

COMMITTEE LANGUAGE FOR FISCAL YEAR 1999

E-2C (EARLY WARNING) HAWKEYE

ACCOUNT: APN

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
(3)225,407	(3)225,407	(3)225,407	-----	(3)225,407	(3)225,407	-----

E-2C (EARLY WARNING) HAWKEYE (AP-CY)

ACCOUNT: APN

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
182,947	182,947	182,947	-----	182,947	182,947	-----

E-2 SERIES

ACCOUNT: APN

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
91,502	98,502	91,502	95,502	96,502	91,502	93,502

E-2 SQUADRONS

ACCOUNT: RDT&E

PRESBUD	HNSC	SASC	CASC	HAC	SAC	CAC
47,797	47,797	47,797	-----	47,797	47,797	-----

HNSC LANGUAGE (Rpt. 105-532)

(Page 60-61 - Aircraft Procurement, Navy)

Lightweight environmentally sealed parachute assembly (LESPA)

The budget request contained no funds for the LESPA. The committee continues to support the LESPA to replace old parachutes in the P-3 and E-2C aircraft. Due to its longer repack cycle and extended service life, the committee believes that the Navy will realize substantial life cycle cost savings by procuring LESPA compared to continued use of existing parachutes. Consistent with previous actions, the committee recommends \$22.0 million to procure LESPA, including \$15.0 million for the P-3 and \$7.0 million for the E-2C.

(Page 128 - Legislative Provisions)

Section 121—Multiyear Procurement Authority for the Department

of the Navy

This section would authorize the Secretary of the Navy to enter into a multiyear procurement contract for the Navy AV-8B, T-45TS, and E-2C aircraft programs and for the Marine Corps Medium Tactical Vehicle Replacement.

(Page 162-163 - RDT&E, Navy)

Common support aircraft

The budget request contained \$27.1 million in PE 64217N for the Common Support Aircraft (CSA), a fiscal year 1999 major new start program to develop the replacement for the Navy's S-3B, ES-3A, E-2C, and C-2 aircraft. The common support airframe would also be a primary candidate for the Navy's organic tanker aircraft mission. The CSA program plan calls for a Milestone 0 decision in fiscal year 1999 to initiate the concept formulation phase and achievement of CSA initial operating capability in 2013.

The committee supports the need for a replacement for the Navy's E-2/C-2 and S-3/ES-3 aircraft which represent 1960s and 1970s aviation technology, respectively, and will begin reaching the end of their service lives in the 2010 time-frame. However, based on the projected in-service date for the CSA, the committee believes that the start of the CSA program should be delayed until fiscal year 2000. Accordingly, the committee recommends no funding for the CSA program for fiscal year 1999. The committee expects that the program will be included in the fiscal year 2000 defense budget request, and directs the establishment of a separate concept exploration/product definition and risk reduction program element for the program.

SASC LANGUAGE (Rpt. 105-189)

Contains no language.

CASC LANGUAGE (Rpt. 105-736)

(Page 22)

TITLE I—PROCUREMENT

Subtitle C—Navy Programs

SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR THE DEPARTMENT OF THE NAVY.

(a) AUTHORITY FOR SPECIFIED NAVY AIRCRAFT PROGRAMS.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement for the following programs:

(1) The AV-8B aircraft program.

(2) *The T-45TS aircraft program*

(3) *The E-2C aircraft program.*

(b) *AUTHORITY FOR MARINE CORPS MEDIUM TACTICAL VEHICLE REPLACEMENT.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract to procure the Marine Corps Medium Tactical Vehicle Re-placement.*

(Page 410)

Title I - Procurement

Lightweight environmentally sealed parachute assembly

The budget request included no funds for the lightweight environmentally sealed parachute assembly (LESPA).

The House bill would authorize an increase of \$22.0 million to procure LESPA, including \$15.0 million for the P-3 and \$7.0 million for the E-2C.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of \$14.0 million to procure LESPA, including \$10.0 million for the P-3 and \$4.0 million for the E-2C.

(Page 435)

Cooperative engagement capability

The budget request included \$47.3 million for procurement and installation of four cooperative engagement capability (CEC) systems and \$131.6 million in PE 63658N for CEC demonstration and validation. Within the amount requested in PE 63658N, \$38.8 million was included for identification and resolution of interoperability problems in the E-2C aircraft.

The House bill would authorize an increase of \$35.0 million for procurement and installation of five additional CEC systems to meet training and operational requirements. The House bill would also authorize an increase of \$20.0 million to correct deficiencies discovered during the initial operational test and evaluation of the system, and support follow-on testing in preparation for the inter-operability test that would involve two carrier battle groups. It would also authorize an increase of \$6.0 million for continued development of the CEC test and evaluation system and linking that system to the military test and training ranges infrastructure.

The Senate amendment would authorize the budget request. During congressional review of the fiscal year 1999 budget re-quest, the Navy advised the defense authorization committees of interoperability problems between the Advanced Combat Direction System Block 1 (the new combat direction system for large deck ships such as aircraft carriers) and the AEGIS Baseline 6 software (which includes the CEC). These problems occurred during operational test and evaluation of the ACDS Block 1 system, and resulted in the Commander, Operational Test and Evaluation Force, declaring that the ACDS Block 1 system was not operationally suit-able or effective for deployment with the fleet and that interoperability problems were exacerbated by the CEC. Fleet reports have also indicated

similar interoperability problems. In addition, ongoing developmental testing of the AEGIS Baseline 6 Phase I software during early 1998 indicated that the software was immature.

The conferees view these and previously identified relay aircraft interoperability problems and their effect on the fleet, the CEC, ship self defense, and Navy theater ballistic missile defense programs with great concern. The conferees recognize that the problems may result in part from efforts to accelerate the CEC program by shortcutting a systematic process for software development, verification, and validation. To resolve these problems, the conferees have been advised that the Navy is developing a program that will focus on interoperability issues to support carrier battle group deployments and for the longer-term, a force level process to coordinate requirements, development, investments, and installation of new system capabilities in the fleet. Key to the process will be: (1) development of a single common combat direction system equipment and computing architecture that will be able to adapt to technology changes more efficiently; and (2) establishment of an enhanced shore based testing capability that will allow force level interoperability testing ashore, before deployment of new system capabilities to the fleet.

The conferees believe that the Navy has not yet fully assessed the magnitude of the CEC/combat direction system interoperability problem and its effect on other development programs or on the fleet. Additional system development may be required as the Navy assesses and defines the overall magnitude of the system interoperability and software maturity problems. Clear and unambiguous system integration responsibilities and accountability for management of the program to resolve the problems are required.

The conferees agree to authorize an increase of \$26.0 million in PE 63658N for research and development and an increase of \$35.0 million in Other Procurement, Navy for procurement of CEC systems.

The conferees understand that the Navy may need to realign fiscal year 1999 CEC funding to implement a program to resolve the interoperability problems. Should the Navy's assessment of the program requirements indicate that realignment is necessary, the conferees encourage the Secretary of Defense to submit a re-programming request promptly to the congressional defense committees.

Given the seriousness of the interoperability problems and the potential effects on numerous other important Navy and Defense programs, the conferees direct the Secretary of the Navy to report to the congressional defense committees at least quarterly on CEC/combat direction system interoperability problems and planned solutions.

HAC LANGUAGE (Rpt. 105-591)

(Page 9 - Modernization Programs)

Major weapons programs: The Committee recommends fully funding the budget request for: the Army's Crusader next-generation artillery system, the Navy's E-2C aircraft program, one New Attack Submarine, initial funding for the CVN-77 aircraft carrier, and procurement of one LMSR sealift ship. The Committee has also funded the requested number of Army M1A2 tank upgrades, Navy T-45 aircraft, Marine Corps AV-8B Harrier fighters, and Air Force F-22 fighter and C-17 transport aircraft; provided an additional seven C-130J variants over the budget request for the Marine Corps, Air Force, and Air National Guard pursuant to House authorization action; and has fully funded the budget request for the Joint Strike Fighter.

(Page 121 - Aircraft Procurement, Navy)

MULTIYEAR PROCUREMENT

The Navy requested authority to enter into multiyear contracts for T-45 and E-2C aircraft, which the Committee approves in section 8008 of the bill. The Committee encourages the Navy to pursue engine multiyear contracts within this authority for the E-2C program, if cost-effective. The Committee also encourages the Navy to structure the E-2C contract to allow the movement of at least one aircraft between fiscal years, if cost-effective.

(Page 124 - Aircraft Procurement, Navy)

MODIFICATION OF AIRCRAFT

E-2 SERIES

The Navy requested \$91,502,000 for E-2 aircraft modifications. The Committee recommends \$96,502,000, an increase of \$5,000,000 only for the Lightweight Environmentally Sealed Parachute Assembly has recommended in the House-passed authorization bill.

(Page 271 - House of Representatives Reporting Requirements)

GENERAL PROVISIONS

Section 8005 has been amended to delete language concerning re-programming authority for the Reserve Mobilization Income Insurance Program.

Section 8008 has been amended to include multiyear procurement contracts for the E-2C aircraft, T-45 aircraft, and the Medium Tactical Vehicle Replacement (MTVR) vehicle programs.

SAC LANGUAGE (Rpt. 105-200)

(Page 150 - Title VIII, General Provisions)

SEC. 8008. Multiyear procurement authority.—The Committee recommends providing multiyear authority for the following programs: Medium tactical vehicle replacement; E-2C aircraft; and Longbow Hellfire missile.

CAC LANGUAGE (Rpt. 105-746)

(Page 21 - Title VIII, General Provisions)

SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of \$20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed \$500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

E-2C aircraft;

Longbow Hellfire missile; and

Medium Tactical Vehicle Replacement (MTVR).