

COMMITTEE LANGUAGE FOR FISCAL YEAR 1997

**SH-60 SERIES
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC

**SH-60B (ASW HELO) SEAHAWK
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC

SASC LANGUAGE (Rpt. 104-267)

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Section 122. Penguin missile program.

The budget request contained no funding for the procurement of Penguin anti-ship missiles for carriage aboard battle group helicopters.

The SH-60B and SH-60F helicopters that operate from the fleet's ships were built to conduct antisubmarine warfare. Operation Desert Storm and contingency operations have identified the need to equip these helicopters with an antisurface capability that would permit them to conduct a stand-off engagement of enemy ships. To address this operational shortfall, the Navy signed, in 1990, a multi-year contract with options to purchase up to a quantity of 193 Penguin missiles. The basic contract and three of five options were exercised to purchase 101 missiles, leaving a shortfall of 92. The remaining two options were not exercised because of affordability constraints in a period of declining resources. Exercise firings since procurement was terminated have raised the current shortfall to 106 missiles.

The committee has been informed that the contractor has recently offered the Navy an opportunity to satisfy its outstanding requirement through a multi-year procurement at about 55 percent of the unit cost of the initial procurement.

To take full advantage of an opportunity to meet an outstanding requirement for air to surface missiles at a far more affordable price, the committee recommends a provision that would permit the Navy to enter into a contract for multi-year procurement of not more than 106 Penguin missiles, in accordance with section 2306b of title 10, United States Code. The total amount that could be expended would be limited to \$84.8 million.

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Cooperative engagement capability

The budget request contained \$164.5 million in PE 63755N and \$9.9 million in PE 24152N for continued development of the Navy's cooperative engagement capability (CEC).

CEC is designed to enhance the warfighting capabilities of ships and aircraft by combining the data derived from various sensors into a single common representation that is available with the same positional accuracy to all participating ships. The Navy reports that a challenging cruise missile defense exercise, which relied heavily on CEC position information, was held earlier this year in Hawaii. The exercise involved over-the-horizon detection, tracking, and engagement of a variety of difficult targets. The Navy currently projects that initial operational capability of the system will be achieved by September 1996. During testimony at this year's defense posture hearing, the Secretary of Defense singled out CEC as a program of high priority that he chose to accelerate because of its great potential for linking units from more than one service together and greatly increasing their warfighting ability.

Despite relatively robust funding for CEC in this year's budget request, it contains no funding to pursue joint service integration efforts that were begun last year. Successful consummation of these efforts, in consonance with the Navy's baseline program, could greatly leverage the capability of the services to conduct joint operations and provide ballistic missile defense. Another area not addressed by the budget request, an issue raised in committee hearings this year, is reported interference between CEC and other data links currently in use in the fleet.

The committee recommends an increase of \$63.0 million above the budget request for CEC in PE 63755N to permit continued pursuit of a number of promising efforts, including CEC integration with AWACS and national sensors, and to accelerate development of an airborne capability for the system. Of this amount, \$8.0 million would be available to address the issue of CEC interference with other fleet data links, particularly the link installed on the SH-60B. The committee also directs that the Secretary of the Navy prepare a detailed report, for submission no later than March 15, 1997, on issues that surfaced during committee hearings this year:

- (1) progress made in resolving the issue of spectrum interference as a result of the reallocation under title VI of the Omnibus Reconciliation Act of 1993 of the spectrum in which CEC operates; and
- (2) steps that the Secretary has taken to address and resolve harmful interference between CEC and other fleet weapons systems and data links.

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Light airborne multi-purpose system helicopter program

The Navy has embarked on a program to convert its existing fleet of light airborne multi-purpose system (LAMPS) helicopters from the SH-60B configuration to the SH-60R configuration. It is planned that other Navy H-60 series helicopters, such as the HH-

60, a search and rescue variant, and the SH-60F, an ASW variant with a dipping sonar, will also eventually be converted to the SH-60R configuration. However, the Navy's helicopter master plan, under which these conversions are included, has been in a constant state of flux for at least the past two years and, in the committee's opinion, has lacked the focus needed to properly compete for resources as the defense budget, particularly the acquisition portion, has declined in recent years.

The committee has learned that the LAMPS SH-60B to SH-60R development program is seriously short of resources. Since fiscal year 1995, it has gone through requirements restructuring, contractual rebaselining, efforts at cost reduction through acquisition reform initiatives, contractor investment, and an increasing contractor inventory of accrued cost that has not been paid. While the Navy and contractor team has maintained technical progress towards the planned fiscal year 2001 initial operational capability (IOC) date, the funding level contained in the fiscal year 1997 budget request would be insufficient to sustain this effort. Since the program was originally structured to permit conversion to the SH-60R configuration to occur during scheduled depot maintenance or service life extension overhauls, the delay in program development that would result from the fiscal year 1997 budget request would likely also cause a substantial increase in conversion costs and might render the program unaffordable.

The committee recommends an increase of \$6.8 million in PE 64212N to restore funds that were removed from the SH-60R development program during preparation of the fiscal year 1997 budget request. This additional funding will support a critical design review in fiscal year 1997 and maintain the program's progress toward a fiscal year 2001 IOC. The committee also recommends an increase of \$10.0 million for the procurement of additional SH-60B upgrade kits to replace funds that were removed from the program to pay for F-14 digital flight control improvements.

CASC LANGUAGE (Rpt. 104-7240)

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Cooperative engagement capability

The budget request included \$164.5 million in PE 63755N and \$9.9 million in PE 24152N for continued development of the Navy's cooperative engagement capability (CEC). Funding provided by the budget request would focus on the development of shipboard and airborne cooperative engagement systems (CES), initial operational test and evaluation of shipboard CES, and development of organic integrated logistic support for the CES.

CEC is designed to enhance the warfighting capabilities of ships and aircraft by combining the data derived from various sensors into a single common representation that is available with the same positional accuracy to all participating ships. The Navy reports that a challenging cruise missile defense exercise, Mountain Top, which relied heavily on CEC position information, was held earlier this year in Hawaii. The exercise involved over-the-horizon detection, tracking, and engagement of a variety of difficult targets. The Navy currently projects that initial operational capability of the system will be achieved by September 1996. During testimony at this year's defense posture hearing, the Secretary of

Defense singled out CEC as a program of high priority that he chose to accelerate because of its great potential for linking units from more than one service together and greatly increasing their warfighting ability.

Despite relatively robust funding for CEC in this year's budget request, it contains no funding to pursue joint service integration efforts that were begun last year. Successful consummation of these efforts, in consonance with the Navy's baseline program, could greatly leverage the capability of the services to conduct joint operations and provide ballistic missile defense. Another area not addressed by the budget request, an issue raised in committee hearings this year, is reported interference between CEC and other data links currently in use in the fleet.

The House bill would authorize an increase of \$17.0 million in PE 63755N for the CEC program and urge the continued acceleration and expansion of joint service integration efforts, including application to the Airborne Warning and Control Systems (AWACS) aircraft, Patriot and Theater High Altitude Area Defense (THAAD) missile systems, Marine Corps TPS-59 radar and the HAWK missile system.

The Senate amendment would authorize an increase of \$63.0 million above the budget request for CEC in PE 63755N to permit continued pursuit of a number of promising efforts, including CEC integration with AWACS and national sensors, to accelerate development of an airborne capability for the system, and to address the issue of CEC interference with other fleet data links, particularly the link installed on the SH-60B.

The conferees agree to an increase of \$35.0 million in PE 53755N for the CEC program and urge the contained acceleration and expansion of joint service integration efforts, including application to AWACS aircraft, Patriot and THAAD missile systems, Marine Corps TPS-59 radar and the HAWK missile system. The conferees also direct the Secretary of the Navy to prepare a detailed report, for submission no later than March 15, 1997, on:

- (1) progress made in resolving the issue of spectrum interference as a result of the reallocation under title VI of the Omnibus Reconciliation Act of 1993 of the spectrum in which CEC operates; and
- (2) steps that the Secretary has taken to address and resolve harmful interference between CEC and other fleet weapons systems and data links.

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Light airborne multi-purpose system helicopter program

The budget request included \$40.1 million in PE 64212N for helicopter development.

Among the programs funded by PE 64212N is the Navy program to convert its existing fleet of light airborne multi-purpose system (LAMPS) helicopters from the SH-60B configuration to the SH-60R configuration. It is planned that other Navy H-60 series helicopters, such as the HH-60, a search and rescue variant, and the SH-60F, an ASW variant with a dipping sonar, will also eventually be converted to the SH-60R configuration. However, the Navy's helicopter master plan, under which these conversions are included, has been in a constant state of flux for at least the past two years and, in the

conferees' opinion, has lacked the focus needed to properly compete for resources as the defense budget, particularly the acquisition portion, has declined in recent years.

The conferees are aware that the LAMPS SH-60B to SH-60R development program is short of resources. Since fiscal year 1995, it has gone through requirements restructuring, contractual rebaselining, efforts at cost reduction through acquisition reform initiatives, contractor investment, and an increasing contractor inventory of accrued cost that has not been paid. While the Navy and contractor teams have maintained technical progress towards the planned fiscal year 2001 initial operational capability (IOC) date, the funding level contained in the fiscal year 1997 budget request would be insufficient to sustain this effort. Because the program was originally structured to permit conversion to the SH-60R configuration to occur during scheduled depot maintenance or service life extension overhauls, the delay in program development that would result from the fiscal year 1997 budget request would likely also cause a substantial increase in conversion costs and might render the program unaffordable.

The Senate amendment would authorize an increase of \$6.8 million in PE 64212N to restore funds that were removed from the SH-60R development program during preparation of the fiscal year 1997 budget request. This additional funding would permit a critical design review to occur in fiscal year 1997 and maintain the program's progress toward a fiscal year 2001 IOC. The Senate amendment would also authorize an increase of \$10.0 million for the procurement of additional SH-60B upgrade kits to replace funds that were removed from the program during fiscal year 1996 to pay for F-14 digital flight control improvements.

The House bill would authorize the request amount.

The conferees agree to authorize an increase of \$6.8 million in PE 64212N for the SH-60R development program. An increase of \$10.0 million for the procurement of additional SH-60B upgrade kits is not authorized.

The House bill would authorize the request amount.

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Airborne mine detection systems

The budget request included \$14.5 million in PE 64373N for airborne mine countermeasures systems.

The Senate amendment would authorize an increase of \$10.0 million in PE 64373N to produce a competitive evaluation of two airborne laser mine detection systems (ALMDS), ATD-111 and Magic Lantern. Both systems are based on light detection and ranging (LIDAR) technology. The funding increase would be used to prepare the two systems for the competition, to conduct the competitive assessment, and to prepare the required report as follows:

- (1) \$3.0 million would be available to prepare ATD-111 for the competition;
- (2) \$5.0 million would be available to prepare Magic Lantern for the competition;
- and
- (3) \$2.0 million would be available to organize and conduct the competition, analyze data, and prepare the required report.

The Senate amendment would also require the Secretary of the Navy, upon completion of the competitive assessment, to develop a plan to procure a sufficient number of the winning systems to provide the active Navy forces with a satisfactory contingency ALMDS capability. To begin this procurement, the Senate amendment would authorize an increase of \$25.0 million above the budget request.

The House bill would authorize an increase of \$25.0 million above the budget request for the procurement of three additional Magic Lantern systems.

The conferees agree to authorize an increase of \$10.0 million in PE 64373N to conduct the competitive assessment described in the report accompanying the Senate amendment (S. Rept. 104-267).

The Senate report noted that, in testimony on its mine warfare programs this year, the Navy, emphasized its long term objective of providing an organic mine countermeasures (MCM) capability to the active fleet that will permit fleet units to respond immediately to mine threats while waiting for specialized MCM units to arrive on the scene. However, progress in fielding an organic capability for the Navy's aircraft carrier battle groups (CVBGs) and amphibious ready groups (ARGs) to conduct minehunting by use of an ALMDS has been marginal.

The conferees are aware that there are two LIDAR systems in development, Magic Lantern and ATD-111, that could be candidates for a solution to the ALMDS requirement. They have been in development for a number of years at very modest levels of funding. However, it would appear that, while their technology is sufficiently mature to proceed to the engineering and manufacturing development stage, sufficient resources are not available to transition both systems.

Accordingly, the conferees direct the Navy to conduct a competitive evaluation field test, during fiscal year 1997, of the two candidate technologies represented by Magic Lantern and ATD-111, for the purpose of identifying a single system that can be procured and integrated into active Navy fleet aircraft to provide them with an organic MCM capability. This assessment should include a quantitative determination of each system's performance with respect to detection and classification of moored and floating mines, area coverage, false alarm rates, potential for multi-mission capability, system availability, and capability for integration and carriage aboard the SH-60 series active fleet helicopters. The conferees further direct that this competitive evaluation be conducted as soon as practicable, but no later than July 1, 1997. The Secretary of the Navy shall report result to the congressional defense committees no later than August 1, 1997.

Upon completion of this assessment, the Navy shall develop a plan that will lead to procurement of a sufficient number of the winning systems to provide active Navy forces with a satisfactory contingency ALMDS capability. The conferees direct the Secretary of the Navy to submit this plan to the congressional defense committees in conjunction with the fiscal year 1999 budget request to continue execution of the plan.

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Battle group airborne anti-submarine warfare

The report accompanying the Senate amendment (S. Rept. 104-267) expressed concern about the Navy's slow progress in planning for and funding organic battle group

airborne anti-submarine warfare (ASW) systems suitable for countering the existing and projected littoral ASW threat. The report acknowledged the reality of current budgetary constraints, but also emphasized the need for a solid conceptual plan, supported by adequate resources, to meet the evolving littoral ASW threat.

The Senate report expressed the opinion that the Navy's overall plan for modernizing its H-60 series helicopters has not met these criteria. It opined that the plan's broad concept, to convert existing H-60 variants into a multi-mission SH-60R helicopter and introduce it by fiscal year 2001 as a complement to introduction of DDG-51 Flight IIA destroyers into the fleet, appears sound. However, the mix of aircraft to be converted and the funding programmed to implement this concept have remained in a state of flux for the past two years. For example, the Navy's integrated helicopter plan for fiscal year 1997 reversed the Navy's previous decision to convert aircraft carrier based SH-60F ASW helicopters to HH-60H combat/utility helicopters. Instead, the new plan would convert these SH-60F helicopters to the SH-60R configuration. Some would be converted in the near term to fill surface combatant requirements, but the balance of the SH-60Fs would not undergo conversion until after fiscal year 2006.

Last year, the Navy's fiscal year 1996 helicopter plan would not have converted some 60 SH-60Fs to the SH-60R configuration. The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1996 directed the Secretary of the Navy to evaluate the cost effectiveness of a modernization program for the dipping sonars installed on these helicopters. Because the fiscal year 1997 plan now calls for conversion of these 60 helicopters to the SH-60R configuration, implying eventual installation of the airborne low frequency dipping sonar (ALFS), a different set of assumptions applies, and different questions have emerged.

Although the 60 SH-60F helicopters are now to be converted to the SH-60R configuration, most of these conversions will not occur for at least 10 to 15 years. The conferees are concerned about whether the dipping sonars presently installed on these carrier based SH-60F helicopters are now, or will remain, suitable for the littoral ASW operations envisioned by the Navy's strategic concept "Forward . . . From the Sea" during this 15 year period.

To help resolve their uncertainty, the conferees direct the Secretary of the Navy to develop a plan, containing decision options, that would ensure that its carrier based SH-60F helicopters not scheduled for conversion to the SH-60R in the near term, i.e., the helicopters that will remain responsible for inner-zone battle group ASW, are equipped with a dipping sonar, including possible modifications to the presently installed sonar, that is suitable, and will remain suitable, for littoral ASW operations. The Secretary is directed to submit this plan no later than March 1, 1997.

SAC LANGUAGE (Rpt. 104-286)

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Other helo development.--The Committee recommends an increase of \$6,800,000 for continued development under the SH-60R program. This increase is provided only for the LAMPS MK III block II helicopter avionics engineering and manufacturing development

[EMD] program, in order to maintain a program schedule leading to an initial operating capability [IOC] of 2001.

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Other helicopter developments.--The Committee provides additional funds in this program element to fund a demonstration of the vertical replenishment [VERTREP] capabilities of the CH-60 helicopter, a variant of Army and Navy UH/SH-60 helicopters, as a replacement for the CH-46 cargo platform. The Committee believes it is premature to begin procurement of the replacement helicopter until results of the CH-60 demonstration are evaluated.

The Committee also understands that the Navy's Atlantic Fleet will evaluate commercial helicopters as a lower cost alternative to replacing CH-46 aircraft meeting the VERTREP requirement from Military Sealift Command ships. The Committee directs the Navy not to enter into a contract to lease such helicopters in fiscal year 1997 until after results of the evaluation have been submitted to Congress.