

**DIVISION A—DEPARTMENT OF DEFENSE  
AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

**Subtitle A—Authorization of Appropriations**

**Explanation of tables**

The following tables provide the program-level detailed guidance for the funding authorized in title I of this Act. The tables also display the funding requested by the administration in the fiscal year 2007 budget request for procurement programs, and indicate those programs for which the committee either increased or decreased the requested amounts. As in the past, the administration may not exceed the authorized amounts (as set forth in the tables or, if unchanged from the administration request, as set forth in budget justification documents of the Department of Defense), without a reprogramming action in accordance with established procedures. Unless noted in this report, funding changes to the budget request are made without prejudice.

**NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2007**  
(Dollars in Thousands)

<u>Title I -- PROCUREMENT</u>	Authorization Request	Senate Change	Senate Authorization
Aircraft Procurement, Army	3,566,483	-109,154	3,457,329
Missile Procurement, Army	1,350,898	77,961	1,428,859
Procurement of W&TCV, Army	2,301,943	547,800	2,849,743
Procurement of Ammunition, Army	1,903,125	133,660	2,036,785
Other Procurement, Army	7,718,602	11,000	7,729,602
Aircraft Procurement, Navy	10,868,771	-164,616	10,704,155
Weapons Procurement, Navy	2,555,020	32,000	2,587,020
Procurement of Ammunition, Navy & Marine Corps	789,943	20,000	809,943
Shipbuilding and Conversion, Navy	10,578,553	1,480,000	12,058,553
Other Procurement, Navy	4,967,916	77,600	5,045,516
Procurement, Marine Corps	1,273,513	26,700	1,300,213
Aircraft Procurement, Air Force	11,479,810	524,286	12,004,096
Procurement of Ammunition, Air Force	1,072,749	4,000	1,076,749
Missile Procurement, Air Force	4,204,145	20,000	4,224,145
Other Procurement, Air Force	15,408,086	26,500	15,434,586
Procurement, Defense-Wide	2,861,461	119,037	2,980,498
National Guard and Reserve Equipment			
Defense Production Act Purchases			
<b>TOTAL PROCUREMENT</b>	<b>82,901,018</b>	<b>2,826,774</b>	<b>85,727,792</b>

**Subtitle B—Army Programs**

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Request</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>	<u>Qty</u>	<u>Cost</u>
		<b>Aircraft Procurement, Army</b>						
		<b>Aircraft</b>						
		<b>Fixed Wing</b>						
2031	1	UTILITY F/W CARGO AIRCRAFT		109,154				
		Future Cargo Aircraft ahead of need				-109,154		
2031	2	UTILITY F/W AIRCRAFT		4,060				4,060
		<b>Rotary Wing</b>						
2031	3	ARMED RECONNAISSANCE HELICOPTER	18	141,418			18	141,418
2031	4	HELICOPTER, LIGHT UTILITY (LUH)	39	198,677			39	198,677
2031	5	UH-60 BLACKHAWK (MYP)	38	632,542			38	632,542
2031	5	LESS: ADVANCE PROCUREMENT (PY)		-77,991				-77,991
2031	6	ADVANCE PROCUREMENT (CY)		185,845				185,845
2031	7	HELICOPTER NEW TRAINING						
		<b>Modification of Aircraft</b>						
2031	8	GUARDRAIL MODS (TIARA)		58,000				58,000
2031	9	ARL MODS (TIARA)		48,000				48,000
2031	10	AH-64 MODS		794,387				794,387
2031	10	LESS: ADVANCE PROCUREMENT (PY)		-18,746				-18,746
2031	11	ADVANCE PROCUREMENT (CY)		19,000				19,000
2031	12	CH-47 CARGO HELICOPTER MODS		607,663				607,663
2031	12	LESS: ADVANCE PROCUREMENT (PY)		-24,358				-24,358
2031	13	ADVANCE PROCUREMENT (CY)		36,740				36,740
2031	14	UTILITY/CARGO AIRPLANE MODS		9,953				9,953
2031	15	AIRCRAFT LONG RANGE MODS		364				364
2031	16	LONGBOW						
2031	16	LESS: ADVANCE PROCUREMENT (PY)						

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Change	Authorized		
2031	17	UH-60 MODS		30,891			30,891	
2031	17	LESS: ADVANCE PROCUREMENT (PY)						
2031	18	KIOWA WARRIOR		43,654			43,654	
2031	19	AIRBORNE AVIONICS		156,452			156,452	
2031	20	GATM ROLLUP		31,666			31,666	
		<b>Spares and Repair Parts</b>						
2031	21	SPARE PARTS (AIR)		9,446			9,446	
		<b>Support Equipment and Facilities</b>						
		<b>Ground Support Avionics</b>						
2031	22	AIRCRAFT SURVIVABILITY EQUIPMENT		27,920			27,920	
2031	23	ASE INFRARED CM		305,631			305,631	
		<b>Other Support</b>						
2031	24	AIRBORNE COMMAND & CONTROL		40,220			40,220	
2031	25	AVIONICS SUPPORT EQUIPMENT		5,062			5,062	
2031	26	COMMON GROUND EQUIPMENT		64,683			64,683	
2031	27	AIRCREW INTEGRATED SYSTEMS		35,346			35,346	
2031	28	AIR TRAFFIC CONTROL		86,351			86,351	
2031	29	INDUSTRIAL FACILITIES		2,100			2,100	
2031	30	LAUNCHER, 2.75 ROCKET		2,353			2,353	
2031	31	AIRBORNE COMMUNICATIONS						
<b>Total - Aircraft Procurement, Army</b>				<b>3,566,483</b>		<b>-109,154</b>	<b>3,457,329</b>	

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>	
		Missile Procurement, Army						
		Other Missiles						
		Surface-to-Air Missile System						
2032	1	PATRIOT SYSTEM SUMMARY	108	489,067			108	514,067
		PAC-3 missiles			[25,000]			
2032	2	SURFACE-LAUNCHED AMRAAM SYSTEM SUMMARY		12,039	-12,039			
		SLAMRAAM procurement ahead of need			[-12,039]			
2032	3	ADVANCE PROCUREMENT (CY)		10,000	-10,000			
		SLAMRAAM procurement ahead of need			[-10,000]			
		Air-to-surface Missile System						
2032	4	HELLFIRE SYS SUMMARY						
		Anti-tank/Assault Missile System						
2032	5	JAVELIN (AAWS-M) SYSTEM SUMMARY	300	104,782			300	104,782
2032	5	LESS: ADVANCE PROCUREMENT (PY)						
2032	6	TOW 2 SYSTEM SUMMARY	949	50,541			949	50,541
2032	6	LESS: ADVANCE PROCUREMENT (PY)			-18,900			-18,900
2032	7	ADVANCE PROCUREMENT (CY)			32,700			32,700
2032	8	GUIDED MLRS ROCKET (GMLRS)	702	147,795			702	147,795
2032	9	MLRS REDUCED RANGE PRACTICE ROCKETS (RRPR)	3,762	20,926			3,762	20,926
2032	10	MLRS LAUNCHER SYSTEMS						
2032	11	HIGH MOBILITY ARTILLERY ROCKET SYSTEM (HIMAR)	50	226,884			50	226,884
2032	12	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	43	60,502			43	60,502
		Modification of Missiles						
		Modifications						
2032	13	PATRIOT MODS		69,856				144,856
		Patriot configuration 3 initiative			[75,000]			
2032	14	JAVELIN MISSILE MODS		10,371				10,371

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
2032	15	ITAS/TOW MODS		84,350			84,350	
2032	16	MLRS MODS		6,913			6,913	
2032	17	HIMARS MODIFICATIONS		9,374			9,374	
2032	18	HELLFIRE MODIFICATIONS						
		Spares and Repair Parts						
2032	19	SPARES AND REPAIR PARTS		25,794			25,794	
		Support Equipment and Facilities						
2032	20	AIR DEFENSE TARGETS		3,924			3,924	
2032	21	ITEMS LESS THAN \$5.0M (MISSILES)		10			10	
2032	22	PRODUCTION BASE SUPPORT		3,970			3,970	
		<b>Total - Missile Procurement Army</b>		<b>1,350,898</b>		<b>77,961</b>	<b>1,428,859</b>	
		<b>Procurement of Weapons and Tracked Combat Vehicles, A</b>						
		<b>Tracked Combat Vehicles</b>						
2033	1	ABRAMS TRNG DEV MOD		899			899	
2033	2	BRADLEY BASE SUSTAINMENT		284,966		238,800	523,766	
		Bradley A3 conversion program				[238,800]		
2033	3	BRADLEY FVS TRAINING DEVICES (MOD)		4,721			4,721	
2033	4	ABRAMS TANK TRAINING DEVICES		899			899	
2033	5	STRYKER VEHICLE	100	795,978		100	795,978	
		<b>Modification of Tracked Combat Vehicles</b>						
2033	6	CARRIER, MOD		22,969			161,969	
		M113 recap						
2033	7	FIST VEHICLE (MOD)		32,028			32,028	
2033	8	MOD OF IN-SVC EQUIP, FIST VEHICLE						
2033	9	BFVS SERIES (MOD)		69,988			69,988	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
2033	10	HOWITZER, MED SP FT 155MM M109A6 (MOD)		28,714			28,714	
2033	11	FAASV PIP TO FLEET						
2033	12	IMPROVED RECOVERY VEHICLE (M88 MOD)	12	36,494			36,494	
2033	13	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)		66,054			66,054	
2033	14	M1 ABRAMS TANK (MOD)		364,899			364,899	
2033	15	SYSTEM ENHANCEMENT PGM: SEP M1A2 M1A2 SEP	23	171,097			341,097	
						170,000		
						[170,000]		
		<b>Support Equipment and Facilities</b>						
2033	16	ITEMS LESS THAN \$5.0M (TCV-WTCV)		422			422	
2033	17	PRODUCTION BASE SUPPORT (TCV-WTCV)		11,685			11,685	
		<b>Weapons and Other Combat Vehicles</b>						
2033	18	HOWITZER, LIGHT, TOWED, 105MM, M119	10	20,369			20,369	
2033	19	INTEGRATED AIR BURST WEAPON SYSTEM FAMILY		32,339			32,339	
2033	20	M240 MEDIUM MACHINE GUN (7.62MM)	3,025	43,175			43,175	
2033	21	M249 SAW MACHINE GUN (5.56MM)	8,600	36,614			36,614	
2033	22	MK-19 GRENADE MACHINE GUN (40MM)	68	1,725			1,725	
2033	23	MORTAR SYSTEMS						
2033	24	M16 RIFLE	2,950	1,844			1,844	
2033	25	M107, CAL. 50, SNIPER RIFLE	390	8,458			8,458	
2033	26	XMI10 SEMI-AUTOMATIC SNIPER SYSTEM (SASS)	1,475	15,300			15,300	
2033	27	M4 CARBINE		2,221			2,221	
2033	28	SHOTGUN, MODULAR ACCESSORY SYSTEM (MASS)						
2033	29	COMMON REMOTELY OPERATED WEAPONS STATION						
2033	30	HOWITZER LT WT 155MM (T)	85	187,489			187,489	
		<b>Modification of Weapons and Other Combat Vehicles</b>						
2033	31	MK-19 GRENADE MACHINE GUN, MODS		3,168			3,168	
2033	32	M4 CARBINE, MODS		30,871			30,871	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
2033	33	M2 50 CAL MACHINE GUN MODS		5,253		5,253		5,253
2033	34	M249 SAW MACHINE GUN MODS		5,293		5,293		5,293
2033	35	M240 MEDIUM MACHINE GUN MODS						
2033	36	PHALANX MODS						
2033	37	HOWITZER, TOWED, 155MM, M198 (MODS)		692		692		692
2033	38	M119 MODIFICATIONS		1,012		1,012		1,012
2033	39	M16 RIFLE MODS		1,700		1,700		1,700
2033	40	MODIFICATIONS LESS THAN \$5.0M (WOCV-WTCV)						
		<b>Support Equipment and Facilities</b>						
2033	41	ITEMS LESS THAN \$5.0M (WOCV-WTCV)		507		507		507
2033	42	PRODUCTION BASE SUPPORT (WOCV-WTCV)		6,331		6,331		6,331
2033	43	INDUSTRIAL PREPAREDNESS		3,019		3,019		3,019
2033	44	SMALL ARMS EQUIPMENT (SOLDIER ENH PROG)		2,750		2,750		2,750
2033	45	REF SMALL ARMS						
2033	46	CLOSED ACCOUNT ADJUSTMENTS						
		<b>Spares</b>						
2033	47	SPARES AND REPAIR PARTS (WTCV)						
		<b>Total - Procurement of WTCV, Army</b>		<b>2,301,943</b>		<b>547,800</b>		<b>2,849,743</b>
		<b>Procurement of Ammunition, Army</b>						
		<b>Ammunition</b>						
2034	1	Small/Medium Caliber Ammunition		214,555		214,555		214,555
2034	2	CTG, 5.56MM, ALL TYPES		113,555		113,555		113,555
2034	3	CTG, 7.62MM, ALL TYPES		3,848		3,848		3,848
2034	4	CTG, 9MM, ALL TYPES		125,112		125,112		125,112

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request		Change		Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
2034	5	CTG, 20MM, ALL TYPES	101	32,089			101	32,089
2034	6	CTG, 25MM, ALL TYPES		19,431				19,431
2034	7	CTG, 30MM, ALL TYPES		129,409				129,409
2034	8	CTG, 40MM, ALL TYPES						
		<b>Mortar Ammunition</b>						
2034	9	60MM MORTAR, ALL TYPES		13,046				13,046
2034	10	81MM MORTAR, ALL TYPES		54,618				54,618
2034	11	CTG, MORTAR, 120MM, ALL TYPES		66,506				66,506
		<b>Tank Ammunition</b>						
2034	12	CTG TANK 105MM: ALL TYPES		19,584				19,584
2034	13	120MM TANK TRAINING, ALL TYPES		142,933				142,933
2034	14	CTG, TANK, 120MM TACTICAL, ALL TYPES		48,004				48,004
		M1028 120mm tank cartridge			9,200			9,200
		<b>Artillery Ammunition</b>						
2034	15	CTG, ARTY, 75MM: ALL TYPES		2,297				2,297
2034	16	CTG, ARTY, 105MM: ALL TYPES		45,585				45,585
		M915 105mm DPICM (LAP) all types			12,200			12,200
2034	17	CTG, ARTY, 155MM, ALL TYPES		124,099				124,099
2034	18	PROJ 155MM EXTENDED RANGE XM982		22,971				22,971
2034	19	MODULAR ARTILLERY CHARGE SYSTEM (MACS)		73,885				73,885
		<b>Artillery Fuzes</b>						
2034	20	ARTILLERY FUZES, ALL TYPES		4,083				4,083
		<b>Mines</b>						
2034	21	MINE, TRAINING, ALL TYPES		396				396
2034	22	MINES (CONVENTIONAL), ALL TYPES		4,221				4,221
2034	23	MINE, CLEARING CHARGE, ALL TYPES		4,897				4,897
2034	23	ANTIPERSONNEL/MINE ALTERNATIVES		85,879				85,879

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Request</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
		<b>Rockets</b>						
2034	25	SHOULDER FIRED ROCKETS, ALL TYPES		7,741		7,741		7,741
2034	26	ROCKET, HYDRA 70, ALL TYPES		136,670		136,670		136,670
		<b>Other Ammunition</b>						
2034	27	DEMOLITION MUNITIONS, ALL TYPES		33,746		4,000		37,746
		Rapid wall breaching kit				[4,000]		
2034	28	GRENADES, ALL TYPES		54,162				54,162
2034	29	SIGNALS, ALL TYPES		26,384				26,384
2034	30	SIMULATORS, ALL TYPES		10,791				10,791
		<b>Miscellaneous</b>						
2034	31	AMMO COMPONENTS, ALL TYPES		3,407				3,407
2034	32	NON-LETHAL AMMUNITION, ALL TYPES		30,089				30,089
2034	33	CAD/PAD ALL TYPES		2,628				2,628
2034	34	ITEMS LESS THAN \$5 MILLION		5,493				5,493
2034	35	AMMUNITION PECULIAR EQUIPMENT		10,306				25,306
		Ammunition peculiar equipment outloading module				15,000		
		Automated Tactical Ammunition Classification System				[6,000]		
		Corrosion protection covers				[5,000]		
2034	36	FIRST DESTINATION TRANSPORTATION (AMMO)		9,552				9,552
2034	37	CLOSEOUT LIABILITIES		101				101
		<b>Ammunition Production Base Support</b>						
		<b>Production Base Support</b>						
2034	38	PROVISION OF INDUSTRIAL FACILITIES		116,175		93,260		209,435
		Insensitive Munitions High-shear Mixing System				[7,500]		
		Lake City Army Ammunition Plant				[18,200]		
		Modernization of forge equip at Scranton AAP				[4,000]		
		Radford AAP upgrades				[63,560]		

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Request	Change	Authorized		
				Cost	Cost	Qty	Cost	
2034	39	LAYAWAY OF INDUSTRIAL FACILITIES		3,064			3,064	
2034	40	MAINTENANCE OF INACTIVE FACILITIES		4,743			4,743	
2034	41	CONVENTIONAL MUNITIONS DEMIL, ALL		94,201			94,201	
2034	42	ARMS INITIATIVE		2,768			2,768	
<b>Total - Procurement of Ammunition, Army</b>				<b>1,903,125</b>	<b>133,660</b>		<b>2,036,785</b>	
<b>Other Procurement, Army</b>								
<b>Tactical and Support Vehicles</b>								
<b>Tactical Vehicles</b>								
2035	1	TACTICAL TRAILERS/DOLLY SETS		22,961			22,961	
2035	2	SEMITRAILERS, FLATBED:		7,565			7,565	
2035	3	SEMITRAILERS, TANKERS		11,676			11,676	
2035	4	HI MOB MULTI-PURP WHLD VEH (HMMWV)		582,613			582,613	
2035	5	FAMILY OF MEDIUM TACTICAL VEH (FMTV)		695,121			695,121	
2035	6	FIRETRUCKS & ASSOCIATED FIREFIGHTING EQUIP		29,286			29,286	
2035	7	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)		353,198			353,198	
2035	8	ARMORED SECURITY VEHICLES (ASV)		155,491			155,491	
2035	9	MINE PROTECTION VEHICLE FAMILY						
2035	10	TRUCK, TRACTOR, LINE HAUL, M915/M916		31,202			31,202	
2035	11	HVY EXPANDED MOBILE TACTICAL TRUCK EXT SER'		220,416			220,416	
2035	12	HMMWV RECAPITALIZATION PROGRAM		34,823			34,823	
2035	13	MODIFICATION OF IN SVC EQUIP		2,562			2,562	
2035	14	ITEMS LESS THAN \$5.0M (TAC VEH)						
2035	15	TOWING DEVICE-FIFTH WHEEL		1,725			1,725	
<b>Non-tactical Vehicles</b>								
2035	16	HEAVY ARMORED SEDAN		609			609	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
2035	17	PASSENGER CARRYING VEHICLES		640		640		640
2035	18	NON TACTICAL VEHICLES, OTHER		3,486		3,486		3,486
		<b>Communications and Electronics Equipment</b>						
2035	19	Comm-Joint Communications						
		WIN - TACTICAL PROGRAM		100,000		100,000		100,000
		Increase WIN-T funding		[100,000]				
2035	20	JCSE EQUIPMENT (USREDCOM)		4,805		4,805		4,805
		<b>Comm-Satellite Communications</b>						
2035	21	SECOMP-I		16,884		16,884		16,884
2035	22	DEFENSE ENTERPRISE WIDEBAND SATCOM SYSTEM		53,616		53,616		53,616
2035	23	SHF TERM		28,459		28,459		28,459
2035	24	SAT TERM, EMUT (SPACE)		833		833		833
2035	25	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)		61,611		61,611		61,611
		Defense advanced GPS receivers						
2035	26	SMART-T (SPACE)		62,342		62,342		62,342
2035	27	SCAMP (SPACE)		954		954		954
2035	28	GLOBAL BRDCST SVC - GBS		16,803		16,803		16,803
2035	29	MOD OF IN-SVC EQUIP (TAC SAT)		9,113		9,113		9,113
		<b>Comm-C3 System</b>						
2035	30	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		25,253		25,253		25,253
		<b>Comm-Combat Communications</b>						
2035	31	ARMY DATA DISTRIBUTION SYSTEM (DATA RADIO)		4,890		4,890		4,890
2035	32	JOINT TACTICAL RADIO SYSTEM		1,302		1,302		1,302
2035	33	RADIO TERMINAL SET, MIDS LVT(2)		3,229		3,229		3,229
2035	34	SINGGARS FAMILY		116,523		116,523		116,523
2035	35	MULTI-PURPOSE INFO OPERATIONS SYSTEMS		10,460		10,460		10,460
2035	36	JOINT TACTICAL AREA COMMAND SYSTEMS						

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Change	Authorized	Cost	Qty
2035	37	BRIDGE TO FUTURE NETWORKS Joint network node reduction		340,231		-100,000		240,231
2035	38	COMMS-ELEC EQUIP FIELDING		5,181				5,181
2035	39	SPIDER APLA REMOTE CONTROL UNIT		27,599				27,599
2035	40	SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRC		9,933				9,933
2035	41	COMBAT SURVIVOR EVADER LOCATOR (CSEL)		16,541				16,541
2035	42	RADIO, IMPROVED HF FAMILY		91,418				91,418
2035	43	MEDICAL COMM FOR CBT CASUALTY CARE (MC4)		10,548				10,548
2035	44	Comm-Intelligence Communications CI AUTOMATION ARCHITECTURE		1,409				1,409
2035	45	Information Security TSEC - ARMY KEY MGT SYS (AKMS)		14,924				14,924
2035	46	INFORMATION SYSTEM SECURITY PROGRAM-ISSP		90,379				90,379
2035	47	Comm-Long Haul Communications TERRESTRIAL TRANSMISSION		14,432				14,432
2035	48	BASE SUPPORT COMMUNICATIONS		33,754				33,754
2035	49	ARMY DISN ROUTER		508				508
2035	50	ELECTROMAG COMP PROG (EMCP)		27,101				27,101
2035	51	WW TECH CON IMP PROG (WWTCIP) Comm-Base Communications		19,553				19,553
2035	52	INFORMATION SYSTEMS		5,726				5,726
2035	53	DEFENSE MESSAGE SYSTEM (DMS)		279,579				279,579
2035	54	INSTALLATION INFO INFRASTRUCTURE MOD PROGR						
2035	55	LOCAL AREA NETWORK (LAN)						
2035	56	PENTAGON INFORMATION MGT AND TELECOM Elect Equip-Nat For Int Prog (NFIP)		32,711				32,711
2035	57	FOREIGN COUNTERINTELLIGENCE PROG (FCI)						

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007			Senate			Senate		
			Qty	Cost	Request	Change	Authorized	Qty	Cost	Authorized	
2035	58	GENERAL DEFENSE INTELL PROG (GDIP)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
		<b>Elect Equip-Tact Int Rel Act (TIARA)</b>									
2035	59	ALL SOURCE ANALYSIS SYS (ASAS) (MIP)		34,431							34,431
2035	60	JTT/CIBS-M (MIP)		985							985
2035	61	PROPHET GROUND (MIP)		96,532							96,532
2035	62	TACTICAL UNMANNED AERIAL SYS (TUAS)MIP		100,295							100,295
2035	63	SMALL UNMANNED AERIAL SYSTEM (SUAS)		10,200							10,200
2035	64	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (MIP)		30,729							30,729
2035	65	DRUG INTERDICTION PROGRAM (DIP) (TIARA)									
2035	66	TACTICAL EXPLOITATION SYSTEM (MIP)									
2035	67	DCGS-A (MIP)		65,424							65,424
2035	68	JOINT TACTICAL GROUND STATION (JTAGS)		9,852							9,852
2035	69	TROJAN (MIP)		7,659							7,659
2035	70	MOD OF IN-SVC EQUIP (INTEL SPT) (MIP)		5,040							5,040
2035	71	CI HUMINT INFO MANAGEMENT SYSTEM (CHIMS) MII		19,704							19,704
2035	72	ITEMS LESS THAN \$5.0M (MIP)		29,739							29,739
		<b>Elect Equip-Electronic Warfare (EW)</b>									
2035	73	LIGHTWEIGHT COUNTER MORTAR RADAR		16,326							16,326
2035	74	WARLOCK									
2035	75	COUNTERINTELLIGENCE/SECURITY COUNTERMEASU									
		<b>Elect Equip-Tactical Surv. (TAC SURV)</b>									
2035	76	SENTINEL MODS		15,125							15,125
2035	77	NIGHT VISION DEVICES		320,989							320,989
2035	78	LONG RANGE ADVANCED SCOUT SURVEILLANCE SY		179,594							179,594
2035	79	LTWT VIDEO RECON SYSTEM (LWVRS)									
2035	80	NIGHT VISION, THERMAL WPN SIGHT		209,537							209,537
2035	81	RADIATION MONITORING SYSTEMS		4,393							4,393

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
2035	82	RAPID AEROSTAT INITIAL DEPLOYMENT		802			802	
2035	83	ARTILLERY ACCURACY EQUIP		321			321	
2035	84	MOD OF IN-SVC EQUIP (MMS)						
2035	85	MOD OF IN-SVC EQUIP (MVS)						
2035	86	ENHANCED PORTABLE INDUCTIVE ARTILLERY FUZE		7,441			7,441	
2035	87	PROFILER		2,119			2,119	
2035	88	MOD OF IN-SVC EQUIP (FIREFINDER RADARS)		19,249			19,249	
2035	89	FORCE XXI BATTLE CMD BRIGADE & BELOW (FBCB2)		160,060			160,060	
2035	90	LIGHTWEIGHT LASER DESIGNATOR/RANGEFINDER		50,160			50,160	
2035	91	COMPUTER BALLISTICS: LHMBC XM32						
2035	92	MORTAR FIRE CONTROL SYSTEM		38,971			38,971	
2035	93	INTEGRATED MET SYS SENSORS (IMETS) - MIP		3,510			3,510	
2035	94	ENHANCED SENSOR & MONITORING SYSTEM						
		<b>Elect Equip-Tactical C2 Systems</b>						
2035	95	TACTICAL OPERATIONS CENTERS		57,707			57,707	
2035	96	ADV FA TAC DATA SYS / EEF CTRL SYS		22,035			22,035	
2035	97	MOD OF IN-SVC EQUIP, AFATDS		5,434			5,434	
2035	98	LIGHT WEIGHT TECHNICAL FIRE DIRECTION SYS		6,042			6,042	
2035	99	BATTLE COMMAND SUSTAINMENT SUPPORT SYSTEMA		31,986			31,986	
2035	100	FAAD C2		21,095			21,095	
2035	101	AIR & MSL DEFENSE PLANNING & CONTROL SYS		69,289			69,289	
2035	102	FORWARD ENTRY DEVICE / LIGHTWEIGHT FED		9,305			9,305	
2035	103	KNIGHT FAMILY		24,233			24,233	
2035	104	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		2,022			2,022	
2035	105	LOGTECH		97,235			97,235	
2035	106	TC AIMS II		29,919			29,919	
2035	107	JOINT NETWORK MANAGEMENT SYSTEM (JNMS)		8,279			8,279	

## Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Change	Authorized		
2035	108	TACTICAL INTERNET MANAGER		11,355			11,355	
2035	109	MANEUVER CONTROL SYSTEM (MCS)		77,023			77,023	
2035	110	SINGLE ARMY LOGISTICS ENTERPRISE (SALE)		121,808			121,808	
2035	111	MOUNTED BATTLE COMMAND ON THE MOVE (MBCO)		79,035			79,035	
		<b>Elect Equip - Automation</b>						
2035	112	GENERAL FUND ENTERPRISE BUSINESS SYSTEM		78,403			78,403	
2035	113	ARMY TRAINING MODERNIZATION		21,636			21,636	
2035	114	AUTOMATED DATA PROCESSING EQUIP		139,206			139,206	
2035	115	CSS COMMUNICATIONS		15,861			15,861	
2035	116	RESERVE COMPONENT AUTOMATION SYS (RCAS)		28,675			28,675	
		<b>Elect Equip-Audio Visual Sys (A/V)</b>						
2035	117	AFRTS		1,007			1,007	
2035	118	ITEMS LESS THAN \$5.0M (A/V)		6,754			6,754	
2035	119	ITEMS LESS THAN \$5M (SURVEYING EQUIPMENT)		1,671			1,671	
		<b>Elect Equip-Modis Tactical Sys/Eq</b>						
2035	120	WEAPONIZATION OF UNMANNED AERIAL SYSTEM (U)		15,161			15,161	
		<b>Elect Equip-Support</b>						
2035	121	ITEMS UNDER \$5M (SSE)		17,493			17,493	
2035	122	PRODUCTION BASE SUPPORT (C-E)		497			497	
		<b>Other Support Equipment</b>						
		<b>Chemical Defensive Equipment</b>						
2035	123	CBRN SOLDIER PROTECTION		38,312			38,312	
2036	124	SMOKE & OBSCURANT FAMILY: SOF (NON AAO ITEM, Bridging Equipment)		4,079			4,079	
2035	125	TACTICAL BRIDGING		69,608			69,608	
2035	126	TACTICAL BRIDGE, FLOAT-RIBBON		80,093			80,093	

**Line 1 - Procurement**

(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
		<b>Engineer (Non-construction) Equipment</b>						
2035	127	HANDHELD STANDOFF MINEFIELD DETECTION SYS-F		52,829			52,829	
2035	128	KIT, STANDARD TELEOPERATING						
2035	129	GRND STANDOFF MINE DETECTION SYSTEM		197,675			197,675	
2035	130	ROBOTIC COMBAT SUPPORT SYSTEM (RCSS)						
2035	131	EXPLOSIVE ORDNANCE DISPOSAL EQPMT (EOD EQPA		37,269			37,269	
2035	132	ITEMS LESS THAN \$5M (COUNTERMINE EQUIPMENT)		546			546	
		<b>Combat Service Support Equipment</b>						
2035	133	HEATERS AND ECUS		10,575			10,575	
2035	134	LAUNDRIES, SHOWERS AND LATRINES						
2035	135	SOLDIER ENHANCEMENT		9,298			9,298	
2035	136	LIGHTWEIGHT MAINTENANCE ENCLOSURE (LME)						
2035	137	DISMOUNTED BATTLE COMMAND SYSTEM (DBCS)		19,226			19,226	
2035	138	MOUNTED WARRIOR						
2035	139	FIELD FEEDING EQUIPMENT		36,874			36,874	
2035	140	CARGO AERIAL DELIVERY PROGRAM		42,653			42,653	
2035	141	ITEMS LESS THAN \$5M (ENG SPT)		5,552			5,552	
2035	142	ITEMS LESS THAN \$5.0M (CSS EQ)						
		<b>Petroleum Equipment</b>						
2035	143	QUALITY SURVEILLANCE EQUIPMENT		1,293			1,293	
2035	144	DISTRIBUTION SYSTEMS, PETROLEUM & WATER		67,867			67,867	
		<b>Water Equipment</b>						
2035	145	WATER PURIFICATION SYSTEMS		9,769			9,769	
		<b>Medical Equipment</b>						
2035	146	COMBAT SUPPORT MEDICAL		20,467			20,467	
		<b>Maintenance Equipment</b>						
2035	147	SHOP EQ CONTACT MAINTENANCE TRK.MTD (MYP)		54,732			54,732	

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
2035	148	WELDING SHOP, TRAILER,MTD						
2035	149	ITEMS LESS THAN \$5.0M (MAINT EQ)		3,051			3,051	
		<b>Construction Equipment</b>						
2035	150	GRADER, ROAD MTZD, HVY, 6X4 (CCE)		2,902			2,902	
2035	151	SCRAPERS, EARTHMOVING		1,049			1,049	
2035	152	MISSION MODULES - ENGINEERING		12,108			12,108	
2035	153	LOADERS		13,023			13,023	
2035	154	HYDRAULIC EXCAVATOR		2,475			2,475	
2035	155	TRACTOR, FULL TRACKED		4,799			4,799	
2035	156	CRANES						
2035	157	HIGH MOBILITY ENGINEER EXCAVATOR (HMEE)		47,846			47,846	
2035	158	CONST EQUIP ESP		40,209			40,209	
2035	159	ITEMS LESS THAN \$5.0M (CONST EQUIP)		22,209			22,209	
		<b>Rail Float Containerization Equipment</b>						
2035	160	SMALL TUG						
2035	161	LOGISTIC SUPPORT VESSEL (LSV)						
2035	162	HARBORMASTER COMMAND AND CONTROL CENTER						
2035	163	CAUSEWAY SYSTEMS		9,265			9,265	
2035	164	ITEMS LESS THAN \$5.0M (FLOAT/RAIL)		8,974			8,974	
		<b>Generators</b>						
2035	165	GENERATORS AND ASSOCIATED EQUIP		69,468			69,468	
		<b>Material Handling Equipment</b>						
2035	166	ROUGH TERRAIN CONTAINER HANDLER (RTCH)						
2035	167	ALL TERRAIN LIFTING ARMY SYSTEM		20,501			20,501	
		<b>Training Equipment</b>						
2035	168	COMBAT TRAINING CENTERS (CTC) SUPPORT		38,497			38,497	

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
2035	169	TRAINING DEVICES, NONSYSTEM Call-for-fire trainer		243,147		4,000 [4,000]		247,147
2035	170	CLOSE COMBAT TACTICAL TRAINER		16,920				16,920
2035	171	AVIATION COMBINED ARMS TACTICAL TRAINER		80,555				80,555
		<b>Test Measure and Dig Equipment (TMD)</b>						
2035	172	CALIBRATION SETS EQUIPMENT		2,026				2,026
2035	173	INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)		47,789				47,789
2035	174	TEST EQUIPMENT MODERNIZATION (TEMOD)		11,827				11,827
		<b>Other Support Equipment</b>						
2035	175	RAPID EQUIPPING SOLDIER SUPPORT EQUIPMENT		50,679				50,679
2035	176	IED DEFEAT EQUIPMENT						
2035	177	PHYSICAL SECURITY SYSTEMS (OPA3)		66,665				66,665
2035	178	BASE LEVEL COML EQUIPMENT		3,279				3,279
2035	179	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		35,469				35,469
2035	180	PRODUCTION BASE SUPPORT (OTH)		2,997				2,997
2035	181	BUILDING, PRE-FAB, RELOCATABLE						
2035	182	SPECIAL EQUIPMENT FOR USER TESTING		19,562				19,562
2035	183	MA8975		2,423				2,423
		<b>Spares and Repair Parts</b>						
		<b>OPA2</b>						
2035	184	INITIAL SPARES - C&E		31,271				31,271
		<b>OPA3</b>						
2035	185	INITIAL SPARES - OTHER SUPPORT EQUIP		2,202				2,202
2035	999	CLASSIFIED PROGRAMS		12,831				12,831
		<b>Total - Other Procurement, Army</b>		<b>7,718,602</b>		<b>11,000</b>		<b>7,729,602</b>

**Limitation on availability of funds for the Joint Network Node (sec. 111)**

The committee recommends a provision that would withhold 50 percent of the funds authorized to be appropriated in section 101(5) for the procurement of the Joint Network Node until the Secretary of the Army provides a report, to the congressional defense committees, no later than March 15, 2007, on the Army's strategy for the convergence of the Joint Network Node, the Warfighter Information Network—Tactical, and the Mounted Battle Command On-the-Move communications programs. The required report will include program requirements, funding, program schedule, implementation plan and acquisition strategy.

The budget request included \$7,718.6 million in Other Procurement, Army, including \$178.0 million for the Joint Network Node, \$79.0 million for the Mounted Battle Command on the Move (MBCOTM) system, but no funding for the Warfighter Information Network-Tactical (WIN-T) programs. The budget request also included \$69.2 million in PE 64818A for Army Tactical Command and Control Hardware and Software, including \$16.6 million for MBCOTM development, and \$158.2 million in PE 63782A for WIN-T development.

The Joint Network Node (JNN) responds to a 2004 urgent needs statement from U.S. Central Command to provide communications capabilities better than the current Mobile Subscriber Equipment in Army units today. The requirement was met with commercial-off-the-shelf-based equipment using a sole source contract. The committee notes that the JNN is not a joint program and that the Army General Counsel has stated that JNN must be competitively procured. Further, the Director, Operational Test and Evaluation's Fiscal Year 2005 Annual Report, states that, "the Army continues to procure JNN as an interim satellite capability without conducting an Operational Test and Evaluation." The committee is concerned that the required operational test and evaluation has not been completed for the JNN.

The committee understands that the WIN-T program meets the same requirements as JNN but with greater capability. Moreover, WIN-T will provide a communications-on-the-move capability while the JNN will not. In September 2004, after competitively awarding two contracts for the Systems Development and Demonstration (SDD) phase for the WIN-T communications system, the Army received approval to merge the winning contractors into a single team to accelerate WIN-T development. After funding the program in fiscal years 2005 and 2006, due to affordability concerns, the Army abruptly restructured the WIN-T program, delaying fielding until 2010. The committee believes this is an ill-advised decision. JNN and WIN-T are duplicative programs, with WIN-T providing on-the-move capabilities to Army commanders, a long-standing requirement. It has been estimated that the Army will require an additional \$1.9 billion to field JNN to all Army units. It is the committee's understanding that the Army intends to replace JNN with WIN-T sometime in the future. The committee is concerned that the Army cannot afford to field both JNN and WIN-T.

The committee notes the conference report accompanying the fiscal year 2006 Department of Defense Appropriations Act contained

a requirement that the Army submit a plan, no later than January 15, 2006, for procuring evolutionary capability in its network communications packages. The Army is still evaluating the program and has not yet submitted the required report. The committee believes that the Army plans to restructure the WIN-T program to field WIN-T in 2008 and strongly supports the initiative to accelerate the WIN-T program.

The committee recommends a reduction of \$100.0 million for JNN procurement and an increase of \$100.0 million to restore WIN-T procurement in Other Procurement, Army. The committee expects the future procurement of JNN to be competitively awarded and that both JNN and WIN-T equipment should be procured using a firm fixed-price contract.

**Comptroller General report on the contract for the Future Combat Systems program (sec. 112)**

The committee recommends a provision that would require the Comptroller General to submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the FCS program. The report would provide a description of the responsibilities of the lead systems integrator and the Army under the FCS contract; an assessment of the manner in which the Army ensures that the lead systems integrator meets the goals of the FCS program; an identification of the mechanisms in place to ensure the protection of the interests of the United States in the FCS program; and an identification of the mechanisms in place to mitigate organizational conflicts of interest with respect to competition on FCS technologies and equipment under the subcontracts under the FCS program.

Section 212 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) directed the Secretary of the Army to procure the FCS through a contract under part 15 of the Federal Acquisition Regulation, rather than through a transaction under section 2371 of title 10, United States Code. The committee congratulates the Army on completing the definitization of the FCS contract on March 29, 2006 and directs the Comptroller General to review the contract to assist the Congress and the Department understand the complexities of contracting for a system-of-systems contract with a lead systems integrator.

**Reports on Army Modularity Initiative (sec. 113)**

The committee recommends a provision that would require the Secretary of the Army to submit a report to the congressional defense committees no later than March 15, 2007, on the manner in which the Army distinguishes costs under its modularity initiative from costs under its modernization and reset programs; a line item identification of the amount of modularity funded to date and the amount of modularity to be funded in future budgets; how modularity equipment will be allocated to the active and Reserve components; a plan for further testing and evaluation of modular designs; and a summary of any lessons learned to date from the modular brigades that have been established and deployed to Iraq and Afghanistan. The provision also requires that the Comptroller

General conduct an annual review of the modularity initiative on the progress the Army is making in the equipping of the active and Reserve components.

In 2004 the Army estimated modularity costs at \$28.0 billion. In a report, "Preliminary Observations on Army Plans to Implement and Fund Modular Forces," dated March 16, 2005, the Government Accountability Office stated that "the costs associated with modularizing the entire Army are substantial, continuing to evolve, and likely to grow beyond current estimates. As of March 2005, the Army estimated it will need about \$48 billion to fund modularity representing an increase of 71 percent from its earlier estimate of \$28 billion in 2004." The estimate now stands at \$52.5 billion. However, this estimate may not reflect all potential costs, such as for fully equipping the modular force as designed. The committee expects the Secretary of the Army to address in the report all costs required to achieve full operational capability for all modular units, including, but not limited to, amounts required for equipment, training, and permanent facilities and infrastructure to adequately support military personnel and their families. The committee believes that until the Army provides a better understanding of the requirements and costs associated with modularity, DOD will not be well positioned to weigh competing priorities and make informed decisions nor will the Congress have the information it needs to evaluate funding requests.

There is some question regarding the definition of the modularity initiative. The Army has stated that it required \$5.0 billion per year over the fiscal years 2005–2011 for the modularity initiative. In a fiscal year 2006 Program Budget Decision Memorandum, the Department increased the Army's top line by \$5.0 billion in each of the fiscal years 2007–2011 for modularity to be included in the President's budget request. DOD and the Army said they would use fiscal year 2005 and fiscal year 2006 supplemental appropriations to cover the requirement for those two years. Both the fiscal year 2006 enacted bridge supplemental and the fiscal year 2006 supplemental budget request included \$5.0 billion. However, the fiscal year 2006 supplemental request was also expected to include \$3.0 billion in additional funding for Abrams tanks and Bradley Fighting Vehicles required for modularity, but that request was dropped in the final stages of formulation before it was sent to Congress.

The fiscal year 2007 budget request proposed to restructure the Army National Guard to 28 brigade combat teams and 78 combat support brigades and to fund the Army National Guard to its current manning level of 333,000 rather than to its currently authorized end strength of 350,000. This proposal resulted in opposition from Congress, governors, the National Guard Association and the adjutants general. As a result, the Army has announced that it will maintain the National Guard at its 350,000 authorized end strength and will fund whatever manning level the National Guard can recruit to in fiscal year 2007. The Army also announced it will follow through with its plan to change the composition of the Army National Guard force structure to 28 brigade combat teams and 78 combat support brigades and commit \$20.0 billion to National Guard equipment. This will put additional funding pressure on the Army as it modularizes the active and Reserve components. The

committee believes that an annual progress report is required to monitor the Army's progress in modularizing both the active and Reserve components.

### **Budget Items—Army**

#### **Future Cargo Aircraft**

The budget request included \$109.2 million in Aircraft Procurement, Army (APA) for the procurement of three Future Cargo Aircraft (FCA). The FCA would support the intra-theater lift mission. However, the aircraft mix and the number of intra-theater aircraft assets required for this mission have yet to be determined and were not addressed in the recently completed Mobility Capabilities Study. In recent testimony, the Commander of the United States Transportation Command gave his support to the Department's Intra-Theater Lift Capability Study, Phases 1 and 2, to identify the right mix and number of intra-theater aircraft assets required. The Air Force is also interested in procuring a similar type of aircraft and is in the process of establishing a joint program office with the Army for a new intra-theater light cargo aircraft that will be known as the Joint Cargo Aircraft. The Air Force is only now beginning a series of functional analysis studies and an independent Air Force analysis of alternatives to define their requirement for the aircraft, and to consider which options will meet their requirements. Until these studies are complete, and have been presented to the congressional defense committees, the committee believes that it is premature to procure aircraft until the right mix and number of intra-theater aircraft assets have been determined.

The Committee notes that the recent Request for Proposals released by the Department of the Army for procurement of the Joint Cargo Aircraft includes maintenance and sustainment of this new weapon system and provides for no organic logistics capability. The Committee notes that 10 U.S.C. 2464 requires the Department to maintain a core logistics capability and that the department develop organic maintenance capability for most weapon systems not later than four years after initial operating capability for such weapon systems. The Army Request for Proposals does not address this issue. The Committee further notes that the Joint Cargo Aircraft is a joint Army-Air Force program and that Air Force Air Logistics Centers could be able to sustain this weapon system. The Committee expects that any Request for Proposals for the Joint Cargo Aircraft account for the requirements of 10 U.S.C. 2464. The committee recommends a decrease of \$109.2 million in APA for the Future Cargo Aircraft.

#### **Surface-launched advanced medium range air-to-air missile**

The budget request included \$12.0 million in Missile Procurement, Army, for the Surface-Launched Advanced Medium Range Air-to-Air Missile (SLAMRAAM) and \$10.0 million for advanced procurement funding for long-lead items. The committee understands that the SLAMRAAM Milestone C scheduled for September 2007 has been slipped one year to September 2008. Procurement funds will not be needed in fiscal year 2007. The committee rec-

ommends a decrease of \$22.0 million in Missile Procurement, Army, for SLAMRAAM, for a total authorization of no funding.

#### **M1A1 Abrams tank and M2A2 Bradley fighting vehicle upgrades**

The budget request included \$456.1 million in Procurement of Weapons and Tracked Combat Vehicles, Army. Of this amount, \$285.0 million is for the upgrade of various Bradley Fighting Vehicles (BFV) variants and \$171.1 million is for the conversion of M1A2 Abrams tanks into the M1A2 System Enhancement Package (SEP) Abrams tank configuration.

The committee notes that the fiscal year 2007 budget request for BFV upgrades and M1A2 SEP tanks creates production breaks in the BFV and M1A2 SEP production lines and reflects the Army's assumption that Army modularity could be funded in Defense supplemental requests for programs that should be funded in base budget requests. The Army's reliance on Defense supplemental requests reflects the Army's poor management of scarce resources and disregard for the impact the Army program has on the defense industrial base. Budget justification material submitted by the Army reflects an underfunded program for both BFV upgrades and M1A2 SEP conversions and causes breaks in production.

Programming and budgeting based on the assumption of Defense supplemental requests is inefficient and wastes taxpayer dollars. For instance, according to Army budget justification documents, in fiscal year 2005, the weapon system procurement unit cost for the M1A2 SEP was \$4.6 million based on 124 M1A2 SEPs. In fiscal year 2007, the weapon system procurement unit cost is listed as \$7.4 million based on 23 M1A2 SEPs.

Additional funding for the BFV upgrades and M1A2 Sep conversions has been included on the Chief of Staff of the Army's fiscal year 2007 unfunded priority list. The committee recommends an increase of \$238.8 million for BFV upgrades and \$170.0 million for M1A2 SEP tank conversions, in Procurement of Weapons and Tracked Combat Vehicles, Army, for a total authorization of \$523.8 million for BFV upgrades and \$341.1 million for M1A2 SEPs.

The committee's recommendation increases funding for BFV upgrades and M1A2 SEP conversions to cover minimum sustainment rates for the production of these vehicles. The committee strongly encourages the Army to develop funded BFV and M1A2 SEP programs, based on a multiyear procurement strategy, for the fiscal year 2008 budget request. The Army should also consider requesting multiyear procurement authority to introduce price and production stability into these programs.

#### **M113 Armored personnel carrier family of vehicles**

The budget request included \$23.0 million in Procurement of Weapons and Tracked Combat Vehicles, Army, for the conversion of M113A2 Armored Personnel Carrier Family of Vehicles (FOV) to the M113A3 FOV configuration. The committee notes that the Army has a requirement to convert 310 M113A2s to support the Army's modularity initiative. Additional funding for the conversion of 310 M113A2s to the M113A3 configuration has been included on the Chief of Staff of the Army's fiscal year 2007 unfunded priority

list. The committee recommends an increase of \$139.0 million in Procurement of Weapons and Tracked Combat Vehicles, Army, for additional M113A2 conversions, for a total authorization of \$162.0 million.

#### **M1028 120mm tank cartridge**

The budget request included \$0.9 million in Procurement of Ammunition, Army (PAA), for the M1028 120mm tank cartridge. The committee notes the utility of the M1028 in improving the M1A1 Main Battle Tank's urban warfare capability. The committee recommends an increase of \$9.2 million in PAA for the M1028.

#### **M915 105mm Dual Purpose Improved Conventional Munition artillery cartridge**

The budget request included \$45.6 million in Procurement of Ammunition, Army (PAA), for 105 mm artillery cartridges of all types, but included no funding for the M915 105 mm Dual Purpose Improved Conventional Munition (DPICM), Load, Assemble, and Pack (LAP) artillery cartridge. The committee is aware that the M915 is the only 105 mm DPICM cartridge, and that it is extremely important for light forces. The committee recommends an increase of \$12.2 million in PAA to complete the LAP of the components already in the inventory.

#### **Rapid wall breaching kit**

The budget request included no funding in Procurement Ammunition, Army (PAA), for the rapid wall breaching kit. The committee notes that rapid wall breaching kits are one-man portable devices capable of creating man-sized holes in triple brick masonry or double reinforced concrete structural walls. The committee recommends an increase of \$4.0 million in PAA for rapid wall breaching kits.

#### **Ammunition peculiar equipment outloading module**

The budget request included no funding for ammunition peculiar equipment outloading modules. The committee notes that a modern robotic-controlled strategic ammunition outloading module would be capable of supporting current readiness requirements, while increasing ammunition plant safety, security, and capacity. Army officials report that a design exists for modernizing current outloading capabilities with robotic-controlled technologies at ammunition plants. The committee recommends an increase of \$6.0 million in Procurement of Ammunition, Army, for ammunition peculiar equipment outloading modules.

#### **Automated Tactical Ammunition Classification System**

The budget request included \$10.3 million in Procurement Ammunition, Army (PAA), for ammunition peculiar equipment. The committee understands the logistical difficulties inherent in the large amounts of ammunition turned in by combat units leaving a combat theater, which must be inspected and reissued to new units. Previously, this inspection and processing activity has been done by hand, which is extremely manpower intensive. The committee recommends an increase of \$5.0 million in PAA for addi-

tional development and procurement of a family of mobile Automated Tactical Ammunition Classification System units for near-term battlefield deployment.

#### **Corrosion protective covers**

The budget request included no funding to procure and evaluate corrosion protective covers for configurable loaded ammunition. The committee is aware that corrosion in harsh environments can cause damage to equipment as well as ammunition. The committee recommends an increase of \$4.0 million in Procurement of Ammunition, Army, for corrosion protective covers to prevent corrosion of ammunition.

#### **Insensitive munitions high-shear mixing system**

The budget request included no funding for any upgrades at the Milan Army Ammunition Plant. After many years of neglect, upgrade of the munitions industrial facilities is critical, particularly given the increased usage rates caused by current operations. The committee recommends an increase of \$7.5 million in Procurement of Ammunition, Army, to demonstrate, validate, and implement an insensitive munitions high-shear mixing system at the Milan Army Ammunition Plant.

#### **Lake City Army Ammunition Plant**

The budget request included \$116.2 million in Procurement of Ammunition, Army (PAA), for the provision of industrial facilities, including \$35.0 million for the Small Caliber Ammunition Modernization Program at Lake City Army Ammunition Plant. The committee is aware that a significant investment in new equipment and facilities at Lake City Army Ammunition Plant is required to provide the quantities of small caliber ammunition necessary to support ongoing operations in the global war on terror. The committee recommends an increase of \$18.2 million in PAA to continue the modernization of the Lake City Army Ammunition Plant.

#### **Modernization of forge equipment at Scranton Army Ammunition Plant**

The budget request included \$116.2 million in Procurement of Ammunition, Army (PAA), for the provision of industrial facilities, but included no funding for modernization at the Scranton Army Ammunition Plant. The committee is aware that the newest piece of government-owned forge equipment at Scranton is at least 30 years old. Much of Scranton's equipment has exceeded its useful life and is beginning to experience failures. The government has historically modernized this type of equipment at 10-year intervals. The committee understands the importance of investing in the munitions industrial base, after many years of deferring critical modernization. The committee recommends an increase of \$4.0 million in PAA for modernization of forge equipment at Scranton Army Ammunition Plant.

#### **Radford Army Ammunition Plant upgrades**

The budget request included \$116.2 million in Procurement of Ammunition, Army (PAA), for the provision of industrial facilities,

including \$56.2 million for operations and upgrades to the Radford Army Ammunition Plant. The committee recognizes that for many years, modernization of munition industrial facilities has not kept pace with the requirements of modern weapons systems and environmental regulations. Because of the interrelated work of these munitions plants, a disruption in one facility could cause disruptions in others, and thus cause a critical shortfall of munitions while our service members are engaged in combat operations.

The committee is aware that there is a backlog of critical modernization projects totaling \$213.0 million at Radford Army Ammunition Plant, including a new steam plant, waste processing facilities to meet current environmental standards, and new explosives processing plants to improve efficiencies and reduce the risk of failure in a critical production area.

The committee recommends an increase of \$63.56 million in PAA for the modernization of industrial facilities at the Radford Army Ammunition Plant, including \$30.0 million to complete the new steam plant; \$11.78 million to build new waste processing facilities and incinerators; \$10.0 million to fund the first two phases of a modern nitroglycerine facility; and \$11.8 million for Phase 2B of the upgrades to the nitrocellulose facility. The committee further directs the Army to develop a plan to complete the remaining \$150.0 million in critical modernization projects at Radford over the next 3 years.

#### **Defense advanced global positioning system receivers**

The budget request included \$61.6 million in other procurement, Army (OPA) for the procurement of Defense advanced global positioning system receivers (DAGR). DAGR provides a satellite-based navigation and timing system to enable warfighters to confirm their own locations for all phases of combat. The committee notes that emerging requirements associated with the global war on terrorism have led to a greater demand for DAGR than previously anticipated, and that DAGR has been included on the Chief of Staff of the Army's unfunded priorities list. The committee recommends an increase of \$7.0 million in OPA to procure additional DAGRS.

#### **Nonsystem training devices**

The budget request included \$243.1 million in Other Procurement, Army, for non-standard training devices, including \$3.1 million for the Call for Fires Trainer (CFFT). The CFFT is a collective training system that provides a simulated battlefield for training forward observers at the institutional and unit level. The committee notes that the CFFT has proven to be a useful tool for soldiers preparing to deploy to the U.S. Central Command area of operations. Additional funding to accelerate CFFT fielding has been included on the Chief of Staff of the Army's fiscal year 2007 unfunded priority list. The committee recommends an increase of \$4.0 million in Other Procurement, Army, for CFFT, for a total authorization of \$247.1 million.

### **Subtitle C—Navy Programs**

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost	Qty	Cost
		Aircraft Procurement, Navy						
		Combat Aircraft						
1506	1	AV-8B (V/STOL)HARRIER (MYP)	12	891,578		12	891,578	
1506	2	EA-18G		-26,157			-26,157	
1506	2	LESS: ADVANCE PROCUREMENT (PY)		39,753		30	39,753	
1506	3	ADVANCE PROCUREMENT (CY)		2,362,471			2,362,471	
1506	4	F/A-18E/F (FIGHTER) HORNET (MYP)	30	-74,218			-74,218	
1506	4	LESS: ADVANCE PROCUREMENT (PY)		52,954			52,954	
1506	5	ADVANCE PROCUREMENT (CY)		245,016			245,016	
1506	6	JSF ADVANCE PROCUREMENT (CY)		-245,016			-245,016	
		Joint Strike Fighter production reduction						
1506	7	V-22 (MEDIUM LIFT)	14	1,371,125		14	1,371,125	
1506	7	LESS: ADVANCE PROCUREMENT (PY)		-66,438			-66,438	
1506	8	ADVANCE PROCUREMENT (CY)		194,080			194,080	
1506	9	UH-1Y/AH-1Z	18	446,718		18	446,718	
1506	10	MH-60S (MYP)	18	573,458		26	685,458	
		MH-60S helicopters						
1506	10	LESS: ADVANCE PROCUREMENT (PY)		-115,300			-115,300	
1506	11	ADVANCE PROCUREMENT (CY)		90,401			90,401	
1506	12	MH-60R	25	911,854		26	939,854	
		MH-60R helicopters						
1506	12	LESS: ADVANCE PROCUREMENT (PY)		-116,592			-116,592	
1506	13	ADVANCE PROCUREMENT (CY)		120,480			120,480	
1506	14	E-2C (EARLY WARNING) HAWKEYE (MYP)	2	265,015		2	265,015	
1506	14	LESS: ADVANCE PROCUREMENT (PY)		-61,443			-61,443	
1506	15	ADVANCE PROCUREMENT (CY)						

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Cost</u>	<u>Authorized</u>	<u>Cost</u>
		<b>Airlift Aircraft</b>						
1506	16	UC-35						
1506	17	C-40A						
1506	18	C-37						
		<b>Trainer Aircraft</b>						
1506	19	T-45TS (TRAINER) GOSHAWK	12	376,361	-2	-64,000	10	312,361
		T-45TS			[-2]	[-64,000]		
1506	20	JPATS	21	146,068			21	146,068
		<b>Other Aircraft</b>						
1506	21	KC-130J	4	311,179			4	311,179
1506	21	LESS: ADVANCE PROCUREMENT (PY)		-58,000				-58,000
1506	22	ADVANCE PROCUREMENT (CY)		45,737				45,737
1506	23	F-5	5	2,530			5	2,530
1506	24	VTUAV	4	37,570			4	37,570
		<b>Modification of Aircraft</b>						
1506	25	EA-6 SERIES		48,983				48,983
1506	26	AV-8 SERIES		20,506				20,506
1506	27	ADVERSARY		2,638				2,638
1506	28	F-18 SERIES		411,524				411,524
1506	29	H-46 SERIES		47,401				47,401
1506	30	AH-1W SERIES		19,760				19,760
1506	31	H-53 SERIES		28,252				32,652
		CH-53 Integrated Mechanical Diagnostic System accel				4,400		
						[4,400]		
1506	32	SH-60 SERIES		33,113				33,113
1506	33	H-1 SERIES		7,426				7,426
1506	34	EP-3 SERIES		56,797				56,797
1506	35	P-3 SERIES		204,606				204,606

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request		Change		Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
1506	36	S-3 SERIES	750	750				750
1506	37	E-2 SERIES	9,087	9,087				9,087
1506	38	TRAINER A/C SERIES	17,062	17,062				17,062
1506	39	C-2A	37,157	37,157				37,157
1506	40	C-130 SERIES	3,547	3,547				3,547
1506	41	FEWSG	625	625				625
1506	42	CARGO/TRANSPORT A/C SERIES	30,332	30,332				30,332
1506	43	E-6 SERIES	99,184	99,184				99,184
1506	44	EXECUTIVE HELICOPTERS SERIES	40,190	40,190				40,190
1506	45	SPECIAL PROJECT AIRCRAFT	14,300	14,300				14,300
1506	46	T-45 SERIES	34,933	34,933				34,933
1506	47	POWER PLANT CHANGES	24,580	24,580				24,580
1506	48	JPATS SERIES	1,656	1,656				1,656
1506	49	AVIATION LIFE SUPPORT MODS	14,315	14,315				14,315
1506	50	COMMON ECM EQUIPMENT	35,886	35,886				35,886
1506	51	COMMON AVIONICS CHANGES	177,500	177,500				177,500
1506	52	COMMON DEFENSIVE WEAPON SYSTEM	13,656	13,656				13,656
1506	53	ID SYSTEMS	11,148	11,148				11,148
1506	54	V-22 (TILT/ROTOR ACFT) OSPREY	85,767	85,767				85,767
1506	55	Aircraft Spares and Repair Parts SPARES AND REPAIR PARTS	812,689	812,689				812,689
1506	56	Aircraft Support Equipment and Facilities COMMON GROUND EQUIPMENT	426,673	426,673				426,673
1506	57	AIRCRAFT INDUSTRIAL FACILITIES	9,472	9,472				9,472
1506	58	WAR CONSUMABLES	34,916	34,916				34,916
1506	59	OTHER PRODUCTION CHARGES	19,501	19,501				19,501
1506	60	SPECIAL SUPPORT EQUIPMENT	64,968	64,968				64,968

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
1506	61	FIRST DESTINATION TRANSPORTATION		1,671				1,671
1506	62	CANCELLED ACCOUNT ADJUSTMENTS						
<b>Total - Aircraft Procurement, Navy</b>				<b>10,868,771</b>		<b>-164,616</b>		<b>10,704,155</b>
<b>Weapons Procurement, Navy</b>								
<b>Ballistic Missiles</b>								
1507	1	TRIDENT II						
1507	1	LESS: ADVANCE PROCUREMENT (PY)						
1507	2	Modification of Missiles		957,637				957,637
1507	3	TRIDENT II MODS						
<b>Support Equipment and Facilities</b>								
1507	3	MISSILE INDUSTRIAL FACILITIES		3,453				3,453
<b>Other Missiles</b>								
<b>Strategic Missiles</b>								
1507	4	TOMAHAWK	350	354,565			350	354,565
<b>Tactical Missiles</b>								
1507	5	AMRAAM	150	98,651			150	98,651
1507	6	SIDEWINDER	174	40,380			174	40,380
1507	7	JSOW	397	125,551			397	125,551
1507	8	STANDARD MISSILE	75	139,672			75	139,672
1507	9	RAM	90	56,874			90	56,874
1507	10	HELLFIRE						
1507	11	AERIAL TARGETS		83,299				83,299
1507	12	DRONES AND DECOYS						
1507	13	OTHER MISSILE SUPPORT		8,990				8,990

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>		
		<b>Modification of Missiles</b>						
1507	14	ESSM	108	99,571		108	99,571	
1507	15	STANDARD MISSILES MODS		54,644			54,644	
1507	16	Support Equipment and Facilities WEAPONS INDUSTRIAL FACILITIES		4,645	20,000		24,645	
		Allegany Ballistics Laboratory facility restoration			[20,000]			
1507	17	<b>Ordnance Support Equipment</b> ORDNANCE SUPPORT EQUIPMENT		29,534			29,534	
		<b>Torpedoes and Related Equipment</b>						
1507	18	SSTD		5,856			5,856	
1507	19	ASW TARGETS		25,034			25,034	
1507	20	Mod of Torpedoes and Related Equipment		96,505			96,505	
1507	21	MK-46 TORPEDO MODS		61,528			61,528	
1507	22	MK-48 TORPEDO ADCAP MODS		3,103			3,103	
		<b>Support Equipment</b>						
1507	23	TORPEDO SUPPORT EQUIPMENT		26,345			26,345	
1507	24	ASW RANGE SUPPORT		13,288			13,288	
1507	25	<b>Destination Transportation</b> FIRST DESTINATION TRANSPORTATION		3,259			3,259	
		<b>Other Weapons</b>						
1507	26	Guns and Gun Mounts SMALL ARMS AND WEAPONS		12,508			12,508	
1507	27	Modification of Guns and Gun Mounts		151,194			151,194	
1507	28	CIWS MODS COAST GUARD WEAPONS		5,385			5,385	

## Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
1507	29	GUN MOUNT MODS Mk 110 57mm naval gun		8,936		12,000	20,936	
					[12,000]			
1507	30	PIONEER		7,056			7,056	
1507	31	CRUISER MODERNIZATION WEAPONS		18,470			18,470	
1507	32	AIRBORNE MINE NEUTRALIZATION SYSTEMS		3,151			3,151	
		<b>Other</b>						
1507	33	CANCELLED ACCOUNT ADJUSTMENTS						
		<b>Spares and Repair Parts</b>		55,936			55,936	
1507	34	SPARES AND REPAIR PARTS						
		<b>Total - Weapons Procurement, Navy</b>		<b>2,555,020</b>		<b>32,000</b>	<b>2,587,020</b>	
		<b>Procurement of Ammunition, Navy &amp; Marine Corps</b>						
		<b>Proc Ammo, Navy</b>						
		<b>Navy Ammunition</b>						
1508	1	GENERAL PURPOSE BOMBS		119,561			119,561	
1508	2	JDAM	3,400	84,014			84,014	3,400
1508	3	AIRBORNE ROCKETS, ALL TYPES		15,473			15,473	
1508	4	MACHINE GUN AMMUNITION		16,140			16,140	
1508	5	PRACTICE BOMBS		44,573			44,573	
1508	6	CARTRIDGES & CART ACTUATED DEVICES		33,999			33,999	
1508	7	AIRCRAFT ESCAPE ROCKETS		11,029			11,029	
1508	8	AIR EXPENDABLE COUNTERMEASURES		72,935			72,935	
1508	9	JATOS		4,643			4,643	
1508	10	5 INCH/54 GUN AMMUNITION		24,547			24,547	
1508	11	76MM GUN AMMUNITION						

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Request</u> <u>Cost</u>	<u>Change</u> <u>Cost</u>	<u>Authorized</u> <u>Cost</u>		
1508	12	INTERMEDIATE CALIBER GUN AMMUNITION Mk295/ MK296 ammo for Mk110 57mm naval gun		5,729	10,000 [10,000]		15,729	
1508	13	OTHER SHIP GUN AMMUNITION		21,772			21,772	
1508	14	SMALL ARMS & LANDING PARTY AMMO		32,647			32,647	
1508	15	PYROTECHNIC AND DEMOLITION		9,189			9,189	
1508	16	AMMUNITION LESS THAN \$5 MILLION		1,197			1,197	
		<b>Proc. Ammo, MC</b>						
		<b>Marine Corps Ammunition</b>						
1508	17	5.56 MM, ALL TYPES		24,365			24,365	
1508	18	7.62 MM, ALL TYPES		14,814			14,814	
1508	19	LINEAR CHARGES, ALL TYPES		8,032			8,032	
1508	20	.50 CALIBER		6,440			6,440	
1508	21	40 MM, ALL TYPES		39,369			39,369	
1508	22	60MM, ALL TYPES		2,947			2,947	
1508	23	81MM, ALL TYPES		57,351			57,351	
1508	24	120MM, ALL TYPES		32,858			32,858	
1508	25	CTG 25MM, ALL TYPES		9,536			9,536	
1508	26	9 MM ALL TYPES		4,197			4,197	
1508	27	GRENADES, ALL TYPES		16,733	10,000 [10,000]		26,733	
		MG7 hand grenade						
1508	28	ROCKETS, ALL TYPES		10,201			10,201	
1508	29	ARTILLERY, ALL TYPES		35,514			35,514	
1508	30	EXPEDITIONARY FIGHTING VEHICLE		9,529			9,529	
1508	31	DEMOLITION MUNITIONS, ALL TYPES		8,282			8,282	
1508	32	FUZE, ALL TYPES		565			565	
1508	33	NON LETHALS		4,030			4,030	
1508	34	AMMO MODERNIZATION		7,732			7,732	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
1508	35	ITEMS LESS THAN \$5 MILLION						
		<b>Total - Procurement of Ammunition, Navy &amp; Marine Corps</b>		789,943		20,000		809,943
		<b>Shipbuilding and Conversion, Navy</b>						
		<b>Other Warships</b>						
1611	1	CARRIER REPLACEMENT PROGRAM		552,502				552,502
1611	1	LESS: ADVANCE PROCUREMENT (PY)		-552,502				-552,502
1611	2	ADVANCE PROCUREMENT (CY)		784,143		50,000		834,143
1611	3	CVN 21 class aircraft carrier program				[50,000]		
1611	3	VIRGINIA CLASS SUBMARINE	1	2,613,135			1	2,613,135
1611	3	LESS: ADVANCE PROCUREMENT (PY)		-837,663				-837,663
1611	4	ADVANCE PROCUREMENT (CY)		676,582				676,582
1611	5	SSGN CONVERSION						
1611	5	LESS: ADVANCE PROCUREMENT (PY)						
1611	6	ADVANCE PROCUREMENT (CY)						
1611	7	CVN REFUELING OVERHAULS		954,495				954,495
1611	7	LESS: ADVANCE PROCUREMENT (PY)						
1611	8	ADVANCE PROCUREMENT (CY)		117,139		20,000		137,139
1611	9	M290 nuclear defueling facility				[20,000]		
1611	9	SSN ERO		3,975				3,975
1611	9	LESS: ADVANCE PROCUREMENT (PY)		-3,975				-3,975
1611	10	ADVANCE PROCUREMENT (CY)		22,078				22,078
1611	11	SSBN ERO		249,930			1	249,930
1611	11	LESS: ADVANCE PROCUREMENT (PY)		-60,908				-60,908
1611	12	ADVANCE PROCUREMENT (CY)		37,154				37,154

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
1611	13	DD(X)	2	3,578,245		2	3,578,245	
1611	13	LESS: ADVANCE PROCUREMENT (PY)		-1,010,134			-1,010,134	
1611	14	ADVANCE PROCUREMENT (CY)						
1611	15	DDG-51		355,849			355,849	
1611	15	LESS: ADVANCE PROCUREMENT (PY)						
1611	16	DDG MODERNIZATION PROGRAM						
1611	17	LITTORAL COMBAT SHIP	2	520,670		2	520,670	
		<b>Amphibious Ships</b>						
1611	18	LHD-1 AMPHIBIOUS ASSAULT SHIP						
1611	18	LESS: ADVANCE PROCUREMENT (PY)						
1611	19	LPD-17		3,469	1	1,582,492	1	1,585,961
		Restore LPD-17 full funding			[1]	[1,582,492]		
1611	19	LESS: ADVANCE PROCUREMENT (PY)		-3,469		-297,492		-3,469
1611	20	ADVANCE PROCUREMENT (CY)		297,492				
		Eliminate advance procurement				[-297,492]		
1611	21	LHA REPLACEMENT		1,433,560			1	1,433,560
1611	21	LESS: ADVANCE PROCUREMENT (PY)		-297,643				-297,643
1611	22	ADVANCE PROCUREMENT (CY)				175,000		175,000
		LHA replacement LHA-R				[175,000]		
		<b>Auxiliaries, Craft and Prior Yr Program Costs</b>						
1611	23	SPECIAL PURPOSE						
1611	24	LCU(X)		410,643				380,643
1611	25	OUTFITTING						
		Outfitting and post-delivery				[-30,000]		
1611	26	SERVICE CRAFT		45,245				45,245
1611	27	LCAC SLEP	6	110,692			6	110,692

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
1611	28	COMPLETION OF PY SHIPBUILDING PROGRAMS Completion of prior year shipbuilding		577,849		-20,000		557,849
1611	29	POWER UNIT ASSEMBLY FACILITY				[-20,000]		
		<b>Total - Shipbuilding and Conversion, Navy</b>		<b>10,578,553</b>		<b>1,480,000</b>		<b>12,058,553</b>
		<b>Other Procurement, Navy</b>						
		<b>Ships Support Equipment</b>						
		<b>Ship Propulsion Equipment</b>						
1810	1	LM-2500 GAS TURBINE		7,441				7,441
1810	2	ALLISON 501K GAS TURBINE		16,182				16,182
1810	3	Navigation Equipment		31,039		4,000		35,039
		OTHER NAVIGATION EQUIPMENT Amphib Integrated Bridge System				[4,000]		
1810	4	Underway Replenishment Equipment		928				928
		UNDERWAY REPLENISHMENT EQUIPMENT						
1810	5	Periscopes		73,729				73,729
		SUB PERISCOPES & IMAGING EQUIP						
1810	6	Other Shipboard Equipment		2,179		25,000		27,179
		DDG MOD				[25,000]		
1810	7	DDG 51 Arleigh Burke class AEGIS modernization		17,914				17,914
1810	8	FIREFIGHTING EQUIPMENT		2,693				2,693
1810	9	COMMAND AND CONTROL SWITCHBOARD		27,889				27,889
1810	10	POLLUTION CONTROL EQUIPMENT		25,231				27,231
		SUBMARINE SUPPORT EQUIPMENT High performance brush program				2,000		27,231
1810	11	VIRGINIA CLASS SUPPORT EQUIPMENT		155,510		[2,000]		155,510



**Title I - Procurement**  
(Dollars in Thousands)

<u>Accou</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Request</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>
		<b>Drug Interdiction Support</b>						
1810	29	DRUG INTERDICTION SUPPORT						
		<b>Communications and Electronics Equipment</b>						
		<b>Ship Radars</b>						
1810	30	RADAR SUPPORT						
		<b>Ship Sonars</b>						
1810	31	SPQ-9B RADAR		2,494				2,494
1810	32	AN/SQQ-89 SURF ASW COMBAT SYSTEM		37,783				37,783
1810	33	SSN ACOUSTICS		284,896				284,896
1810	34	UNDERSEA WARFARE SUPPORT EQUIPMENT		9,204				9,204
1810	35	SONAR SWITCHES AND TRANSDUCERS		12,524				12,524
		<b>ASW Electronic Equipment</b>						
1810	36	SUBMARINE ACOUSTIC WARFARE SYSTEM		20,227				20,227
1810	37	SSTD		8,404				8,404
1810	38	FIXED SURVEILLANCE SYSTEM		60,681				60,681
1810	39	SURTASS		4,688				4,688
1810	40	TACTICAL SUPPORT CENTER		5,238				5,238
		<b>Electronic Warfare Equipment</b>						
1810	41	AN/SIQ-32		30,955				30,955
1810	42	INFORMATION WARFARE SYSTEMS		5,032				5,032
		<b>Reconnaissance Equipment</b>						
1810	43	SHIPBOARD IW EXPLOIT		70,782				70,782
1810	44	SUBMARINE Surveillance Equipment						
1810	45	SUBMARINE SUPPORT EQUIPMENT PROG		83,114				83,114
1810	46	Other Ship Electronic Equipment						
1810	47	NAVY TACTICAL DATA SYSTEM						
1810	48	COOPERATIVE ENGAGEMENT CAPABILITY		22,502				22,502

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Change	Authorized		
1810	47	GCCS-M EQUIPMENT		52,508			52,508	
1810	48	NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTI)		35,311			35,311	
1810	49	ATDLS		12,458			12,458	
1810	50	MINESWEEPING SYSTEM REPLACEMENT		75,442			75,442	
1810	51	SHALLOW WATER MCM		8,269			8,269	
1810	52	NAVSTAR GPS RECEIVERS (SPACE)		13,291			13,291	
1810	53	ARMED FORCES RADIO AND TV		4,481			4,481	
1810	54	STRATEGIC PLATFORM SUPPORT EQUIP		3,838			3,838	
		<b>Training Equipment</b>						
1810	55	OTHER TRAINING EQUIPMENT		19,833			19,833	
		<b>Aviation Electronic Equipment</b>						
1810	56	MATCALS		20,261			20,261	
1810	57	SHIPBOARD AIR TRAFFIC CONTROL		7,476			7,476	
1810	58	AUTOMATIC CARRIER LANDING SYSTEM		18,005			18,005	
1810	59	NATIONAL AIR SPACE SYSTEM		27,575			27,575	
1810	60	AIR STATION SUPPORT EQUIPMENT		3,968			3,968	
1810	61	MICROWAVE LANDING SYSTEM		9,157			9,157	
1810	62	FACSFAC		3,758			3,758	
1810	63	ID SYSTEMS		28,567			28,567	
1810	64	TAC A/C MISSION PLANNING SYS(TAMPS)		8,316			8,316	
		<b>Other Shore Electronic Equipment</b>						
1810	65	DEPLOYABLE JOINT COMMAND AND CONT		78,321			78,321	
1810	66	COMMON IMAGERY GROUND SURFACE SYSTEMS		10,373			10,373	
1810	67	RADIAC		7,086			7,086	
1810	68	GPETE		4,283			4,283	
1810	69	INTEG COMBAT SYSTEM TEST FACILITY		5,710			5,710	
1810	70	EMI CONTROL INSTRUMENTATION						

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost	Qty	Cost
1810	71	ITEMS LESS THAN \$5 MILLION Thermal imaging systems		22,489			4,200	26,689
							[4,200]	
		<b>Shipboard Communications</b>						
1810	72	SHIPBOARD TACTICAL COMMUNICATIONS						
1810	73	PORTABLE RADIOS		40,467				40,467
1810	74	SHIP COMMUNICATIONS AUTOMATION		209,123				209,123
1810	75	COMMUNICATIONS ITEMS UNDER \$5M		12,574				12,574
		<b>Submarine Communications</b>						
1810	76	SUBMARINE BROADCAST SUPPORT		666				666
1810	77	SUBMARINE COMMUNICATION EQUIPMENT		87,900				87,900
		<b>Satellite Communications</b>						
1810	78	SATELLITE COMMUNICATIONS SYSTEMS		12,291				12,291
		<b>Shore Communications</b>						
1810	79	JCS COMMUNICATIONS EQUIPMENT		2,788				2,788
1810	80	ELECTRICAL POWER SYSTEMS		1,145				1,145
1810	81	NSIPS						
1810	82	JEDMICS						
1810	83	NAVAL SHORE COMMUNICATIONS		50,429				50,429
		<b>Cryptographic Equipment</b>						
1810	84	INFO SYSTEMS SECURITY PROGRAM (ISSP)		101,749				101,749
		<b>Cryptologic Equipment</b>						
1810	85	CRYPTOLOGIC COMMUNICATIONS EQUIP		21,758				21,758
		<b>Other Electronic Support</b>						
1810	86	COAST GUARD EQUIPMENT		41,133				41,133
		<b>Drug Interdiction Support</b>						
1810	87	OTHER DRUG INTERDICTION SUPPORT						

**Title I - Procurement**  
(Dollars in Thousands)

<u>Accou</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Request</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>	<u>Cost</u>
		<b>Aviation Support Equipment</b>						
		<b>Sonobuoys</b>						
1810	88	SONOBOUYS - ALL TYPES		66,943		8,000		74,943
		<b>Sonobuys</b>				[8,000]		
		<b>Aircraft Support Equipment</b>						
1810	89	WEAPONS RANGE SUPPORT EQUIPMENT		56,226				56,226
1810	90	EXPEDITIONARY AIRFIELDS		8,064				8,064
1810	91	AIRCRAFT REARMING EQUIPMENT		12,246				12,246
1810	92	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		29,817				29,817
1810	93	METEOROLOGICAL EQUIPMENT		14,905				14,905
1810	94	OTHER PHOTOGRAPHIC EQUIPMENT		1,459				1,459
1810	95	AVIATION LIFE SUPPORT		18,624				18,624
1810	96	AIRBORNE MINE COUNTERMEASURES		89,727				89,727
1810	97	LAMPS MK III SHIPBOARD EQUIPMENT		27,369				27,369
1810	98	OTHER AVIATION SUPPORT EQUIPMENT		10,821				10,821
		<b>Ordnance Support Equipment</b>						
		<b>Ship Gun System Equipment</b>						
1810	99	NAVAL FIRES CONTROL SYSTEM		3,311				3,311
1810	100	GUN FIRE CONTROL EQUIPMENT		7,443				7,443
		<b>Ship Missile System Equipment</b>						
1810	101	HARPOON SUPPORT EQUIPMENT		100				100
1810	102	NATO SEASPARROW		4,582				4,582
1810	103	RAM GMLS		9,987				9,987
1810	104	SHIP SELF DEFENSE SYSTEM		56,668				56,668
1810	105	AEGIS SUPPORT EQUIPMENT		75,349				75,349
1810	106	SURFACE TOMAHAWK SUPPORT EQUIPMENT						
1810	107	TOMAHAWK SUPPORT EQUIPMENT		61,185				61,185

**Title I - Procurement**  
(Dollars in Thousands)

<u>Accou</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>		
1810	108	SUBMARINE TOMAHAWK SUPPORT EQUIP						
1810	109	VERTICAL LAUNCH SYSTEMS		6,557				6,557
		<b>FBM Support Equipment</b>						
1810	110	STRATEGIC MISSILE SYSTEMS EQUIP		111,127				111,127
		<b>ASW Support Equipment</b>						
1810	111	SSN COMBAT CONTROL SYSTEMS		92,876				92,876
1810	112	SUBMARINE ASW SUPPORT EQUIPMENT		4,946				4,946
1810	113	SURFACE ASW SUPPORT EQUIPMENT		4,642				4,642
1810	114	ASW RANGE SUPPORT EQUIPMENT		7,188				7,188
		<b>Other Ordnance Support Equipment</b>						
1810	115	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		21,494				21,494
		Joint Service and EOD IED countermeasures						
1810	116	ITEMS LESS THAN \$5 MILLION		4,041				4,041
		<b>Other Expendable Ordnance</b>						
1810	117	ANTI-SHIP MISSILE DECOY SYSTEM		54,131				60,131
		MK53 (NULKA) Decoy System						
1810	118	SURFACE TRAINING DEVICE MODS		11,243				11,243
1810	119	SUBMARINE TRAINING DEVICE MODS		24,776				24,776
		<b>Civil Engineering Support Equipment</b>						
1810	120	PASSENGER CARRYING VEHICLES		2,184				2,184
1810	121	GENERAL PURPOSE TRUCKS		2,200				2,200
1810	122	CONSTRUCTION & MAINTENANCE EQUIP		25,441				25,441
1810	123	FIRE FIGHTING EQUIPMENT		16,726				16,726
1810	124	TACTICAL VEHICLES		29,432				29,432
1810	125	AMPHIBIOUS EQUIPMENT		86,604				86,604
1810	126	POLLUTION CONTROL EQUIPMENT		12,066				12,066
1810	127	ITEMS UNDER \$5 MILLION		39,845				39,845

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
1810	128	PHYSICAL SECURITY VEHICLES		1,317				1,317
		Supply Support Equipment						
1810	129	MATERIALS HANDLING EQUIPMENT		13,716				13,716
1810	130	OTHER SUPPLY SUPPORT EQUIPMENT		12,080				12,080
1810	131	FIRST DESTINATION TRANSPORTATION		5,925				5,925
1810	132	SPECIAL PURPOSE SUPPLY SYSTEMS		65,938				65,938
		Personnel and Command Support Equipment						
		Training Devices						
1810	133	TRAINING SUPPORT EQUIPMENT		18,222				18,222
		Command Support Equipment						
1810	134	COMMAND SUPPORT EQUIPMENT		58,576		7,600		66,176
		Man overboard identification program				[4,400]		
		Multi Climate Protection System				[3,200]		
1810	135	EDUCATION SUPPORT EQUIPMENT		390				390
1810	136	MEDICAL SUPPORT EQUIPMENT		5,590		4,100		9,690
		Combat casualty care equipment upgrade program				[4,100]		
1810	138	OPERATING FORCES SUPPORT EQUIPMENT		15,270				15,270
1810	139	C4ISR EQUIPMENT		10,685				10,685
1810	140	ENVIRONMENTAL SUPPORT EQUIPMENT		16,138				16,138
1810	141	PHYSICAL SECURITY EQUIPMENT		166,302				166,302
1810	142	ENTERPRISE INFORMATION TECHNOLOGY		3,995				3,995
1810	143	CLASSIFIED PROGRAMS	[ ]	[ ]			[ ]	[ ]
1810	144	SPECIAL PROGRAM	[ ]	[ ]			[ ]	[ ]
		Productivity Programs						
1810	145	JUDGMENT FUND REIMBURSEMENT						
		Other						

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost		
			Qty	Cost	Qty	Cost	Qty	Cost
1810	146	CANCELLED ACCOUNT ADJUSTMENTS						
		Spares and Repair Parts		219,886				219,886
1810	147	SPARES AND REPAIR PARTS		8,841				8,841
1810	999	CLASSIFIED PROGRAMS						
		<b>Total - Other Procurement, Navy</b>		<b>4,967,916</b>		<b>77,600</b>		<b>5,045,516</b>
		<b>Procurement, Marine Corps</b>						
		<b>Weapons and Combat Vehicles</b>						
		<b>Tracked Combat Vehicles</b>						
1109	1	AAV7A1 PIP		12,481				12,481
1109	2	EXPEDITIONARY FIGHTING VEHICLE	15	239,859			15	239,859
1109	2	LESS: ADVANCE PROCUREMENT (PY)		-9,237				-9,237
1109	3	ADVANCE PROCUREMENT (CY)		25,582				25,582
1109	4	LAV PIP		25,990				25,990
1109	5	HIMARS						
1109	6	IMPROVED RECOVERY VEHICLE (IRV)						
1109	7	MODIFICATION KITS (ARMOR AND FIRE SUPPORT)						
1109	8	M1A1 FIREPOWER ENHANCEMENTS		19,085				19,085
		<b>Artillery and Other Weapons</b>						
1109	9	EXPEDITIONARY FIRE SUPPORT SYSTEM		7,361				7,361
1109	10	155MM LIGHTWEIGHT TOWED HOWITZER	34	94,365	6	12,400	40	106,765
		Lightweight 155-millimeter towed howitzer			[6]	[12,400]		5,000
		M2HB .50 caliber machine gun modification kits				5,000		5,000
1109	11	MODIFICATION KITS (INFANTRY WEAPONS)						
1109	12	MARINE ENHANCEMENT PROGRAM						
1109	13	HIGH MOBILITY ARTILLERY ROCKET SYSTEM	6	57,524			6	57,524

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost	Qty	Cost
1109	14	WEAPONS AND COMBAT VEHICLES UNDER \$5 MILLIC						
		<b>Weapons</b>						
1109	15	MODULAR WEAPON SYSTEM						
		<b>Other Support</b>						
1109	16	MODIFICATION KITS	8,968				8,968	
1109	17	WEAPONS ENHANCEMENT PROGRAM	17,051				17,051	
1109	18	OPERATIONS OTHER THAN WAR						
		<b>Guided Missiles and Equipment</b>						
		<b>Guided Missiles</b>						
1109	19	GROUND BASED AIR DEFENSE	3,894				3,894	
1109	20	JAVELIN						
1109	21	HIMARS ROCKETS						
1109	22	COMPLEMENTARY LOW ALTITUDE WEAPON SYSTEM	3,155				3,155	
		<b>Other Support</b>						
1109	23	MODIFICATION KITS	3,282				3,282	
		<b>Communications and Electronics Equipment</b>						
		<b>Command and Control Systems</b>						
1109	24	UNIT OPERATIONS CENTER	7,752				7,752	
		<b>Repair and Test Equipment</b>						
1109	25	REPAIR AND TEST EQUIPMENT						
1109	26	AUTO TEST SYSTEMS	13,088				13,088	
1109	27	GENERAL PURPOSE TOOLS & TEST SYSTEMS						
1109	28	CALIBRATION FACILITIES						
		<b>Other Support (Tel)</b>						
1109	29	COMBAT SUPPORT SYSTEM	14,304				14,304	
1109	30	MODIFICATION KITS	17,456				17,456	



**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
1109	51	COMM SWITCHING & CONTROL SYSTEMS		49,190			49,190	
1109	52	COMM & ELEC INFRASTRUCTURE SUPPORT		17,137			17,137	
1109	53	MOD KITS MAGTF C4I						
		<b>Support Vehicles</b>						
		<b>Administrative Vehicles</b>						
1109	54	COMMERCIAL PASSENGER VEHICLES		351			351	
1109	55	COMMERCIAL CARGO VEHICLES		12,035			12,035	
		<b>Tactical Vehicles</b>						
1109	56	5/4T TRUCK HMMWV (MYP)	851	72,351			72,351	851
1109	57	MOTOR TRANSPORT MODIFICATIONS		656			656	
1109	58	MEDIUM TACTICAL VEHICLE REPLACEMENT		11			11	
1109	59	LIGHTWEIGHT PRIME MOVER		68,785			68,785	
1109	60	LOGISTICS VEHICLE SYSTEM REP		12,664			12,664	
1109	61	FAMILY OF TACTICAL TRAILERS						
		<b>Other Support</b>						
1109	62	ITEMS LESS THAN \$5 MILLION		2,869			2,869	
		<b>Engineer and Other Equipment</b>						
1109	63	ENVIRONMENTAL CONTROL EQUIP ASSORT		2,039			2,039	
1109	64	ASSAULT BREACHER VEHICLE						
1109	65	BULK LIQUID EQUIPMENT		17,543			17,543	
1109	66	TACTICAL FUEL SYSTEMS		4,064			4,064	
1109	67	DEMOLITION SUPPORT SYSTEMS						
1109	68	POWER EQUIPMENT ASSORTED		9,999			9,999	
1109	69	AMPHIBIOUS SUPPORT EQUIPMENT		13,218			13,218	
1109	70	EOD SYSTEMS		14,838			14,838	
		<b>Materials Handling Equipment</b>						
1109	71	AMPHIBIOUS RAID EQUIPMENT						

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Change	Authorized		
1109	72	PHYSICAL SECURITY EQUIPMENT		5,205			5,205	
1109	73	GARRISON MOBILE ENGINEER EQUIPMENT (GMEE)		11,161			11,161	
1109	74	MATERIAL HANDLING EQUIP		17,031			17,031	
1109	75	FIRST DESTINATION TRANSPORTATION		5,216			5,216	
		<b>General Property</b>						
1109	76	FAMILY OF INCIDENT RESPONSE						
1109	77	FIELD MEDICAL EQUIPMENT		3,224			3,224	
1109	78	FAMILY OF EOD EQUIPMENT						
1109	79	TRAINING DEVICES		13,797			13,797	
1109	80	CONTAINER FAMILY		3,011			3,011	
1109	81	FAMILY OF CONSTRUCTION EQUIPMENT		20,058			20,058	
1109	82	FAMILY OF INTERNALLY TRANSPORTABLE VEH (ITV)		2,759			2,759	
1109	83	BRIDGE BOATS						
1109	84	RAPID DEPLOYABLE KITCHEN		5,148			5,148	
		<b>Other Support</b>						
1109	85	MODIFICATION KITS						
1109	86	ITEMS LESS THAN \$5 MILLION		10,463			10,463	
1109	87	CANCELLED ACCOUNT ADJUSTMENT (M)						
		<b>Spares and Repair Parts</b>						
1109	88	SPARES AND REPAIR PARTS		35,837			35,837	
<b>Total - Procurement, Marine Corps</b>				<b>1,273,513</b>		<b>26,700</b>	<b>1,300,213</b>	

**CVN-21 class aircraft carrier procurement (sec. 121)**

The committee recommends a provision that would authorize the Secretary of the Navy to incrementally fund procurement of CVN-21 class aircraft carriers over four year periods, commencing with CVN-78 procurement in fiscal year 2008. The budget request included \$739.1 million in Shipbuilding and Conversion, Navy (SCN) for CVN-78 advance procurement and \$45.1 million in SCN for CVN-79 advance procurement. The provision would also authorize advance procurement for CVN-80, commencing in fiscal year 2007.

In reviewing the budget request for fiscal year 2006, the committee received testimony from the Navy and industry that the low rate of shipbuilding was driving higher costs, which in turn further reduced shipbuilding rates, creating a downward spiral. The committee believes that stable ship requirements, increased funding in the shipbuilding budget, and increased flexibility for funding large capital ships are critical elements of any strategy to reverse this trend.

The Secretary of the Navy's fiscal year 2007 report to Congress on the long-range plan for the construction of naval vessels identifies a requirement to procure the CVN-21 class aircraft carriers at 4-year intervals, commencing in fiscal year 2008. The Navy originally planned to procure the first CVN-21 class aircraft carrier, CVN-78, in fiscal year 2006. Since then, the Navy has delayed procurement to 2008, which has delayed fielding this vital capability, while significantly increasing the aircraft carrier's procurement cost. The committee believes that procuring and delivering the CVN-21 class aircraft carriers over 4-year periods in accordance with the Navy's long-range plan is vital to the National Defense Strategy, and is vital to the affordability of these capital ships.

Elsewhere in this report, the committee has expressed concern with cost growth on the CVN-77 program, and has urged the Navy and the shipbuilder to identify opportunities to improve affordability of future aircraft carriers. Procurement delays, excess inflation, and material escalation have been reported as significant contributors to CVN-77 cost growth. The shipbuilder has proposed to achieve significant CVN-21 class program savings through a stable procurement plan, and through procurement of economic order quantity material for CVN-79 and CVN-80 in conjunction with CVN-78 procurement.

In view of the potential for significant program savings, the committee recommends an increase of \$50.0 million in SCN for CVN-21 class advance procurement, and directs the Secretary of the Navy to review economic order quantity and long lead time material procurement for the CVN-21 class. The Secretary is to submit a report to the congressional defense committees with the fiscal year 2008 budget request, outlining the advance procurement requirements to potentially optimize economic order quantity savings and escalation avoidance (to include offsetting factors) for the first three vessels of the CVN-21 class. Of the amount authorized to be appropriated for advance procurement for CVN-79 and CVN-80, none of the funds are available for obligation prior to 30 days following receipt of the Secretary's report.

**Construction of first two vessels under the next-generation destroyer program (sec. 122)**

The committee recommends a provision that would authorize the Secretary of the Navy to enter into a contract to fund the detail design and construction of the first two next-generation destroyers, DD(X), in Shipbuilding and Conversion, Navy (SCN), with funding split over fiscal years 2007 and 2008.

The budget request included \$2,568.0 million in SCN for the DD(X) program, which is in addition to \$1,010.1 million prior year advance procurement and \$3,004.0 million subsequent year full funding for the construction of two DD(X) destroyers. The Navy's report on the long-range plan for the construction of naval vessels identified a requirement to procure a total of seven DD(X) destroyers commencing in fiscal year 2007. Section 125 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) prohibited the Secretary of the Navy from acquiring these vessels through a winner-take-all competition strategy. Section 123 of that same Act established a cost limitation for the fifth vessel of the program.

The Navy's procurement strategy for the next generation destroyer program is to allocate dual lead ships and competitively award follow-on ships to both of the two shipyards which build surface combatants. The Navy is in the process of determining details of the acquisition strategy for the follow ship contracts. The committee agrees with the Navy's determination that competition is an underlying benefit of dual sourcing, and that it is critical to meeting the fifth ship cost limitation established for the next generation destroyer program.

The committee is equally concerned with the risk that the dual lead ship strategy adds to the program. The committee is aware that the Navy added \$150.0 million to the second lead ship budget to account for this risk. Nevertheless, the Congressional Budget Office has cited a significantly higher cost estimate for the DD(X) lead ship(s) than currently included in the Navy's budget. It is therefore critical that, in preserving the ability to compete follow-on ships, the Navy does not unduly increase lead ship cost risk and total program cost risk.

The committee understands that the Navy intends to award lead ship contracts following approval by the Defense Acquisition Board (DAB), currently planned for January 2008. The committee urges the DAB to carefully weigh affordability and risk mitigation considerations in arriving at a decision to approve award of the lead ship contracts. The committee directs the Secretary of the Navy to submit a report to the congressional defense committees, 30 days prior to lead ship contract(s) award, on the Navy's competition strategy for DD(X) follow ship procurement. The report shall identify the range of possible outcomes for awarding follow-on ships, the Navy's estimated cost for the respective ships, the estimated cost benefit provided by competition, the basis for determining contract award, and the type of contract planned for the award. The report shall also address potential impact of follow-on ship awards on the lead ship costs or schedules, including an assessment of workload impacts at the respective shipyards.

**Modification of limitation on total cost of procurement of CVN-77 aircraft carrier (sec. 123)**

The committee recommends a provision that would increase the limitation on the total cost of procurement for the CVN-77 aircraft carrier from \$5.357 billion to \$6.057 billion.

Section 122 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) imposed a \$4.6 billion procurement cost cap for the CVN-77, and authorized the Secretary of the Navy to adjust the cap for certain categories of cost. In accordance with Section 122, the Secretary reported authorized annual cost increases, which incrementally raised the CVN-77 cost cap to \$5.357 billion. The February 2005 report on CVN-77 Program Cost identified \$0.7 billion cost increase beyond the Secretary's authority, requiring Congress to increase the cost cap.

The procurement cost increase to \$6.057 billion, which equals the government's maximum contractual liability, is attributed to extraordinary escalation impacts, increased labor hours and overhead rates, and costs related to schedule delays. The fiscal year 2007 budget request included \$348.4 million for CVN-77 cost growth, with the balance of additional funding to be included in future budget requests. The committee is aware that the Navy has taken a series of management actions to contain cost on CVN-77, including deferral of upgrades that are not required for safe system operation or certification; minimization of contract change orders; implementation of a joint Navy-shipbuilder Lean Six-Sigma program; and a schedule revision to enable a more efficient completion of CVN-77. The committee is concerned, however, that despite these management actions, the Navy is projecting CVN-77 cost to grow to the contract ceiling, in excess of 30 percent above the baseline cost cap.

The committee notes that the Secretary's report to Congress on the long-range plan for construction of naval vessels establishes cost estimates for future ship construction, which target improved performance based on a series of management actions similar to ongoing efforts to control CVN-77 cost. Visibility into cost performance while completing CVN-77 is necessary in order to assess the effectiveness of these management actions, and will assist in determining further actions necessary to improve affordability of the future force. Improved visibility into completion cost performance will also afford greater opportunity to deliver CVN-77 below the contract ceiling. Accordingly, the Secretary of the Navy is directed to submit a quarterly report to the congressional defense committees, beginning December 1, 2006, providing the following information regarding the CVN-77 ship construction contract:

- (1) contract target cost;
- (2) Program Manager's Estimate at Completion;
- (3) contractor's Estimate at Completion;
- (4) contract ceiling price;
- (5) end of period actual costs; and
- (6) percent progress.

**Budget Items—Navy****MH-60S and MH-60R helicopters**

The budget request included \$458.2 million in Aircraft Procurement, Navy (APN) for the procurement of 18 MH-60S Knight Hawk helicopters and \$795.3 million for the procurement of 25 MH-60R Sea Hawk helicopters. The committee notes that the Navy reduced the number of MH-60 series helicopters from the Navy's fiscal year 2006 program plan. The Navy requires additional funding to acquire additional MH-60S for critical surface warfare capability coverage for Carrier and Expeditionary Strike Groups, and one additional MH-60R helicopters, allowing the initial MH-60R Carrier Strike Group squadron to deploy with full rotary wing capability in accordance with the Navy's Helicopter Concept of Operations. Additional funding for MH-60S and MH-60R helicopters has been included on the Chief of Naval Operations' unfunded priorities list. The committee recommends an increase of \$112.0 million in APN for eight additional MH-60S helicopters, for a total authorization of \$570.2 million and an increase of \$28.0 million in APN for one additional MH-60R helicopter, for a total authorization of \$823.8 million.

**T-45TS Goshawk**

The budget request included \$376.4 million in Aircraft Procurement, Navy (APN) for the procurement of 12 T-45TS Goshawk training aircraft for the Navy. The future-years defense program indicates that the Navy intends to stop production with the fiscal year 2007 procurement. This would yield a total of 223 aircraft. The committee notes that the Navy's request for 12 T-45TS Goshawk training aircraft is nearly twice the number of aircraft requested in previous years. Moreover, the Chief of Naval Operations' unfunded priorities list includes an additional six aircraft.

The committee is concerned that a premature close out of T-45TS production, particularly in one budget request, would be harmful for two reasons. First, the Navy's longstanding requirement was for 234 aircraft. Since that determination, significant changes have occurred in the annual training requirements for pilots, and empirical data has replaced planning assumptions. Training requirements have grown rather than diminished. Moreover, the Navy's "T-45 Strategic Planning Study, 2003-2035," identifies 239 trainers as the minimum number of aircraft needed to adequately support long-term pilot training requirements. For budgetary reasons, the requirement was reduced twice even as additional PTR requirements were added. The committee believes that, in order for the fleet to adequately support training requirements, the original requirement of 234 aircraft should remain the inventory objective. Second, the committee believes that the T-45TS, with requisite modifications, could serve as both the next-generation joint trainer and as a replacement for the Air Force T-38 trainer. The committee recommends a decrease of \$64.0 million in APN for the procurement of a total of 10 T-45TS Goshawk training aircraft, and encourages the Navy to continue procurement to achieve at least the 234-aircraft inventory objective.

**CH-53 Integrated Mechanical Diagnostic System (IMDS)**

The budget request included \$28.3 million in Aircraft Procurement, Navy (APN) for the H-53 series helicopters, including \$2.3 million for the Integrated Mechanical Diagnostic System (IMDS). The committee notes that IMDS enhances safety and reduces helicopter life cycle costs. Additional funding for IMDS has been included on the Chief of Naval Operations' unfunded priorities list. The committee recommends an increase of \$4.4 million in APN for IMDS, for a total authorization of \$32.7 million.

**Allegany Ballistics Laboratory facility restoration**

The budget request included \$4.6 million in Weapons Procurement, Navy (WPN) for various activities at government-owned, contractor operated weapons industrial facilities, but included no funding for facilities restoration at the Navy Industrial Reserve Ordnance Plant, Allegany Ballistics Laboratory (ABL). Some of these facilities have exceeded their useful life and deteriorated beyond safe operations. The committee recommends an increase of \$20.0 million in WPN for the facilities restoration program at ABL.

**Mk 110 57mm naval gun**

The budget request included \$8.9 million in Weapons Procurement (WPN), Navy for gun mount mods for in-service gun weapon systems, but included no funding for the Mk 110 57mm naval gun. The Mk 110 57mm naval gun is the newest gun system for surface ships and is planned for installation on the next generation destroyer, DD(X), the Littoral Combat Ship (LCS), the National Security Cutter, and the Offshore Patrol Cutter. A shore-based Mk 110 gun system for training, similar to other in-service gun training systems, is essential to ensure sailor proficiency in the safe operation and maintenance of shipboard Mk 110 gun systems. This is particularly true for new ship classes, which are designed for reduced manning and therefore less capable of supporting onboard training. The committee recommends an increase of \$12.0 million in WPN for procurement of a Mk 110 57mm naval gun for a shore-based training system.

**Mk 295/Mk 296 ammunition for Mk 110 57mm naval gun**

The budget request included no funding for Mark 295 or Mark 296 ammunition for the Mark 110 57mm naval gun. Currently, the Navy and the Coast Guard borrow these rounds in very limited quantities from other friendly governments. The committee recommends an increase of \$10.0 million in Procurement Ammunition Navy and Marine Corps for Mk 295/Mk 296 ammunition.

**M67 hand grenade**

The budget request included \$3.0 million in Procurement of Ammunition, Navy and Marine Corps (PANMC), for M67 hand grenades. The committee recommends an increase of \$10.0 million in PANMC for M67 hand grenades.

**M290 nuclear refueling facility**

The budget request included no funding for an M290 refueling facility. The committee is aware that the Navy is developing a more

efficient shipping system, the M290 container system, for spent fuel to support refueling and de-fueling U.S. Navy aircraft carriers at Northrop Grumman Newport News (NGNN). Implementation of a more efficient, secure, and improved process for disposal of fuel is necessary to support refueling of USS Nimitz (CVN-68) class aircraft carriers during their mid-life complex overhauls, and for defueling USS Enterprise (CVN-65).

The committee believes infrastructure investment in an M290 facility is needed to support the end-to-end process changes being implemented by the Navy to prepare this special material for ultimate packaging for long-term storage at a federal facility. The committee understands that a \$40.0 million capital incentive would be required to offset the negative net present value for the M290 facility investment, and that the incentive could be funded over 2 years to align with NGNN capital commitments and expenditures. The remainder of the funding for the facility would be provided by NGNN. The committee further understands that having this facility will provide an estimated \$25.0 million savings per refueling/defueling operation.

The committee recommends an increase of \$20.0 million in Shipbuilding and Conversion, Navy to provide the first increment of government incentive to start construction of the M290 refueling facility in 2008.

#### **Procurement authority for LPD-17 class ship designated LPD-25**

The budget request included \$297.5 million in Shipbuilding and Conversion, Navy (SCN) for LPD-25 advance procurement. The committee recommends an increase of \$1,285.0 million in SCN for procurement of the LPD-17 class ship, designated as LPD-25. This would allow the Secretary of the Navy to enter into a contract for LPD-25 in fiscal year 2007, rather than fiscal year 2008 under the current Navy plan.

The budget request for fiscal year 2006 included LPD-25 procurement for fiscal year 2007 as the ninth ship of a twelve ship program. The budget request for fiscal year 2007 truncated the LPD-17 class to nine ships and delayed LPD-25 procurement to fiscal year 2008. The committee is aware that procurement of LPD-25 in fiscal year 2007 will save \$113.1 million in LPD-25 procurement cost by avoiding construction delays, escalation impacts, and loss of learning. Further, procurement of LPD-25 in 2007 will result in delivering this vital warfighting capability to the fleet at the earliest schedule possible, helping to reduce existing Marine Corps lift capability shortfalls. Additional funding for the LPD-25 has been included on the Chief of Naval Operations' unfunded priorities list.

The committee is concerned that the Secretary of the Navy's report to Congress on the long-range plan for construction of naval vessels calls for a reduction of six Expeditionary Warfare ships. This reduced expeditionary force size, which also reduces the LPD-17 class to nine ships, does not meet the Navy's established 2.5 Marine Expeditionary Brigade (MEB) lift requirement. In testimony before the Seapower Subcommittee of the Committee on Armed Services in March 2006, the Marine Corps stated that,

“Limiting the LPD-17 production line to 9 ships places the Marine Corps at grave/significant risk by further decrementing the MEB equipment for the assault echelon.” As the Navy continues to evolve future lift requirements and evaluates capabilities that will comprise the expeditionary strike and sea basing forces, the committee strongly encourages the Navy to include funds for LPD-26 in the fiscal year 2008 budget request as the most cost effective near-term means to satisfy projected lift requirements.

**Advance procurement authority for LHA replacement (LHA(R)) ship designated LHA-7**

The committee recommends an increase of \$175.0 million in Shipbuilding and Conversion, Navy (SCN) for advance procurement of the second ship of the LHA replacement (LHA(R)) class, designated LHA-7. This would allow the Secretary of the Navy to enter into a contract for LHA-7 advance procurement in fiscal year 2007, rather than fiscal year 2009 under the current plan.

The Secretary of the Navy’s fiscal year 2007 report on the long-range plan for the construction of naval vessels identifies a requirement to procure the LHA replacement ships at a stable rate of one ship every 3 years, commencing in 2007. In testimony before the Committee on Armed Services, the Secretary of the Navy emphasized his number one priority is to stabilize the shipbuilding program to achieve the program’s critical affordability objectives. The committee understands that material cost increases and excess inflation have been notable factors in cost growth of prior year ship programs. Conversely, savings of approximately 15 percent have historically been achieved through the economic order quantity procurement of material for multiple ships of a class.

The Navy plans to procure significant material for LHA-6 in fiscal year 2007, and further plans advance procurement for LHA-7 in fiscal year 2009. In view of the significant potential material cost savings provided by combining material procurement for LHA-7 with LHA-6, the committee recommends an increase of \$175.0 million in SCN for LHA-7.

**Outfitting and post-delivery**

The budget request included \$409.0 million in Shipbuilding and Conversion, Navy (SCN) for outfitting and post-delivery. Outfitting and post-delivery is a centrally-managed account for all SCN-funded ship programs, which is requested annually based on projected vessel delivery schedules. The committee is aware that delays to ship delivery schedules, related to performance issues and Hurricane Katrina impacts, have resulted in outfitting and post-delivery funding being requested in advance of execution requirements in the fiscal year 2007 budget request. Further, the committee urges the Navy to ensure that cost increases to the execution of outfitting and post-delivery attributed to Hurricane Katrina are properly financed in accordance with the provisions of title IX of the Department of Defense Appropriations Act for Fiscal Year 2006 (Public Law 109-148).

The committee recommends a decrease of \$30.0 million in SCN for outfitting and post-delivery.

**Completion of prior year shipbuilding**

The budget request included \$577.8 million in Shipbuilding and Conversion, Navy (SCN) for completion of prior year shipbuilding programs. The committee is aware that delays to ship delivery schedules, related to performance issues and Hurricane Katrina impacts, has resulted in completion of prior year shipbuilding funding being requested in advance of execution requirements for the LPD-17 class. The committee recommends a decrease of \$20.0 million in SCN for completion of prior year shipbuilding.

**Amphibious ship integrated bridge system**

The budget request included \$31.0 million in Other Procurement, Navy (OPN) for other navigation equipment, but included no funding for amphibious ship integrated bridge systems. The integrated bridge system (IBS) automatically collects, processes, integrates, and displays vital navigation sensor data on electronic charts to automatically and precisely control a ship's movement in accordance with an approved voyage plan. The committee is aware that the Navy directed all ships in the fleet to be equipped with an electronic chart display information system—Navy capability by the end of fiscal year 2009. Additional funding for IBS is necessary to accomplish amphibious ship installations in support of this requirement. The committee recommends an increase of \$4.0 million in OPN for amphibious ship integrated bridge system.

**DDG-51 Arleigh Burke-class destroyer modernization program**

The budget request included \$2.2 million in the Other Procurement, Navy (OPN) for the DDG-51 modernization program. This program upgrades the DDG-51 class with key technologies developed for future ships, which provide improved warfighting capability and reduce operating and support cost. The Secretary of the Navy's fiscal year 2006 report to Congress on the long-range plan for construction of naval vessels identified the requirement to operate the 62-ship DDG-51 class for a full 35-year service life in order to meet the Navy's surface combatant force structure requirements. The DDG-51 modernization program is essential to achieving this 35-year expected service life. Additionally, the upgrades planned for incorporation, which enable reduced crew size, improved maintainability, and improved commonality, are forecasted to provide savings of \$712.0 million in operations and support for the 62-ship class.

Additional fiscal year 2007 DDG-51 modernization procurement funding is necessary to support planning, engineering, and initiate procurement activities in order to address backfit program issues, including configuration differences, mission life extension alterations, and initiatives to further reduce manpower requirements and costs in DDG-51 communications and combat systems operating spaces. The committee recommends an increase of \$25.0 million in OPN for the DDG-51 modernization program.

**High performance metal fiber brushes for shipboard motors and generators**

The budget request included \$25.2 million in Other Procurement, Navy (OPN) for submarine support equipment, but included no funding for high performance metal brushes for shipboard motors and generators. Metal fiber brushes have demonstrated the capability to significantly enhance performance and reduce maintenance costs for motors and generators. The committee recommends an increase of \$2.0 million in OPN for completion of shore-based testing, development of ship alteration, and procurement of high performance metal fiber brushes.

**Ship support items under \$5.0 million**

The budget request included \$172.8 million in Other Procurement, Navy (OPN) for ship support equipment items under \$5.0 million, but included no funding for the advanced control monitoring system, CVN propeller replacement program, or LSD-41/49 class canned lube oil pumps.

The advance control monitoring system will update legacy, analog ship control systems with digital applications and sensors for improved ship control and ship system performance monitoring. The committee recommends an increase of \$4.0 million in OPN for the advanced control monitoring system.

The Navy has designed a generation III propeller for new and in-service aircraft carriers to meet the operational endurance and readiness requirements of today's fleet. Replacing eroded propellers with generation III propellers provides improved life cycle performance and significant cost savings by extending propeller service life to align with aircraft carrier drydock schedules. The committee recommends an increase of \$3.0 million for continued procurement and installation of generation III propellers.

The current mechanical shaft seal pumps on LSD-41/49 class amphibious ships experience high failure rates and increasing maintenance costs. The committee is aware that the Navy could realize a return on investment within 3 years through the installation of canned lube oil pumps on LSD-41/49 class ships. The committee also recommends an increase of \$2.0 million in OPN for the procurement and installation of canned lube oil pumps to replace mechanical shaft seal pumps.

The committee recommends an increase of \$9.0 million in OPN for ship support equipment items under \$5.0 million, for a total authorization of \$181.8 million.

**Electronics equipment items under \$5.0 million**

The budget request included \$22.5 million in Other Procurement, Navy (OPN) for communications and electronics equipment items under \$5.0 million, but included no funding for the Naval Expedition Combatant Command (NECC) thermal imaging system capability. The use of an electro-optical/infrared system on combatant craft reduces risk to combat personnel and provides a surveillance capability to special operators at night and in conditions of obscured or reduced visibility. The committee recommends an increase of \$4.2 million in OPN for communications and electronics

equipment items under \$5.0 million to outfit NECC riverine squadrons with thermal imaging systems.

### **Sonobuoys**

The budget request included \$66.9 million in Other Procurement, Navy (OPN) for sonobuoy procurement. The Navy's current sonobuoy inventory and planned procurement for fiscal year 2007 fall short of the Navy's Non-Nuclear Ordnance Requirement (NNOR), which was established to support the National Military Strategy plus annual training requirements. Additional funding for multi-static search and localization sonobuoys is required to meet warfighting requirements. The committee recommends an increase of \$8.0 million in OPN for sonobuoy procurement.

### **Joint service and explosive ordnance disposal improvised explosive device countermeasures**

The budget request included \$21.5 in Other Procurement, Navy (OPN), for explosive ordnance disposal (EOD) equipment and \$24.5 million in PE 63654N for joint service and explosive ordnance systems development. The Navy has an immediate need to procure EOD electronic countermeasures (ECM) that are used to protect Navy EOD technicians from radio-controlled improvised explosive devices (RCIED) initiation and detonation. The Navy also has a requirement for research and development of a common next-generation, counter-RCIED system for joint force protection. Additional funding for joint service and EOD improvised explosive device countermeasures has been included on the Chief of Naval Operations' fiscal year 2007 unfunded priorities list. The committee recommends an increase of \$7.7 million in OPN for EOD ECM, for a total authorization of \$29.2 million and an increase of \$9.1 million in PE 63654N for the development of joint service counter-RCIED, for a total authorization of \$33.6 million.

### **NULKA anti-ship missile decoy**

The budget request included \$54.1 million in Other Procurement, Navy (OPN) for the procurement of eight NULKA anti-ship missile decoy systems and 79 NULKA decoys. The NULKA decoy is a quick reaction offboard electronic countermeasure to defeat advanced radar homing anti-ship missiles.

The committee is aware that the programmed procurement rate for NULKA decoys will not meet the Navy's inventory goal of filling 50 percent of available launcher tubes by fiscal year 2008. The committee further understands that the economic order quantity to meet the most efficient NULKA production is 96 decoys, and that increasing production to the most economic rate will save approximately \$20,000 per decoy. The committee recommends an increase of \$6.0 million in OPN for the procurement of 17 additional NULKA decoys.

### **Command support equipment**

The budget request included \$58.6 million in Other Procurement, Navy (OPN) for command support equipment, but included no funding for the Multi-Climate Protection System (MCPS), or for the Man Overboard Indicator (MOBI) System.

The MCPS is a modular ensemble that provides total performance by layering thermal protection and shell garments. The committee is aware that the MCPS was developed to support the Commander Naval Air System requirement for improved protective clothing for aircrew personnel, and that the Navy has outfitted approximately 25 percent of total aircrew personnel with this improved clothing system. The committee recommends an increase of \$3.2 million in OPN to complete initial MCPS outfitting.

The MOBI system provides devices, which are worn by sailors aboard ship, to allow rescue forces to respond quickly in the event a sailor falls overboard. The committee is aware that the Naval Safety Center has recommended to the Naval Sea Systems Command that MOBI systems should be deployed throughout the fleet. The committee understands that 20 surface ships remain to be outfitted with the MOBI system, and that shipboard allowances limit the provision of personal transmitters to approximately one-third of crew members. The committee believes the MOBI system is an important system for shipboard safety. The committee recommends an increase of \$4.4 million in OPN to complete surface ship MOBI system installations and increase personal transmitter shipboard allowances.

The committee recommends an increase of \$7.6 million in OPN for command support equipment, for a total authorization of \$66.2 million.

#### **Combat Casualty Care Equipment Upgrade Program**

The budget request included \$5.6 million in Other Procurement, Navy (OPN) for Medical Support Equipment, but included no funding for the Combat Casualty Care Upgrade Equipment Program. This program provides improved emergency medical equipment for use by the Naval Expeditionary Combat Command to more quickly stabilize and evacuate casualties, leading to greater survival rates and improved recovery times. The upgrade program complies with Navy authorized medical allowance list (AMAL) to provide lightweight NATO-standardized litters and litter load carriage tools, lightweight combat medic bags, and onboard life-saving kits for tactical vehicles. The committee recommends an increase of \$4.1 million in OPN for the Combat Casualty Care Equipment Upgrade Program.

#### **Lightweight 155-millimeter towed howitzer**

The budget request included \$94.4 million in Procurement, Marine Corps, for the Lightweight 155-millimeter towed howitzer (LW-155 howitzer). The committee understands that a funding reduction in fiscal year 2006 reduced the number of Marine Corps' LW-155 howitzers below the Marine Corps' Acquisition Objective of 356 howitzers. Additional funding for the procurement of LW-155 howitzers has been included on the Commandant of the Marine Corps' fiscal year 2007 unfunded priority list. The committee recommends an increase of \$12.4 million in Procurement, Marine Corps for six additional LW-155 howitzers, for a total authorization of \$106.8 million.

**Modification kits**

The budget request included no funding in Procurement, Marine Corps, for modification kits for the M2HB .50 Caliber Machinegun. These kits would allow for the gun to have a quick change-barrel capability without conducting headspace and timing adjustments. The committee recommends an increase of \$5.0 million in Procurement, Marine Corps for M2HB .50 Caliber Machinegun modification kits, for a total authorization of \$5.0 million.

**Laser integrated target engagement system**

The budget request included \$19.7 million in Procurement, Marine Corps for command post systems, but no funding for the Laser Integrated Target Engagement System (LITES). LITES is a laser based target location, tracking, identification and designation system. The laser designator has potential to significantly reduce the battery weight and deliver twice the designations at twice the range compared to the current generation of laser designators. The committee recommends an increase of \$9.3 million in Procurement, Marine Corps for the LITES, for a total authorization of \$29.0 million.

**Subtitle D—Air Force Programs**

**Title I - Procurement**

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost		
			Qty	Cost	Qty	Cost	Qty	Cost
		<b>Aircraft Procurement, Air Force</b>						
		<b>Combat Aircraft</b>						
		<b>Tactical Forces</b>						
3010	1	F-35	5	988,109		-869,704	5	118,405
		Joint Strike Fighter production reduction				[-869,704]		
3010	1	LESS: ADVANCE PROCUREMENT (PY)		-118,405				-118,405
3010	2	ADVANCE PROCUREMENT (CY)		145,310		-85,280		60,030
		Joint Strike Fighter production reduction				[-85,280]		
3010	3	F-22A		1,503,898	20	1,600,000	20	3,103,898
		Additional aircraft			[20]	[1,600,000]		
3010	3	LESS: ADVANCE PROCUREMENT (PY)		477,404		-200,000		277,404
3010	4	ADVANCE PROCUREMENT (CY)				[-200,000]		
		Reduction						
3010	5	F-15E						
3010	5	LESS: ADVANCE PROCUREMENT (PY)						
3010	6	ADVANCE PROCUREMENT (CY)						
		<b>Airlift Aircraft</b>						
		<b>Tactical Airlift</b>						
3010	7	C-17A (MYP)	12	3,306,394	2	-33,180	14	3,273,214
		Eliminate settlement fees			[2]	[-433,180]		
		Additional aircraft				[400,000]		
3010	7	LESS: ADVANCE PROCUREMENT (PY)		-670,202				-670,202
3010	8	ADVANCE PROCUREMENT (CY)						33,180
		Advance procurement for FY 2008				[33,180]		
3010	9	C-17 ICS						
		<b>Other Airlift</b>						
3010	10	C-40						

**Title I - Procurement**  
(Dollars in Thousands)

		<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Authorized</u>
							<u>Cost</u>
	11	C-130J	9	806,974	9	806,974	
3010	11	LESS: ADVANCE PROCUREMENT (PY)		-109,687		-109,687	
3010	12	ADVANCE PROCUREMENT (CY)		90,000		90,000	
3010	13	KC- X ADVANCE PROCUREMENT (CY)		36,130			
		KC-135 aircraft replacement				-36,130	
3010	14	LIGHT CARGO AIRCRAFT		15,783			15,783
		<b>Trainer Aircraft</b>					
		<b>UPT Trainers</b>					
3010	15	DRUG INTERDICTION					
3010	16	INTRO TO FLIGHT/AIRMANSHIP PRG					
		<b>Operational Trainers</b>					
3010	17	JPATS	48	305,129	48	305,129	
		<b>Other Aircraft</b>					
		<b>Helicopters</b>					
3010	18	V22 OSPREY	2	218,958	2	218,958	
3010	18	LESS: ADVANCE PROCUREMENT (PY)		-10,385		-10,385	
3010	19	ADVANCE PROCUREMENT (CY)		34,390		34,390	
		<b>Mission Support Aircraft</b>					
3010	20	CIVIL AIR PATROL A/C		2,193		2,193	
		<b>Other Aircraft</b>					
3010	21	TARGET DRONES		82,042		82,042	
3010	22	C-37A					
3010	23	GLOBAL HAWK					
3010	23	LESS: ADVANCE PROCUREMENT (PY)	6	493,417	6	493,417	
3010	24	ADVANCE PROCUREMENT (CY)		-64,129		-64,129	
3010	24	ADVANCE PROCUREMENT (CY)		63,903		63,903	
3010	25	PREDATOR UAV	26	229,095	26	229,095	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Authorized	Cost		
			Qty	Cost	Qty	Cost	Qty	Cost
		<b>Modification of In-service Aircraft</b>						
		<b>Strategic Aircraft</b>						
3010	26	B-2A		191,282				191,282
3010	27	B-1B		53,255				53,255
3010	28	B-52		70,147				70,147
3010	29	F-117		24,422				24,422
		<b>Tactical Aircraft</b>						
3010	30	A-10		107,432		83,400		190,832
		A/OA-10 modifications				[83,400]		
3010	31	F-15		92,901				92,901
3010	32	F-16		352,054				352,054
3010	33	F-22A		216,095				216,095
3010	34	T/AT-37						
		<b>Airlift Aircraft</b>						
3010	35	C-5		176,112		32,000		208,112
		C-5 avionics modernization program				[32,000]		
3010	35	LESS: ADVANCE PROCUREMENT (PY)		-19,734				-19,734
3010	36	ADVANCE PROCUREMENT (CY)		66,700				66,700
3010	37	C-9						
3010	38	C-17A		251,404				251,404
3010	39	C-21		1,322				1,322
3010	40	C-32A		198				198
3010	41	C-37A		404				404
		<b>Trainer Aircraft</b>						
3010	42	GLIDER MODS		115				115
3010	43	T-6		6,164				6,164
3010	44	T-1		188				188

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized	Oty	Cost
3010	45	T-38		143,701				143,701
3010	46	T-41 AIRCRAFT						
3010	47	T-43		2,139				2,139
		<b>Other Aircraft</b>						
3010	48	KC-10A (ATCA)		6,761				6,761
3010	49	C-12		929				929
3010	50	C-20 MODS		513				513
3010	51	VC-25A MOD		1,027				1,027
3010	52	C-40		198				198
3010	53	C-130		217,677				217,677
3010	54	C130J MODS		39,001				39,001
3010	55	C-135		83,541				83,541
3010	56	COMPASS CALL MODS		46,818				46,818
3010	57	C-29A MODS						
3010	58	DARP		89,796				89,796
3010	59	E-3		64,547				64,547
3010	60	E-4		5,640				5,640
3010	61	E-8		138,162				138,162
3010	62	H-1		40,421				40,421
3010	63	H-60		16,738				16,738
3010	64	GLOBAL HAWK MODS		11,309				11,309
3010	65	OTHER AIRCRAFT		43,733				43,733
3010	66	PREDATOR MODS		58,255				58,255
3010	67	CV-22 MODS		451				451
		<b>Other Modifications</b>						
3010	68	CLASSIFIED PROJECTS						

### Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
3010	69	Aircraft Spares and Repair Parts INITIAL SPARES/REPAIR PARTS		305,207				305,207
3010	70	Aircraft Support Equipment and Facilities Common Support Equip COMMON SUPPORT EQUIPMENT		138,918				138,918
3010	71	Post Production Support B-1		10,320				10,320
3010	72	B-2A		7,693				7,693
3010	73	B-2A		11,709				11,709
3010	74	B-52		8,081				8,081
3010	75	C-130						
3010	76	F-15 POST PRODUCTION SUPPORT		10,741				10,741
3010	77	F-16 POST PRODUCTION SUPPORT		12,245				12,245
3010	78	Industrial Preparedness INDUSTRIAL RESPONSIVENESS		23,524				23,524
3010	79	War Consumables WAR CONSUMABLES		25,438				25,438
3010	80	Other Production Charges OTHER PRODUCTION CHARGES		474,853				474,853
3010	81	DEPOT MODERNIZATION Classified Prgms		1,370				1,370
3010	82	CLASSIFIED PROGRAMS	[ ]	[ ]	[ ]		[ ]	[ ]
3010	83	CLASSIFIED ACTIVITIES	[ ]	[ ]	[ ]		[ ]	[ ]
3010	84	SPECIAL PROGRAMS	[ ]	[ ]	[ ]		[ ]	[ ]
3010	85	Other Production Charges SOF CANCELLED ACCT ADJUSTMENTS						

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
		<u>Request</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>	<u>Cost</u>
		<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
3010	DARP		13,000				13,000
3010	999 CLASSIFIED PROGRAMS		8,572				8,572
	<b>Total - Aircraft Procurement, Air Force</b>		<b>11,479,810</b>		<b>524,286</b>		<b>12,004,096</b>
	<b>Procurement of Ammunition, Air Force</b>						
	<b>Procurement of Ammo, Air Force</b>						
	<b>Rockets</b>						
3011	1 ROCKETS		58,671				58,671
	<b>Cartridges</b>						
3011	2 CARTRIDGES		168,499				168,499
	<b>Bombs</b>						
3011	3 PRACTICE BOMBS		15,036				15,036
3011	4 GENERAL PURPOSE BOMBS		235,533		4,000		239,533
	Bomb insensitive munitions upgrade				[4,000]		
3011	5 SENSOR FUZED WEAPON	305	118,887			305	118,887
3011	6 JOINT DIRECT ATTACK MUNITION	7,261	175,013			7,261	175,013
3011	7 WIND CORRECTED MUNITIONS DISPENSER	250	34,704			250	34,704
	<b>Flare, IR MJU-7B</b>						
3011	8 CAD/PAD		29,909				29,909
3011	9 EXPLOSIVE ORDNANCE DISPOSAL (EOD)		3,091				3,091
3011	10 SPARES AND REPAIR PARTS		4,705				4,705
3011	11 INITIAL SPARES						
3011	12 MODIFICATIONS		919				919
3011	13 ITEMS LESS THAN \$2,000,000		4,083				4,083

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>		
		<u>Fuzes</u>						
3011	14	FLARES		161,958			161,958	
3011	15	FUZES		56,777			56,777	
		<u>Weapons</u>						
		<u>Small Arms</u>						
3011	16	SMALL ARMS		4,964			4,964	
		<b>Total - Procurement of Ammunition, Air Force</b>		<b>1,072,749</b>	<b>4,000</b>		<b>1,076,749</b>	
		<u>Missile Procurement, Air Force</u>						
		<u>Ballistic Missiles</u>						
		<u>Missile Replacement Equipment-Ballistic</u>						
3020	1	MISSILE REPLACEMENT EQ-BALLISTIC		34,344			34,344	
		<u>Other Missiles</u>						
		<u>Tactical</u>						
3020	2	JASSM	234	187,165		234	187,165	
3020	3	JOINT STANDOFF WEAPON						
3020	4	SIDEWINDER (AIM-9X)	195	43,834		195	43,834	
3020	5	AMRAAM	215	135,869		215	135,869	
3020	6	PREDATOR HELLFIRE MISSILE	677	65,312		677	65,312	
3020	7	SMALL DIAMETER BOMB	1,343	99,062		1,343	99,062	
		<u>Industrial Facilities</u>						
3020	8	INDUSTRL PREPAREDNS/POL PREVENTION		2,236			2,236	
		<u>Modification of In-service Missiles</u>						
		<u>Class IV</u>						
3020	9	ADVANCED CRUISE MISSILE		1,352			1,352	
3020	10	MISSILE REPLACEMENT EQ-BALLISTIC		833			833	

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request		Change		Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
3020	11	MM III MODIFICATIONS		691,657		20,000	711,657	
		Propulsion replacement program				[20,000]		
3020	12	AGM-65D MAVERICK		246			246	
3020	13	AIR LAUNCH CRUISE MISSILE		9,708			9,708	
		<b>Spares and Repair Parts</b>						
		<b>Missiles and Repair Parts</b>						
3020	14	INITIAL SPARES/REPAIR PARTS		50,602			50,602	
		<b>Other Support</b>						
		<b>Space Programs</b>						
3020	15	ADVANCED EHF						
3020	15	LESS: ADVANCE PROCUREMENT (PY)						
3020	16	ADVANCE PROCUREMENT (CY)						
3020	17	WIDEBAND GAPPILLER SATELLITES(SPACE)	1	413,868	1		413,868	
3020	17	LESS: ADVANCE PROCUREMENT (PY)		-50,217			-50,217	
3020	18	ADVANCE PROCUREMENT (CY)		50,700			50,700	
3020	19	SPACEBORNE EQUIP (COMSEC)		10,085			10,085	
3020	20	GLOBAL POSITIONING (SPACE)		139,182			139,182	
3020	20	LESS: ADVANCE PROCUREMENT (PY)		-42,000			-42,000	
3020	21	ADVANCE PROCUREMENT (CY)		43,259			43,259	
3020	22	DEF METEOROLOGICAL SAT PROG(SPACE)		86,720			86,720	
3020	23	DEFENSE SUPPORT PROGRAM(SPACE)		38,391			38,391	
3020	24	DEFENSE SATELLITE COMM SYSTEM(SPACE)						
3020	25	TITAN SPACE BOOSTERS(SPACE)		31,126			31,126	
3020	26	EVOLVED EXPENDABLE LAUNCH VEH(SPACE)	4	936,490	4		936,490	
3020	27	MEDIUM LAUNCH VEHICLE(SPACE)		102,004			102,004	
		<b>Special Programs</b>						
3020	28	CANCELLED ACCOUNTS						



**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
3080	14	TRUCK, TANK FUEL R-11						
3080	15	HMMWV, ARMORED		8,432			8,432	
3080	16	TRUCK, REFUSE						
3080	17	HMMWV, UP-ARMORED		11,334			11,334	
3080	18	TRACTOR A/C TOW MB-4						
3080	19	TRACTOR, TOW, FLIGHTLINE						
3080	20	TRUCK HYDRANT FUEL						
3080	21	ITEMS LESS THAN \$2M						
		<b>Fire Fighting Equipment</b>						
3080	22	FIRE FIGHTING/CRASH RESCUE VEHICLES		21,492			21,492	
3080	23	ITEMS LESS THAN \$2M						
		<b>Materials Handling Equipment</b>						
3080	24	TRUCK F/L 6000 LB						
3080	25	TRUCK, F/L 10,000 LB						
3080	26	HALVERSEN LOADER		8,211			8,211	
3080	27	ITEMS LESS THAN \$2,000,000						
		<b>Base Maintenance Support</b>						
3080	28	LOADER, SCOOP						
3080	29	LOADER-SCOOP- W/BACKHOE						
3080	30	TRUCK, DUMP 5CY						
3080	31	RUNWAY SNOW REMOV AND CLEANING EQU		30,260			30,260	
3080	32	CRANE 7-50 TON						
3080	33	MODIFICATIONS						
3080	34	ITEMS LESS THAN \$5,000,000(VEHICLES)		27,918			27,918	
		<b>Cancelled Account Adjustment</b>						
3080	35	CANCELLED ACCOUNT ADJUSTMENTS						

## Title I - Procurement

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Qty	Cost	Request	Change	Authorized	Cost
		<b>Electronics and Telecommunications</b>						
		<b>Comm Security Equipment (COMSEC)</b>						
3080	36	COMSEC EQUIPMENT		121,763				121,763
3080	37	MODIFICATIONS (COMSEC)		692				692
		<b>Intelligence Programs</b>						
3080	38	INTELLIGENCE TRAINING EQUIPMENT		5,235				5,235
3080	39	INTELLIGENCE COMM EQUIPMENT		1,576		7,500		9,076
		Intelligence squadron equipment for reachback				[7,500]		
		<b>Electronics Programs</b>						
3080	40	TRAFFIC CONTROL/LANDING		6,241				6,241
3080	41	NATIONAL AIRSPACE SYSTEM		53,761				53,761
3080	42	THEATER AIR CONTROL SYS IMPROVE		77,184				77,184
3080	43	WEATHER OBSERVATION FORECAST		35,093				35,093
3080	44	STRATEGIC COMMAND AND CONTROL		27,076				27,076
3080	45	CHEYENNE MOUNTAIN COMPLEX		19,257				19,257
3080	46	TAC SIGINT SPT						
3080	47	DRUG INTERDICTION SPT		431				431
		<b>Special Comm-Electronics Projects</b>						
3080	48	GENERAL INFORMATION TECHNOLOGY		120,406				120,406
3080	49	AF GLOBAL COMMAND & CONTROL SYS		13,877				13,877
3080	50	MOBILITY COMMAND AND CONTROL		10,060				10,060
3080	51	AIR FORCE PHYSICAL SECURITY SYSTEM		41,382				56,382
		Air Force Space Command security upgrades				15,000		
						[15,000]		
3080	52	COMBAT TRAINING RANGES		35,382				35,382
3080	53	MINIMUM ESSENTIAL EMERGENCY COMM N		3,413				3,413
3080	54	C3 COUNTERMEASURES		4,657				4,657
3080	55	GCSS-AF FOS		31,994				31,994

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Cost	Change	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
3080	56	THEATER BATTLE MGT C2 SYSTEM		23,586				23,586
3080	57	AIR OPERATIONS CENTER (AOC)		25,183				25,183
		<b>Air Force Communications</b>						
3080	58	BASE INFO INFRASTRUCTURE		334,655				334,655
3080	59	USCENTCOM		32,558				32,558
3080	60	AUTOMATED TELECOMMUNICATIONS PGM						
		<b>DISA Programs</b>						
3080	61	SPACE BASED IR SENSOR PGM SPACE		4,219				4,219
3080	62	NAVSTAR GPS SPACE		6,004				6,004
3080	63	NUDET DETECTION SYS SPACE		13,456				13,456
3080	64	AF SATELLITE CONTROL NETWORK SPACE		85,512				85,512
3080	65	SPACELIFT RANGE SYSTEM SPACE		120,450				120,450
3080	66	MILSATCOM SPACE		75,846				75,846
3080	67	SPACE MODS SPACE		25,153				25,153
3080	68	COUNTERSPACE SYSTEM		31,434				31,434
		<b>Organization and Base</b>						
3080	69	TACTICAL C-E EQUIPMENT		147,658				147,658
3080	70	COMBAT SURVIVOR EVADER LOCATER		27,225				27,225
3080	71	RADIO EQUIPMENT		7,730				7,730
3080	72	TV EQUIPMENT (AFRTV)		2,743				2,743
3080	73	CCTV/AUDIOVISUAL EQUIPMENT		8,416				8,416
3080	74	BASE COMM INFRASTRUCTURE		135,169				135,169
3080	75	ITEMS LESS THAN \$2,000,000		3,795				3,795
		<b>Modifications</b>						
3080	76	COMM ELECT MODS		28,344				28,344

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Request</u>	<u>Change</u>	<u>Authorized</u>	<u>Authorized</u>		
			<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
		<b>Other Base Maintenance and Support Equip</b>						
		<b>Test Equipment</b>						
3080	77	BASE/ALC CALIBRATION PACKAGE						
3080	78	PRIMARY STANDARDS LABORATORY PACKA						
3080	79	ITEMS LESS THAN \$2M						
		<b>Personal Safety and Rescue Equipment</b>						
3080	80	NIGHT VISION GOGGLES		19,304				19,304
3080	81	ITEMS LESS THAN \$2M (SAFETY) Self-deploying infrared streamers				4,000		4,000
		<b>Depot Plant and Material Handling Equip</b>						
3080	82	MECHANIZED MATERIAL HANDLING EQUIP		14,593				14,593
3080	83	ITEMS LESS THAN \$2M (DEPOT)						
		<b>Electrical Equipment</b>						
3080	84	FLOODLIGHTS SET TYPE NF2D						
3080	85	ITEMS LESS THAN \$2M (ELECTRICAL)						
		<b>Base Support Equipment</b>						
3080	86	BASE PROCURED EQUIPMENT			11,417			11,417
3080	87	MEDICAL/DENTAL EQUIPMENT			16,377			16,377
3080	88	AIR BASE OPERABILITY			5,063			5,063
3080	89	PHOTOGRAPHIC EQUIPMENT						
3080	90	PRODUCTIVITY CAPITAL INVESTMENT						
3080	91	MOBILITY EQUIPMENT			5,401			5,401
3080	92	AIR CONDITIONERS			26,043			26,043
3080	93	ITEMS LESS THAN \$2M (BASE SUPPORT)						
3080	94	PRODUCTION ACTIVITIES			30,876			30,876
		<b>Special Support Projects</b>						
3080	95	TECH SURV COUNTERMEASURES EQMT						

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request		Change		Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
3080	96	DARP RC135		21,204			21,204	
3080	97	DARP MRIGS		195,723			195,723	
3080	98	SELECTED ACTIVITIES	[ ]	[ ]			[ ]	
3080	99	SPECIAL UPDATE PROGRAM		467,601			467,601	
3080	100	DEFENSE SPACE RECONNAISSANCE PROG.		15,171			15,171	
3080	101	FIRST DESTINATION TRANSPORTATION Spares and Repair Parts						
3080	102	SPARES AND REPAIR PARTS		28,634			28,634	
3080	103	SPARES AND REPAIR PARTS						
3080	999	CLASSIFIED PROGRAMS		12,653,786			12,653,786	
<b>Total - Other Procurement, Air Force</b>				<b>15,408,086</b>		<b>26,500</b>	<b>15,434,586</b>	

**Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006 (sec. 141)**

The committee recommends a provision that would require any Joint Primary Aircraft Training System (JPATS) aircraft procured after fiscal year 2006 to be procured through a contract under part 15 of the Federal Acquisition Regulation (FAR), relating to items by negotiated contract, rather than through a contract under part 12 of the FAR, relating to acquisition of commercial items.

The committee believes that the original decision to procure JPATS as a commercial item unnecessarily limited cost oversight by the government by denying the government access to certified cost or pricing data from the manufacturer. The committee believes that an agreement to change the terms and conditions of the existing JPATS contract from a commercial item contract to a standard defense contract is necessary to provide the government the oversight it needs to procure aircraft at a fair price. The Department of Defense Inspector General report, number D-2006-075, entitled "Acquisition of the Joint Primary Aircraft Training System," dated April 12, 2006, recommended that the Assistant Secretary of the Air Force for Acquisition discontinue the commercial item procurement strategy for the JPATS program and replace it with a strategy that would require the contractor to provide certified cost or pricing data and visibility into contractor cost and help the Government ensure prices negotiated and eventually paid are reasonable.

The committee notes that the Air Force has announced its intent to renegotiate this contract to a FAR part 15 contract. This provision is intended to support that decision.

**Prohibition on retirement of C-130E/H tactical airlift aircraft (sec. 142)**

The committee recommends a provision that would prohibit the Secretary of the Air Force from retiring any C-130E/H tactical airlift aircraft in fiscal year 2007.

The committee believes it would be premature to retire any C-130 aircraft until an Air Force Fleet Viability Board has conducted an assessment of the C-130E/H fleet of aircraft and the results of the Intra-Theater Lift Capability Study (ITLCS), Phases 1 and 2, identify the right mix and number of intra-theater airlift assets, and that the results of the assessment and the ITLCS study have been provided to the congressional defense committees.

**Limitation on retirement of KC-135E aircraft (sec. 143)**

The committee recommends a provision that would authorize the Secretary of the Air Force to retire up to and including 29 KC-135E aircraft of the Air Force that do not have the Expanded Interim Repair and are currently removed from the flying schedule in fiscal year 2007. It is the intent of the committee to allow the Air Force to retire KC-135E aircraft in a manner consistent with the recommendations of the Air Force Fleet Viability Board, KC-135 Assessment Report, dated September 2005, including, but not limited to, the service completing a business case analysis for this mission area.

**Limitation on retirement of B-52H bomber aircraft (sec. 144)**

The committee recommends a provision that would authorize the Secretary of the Air Force to retire up to and including 18 B-52H aircraft of the Air Force. The committee expects the remaining B-52H aircraft inventory to be maintained in a common aircraft configuration that includes the Electronic Countermeasure Improvement, the Avionics Mid-life Improvement, and the Combat Network Communication Technology modification efforts. The committee expects no further reduction in the B-52H total aircraft inventory, including the current inventory levels for combat coded Primary Mission Aircraft Inventory and Primary Training Aircraft Inventory. The committee is concerned that any further reduction in the B-52H total aircraft inventory will create unacceptable risk to our national security and may prevent our ability to strike the required conventional target set during times of war.

**Retirement of B-52H bomber aircraft (sec. 145)**

The committee recommends a provision that would prohibit the use of any funds available to the Department of Defense from being obligated or expended for retiring or dismantling any of the 93 B-52H bomber aircraft in service in the Air Force as of June 1, 2006, until 30 days after the Secretary of the Air Force submits to the Committees on Armed Services of the Senate and the House of Representatives a report on the bomber force structure. The committee directs that the report shall be conducted by the Institute for Defense Analyses and provided to the Secretary of the Air Force for transmittal to Congress. The committee is troubled that the Air Force would reduce the B-52 bomber fleet without a comprehensive analysis of the bomber force structure similar to the last comprehensive long range bomber study, which was conducted in 1999.

**Prohibition on incremental funding and multiyear procurement of F-22A aircraft (sec. 146)**

The committee recommends a provision that would prohibit the Secretary of the Air Force from using incremental funding for the procurement of F-22A aircraft. In the past, the Congress has approved of incremental funding of certain space programs and a select number of shipbuilding programs. Notwithstanding assertions to the contrary, authorizing incremental funding for the F-22A would set a precedent for funding aircraft. The committee sees no justification for setting such a precedent in the case of the F-22A, where the Department of Defense has proposed incremental funding merely as a way of alleviating cash flow pressures on the overall Department.

Additionally, the provision would prohibit the Secretary of the Air Force from entering into a multiyear procurement of the F-22A. Subsections (a)(1) through (6) of section 2306b of title 10, United States Code establish the conditions for entering into a multiyear procurement contract. The statute requires that the use of such a contract will result in substantial savings of the total anticipated costs of carrying out the program through annual contracts. Although it would seem possible to achieve savings from implementing a multiyear procurement for the F-22A, the Air Force has not yet completed a thorough analysis of multiyear savings.

The statute also requires that the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic. The fact that the Air Force had budgeted 24 F-22A aircraft in fiscal year 2006, but will only be able to buy 22 or 23 aircraft with available funds does not give confidence that anticipated costs are well understood. Although the Department of Defense and the Air Force have asked for the authority to pursue a multiyear procurement program, the Administration has not submitted any budget exhibits supporting a multiyear procurement strategy.

### **Budget Items—Air Force**

#### **Joint Strike Fighter**

The budget request included \$869.7 million in Aircraft Procurement, Air Force (APAF) to purchase five Air Force aircraft in fiscal year 2007, \$145.3 million in APAF to purchase long lead time materials for eight Air Force aircraft to be purchased in fiscal year 2008, and \$245.0 million in Aircraft Procurement, Navy (APN) to purchase long lead time materials for eight Marine Corps aircraft to be purchased in fiscal year 2008.

The purpose of the Joint Strike Fighter (JSF) program is to provide an affordable replacement strike fighter aircraft for major portions of the fleets of the Air Force, the Navy, and the Marine Corps. The Air Force variant will be a conventional takeoff and landing aircraft (CTOL), the Navy variant will be aircraft carrier capable (CV), and the Marine Corps variant will be capable of short takeoff and vertical landing (STOVL). Central to the whole JSF program is achieving an affordable option for these modernization efforts. Commonality within this family of aircraft is crucial in keeping the overall tactical aviation modernization program affordable.

The committee strongly supports, and is committed to achieving, the objective of developing and deploying a technically superior and affordable fleet of Joint Strike Fighters that support the warfighter in performing a wide variety of missions, as well as meeting the United States Government's stated commitments to our international partners and allies.

The committee, however, is concerned that excessive concurrency between the development and procurement programs could hamper efforts to realize this objective in an effective and efficient manner. Recent testimony by a representative of the Government Accountability Office (GAO) indicated that,

The JSF program expects to begin low-rate initial procurement in 2007 with less than 1 percent of the flight test program completed and no production representative prototypes built for the three JSF variants. Technologies and features critical to JSF's operational success, such as a low observable and highly common airframe, advanced mission systems, and maintenance prognostics systems, will not have been demonstrated in a flight test environment when production begins. Other key demonstrations that will have not been either started or only in the initial stages

before production begins include: (1) testing with fully integrated aircraft-mission systems and full software; (2) structural and fatigue testing of the airframe; and (3) ship-board testing of Navy and Marine Corps aircraft.

The committee has also learned that first flight of the first aircraft, a CTOL variant, has slipped several months, and building of the research and development aircraft is running three to five months behind schedule.

The overlap in testing and production is the result of a business case and acquisition strategy that has proven to be risky in past programs like F-22A, Comanche, and B-2A, which far exceeded the cost and delivery goals set at the start of their development programs. JSF has already increased its cost estimate and delayed deliveries through a lengthy replanning effort that added over \$7.0 billion and 18 months to the development program. The committee believes that an evolutionary acquisition strategy to limit requirements for the aircraft's first increment of capabilities that can be achieved with proven technologies and available resources could significantly reduce the JSF program's cost and schedule risks. Such a strategy would allow the program to begin testing and low-rate production sooner and, ultimately, to deliver a useful product in sufficient quantities to the warfighter sooner. The Department of Defense's use of an evolutionary, knowledge-based approach is not unprecedented. The F-16 program successfully evolved capabilities over the span of 30 years, with an initial F-16 capability delivered to the warfighter about four years after development started.

Although the Department has scheduled the production of JSF aircraft to begin replacing legacy aircraft, the committee believes that the development and fielding of JSF variants should be event-driven and that more of the technologies should be matured and risk reduced to the point that the government and the contractor team can sign a fixed-price contract for each production lot of aircraft.

Therefore, the committee recommends a one-year delay in production and a reduction of \$955.0 million from APAF for JSF (consisting of \$869.7 million for JSF and \$85.3 million from JSF advance procurement), and \$245.0 million in APN.

#### **F-22A procurement**

The budget request included \$1,981.3 million in Aircraft Procurement, Air Force (APAF) as part of an incremental funding strategy that would lead to a production profile of 20 aircraft per year for a three-year multiyear procurement of 60 aircraft, beginning in fiscal year 2008. No complete F-22A aircraft were to be procured in fiscal year 2007. The budget request also included \$200.0 million in F-22A advance procurement for economic order quantity (EOQ) items required for the F-22A multiyear procurement program.

The committee does not agree with the Department of Defense acquisition strategy to incrementally fund the F-22A. The committee sees no justification for setting a precedent for funding aircraft, as in the case of the F-22A, where the Department of De-

fense has proposed incremental funding merely as a way of alleviating cash flow pressures on the overall Department.

Additionally, the committee sees no justification for entering into a multiyear procurement of the aircraft. Subsections (a)(1) through (6) of section 2306b of title 10, United States Code establish the conditions for entering into a multiyear procurement contract. One of these conditions is that such a contract will result in substantial savings as compared to the total anticipated costs of carrying out the program through annual contracts. The committee believes that substantial savings are not possible under the proposed acquisition strategy. Although the Department of Defense and the Air Force have asked for the authority to pursue a multiyear procurement program, the Administration has not submitted any budget exhibits supporting a multiyear procurement strategy. Without a multiyear procurement program, the \$200.0 million in EOQ funds are in excess and should be applied to the procurement of F-22A aircraft in fiscal year 2007.

Therefore, the committee recommends an increase of \$1,400.0 million in APAF for a total procurement of \$3,381.3 million. The committee authorizes the Air Force to procure up to and including 20 F-22A aircraft in fiscal year 2007.

#### **C-17A procurement**

The budget request included \$2,636.2 million in Aircraft Procurement, Air Force (APAF), to complete the buy of 180 C-17A aircraft, including \$433.2 million for line closure expenses. In addition, the fiscal year 2006 budget, as enacted, is \$224.5 million for buying additional aircraft or for line closure expenses. Therefore, with the Air Force planned closure of the production line after the delivery of 180 aircraft, there would be available \$657.7 million for line closure expenses.

The committee is concerned that premature closure of the C-17A production line would leave the Department of Defense with inadequate lift capabilities. While the Mobility Capabilities Study (MCS) identified that a fleet of 180 C-17As was adequate, that recommendation was based on many assumptions, some of which, only months after its completion, no longer hold true. There is a clear need for additional C-17As in order to meet inter- and intra-theater lift requirements.

In addition, the study assumed a standard usage rate, one significantly lower than what the Air Force has experienced over the past several years. In fact, the service is flying its transports in excess of 159 percent of planned usage rates, which is leading to premature aging of the fleet. Some of the older transports now fly with restrictions due to sustained high usage. For this reason, the committee believes that higher usage rates necessitate the production of additional aircraft to ensure the long-term adequacy of the fleet.

In the Senate report accompanying S. 1042 (S. Rept. 109-69) of the National Defense Authorization Act for Fiscal Year 2006, the committee requested a further determination by the Secretary of Defense on the adequacy of airlift capabilities for several reasons, including increased humanitarian usage, the return of 70,000 personnel to the United States due to the Base Relocation and Alignment Commission results, homeland security requirements, Special

Operations Command missions, requirements associated with the Army's Strategic Brigade Airdrop goal, and lift requirements for the Army's Stryker Brigades. The committee has yet to receive the Secretary's report. However, it would be difficult to conclude that these changes have not led to growth in our lift requirements.

In addition, the committee is further concerned that C-17A production is scheduled to cease well before the results of the C-5 modernization demonstration program in December 2008 are available. As a recent Department of Commerce analysis points out, the cost to restart production of the C-17A would exceed \$5.0 billion and take 4 years before additional transports would become available. This conclusion is fully consistent with attempts in the early 1980s to restart the C-5 program, which was difficult, costly, and took years to restart. Additional funding for C-17A procurement has been included on the Air Force Chief of Staff's unfunded priorities list.

For these reasons, the committee recommends redirecting the \$657.7 million planned for line closure to procure additional C-17A aircraft. The committee recommends \$257.7 million in advance procurement (using the \$224.5 million of fiscal year 2006 advance procurement with an additional \$33.2 million transferred from the C-17A procurement line to the C-17A advance procurement line in fiscal year 2007), and applying the remaining \$400.0 million to buy two additional C-17As.

#### **KC-135 tanker replacement**

The budget request included \$36.1 million in Aircraft Procurement, Air Force (APAF) to purchase long, lead time materials to support the first aircraft delivery of a replacement tanker for the KC-135 aircraft in fiscal year 2010, and \$203.9 million in PE 41221F for non-recurring engineering, test development, and program office expenses. The KC-135 tanker replacement program had been under a Department of Defense-directed pause which has resulted in a program schedule slip that will cause the contract award for tanker replacement to occur in fiscal year 2008.

The committee recommends a decrease of \$36.1 million in APAF, and a decrease of \$199.0 million in PE 41221F for the KC-135 tanker replacement program to reflect the schedule slip.

#### **A/OA-10 modifications**

The budget request included \$107.5 million in Aircraft Procurement, Air Force (APAF) for modifications to the A/OA-10 aircraft. The modifications for the A/OA-10 include, but are not limited to, a communications and datalink upgrade, precision engagement upgrades, and a missile warning capability. A recent urgent needs request was established for an A/OA-10 robust, frequency-selectable, line-of-sight and beyond line-of-sight secure airborne communications and datalink capability that can be provided by the ARC-210 radio. The net effect of this improvement will be highly reliable, responsive air support of joint, coalition, and multi-national ground forces, and lower maintenance provided by materiel improvement. The precision engagement program upgrades include a digital stores management system, MIL-STD-1760 munitions bus, SNIPER/Litening targeting pod integration, improved hands-on-throttle-

and-stick (HOTAS) control, two new multifunctional color cockpit displays, an improved head-up display, and digital datalink. The precision engagement upgrades will permit the A/OA-10 to employ GPS-guided munitions such as the Joint Direct Attack Munition and the Wind Corrected Munitions Dispenser. The A/OA-10 aircraft also requires an extended duration, covert infrared countermeasures capability to protect the aircraft from infrared surface-to-air missile threats that abound in its typical operating envelope for ground attack. Accelerated procurement of A/OA-10 modifications is included as the number three priority on the Chief of Staff of the Air Force's unfunded priorities list.

The committee recommends an increase of \$83.4 million in APAF to accelerate the A/OA-10 modification program.

#### **C-5 aircraft avionics modernization program**

The budget request included \$223.1 million in Aircraft Procurement, Air Force (APAF) for modifications to the C-5 aircraft, including \$50.4 million to continue the C-5 avionics modernization program (AMP). AMP upgrades the C-5 cockpit by replacing unreliable cockpit avionics, installs communication, navigation, surveillance/air traffic management equipment capabilities that will improve air traffic management by taking advantage of optimum air routes. AMP also installs navigation safety equipment such as the traffic alert and collision avoidance system and the terrain awareness and warning system. To accelerate this program, the committee recommends an increase of \$32.0 million in APAF for C-5 AMP.

#### **Bomb insensitive munitions upgrade**

The budget request included \$41.9 million in Procurement of Ammunition, Air Force (PAAF), for Mk 84 bombs, but included no funding for facilitation of the insensitive munitions upgrade at the McAlester Army Ammunition Plant. The committee recommends an increase of \$4.0 million in PAAF for facilitation of the insensitive munitions upgrade at the McAlester Army Ammunition Plant for the Mk 84 bomb production line.

#### **Propulsion replacement program**

The budget request included \$294.6 million in Missile Procurement Air Force (MPAF), for the Minuteman III propulsion replacement program. This program extends the life, maintains the performance, and improves reliability of the Minuteman III Intercontinental Ballistic Missile by remanufacturing all three solid rocket motor stages. Refurbishment of the motors is necessary to sustain the Minuteman III force through 2020.

The committee recommends an increase of \$20.0 million in MPAF, line 11, for the propulsion replacement program to offset increased costs of ammonium perchlorate and attrition hardware.

#### **Expanded intelligence support for reach-back operations**

The demand for intelligence exploitation from Air Force high mission aircraft, such as Predator, Global Hawk, and U-2, is increasing. Advances in technology allow for this imagery and signals intelligence exploitation to be conducted by Air Force intelligence

organizations at home stationed in the United States rather than being forward deployed. Air National Guard (ANG) squadrons have successfully assumed portions of this mission set.

The committee recommends that this capability be expanded in the ANG. The committee also recommends an increase of \$7.5 million in Other Procurement, Air Force, Intelligence Communications, to provide necessary communications equipment and unique intelligence workstations to enhance the mission capabilities of ANG intelligence squadrons and to expand the intelligence reach-back capabilities of the Department of Defense.

#### **Self-deploying infrared streamer**

The budget request included no funding in Other Procurement, Air Force (OPAF) for personal safety and rescue equipment items less than \$4.0 million. The self-deploying infrared streamer (SDIRS) system aids in the rescue of downed aircrew at sea. The SDIRS system is attached to an ejection seat and automatically deploys and activates upon submergence in the water, making the wearer highly visible to search and rescue teams using the naked eye during daylight and night vision equipment during hours of darkness. The SDIRS installation requires only minimal modification to the existing system without affecting other components of the pilot's survival kit.

The committee recommends an increase of \$4.0 million in OPAF for the procurement of the self-deploying infrared streamer.

**Title I - Procurement**

(Dollars in Thousands)

Account	Line	Program Title	FY 2007		Senate		Senate	
			Request	Change	Request	Authorized		
			Qty	Cost	Qty	Cost	Qty	Cost
		<b>Procurement, Defense-Wide</b>						
		<b>Major Equipment</b>						
		<b>Major Equipment, OSD/WHS</b>						
300	1	MAJOR EQUIPMENT, OSD Army, high performance computing research center		84,861		22,337 [22,337]		107,198
		<b>Major Equipment, NSA</b>						
300	2	CONSOLIDATED CRYPTOLOGIC PROGRAM	[ ]	[ ]			[ ]	[ ]
300	3	INFORMATION SYSTEMS SECURITY PROGRAM (ISSP)		12,133				12,133
300	4	DEFENSE AIRBORNE RECONNAISSANCE PGM	[ ]	[ ]			[ ]	[ ]
300	5	COUNTERDRUG INTELLIGENCE						
		<b>Major Equipment, WHS</b>						
300	6	WHS MOTOR VEHICLES	1	175			1	175
300	7	MAJOR EQUIPMENT, WHS		23,451				23,451
		<b>Major Equipment, DISA</b>						
300	8	INTERDICTION SUPPORT						
300	9	INFORMATION SYSTEMS SECURITY		18,747				18,747
300	10	DEFENSE MESSAGE SYSTEM		6,247				6,247
300	11	GLOBAL COMMAND AND CONTROL SYSTEM		5,584				5,584
300	12	GLOBAL COMBAT SUPPORT SYSTEM		2,652				2,652
300	13	TELEPORT PROGRAM		50,280				50,280
300	14	GLOBAL INFORMATION GRID						
300	15	ITEMS LESS THAN \$5 MILLION		41,386				41,386
300	16	NET CENTRIC ENTERPRISE SERVICES (NCES)		26,952				26,952
300	17	DEFENSE INFORMATION SYSTEM NETWORK (DISN)		29,870				29,870
300	18	PUBLIC KEY INFRASTRUCTURE		1,928				1,928
		<b>Major Equipment, DIA</b>						
300	19	INTELLIGENCE AND COMMUNICATIONS	[ ]	[ ]			[ ]	[ ]

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request			Senate Change			Senate Authorized		
			Qty	Cost		Qty	Cost		Qty	Cost	
300	20	COMBATANT COMMAND INTELLIGENCE OPERATION	[ ]	[ ]				[ ]	[ ]		
300	21	INTELLIGENCE SUPPORT TO OSD COUNTER-NARCOT	[ ]	[ ]				[ ]	[ ]		
300	22	DEFENSE HUMINT INTELLIGENCE (HUMINT) PROGRA	[ ]	[ ]				[ ]	[ ]		
		<b>Major Equipment, DLA</b>									
300	23	MAJOR EQUIPMENT		8,694							8,694
		<b>Major Equipment, DCAA</b>									
300	24	ITEMS LESS THAN \$5 MILLION		1,520							1,520
		<b>Major Equipment, TJS</b>									
300	25	MAJOR EQUIPMENT, TJS		42,988							42,988
		<b>Major Equipment, DHRA</b>									
300	26	PERSONNEL ADMINISTRATION		7,915							7,915
		<b>National Geospatial Intelligence Agency</b>									
300	27	MAJOR EQUIPMENT, NGA	[ ]	[ ]				[ ]	[ ]		[ ]
		<b>Defense Threat Reduction Agency</b>									
300	28	VEHICLES		180							180
300	29	OTHER MAJOR EQUIPMENT		15,698							15,698
		<b>Defense Security Cooperation Agency</b>									
300	30	OTHER MAJOR EQUIPMENT		507							507
		<b>Major Equipment, AFIS</b>									
300	31	MAJOR EQUIPMENT, AFIS		5,636							5,636
		<b>Major Equipment, DODDE</b>									
300	32	AUTOMATION/EDUCATIONAL SUPPORT & LOGISTICS		1,522							1,522
		<b>Major Equipment, DCMA</b>									
300	33	MAJOR EQUIPMENT		3,257							3,257
		<b>Major Equipment, DTSA</b>									
300	34	MAJOR EQUIPMENT		421							421

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
300	35	Major Equipment, BTA MAJOR EQUIPMENT, BTA		16,291			16,291	
		Special Operations Command						
300	36	Aviation Programs ROTARY WING UPGRADES AND SUSTAINMENT		86,758		13,900	100,658	
		M134D-T mini gun				[13,900]		
300	37	SOF TRAINING SYSTEMS		1,522			1,522	
300	38	MC-130H AIR REFUELING SYSTEM		59,812			59,812	
300	39	MH-47 SERVICE LIFE EXTENSION PROGRAM		91,902			91,902	
300	40	MH-60 SOF MODERNIZATION PROGRAM		158,824			158,824	
300	41	MC-130H, COMBAT TALON II		168,780			168,780	
300	42	CV-22 SOF MOD	2	1,131			1,131	
300	43	AC-130U GUNSHIP ACQUISITION		49,763			49,763	
300	44	C-130 MODIFICATIONS		1,143			1,143	
300	45	AIRCRAFT SUPPORT						
		Shipbuilding						
300	46	ADVANCED SEAL DELIVERY SYSTEM (ASDS)		12,629			12,629	
300	47	MK8 MOD1 SEAL DELIVERY VEHICLE		2,473			2,473	
		Ammunition Programs						
300	48	SOF ORDNANCE REPLENISHMENT		43,679			43,679	
300	49	SOF ORDNANCE ACQUISITION M153 time delayed firing device/sympathetic detonator		13,604		7,500	21,104	
		Other Procurement Programs				[7,500]		
300	50	COMMUNICATIONS EQUIPMENT AND ELECTRONICS		70,410			70,410	
300	51	SOF INTELLIGENCE SYSTEMS Persistent Predator operations and intelligence JTWS variants for network-centric advanced platforms		32,743		18,900	51,643	
						[13,400]		
						[5,500]		

**Title I - Procurement**  
(Dollars in Thousands)

Account	Line	Program Title	FY 2007 Request		Senate Change		Senate Authorized	
			Qty	Cost	Qty	Cost	Qty	Cost
300	52	SMALL ARMS AND WEAPONS MK47 Mod 0 Striker40		105,788		18,200	123,988	
		Special Operations Forces laser acquisition marker (SOFLAM)			[12,900]			
					[5,300]			
300	53	CLASSIFIED PROGRAMS	[ ]	[ ]			[ ]	
300	54	MARITIME EQUIPMENT MODIFICATIONS		1,831			1,831	
300	55	SPECIAL APPLICATIONS FOR CONTINGENCIES		9,608			9,608	
300	56	SOF COMBATANT CRAFT SYSTEMS		20,204		8,200	28,404	
		SOCOM craft modifications			[8,200]			
300	57	SPARES AND REPAIR PARTS		5,302			5,302	
300	58	SPECIAL PROGRAMS	[ ]	[ ]			[ ]	
300	59	TACTICAL VEHICLES		13,196			13,196	
300	60	MISSION TRAINING AND PREPARATIONS SYSTEMS		12,841			12,841	
300	61	COMBAT MISSION REQUIREMENTS						
300	62	MILCON COLLATERAL EQUIPMENT		3,090			3,090	
300	63	UNMANNED VEHICLES		20,700			20,700	
300	64	CLASSIFIED PROGRAM (GDIP)	[ ]	[ ]			[ ]	
300	65	SOF MARITIME EQUIPMENT		2,655			2,655	
300	66	DRUG INTERDICTION						
300	67	MISCELLANEOUS EQUIPMENT		13,074			13,074	
300	68	SPECIAL OPS MISSION PLANNING ENVIRONMENT						
300	69	SOF OPERATIONAL ENHANCEMENTS		434,472			434,472	
300	70	PSYOP EQUIPMENT		93,881			93,881	
		<b>Chemical/Biological Defense</b>						
		<b>CBDP</b>						
300	71	INSTALLATION FORCE PROTECTION		86,157			86,157	
300	72	INDIVIDUAL PROTECTION		76,732			76,732	
300	73	DECONTAMINATION		16,793			16,793	

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>	<u>Cost</u>
300	74	JOINT BIOLOGICAL DEFENSE PROGRAM		47,113				47,113
300	75	COLLECTIVE PROTECTION		43,508				43,508
300	76	CONTAMINATION AVOIDANCE		236,120				266,120
		M22 automatic chemical agent alarm (ACADA)				30,000		
		Improved chemical agent monitor (ICAM)				[20,000]		
300	999	CLASSIFIED PROGRAMS		414,328		[10,000]		414,328
<b>Total - Procurement, Defense-Wide</b>				<b>2,861,461</b>		<b>119,037</b>		<b>2,980,498</b>

**Title I - Procurement**  
(Dollars in Thousands)

<u>Account</u>	<u>Line</u>	<u>Program Title</u>	<u>FY 2007</u>		<u>Senate</u>		<u>Senate</u>	
			<u>Qty</u>	<u>Cost</u>	<u>Request</u>	<u>Change</u>	<u>Authorized</u>	<u>Cost</u>
		National Guard & Reserve Equipment						
		Reserve Equipment						
		ARMY RESERVE						
	1	MISCELLANEOUS EQUIPMENT						
	2	NAVY RESERVE						
		MISCELLANEOUS EQUIPMENT						
	3	MARINE CORPS RESERVE						
		MISCELLANEOUS EQUIPMENT						
	4	AIR FORCE RESERVE						
		MISCELLANEOUS EQUIPMENT						
		National Guard Equipment						
		ARMY NATIONAL GUARD						
	5	MISCELLANEOUS EQUIPMENT						
		AIR NATIONAL GUARD						
	6	MISCELLANEOUS EQUIPMENT						
		<b>Total - National Guard &amp; Reserve Equipment</b>						
		<b>Defense Production Act Purchases</b>						
360	1	DEFENSE PRODUCTION ACT PURCHASES						
		<b>Total - Defense Production Act Purchases</b>						
		<b>TOTAL PROCUREMENT</b>			82,901,018	2,826,774		85,727,792

### **Budget Items—Defense-wide**

#### **Army high performance computing research center**

The budget request included \$84.9 million in Procurement, Defense-wide for major equipment, including \$51.2 million for the High Performance Computing (HPC) Modernization Program (HPCMP). Department of Defense (DOD) supercomputing requirements for support of the research, development, test and evaluation community are collected and validated annually. Current projections show that the deployed capability in fiscal year 2007 will meet less than half of the validated requirement. The addition of supercomputers at the Army HPC research center will help the Department meet a high percentage of the requirement. The committee recommends an increase of \$22.3 million in Procurement, Defense-wide, for a total authorization of \$73.5 million for the Army HPC research center.

#### **Mini gun**

The budget request included \$86.8 million in Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Rotary Wing Upgrades and Sustainment, but included no funding for the procurement of the M134 mini gun.

The M134 mini gun is a six barrel Gatling gun that has proven itself as a workhorse for the 160th Special Operations Aviation Regiment (160th SOAR) due to its long service life and reliable rate of fire. The M134 mini gun is one of the highest priorities of the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$13.9 million in PDW, for SOF Rotary Wing Upgrades and Sustainment, to support the procurement of 279 additional mini guns to ensure the 160th SOAR has a common weapon system capable of operating on direct-current power, while also offering a weight savings and improved reliability.

#### **Time delayed firing device/sympathetic detonators**

The budget request included \$13.6 million in Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Ordnance Acquisition, including \$2.7 million for time delayed firing device/sympathetic detonators (TDFD/SYDET), but included insufficient funding to fully replenish the inventory or provide sufficient munitions to train new operators as directed by the 2006 Quadrennial Defense Review Report.

TDFD/SYDET is a time delayed detonating device that greatly enhances the capabilities and efficiency of SOF operators conducting offensive military operations. Sufficient supplies are required to ensure operators have the best possible detonators for actual missions and that the detonator is available to instructors training new SOF operators. TDFD/SYDET is one of the highest priorities of the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$7.5 million in PDW, for SOF Ordnance Acquisition, to procure an additional 5,500 TDFD/SYDET units for SOF operators and trainers.

**Persistent Predator operations and intelligence**

The budget request included \$32.7 million for Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Intelligence Systems, but included no funding for Persistent Predator operations and intelligence.

The U.S. Special Operations Command (USSOCOM) requires the capability to find, fix, and finish time-sensitive, high-value targets. These targets can often only be developed with patient, persistent collection, and require rapid, decisive action during the brief periods in which they present themselves. Persistent Predator operations and intelligence is the highest priority for the Commander, USSOCOM, for additional funding.

The committee recommends an increase of \$13.4 million in PDW, for SOF Intelligence Systems, to procure a mobile Predator operations center and distributed common ground system to conduct dynamic retasking of Predator assets to support SOF ground forces.

**Advanced lightweight grenade launcher**

The budget request included no funding in Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Small Arms and Weapons, for continued procurement of the Advanced Lightweight Grenade Launcher (ALGL).

The ALGL system provides a much improved capability over the Mark 19 grenade launcher it replaced. The ALGL is a lightweight 40MM grenade launching system with day and night fire control and air bursting 40MM ammunition. This capability provides SOF elements the ability to address targets in defilade position, and enables first burst hit capability on point targets up to 1,500 meters. ALGL is one of the highest priorities for the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$12.9 million in PDW, for SOF Small Arms and Weapons, to procure an additional 86 ALGL systems with fire control capability.

**Special Operations Forces laser acquisition marker**

The budget request included \$105.8 million for Procurement, Defense-wide, for Special Operations Forces (SOF), Small Arms Weapons, and \$1.4 million for the night vision sight subcomponent of the Special Operations Forces Laser Acquisition Marker (SOFLAM).

The use of an invisible, coded laser that can only be detected by a targeted missile provides SOF elements with a stand off capability to engage targets, and ensures friendly delivery aircraft spend minimal time in enemy airspace. SOFLAM is one of the highest priorities for the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$5.3 million in PDW, for Small Arms Weapons, to procure twelve SOFLAM for tactical air controllers to mark and laze targets for the delivery of laser guided munitions.

**Special Operations Command craft modifications**

The budget request included \$20.2 million in Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Combatant Craft Systems, including \$2.5 million for craft modifications, but

included insufficient funding to fully upgrade the high speed assault craft inventory.

The committee notes that the craft modifications will accelerate technology insertion, including the high performance diesel engine propulsion system, the integrated onboard ground operating system, and the integrated bridge system. The craft modifications are one of the highest priorities of the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$8.2 million in PDW, for SOF Combatant Craft Systems, to fully upgrade the high speed assault craft currently used by Naval Special Warfare Command in the execution of their mission to conduct interdiction at sea, as well as insertion and extraction of combat force to or from shore based targets.

#### **Joint threat warning system**

The budget request included \$4.5 million in Procurement, Defense-wide (PDW), for Special Operations Forces (SOF), Intelligence Systems Development, for continued procurement of the Joint Threat Warning System (JTWS), but the amount requested will only equip a small portion of special operations forces with this much-improved threat warning capability for ground, air, and maritime forces.

JTWS is a modular, lightweight, ground signals intelligence system that can be mounted on a variety of SOF delivery platforms to provide threat warning, situational awareness, and enhanced force protection for SOF elements. JTWS is an evolutionary acquisition program that builds upon previous efforts to separately acquire similar systems for air, ground, and maritime applications. Accelerating the procurement of this capability to provide a network-centric family of systems is one of the highest priorities of the Commander, U.S. Special Operations Command, for additional funding.

The committee recommends an increase of \$5.5 million in PDW, for SOF Intelligence Systems Development, to procure additional JTWS variants that will allow operators increased situational awareness.

#### **Automatic Chemical Agent Detector and Alarm**

The budget request included \$236.1 million in Procurement, Defense-wide (PDW), for contamination avoidance equipment to support the procurement of chemical and biological detection, warning and reporting, and reconnaissance systems, such as the Automatic Chemical Agent Detector and Alarm (ACADA). The committee notes that a number of Army National Guard units are deployed in support of military operations. These units must have the best possible defense against chemical threats. The committee recommends an increase of \$20.0 million in PDW to meet procurement shortfalls in fielding ACADA systems.

#### **Improved chemical agent monitor**

The budget request included \$236.1 million in Procurement, Defense-wide (PDW), for contamination avoidance equipment, but included no funding for the Improved Chemical Agent Monitor

(ICAM). ICAM is a hand-held, soldier operated, post-attack device that provides a means of quickly detecting the presence of nerve and blister agent contamination on personnel and equipment.

The committee notes that Army National Guard units do not all possess the capability to rapidly and effectively detect the presence of chemical agents. These units must have the best available equipment to detect the presence of chemical threats.

The committee recommends an increase of \$10.0 million in PDW, for ICAM, to increase the Army National Guard's contamination avoidance capabilities.

### **Items of Special Interest**

#### **Cost control for certain helicopter acquisition programs**

The Department of Defense, including the Army, Navy, Air Force, and Marine Corps are all buying helicopters for filling various missions. Two of these programs have generated concern because of recent developments. The Marine Corps has been developing upgrades and replacements for its existing fleet of attack (AH-1) and utility (UH-1) helicopters. These programs, which are being conducted by the same manufacturer, have experienced delayed deliveries and increasing costs. These problems appear, at least in part, to have been caused by deficient cost control and cost accounting procedures by which the contractor manages the programs and through which Department of Defense acquisition officials can manage the government's equities in the programs.

This raises concerns with the committee, since these same procedures have been used on other existing programs and could be used on future programs as well. Since the Marine Corps' MV-22, Special Operations Command's CV-22, the Air Force's VH-71, and the Army's Armed Reconnaissance Helicopter (ARH) programs will all be acquired in whole or in part from the same contractor, the committee believes that Department-wide attention should be focused on the corrective actions that are being proposed for restructuring the AH-1 and UH-1 programs.

Therefore, the committee strongly urges the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) to conduct a thorough review of the cost control and cost accounting procedures for helicopter acquisition programs of the various helicopter prime contractors, not just the contractor involved in the AH-1 and UH-1 programs. We need to be sure that we are getting fair value for the billions of dollars that the taxpayer will be investing in the various helicopter acquisition programs in the current plan.

The committee will reserve judgment on the plan to restructure the UH-1 and AH-1 programs until the Department completes its review.

#### **Deployable/mobile command and control programs**

The committee notes that there are many efforts underway in the Department of Defense and military services to develop and field battle management command and control systems. While the committee supports ongoing efforts to improve command and control (C2) capabilities, we are nonetheless concerned that many of

these systems are being developed as service-centric solutions rather than as joint solutions. As a result, there is likely to be unnecessary duplication of effort and cost inefficiencies and, more importantly, there is the potential that systems will lack the necessary interoperability to operate effectively in a joint military operation.

The committee also notes that Joint Forces Command (JFCOM), in coordination with the Department of the Navy, is developing and fielding the first increment of the Deployable Joint Command and Control (DJC2) system with some success. However, with efforts underway to pursue further increments of DJC2 capability, it has become apparent that a number of service-specific solutions to the problem of deployable C2 have recently begun that may duplicate DJC2. In addition, the services have several efforts underway to develop various mobile C2 systems. These systems are intended to provide commanders with battle management and situational awareness capabilities while on the move. For example, the Army is developing the Mounted Battle Command On-The-Move (MBCOTM) system and the Marine Corps is developing the Command and Control On-The-Move Network Digital Over-the-Horizon Relay (CONDOR) system. Additionally, JFCOM is designing a Command and Control on the Move (C2OTM) system under limited acquisition authority. While each service will argue that they need a service-unique deployable C2 solution to meet service-specific requirements, a common solution set of equipment that could meet the needs of multiple services may be preferable, especially given the funding pressures the Department is experiencing. The committee believes that there are efficiencies to be gained from merging the services' deployable and mobile C2 initiatives.

As a first step in identifying the extent to which there is a problem with the military services continuing to pursue service-specific C2 solutions at the expense of joint solutions, the committee directs the Comptroller General to provide a report to the congressional defense committees, no later than March 15, 2007, reviewing current and planned programs within the Department to develop deployable and mobile C2 systems. The report will include an assessment of the requirements, costs, and schedules of these programs and whether joint development approaches are warranted.

#### **F-18 Hornet to Joint Strike Fighter transition**

The committee is concerned that the Navy will confront a sizeable gap in aircraft inventory as older F/A-18A-D Hornets retire before the aircraft carrier variant of the Joint Strike Fighter (JSF) is available. F/A-18A-D aircraft were originally designed for a service life of 6,000 flight hours, and after an initial engineering study, that limit was raised to 8,000 flight hours. It would take additional service life extensions to reach 12,000 flight hours to ensure a smooth transition to JSF with no inventory shortfall.

The magnitude of the problem, and the procurement cost to avoid a shortfall in the carrier air wing force structure, is entirely dependent on when the Navy determines that its F/A-18A/Cs are at the end of their service life. An ongoing Service Life Assessment Program (SLAP) II study, to be completed in December 2007, will determine the maximum service life of the aircraft. Early projections from the SLAP II study indicate that aircraft service life may

be approved beyond 8,000 flight hours. However, the Navy has acknowledged that, even if 10,000 flight hours were achievable, the inventory shortfall would be 50 aircraft. If any of the assumptions used in the Navy's analysis change or prove to be overly optimistic, the inventory gap will grow dramatically.

The committee understands that an acquisition decision is not required this fiscal year. However, small steps taken now could prevent the requirement for major and expensive program changes in 2010. Accordingly, the committee recommends that the Navy consider buying additional F/A-18E/Fs to mitigate the known shortfall, while allowing the Navy to transition to the JSF as soon as feasible. In addition, the committee directs the Navy to report the preliminary findings of the SLAP II study to the congressional defense committees no later than June 15, 2007.

#### **Fully funded bomber roadmap**

The Secretary of the Air Force shall provide a bomber roadmap to the congressional defense committees within 120 days of enactment of this Act. The roadmap will outline a plan for long-range strike bombers with specific details of upgrade plans for legacy bombers and a schedule for development of the new long-range strike bomber. The roadmap shall include the amount of funding that would be needed to implement the roadmap through fiscal year 2020.

#### **Littoral Combat Ship**

The Littoral Combat Ship (LCS) is a small, fast Navy surface combatant with modular weapon systems, designed to fill critical capability gaps for warfighting in the littorals. The Navy plans to procure a total of 55 LCS vessels, plus approximately 90 mission modules for mine warfare, anti-submarine warfare, and anti-surface warfare capability. The Navy has emphasized the criticality of littoral capability, modularity, and low acquisition cost as the compelling attributes for procuring this new class of small combatants. The Navy's estimate for LCS procurement was \$220.0 million, with average unit cost for mission modules estimated at \$70.0 million. The Navy's acquisition strategy was to procure 4 flight 0 ships, pause procurement in fiscal year 2008 while evaluating system performance, and then proceed with introduction of a flight 1 design for follow-on ship competition.

The Navy awarded two LCS flight 0 prime contracts, with research and development (R&D) funding in fiscal years 2005 and 2006. Congress appropriated two additional flight 0 ships in Shipbuilding and Conversion, Navy (SCN) in fiscal year 2006, budgeted at the Navy's estimated \$220.0 million unit cost. Additionally, in view of concerns with cost growth on shipbuilding programs, the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) established a \$220.0 million cost cap for the fifth and sixth ships of the LCS program. That cost cap is subject to authorized adjustments for inflation, outfitting, statutory changes, and technology insertion approved by the Secretary of the Navy.

The fiscal year 2007 budget request included \$521.0 million for the fifth and sixth ships of the LCS class, and identified that the Navy's \$220.0 million estimate for LCS unit cost was exclusive of

contract change orders, planning and engineering services, program management support, and other costs not included in the ship construction contract. In total, the Congressional Research Service estimates that these adjustments would increase the average unit procurement cost of follow-on LCS ships about 33 percent, to approximately \$298.0 million. With lead ship construction less than 50 percent complete, it is premature to refine these estimates based on actual construction cost return data. The Navy has also advised that it has revised its acquisition strategy and intends to continue procurement of the two flight 0 versions at least through the planned procurement of the fifteenth LCS in fiscal year 2009.

The construction of lead LCS vessels at two shipyards inherently adds cost risk, which will persist until these ships near completion in 2007 and 2008. The emphasis on cost control would dictate that the Navy pursue competition, commonality, and the results of learning curves to the extent practical in the procurement of this 55 ship class.

The committee views LCS as an important component of the Navy's strategy for conducting the global war on terror, and has supported the Navy's approach to rapidly field this capability. The design and construction of LCS in parallel with development of the mission modules requires heightened management of program risk to ensure affordable, full mission capability of the LCS program. However, the committee is concerned that the affordability appeal of the LCS program is being overtaken by apparent cost growth, and that the rapid ramp up in LCS procurement will compound the issue. The stated emphasis on affordability is obscured by the absence of a clear acquisition strategy to guide strategic program decisions. Additionally, it is unclear that the Navy has assessed the added cost for training, maintenance, configuration management, planning and engineering, and supply support for the two flight 0 ship classes. Further, by virtue of budgeting the costs for procuring the flight 0 LCS vessels in three different appropriations, total costs for the program's start are difficult to discern.

In view of these concerns, the committee directs the Secretary of the Navy to submit a report on the LCS program, no later than December 1, 2006 to the congressional defense committees. The report shall outline the Navy's acquisition strategy for the program, including the competition plan, the flight strategy, and the cost containment strategy for the program; contain a clear representation of all R&D and procurement costs for the total program; and assess the added life cycle costs associated with operation and support for two dissimilar flight 0 LCS designs.

### **Maritime Positioning Force, Future**

The Navy's long-range plan for future force structure includes \$14.5 billion for the development and construction of Maritime Positioning Force (Future) (MPF(F)) ships and related enabling technologies in support of sea basing. The budget request included \$127.7 million in PE 63236N and PE 48042N for the purpose of developing concepts of operation and enabling technologies for the Sea Base. The first MPF(F) ships are planned for procurement in fiscal year 2009, with the Sea Base initial operating capability in 2016.

The Senate report accompanying S. 1042 (S. Rept. 109–69) of the National Defense Authorization Act for Fiscal Year 2006 identified concerns regarding whether the future concept of sea basing is technically feasible and fiscally prudent. The committee understands that sea basing fundamentally comprises a range of capabilities stretching across prepositioning, sealift, expeditionary force, and aircraft carrier operations all of which are employed by the fleet today when called to put forces ashore. The future Sea Base envisioned by the Navy would include MPF(F) squadrons capable of supporting brigade-size assault forces, with automated warehousing and selective offload capability, heavy seas ship-to-ship cargo transfer capability, mobile landing platforms, and ship-to-shore connectors. Further, the MPF(F) squadron could sustain the force ashore for extended periods without reliance on access to other nations' ports or bases.

The large investment required by the MPF(F) sea basing capabilities requires careful assessment regarding the concept of operations for the MPF(F) squadrons. Specific access-denial scenarios, which would dictate employing the MPF(F) ships, need to be understood against the backdrop of the full spectrum of inter-service and inter-agency alternatives for establishing a point of departure for ground forces. To the extent that MPF(F) ships are maintained in a ready status, similar to their prepositioning counterparts, the timeline for deploying the MPF(F) ships and the crewing concept for their operations become important factors in scenario planning for the Sea Base. Similarly, an understanding of capstone requirements for probability of raid annihilation and other force defense requirements for the Sea Base is critical, since the MPF(F) ships will potentially embark a brigade-size force, yet they lack the self-defense features of expeditionary warships.

Technical challenges confronting the development of the critical enabling technologies for sea basing need to be assessed, and the risks need to be sufficiently understood to be able to warrant near-term decisions regarding further investment in MPF(F) ship procurement. The committee believes it is important to ensure that these technologies can reliably support the movement of supplies and equipment in heavy seas, at a rate that will sustain a ground force engaged in combat, before large investments are made in MPF(F) ships.

The Navy faces significant financial challenges as it proceeds to build the 313-ship fleet defined by the future force structure plan. In weighing the investment in MPF(F) capability, the committee needs to have clear insight to the full benefit the Navy intends to derive from this concept, an appreciation that the sea basing mission is not better achieved by other measures, and full confidence that the development efforts in question are achievable in the timeframe planned and budgeted. Accordingly, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees with the fiscal year 2008 budget request, addressing: (1) the Sea Base concept of operations for the MPF(F) ships, including timelines that detail force deployment and underway operations in defense planning scenarios; (2) Sea Base capstone requirements that address defense of the MPF(F) ships against swarming boats, diesel submarine threats, or high density

anti-ship cruise missile raids; (3) MPF(F) key performance parameters; (4) MPF(F) crewing concepts, and assessment of related cost and operational considerations; (5) refined ship cost estimates and total program costs, including development and procurement for connectors and other capabilities required by the Sea Base; (6) the management plan, including consideration for assignment as a Major Defense Acquisition Program, for overseeing end-to-end development and integration of this joint system-of-systems; and (7) a program roadmap that outlines the development, test, and integration plan for the enabling technologies with the MPF(F) platforms.

### **Ship systems commonality**

Navy vessels require common capabilities such as communications, surveillance, self-defense, damage control, combat systems, weapon deployment, propulsion, computing capability, and electrical power generation and distribution. In some cases, ship programs have developed their own solutions for some of these common capabilities. This approach has resulted in a number of different systems performing similar functions. The concept of a family of ships, which applies investments made on one ship class to other ship classes, could avoid redundant research and development while reducing supply and training pipelines. The direct cost savings associated with this approach are readily apparent. The effect of the absence on competitive pressure on the incumbent vendor in terms of cost and technology innovations is less clear.

The modular and open architecture approach to designing and integrating subsystems, which can be assembled as required to meet the specific missions, could reduce design and integration costs for Navy ships. The Navy might be in a position to apply this concept to a number of currently planned ship classes. The committee believes that the Navy should explicitly consider whether having such an approach for the design, integration, installation, and life cycle support for common systems for future ships would provide better value for the government.

Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees, with the fiscal year 2008 budget request, on the analysis of costs and benefits of implementing a plan to maximize commonality in the design, integration, and installation of systems into new ships and existing ships.

### **Submarine force structure**

The Secretary of the Navy submitted a report to Congress on the long-range plan for construction of naval vessels with the fiscal year 2007 budget request. This plan reflects the determination by the Chief of Naval Operations (CNO) that the National Defense Strategy requires a fleet of 313 ships, including 48 attack submarines, to meet the threat in future years. In testimony before the Subcommittee on Seapower of the Committee on Armed Services, the Navy witnesses described the level of 48 attack submarines as the minimum level necessary to support both wartime and peacetime requirements.

The Navy also indicated that, with currently planned construction, attack submarine forces drop below 48 submarines for 15 years. The future-years defense program (FYDP) supports building only one attack submarine per year through fiscal year 2011, with sufficient advance procurement during the FYDP to support increasing the production rate to two boats per year in fiscal year 2012. The Navy's leadership has stated that they need to get the price of *Virginia*-class attack submarines to a level of \$2.0 billion per boat before increasing the build rate. The committee completely agrees with the Navy's affordability focus, but simultaneously views the most important step to improve affordability is to increase the production rate of the *Virginia*-class to more than one boat per year.

The committee understands that the Navy is trying to modernize in a constrained fiscal environment. However, the committee does not understand the continuing delays in increasing the construction rate. By the Navy's own assessment: (1) submarines perform a uniquely Navy mission; (2) the minimum requirement is to have 48 attack submarines; (3) submarine force levels will fall below 48 during the next decade and remain there for 15 years; (4) the Navy needs to achieve cost reductions in attack submarine construction in order to increase production rates without impinging on other priority shipbuilding programs; and (5) there are potential technology insertion opportunities that might help reduce costs and permit the Navy to increase the production rate.

Having said that, the Navy's and industry's plan for achieving the \$2.0 billion per boat cost goal requires greater definition. The Navy has referred to efforts to develop a number of improvements for the *Virginia*-class that target cost reductions. The committee is concerned, however, that without more specific plans with defined goals and benchmarks, the Navy will get to the end of the FYDP and not necessarily be any closer to achieving real cost reductions in this program. Therefore, the committee directs the Secretary of the Navy to submit with the fiscal year 2008 budget request a detailed plan for developing cost reduction measures with defined goals and benchmarks for the *Virginia*-class production program.

#### **T-38 replacement aircraft**

The committee believes that the T-45, with requisite modifications, could serve as both the next-generation joint trainer and as a replacement for the Air Force T-38 trainer. The committee notes that the service plans to spend \$1.5 billion over the future-years defense program to maintain the T-38 fleet at a cost per flying hour that is double that of the T-45, and that the cost of developing a different replacement trainer and training system for the T-38 would cost an estimated \$2.0 billion.

In addition, the 2005 RAND study, entitled "Assessing the Impact of Future Operations on Trainer Aircraft Requirements," states that the "current T-38 fleet averages almost 14,000 flying hours per airframe, which is almost twice the original design service life," and that if no replacement aircraft is programmed and the T-38 is operated as late as 2040, the Air Force could be training a sizable portion of its new pilots in airframes that are almost 80 years old.

Accordingly, the committee directs the Secretary of the Air Force to conduct a study that would determine the suitability of the T-45 and Korean built KT-50 training aircraft to replace the T-38. Given that all three trainers possess excellent capabilities, the study should focus on cost of procurement, operating costs, the availability of a complete training system, and developmental costs. In addition, if the Secretary determines that sustainment of the current trainer is the most cost-effective course of action, the study should explain how large, long-term sustainment expenditures are justified when readily available replacements are immediately available, and funds to develop a joint follow-on trainer will not become available for the foreseeable future. The Secretary of the Air Force should submit a report on the results of the study to the congressional defense committees by March 15, 2007.

