**DFARS Case 2021-D021**

**Restrictions on Overhaul and Repair of Naval Vessels in Foreign Shipyards**

**Final Rule**

**PART 225—FOREIGN ACQUISITION**

**\* \* \* \* \***

**SUBPART 225.70--AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION**

**\* \* \* \* \***

225.7013 Restrictions on construction or repair of vessels in foreign shipyards.

[225.7013-0 Scope.

This section implements 10 U.S.C. 8679 and 10 U.S.C. 8680.

225.7013-1 Definitions.

As used in this section—

“Corrective and preventive maintenance or repair” means—

(1) Maintenance or repair actions performed as a result of a failure in order to return or restore equipment to acceptable performance levels; and

(2) Scheduled maintenance or repair actions to prevent or discover functional failures.

“Facilities maintenance” means the effort required to—

(1) Provide housekeeping services throughout the ship;

(2) Perform coating maintenance and repair to exterior and interior surfaces due to normal environmental conditions; and

(3) Clean mechanical spaces, mission zones, and topside spaces.

225.7013-2 Restrictions.]

~~In accordance with 10 U.S.C. 8679 and 8680—~~

(a) **[*Contract award (10 U.S.C. 8679).*]** Do not award a contract to construct in a foreign shipyard—

(1) A vessel for any of the armed forces; or

(2) A major component of the hull or superstructure of a vessel for any of the armed forces~~; and~~**[.]**

(b) **[*Overhaul, repair, or maintenance (10 U.S.C. 8680).***

**(1)]** Do not overhaul, repair, or maintain**[,]** in a ~~foreign~~ shipyard~~,~~ **[outside the United States or Guam,]** a naval vessel (or any other vessel under the jurisdiction of the Secretary of the Navy) homeported in the United States **[or Guam]**.

**[(2)]** This restriction **[on overhaul, repair, or maintenance]** does not apply to**[—**

**(i) V]**~~v~~oyage repairs~~.~~**[; or**

**(ii) Repairs necessary to correct damage sustained due to hostile actions or interventions.**

**(3) For a naval vessel classified as a littoral combat ship and operating on deployment—**

**(i) Corrective and preventive maintenance or repair, whether intermediate or depot level, and facilities maintenance may be performed if the work is performed by U.S. Government personnel or U.S. contractor personnel—**

**(A) In a foreign shipyard;**

**(B) At a facility outside of a foreign shipyard; or**

**(C) At any other facility convenient to the vessel;**

**(ii) Foreign workers may be used to perform corrective and preventive maintenance or repair, only if the Secretary of the Navy, without power of delegation, determines that travel by U.S. Government or contractor personnel to perform the maintenance or repair is not advisable for health or safety reasons; and**

**(iii) Foreign contractors may perform facilities maintenance only as approved by the Secretary of the Navy.]**

**\* \* \* \* \***