

COMMITTEE LANGUAGE FOR FISCAL YEAR 1997

**T-45TS (TRAINER) GOSHAWK
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
272,752	272,752	272,752	272,752	272,752	272,752	272,752

**T-45TS (TRAINER) GOSHAWK (ADV PROC(CY))
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
26,353	26,353	26,353	26,353	26,353	26,353	26,353

**T-45 SERIES
ACCOUNT: APN**

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
5,642	5,642	5,642	5,642	5,642	5,642	5,642

HAC LANGUAGE (Rpt. 104-617)

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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:

- \$222,279,000 for UH-60 Blackhawk helicopters
- \$379,483,000 for upgrades and modifications to Apache helicopters
- \$357,590,000 for 1,020 Hellfire missiles
- \$201,804,000 for 1,020 Javelin missiles
- \$161,816,000 for 97 ATACMS missiles
- \$464,486,000 for upgrades to Abrams tanks
- \$233,094,000 for medium tactical vehicles
- \$196,343,000 for heavy tactical vehicles
- \$1,859,856,000 for 12 F/A-18 E/F fighter aircraft
- \$732,904,000 for 6 V-22 (Osprey) aircraft
- \$350,014,000 for 12 AV-8B Harrier aircraft
- \$272,752,000 for 12 T-45 Trainer aircraft
- \$1,499,910,000 for modification of Naval aircraft
- \$197,463,000 for 127 Standard missiles
- \$2,624,693,000 for three DDG-51 destroyers

\$699,071,000 for the SSN-23 submarine
\$800,186,000 for advanced procurement of new SSN attack submarines
\$504,842,000 for 12 F-15E tactical aircraft
\$2,194,305,000 for 10 C-17 airlift aircraft
\$1,886,284,000 for modifications of Air Force aircraft
\$187,990,000 for 300 AMRAAM missiles
\$263,173,000 for Ballistic Missile Defense

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DDG-51

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.