

COMMITTEE LANGUAGE FOR FISCAL YEAR 1998

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

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
236,474	304,474	304,474	304,474	304,474	236,474	304,474

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

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
19,481	19,481	19,481	19,481	19,481	19,481	19,481

E-2 SERIES ACCOUNT: APN

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
49,073	49,173	49,073	49,073	50,673	85,210	49,073

E-2 SQUADRONS ACCOUNT: RDT&E

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
64,852	74,852	64,852	64,852	64,852	64,852	64,852

E-2/CEC Integration ACCOUNT: RDT&E

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
*139,200	20,000	10,000	10,000	20,000		10,000

*Budget request reflects total amount authorized for CEC integration and does not include a breakout for E-2

HNSC LANGUAGE (Rpt. 105-132)

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E-2C

The budget request contained \$236.5 million to procure three E-2C aircraft, and \$23.6 million for advance procurement of four aircraft in fiscal year 1999.

Fleet aviation continues to require modern, robust, carrier-based airborne early warning (AEW) command and control aircraft. Except for fiscal year 1998, the Department plans to procure four new AEW aircraft per year throughout the future years defense program. The Chief of Naval Operations (CNO), in order to maintain a steady

production rate of four aircraft per year, identified an additional E-2C as one of his top two unfunded procurement priorities in fiscal year 1998.

The committee supports the CNO's request and recommends an additional \$68.0 million to procure one additional E-2C aircraft. This increase will result in a more efficient production flow, provide aircraft to the fleet sooner, and save \$13.2 million.

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Oil debris detection system (ODDS)

The budget request contained \$164.9 million for the modification of P-3 aircraft, \$49.1 million for the modification of E-2 aircraft, and \$19.2 million for the modification of C-2 aircraft. The budget request did not contain funding for the procurement and installation of ODDS in the T-56 engine, which is common to the P-3, E-2 and C-2 fleets.

The ODDS is an on-board detection system that alerts aircrews to the presence of metal chips in engines and propeller gear boxes, allowing flights to be terminated prior to catastrophic failure of critical components. It also permits the clearing of smaller particles that routinely accumulate in engine oil and cause false impending engine failure alarms, resulting in unnecessary termination of aircraft missions and costly engine diagnostics. Since the ODDS, which has been successfully integrated into many other Department of Defense aircraft, both reduces aircraft maintenance costs and enhances aircrew safety, the committee recommends an increase of \$1.6 million to incorporate this system on the P-3, E-2 and C-2 fleets as follows: \$1.4 million for the P-3 and \$100 thousand each for the E-2 and C-2 fleets.

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Cooperative engagement capability

The budget request contained \$139.2 million in PE 63658N for the cooperative engagement capability (CEC).

As reflected in the House report (H. Rept. 104-563) on H.R. 3230 and the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the Congress has recognized the CEC program as among the highest priority programs in the Navy and the Department of Defense. In testimony during the defense posture hearing on the fiscal year 1997 budget request, the Secretary of Defense singled out the CEC as a program of high priority that he had chosen to accelerate because of its great potential for linking units from more than one service together and greatly increasing their warfighting capability. The Congressional defense committees agreed with the priority established by the Secretary and recommended significant increases to the CEC program to accelerate the fielding of the capability to the fleet and to accelerate and expand joint service integration efforts.

The committee notes that the Navy's fiscal year 1998 budget request for the CEC program is significantly less than projected in the fiscal year 1997 Future Years Defense Plan and budget justification, and results in a slip of over one year in the fielding of the capability to fleet units. The committee does not understand the Navy's failure to provide

the funding required to maintain the accelerated fielding schedule for a program that has received such a high priority from the Secretary of Defense and from the Congress. The committee believes that the Navy has overemphasized programs for new naval “platforms”, at the expense of the warfighting weapons systems that would make existing platforms more effective.

The committee recommends a total increase of \$50.0 million in PE 63658N for the CEC program: \$15.0 million to continue the accelerated development of the low cost common equipment set, \$5.0 million to support transfer of the CEC design and development agent to industry, \$20.0 million to accelerate integration of the CEC into Navy E-2C and P-3 aircraft, \$5.0 million to initiate development of an integrated capability between CEC and the ship self defense program, and \$5.0 million to accelerate joint service integration and demonstration of CEC with the Army’s Patriot and the Marine Corps’ Hawk air defense missile systems.

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E-2 eight-blade composite propeller system

The budget request contained \$64.9 million in PE 24152N for operational systems development of preplanned product improvements in E-2C aircraft and weapon system capabilities, including \$39.4 million for E-2C mission system improvements.

The committee is aware 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 1950’s and the 1960’s, is difficult and expensive to maintain, is no longer in production, and is a frequent cause of E-2C aircraft not being operationally ready. The committee is also aware of proposals to develop an eight-blade composite propeller for E-2C and C-2A aircraft that might also be retrofitted to Navy P-3 and C-130 aircraft. The committee understands that the cost of developing and producing the new propeller system could be recovered in four to five years as a result of reduced operation and support costs for the aircraft. Accordingly, the committee recommends an increase of \$10.0 million to initiate a 24 month program for development and demonstration of an eight-blade composite propeller system for the E-2C. The committee encourages the Secretary of the Navy to include the funds for completion of the development program in the fiscal year 1999 defense budget request.

CASC LANGUAGE (Rpt. 105-340)

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Cooperative engagement capability

The budget request included \$139.2 million in PE 63658N for the cooperative engagement capability (CEC).

The House bill would authorize a total increase of \$50.0 million in PE 63658N for the CEC program: \$15.0 million to continue the accelerated development of the low cost common equipment set; \$5.0 million to support transfer of the CEC design and development agent to industry; \$20.0 million to accelerate integration of the CEC into

Navy E-2C and P-3 aircraft; \$5.0 million to initiate development of an integrated capability between CEC and the ship self defense program (SSDS); and \$5.0 million to accelerate joint service integration and demonstration of CEC with the Army's Patriot and the Marine Corps' Hawk air defense missile systems.

The Senate amendment would authorize an increase of \$9.5 million in PE 63658N to:

- (1) \$5.0 million to continue the transition of design responsibility from its developer to the CEC procurement contractor; and
- (2) \$4.5 million to continue integration of CEC into the Marine Corps Hawk missile system.

The Senate amendment would also authorize \$5.0 million in PE 64212N to initiate development of a Ku-band data link kit for the SH-60B helicopter to avoid CEC interference.

The conferees agree to authorize an increase of \$33.0 million in PE 63658N as follows:

- (1) \$15.0 million for low cost common equipment sets;
- (2) \$10.0 million for P-3 and E-2C integration;
- (3) \$5.0 million for CEC-SSDS integration; and
- (4) \$3.0 million for CEC-Hawk missile system integration.

The conferees agree not to authorize an increase in PE 64212N for the SH-60B Ku-band data link.

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E-2 eight-blade composite propeller system

The budget request included \$64.9 million in PE 24152N for development of pre-planned product improvements in E-2C aircraft and weapon system capabilities, involving \$39.4 million for E-2C mission system improvements.

The House bill would authorize an increase of \$10.0 million to initiate a 24 month program for development and demonstration of an eight-blade composite propeller system for the E-2C.

The Senate amendment would authorize the budget request. The conferees agree to authorize the budget request.

The conferees understand that the Navy has advertised for bids and plans to award a contract to develop a new eight-blade composite propeller for the E-2C and C-2A aircraft to address existing system limitations and reduce maintenance and operations costs. The conferees direct the Secretary of the Navy to ensure that the solicitation and contract award process for the award of such a contract complies with Federal Acquisition Regulations.

HAC LANGUAGE (Rpt. 105-206)

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Major weapons programs: The Committee recommends fully funding the budget request for: The Army's Comanche helicopter, Crusader next-generation artillery system, and Force XXI/ digitization initiatives (although the Committee has realigned requested funding to more appropriate accounts); the Navy's production of 20 new F/A-18 E/F fighters, three DDG-51 destroyers, one New Attack Submarine, the overhaul of the U.S.S. Nimitz aircraft carrier, and the procurement of two LMSR sealift ships; and the Air Force's F-15 fighter and F-22 fighter programs. The Committee has also funded the requested number of Air Force C-17 transport aircraft; provided an additional nine C-130J variants over the budget request for the Marine Corps, Air Force, and Air National Guard, pursuant to House authorization action; and the budget request for the Joint Strike Fighter.

The Committee has added funds over the request for: Army Blackhawk helicopters (a total of \$309,231,000 for 30 helicopters, \$126,000,000 and 12 helicopters more than requested) and Kiowa Warrior helicopters (\$151,700,000); the Navy E-2C airborne early warning aircraft (a total of \$304,474,000 for four aircraft, \$68,000,000 and one aircraft over the budget request); the Marine Corps V-22 tactical transport (a total of \$661,307,000 for seven aircraft, \$189,300,000 and two aircraft more than in the budget request), and advance procurement for the second LPD-17 amphibious ship (an increase of \$185,000,000 over the budget request); and the Air Force B-2 bomber (a total of \$505,286,000, an increase over the budget request of \$331,200,000, consistent with House authorization action), and F-16 fighter programs (\$82,500,000 and three aircraft more than the budget request).

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PROCUREMENT

The Committee recommends \$45,515,962,000 in new obligational authority for Procurement, an increase of \$3,930,784,000 over the fiscal year 1998 budget request. Major programs funded in the bill include:

- \$309,231,000 for 30 UH-60 Blackhawk helicopters
- \$474,832,000 for upgrades and modifications to Apache helicopters
- \$228,287,000 for 1,056 Hellfire missiles \$143,112,000 for 1,080 Javelin missiles
- \$240,591,000 for Bradley vehicle industrial base sustainment
- \$594,856,000 for upgrades to Abrams tanks
- \$209,446,000 for medium tactical vehicles
- \$302,164,000 for SINCGARS radios
- \$2,101,100,000 for 20 F/A-18 E/F fighter aircraft
- \$661,307,000 for 7 V-22 (Osprey) aircraft
- \$304,474,000 for 4 E-2C early warning aircraft
- \$243,960,000 for 12 T-45 trainer aircraft
- \$1,632,544,000 for the modification of naval aircraft
- \$181,092,000 for 127 Standard missiles
- \$2,314,903,000 for 1 new SSN attack submarine
- \$1,628,403,000 for 1 carrier refueling overhaul

\$2,695,367,000 for 3 DDG-51 destroyers
\$505,286,000 for B-2 aircraft
\$159,000,000 for 3 F-15 fighter aircraft
\$1,914,211,000 for 9 C-17 airlift aircraft
\$1,464,861,000 for modification of Air Force aircraft
\$107,168,000 for 173 AMRAAM missiles
\$384,600,000 for Ballistic Missile Defense

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E-2 SERIES

The Navy requested \$49,073,000 for E-2 modifications. The Committee recommends \$50,673,000, an increase of \$1,600,000 only for the oil debris detection and burnoff system. The increased funds may also be used for C-2 and P-3 aircraft.

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COOPERATIVE ENGAGEMENT

The Navy requested \$139,229,000 for development of cooperative engagement capability. The Committee recommends \$223,229,000, an increase of \$84,000,000. Within this amount \$20,000,000 is for E-2/CEC integration, \$15,000,000 is for CEC/TBMD development efforts, \$15,000,000 is for development of a low cost common equipment set, \$13,000,000 is for reduced schedule risk and integrated logistics support, \$5,000,000 is for CEC/SSDS integration, \$5,000,000 is for Hawk/CEC integration, \$5,000,000 is for design agent transfer, \$3,000,000 is for fleet CEC exercises, and \$3,000,000 is for LAMPS data link interference. The Navy may allocate these funds within the CEC program to best meet overall program objectives.

SAC LANGUAGE (Rpt. 105-45)

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E-2C modifications.—The Committee has provided \$85,210,000, an increase of \$36,137,000 to the budget request, for modifications of E-2C aircraft. The Committee directs that the additional funds shall only be available to support modification of E-2C's currently in the Navy aircraft inventory to make them compatible with cooperative engagement capability [CEC] equipment. The Committee understands that these modifications will permit accelerated introduction of airborne CEC capability to the fleet.