

COMMITTEE LANGUAGE FOR FISCAL YEAR 2001

**E-2C (EARLY WARNING) HAWKEYE
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
(5)364,882	(5)364,882	(5)364,882	(5)359,882	(5)364,882	(4)304,324	(4)359,882

**E-2C (EARLY WARNING) HAWKEYE (AP-CY)
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
68,082	68,082	68,082	68,082	68,082	68,082	68,082

**E-2 SERIES
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
18,485	57,485	18,485	42,485	57,485	18,485	42,485

**E-2 SQUADRONS
ACCOUNT: RDT&E**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
18,698	20,698	18,698	24,698	37,698	18,698	50,698

HASC LANGUAGE (Rpt. 106-616)

Page 67, Aircraft Procurement, Navy

009	E-2C (EARLY WARNING) HAWKEYE (MYP)	4	104,324	4	104,324
009	LESS: ADVANCE PROCUREMENT (PY)	5	384,882	5	384,882
010	ADVANCE PROCUREMENT (CY)	-	(112,082)	-	(112,082)
		-	68,082	-	68,082

Page 69, Aircraft Procurement, Navy

034	E-2 SERIES	-	79,050	-	79,050
	Hawkeye 2000	-	18,485	39,000	57,485
035	TRAINER A/C SERIES	-	-	[+39,000]	[+39,000]

Page 190, RDT&E, Navy

0204152N	161 E-2 SQUADRONS	18,698	2,000	[+18,000]
	E2-C2 Rotordome and Control Surface Improvements			20,698
				[+2,000]

Page 72, Aircraft Procurement, Navy

E-2 modifications

The budget request contained \$18.5 million for E-2 modifications but included no funds to upgrade ready-storage Group I-configured E-2C aircraft to the Hawkeye 2000 configuration. Group I-configured E-2C aircraft are no longer usable for the Navy's fleet operations due to their outdated computer and communications capabilities but could be modified to the Hawkeye 2000 configuration which would upgrade this aircraft with

satellite communications; a commercial-off-the-shelf, high-capacity mission computer and associated workstations; and the cooperative engagement capability. The committee understands that this modification will provide the E-2C fleet with a quantum leap in situational awareness and fleet-wide connectivity. Accordingly, the committee recommends \$57.5 million, an increase of \$39.0 million, to upgrade one ready-storage Group I E-2Cs to the Hawkeye 2000 configuration.

Page 196, Items of Interest

Aviation modernization plan

The committee notes recent reports that the Office of the Chief of Naval Operations is considering a major revision of naval aviation plans which would remove aircraft from inventory, cancel future aircraft systems concepts, and reconfigure the carrier air wing in order to develop an affordable modernization plan for naval aviation. The reports indicate that the recommendations contained in the "Common Vision for Naval Aviation" would be implemented beginning with the Navy's budget request for fiscal year 2002. The committee understands that the following alternatives are being considered:

- (1) Replacement of the EA-6B Prowler electronic warfare aircraft by 2010 with an electronic warfare aircraft follow-on;
- (2) Retirement of the F-14 Tomcat strike-fighter aircraft by 2008;
- (3) Service life extension of the C-2 Grayhound Tracker carrier onboard delivery aircraft;
- (4) Retirement of the S-3B Viking antisubmarine warfare aircraft by 2008 and its mission replacement by a combination of P-3C Orion maritime patrol aircraft and SH-60R Seahawk multi-mission helicopter;
- (5) Replacement of the S-3B Viking in its tanker role by F/A-18E/F fighter aircraft with a aircraft refueling capability;
- (6) Service life extension of the P-3C Orion maritime patrol aircraft;
- (7) Service life extension of the EP-3E Aries electronic surveillance aircraft;
- (8) Cancellation of the concept of a common support aircraft that would combine the mission of the E-2C Hawkeye airborne early warning aircraft with the missions of the S-3 Viking and C-2 Greyhound aircraft;
- (9) Delay introduction of a multi-mission maritime aircraft to replace the P-3C Orion and EP-3E Aries to no later than 2015; and
- (10) Reduction of the number of strike aircraft in a carrier air wing from 56 to 50.

The committee commends the Navy for its initiative in developing a long-term plan for naval aviation that attempts to meet the challenges of affordability and effectiveness in a budget constrained environment. The committee recognizes the issues of current and future operational requirements, current force capabilities, personnel, training, research and development, procurement, logistics, and estimated funding available that must be considered in developing such a plan. The committee notes that the Navy's plan is not complete and was not available during the committee's review of the budget request.

The committee urges the Secretary of the Navy to provide information on the Navy's revised aviation modernization plan to the congressional defense committees at the earliest opportunity to ensure adequate opportunity for oversight review of this important initiative prior to receipt of the budget request for fiscal year 2002.

Page 198, RDT&E, Navy

C-2 eight-blade composite propeller system

The budget request contained \$51.0 million in PE 25633N for improvements in operational Navy aviation and aviation support systems. The committee notes that the Navy is seeking solutions to operational limitations encountered with the propeller system used on E-2C and C-2A aircraft. The current propeller system incorporates technology developed in the 1950s and the 1960s, is difficult and expensive to maintain, and is no longer in production. The committee report on H.R. 1119 (H. Rept. 105-132) directed the initiation of development and demonstration of an eight-blade composite propeller for E-2C and C-2A aircraft. The Navy subsequently began a program for design, development, test, and production of the propeller system. The

committee notes that the program includes flight and ground test of the new propeller system for the E-2 aircraft, but includes only ground tests for the new propeller on the C-2 aircraft. The committee recommends \$57.0 million in PE 25633N, an increase of \$6.0 million to flight test the new propeller system on the C-2 aircraft sequentially with the E-2 flight test program.

Page 202, RDT&E, Navy

E2-C2 rotordome and control surface improvements

The budget request contained \$18.7 million in PE 24152N for E-2 squadron operational systems development. The committee notes that the rotordome and control surfaces on the Navy's E2-C2 Hawkeye aircraft have been experiencing problems due to structural damage from water absorption and excessive wear and that the Navy's plans to extend the service life of these aircraft require a new retrofit design to eliminate costly maintenance and downtime.

The committee recommends \$20.7 million in PE 24152N, an increase of \$2.0 million to develop composite retrofit options to improve the serviceability and performance of the E2-C2 Hawkeye.

SASC LANGUAGE (Rpt. 106-292)

Page 59, Aircraft Procurement, Navy

9 E-2C (EARLY WARNING) HAWKEYE (MYP)	4	102,527	5	90,000	1	228,527
9 LESS: ADVANCE PROCUREMENT (PY)	5	364,882	-	-	5	364,882
10 ADVANCE PROCUREMENT (CY)	-	(112,092)	-	-	-	(112,092)
	-	68,082	-	-	-	68,082

Page 61, Aircraft Procurement, Navy

34 E-2 SERIES	-	19,030	-	-	-	19,030
	-	18,485	-	-	-	18,485

Page 169, RDT&E, Navy

Account	No.	Title	(Dollars in Thousands)		
			Request	Change	Recommend
0204152N	161	E-2 SQUADRONS	18,698	-	18,698
0204163N	162	FLEET TELECOMMUNICATIONS (TACTICAL)	12,012	-	12,012
0204229N	163	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	91,436	-	91,436

Contains no language.

CASC LANGUAGE (Rpt. 106-945)

Page 578, Aircraft Procurement, Navy

9 E-2C (EARLY WARNING) HAWKEYE (MYP)	5	364,882	5	364,882	5	364,882	-	(5,000)	5	359,882
9 LESS: ADVANCE PROCUREMENT (PY)	-	(112,092)	-	(112,092)	-	(112,092)	-	-	-	(112,092)
10 ADVANCE PROCUREMENT (CY)	-	68,082	-	68,082	-	68,082	-	-	-	68,082

Page 579, Aircraft Procurement, Navy

34 E-2 SERIES	-	18,485	-	57,485	-	18,485	-	24,000	-	42,485
35 TRAINER A/C SERIES	-	19,422	-	19,422	-	19,422	-	-	-	19,422
36 C-2A	-	2,596	-	2,596	-	2,596	-	-	-	2,596

JFMCS CONTRACT SAVINGS						
0204152N	161 E-2 SQUADRONS	18,698	20,698	18,698	-	24,698
	E2-C2 Rotordome and Control Surface Improvements		[+2,000]		2,000	
	E2-C2 eight blade composite propeller				4,000	
0204163N	162 FLEET TELECOMMUNICATIONS (TACTICAL)	12,012	12,012	12,012	-	12,012

Contains no language.

HAC LANGUAGE (Rpt. 106-644)

Accelerated retirement of S-3 fleet in 2008				-15,000
E-2 SERIES	18,485	57,485		+39,000
Hawkeye 2000 Upgrade				+39,000
COADES AND BEDAID DADTC	0A1 EE3	0A7 EE3		10,000

SH-DUK	4	162,327	4	152,327	--	-10,000
E-2C (EARLY WARNING) HAWKEYE (MYP)	5	252,790	5	252,790	--	---
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)	--	68,082	--	68,082	--	---

S-3 SERIES	--	79,050	--	64,050	--	-15,000
E-2 SERIES	--	18,485	--	57,485	--	+39,000
TRAINER A/C SERIES	--	19,422	--	19,422	--	---

resonator gyro development				+2,000
E-2 SQUADRONS	18,698	37,698		+19,000
E-2/C-2 eight blade composite propeller				+8,000
E-2C Middleware Technology and Advanced Processing Builds				+5,000
NCW development, test and evaluation in support of Naval Fires Network				
Demo				+6,000
INTEGRATED SURVEILLANCE SYSTEM	16,928	27,928		+11,000

NETWORK CENTRIC WARFARE (NCW)

The Committee believes that existing and emerging technologies could be used to enhance the dissemination of intelligence data through the networking of various Intelligence, Surveillance and Reconnaissance (ISR) and national platforms. The Committee directs the Navy to pursue a study of technologies that would benefit the goal of Network Centric Warfare.

Additionally, the Committee has provided a total of \$9,000,000 for NCW and a Naval Fires Network Demonstration. The Committee believes these funds should be used in conjunction to develop the Naval Fires Network Demonstrator, test the tactical dissemination of intelligence for Time Critical Strike Capabilities on-board the E-2C, and refine the NCW concept of operations.

UNREASONABLE FUNDING LEVELS

The President’s budget proposed a hefty increase of \$15.8 billion, or 5.9 percent, over the fiscal year 2000 appropriated level for the Department of Defense. This was done to pay for the President’s military pay raise and to meet his commitment of achieving a \$60 billion annual procurement level. But his budget balanced this hefty increase with increases for education, national parks, law enforcement, health and safety, environmental protection and other important non-Defense programs. The Congressional leadership abandoned that balance in its Budget Resolution by increasing the President’s 5.9 percent increase for defense programs funded in this bill by another \$4 billion, by giving away \$175 billion over five years in tax cuts, and by making it all appear to add up by cutting non-defense discretionary programs by \$125 million below inflation over the next five years. The folly of this approach becomes more clear with the passage of each domestic appropriations bill that conforms to the budget resolution. That is demonstrated vividly in the Legislative Appropriations bill which proposes to dramatically reduce the number of Capitol police—an inappropriate response to the well-documented need or increased security to the public and for protection of the Capitol police force highlighted by the tragic and senseless murder of two American heroes last year. It is also demonstrated by the fact that Presidential initiatives to strengthen education, health care, worker training, and science are being eviscerated. Adding \$4 billion in the defense bill, beyond the hefty \$15.8 billion increase proposed by the President, appears very much to be a case of political one-upmanship.

The President’s budget fully funded the President’s military pay raise and met his commitment to an annual procurement level of \$60 billion. It proposes significant growth in the number of F/A-18E/F, F-22, V-22, E-2, and KC-130J aircraft, fully funds the New Attack Submarine and an aircraft carrier, and increases many other smaller procurement and research programs. While Committee increases in other programs will have positive effects within the Department of Defense, many of them will not result in a near-term improvement in combat readiness or enhance the near-term performance of any troops during combat. In the context of the Re-publican leadership’s budget resolution, the Committee needs to take a more disciplined approach.

SAC LANGUAGE (Rpt. 106-298)

Page 60, Aircraft Procurement, Navy

SH-60R	4	162,327	7	249,027	+ 3	+ 86,700
E-2C (EARLY WARNING) HAWKEYE (MYP)	5	252,790	4	192,232	- 1	- 60,558
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)		68,082		68,082		

Page 61, Aircraft Procurement, Navy

E-2 SERIES		18,485		18,485		
TRAINED A/C SERIES		10,422		10,422		

Page 62, Aircraft Procurement, Navy

Integrated Mechanical Diagnostic System (IMDS) ...				2,100		+ 2,100
E-2C (EARLY WARNING) HAWKEYE (MYP)		252,790		192,232		- 60,558
Delete One (1) Aircraft Based on FMS				- 50,558		- 50,558
GFE Electronics Cost Growth				- 10,000		- 10,000
CH-60S (MYP)		165,071		227,846		+ 62,775

Page 108, RDT&E, Navy

Tactical Component Network Demonstration			10,000	+ 10,000
E-2C RMP Littoral Surveillance			15,000	+ 15,000
MATERIALS ELECTRONICS AND COMPUTED TECHNOL				

Page 114, RDT&E, Navy

159 SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	019	019		
160 F/A-18 SQUADRONS	248,093	243,093		- 5,000
161 E-2 SQUADRONS	18,698	18,698		
162 FLEET TELECOMMUNICATIONS (TACTICAL)	12,012	12,012		

Page 63, Aircraft Procurement, Navy

E-2C.—In fiscal year 1999, the Committee endorsed the E-2C multi-year procurement and fully funded the production program in fiscal year 1999 and fiscal year 2000. The Committee continues to support the Navy's 2C inventory requirement, recognizing the essential contribution made by the E-2C to fleet operations. Other nations have also recognized the value of the E-2C, and recently three aircraft were purchased through the Foreign Military Sales (FMS) program. However, these FMS purchases combined with the DoD multi-year procurement have the potential to disrupt the steady operations of the E-2C production line. Therefore, the Committee has deleted one E-2C aircraft from the fiscal year 2001 request. This action, similar to the Air Force budget proposal to stabilize the C-17 production rate in light of international C-17 sales, will maintain a steady production rate for the E-2C. Further, this recommendation will potentially extend the life of the E-2C production line, giving the United States and its allies the opportunity to reevaluate future E-2C inventory requirements.

Page 107, RDT&E, Navy

Theater Air and Missile Defense.—The Committee is aware of the Navy's attempts to define a comprehensive Theater Air and Missile Defense Program, linking theater missile defense, overland cruise missile defense, with a robust battlespace management C 4 I capability. To accelerate this effort, the Committee recommends an increase of \$15,000,000 for the E-2C RMP littoral surveillance program and \$10,000,000 for Cooperative Engagement Capability P 3 I efforts to link the UESA radar and other sensors with CEC.

CAC LANGUAGE (Rpt. 106-754)

Page 166, Aircraft Procurement, Navy

.....	106,361	126,361	247,021	211,331
E-2C (EARLY WARNING) HAWKEYE (MYP).....	252,790	252,790	192,232	247,790
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY).....	68,082	68,082	68,082	68,082
.....				

Page 167, Aircraft Procurement, Navy

S-3 SERIES.....	79,050	64,050	79,050	67,050
E-2 SERIES.....	18,485	57,485	18,485	42,485
.....	10,422	10,422	10,422	19,422

Page 168, Aircraft Procurement, Navy

Integrated Mechanical Diagnostic System (IMDS)			2,100	1,700
E-2C (EARLY WARNING) HAWKEYE (MYP)	252,790	252,790	192,232	247,790
Delete One (1) Aircraft based on FMS			-50,558	
GFE Electronics Cost Growth			-10,000	-5,000
CH-80S (MYP)	165,071	165,071	227,846	206,921

Page 169, Aircraft Procurement, Navy

ACCELERATED RETIREMENT OF E-2C FROM FY 2000			-10,000	-10,000
E-2 SERIES	18,485	57,485	18,485	42,485
Hawkeye 2000 Upgrade		39,000		24,000
.....

Page 241, RDT&E, Navy

F/A-18 SQUADRONS.....	248,095	248,095	243,095	243,095
E-2 SQUADRONS.....	18,698	37,698	18,698	50,698
.....

Page 142, Procurement

FOREIGN MILITARY SALES

In 1999, the Department of Defense signed a multi-year contract for the E-2C program. The E-2C multi-year contract assumed a total E-2C purchase which included both Department of the Navy and international aircraft deliveries in future years. The negotiated price for the Navy aircraft reflected the assumption that the international sales would be successfully completed in the future years. This process raises serious concerns that the Department of Defense might negotiate future multi-year contracts with sales prices that presume Congressional approval of potential inter-national sales in future years. Such a practice is unacceptable and would violate the intent and spirit of the Foreign Military Sales notification and approval process. The conferees direct that any future multi-year contracts shall reflect pricing which assumes only the U.S. military procurement quantities. The Department of Defense is expressly prohibited from negotiating any multi-year contracts which include quantities and pricing that reflect foreign military sales yet to be approved by the Congress.