ships designated for FMS or donation hold will also receive a safe stowage inactivation and can receive additional dehumidification and cathodic protection unless waived by OPNAV (N8F).

6. Maintenance Categories

a. Inactive ships/service craft are assigned to maintenance categories by OPNAV (N8F) based on the planned disposition. The categories indicate the priority sequence for the level of maintenance to be accomplished. The categories include Maintenance Categories B, C, D, I, X, and Z.

b. Maintenance Category definitions are as follows:

(1) Maintenance Category B is applicable to ships only. Category B ships are designated for potential mobilization and will receive the maximum maintenance, including improvement of material condition within funds available. Category B ships receive a standard or full inactivation lay-up.

(2) Maintenance Category C ships/service craft are those retention assets that will be maintained in an as-is material

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condition. The difference in Category B and Category C is strictly in the prioritization of year-to-year maintenance funds. Retention service craft will be assigned to Category C in accordance with reference (a). Ships being held for FML will also be assigned to Category C. Category C ships receive a standard inactivation lay-up.

(3) Maintenance Category D ships/service craft are those in custody of the NAVSEA INACTSHIPMAINTO sites, providing only berthing (not considered inactive but temporarily retained in an as-is condition on a reimbursable basis pending planned usage by the active force).

(4) Maintenance Category I craft are in-service craft assigned to an INACTSHIPMAINTO.

(5) Maintenance Category X applies to ships and service craft that have been stricken from the NVR and are awaiting disposal by any method. Only security required for fire, flooding, and pilferage will be provided, except that dehumidification and cathodic protection will be maintained on inactive ships designated for FMS and donation hold unless waived by OPNAV (N8F).

(6) Maintenance Category Z applies to former nuclear-powered ships and submarines plus nuclear-related tenders and service craft.

7. Split Inactivations. Split inactivations are situations where the inactivation process is begun in homeport and completed at a naval shipyard or other location before transferring the vessel to an INACTSHIPMAINTO site. Split inactivations most commonly occur in the case of Forward Deployed Naval Forces (FDNF) assigned ships or MSC ships assigned to the forward operating areas. In split inactivations, some of the following special provisions are made:

a. Equipage and consumables, which are required for crew comfort, propulsion plant operation, and ship control functions, should be offloaded after arrival at the inactivation site.

b. Change in status from active to In Commission, In Reserve (ICIR), should take place upon arrival at the inactivation site.

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c. OPCON/ADCON responsibilities are as follows:

(1) Prior to the start of inactivation, the Fleet commander is responsible.

(2) Start of inactivation at homeport, the Fleet commander is responsible.

(3) Upon arrival at inactivation site, the Fleet commander is responsible except when at a naval shipyard.

(4) Upon arrival at an INACTSHIPMAINTO, NAVSEA is responsible.

8. Habitability. During the stand-down phase of inactivation, and at such time as the ship becomes uninhabitable for the remaining crew members, messing and berthing will be provided ashore. Arrangements and funding will be the responsibility of the respective TYCOM; however, permanently installed berthing, messing facilities, laundry facilities, and habitability items will be held in a maximum state of readiness for reactivation consistent with proper preservation and security.

9. Naval Reserve Force (NRF) Ships. Ships presently in NRF status that are scheduled for transfer to the inactive ship inventory will follow the same procedures as any other ship. Reduced manning ships will be kept at normal manning due to their already reduced crew size.

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CHAPTER 4 SHIP DISPOSITION PROCESS

1. General

a. SECNAV approves changes to the NVR status of all naval vessels, active or inactive (including the MSC ships), and acts upon the recommendations made by CNO. The ship disposition process provides CNO with the following important pieces of information for review: the proposed FY for a ship inactivation or decommissioning, the composition and material condition of the current inactive ship inventory, and the ship disposition.

b. The ship disposition process identifies which vessels will inactivate, transfer, or retire from the Fleet. It also identifies which ships are to be transferred to or retired from the active and NRF and determines and validates the disposition of those ships transferred to the inactive ship maintenance facilities. This chapter addresses the procedures required to manage the Navy's inactive inventory.

c. There are two critical events that must take place to support the overall ship disposition process. The first event is the SID conference to determine the requirement for inactivation and to identify the specific ships that will be inactivated or decommissioned. The second event is the SDR conference to determine the disposition of ships to be inactivated and validate the disposition of the current inactive ship inventory. To see where these two conferences fall within the POM process, see appendix D.

2. SID Conference

a. The SID conference shall convene to determine which vessels, including MSC vessels, to select for inactivation over the FYDP in support of the upcoming budget cycle. This meeting will be chaired by OPNAV (N8F). Representatives shall include the OPNAV resource/platform sponsors, CNO (N1), DCNO (Fleet Readiness and Logistics) (CNO (N4)), Department of the Navy, Office of Financial Management and Budget (FMB), INSURV, NAVSEA, Fleet commanders (COMUSFLTFORCOM, COMPACFLT), TYCOMs (Commander, Naval Air Forces (COMNAVAIRFOR), Commander, Naval Surface Forces (COMNAVSURFOR), Commander, Naval Submarine Forces (COMNAVSUBFOR)), and MSC. Representatives are to be prepared to make recommendations for CNO/SECNAV approval with regard to ship

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inactivations, decommissioning/deactivating, their financial impacts, and other matters under their cognizance. The SID shall convene to address the following:

(1) Identify vessels for inactivation that are approaching their ESL during the FYDP.

(2) Identify ships whose ESL need to be extended.

(3) Identify vessels that will not reach ESL during the FYDP, giving consideration to design changes or modifications that are determined as impracticable to a key operational system upgrade, making it economically inappropriate to continue the operation of that vessel.

(4) Describe any potential gaps in war-fighting, mobilization or training capability that may occur as a result of a vessel's inactivation.

(5) Consider the required material condition inspection results and recommendations to determine a vessel's operational effectiveness and interoperability.

b. Action. Results of the SID will be promulgated as a baseline for use in the next POM/program review

3. SDR Conference

a. The SDR will normally occur after the SID and will be chaired by OPNAV (N8F). Representatives shall include all OPNAV resource/platform sponsors, Maritime Security Cooperation, OPNAV (N43), OPNAV (N45), Deputy Assistant Secretary of the Navy (DASN) Ships, Department of the Navy, Office of FMB, INSURV, Navy IPO, NAVSEA, Fleet commanders (COMUSFLTFORCOM, COMPACFLT), TYCOMs (COMNAVAIRFOR, COMNAVSURFOR, COMNAVSUBFOR), MSC, and the Office of Legislative Affairs. The SDR shall convene to define all decommissioning/deactivation, inactivation and disposition requirements for each vessel that is listed for inactivation during the FYDP and review the status of ships currently held in the inactive ship inventory.

b. Specifically, the conference will address the following:

(1) Define all requirements regarding the method of lay-up, maintenance categories, transfers, and disposals.

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(2) Provide projected inactivation/decommissioning/deactivation dates within the FY addressed at the SID conference for commissioned and non-commissioned vessels.

(3) Identify requirements for inactive vessel utilization in fleet training exercises and experimental use during the FYDP.

c. Action. The SDR results will be promulgated as part of the Addendum Report to the Annual Long-Range Plan for Construction of Naval Vessels in accordance with chapter 9, section 231 of Title 10, U.S.C. The FY 2008 Senate Armed Services Committee Report 110-77 required an addendum be added to the Annual Long-Range Plan for the Construction of Naval Vessels that addresses the Navy's plan for decommissioning ships during the FYDP. The Navy will include the following information in this report:

(1) Hull numbers of ships that are to be disposed by dismantling or fleet training exercise within the FYDP.

(2) Hull numbers of ships that are to be inactivated/decommissioned/deactivated within the FYDP.

(3) Gaps in capability that will occur upon the inactivation/decommissioning/deactivation of each ship, including duration of that capability gap.

(4) Disposition proposed for each ship upon inactivation/decommissioning/deactivation.

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CHAPTER 5
SHIP DISPOSITION POLICY

1. General. Select conventionally-powered ships that have completed their useful service lives may be retained in the inactive ship inventory for a period of time to be available for future mobilization or while awaiting disposal. The Navy's methods to reduce the inactive ship inventory include interagency transfers to the Maritime Administration (MARAD), United States Coast Guard (USCG), or other U.S. Federal agencies; donations for memorial/museum use as static public displays; FMS transfers and leases; dismantling and recycling; fleet training exercises; experimental use, including weapons effectiveness testing; or transfers to U.S. States and Territories for use as artificial reefs. Nuclear-powered ships are only dismantled and recycled.

2. Disposal Methods. The Navy's methods to reduce the inventory of inactive ships that have been stricken from the NVR include the following:

a. Interagency Transfer. Requests for interagency transfers to MARAD, USCG, or other U.S. Federal agencies are to be submitted to OPNAV (N8F) and are subject to SECNAV approval except as delegated by SECNAV to a lower level. When ships in the National Defense Reserve Facility (NDRF) become excess to Navy needs, it is the Navy policy that MARAD will, whenever possible, be given first disposition rights to the ship, if in accordance with chapter 10 of the Federal Property Act, the vessel is 1,550 tons or greater gross tonnage, and is of a merchant design or capable of conversion to merchant use. This will allow MARAD to convert the ship to the Ready Reserve Force (RRF), if it is of merchant design.

b. Ship Donation for Museum/Memorial Use. Donated vessels serve as static public displays as museums/memorials that showcase and preserve naval history and tradition. Transfers to eligible Federal, State, and local governments and nonprofit organizations are to be at no cost to the United States in accordance with section 7306 of Title 10, U.S.C., except that vessels must be cosmetically demilitarized in accordance with DoD Demilitarization Manual 4160.21-M-1. Ship donation is under the auspices of ASN (RDA) and executed by NAVSEA who will advise CNO of the final selection prior to public announcement. Transfers are subject to approval by the SECNAV. Only those vessels that are pending decommissioning and are determined to be historically significant or have a high probability of

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donation will be considered. Re-designation of an inactive ship for donation from another disposal category is discouraged due to ship deterioration, equipment stripping, and/or demilitarization or other disposal preparation work accomplished. Vessels will not be typically retained in a donation hold status beyond 2 years unless authorized by ASN (RDA) with concurrence from OPNAV (N8F). The designation of ships on donation hold may be extended on an annual basis at the SDR conference based on the existence of viable donation interest and demonstration by the prospective donee to NAVSEA that measurable progress is being made toward submitting a donation application that meets the minimum NAVSEA requirements. OPNAV (N8F) will direct any change in the ship's disposition in consultation with ASN (RDA).

c. FMS

(1) FMS transfers will emphasize hot ship transfers, which do not require inactivation and reactivation of the ship. Cold transfers, which require inactivation and subsequent reactivation, are discouraged unless a high probability of transfer exists. Budget planning procedures for material condition assessments are outlined in chapter 7. Additional guidance on survey requirements for ships expecting to transfer via FMS can be found in chapter 9.

(2) The status of ships being held for FMS transfer will be reviewed annually as part of the SDR process to ensure a valid requirement exists and legislation exists or is being obtained for extending the vessel in a FMS hold status. OPNAV (N8F) will direct any change in ship's disposition. Reference (d) is the governing instruction for the transfer of naval vessels to foreign governments and international organizations; however, the instruction does not apply to delivery of new ships constructed under Navy contract for foreign governments.

d. Dismantling and Recycling (also known as scrapping). Ship dismantling and recycling ensures the effective and permanent demilitarization of a naval warship and prevents the possibility of a ship in which U.S. military personnel have served, fought, or died, from falling into undesirable hands or being used for an objectionable purpose (e.g., commercial display, property of an unfriendly government or group, or other public indignity). Dismantling will be accomplished in the United States or its territories whenever practicable in

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accordance with existing laws and regulations. Excess weapons systems remaining onboard will be demilitarized through complete destruction by the ship dismantling contractor.

e. Artificial Reefing. Pursuant to section 7306b of Title 10, U.S.C., vessels stricken from the NVR may be transferred by gift or otherwise to any state, commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof for use as artificial reefs. Transfers are subject to ASN (RDA) approval. NAVSEA will notify the CNO of the final selection prior to public announcement.

3. Preparation for Use in a Fleet Training Exercise, Experimental Use, or Disposal

a. All ex-Navy ships will be physically inspected to provide reasonable assurance that no material of known or anticipated value to the Navy remains onboard prior to disposal, use in a Fleet training exercise, or experimental use. The inspection will be conducted by the Officer-in-Charge, NAVSEA INACTSHIPOFF, Portsmouth, VA, or a designated representative for non-nuclear ships, including ex-Navy ships in the custody of MARAD. The inspector will provide written certification at the time of completion. The records will be maintained at NAVSEA INACTSHIPOFF for a period of no less than 2 years after final disposal of the ship. Once the records have reached the end of their life cycle with NAVSEA, the records shall be disposed of in accordance with SECNAV Manual 5210.1.

b. Hulls of nuclear-powered ships, submarines, and nuclear-related tenders and service craft will be retained in safe storage until the disposal/decontamination availabilities are executed by the assigned Naval shipyard as scheduled by NAVSEA.

4. Vessels Supporting Fleet Training Exercises or Experimental Use.

Fleet and other major claimant requests for vessels in support of a fleet training exercise, target exercise, or experimental use must be submitted to NAVSEA by letter or naval message (copy OPNAV (N8F), OPNAV (N43), and OPNAV (N45)), defining the requirement, schedule, and number/type of vessel(s) to be used. The requesting letter or naval message shall be submitted to NAVSEA no less than 1 year prior to the anticipated date of the event.

a. Vessels used in training and experimental events are subject to environmental restrictions as discussed in EPA Letter of 2 August 1999 and reference (b).

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b. The claimant will submit a post-report by naval message in accordance with reference (b), identifying the location of the exercise including latitude, longitude, and water depth, to NAVSEA, copy OPNAV (N8F), OPNAV (N43), and OPNAV (N45).

c. At the end of the calendar year, NAVSEA shall prepare an annual report for submission by OPNAV (N45) to the EPA administrator, setting forth the name of each vessel utilized in a fleet training exercise or during a weapons effect test during the calendar year. For each vessel, the report shall include the vessel's tonnage, the location and date of the vessel sinking, water depth, the estimated weight of regulated polychlorinated biphenyl (PCB) containing solid materials remaining on board at the time of sinking, and all efforts taken to clean each vessel prior to the exercise. NAVSEA shall forward this report to OPNAV (N45) for review, no later than 15 January of each year. OPNAV (N45) shall submit the final report to the EPA on or about 01 February of the same year.

5. Action. In order for ships that are transferred outside of naval custody to no longer have the outward appearance of an active Navy ship, names and numbers of naval vessels and service craft will be painted out prior to disposal, except for vessels donated for museum/memorial use.

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CHAPTER 6
STRIKING POLICY

1. General. It is the Chief of Naval Operations (CNO) policy that all naval vessels listed in the Naval Vessel Register (NVR) be stricken prior to being permanently removed from the Navy's inventory as provided for in Title 10 U.S. Code 7304 - 7308, which includes vessels being removed in support of a fleet training exercise, experimental use, interagency transfer, Foreign Military Sale (FMS), artificial reefing, donation as a museum or memorial, and dismantlement. The Deputy Assistant Secretary of the Navy for Ship Programs (DASN (Ships)) has the authority to approve the striking of service craft from the NVR. Specific direction is given to Commander, Naval Sea Systems Command (COMNAVSEASYSKOM) to develop and execute the process for striking service craft from the NVR in accordance with reference (a). For vessels other than service crafts, the Secretary of the Navy (SECNAV) is the striking authority.

a. Non-Nuclear Ships. Non-nuclear ships will be stricken from the NVR effective the date of their decommissioning or the date the vessel was placed out of service (whenever practicable) unless held as a retention asset.

b. Nuclear-powered Vessels. Nuclear-powered vessels will be placed In Commission, In Reserve (ICIR) (Stand Down) as of the date of the start of their inactivation period and decommissioned upon release of the crew following fuel removal. United States Fleet Forces Command (USFFC)/Pacific Fleet (PACFLT) will report by naval message the actual decommissioning date to the OPNAV Inactive Ships Requirements and Resource Sponsor, the Platform Resource Sponsor, NAVSEA, Naval Supply Systems (NAVSUP), Naval Personnel (NAVPERS), and the custodian of the NVR. Nuclear-powered vessels will be stricken from the NVR effective the date of their decommissioning.

c. Service craft and tenders with Nuclear Support Facilities (NSF) will be maintained in storage at the designated naval shipyard until the NSF is remediated. After the release of the NSF and subsequent issuance of a free release letter by SEA 08, custody of the vessel will be transferred to NAVSEA Inactive Ship Management Office (INACTSHIPOFF).

d. Non-Retention Assets. When the Navy decides there is no longer a need for future mobilization or is determined to be in excess of Navy requirements, retention assets will be stricken from the NVR effective upon SECNAV approval (refer to

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Chapter 3). No vessel designated for disposal will be transferred from U.S. Navy custody prior to being stricken from the NVR.

2. Action. During the fourth quarter of the fiscal year, the Deputy Chief of Naval Operations (Integration of Capabilities and Resources) will submit an action memorandum to SECNAV, via the CNO, recommending specific U.S. Navy ships scheduled to inactivate/decommission/deactivate during the forthcoming fiscal year (other than those designated for retention or foreign military lease (FML) candidates) be stricken from the NVR, commensurate with the date of inactivation/decommissioning/deactivation. This action memo will also include a recommendation to dispose of the vessel in a specific manner.

a. Specifically, the action memorandum will include the following:

(1) Identify each vessel recommended for striking and include its Estimated Service Life (ESL), current age, proposed date of inactivation, and planned disposition.

(2) Certify combatant vessels contained in the memorandum are not essential to the defense of the United States in accordance with Title 10 U.S. Code 7308.

(3) For planning purposes, a copy of the action memorandum will be provided to Fleet Commanders (COMUSFLTFORCOM, COMPACFLT), System Commanders (COMNAVSEASYSYSCOM, COMNAVAIRSYSYSCOM, COMSPAWARSYSYSCOM, COMNAVSUPSYSCOM, COMNAVFACSYSYSCOM), Type Commanders (COMNAVAIRFOR, COMNAVSURFOR, COMNAVSUBFOR), Naval Education and Training Command (NETC), Chief of Naval Personnel (CHNAVPERS), OPNAV Resource/Platform Sponsors, Maritime Security Cooperation, Fleet Readiness and Logistics, and the NVR custodian.

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CHAPTER 7
PLANNING, PROGRAMMING, BUDGETING AND EXECUTION

1. General. OPNAV (N8F) assesses and manages the requirements generation process for all OPNAV resource/platform sponsors in order to facilitate the programming of funding for inactivation, maintenance, and disposal of naval ships under the Ship Activations/Inactivations (2B2G) and Fleet Training/Navy Ranges (1C4C) budget lines. NAVSEA is responsible for execution of funding from these lines.

2. Non-nuclear Ship Programming and Budgeting. Requirements to be included are as follows: facilities costs for each NAVSEA INACTSHIPMAINTO plus NAVSEA INACTSHIPOFF, Portsmouth, VA, overhead costs, total amount required for inactivation that includes any effort to be undertaken by the TYCOM to effect inactivation work, costs to maintain the inactive ship inventory and infrastructure, ship disposal costs, and personnel costs.

a. Under all circumstances, the OPNAV resource/platform sponsor is responsible for funding the ship's inactivation lay-up and first year's maintenance in the inactive ship inventory.

b. OPNAV (N8F) is responsible for the cost of the second and subsequent years maintenance in the inactive ship inventory and for ship disposal costs.

c. The OPNAV resource/platform sponsors electing to perform alterations or improvements on inactive ships will fund the effort out of the appropriate resource sponsor's budget line.

d. NAVSEA is responsible for budgeting FMS administrative funding for material condition assessments of ships proposed for FMS transfer. As part of the annual FMS administrative POM and budgeting processes, NAVSEA will submit requirements within the Excess Defense Articles (PE28) cost code to Navy IPO. In addition, no funding from the 2B2G budget line will be used in support of these material condition assessments. The purpose of the material condition assessments is discussed in chapter 9.

3. Nuclear Ship Programming and Budgeting. Requirements to be included are as follows: advanced planning, ship inactivation, reactor compartment disposal, and hull recycling. The OPNAV resource/platform sponsor is responsible for programming and budgeting the activities listed above. If, following

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inactivation and prior to disposal, the hull for an NSF is placed in storage, programming and budgeting for storage shall be as follows:

a. The OPNAV resource/platform sponsor is responsible for funding the ship's inactivation layup and first year's maintenance in the inactive ship inventory.

b. OPNAV (N8F) is responsible for the cost of the second and subsequent years maintenance in the inactive ship inventory.

4. Funding for the Deactivation of USNS under MSC. Costs associated with the pre-inactivation effort, initial deactivation, and first year's lay-up in the inactive fleet for USNS ships are the execution year responsibility of Commander, Military Sealift Command (COMSC) (up to the transfer of custody to INACTSHIPOFF or MARAD). The OPNAV resource/platform sponsor, via the cognizant customer Budget Submitting Office (BSO), is responsible for programming the costs to both deactivate the vessel as well as the costs associated with the vessel's first year's lay-up in the inactive fleet. Such costs should be programmed as reimbursable funding for use by COMSC in the appropriation and budget line item under which the ship's operations were funded while active. When inactivation decisions are made outside the timeline supported by the programming process (e.g., an emergent inactivation), then it is the responsibility of the customer BSO to identify funds to support the above costs. Further costs associated with subsequent years' retention and disposal will be funded by OPNAV (N8F).

5. Other Costs. OPNAV (N8F) is additionally responsible for programming the following costs:

a. All military construction costs associated with maintaining the INACTSHIPMAINTOs, relocating an INACTSHIPMAINTO, or maintaining shipyard assets to support hull storage.

b. All military and civilian personnel at the INACTSHIPOFF and the INACTSHIPMAINTOs.

6. Funding Associated with Equipment Removals. Costs for equipment removal, dismantling, packing, handling, and crating incident to the delivery of stripped material intended for further use will be financed by the Systems Command (SYSCOM),

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other service, or other authority directing removal and redistribution of subject material. Specifically, certain common situations will be handled as follows:

a. Removal and shipment of equipment removed from mobilization assets and warehoused by INACTSHIPOFF in support of potential reactivation of the ship will normally be funded by the OPNAV resource/platform sponsor and executed by NAVSEA out of the 2B2G budget line when commensurate with ship inactivation.

b. Removal and shipment of equipment removed from mobilization or certain disposal assets for reutilization by IMs will be funded out of the IM restoration funds.

c. Removal and shipment of equipment removed from mobilization or certain disposal assets for support of an immediate IM requirement (cannibalization) will be funded out of the IM's restoration funds. Replacement may be required and is the responsibility of the requesting activity.

d. Removal and shipment of equipment removed from disposal assets in support of TYCOM stripping during inactivation will be funded by Fleet maintenance funds.

e. Any costs associated with removing equipment from a ship prior to authorizing the ship for a fleet training exercise, experimental use or any other ship disposition method must be borne by the requesting Fleet or major claimant.

f. In none of these situations will costs be incurred by the custodian unless official notification to do such work is provided by the directing authority, accompanied by appropriate funding authorization.

7. Funds Associated with Preparation of Vessels Held for Experimental Purposes

a. CNO (N4) is responsible for all environmental preparation costs for fleet training exercises. When practical, the requesting authority should check with fleet schedulers to determine if MSC assets are available to tow the vessel rather than contracting for commercial tow services.

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b. For other than fleet training exercises, the requiring authority is responsible for environmental, storage and breakout preparation for ships held as targets or for experimental purposes.

c. The cost for towing will be borne by the requesting authority.

8. Funding Associated with the Permanent Removal of Ships from the Navy's Inactive Ship Inventory

a. Ships held for FMS

(1) Once a Letter of Offer and Acceptance (LOA) has been accepted and countersigned, all charges are to accrue to the applicable FMS case except for the removal of non-transferable technology equipment, the cost of which will be borne by the OPNAV resource/platform sponsor or the equipment IM.

(2) Transfers are to be conducted at no cost to the United States Government.

b. Transfers of ships that will be donated as a museum/memorial or transferred to another government agency are to be conducted at no cost to the Navy; any exceptions will be coordinated through the OPNAV resource/platform sponsor.

9. Ships Held as Retention Assets. The OPNAV resource/platform sponsor will program for the disposal of assets that are removed from the mobilization category in the 2B2G budget line.

10. Split Inactivations. Split inactivations are situations where the inactivation process is begun in homeport and completed at a naval shipyard or other location before transferring the vessel to an INACTSHIPMAINTO site. Split inactivations most commonly occur in the case of FDNF assigned to the forward operating areas. In split inactivations, funding responsibilities are as follows:

a. Prior to the start of inactivation, the TYCOM/NAVSEA are responsible to share funding. Typically, normal crew type functions will be funded by TYCOM and other work will be centrally funded by COMNAVSEASYSKOM.

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b. At the start of inactivation at homeport, TYCOM/NAVSEA are responsible to share funding. Typically, normal crew type functions will be funded by TYCOM and other work will be centrally funded by COMNAVSEASYSKOM.

c. Upon arrival at the inactivation site, INACTSHIPMAINTO is responsible.

d. Exceptions to the above funding responsibilities are as follows:

(1) For conventionally-powered ships, necessary removal and packing of crew left onboard for the voyage to the INACTSHIPMAINTO site will be at the expense of the TYCOM.

(2) Industrial assistance required to remove installed aviation support equipment will be funded by either the TYCOM or the appropriate IM.

11. Action. NAVSEA will provide OPNAV (N8F) with funding profiles and execution status reports for non-nuclear and nuclear-powered vessels as requested.

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**CHAPTER 8
PERSONNEL**

1. General. The commanding officer of a ship being inactivated is responsible for the orderly progress of work in connection with the inactivation. User commands, as defined in reference (a), are assigned that responsibility for service craft.

2. Inactivating Ship Personnel

a. The commanding officer will determine the appropriate crew size in order to ensure compliance with safety and final disposition considerations. Crew size will remain at 100 percent manning authorization unless personnel are released by the commanding officer through coordination with CHNAVPERS. In order for adequate skills that may be available throughout the period of inactivation, it is essential that commanding officers of inactivating units retain key personnel onboard within the reduced allowance established. In this regard, the ship's supply officer and chief engineer are to be considered essential. Military Personnel Manuel article 1306-1100 provides extensive guidance on personnel procedures incident to inactivation activities and should be reviewed closely in preparation for the inactivation manning conference and submission of the de-crewing plan. Upon completion of the inactivation manning conference, the decommissioning unit will submit a personnel plan to CHNAVPERS, information to appropriate manning control authority, fleet commanders (COMUSFLTFORCOM, COMPACFLT), and TYCOMs (COMNAVAIRFOR, COMNAVSURFOR, COMNAVSUBFOR). The plan should reach CHNAVPERS no less than 6 months prior to commencement of inactivation. Close liaison between TYCOM, CHNAVPERS, and the inactivating unit is the key element since each decommissioning is unique.

b. For non-nuclear powered vessels, the regularly assigned commanding officer will normally be reassigned early in the inactivation cycle. The commanding officer will not, however, normally be detached during the first 30 days of the inactivation. The regularly assigned executive officer, if command qualified, will normally be assigned as commanding officer. For nuclear powered vessels, the commanding officer will normally not detach until after de-fueling is complete. Liaison will be maintained between CHNAVPERS and the appropriate TYCOM regarding detachment dates of commanding officers of ships in the inactivation cycle. Department heads will remain until such time as the commanding officer certifies to the appropriate TYCOM that their retention is no longer required. Medical and

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dental officers should normally be detached as soon as practicable after a ship is in a position to receive medical and dental support from other facilities. Other officers and enlisted personnel will be available for detachment as necessary to stay within the reduced allowance indicated below.

c. Reduced personnel allowances are established as follows for ships being inactivated. The commanding officer, the executive officer, and department heads are to be excluded in computing the onboard allowances.

(1) In the event that the CNO specifically orders a pre-inactivation overhaul, 100 percent of Activity Manpower Document (AMD) or Navy Manning Plan (NMP), as determined by CHNAVPERS, will remain onboard during the overhaul.

(2) During inactivations that follow overhauls, onboard count may be further reduced because normal attrition transfers are not replaced.

(3) During inactivation, when there are no pre-inactivation overhauls:

Type Ship	AMD / NMP	Months	Total Normal Inactivation Period Exclusive of Pre-Inactivation Overhaul
CG, CV	75%	5	12 months
DDG, FFG	75%	3	5 months
Large Auxiliary, Large Amphibious Ship	75%	4	4 months
Small Auxiliary, Small Amphibious Ship, Small Patrol Craft, Minecraft	75%	2	2 months

Note: Onboard count may be further reduced because normal attrition transfers are not replaced.

(4) Personnel allowances and associated drawdown of nuclear-powered ships and submarines and service craft with nuclear support facilities will be determined by COMNAVSEASYSOM, the respective TYCOM, and CHNAVPERS.

(5) The above guidelines for reducing personnel onboard should be followed, consistent with the proper accomplishment of inactivation work. Continued liaison should be established between the ship's commanding officer, TYCOM, NAVSEA INACTSHIPOFF, and CHNAVPERS to effect the orderly reduction of personnel onboard as work progress permits.

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(6) Pre-inactivation requirements normally require about 30 days for accomplishment. If the ship has not been sufficiently prepared to commence inactivation, it may be necessary to adjust either the onboard personnel retention plans or the OCIR date. In addition, the condition of the inactivating ship, seasonal weather, and holiday periods should be taken into account in a final determination of an OCIR date.

d. At times, it may be desirable or necessary to conduct the industrial work phase of the inactivation subsequent to the OCIR date. In those instances, personnel distributors are authorized and directed to transfer one officer and 10 percent of selected enlisted allowance (of the ship being inactivated) to the cognizant ship custodian for temporary duty. The transfer will be effective on the OCIR date and personnel will be used to supervise the progress of the industrial work and provide necessary security. The personnel will be available for reassignment upon completion of the industrial effort.

3. Other Special Provisions - OCIR Date. Inactivation period dates are based on past experience on how much time and manpower are required to inactivate ships of various types; however, there are other factors that should be taken into account in the initial planning. In some cases, the factors tend to cancel each other out, making an OCIR date reasonably compatible with the scheduled end date. In other cases, the factors adversely build upon each other, making a revised OCIR date necessary. Factors that affect total (gross) time to accomplish a satisfactory inactivation include:

a. Ships should receive instructions 6 months in advance of inactivation. Change in inactivation schedules that reduce the lead time for pre-inactivation preparation to less than 3 to 5 months, dependent upon the type ship, adversely affect inactivation progress. Short-fuse preparation for inactivation can result in incomplete industrial work packages and incorrect determination of man-days required by the ship's crew.

b. Inclement weather can often delay the accomplishment of topside work.

c. When inactivation periods include long holiday leave periods (e.g., Christmas or New Year's), added time will be required to compensate for the loss of available man-days consumed by leave.

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d. The location at which the inactivation work is accomplished can also adversely affect the ship's force work if personnel commuting time is excessive.

e. Quality and quantity of the work performance of the ship's crew will vary. Inactivation work is hard, dirty, and detailed. Unless special precautions are taken to provide the proper motivation, effective utilization of manpower will deteriorate as the inactivation progresses.

f. Material condition of ships will vary. Those in a higher state of material readiness will obviously require less effort to inactivate.

g. Modern combat systems equipment require 4 to 5 months for proper lay-up under current instructions.

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CHAPTER 9
INSPECTIONS AND MATERIAL READINESS POLICY

1. General. The objective of an inactivation material survey is to document the material condition of a ship prior to inactivating. This is accomplished through the attainment and maintenance of effective preservation and the prevention of deterioration. A secondary objective is the accomplishment of repairs and improvements, when they can be accomplished within the capability and availability of personnel and funds.

2. Curator Survey. Regardless of a ship's disposal, a curator survey will be performed within 12 months prior to decommissioning. All curator items must be removed prior to final disposal.

3. Inspections by Board of INSURV

a. Documentation of the material condition of each inactive ship is the end product of an inspection program.

b. Policy contained in this instruction will take precedence over references (h) and (i) when a ship is within 12 months of inactivating, with the following modification: regardless of a ship's disposal status, ships exceeding periodicity requirements of references (h) and (i) will not conduct any portion of an overseas deployment or significant out-of-area operations without approval from PRESINSURV.

(1) INSURV will conduct a survey on vessels scheduled to inactivate and be retained in an OCIR or OSIR status within 12 months prior to the planned inactivation date unless waived by OPNAV (N8F). A Material Inspection (MI) conducted by INSURV within the 12-month period preceding inactivation will fulfill the requirement of the survey.

(2) Ships designated for reassignment to MSC, USCG, or other DoD or Federal agencies will receive an MI within 12 months of inactivating unless waived by OPNAV (N8F).

(3) Ships designated for use for fleet training exercises, experimental use, or disposal will not require a survey and will not normally be scheduled for an MI within 12 months of inactivation.

(4) NAVSEA will coordinate with Navy IPO to use FMS administrative funding to perform a material condition

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assessment as required for each ship prior to transfer. A material condition assessment is often required because ships can be inactivated for extended periods of time between the deactivation date and transfer date. The intent is to conduct the assessment as early as possible in the transfer process in order to prepare a more accurate LOA, reduce risk of "work creep" during reactivation/refurbishment, and remove risk from the ship transfer timeline. Ships designated for foreign transfer will receive a survey within the 12-month period preceding inactivation as coordinated with NAVSEA and the Fleet.

(5) Surveys of inactive ships under the responsibility of COMNAVSEASYS COM are performed on an as-needed basis.

c. The requirement for service craft inspections is specified by reference (a).

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CHAPTER 10
CURATOR ITEMS REMOVAL POLICY

1. General

a. The curator for the Department of the Navy is responsible for collection, preservation, and exhibition of naval relics, trophies, paintings, historical prints, photographs, and other naval memorabilia of historical significance. Presentation silver is the responsibility of COMNAVSUPSYSCOM (Silver Program Office) and questions concerning its disposition should be addressed to NAVSUP.

b. This chapter lists objects and items that will be removed from naval vessels on behalf of the curator in each category. The curator will be informed of any other material of potentially historic significance that may come to the attention of ship custodians. Questions concerning the significance of any item will be referred to the curator for resolution.

2. Curator Criteria. Generally the criteria for evaluating curator interests are:

a. Association with:

- (1) Combat.
- (2) Notable achievements.
- (3) Memorable events.
- (4) Mission roles and functions.

b. Unique or special significance from a technical viewpoint.

c. Special relationship with personnel and individuals.

- (1) Heroism.
- (2) Humane efforts.
- (3) Human interest.
- (4) Vessel's sponsor.

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3. Relics To Be Removed and Forwarded to the Curator from Ships Being Decommissioned. The following is to be used as guidance and is not necessarily absolute. The definition of memorabilia can be subjective; therefore, vessel custodians are encouraged to use good judgment considering the historic nature of an object.

a. Bells. Ship's main bell and quarterdeck bell will be forwarded to the Navy curator. Foreign transfer end users are responsible for replacement of the bells prior to transfer.

b. Plaques:

(1) Commissioning/builder plaques.

(2) Commanding officer plaques.

(3) Individually designed insignia plaque (and mold for same).

(4) Historical data plaques.

(5) Navy efficiency award plaques.

c. Distinctive Heraldic Materials:

(1) Shoulder sleeve insignia.

(2) Unit identification marks.

d. Flags:

(1) Final flags flown (National Ensign, Jack, Commissioning pennant) will be forwarded to the Navy curator.

(2) Flags flown in significant operations or in battle will be forwarded to the Navy curator.

e. Loaned or Donated Property:

(1) Sponsor gifts and loans must be reported to the curator for further disposition.

(2) Loaned items from a private person, public agency, or organization (silver service items excepted) will be returned to their owners with a copy of the return documentation to the Navy curator.

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f. Paintings. Paintings of a naval nature will be forwarded to the Navy curator.

g. Photographs.

h. Documents. Documents related to the history of the activity or command, to include citations, historical correspondence, commemorative brochures of special events and occasions, copies of command histories, briefing packets, command newspapers, technical books and manuals related to its operational mission.

(1) Typical items include:

- (a) Commissioning brochure.
- (b) Change of command brochure.
- (c) Welcome aboard packet.
- (d) Decommissioning brochure.
- (e) Ships characteristic cards.
- (f) Booklet of general plans.
- (g) Campaign ribbons.
- (h) Display Boards.

(1) One ship's name board.

(2) Special displays created on the vessel's history and heritage.

(i) Silver Service. Will be forwarded by ship's force to COMNAVSUPSYSCOM (Silver Program Office) for disposition per NAVSUP.

(j) Trophies.

(k) Mission (specific material). Significant items for retention will be coordinated with the Navy curator, TYCOMs, and material managers.

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4. Relics Which the Curator May Request from All Vessels Prior to Use in a Fleet Training Exercise or Disposal by Scrap, Experimental Use, or Title Transfer to MARAD. The following is to be used as guidance and is not necessarily absolute. The definition of memorabilia can be subjective; therefore, vessel custodians are encouraged to use good judgment considering the historic nature of an object.

- a. Anchors and anchor chain.
- b. Anemometer.
- c. Barometer.
- d. Bells.
- e. Clocks.
- f. Communication material.
- g. Engine order telegraph.
- h. Engine room equipment.
- i. Furniture.
- j. Guns/guided missile launching systems.
- k. Inclinator/indicators.
- l. Life ring buoys.
- m. Mission-specific material.
- n. Navigational equipment.
- o. Planking.
- p. Plotting boards.
- q. Ship specific equipment.
- r. Signaling equipment.
- s. Steering stand.
- t. Submarine specific equipment.

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- u. Gun tompions.
 - v. Wheels.
 - w. Electronic warfare material.
5. Curator items should be forwarded to the following address:

SHIP TO:
Naval District Washington Supply
Naval Air Facility Washington
1 San Diego Loop BLDG-3086
Andrews AFB MD 20762-5060
ATTN / MARK FOR
Curator For The Department Of The Navy
Washington Navy Yard BLDG-46

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CHAPTER 11
EQUIPMENT REMOVAL POLICY

1. General

a. Appendix E contains listings of material and items to be off-loaded from ships on behalf of the curator according to the disposition of the ship. Even these listings, prepared with the assistance of interested SYSCOMs, bureaus, and offices, must be regarded as guides and not absolute.

b. Once a ship or submarine has been turned over to NAVSEA INACTSHIPOFF, Portsmouth, VA, or a naval shipyard, the equipment, controlled equipage, and repair parts that are authorized for removal will be replaced, unless the vessel is designated for disposal or unless replacement is waived by NAVSEA and recorded in the ship's inactivation plan.

c. For nuclear-powered ships and submarines undergoing inactivation intended for immediate striking and removal from NVR, equipment replacement is not required.

2. Cannibalizations. Removal requests will be supported to the maximum extent possible from non-retention assets and will only support CASREP requirements only.

a. Paybacks are required within 6 months for components removed from retention and foreign transfer assets unless waived by NAVSEA. Paybacks are not required for vessels designated as an LSA.

b. For donation hold assets, cannibalization without replacement is authorized provided equipment removal does not disturb the cosmetic appearance of the ship, in which case a cosmetic carcass may be substituted in lieu of a payback in kind.

c. Naval Inventory Control Point (NAVICP) manages cannibalization requests. Further guidance is provided by reference (j).

3. Equipment Removal

a. The priority for ship equipment removals will be established by COMNAVSEASYSKOM; however, TYCOMs will have **priority when there is an immediate cannibalization request from the Fleet**. In addition to storeroom and operating space items,

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each system/equipment life cycle IM, in consultation with appropriate NAVSEA code, will carefully screen all installed assets for insurance items and prioritize the items that have the highest risk and longest lead time for repair. The manager, in coordination with NAVSEA, will take actions to have identified items from the prioritized list removed and refurbished/certified as ready for issue and then placed in proper storage for potential use.

b. Equipment removed during a ship's inactivation stand down will be authorized by TYCOMs in coordination with NAVSEA and the ISEA or IM.

c. During inactive ship storage, all equipment removals are managed by NAVSEA. Paybacks are required within 6 months for components removed from retention and foreign transfer designated assets unless waived by OPNAV (N8F). Paybacks are not required for vessels designated as an LSA.

d. During disposal preparation, all equipment not affecting safe storage or personnel safety is available for removal. All equipment removals are managed by NAVSEA.

e. Ships designated for transfer to a foreign government must not be stripped except as specifically authorized by OPNAV (N8F), in coordination with NAVSEA and Navy IPO.

4. Priority for Stripped Ship Material. The following priorities for material stripped from ships will be observed:

a. The curator of the Navy shall have first priority to remove designated items of historical interest. Such items will normally be removed during the inactivation stand down.

b. IMs have first priority on the removal of installed equipment, controlled equipage, and repair parts (including storeroom items, maintenance assist modules, and ready service spares) for which a known or anticipated requirement exists.

c. TYCOMs via the class squadrons under COMUSFLTFORCOM/COMPACFLT will direct redistribution of all general use consumables and non-controlled equipage to other Fleet units. Installed equipment, controlled equipage, and repair parts not designated by IM for turn-in prior to decommissioning may be redistributed by the Fleet commanders for immediate end use or to fill allowance deficiencies.

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d. NAVSEA INACTSHIPMAINTO have priority after active fleet and NRF ship requirements are met, to remove materials or equipment to fill allowance deficiencies in selected Reserve Maintenance B ships.

e. The Fleet commanders (COMUSFLTFORCOM, COMPACFLT), using their CNO designation as area coordinators, may authorize naval activities within their geographical area to remove material or equipment. After higher priority requirements have been met, Fleet commanders may issue material in the following order of priority:

- (1) Naval activities.
- (2) Naval Reserve/Fleet Reserve activities.
- (3) USCG activities and other government agencies.

f. In no case will the scheduled disposal of the ship be delayed to satisfy the above stripped material requirements without the approval of COMNAVSEASYSCOM.

5. Stripping Procedures

a. Stripping and the transfer of custody of decommissioned and stricken ships will use the following guidelines:

(1) Stripping in advance of the ship's retirement or strike date may commence only when specifically authorized by the TYCOM. Modifications and limitations to the general stripping policy included in this instruction will be specified in the disposal authorization, if required, dependent upon type of disposal selected.

(2) The commanding officer of an active ship will perform the duties of a stripping activity (non-industrial) prior to retirement when advance stripping has been authorized.

(3) COMUSFLTFORCOM, COMPACFLT, or COMNAVSEASYSCOM, when requested by the CNO for ships which have not been delivered to an INACTSHIPMAINTO, will designate an appropriate custodian to take custody of the individual ship or service craft on, or subsequent to, the retirement date for active ships, or strike date for inactive ships. Such designated activities will remain the custodian until the ship is delivered to an INACTSHIPMAINTO.

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b. All removal actions under inactivation will be subject to the following conditions:

(1) Coordination and control by the designated custodian (INACTSHIPMAINTO, TYCOM, or other as appropriate).

(2) Removal of material will be accomplished with personnel or funds of the requiring activity except for active ships approved for disposal and authorized to conduct stripping in advance of retirement date.

c. When IMs are exercising their authority to remove material from active ships designated as candidates for strike, they will provide Fleet commanders and TYCOMs the appropriate INACTSHIPMAINTO or other designated stripping activity with lists of installed equipment, repair parts, and items of controlled equipage in critical shortage in the supply system. NAVSEA is responsible for keeping all IMs (including NAVICP when ship is an aircraft carrier) advised of the intentions of the CNO to strike a ship from the NVR. When so advised, the IMs will forward a list of required equipment and repair parts to the activities concerned for use as a planning document. Fleet commanders will not initiate action on these lists until SECNAV approves and the CNO announces the strike and authorizes advance stripping. Upon this announcement, material identified by the IM listings will be turned in to the supply system as expeditiously as resources permit. Allowable credit for material turned in by Fleet personnel to satisfy the specific requirements of the IMs will accrue to the Fleet following normal credit procedures.

d. In exercising their redistribution rights, Fleet commanders or TYCOMs will send an unclassified naval message to NAVSEA, information to the CNO and the cognizant IM, providing information of the specific material(s) to be removed and the specific ships to provide and receive the material prior to Fleet redistribution of installed equipment. The IM will be allowed 10 days to reply if they desire to exercise their authority to predetermine distribution of this material. Naval Reserve training ships shall be considered as having priority equal to, but following, active Fleet ships. Fleet commanders or TYCOMs will establish a cut-off date during the period prior to the ship's decommissioning after which requests received will be forwarded to the custodian or designated stripping activity.

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e. Any installed equipment, which is not classified, not in critical supply and the removal of which is not economical, will be disposed of with the ship.

f. Classified equipment scheduled for removal or destruction will be removed or declassified by the custodian in accordance with instructions from the cognizant SYSCOM or IM. Technical assistance or labor required for such action will be furnished by the cognizant SYSCOM or IM at the request of the custodian.

g. NAVSEA will establish a deadline date for the completion of stripping (non-industrial) for each ship.

h. OPNAV (N8F) will resolve, in accordance with procedures contained herein, all questions concerning priority requirements of material or equipment to be removed.

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CHAPTER 12
NATIONAL DEFENSE RESERVE FLEET (NDRF) AND MARITIME
ADMINISTRATION (MARAD)

1. General

a. Inactive naval ships whose ownership is maintained by the Navy may be stored in a MARAD NDRF when space constraints exist at the NAVSEA INACTSHIPMAINTO. Navy-owned ships in MARAD custody will be berthed, maintained, preserved, and provided security by MARAD with funding provided by the Navy under a memorandum of agreement between MARAD and the Navy. Ships transferred to the NDRF may be retained in the Navy mobilization plans and maintained by MARAD under priorities set by the Department of the Navy. No Navy-owned ships in the NDRF are disposed of by MARAD without having first been stricken from the NVR, disposal authorization approved by ASN (RDA) and CNO (N4), and title transferred to MARAD.

b. When ships in the NDRF become excess to Navy needs, it is the Navy policy that MARAD will, whenever possible, be given first disposition rights to the ship, if in accordance with chapter 10 of the Federal Property Act, the vessel is 1,550 tons or greater gross tonnage, and is of a merchant design or capable of conversion to merchant use. This will allow MARAD to convert the ship to the RRF, if it is of merchant design.

2. Maintenance. Naval ships retained by MARAD will be maintained following current MARAD instructions; however, MARAD will assure that ship inactivation work following reference (c) is of a quality and thoroughness equal to Maritime Standards, and acceptance will be predicated on this basis. Navy-owned ships being transferred to and retained in the NDRF will be preserved under dehumidification as specified in reference (c). Those ships designated for scrapping will not receive dehumidification. MARAD will not provide maintenance of armament.

3. Funding for Navy-owned Ships in the NDRF. The ship's OPNAV resource/platform sponsor, via the cognizant customer BSO, is responsible for funding the inactivation work and the cost for first year lay-up of a vessel at MARAD. The inactivation work can be funded from any source of funds desired by the OPNAV resource/platform sponsor. All retention costs should be funded from the 2B2G budget line.

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4. Inactivation

a. The foregoing standards of preservation and security require differences in preparation for maintenance and in handling of material left onboard ships transferred to the NDRF as opposed to what would be required in ships at the INACTSHIPMAINTO sites. Due regard for the differences must be taken during planning and execution of a MARAD lay-up. MARAD's environmental processes and requirements for vessels entering the facilities requires repairs and preparations of ships to be completed prior to arrival. In the event a ship is not prepared properly for lay-up, MARAD will charge back the material and labor needed to correct such omissions. Such a situation would arise in the failure of the preparing activity to make hatches water tight, failure to properly seal for dehumidification purposes, etc. These types of omissions could result in an additional expense to the Reserve Fleets. Such action will be subject to coordination between MARAD and INACTSHIPOFF, Portsmouth, VA.

b. Ships will be prepared for MARAD maintenance procedures following effective MARAD instructions supplemented by instructions of COMNAVSEASYSOM. MARAD personnel will be invited to participate in the inactivation planning conferences in order to determine if modification of MARAD instructions could be made to reduce inactivation expense yet continue to provide for safety and security of the ship. Ships will be inspected by MARAD personnel prior to arrival in the Reserve Fleet to assure compliance with MARAD instructions.

c. For inactivation of ships assigned to MSC, see chapter 13.

5. Off-load Materials. Materials are to be off-loaded from ships transferred to the NDRF following current MARAD instructions supplemented by instructions of NAVSEA INACTSHIPOFF.

6. Records. Ships transferred to the NDRF and retained for Navy use, less those ships maintained in a mobilization status for MSC, will remain under the cognizance of an INACTSHIPMAINTO. The cognizant INACTSHIPMAINTO will maintain records, or will ensure records are maintained, similar to those maintained for ships of the same berthed in the INACTSHIPMAINTO. At the end of the life of the ship, all records shall be disposed of in accordance with SECNAV Manual 5210.1.

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CHAPTER 13
MILITARY SEALIFT COMMAND

1. General. This chapter sets forth the policy for activation and inactivation of ships to be assigned duty with COMSC. Funding associated with MSC ships can be found in chapter 7, paragraph 4.

2. Custody. Custody of ships will be transferred between COMNAVSEASYS COM and COMSC as mutually agreed.

3. Activation

a. The responsibility, upon mobilization and under conditions other than mobilization, for the activation of ships assigned to the NDRF and held for COMSC use rests with COMSC. The ships will be activated, upon transfer of custody from MARAD to MSC, through a variety of ways selected by the MSC to fit the circumstances. COMSC will be the contracting officer for the activation of ships for which COMSC is responsible for the activation.

b. The cost of activation and repairs to ships activated in response to DoD requirements will be borne by COMSC and recovered through billings to the customer BSO. Alterations, repairs, etc., that are military in character and directed to be accomplished by CNO, will be financed as directed by the CNO. Items requisitioned to fill deficiencies in equipment allowances and subsistence items shall be charged to the account for the ship.

c. Military equipment that is retained onboard will be maintained in a preserved status by COMSC. When a ship is activated for COMSC and is assigned to a fleet component within a period of 1 year after activation, the cost of activation shall be borne by the fleet component through billings from MSC.

d. For ships not controlled by MARAD, NAVSEA shall provide COMSC with disposition instructions for dehumidification equipment and portable gear removed. Dehumidification equipment installed by MARAD while ships are in the NDRF will be removed and retained by MARAD during activation.

4. Return. Upon return of a ship to inactive status, the cost of the items required to fill deficiencies in the allowance list and to replenish the stock of consumable supplies shall be borne by COMSC and recovered through billings to the customer BSO.

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The cost of overhaul prior to inactivation, if authorized, and the cost of inactivation of a ship returned directly to inactive status by COMSC shall be borne by COMSC and recovered through billings to the customer BSO. The cost of overhaul prior to inactivation, if required, and inactivation of a ship that was originally activated for MSC and subsequently transferred to a fleet unit shall be borne by NAVSEA under existing directives for the inactivation of ships assigned to the Fleet.

5. Alterations. Alterations of a military character, directed by the CNO for accomplishment during activation, will be financed as directed by the CNO. Alterations of a non-military character that are accomplished during activation will be funded by COMSC and billed to the appropriate BSO.

6. Inactivation. Naval ships withdrawn from service by COMSC for inactivation will normally be laid up in the inactive ship inventory. The method of inactivation and preservation shall be as mutually agreed between MARAD and COMSC and in general accordance with MARAD requirements for MSC ships designated for retention. MSC ships designated for early disposal after arrival in the NDRF will be prepared following the appropriate MARAD guidance. Funding responsibilities for the inactivation of Navy ships under MSC command found in chapter 7. After completion of inactivation and preservation of MSC ships for retention in the NDRF, Navy responsibility for monitoring the continuing readiness of these ships will be transferred from COMSC to NAVSEA INACTSHIPOFF, Portsmouth, VA. Exceptions to this general policy are:

- a. Temporary inactivation and berthing.
- b. Ships which because of cost, preparation, and berthing cannot be economically berthed in the NDRF.
- c. Ships which because of size, configuration, or other reasons are not acceptable to MARAD for lay-up in the NDRF.

7. Funding for Navy-owned Ships in the NDRF. The ship's OPNAV resource/platform sponsor, via the cognizant customer BSO, is responsible for funding the inactivation work and the cost for first year lay-up of a vessel at MARAD. The inactivation work can be funded from any source of funds desired by the OPNAV resource/platform sponsor. All retention costs should be funded from the 2B2G budget line.

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8. Disposal of MSC Ships. Upon the CNO decision to remove a COMSC ship from mobilization status, COMSC will liaison with NAVSEA INACTSHIPOFF so that NAVSEA can effect disposal. Upon completion of COMSC stripping at the MARAD site, the disposal effort becomes the responsibility of NAVSEA through the 2B2G budget line. When a COMSC ship is scheduled for disposal upon inactivation, the OPNAV resource/platform sponsor is responsible for funding the disposal effort from the 2B2G budget line.

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CHAPTER 14
TRAINING POLICY

1. General

a. Upon inactivation of a ship or class of ships, the appropriate training support must be reviewed for applicability to other classes of ships. A determination must be made regarding continuation of training as the ships are decommissioned. If training involves Inter-service Training Review Organization (ITRO) Courses, adherence to ITRO Regulations should be considered.

b. The Naval Education and Training Security Assistance Field Activity (NETSAFA), in cooperation with COMNAVSEASYSKOM, will conduct a review of those courses and training pipelines that support a particular class of ships or individual systems onboard ships to determine the necessity of maintaining the training, in support of potential reactivation of retention assets or in support of FMS programs.

2. Disposition of Training Courses. In the event training is no longer required, the courses are to be disestablished and resources reprogrammed.

a. Course material, Technical Training Equipment (TTE), and training devices that support ships retained as mobilization assets will be placed in storage by NETSAFA until the ship or last ship of the class is stricken; unless NETSAFA determines that there are less costly training alternatives available in the event of mobilization. In the event reactivation of mobilization assets is ordered, courses are to be reestablished as approved by CNO based on the recommendation of NETSAFA, TYCOM, and NAVSEA.

b. Once the last ship of a class is stricken, or NETC selects a more cost-effective training method, course material, TTE, and training devices will be transferred to NETSAFA.

c. During negotiations for the transfer of ships to other government agencies or foreign nations, a determination will be made as to the inclusion of training support with the transfer of the ship. Courses that support systems aboard ships transferred to other government agencies or foreign nations will not be discontinued until final disposition is determined by NETSAFA.

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d. Instructors and support staff for discontinued training will be reassigned based on NETC recommendation to CHNAVPERS.

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APPENDIX A
DEFINITIONS AND ACRONYMS

Definitions

1. Active Status. Active status ships or service craft are assigned to the active fleets and to their supporting activities or are ships of MSC, which are titled in the United States or are operated under long-term bareboat charter. Ships and service craft in active status are "in commission" or "in service."
2. Battleforce Ships. Includes aircraft carriers, surface combatants, submarines, amphibious warfare ships, and mine warfare ships in an active status. Combat logistics ships, both active and those under MSC (Naval Fleet Auxiliary Force), are also included.
3. Boats. A classification of water-borne craft which comprises generally the water-borne craft suitable primarily for shipboard and similar use.
4. Cannibalization. Equipment or parts removal for reutilization in response to a request to satisfy Navy CASREP when such parts are not available for drawdown from NAVSUP. The act of removing serviceable parts from one item of equipment in order to install them on another item of equipment.
5. CNO Ship Resource Sponsor. Organization within OPNAV responsible for specific ship types in fulfillment of assigned warfare requirements and programs.
6. Cold Ship Transfer. Transfer of title for an inactive ship in storage to a Federal, State, local government or non-government agency or foreign government from the U.S. Navy.
7. Custodian. Organization responsible for the safe storage of decommissioned and inactive vessels that are either awaiting disposal or are to be retained as defined by this instruction. Custodial responsibilities are normally assigned by CNO to COMNAVSEASYCOM or a Fleet commander, and are then further delegated to a NAVSEA INACTSHIPOFF or a TYCOM.
8. Deactivation. Removal of a non-commissioned U.S. Navy ship from active to inactive status. Applies to MSC ships and Navy service craft.

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9. Decommission. Removal of a commissioned U.S. Navy ship from active status.

10. Decommissioning Ceremony. A ceremony signifying the official retirement of a ship, honoring all of the men and women who gave their time, energy, and, for some, their lives while serving on board. The decommissioning ceremony does not have to occur coincident to the decommissioning date.

11. Decommissioning Date. The date the vessel is no longer considered a commissioned vessel. Transfer of command paperwork is signed and legal authority/liability is surrendered by the ship's commanding officer.

12. Dismantlement. Also referred to as scrapping. The breakdown, abatement, and recycling of a ship.

13. Equipage. An item that requires management control afloat due to high unit cost, vulnerability to pilferage, and/or being essential to the ship's mission. It does not encompass installed mechanical, electrical, ordnance, or electronic components or systems. The allowed quantity of equipage items can be and is determined on an individual ship basis. Examples include lines, firearms, anchor chain, gas masks, copy machines, etc.

14. Equipment. Any functional unit of hull, mechanical, electrical, ordnance, or electronic type material that is identified by a component identification number, numerical control code, allowance parts list, or similar designation, or is operated as a component of a system or subsystem. Examples include pumps, radars, guns, ovens, etc.

15. Equipment Removal. Removal from a ship, incident to its inactivation or its disposal, of installed equipment, onboard allowances of spares, repair parts, consumable material, technical manuals, etc., for which there is a requirement.

16. Excess. Any property under the control of any Federal agency, that is not required for its needs and the discharge of its responsibility.

17. Estimated Service Life (ESL). The number of years a naval ship is expected to be in service.

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18. Experimental Use. Utilization of an inactive naval vessel for research and development or an acquisition program.
19. Fleet Commander. COMUSFLTFORCOM and COMPACFLT are the Navy's Fleet commanders. They are the echelon II, Naval Service Component Commanders responsible for executing Title 10 responsibilities for manning, training, maintaining, and equipping Naval Forces to support Combatant Commander and Naval Component Commander requirements.
20. Fleet Training Exercise. A Navy exercise in which an inactive vessel is conducted under such conditions that it is likely to sink or is deliberately sunk, for the purpose of training personnel, testing weapons, or studying the survivability of ship structures.
21. Hot Ship Transfer. Transfer of ship's custody from the U.S. Navy to a Federal, State, local government or non-government agency or foreign government coincident with the ship's decommissioning/ deactivation.
22. Inactivation. The process by which a ship is prepared for decommissioning/deactivation and for eventual disposition of the ship.
23. Inactive Ship Inventory. The total population of inactive ships and service craft that have been decommissioned, deactivated, or placed out of service and are under the custody of NAVSEA's Navy Inactive Ships Program.
24. Inactive Status. Ships and service craft are in reserve and not currently required for duty in the active fleets or supporting forces.
25. Inactive Vessel. Any ship or service craft that has been decommissioned, deactivated, or placed out of service.
26. In Commission, In Reserve (ICIR). Status of a Navy ship during the period from date of stand-down until decommissioning.
27. In Service, In Reserve. Status of a non-commissioned Naval vessel from date of stand down until decommissioning.
28. Insurance Items. Systems, equipments or major components required to replace severely damaged installations when such installed items cannot be readily repaired or a replacement

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procured due to extended repair or acquisition lead time. These items do not have an anticipated demand which justifies system stock.

29. Logistics Support Asset (LSA). An inactivated vessel utilized as a primary means of cannibalization and equipment removal for ships. Cannibalizations and equipment removals from such vessels is authorized without replacement.

30. Maintenance Categories. Indicates the priority sequence for the level of maintenance to be accomplished.

31. Maritime Administration (MARAD). An agency of the U.S. Department of Transportation responsible for the NDRF and the RRF.

32. Material Inspection (MI). A periodic inspection conducted to ascertain and report on the material condition and performance capabilities or limitations of Navy ships as defined by INSURV in references (h) and (i).

33. Merchant Convertible. A vessel that can be modified for economically viable merchant use, as determined by MARAD.

34. Naval Activity. A unit of the Department of the Navy, of distinct identity, and established under an officer in command or in charge.

35. Naval Station. A naval activity on shore, having a commanding officer, and located in an area having fixed boundaries, within which all persons are subject to naval jurisdiction and immediate authority of the commanding officer.

36. Naval Vessel Register (NVR). A listing of ships and service craft that comprise the official inventory of the U.S. Navy.

37. Operational Commander. Organizational authority and responsibility for effectively using available resources and for planning the employment of, organizing, directing, coordinating and controlling military forces for the accomplishment of assigned missions.

38. OPNAV. Abbreviation used to describe the CNO staff.

39. OPNAV Ship Resource/Platform Sponsor. See CNO Ship Resource Sponsor.

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40. Out of Commission, In Reserve (OCIR). Status of a decommissioned Navy ship being held in reserve for future mobilization purposes.
41. Out of Service, In Reserve (OSIR). Status of a non-commissioned Navy vessel being held in reserve for future mobilization purposes.
42. Out of Service. Term used for Navy service craft and non-commissioned ships removed from use by the U.S. Navy.
43. Payback. A replacement of equipment or part removed that is equivalent in form, fit, function, and material condition to the equipment or part removed, so that interoperability of the payback is assured if the ship has to be reactivated. Typically applies to those vessels being retained for future mobilization purposes, foreign military transfer, and as potential memorial/museum assets.
44. Reefing. The disposal of a vessel or craft for use as an artificial reef in accordance with section 7306A of Title 10, U.S.C.
45. Retention Asset. A vessel designated as a potential future mobilization asset. Ships designated for FML are technically retention assets pending transfer or other disposition.
46. Service Craft. A classification of waterborne craft which comprises generally the water-borne utilitarian craft not classified as ships or boats.
47. Ships. A classification of water-borne craft which comprises generally the oceangoing vessels and craft of the Navy, and such other water-borne craft as may be assigned this classification.
48. Special Status. Ships and service craft in special status shall include those units for which the Navy is charged with certain responsibilities by reason of custody or title, but which are not in a commissioned or in-service status. Ships and service craft in special status are "out of commission, special," or "out of service, special."

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49. Stand down. Period of time after a ship shifts from operational status, prior to inactivation/decommissioning/deactivation, during which the inactivation process normally commences.
50. Strike. The declaration by SECNAV or designee that a ship or service craft be removed from the NVR.
51. Survey. Any inspection conducted to document the material condition of a ship prior to inactivating.
52. Target Exercise. A Navy exercise with a vessel, conducted on a not-to-sink basis, for the purpose of training personnel, testing weapons, or studying the survivability of ship structures.
53. Type Commander (TYCOM). A member of the USFFC responsible for supervising personnel, training, logistics, maintenance, and other support to Naval ships and units for air, surface, and submarines.
54. Vessel. Includes every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

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Acronyms

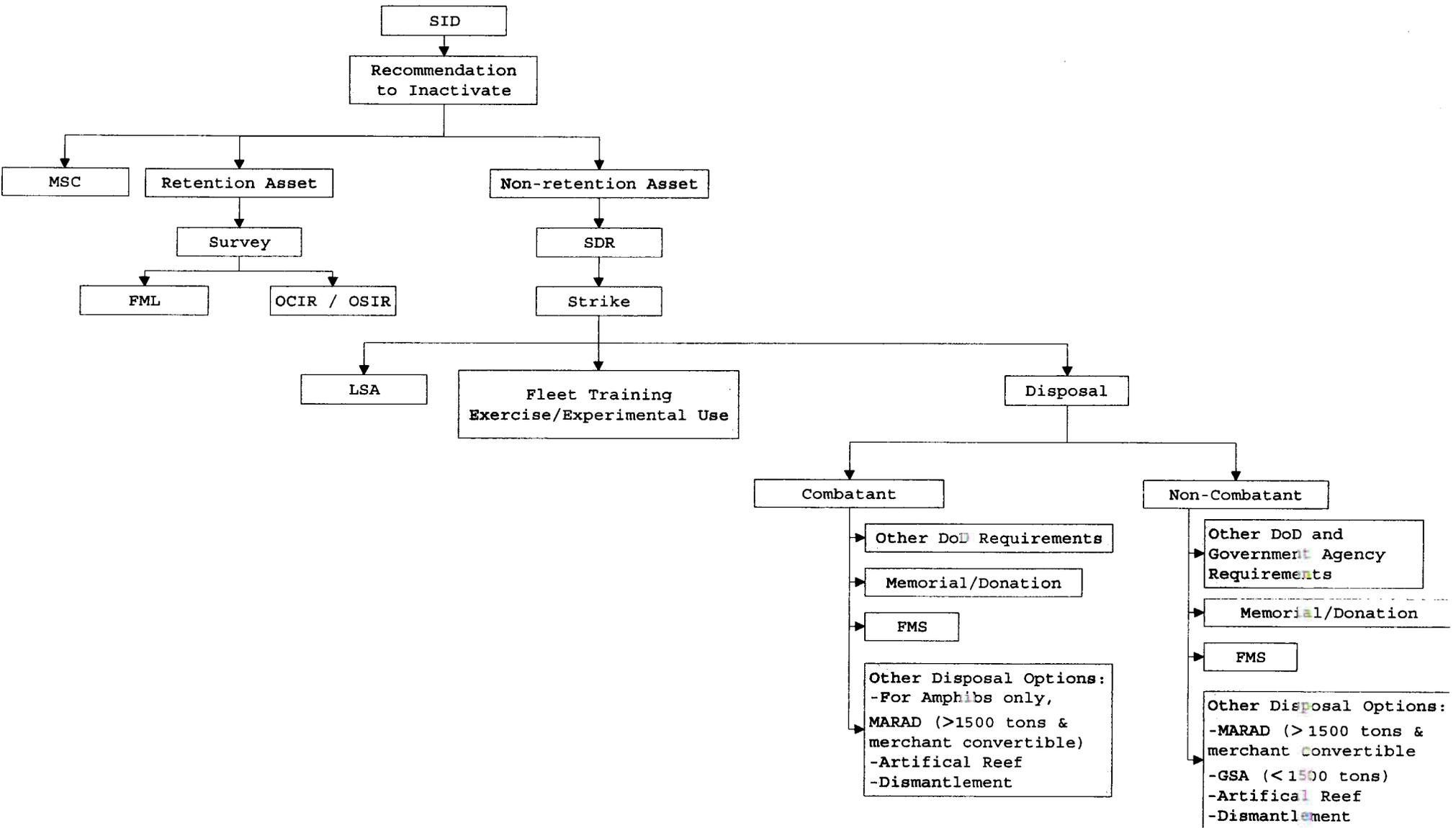
ADCON	Administrative Control
AMD	Activity Manpower Document
ASN (RDA)	Assistant Secretary of the Navy for Research, Development, and Acquisition
BSO	Budget Submitting Office
CASREP	Casualty Report
CHNAVPERS	Chief of Naval Personnel
CNO	Chief of Naval Operations
COMNAVAIRFOR	Commander, Naval Air Forces
COMNAVAIRSYSCOM	Commander, Naval Air Systems Command
COMNAVSEASYSKOM	Commander, Naval Sea Systems Command
COMNAVSUBFOR	Commander, Naval Submarine Forces
COMNAVSUPSYSCOM	Commander, Naval Supply Systems Command
COMNAVSURFOR	Commander, Naval Surface Forces
COMPACFLT	Commander, U.S. Pacific Fleet
COMSC	Commander, Military Sealift Command
COMSPAWARSYSCOM	Commander, Space and Naval Warfare Systems Command
COMUSFLTFORCOM	Commander, U.S. Fleet Forces Command
DASN	Deputy Assistant Secretary of the Navy
DCNO	Deputy Chief of Naval Operations
DNS	Director, Navy Staff
DoD	Department of Defense
DRMO	Defense Reutilization and Marketing Office
EPA	Environmental Protection Agency
ESL	Estimated Service Life
FDNF	Forward Deployed Naval Force
FMB	Department of the Navy, Office of Financial Management and Budget
FML	Foreign Military Lease
FMS	Foreign Military Sale
FY	Fiscal Year
FYDP	Future Years Defense Program
ICIR	In Commission, In Reserve
IM	Inventory Manager
INACTSHIPMAINTO	NAVSEA Inactive Ships On-site Maintenance Office
INACTSHIPOFF	NAVSEA Inactive Ships Management Office
INSURV	Board of Inspection and Survey
ISEA	In-Service Engineering Agent/Activity
ITRO	Inter-service Training Review Organization
LFT&E	Live Fire Test and Evaluation
LOA	Letter of Offer and Acceptance
LSA	Logistic Support Asset
MARAD	Maritime Administration
MI	Material Inspection

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MSC	Military Sealift Command
NAVICP	Naval Inventory Control Point
NAVSEA	Naval Sea System Command
NAVPERS	Naval Personnel
NAVSUP	Naval Supply Systems
Navy IPO	Navy International Programs Office
NDRF	National Defense Reserve Fleet
NETC	Naval Education and Training Command
NETSAFA	Naval Education and Training Security Assistance Field Activity
NMP	Navy Manning Plan
NRF	Naval Reserve Force
NSF	Nuclear Support Facility
NSTM	Naval Ships Technical Manual
NVR	Naval Vessel Register
OCIR	Out of Commission, In Reserve
OCR	Organizational Change Request
OPCON	Operational Control
OSIR	Out of Service, In Reserve
PACFLT	United States Pacific Fleet
PCB	Poly-Chlorinated Biphenyl
POM	Program Objective Memorandum
PPBE	Planning, Programming, Budgeting and Execution
PRESINSURV	President, Board of Inspection Survey
RRF	Ready Reserve Force
SDR	Ship Disposition Review
SECNAV	Secretary of the Navy
SID	Ships Inactivation Decision
SNDL	Standard Naval Distribution List
SYSCOM	Systems Command
TTE	Technical Training Equipment
TYCOM	Type Commander
USCG	United States Coast Guard
USFFC	United States Fleet Forces Command
USNS	United States Naval Ships
USS	United States Ship
WET	Weapons Effect Testing

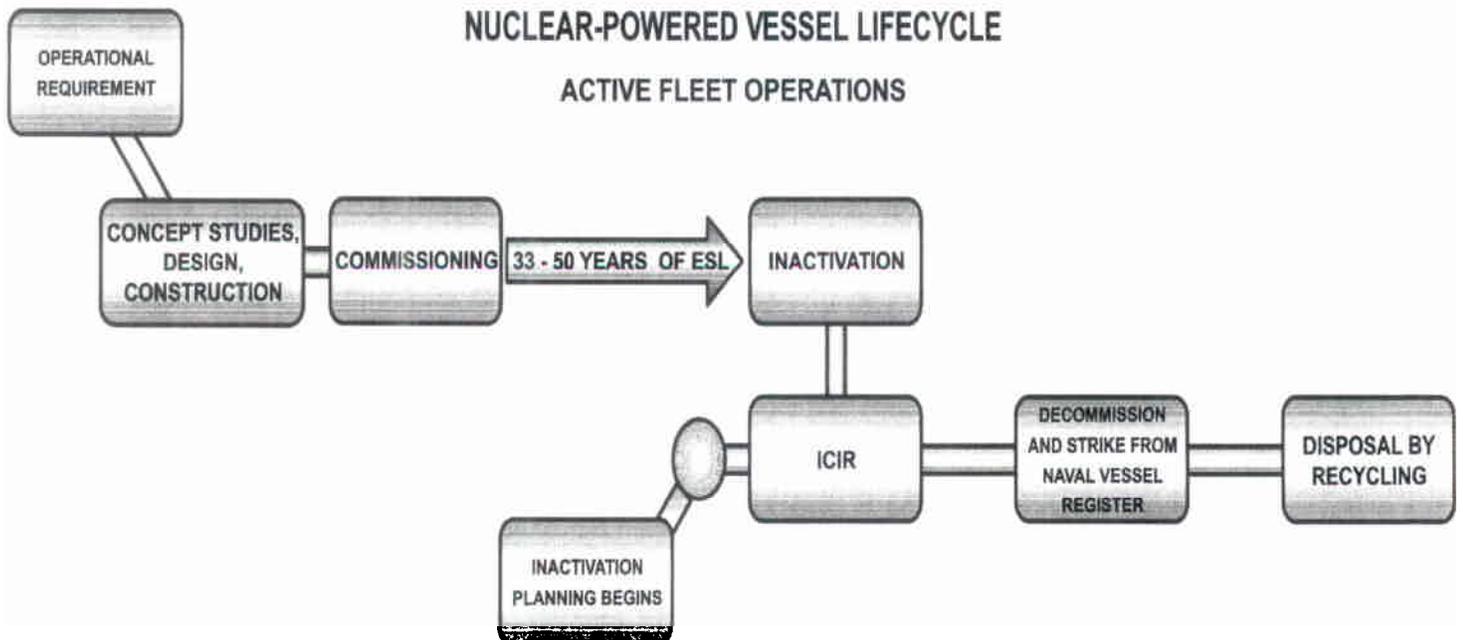
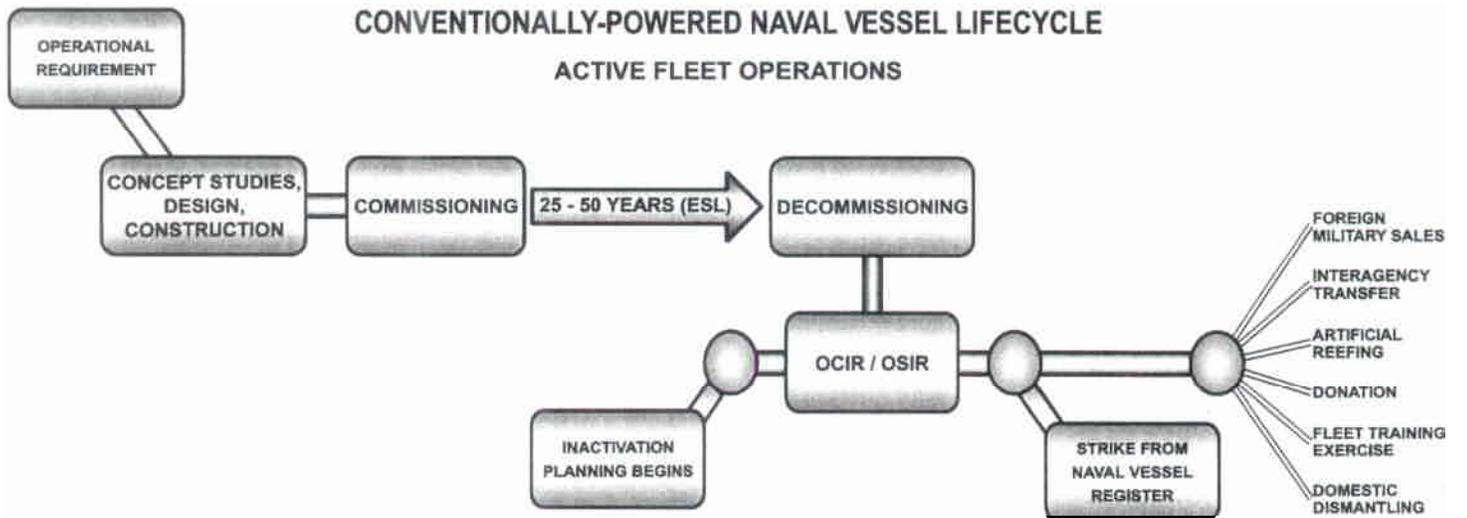
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**APPENDIX B
SHIP DISPOSITION DECISION FLOW CHART**



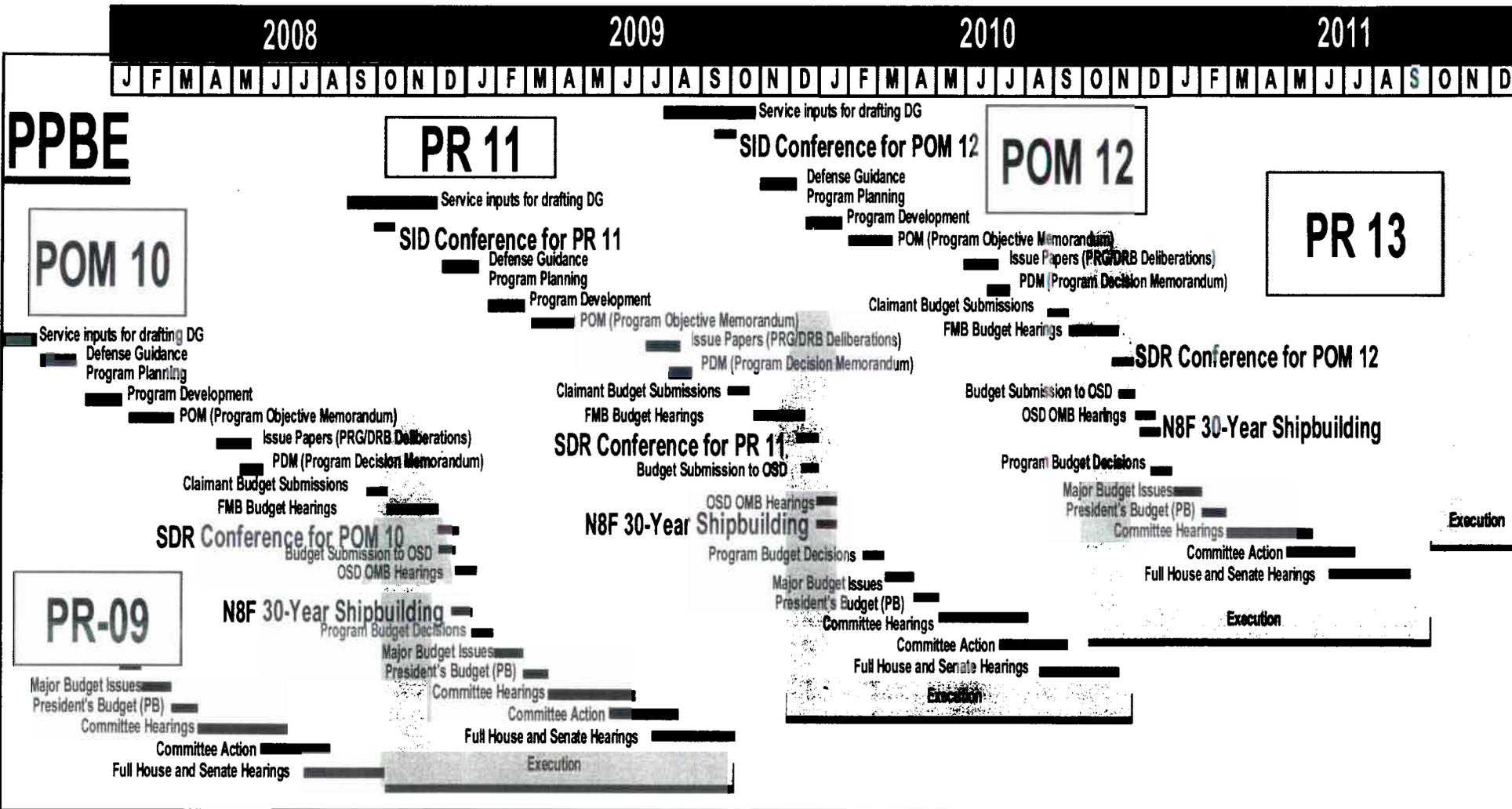
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APPENDIX C NAVAL VESSEL LIFE CYCLE



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APPENDIX D
EXAMPLE PROGRAM OBJECTIVE MEMORANDUM (POM) PROCESS



← The PPBE process is initiated yearly; each cycle runs in excess of 18 months resulting in considerable overlap →

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APPENDIX E
EQUIPMENT REMOVAL DURING DECOMMISSIONING STAND DOWN

Type of Material	TYPE OF SHIP DISPOSITION							
	RETENTION		NON-RETENTION					
	Mobilization	FML	FMS Hot Ship	FMS Hold Ship	LSA	Donation	Target & Experimental Use	Dismantlement & Title Transfer
Bench stocks	C	A	A	C	D	C	C	C
Storeroom consumables	D	C	A	C	D	C	C	C
Installed Insurance Item Candidates	A	A	A	A	E	E	E	E
All repair parts, spares, and MAMs	A	A	A	A	D	C	C	C
Consumables & equipage subject to deterioration	C	C	A	C	C	C	C	C
Equipage not subject to deterioration	A	A	A	A	D	C	C	C
Installed equipment	A	A	A	A	D	D	D	D
Test equipment	A	A	A	A	D	D	D	D
Item manager controlled equipment	B	B	A	B	B	B	B	B
Medical/dental supplies	D	B	A	C	C	C	C	C
Curator interest items	C	C	C	C	C	C	C	C

A - Retain on board (except for non-transferable technology items on vessels designated for foreign transfer).

B - Offload for return to supply system or IM. Except for FMS hold ships, excess material not required by the supply system or IM will be offloaded to the Defense Reutilization and Marketing Office (DRMO). Navy Tactical Command support system equipment is redistributed by Space and Naval Warfare Systems Command, Headquarters.

C - TYCOM redistributes; remaining material will be offloaded for return to supply system. Except for FMS hold ships, excess material not required by the supply system will be offloaded to DRMO. For curator interest items, TYCOM will comply with chapter 11.

D - TYCOM can redistribute; remaining material can be offloaded for return to supply system if needed or left on board.

E - Life cycle IMs will determine if items are required to fill insurance item inventory shortfalls and take actions to remove if needed.

Note: Additional guidance on the removal of equipment from inactivating ships can be found in chapter 11.