

COMMITTEE LANGUAGE FOR FISCAL YEAR 2000

V-22 (MEDIUM LIFT)

ACCOUNT: APN

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
(10)796,392	(11)856,400	(12)919,392	(12)919,392	(11)856,400	(12)919,392	(11)856,392

V-22 (MEDIUM LIFT) ADVANCE PROCUREMENT (CY)

ACCOUNT: APN

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
71,044	71,044	71,044	71,044	71,044	71,044	71,044

V-22A

ACCOUNT: RDT&E, Navy

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
182,885	182,885	182,885	182,885	182,885	182,885	182,885

V-22 (MEDIUM LIFT)

ACCOUNT: Aircraft Procurement, Air Force

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
29,203	29,221	29,221	29,221	16,736	29,203	22,203

V-22 (MEDIUM LIFT) ADVANCE PROCUREMENT (CY)

ACCOUNT: Aircraft Procurement, Air Force

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
20,290	20,290	20,290	20,290	20,290	20,290	20,290

CV-22 SOF MODS

ACCOUNT: Procurement, Defense Wide

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
3,582	3,582	3,582	3,582	3,582	3,582	3,582

SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT

CV-22 SOF MODS

ACCOUNT: RDT&E, Defense Wide

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
106,671	115,671	115,671	157,370	149,370	127,271	150,270

HASC LANGUAGE (Rpt. 106-162)

Page 15, Procurement

Navy/Marine Corps:		
KC-130J	.....	252.0
MV-22	.....	60.0
CH-60S	.....	38.0
UC-35	.....	18.0

Page 64, Aircraft Procurement, Navy

006	V-22 (MEDIUM LIFT)	10	850,254	1	60,000	11	910,254
006	LESS: ADVANCE PROCUREMENT (PY)		(53,862)			-	(53,862)
007	ADVANCE PROCUREMENT (CY)	-	71,044			-	71,044
008	DELIVERABLES/SEA CORRA	-	1,061			-	1,061

Page 110, Aircraft Procurement, Air Force

HELICOPTERS							
016	V-22 OSPREY	-	29,221			-	29,221
017	ADVANCE PROCUREMENT (CY)	-	20,290			-	20,290
018	MISSION SUPPORT AIRCRAFT						

Page 141, Procurement, Defense-Wide

037	SOF TRAINING SYSTEMS	-	2,107			-	2,107
038	MC-130H COMBAT TALON II	-	16,895			-	16,895
039	CV-22 SOF MODIFICATION	-	3,582			-	3,582

Page 183, RDT&E, N

0604261N	91	ACOUSTIC SEARCH SENSORS		25,953			25,953
0604262N	92	V-22A		182,885			182,885
0604264N	93	AIR CREW SYSTEMS DEVELOPMENT		6,801			6,801

Page 251, RDT&E, Defense Wide

11604043B	166	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT CV-22 Osprey Small Craft Propulsion Systems Improvements Advanced Seal Delivery Systems		106,671		21,000	127,671 [+9,000] [+4,000] [+8,000]
11604058B	167	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT SOTVS Digital Underwater Camera		1,407		2,100	3,507 [+2,100]

The Committee Bill: Managing Risk

The committee's recommendations in the bill have been shaped by the above concerns and guided in large part by the priorities identified by the military service chiefs. The committee's first step is to put the defense budget on somewhat sounder fiscal footing. Thus, the committee bill increases the President's budget request by \$8.3 billion. Within this topline increase, the committee has taken a number of steps to improve the quality of military life, to improve the readiness of the force, and to accelerate the pace of equipment modernization.

Major quality of life initiatives include a 4.8 percent basic military pay raise, substantial pay table reform, and reform of the military retirement system. The committee also rejected the Administration's inexplicable \$3.1 billion cut to the already underfunded military construction accounts, instead fully funding military construction at a level of \$8.6 billion to provide important improvements to the quality of military life. The committee also increased spending on critical readiness accounts by more than \$2 billion, including significant increases for real property maintenance and base operations support, depot maintenance, aircraft spare parts, combat training center operations, as well as more than \$700 million for other unfunded readiness priorities identified by the military service chiefs. The committee has also increased funding for equipment modernization, adding approximately \$4 billion to the President's underfunded budget request for research, development, and procurement programs. Important modernization initiatives include the addition of more than \$400 million to the Administration's request for missile defense programs, and substantial increases to upgrade the B-2 bomber fleet, and for EA-6B, F-15, F-16, Joint Strike Fighter, V-22, AH-64 Apache Longbow and Comanche helicopter programs.

Despite the substantial improvements this bill has made to the President's budget request, the committee is under no illusions concerning the rising level of risk U.S. armed forces are facing. The committee does not believe that "high risk" in executing the core missions of our National Military Strategy is acceptable. The nation is facing a dilemma that Secretary Cohen recently articulated in testimony to the Congress. The Secretary noted the multiple strains caused by conducting Operation Allied Force simultaneously with having to meet other important requirements, and commented that "we've got to find a way to either increase the size of our forces or

The committee believes that unless the nation fields the forces and provides the resources required by the National Military Strategy, the inevitable alternative is for the United States to retreat from its global responsibilities and interests. As it does with regard to the growing risk confronting our military forces, the committee also believes it is unacceptable for the United States to retreat from the aggressive promotion and protection of our interests around the world.

Page 71, Procurement

MV-22

The budget request contained \$796.4 million to procure 10 MV-22 tiltrotor aircraft and \$71.0 million for advance procurement of 16 aircraft in fiscal year 2001.

The committee continues to support accelerated MV-22 procurement and endorses the Quadrennial Defense Review's (QDR) recognition of the urgent need to replace the Marine Corps' aging fleet of Vietnamese CH-46 medium lift helicopters. The committee notes that the procurement of additional MV-22 aircraft in fiscal year 2000 is the Commandant of the Marine Corps' highest unfunded aviation procurement priority.

Therefore, consistent with its prior actions, the QDR's findings, and the Commandant's priorities, the committee recommends \$856.4 million, an increase of \$60.0 million to procure one additional MV-22 aircraft.

Page 267, Special Interest Items

CV-22 Osprey

The budget request contained \$106.7 million in PE 116404BB for special operations tactical systems development.

The CV-22 Osprey will provide critical capability for long-range special operations, contingency operations and special warfare. The committee notes that a pre-planned product improvement (P3I) will add additional capability and refinement to the CV-22 that will give special forces significant advantage in areas critical to mission performance.

The committee recommends an increase of \$9.0 million in PE 116404BB for the CV-22 Osprey P3I.

Page 275, RDT&E Defense Wide

Special operations tactical systems development

The budget request contained \$106.7 million for special operations tactical systems development in PE 116404BB, including \$18.3 million for underwater systems.

The committee is aware that the advanced seal delivery systems (ASDS) will provide a significant new capability for special operations forces. The committee notes that the ASDS program has experienced unexpected cost increases and schedule delays that have forced program restructuring and that ASDS is now expected to begin testing and sea trials in the latter part of fiscal year 1999. The committee is aware that the Special Operations Command has fully acknowledged the importance of ASDS and committed to internally reprogram funds in order to support the revised schedule. However, this reprogramming has necessitated the reduction of funds from other important special operations programs.

The committee supports fielding the ASDS as promptly as possible, with a minimum of reprogramming, and recommends an increase of \$8.0 million in PE 116404BB for ASDS.

SASC LANGUAGE (Rpt. 106-50)

Page 61, Aircraft Procurement, Navy

6	V-22 (MEDIUM LIFT)	10	850,254	2	123,000	12	973,254
	LESS: ADVANCE PROCUREMENT (PY)		(53,862)	-	-	-	(53,862)
7	ADVANCE PROCUREMENT (CY)	-	71,044	-	-	-	71,044

Page 126, Procurement, Defensewide

38	MC-130H COMBAT TALON II	-	16,895	-	-	-	16,895
39	CV-22 SOF MODIFICATION	-	3,582	-	-	-	3,582
40	OH-6 PROCUREMENT & MODIFICATIONS	-	-	-	-	-	-

Page 175, RDT&E, Navy

0604261N	91	ACOUSTIC SEARCH SENSORS			25,953	-	25,953
0604262N	92	V-22A			182,885	-	182,885

Page 221, RDT&E, Defensewide

1160404BB	166	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT			106,671	-	115,671
		CV-22 Modifications				9,000	

MV-22

The budget request included \$850.3 million to procure 10 MV-22 Osprey aircraft. The MV-22 is a medium lift tiltrotor, vertical/ short takeoff and landing aircraft that delivers twice the speed, five times the range, and three times the payload of the aging medium lift CH-46 helicopters it will replace. The committee understands that additional MV-22 aircraft in fiscal year 2000 will facilitate a more efficient fielding, transition, training, and deployment. Additional MV-22 aircraft are the number one priority on the Marine Corps unfunded requirements list. The committee, therefore, recommends an increase of \$123.0 million for two additional MV-22 aircraft, a total authorization of \$973.3 million for 12 MV-22 aircraft.

Special operations tactical system development

The budget request included \$106.7 million for special operations tactical system development activities. The committee supports the Special Operations Command CV-22 procurement program and recognizes the increased capability these aircraft will provide. The committee is concerned that the current plans call for the fielding of CV-22 aircraft for initial operating capability without aircraft survivability and countermeasures equipment that are programmed to be retrofitted after fielding. The committee understands that there is an opportunity to insert the wiring and structural changes into the production line in time for production build-up, to provide for a more capable aircraft. The committee, therefore, recommends an increase of \$9.0 million in PE 1160404BB, a total authorization of \$115.7 million. This will result in an ultimate savings of \$15.0 million that would have been required for expensive retrofit requirements.

CASC LANGUAGE (Rpt. 106-301)

6	V-22 (MEDIUM LIFT)	10	850,254	11	910,254	12	973,254	2	123,000	12	973,254
	LESS: ADVANCE PROCUREMENT (PY)		(53,862)		(53,862)		(53,862)		-		(53,862)
7	ADVANCE PROCUREMENT (CY)		71,044		71,044		71,044		-		71,044
8	AH-1W (HELICOPTER) SEA COBRA		1,961		1,961		1,961		-		1,961

16	V-22 OSPREY		29,221		29,221		29,221		-		29,221
17	ADVANCE PROCUREMENT (CY) MISSION SUPPORT AIRCRAFT		20,290		20,290		20,290		-		20,290

38	MC-130H COMBAT TALON II		16,895		16,895		16,895		-		16,895
39	CV-22 SOF MODIFICATION		3,582		3,582		3,582		-		3,582
40	OII-6 PROCUREMENT & MODIFICATIONS		-		-		-		-		-

Page 620, RDT&E, Navy

0604261N	91	ACOUSTIC SEARCH SENSORS	23,953	23,953	23,953	-	23,953
0604262N	92	V-22A	182,885	182,885	182,885	-	182,885

Page 655, RDT&E, Defense wide

1160404BB	166	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,671	127,671	115,671	-	157,370
		Transfer from O&MDW & PDW				26,099	
		Small Craft Propulsion Systems Improvements		[4,000]		4,000	
		Advanced Seal Delivery Systems		[8,000]		-	
		Classified Programs				11,600	
		CV-22 Modifications		[9,000]	[9,000]	9,000	

Pages 662 and 663, RDT&E, Defense wide

Special operations tactical systems development

The budget request included \$106.7 million for special operations tactical system development activities. The Senate bill would authorize an increase of \$9.0 million to support production line modifications necessary to install aircraft survivability equipment on CV-22 aircraft during the production process in lieu of existing retrofit plans. The Senate bill would also authorize an increase of \$11.6 million in PE 160408BB for a classified activity. The House amendment would authorize an increase of \$21.0 million for the following:

- (1) \$4.0 million for small craft propulsion systems improvements;
- (2) \$8.0 million for advanced SEAL delivery systems; and
- (3) \$9.0 million for CV-22 aircraft survivability equipment production enhancements.

The conferees agree to authorize an increase of \$50.7 million in PE 1160404BB. Of this amount, \$9.0 million is to support insertion of aircraft survivability equipment on CV-22 aircraft during the production process, \$4.0 million is for small craft propulsion system improvements, \$11.6 million is for the classified program as identified in the Senate bill, and \$26.1 million is for Advanced SEAL delivery system efforts, discussed elsewhere in this report.

HAC LANGUAGE (Rpt. 106-244)

Page 142, Aircraft Procurement, Navy

V-22	796,392	856,392	+60,000
Special Project Aircraft	28,782	30,782	+2,000

Page 167, Aircraft Procurement, Air Force

V-22 OSPREY	29,203	16,736	- 12,467
Support equipment procured ahead of need			- 12,467
Operational Support Aircraft	0	63,000	+63,000

Page 173, Aircraft Procurement, Air Force

HELICOPTERS					
V-22 OSPREY.....	--	29,203	--	16,736	-- -12,467
V-22 OSPREY (AF-CV).....	--	20,290	--	20,290	--

Page 190, Procurement, Defensewide

MC-130H COMBAT TALON II.....	--	16,895	--	16,895	--
CV-22 SOF MODIFICATION.....	--	3,582	--	3,582	--
AC-130U GUNSHIP ACQUISITION.....	--	26,796	--	26,796	--
AC-130U MODIFICATIONS.....	--		--		--

Special Operations Tactical Systems Development	106,671	149,370	+42,699
CV-22 Modifications .....	.....	.....	+9,000
CV-22 Second Digital Map .....	.....	.....	+3,600
Small Craft Propulsion Systems Improvements .....	.....	.....	+4,000

Page 24, Modernization Programs

Major Weapon Programs.—The Committee recommends fully funding the budget request for the Army’s Crusader next generation artillery system, the Navy’s AV-8B and F/A-18 E/F aircraft, the carrier replacement program, and DDG-51 and LPD-17 ships. The Committee has also funded the number of C-17 aircraft re-requested by the Air Force.

The Committee has added funds over the budget request to pro-cure additional aircraft such as UH-60 Blackhawk helicopters for the Army, JPATS trainer aircraft for the Navy and Air Force, V-22 and KC-130Js for the Marine Corps, and F-15, F-16 and JSTARS aircraft for the Air Force. The Committee has also added funds over the request for Apache modifications, Bradley fighting vehicle industrial base sustainment, KC-135 tanker re-engining, continued upgrades to the B-2 bomber fleet and additional AMRAAM missiles.

Page 28 and 29, Procurement

PROCUREMENT

The Committee recommends \$53,031,397,000 in obligational authority for programs funded in Title III of the bill, Procurement, a net increase of \$1,179,859,000 over the fiscal year 2000 budget re-quest.

Major programs funded in the bill include the following:

- \$207,140,000 for 19 UH-60 Blackhawk helicopters.
- \$774,536,000 for Apache Longbow modifications.
- \$296,472,000 for 2200 Hellfire missiles.
- \$307,677,000 for 2682 Javelin anti-tank missiles.
- \$138,134,000 for 47 MLRS launcher systems.
- \$392,762,000 for Bradley fighting vehicle industrial base sustainment.
- \$422,996,000 for the Abrams Tank upgrade program.
- \$260,444,000 for 12 AV-8B strike aircraft.
- \$2,691,989,000 for 36 F/A-18E/F fighter aircraft.
- \$856,392,000 for 11 V-22 aircraft.
- \$284,493,000 for 17 CH-60S helicopters.

Page 143, Aircraft Procurement, Navy

V-22 AIRCRAFT

The Navy requested \$796,392,000 for 10 V-22 aircraft. The Committee recommends \$856,392,000, an increase of \$60,000,000 for one additional V-22. The Committee strongly endorses the Department's plan to replace aging CH-46E's and CH-53D's with the versatile and comparatively quieter V-22 Osprey. The Committee expects the Department to accelerate the procurement of the V-22 to achieve the most economical buy rate. In addition, the Committee directs the Department to accelerate the stand up of West Coast V-22 squadrons in order to provide better operational support and geographical balance.

Page 315 and 316, Additional Views

F-22 Consumes Too Much Funding Needed For Other Military Capabilities.—In making this decision, the Committee reviewed not only what capability the F-22 can provide for the future compared to other planes, but what capability we are giving up because of the cost of this plane—the so-called “opportunity cost.” It is now clear from experiences in Yugoslavia and Iraq that other Air Force, Navy, and Marine Corps aviation capabilities are being stretched dangerously thin in certain key areas because of the need to pay the exorbitant F-22 budget costs. It is also clear that from a larger perspective, the F-22 is consuming resources that could be used to address other critical strategic concerns such as emerging threats from chemical/biological/nuclear terrorism, information warfare, and cruise missiles.

The Committee has recognized that it takes more than an ultra-sophisticated fighter to successfully prosecute modern-day air operations.

It requires a total balanced and integrated system, starting with highly trained and well-motivated aircrews. It also depends on sophisticated surveillance systems such as the AWACS and JSTARS systems, modern information and communications systems to provide instantaneous situation awareness, sophisticated missiles, electronic jamming support, intelligence gathering platforms such as the U-2 and various unmanned aerial vehicles, and support from refueling tankers and specialized helicopters.

The Committee rightly believes that the Pentagon is over-emphasizing fighter procurement, proposing to buy this expensive high tech fighter at a cost that will severely limit other weapons purchases and upgrades. This could actually degrade performance in the years ahead, since there will be no additional funds to sufficiently upgrade these other systems in a timely manner. The Air Force and the Department as a whole are already starting to pay this price. For instance:

The Air Force retired its F-111 airplanes with their electronic jamming capability in order to save money for the F-22; now we find that the military will not fly missions even with our stealthy aircraft, such as the B-2, without jammer protection and there is concern about a shortage of these critical assets;

The Air Force has greatly cut back on its “Red Flag” pilot

training program using dedicated aggressor squadrons—a program widely regarded as a key to superior US pilot proficiency; The Air Force relies on 1950s and 1960s-era aerial tankers, many of which urgently require re-engineering and other up-grades, yet no funding is requested.

One of their most critical intelligence assets—the U-2 plan—flies with outdated avionics, which the Air Force has no plan to upgrade due to budget constraints;

The Air Force has no bomber modernization plan—the best they can come up with is a plan to keep the B-52s flying until they are literally 80 years old;

To find more money for the F-22, the Air Force has forced at least a two year delay in our next generation satellite early warning system (SBIRS-High) for the detection of ballistic missile attack—a critical system to our national security;

The Air Force isn't able to find enough new recruits and it is losing veteran pilots to early retirement at an alarming rate with the shortage now topping over 1,100 pilots—in part due to poor facilities for Air Force personnel and their families;

The Air Force has had serious ongoing spare parts shortages and has increasing equipment maintenance backlogs;

The Air Force ran out of key precision guided cruise missiles—the CALCM—during the Kosovo campaign;

There are new technologies for our top of the line F-15 and F-16 aircraft that will add significantly to their effectiveness, like the "link-16" system that could and should be fielded now—but must wait due to funding considerations;

The Marine Corps is being forced to replace its worn out helicopters with the new V-22 tiltrotor at a much slower rate than is optimal from an operational perspective.

SAC LANGUAGE (Rpt. 106-53)

Contains no language.

Page 61, Aircraft Procurement, Navy

Special Operations Tactical Systems Development	106,671	149,370	+42,699
CV-22 Modifications .....	.....	.....	+9,000
CV-22 Second Digital Map .....	.....	.....	+3,600
Small Craft Propulsion Systems Improvements .....	.....	.....	+4,000

Page 62, Aircraft Procurement, Navy

V-22 (MEDIUM LIFT)	796,392	919,392	+ 123,000
Two (2) Additional Aircraft .....	.....	123,000	+ 123,000

Page 76, Aircraft Procurement, Air Force

V-22 (MEDIUM LIFT)	796,392	919,392	+ 123,000
Two (2) Additional Aircraft		123,000	+ 123,000

Page 88, Procurement, Defensewide

CV-22 SOF MODIFICATION	3,582	3,582	
AC-130U GUNSHIP ACQUISITION	26,796	26,796	

Page 106, RDT&E, Navy

ACOUSTIC SEARCH SENSORS	20,953	20,953	
V-22A	182,885	182,885	
AIR CREW SYSTEMS DEVELOPMENT	6,801	10,301	+ 3,500

Page 122, RDT&E, Defensewide

SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,671	127,271	+ 20,600
Classified Programs		11,600	+ 11,600
CV-22 Accelerate P31		9,000	+ 9,000

CAC LANGUAGE (Rpt. 103-371)

Page 177, Aircraft Procurement, Navy

V-22 (MEDIUM LIFT)	796,392	856,392	919,392	12	856,392
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Page 188, Aircraft Procurement, Air Force

JPATS	88,232	106,332	142,232	29	113,232
V-22 OSPREY	29,203	16,736	29,203	--	22,203
OPERATIONAL SUPPORT AIRCRAFT	---	63,000	---	1	63,000

Page 242, RDT&E, Defense-wide

SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,671	149,370	127,271	150,270	
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,407	6,507	1,407	5,407	

Page 246, RDT&E, Defense-wide

SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,671	149,370	127,271	150,270	
Classified Programs			11,600	6,000	
CV-22 Modifications		9,000	9,000	9,000	
CV-22 Second Digital Map		3,600			
Small Craft Propulsion Systems Improvements		4,000		2,500	
Advanced Seal Delivery Systems		26,099		26,099	

Page 16, Title IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$9,110,326,000, to remain available for obligation until September 30, 2001: Provided, That funds appropriated in this paragraph which are available for the V-22 may be used to meet unique requirements of the Special Operation Forces: Provided further, That of the funds available under this heading, no more than \$7,000,000 shall be available only to initiate a cost improvement program for the Intercooled Recuperated Gas Turbine Engine program: Provided further, That the funds identified in the immediately preceding proviso shall be made available only if the Secretary of the Navy certifies to the congressional defense committees that binding commitments to finance the remaining cost of the ICR cost improvement program have been secured from non-federal sources: Provided further, That should the Secretary of the Navy fail to make the certification required in the immediately preceding proviso by July 31, 2000, the Secretary shall make the funds subject to such certification available for DD-21 ship propulsion risk reduction: Provided further, That the Department of Defense shall not pay more than one-third of the cost of the Intercooled Recuperated Gas Turbine Engine cost improvement program.