

**COMMITTEE LANGUAGE FOR FISCAL YEAR 1997**

**AV-8B (V/STOL) HARRIER  
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
282,014	394,014	360,014	350,014	350,014	344,757	344,757

**AV-8B (V/STOL) HARRIER (AP-CY)  
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
22,897	22,897	22,897	22,897	22,897	22,897	22,897

**AV-8B AIRCRAFT ENG-DEV  
ACCOUNT: RDT&E**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
16,874	16,874	16,874	16,874	16,874	16,874	16,874

**AV-8 SERIES  
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
22,852	22,852	22,852	22,852	22,852	22,852	22,852

**HNSC LANGUAGE (Rpt. 104-563)**

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*ITEMS OF SPECIAL INTEREST*

*AV-8B REMANUFACTURE-*

The budget request contained \$282.0 million to procure 10 remanufactured AV-8B aircraft and \$22.9 million for advance procurement of 12 aircraft in fiscal year 1998.

The upgraded AV-8B, with its enhanced day/night, adverse weather, survivability, and improved multi-mission capabilities, will dramatically increase the Marine Corps' ability to project combat power from its amphibious ready groups. Moreover, the material improvements which result from this remanufacture are projected to reduce the aircraft's mishap rate dramatically. For

these reasons, the committee recommends an additional \$112.0 million to procure four more AV-8B remanufactured aircraft in order to accelerate the fielding of this much-needed and safety-related improvement.

**SASC LANGUAGE (Rpt. 104-267)**

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*AV-8B remanufacture*

The budget request contained \$304.9 million for the remanufacture of 10 AV-8B Harrier aircraft into the Harrier II Plus configuration and for advance procurement for future remanufactures. The planned procurement of 12 remanufactured Harrier aircraft in fiscal year 1997, which was reflected in last year's budget request, was reduced to 10 because of resource constraints. The Harrier II Plus configuration provides day/night/adverse weather improvements to the AV-8B aircraft. Last year the committee recommended the addition of funds to double the administration's request for four such remanufactures in order to procure them at a more cost effective rate.

The committee notes that the same logic that applied last year is equally relevant in fiscal year 1997. A more aggressive near-term buy of remanufactured AV-8B Harrier II's will result in both long-term savings and improved near-term capability. Accordingly, the committee recommends an increase of \$68.0 million to procure an additional two aircraft and the necessary integrated logistics support for the AV-8B program that the future years defense program presently defers to fiscal years 1999 and 2000.

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*Flight simulators*

The committee supports the maximum use of flight simulators that provide required training while eliminating costs associated with range and ammunition usage. The committee recommends an increase of \$60.0 million to procure or upgrade simulators for three systems, as well as to support relocation of fielded systems to collocate them with using units, as follows:

System	Millions
V-22	\$49.0
AV-8B	10.0
CH-53D	1.0

**CASC LANGUAGE (Rpt. 104-724)**

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*Flight simulators*

The budget request included no funding for flight simulators for various Marine Corps aircraft.

The Senate amendment would support the use of flight simulators for Marine Corps training by authorizing an increase of \$60.0 million to procure or upgrade simulators for the V-22, AV-8B, and CH-53D.

<b>HAC LANGUAGE (Rpt. 104-617)</b>
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*MODERNIZATION PROGRAMS*

*Major Weapons Programs*

The Committee has recommended substantial additions over the budget for the V-22 advanced tactical transport (\$339 million added), the Marine Corps AV-8B remanufacturing program (\$68 million), the C-17 strategic airlifter (\$315 million), and an additional \$504 million in advance procurement for the second New Attack Submarine. The Committee has fully funded the request for the Army Comanche helicopter (\$288 million), the Navy F/A-18 E/F fighter (\$2.2 billion), the Joint Strike Fighter development program (\$602 million), and the SSN-23 attack submarine (\$699 million), and has provided nearly \$2 billion for the Air Force F-22 fighter development program. The Committee has fully funded the requests associated with the B-1 and B-2 bomber programs and has recommended an additional \$367 million over the budget to accelerate the modification of these aircraft to carry stand-off, precision-guided munitions.

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*Chart*

[in millions of dollars]

Program	Proposed 1997 increase	Cost avoidance (1998 and beyond)
AV-8B Fighter	68	122

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*Procurement*

The Committee recommends \$43,871,857,000 in new obligational authority for Procurement, an increase of \$5,734,748,000 over the fiscal year 1997 budget request, but a decrease from the current fiscal year when measured in constant dollars. Major programs funded in the bill include the following:

\$350,014,000 for 12 AV-8B Harrier aircraft

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*AV-8B Harrier*

The Navy requested \$282,014,000 for remanufacture of 10 AV-8B aircraft. The Committee recommends \$350,014,000, an increase of \$68,000,000 for 2 additional aircraft. This recommendation would result in more efficient procurement of aircraft through unit cost savings due to higher quantity, accelerated procurement of instrument landing systems, and elimination of the requirement to purchase 2 AV-8B aircraft in 2001.

The Navy requested \$3,374,693,000 to procure 4 DDG-51 Aegis ships. The Committee is concerned about continued turbulence in the Navy's DDG-51 Aegis destroyer construction program which originated in the Office of the Secretary of Defense decision over a year ago to remove ships from the Navy's recommended funding profile in fiscal years 1996 and 1998. Rather than sustaining the Navy's recommended stable construction profile of 3 ships per year, the Administration proposes to double the quantity of DDG-51 ships compared to last year, but then ramp the program down again in fiscal year 1998. With only 2 ships planned for construction in fiscal year 1998, the Committee is concerned about the inherent cost penalties associated with the Administration's current 2-4-2 construction plan for fiscal years 1996 to 1998. The Committee also expresses a cautionary note regarding informal proposals to provide authority in fiscal year 1997 for a multiyear procurement of the DDG-51 program, involving a total of 12 ships over the period of fiscal years 1998-2001. While the Committee as a rule is supportive of multiyear contracting, these particular proposals are of concern for a number of reasons. First, a DDG-51 multiyear proposal has not been formally submitted by the Department of Defense and the Committee understands that current outyear budgets do not fully fund such a program, a statutory requirement for multiyear contracting. As a four year DDG-51 multiyear would require making a firm fiscal and contractual commitment of \$12 billion, the Committee believes such a proposal must have the approval of, and be proposed by, the Secretary of Defense. Second, the Committee believes there are other multiyear contracting candidates available to the Navy which, for the commitment of fewer dollars, offer considerable benefits in terms of savings and program stability. These include the V-22 aircraft program, about which the Commandant of the Marine Corps has testified that if it were produced at more efficient production rates than currently budgeted, up to \$8 billion in savings could accrue. Similarly, a modest investment for multiyear procurement of AV-8B, T-45, and E-2C aircraft would stabilize three production lines simultaneously while perhaps allowing a larger return on investment. Of greatest concern, however, is the effect a DDG-51 multiyear could have on an already underfunded Navy and Marine Corps shipbuilding program. "Locking in" \$12 billion of scarce shipbuilding funds for the DDG-51 over the next four years can only serve to complicate Navy efforts to resolve existing budget shortfalls associated with the next aircraft carrier, the New Attack Submarine program, and the LPD-17 amphibious ship. In the absence of a formal analysis of these and other budget alternatives by the Secretary of Defense, the Committee believes consideration of either increased DDG-51 production or a DDG-51 multiyear is premature at this time. The Committee therefore recommends \$2,624,693,000, a reduction of \$750,000,000 to mitigate the proposed one-time production spike in the destroyer program. The Committee invites the Secretary of Defense to submit funding for a stable DDG-51 construction program in the fiscal year 1998 budget request to Congress.

The Department of Defense requested a total of \$589,100,000 for Joint Advanced Strike Technology in the Navy, Air Force, and Defense Advanced Projects Research Agency RDT&E accounts. The Committee recommends \$602,100,000, an increase of \$13,000,000 in the Navy account only to accelerate development of an alternate engine in order to have it available at the beginning of the engineering and manufacturing development phase of the program. This increase should be part of a program to develop a demonstrator engine and integrate it into the selected weapon systems contractor concepts. In addition, the Committee directs that the Secretary of Defense carry out the Joint Strike Fighter program so that the Short Take-off/Vertical Landing (STOVL) variant under that program (to be procured as a replacement for the Marine Corps AV-8B aircraft) is developed concurrently with, or ahead of, other variants under that program.

<b>SAC LANGUAGE (Rpt. 104-286)</b>
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*AV-8B [V/STOL] Harrier remanufacturing.*--The Committee recommends \$344,756,394, an increase of \$62,742,394 to the budget request for remanufacturing this Marine Corps vertical/short takeoff and landing aircraft. The recommendation consists of an increase of \$68,000,000 to remanufacture a total of 12 Harriers in fiscal year 1997, compared to the 10 aircraft in the budget request, and to acquire logistics support equipment. Also included in the recommendation is a decrease of \$5,257,606 to restrain cost growth for the AV-8B engine. The Committee observes that, as the rate of remanufacturing has increased since fiscal year 1995, the unit cost of the Harrier airframe decreased by about 20 percent, but the engine unit cost actually increased by 3.3 percent. By the recommended reduction, the Committee wishes to encourage a decrease in engine unit cost.