

COMMITTEE LANGUAGE FOR FISCAL YEAR 2004

F/A-18E/F (FIGHTER) HORNET (MYP)

ACCOUNT: APN

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
(42) 2,946,380	(42) 2,971,380	(42) 2,946,380	(42) 2,946,380	(42) 2,946,380	(42) 2,975,380	(42) 2,973,380

F/A-18E/F (FIGHTER) HORNET ADVANCE PROCUREMENT (CY)

ACCOUNT: APN

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
84,765	84,765	84,765	84,765	84,765	84,765	84,765

F-18 SERIES

ACCOUNT: APN

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
335,894	335,894	335,894	335,894	341,894	370,894	365,594

F/A-18 SQUADRONS

ACCOUNT: RDT&E

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
179,047	179,047	179,047	179,047	179,047	179,047	179,047

HASC LANGUAGE (Rpt. 108-106)

Page 52, Aircraft Procurement, Navy

2	F/A-18E/F (FIGHTER) HORNET (MYP)	42	3,054,092	25,000		42	3,079,092
	F/A-18E/F Aircraft Armament Equipment				25,000		
2	F/A-18E/F (FIGHTER) HORNET (MYP)	-	(107,712)			-	(107,712)
3	F/A-18E/F (FIGHTER) HORNET (MYP)	-	-			-	-
3	F/A-18E/F (FIGHTER) HORNET (MYP)	-	-			-	-
3	F/A-18E/F (FIGHTER) HORNET (MYP)	-	84,765			-	84,765
3	F/A-18E/F (FIGHTER) HORNET (MYP)	-	-			-	-

Page 54, Aircraft Procurement, Navy

28	ADVERSARY	-	2,049			-	2,049
29	F-18 SERIES	-	335,894			-	335,894
30	H-46 SERIES	-	81,072	4,000		-	85,072

Page 164, RDT&E, Navy

Program Element Number	R-1 Line	PROGRAM TITLE	FY 2004 Authorization Request	Committee Change	Committee Increase	Committee Decrease	FY 2004 Committee Authorization
0204138N	174	F/A-18 Squadrons	179,047				179,047

Operation Iraqi Freedom lessons learned

As a result of early lessons learned emerging from Operation Iraqi Freedom, military officials reviewed the performance of their respective weapon systems and determined that certain programs would benefit from increased funds, many of which were official, Service chiefs' unfunded priorities for fiscal year 2004. Upon cessation of hostilities in Iraq, the senior operations officers for each of the military services, in testimony before the committee, high-lighted that Operation Iraqi Freedom combat operations validated the need to accelerate procurement of both new systems and ongoing upgrade programs for several weapon systems, many of which will remain in the United States' (U.S.) inventory for the foreseeable future. The committee has responded with increases for several programs, noted elsewhere in the report.

The Army highlighted the benefits of 2nd generation forward looking infrared sensors, for additional Bradley A2 Operation Desert Storm "D+" Fighting Vehicles and for M1A2 Abrams System Enhancement Program tank upgrades; Soldier Rapid Fielding Initiative weapons and communications equipment; and night vision devices for light infantry brigades, which are addressed elsewhere in the report.

The Navy identified a requirement to accelerate procurement of additional F/A-18 E/F aircraft armament equipment kits and that limited numbers of these kits inhibited combat operations for these aircraft due to the seven carrier air wings deployed for this operation.

The Marine Corps outlined the need to accelerate procurement of H-1 helicopter infrared (IR) suppressors to mitigate IR surface-to-air-missile threats and Amphibious Assault Vehicle and Light Armored Vehicle reliability, availability, and maintainability (RAM) upgrades for its pre-positioned equipment.

Finally, the Air Force identified both Global Positioning System (GPS) III satellite program upgrades, to counter GPS jammers (covered elsewhere in the report), which can inhibit the guidance and accuracy of GPS precision guided munitions, and additional wiring kits and targeting pods for B-52 bombers, which enable these aircraft to carry targeting pods, in order to provide a rapid, precise onboard target acquisition capability for precision guided munitions.

[In millions of dollars]

Navy:	
F/A-18 E/F Aircraft Armament Equipment	25.0
Marine Corps:	
H-1 IR Suppressors	12.0
Amphibious Assault Vehicle RAM	25.0
Light Armored Vehicle RAM	12.7
Air Force:	
B-52 wiring kits/targeting pods	19.0

Page 123, Legislative Provisions

Section 121—Multiyear Procurement Authority for F/A-18 Aircraft Program

This section would authorize the Secretary of the Navy to enter into a multiyear procurement contract for F/A-18E, F/A-18F and EA-18G aircraft beginning with the fiscal year 2005 program year.

Advanced sensor initiative

The budget request contained \$13.3 million in PE 35206N for air-borne reconnaissance systems, but included no funds for the advanced sensor initiative.

The advanced sensor initiative is a product improvement program to the existing shared reconnaissance pod (SHARP) carried on the Navy's F/A-18E/F aircraft. The SHARP provides continuous and immediate intelligence support to the battle group commander by employing a suite of sensors to collect infrared, visible, and synthetic aperture radar digital imagery at medium and high altitudes.

The advanced sensor initiative would further develop SHARP capabilities by improving its efficiency and maintainability and by providing enhanced processing and dissemination capabilities.

The committee understands that such improvements could include replacement of existing mechanical camera shutters with semiconductor computer chips, miniaturizing separate medium- and high-altitude cameras into one zoom lens, and upgrading image processing to provide more rapid data dissemination capabilities. The committee also understands that reconnaissance products developed through the advanced sensor initiative could be adapted for use on smaller and lighter platforms such as un-manned aerial vehicles.

The committee recommends \$24.3 million in PE 35206N, an increase of \$11.0 million for the advanced sensor initiative, to improve the capabilities of the SHARP and to develop smaller reconnaissance architecture for other platforms.

Page 170, RDT&E, Navy Items of Special Interest

ALE-55 development testing

The budget request contained \$256.7 million in PE 64270N for electronic warfare development, but included no funds for ALE-55 development testing. Elsewhere in this report the committee directs that the budget request of \$204.8 million, for development of the EF-18G aircraft, be established in a new program element, PE 64271N, leaving \$51.9 million in PE 64270N for electronic warfare development.

The ALE-55 is a fiber optic towed decoy being developed for the integrated defensive electronic countermeasures system, which is planned for future installation on the Navy's F/A-18E/F aircraft fleet. The committee understands that the ALE-55 development program has been significantly delayed due to funding limitations and terminated Air Force participation, and that further ALE-55 development delay will place F/A-18E/F aircrews at increased surface-to-air missile attack risk.

In order to complete ALE-55 development testing and operational evaluation and achieve a ALE-55 F/A-18E/F initial operational capability by fiscal year 2005, the committee recommends \$66.9 million in PE 64270N, an increase of \$15.0 million.

Pages 461 and 462, Legislative Provisions, CBO Cost Estimates

Multiyear procurement

In most cases, purchases of weapon systems are authorized annually, and as a result, DoD negotiates a separate contract for each annual purchase. In a small number of cases, the law permits multiyear procurement; that is, it allows DoD to enter into a contract to buy specified annual quantities of a system for up to five years. In those cases, DoD can negotiate lower prices because its commitment to purchase the weapons gives the contractor an incentive to find more economical ways to manufacture the weapon, including cost-saving investments. Annual funding is provided for these multiyear contracts, but potential termination costs are covered by an initial appropriation.

Section 121 would authorize the Secretary of the Navy to enter into a multiyear contract to purchase 234 F/A-18 aircraft beginning in 2005 in the F/A-18E, F/A-18F, and EA-18G configurations.

Based on information provided by the Navy, CBO assumes that the Navy would procure 168 aircraft over the 2005–2008 period. CBO estimates that savings from buying these aircraft under a multiyear contract would total \$818 million, or about \$204 million a year, over the 2005–2008 period. Funding requirements to purchase these aircraft would total just under \$12.9 billion over the 2005–2008 period (instead of the \$13.7 billion that would be needed under annual contracts). CBO also estimates that additional savings of \$235 million would accrue in 2009 if the Navy completes its planned purchase of 42 more aircraft under this multiyear procurement authority.

Section 122 would authorize the Secretary of the Navy to enter into a multiyear contract to purchase tactical Tomahawk cruise missiles starting in fiscal year 2004 and would direct the Secretary to purchase no more than 900 missiles a year. Based on information provided by the Navy, CBO assumes that the Navy would buy 1,784 missiles over the 2004–2008 period. CBO estimates that savings from buying these missiles under a multiyear contract would total about \$135 million over the 2004–2008 period, or about \$75,000 a missile. Funding requirements to purchase these missiles would total just over \$1.6 billion over the 2004–2008 period (instead of the almost \$1.8 billion that would be needed under annual contracts). Multiyear procurement of tactical Tomahawk missiles would raise costs in 2004 because the Navy would need to provide for advance purchases of components for missiles it would purchase later in the 2004–2008 period.

TABLE 3.—ESTIMATED AUTHORIZATIONS OF APPROPRIATIONS FOR SELECTED PROVISIONS IN H.R. 1588

Category	By fiscal year, in millions of dollars				
	2004	2005	2006	2007	2008
MULTIYEAR PROCUREMENT					
F/A-18E/F Aircraft	0	– 166	– 205	– 211	– 236
Tactical Tomahawk Missile	3	– 40	– 43	– 32	– 23
Virginia Class Submarines	275	210	– 64	– 613	– 613
E-2C and TE-2C Aircraft and Engines	– 62	2	0	2	0

SASC LANGUAGE (Rpt. 108-46)

Page 47, Aircraft Procurement, Navy

2	F/A-18E/F (FIGHTER) HORNET (MYP)	42	2,946,380	42	2,946,380
3	F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)		84,765		84,765
4	F/A-18G (FIGHTER) HORNET (MYP) (AP-CY)				
5	EA-18G (FIGHTER) HORNET (MYP) (AP-CY)	0	833,100	0	833,100

29 F-18 SERIES

335,894

335,894

0204136N

174

F/A-18 SQUADRONS

179,047

179,047

Multiyear procurement authority for Navy programs (sec. 121)

The committee recommends a provision that would authorize the Secretary of the Navy to enter into a multiyear contract for procurement of the following: (1) the F/A-18 aircraft program; (2) the E-2C aircraft program; (3) the Tactical Tomahawk cruise missile program; and, (4) the *Virginia*-class submarine program.

This would be the second consecutive multiyear procurement authorization for the F/A-18 aircraft. A separate multiyear procurement was authorized for the F/A-18 aircraft engines in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107). The committee encourages the Navy to synchronize the multiyear procurement of the F/A-18 aircraft and its engines at the earliest opportunity.

The E-2C aircraft multiyear procurement would stabilize the industrial base for low rate production during the development of the follow-on aircraft, the E-2 Advanced Hawkeye.

The Tactical Tomahawk cruise missile is currently scheduled to complete Initial Operational Test and Evaluation (IOT&E) in March, 2004. The committee recommends a limitation in the provision that would delay award of a multiyear procurement contract for the Tactical Tomahawk cruise missile until, as a result of operational testing, the missile is recommended for use in the fleet.

The first submarine of the *Virginia*-class is nearing completion, with delivery scheduled in fiscal year 2004. Its design stability is evident from the low number of engineering change orders when compared to any other submarine at this stage of construction.

Substantial savings can be achieved through an award of a multiyear procurement contract.

CASC LANGUAGE (Rpt. 108-354)

2 F/A-18E/F (FIGHTER) HORNET (MYP)
F/A-18E/F aircraft armament equipment

42

2,946,380

42

2,971,380
[25,000]

42

2,946,380

42

2,946,380

3 F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)

84,765

84,765

84,765

4 F/A-18G (FIGHTER) HORNET (MYP) (AP-CY)

84,765

29 F-18 SERIES	335,894	335,894	335,894	335,894
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0204136N 174 F/A-18 SQUADRONS	179,047	179,047	179,047	179,047
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Multiyear procurement authority for F/A-18 aircraft program (sec.121)

The House bill contained a provision (sec. 121) that would authorize the Secretary of the Navy to enter into a multiyear procurement contract for up to 234 aircraft in the F/A-18E, F/A-18F, and EA-18G configurations. The budget request included a baseline multiyear procurement authority for 42 aircraft a year, a total of 210 aircraft, with the flexibility to procure an additional six aircraft a year for the last four years of the multiyear procurement, potentially bringing the total to 234 aircraft.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter into multiyear procurement contracts for a number of Navy programs, including the F/A-18E/F program.

The Senate recedes.

HAC LANGUAGE (Rpt. 108-187)

F/A-18E/F (FIGHTER) HORNET (MYP)	42	2,946,380	42	2,946,380	---	---
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F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)	---	84,765	---	84,765	---	---
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F-18 SERIES	---	335,894	---	341,894	---	+6,000
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29 F-18 SERIES		335,894		341,894		+6,000
ATARS (Note: only to accelerate the conversion of ATARS with a solid state recorder upgrade)						+5,000
Fast tactical imagery 2						+1,000

F/A-18 SQUADRONS	179,047	179,047	---
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Contains no language.

SAC LANGUAGE, (Rpt. 108-87)

Page 79, Aircraft Procurement, Navy

2	F/A-18E/F (FIGHTER) HORNET (MYP)	42	2,946,380	42	2,975,380	+ \$29,000
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Page 82, Aircraft Procurement, Navy

2	F/A-18E/F	2,946,380	2,975,380	+ 29,000
	Shared Reconnaissance Pod			+ 4,000
	Ancillary equipment			+ 25,000

Page 79, Aircraft Procurement, Navy

3	F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)	84,765	84,765
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Page 79, Aircraft Procurement, Navy

29	F-18 SERIES	335,894	370,894	+ 35,000
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Page 82, Aircraft Procurement, Navy

29	F-18 Series	335,894	370,894	+ 35,000
	ECP 583 upgrades			+ 35,000

Page 148, RDT&E, Navy

174	F/A-18 SQUADRONS	179,047	179,047
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Contains no language.

CAC LANGUAGE (Rpt. 108-283)

Page 169, Aircraft Procurement, Navy

F/A-18E/F (FIGHTER) HORNET (MYP)	2,946,380	2,946,380	2,975,380	2,973,380
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Page 172, Aircraft Procurement, Navy

2 F/A-18E/F (FIGHTER) HORNET (MYP)	2,946,380	2,946,380	2,975,380	2,973,380
Shared Reconnaissance Pod (SHARP)			+4,000	+2,000
Aircraft Ancillary Equipment			+25,000	+25,000

Page 169, Aircraft Procurement, Navy

F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)	84,765	84,765	84,765	84,765
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Page 170, Aircraft Procurement, Navy

F-18 SERIES	335,894	341,894	370,894	365,594
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Page 172, Aircraft Procurement, Navy

29 F-18 SERIES	335,894	341,894	370,894	365,594
ATARS (Note: only to accelerate the conversion of ATARS with a solid state recorder upgrade)		+5,000		+4,200
Fast tactical imagery 2		+1,000		+1,000
ECP 583 Upgrades			+35,000	+24,500

Page 266, RDT&E, Navy

F/A-18 SQUADRONS.....	179,047	179,047	179,047	179,047
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Contains no language.