

**DIVISION A—DEPARTMENT OF DEFENSE
AUTHORIZATIONS**

TITLE I—PROCUREMENT

OVERVIEW

The budget request for fiscal year 2008 contained \$101.7 billion for procurement. This represents a \$28.1 billion increase from the amount authorized for fiscal year 2007.

The committee recommends authorization of \$102.7 billion, an increase of \$1.0 billion from the fiscal year 2008 request.

The committee recommendations for the fiscal year 2008 procurement program are identified in the table below. Major issues are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization
			QTY.	COST	QTY.	COST	QTY.	COST	
	AIRCRAFT PROCUREMENT, ARMY	4,361,898		(433,759)	44,500	(478,259)		3,928,139	
	MISSILE PROCUREMENT, ARMY	2,103,102		11,800	11,800	0		2,114,902	
	PROCUREMENT OF W&TCV, ARMY	3,237,217		73,900	302,000	(228,100)		3,311,117	
	PROCUREMENT OF AMMUNITION, ARMY	2,190,576		47,600	47,600	0		2,238,176	
	OTHER PROCUREMENT, ARMY	11,860,224		(394,768)	53,300	(448,068)		11,465,456	
	JOINT IMPR EXPLOSIVE DEV DEFEAT FUND	0	0	0	0	0	0	500,000	
	TOTAL ARMY	24,253,017		(695,227)	459,200	(1,154,427)		23,557,790	
	AIRCRAFT PROCUREMENT, NAVY	12,747,767		3,000	3,000	0		12,750,767	
	WEAPONS PROCUREMENT, NAVY	3,084,387		(26,000)	0	(26,000)		3,058,387	
	PROCUREMENT OF AMMUNITION, NAVY & MARINE CORPS	1,060,484		0	0	0		1,060,484	
	SHIPBUILDING & CONVERSION, NAVY	13,656,120		2,088,000	2,268,000	(200,000)		15,744,120	
	OTHER PROCUREMENT, NAVY	5,470,412		(26,800)	40,200	(67,000)		5,443,612	
	PROCUREMENT, MARINE CORPS	2,699,057		(118,800)	0	(118,800)		2,580,257	
	TOTAL NAVY	38,718,227		1,919,400	2,331,200	(411,800)		40,637,627	
	AIRCRAFT PROCUREMENT, AIR FORCE	12,393,270		(37,000)	81,900	(118,900)		12,356,270	
	PROCUREMENT OF AMMUNITION, AIR FORCE	868,917		0	0	0		868,917	
	MISSILE PROCUREMENT, AIR FORCE	5,131,002		7,000	7,000	0		5,138,002	
	OTHER PROCUREMENT, AIR FORCE	15,421,162		20,600	20,600	0		15,441,762	
	TOTAL AIR FORCE	33,814,351		(9,400)	109,500	(118,900)		33,804,951	
	PROCUREMENT, DEFENSE-WIDE	3,316,834		219,000	219,000	0		3,537,834	
	PROCUREMENT, DEFENSE PRODUCTION ACT	18,592		0	0	0		18,592	
	CHEM AGENTS & MUNITIONS DESTRUCTION	1,455,724		(1,455,724)	0	(1,455,724)		0	
	NATIONAL GUARD & RESERVE EQUIPMENT								

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	RAPID ACQUISITION FUND	100,000		(100,000)	0	(100,000)				0
	TOTAL DEFENSE-WIDE	4,893,150		(1,336,724)	219,000	(1,555,724)				3,556,426
	NATIONAL GUARD EQUIPMENT			1,131,850	1,131,850					1,131,850
	GRAND TOTAL DEPARTMENT OF DEFENSE	101,678,745		1,009,899	4,250,750	(3,240,851)				102,688,644

AIRCRAFT PROCUREMENT, ARMY

Overview

The budget request for fiscal year 2008 contained \$4.4 billion for Aircraft Procurement, Army. The committee recommends authorization of \$3.9 billion, a decrease of \$433.8 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Aircraft Procurement, Army program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	AIRCRAFT PROCUREMENT, ARMY										
	AIRCRAFT										
	FIXED WING										
1	JOINT CARGO AIRCRAFT		157,043							0	157,043
2	UTILITY F/W AIRCRAFT		0							0	0
	ROTARY										
3	ARMED RECONNAISSANCE HELICOPTER		468,259		(468,259)				(468,259)	0	0
	Program Reduction										
4	HELICOPTER, LIGHT UTILITY (LUH)		230,491							0	230,491
5	UH-60 BLACKHAWK (MYP)	52	955,849							52	955,849
5	LESS: ADVANCE PROCUREMENT (PY)		(185,098)							0	(185,098)
6	ADVANCE PROCUREMENT (CY)		116,745							0	116,745
7	CH-47 HELICOPTER	6	157,908							6	157,908
8	ADVANCE PROCUREMENT (CY)		32,982								32,982
	TOTAL AIRCRAFT		1,934,179		(468,259)		0		(468,259)		1,465,920
	MODIFICATION OF AIRCRAFT										
	GUARDRAIL MODS										
9	GUARDRAIL MODS		149,062							0	149,062
10	ARL MODS		52,298		(10,000)				(10,000)		42,298
	Program Decrease										
11	AH-64 MODS		689,628							0	689,628
11	LESS: ADVANCE PROCUREMENT (PY)		(18,924)								(18,924)
12	ADVANCE PROCUREMENT (CY)		40,957							0	40,957
13	CH-47 CARGO HELICOPTER MODS		577,250							0	577,250
13	LESS: ADVANCE PROCUREMENT (PY)		(36,592)							0	(36,592)
14	ADVANCE PROCUREMENT (CY)		39,182								39,182
15	UTILITY/CARGO AIRPLANE MODS		17,175							0	17,175

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
16	AIRCRAFT LONG RANGE MODS		340							0	340
17	LONGBOW		0							0	0
18	UH-60 MODS		13,035		13,000					0	26,035
	"A" to "L" Engine Upgrade						5,000				
	Medevac and SAR Thermal Imaging						5,000				
	Bleed Air Cabin Heating						3,000				
19	KIOWA WARRIOR		20,807		31,000					0	51,807
	Additional Modifications						31,000				
20	AIRBORNE AVIONICS		179,565							0	179,565
21	GATM ROLLUP		53,071							0	53,071
	TOTAL MODIFICATION OF AIRCRAFT		1,776,854		34,000		44,000		(10,000)		1,810,854
22	SPARES AND REPAIR PARTS										
	SPARE PARTS (AIR)		9,304		500						9,804
	Critical Flight Safety Spares						500				
	TOTAL SPARES AND REPAIR PARTS		9,304		500		500		0		9,804
	SUPPORT EQUIPMENT AND FACILITIES										
	GROUND SUPPORT AVIONICS										
23	AIRCRAFT SURVIVABILITY EQUIPMENT		48,120							0	48,120
24	ASE INFRARED CM		365,472							0	365,472
	OTHER SUPPORT										

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
25	AIRBORNE COMMAND & CONTROL	0								0
26	AVIONICS SUPPORT EQUIPMENT	5,065								5,065
27	COMMON GROUND EQUIPMENT	80,221								80,221
28	AIRCREW INTEGRATED SYSTEMS	42,727								42,727
29	AIR TRAFFIC CONTROL	95,203								95,203
30	INDUSTRIAL FACILITIES	2,377								2,377
31	LAUNCHER, 2.75 ROCKET	2,376								2,376
TOTAL SUPPORT EQUIPMENT AND FACILITIES		641,561		0		0				641,561
TOTAL AIRCRAFT PROCUREMENT, ARMY		4,361,898		(433,759)		44,500		(476,259)		3,928,139

Items of Special Interest

Airborne reconnaissance—low

The budget request contained \$52.3 million for the airborne reconnaissance—low (ARL) program.

The committee recognizes the importance of the ARL program and is committed to the replacement of this legacy platform through the aerial common sensor program. However, the committee notes that justification materials provided to the committee do not adequately explain how requested funding will be executed in fiscal year 2008 and do not explain the significant cost growth compared to fiscal year 2007.

The committee recommends \$42.3 million, a decrease of \$10.0 million, for the ARL program.

Armed reconnaissance helicopter

The budget request contained \$468.3 million in procurement; \$82.3 million in research and development, PE 64220A, titled Armed, Deployable OH-58D; and \$222.2 million for procurement in the fiscal year 2008 request for ongoing military operations for the armed reconnaissance helicopter (ARH). The budget also contained \$20.8 million for OH-58 modifications, the aircraft the ARH is intended to replace.

ARH low-rate initial production was to have begun in December 2006. The committee notes that the Army ARH program issued a stop work order on the program on March 21, 2007, and discussions continue between the contractor and senior acquisition officials of the Army, while the contractor continues work at its own risk. One of the four test aircraft has crashed. Current estimates are for procurement unit cost growth to double from original estimates of approximately \$5.2 million per aircraft to well over \$10.0 million per aircraft. The schedule is currently estimated to slip one year.

The committee recommends that the Army terminate this program and initiate a new source selection for the procurement of an ARH. The committee also recommends that the Army consider minor modification of its key performance parameters, to allow more competitors to compete for this program.

The committee recommends no funds for procurement of ARH; \$50.0 million, a decrease of \$32.3 million, in PE 64220A for ARH; and 51.8 million, an increase of \$31.0 million, for additional OH-58 modifications. The committee recommends no funds in title XV of this Act for ARH.

UH-60A to UH-60L helicopter upgrade

The budget request contained \$13.0 million to procure and field the crashworthy external fuel system safety modification for UH-60 helicopters, but the request did not contain funds for replacement of UH-60A engine transmissions and engine upgrades as part of the UH-60A upgrade program.

The committee notes the prior year funding to complete the non-recurring engineering for a UH-60A to UH-60L upgrade, which would primarily apply to Army National Guard helicopters, resulting in significantly increased reliability, reduction in operating costs, and increased capability.

The committee recommends an increase of \$5.0 million for the upgrade of UH-60As to the UH-60L configuration.

MISSILE PROCUREMENT, ARMY

Overview

The budget request for fiscal year 2008 contained \$2.1 billion for Missile Procurement, Army. The committee recommends authorization of \$2.1 billion, an increase of \$11.8 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Missile Procurement, Army program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.	Committee Change	Committee Increase	Committee Decrease	Committee Authorization
		COST	QTY.	COST	QTY.	COST	QTY.
MISSILE PROCUREMENT, ARMY							
OTHER MISSILES							
1	SURFACE-TO-AIR MISSILE SYSTEM	0					0
2	OTHER MISSILE SUPPORT	472,907	4	11,800			484,707
	Patriot System Summary						
	Additional Missiles		108		11,800		112
3	SURFACE-LAUNCHED AMRAAM SYSTEM SUMMARY:	0					0
	AIR-TO-SURFACE MISSILE SYSTEM						
4	HELLFIRE SYS SUMMARY	46,000					46,000
	ANTI-TANK/ASSAULT MISSILE SYSTEM						
5	JAVELIN (AAWS-M) SYSTEM SUMMARY	180,713	385				180,713
6	TOW 2 SYSTEM SUMMARY	110,593	2,255				110,593
6	LESS: ADVANCE PROCUREMENT (PY)	(22,700)					(22,700)
7	ADVANCE PROCUREMENT (CY)	0					0
8	GUIDED MLRS ROCKET (GMLRS)	225,282	1,482				225,282
9	MLRS REDUCED RANGE PRACTICE ROCKETS (RRPR)	22,585	3,492				22,585
10	MLRS LAUNCHER SYSTEMS	0					0
11	HIGH MOBILITY ARTILLERY ROCKET SYSTEM (HIMARS)	235,865	57				235,865
12	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	0					0
	TOTAL OTHER MISSILES	1,271,245		11,800	11,800	0	1,283,045
MODIFICATION OF MISSILES							
13	Patriot Mods	569,993					569,993
14	Javelin Missile Mods	0					0
15	ITAS/TOW Mods	213,770					213,770
16	MLRS Mods	5,578					5,578
17	HIMARS Modifications	10,541					10,541

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
	TOTAL MODIFICATIONS OF MISSILES	799,882	0		0			0		0		799,882
	SPARES AND REPAIR PARTS											
	SPARES AND REPAIR PARTS											
18	SPARES AND REPAIR PARTS	23,643									0	23,643
	TOTAL SPARES AND REPAIR PARTS	23,643			0			0		0		23,643
	SUPPORT EQUIPMENT AND FACILITIES											
	SUPPORT EQUIPMENT AND FACILITIES											
19	AIR DEFENSE TARGETS	4,268									0	4,268
20	ITEMS LESS THAN \$5.0M (MISSILES)	10									0	10
21	PRODUCTION BASE SUPPORT	4,054									0	4,054
22	CLOSED ACCOUNT ADJUSTMENTS											
	TOTAL SUPPORT EQUIPMENT AND FACILITIES	8,332			0			0		0		8,332
	TOTAL MISSILE PROCUREMENT, ARMY	2,103,102	11,800		11,800			11,800		0		2,114,902

Items of Special Interest

Patriot PAC-3 missiles

The budget request contained \$472.9 million for the procurement of Patriot PAC-3 missiles, a combat-proven missile defense system designed to defend against short- and medium-range ballistic missiles. Based on testimony of combatant commanders over the past several years, the committee believes that more Patriot PAC-3 missiles are required.

The committee recommends \$484.7 million, an increase of \$11.8 million, to procure four additional Patriot PAC-3 missiles.

Patriot modifications and pure fleet upgrade

The budget request contained \$569.9 million for modifications to the Patriot weapons system.

The committee supports the Army's decision to complete the upgrade of the remaining PAC-2 firing units to PAC-3 configuration and its decision to begin the procurement of equipment for two additional Patriot battalions. The committee notes that this decision will provide the warfighter an enhanced capability to meet the near-term ballistic missile threats to our deployed forces and our allies.

The committee recommends \$569.9 million for modifications to the Patriot weapons system, the amount of the budget request.

Tube-launched optically-tracked wire-guided missile

The committee recognizes the increasing requirement for TOW missiles; as well as the significant challenges the Army and Marine Corps face in maintaining an adequate inventory. To sustain the industrial base, the minimum sustained production rate has been raised to 2,255 missiles per-year. The committee is concerned that while the Army has chosen to request funding to fulfill this requirement in fiscal year 2008, the fiscal year 2009 projected Army budget contains a request for only 1,586 missiles. The projected Marine Corps budget request for fiscal year 2009 will not contain procurement of any TOW missiles. Therefore, the total buy will be below the minimum sustained rate of production and would force a substantial increase in the price per missile. The committee also recognizes that in-theater there is an overwhelming requirement for the TOW "bunker buster" (BB) variant in theater. The Army's current acquisition strategy is to procure approximately three times more TOW anti-armor (2B AERO) variants than TOW BB variants.

The committee strongly encourages the Army to reconsider their acquisition strategy to maintain the minimum sustained rate of production. The committee recommends that the Army consider realigning the quantity of TOW BB missiles to be procured to reflect the current demand of these missiles by deployed forces.

WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Overview

The budget request for fiscal year 2008 contained \$3.2 billion for Weapons and Tracked Combat Vehicles, Army. The committee rec-

ommends authorization of \$3.3 billion, an increase of \$73.9 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Weapons and Tracked Combat Vehicles, Army program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	COST	QTY.	COST	QTY.	COST	
	PROCUREMENT OF W&TCV, ARMY										
	TRACKED COMBAT VEHICLES										
1	ABRAMS TRNG DEV MOD		0								0
2	BRADLEY BASE SUSTAINMENT		140,314								140,314
3	BRADLEY FVS TRAINING DEVICES (MOD)		4,684								4,684
4	ABRAMS TANK TRAINING DEVICES		0								0
5	STRYKER VEHICLES	127	1,038,984		65,900						1,104,884
	Program Increase						294,000				
	Mobile Gun System Production Delay							(228,100)			
6	FUTURE COMBAT SYSTEMS (FCS)		79,483								79,483
7	FCS SPIN OUTS		20,123								20,123
	MODIFICATION OF TRACKED COMBAT VEHICLES										
8	CARRIER, MOD		0								0
9	FIST VEHICLE (MOD)		35,400								35,400
10	BFVS SERIES (MOD)		37,611								37,611
11	HOWITZER, MED SP FT 155MM M109A6 (MOD)		36,924								36,924
12	FAASV PIP TO FLEET		0								0
13	IMPROVED RECOVERY VEHICLE (M88 MOD)	45	132,526								132,526
14	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)										41,500
15	ARMORED BREACHER VEHICLE		41,500								0
16	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)		0								12,927
17	JOINT ASSAULT BRIDGE		12,927								588,979
18	M1 ABRAMS TANK (MOD)		588,979								0

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
19	SYSTEM ENHANCEMENT PGM: SEP M1A2	18	52,928								18	52,928
	SUPPORT EQUIPMENT AND FACILITIES											
20	ITEMS LESS THAN \$5.0M (TCV-WTCV)		0								0	0
21	PRODUCTION BASE SUPPORT (TCV-WTCV)		7,760								0	7,760
	TOTAL TRACKED COMBAT VEHICLES		2,230,143		65,900	294,000		(228,100)		2,296,043		
	WEAPONS AND OTHER COMBAT VEHICLES											
	WEAPONS AND OTHER COMBAT VEHICLES											
22	HOWITZER, LIGHT, TOWED, 105MM, M119	111	101,702								111	101,702
23	INTEGRATED AIR BURST WEAPON SYSTEM FAMILY		0								0	0
24	M240 MEDIUM MACHINE GUN (7.62MM)	2,308	45,085								2,308	45,085
25	MACHINE GUN, CAL 50 M2 ROLL		32,317									32,317
26	M249 SAW MACHINE GUN (5.56MM)	8,382	44,576								8,382	44,576
27	MK-19 GRENADE MACHINE GUN (40MM)	970	36,448								970	36,448
28	MORTAR SYSTEMS	313	9,024								313	9,024
29	M16 RIFLE		0								0	0
30	M107, CAL. 50, SNIPER RIFLE		417								0	417
31	XM320 GRENADE LAUNCHER MODULE (GLM)		27,125									27,125
32	XM110 SEMI-AUTOMATIC SNIPER SYSTEM (SASS)	694	10,460								694	10,460
33	M4 CARBINE	69,678	105,824								69,678	105,824
34	SHOTGUN, MODULAR ACCESSORY SYSTEM (MASS)	5,328	7,905								5,328	7,905
35	COMMON REMOTELY OPERATED WEAPONS STATION (CROWS)		29,895								0	29,895
36	FUTURE HANDGUN SYSTEM (FHS)		3,500									3,500
37	HOWITZER LT WT 155MM (T) Additional Howitzers	202	462,569		8,000						202	470,569
	MOD OF WEAPONS AND OTHER COMBAT VEHICLES											
38	MK-19 GRENADE MACHINE GUN MODS		6,264								0	6,264
39	M4 CARBINE MODS		17,714								0	17,714

Title I - PROCUREMENT
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Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
40	M2 50 CAL MACHINE GUN MODS	17,173								17,173
41	M249 SAW MACHINE GUN MODS	12,361								12,361
42	M240 MEDIUM MACHINE GUN MODS	11,700								11,700
43	PHALANX MODS	0								0
44	M119 MODIFICATIONS	1,794								1,794
45	M16 RIFLE MODS	4,088								4,088
46	MODIFICATIONS LESS THAN \$5.0M (WOCV-WTCV)	2,791								2,791
	SUPPORT EQUIPMENT AND FACILITIES									
47	ITEMS LESS THAN \$5.0M (WOCV-WTCV)	1,262								1,262
48	PRODUCTION BASE SUPPORT (WOCV-WTCV)	6,466								6,466
49	INDUSTRIAL PREPAREDNESS	3,189								3,189
50	SMALL ARMS EQUIPMENT (SOLDIER ENH PROG)	5,424								5,424
51	CLOSED ACCOUNT ADJUSTMENTS	0								0
	TOTAL WEAPONS AND OTHER COMBAT VEHICLES	1,007,074		8,000		8,000		0		1,015,074
	SPARE AND REPAIR PARTS									
	SPARES									
52	SPARES AND REPAIR PARTS (WTCV)	0								0
	TOTAL SPARE AND REPAIR PARTS	0		0		0		0		0
	TOTAL PROCUREMENT OF W&TCV, ARMY	3,237,217		73,900		302,000		(228,100)		3,311,117

Items of Special Interest

Abrams tank total integrated engine revitalization program strategy

In the committee report (H. Rept. 109–452) accompanying the National Defense Authorization Act for Fiscal Year 2007, the committee raised concerns regarding the Army’s M1 Abrams tank modernization program and associated funding. The total integrated engine revitalization (TIGER) program for the M1 Abrams tank is an integrated engine maintenance program that increases the service life of M1 Abrams tank engines from 700 to 1,400 hours. The committee strongly encourages both the Chief of Staff of the Army and the Chief of the National Guard Bureau to develop and fund a plan that modernizes the entire Abrams engine tank fleet with TIGER engines by 2010.

Abrams tank multiyear procurement authority

In the committee report (H. Rept. 109–452) accompanying the National Defense Authorization Act for Fiscal Year 2007, the committee encouraged the Army to examine the possibility of a multiyear procurement contract for M1 Abrams tanks based on the large number of upgraded M1 Abrams tanks the Army plans to procure. The committee strongly supports the Army’s efforts to upgrade its fleet of M1 Abrams tanks with the latest technology and believes that the potential savings from a multiyear procurement contract could prove substantial.

While the committee is pleased that the Army requested multiyear authority starting in fiscal year 2008 for the M1A2 system enhancement package (SEP) Abrams tank upgrade program, it is extremely disappointed that the Army chose to place the funding for the fiscal year 2008 allocation of the contract in the fiscal year 2008 funding request for ongoing military operations. The committee believes a multiyear contract should not be contained in an emergency request since it requires planning and contracting for procurement four to five years in the future. The committee provided the requested multiyear procurement authority in section 111 of this Act; however, the committee strongly encourages the Army to place funding for the multiyear procurement of M1A2 SEP Abrams tanks in the President’s base budget request for fiscal year 2009.

Army National Guard Stryker vehicles

The committee recognizes the possible utility of equipping additional Army National Guard (ARNG) units with Stryker vehicles. The committee understands that Stryker forces have proven their utility and effectiveness in Operation Iraqi Freedom (OIF) during their constant deployment to OIF since 2003. The committee recognizes that the combat and homeland security capability of Stryker vehicles could also increase the ARNG’s ability to meet future mission requirements. However, the committee also believes that pursuing additional Stryker units for the ARNG may entail substantial costs for increased procurement, logistics support, military construction, and training, and that these costs have not been fully analyzed by the Army. Additionally, the committee is concerned that pursuing additional Stryker vehicles for the ARNG may compete with funding needed to address more basic, and longstanding,

equipment shortfalls in the ARNG for modern wheeled vehicles, communications systems, tracked combat vehicles, and many other classes of equipment. Finally, the committee notes that \$1.1 billion in additional funding was provided for National Guard equipment in title I of this Act, and that the ARNG could use that funding to procure Stryker vehicles.

The committee directs the Army to submit a report to the congressional defense committees that analyzes the potential utility, in terms of both combat and domestic emergency response capability, of equipping additional ARNG units with Stryker vehicles. The report shall include the comments of the Chief of the National Guard Bureau on each of the items described below. This analysis shall include a range of options for equipping ARNG units including, but not limited to, converting ARNG infantry brigades to Stryker brigades and creating hybrid ARNG brigades that are partially equipped with Stryker vehicles. The report shall also include estimates for the cost of the various alternatives compared to baseline funding projections for ARNG equipment modernization, logistics support, military construction, training, and other relevant cost factors. The Army shall provide this report to the congressional defense committees by March 1, 2008.

Bradley fighting vehicle multiyear procurement authority

In the committee report (H. Rept. 109–452) accompanying National Defense Authorization Act for Fiscal Year 2007, the committee encouraged the Army to examine the possibility of a multiyear procurement contract for M2 Bradley fighting vehicles (BFVs) based on the large number of upgraded M2 BFVs the Army plans to procure. The committee strongly supports the Army's efforts to upgrade its fleet of M2 BFVs with the latest technology and believes that the potential savings from a multiyear procurement contract could prove substantial.

While the committee is pleased that the Army requested multiyear authority starting in fiscal year 2008 for M2 BFV procurement, it is extremely disappointed that the Army chose to place the funding for the fiscal year 2008 allocation of the contract in the fiscal year 2008 funding request for ongoing military operations. The committee believes a multiyear contract should not be contained in an emergency request since it requires planning and contracting for procurement four to five years in the future. The committee provided the requested multiyear procurement authority in section 112 of this Act; however, the committee strongly encourages the Army to place funding for the multiyear procurement of M2 BFVs in the President's base budget request for fiscal year 2009.

Future Combat Systems procurement lines structure

The budget request contained \$99.6 million for Future Combat Systems (FCS) procurement.

The funding was requested in two lines. These lines were "Future Combat Systems (FCS)" for \$79.5 million and "FCS Spin Outs" for \$20.1 million. The committee notes that the requested amounts will procure a wide array of FCS equipment including computers, unmanned ground vehicles, unattended sensors, and other non-vehicular equipment that the Army normally includes in other parts

of the budget request. The committee is concerned that requesting future funding in this manner will make congressional oversight more difficult and create execution challenges for the Army.

The committee recommends \$99.6 million, the amount of the budget request, for FCS procurement in fiscal year 2008. However, the committee urges the Army to consider spreading future FCS procurement requests across multiple, and more specific, procurement budget lines beginning with the fiscal year 2009 budget request.

Stryker vehicle program adjustment

The budget request contained \$1.0 billion for Stryker vehicles and upgrades, containing \$456.3 million for the procurement of 87 Stryker Mobile Gun System (MGS) variants.

The committee notes that the request for Stryker MGS vehicles was based upon conduct of an operational test and evaluation event in the first quarter of fiscal year 2007 and a Milestone C full-rate production decision in the second quarter of fiscal year 2007. However, the committee notes that both of these events, which are required for full-rate production, will be delayed a minimum of six months and possibly as long as ten months. The committee also notes that the Army has an unfunded requirement for \$775.1 million for procurement of other variants of the Stryker vehicle and upgrades in fiscal year 2008.

The committee recommends \$1.1 billion, an increase of \$65.9 million, for Stryker vehicle procurement in fiscal year 2008. The committee recommends that the Army fund production of only 43 Stryker MGS vehicles in fiscal year 2008 and use the remaining funds and the additional \$65.9 million provided by the committee to procure, at a minimum, the following items from the Army's unfunded requirement for Stryker vehicles: 42 Stryker ambulances, 36 Stryker vehicles in anticipation of battle losses, driver protection upgrades, and additional Stryker vehicle armor.

Stryker mobile gun system deployment plan

The committee is concerned that the Army plans to deploy low-rate initial production versions of the Stryker MGS vehicle to Operation Iraqi Freedom prior to completion of operational testing and live-fire test and evaluation. The Subcommittee on Air and Land Forces received testimony on March 27, 2007, from the Army that problems experienced during developmental testing have been addressed to a degree acceptable to field commanders for combat operations. The committee understands the urgency of deploying all available combat systems requested by field commanders; however, the committee urges the Army to complete the required operational and live-fire testing as early as possible and to make any necessary modifications to deployed vehicles.

AMMUNITION PROCUREMENT, ARMY

Overview

The budget request for fiscal year 2008 contained \$2.2 billion for Ammunition Procurement, Army. The committee recommends authorization of \$2.2 billion, an increase of \$47.6 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Ammunition Procurement, Army program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
PROCUREMENT OF AMMUNITION, ARMY										
AMMUNITION										
SMALL/MEDIUM CAL AMMUNITION										
1	CTG, 5.56MM, ALL TYPES	189,179							0	189,179
2	CTG, 7.62MM, ALL TYPES	68,045							0	68,045
3	CTG, HANDGUN, ALL TYPES	4,527							0	4,527
4	CTG, .50 CAL, ALL TYPES	179,466							0	179,466
5	CTG, 20MM, ALL TYPES	0							0	0
6	CTG, 25MM, ALL TYPES	29,243							0	29,243
7	CTG, 30MM, ALL TYPES	21,759							0	21,759
8	CTG, 40MM, ALL TYPES	208,504							0	208,504
MORTAR AMMUNITION										
9	60MM MORTAR, ALL TYPES	6,495							0	6,495
10	81MM MORTAR, ALL TYPES	53,798							0	53,798
11	CTG, MORTAR, 120MM, ALL TYPES	111,594							0	111,594
TANK AMMUNITION										
12	CTG TANK 105MM: ALL TYPES	14,338							0	14,338
13	CTG, TANK, 120MM, ALL TYPES	180,400							0	180,400
ARTILLERY AMMUNITION										
14	CTG, ARTY, 75MM: ALL TYPES	2,699							0	2,699
15	CTG, ARTY, 105MM: ALL TYPES	41,965							0	41,965
16	CTG, ARTY, 155MM, ALL TYPES	88,049							0	88,049
17	PROJ 155MM EXTENDED RANGE XM982	28,781							0	49,881
	Excalibur XM982 Extended Range Artillery Projectile								21,100	21,100
18	MODULAR ARTILLERY CHARGE SYSTEM (MACS), ALL TYPES	60,076							0	60,076
ARTILLERY FUZES										
19	ARTILLERY FUZES, ALL TYPES	4,251							0	4,251
MINES										
20	MINES, ALL TYPES	4,791							0	4,791

Title 1 - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
21	MINE, CLEARING CHARGE, ALL TYPES		2,522									2,522
22	ANTIPERSONNEL LANDMINE ALTERNATIVES ROCKETS		51,876									51,876
23	SHOULDER FIRED ROCKETS, ALL TYPES		29,453									29,453
24	ROCKET, HYDRA 70, ALL TYPES OTHER AMMUNITION		137,861									137,861
25	DEMOLITION MUNITIONS, ALL TYPES		30,945									30,945
26	GRENADES, ALL TYPES		72,392									72,392
27	SIGNALS, ALL TYPES		181,787									181,787
28	SIMULATORS, ALL TYPES MISCELLANEOUS		21,608									21,608
29	AMMO COMPONENTS, ALL TYPES		15,000									15,000
30	NON-LETHAL AMMUNITION, ALL TYPES		25,241									25,241
31	CAD/PAD ALL TYPES		2,748									2,748
32	ITEMS LESS THAN \$5.0 MILLION		6,564									6,564
33	AMMUNITION PECULIAR EQUIPMENT Outloading Modules - Crane Army Ammunition Plant Outloading Modules - McAlester Army Ammunition Plant		11,757		9,500			4,500				21,257
34	FIRST DESTINATION TRANSPORTATION (AMMO)		12,100					5,000				12,100
35	CLOSEOUT LIABILITIES		0									0
TOTAL AMMUNITION			1,899,814		30,600		30,600	0				1,930,414
AMMUNITION PRODUCTION BASE SUPPORT												
PRODUCTION BASE SUPPORT												
36	PROVISION OF INDUSTRIAL FACILITIES Bomb Line Modernization - McAlester Army Ammunition Plant Ammunition Infrastructure Modernization		143,708		17,000			5,000				160,708
37	LAYAWAY OF INDUSTRIAL FACILITIES		3,436					12,000				3,436

TRIE I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
38	MAINTENANCE OF INACTIVE FACILITIES	5,418							0	5,418
39	CONVENTIONAL MUNITIONS DEMILITARIZATION, ALL	135,256							0	135,256
40	ARMS INITIATIVE	2,944							0	2,944
41	RE-ESTIMATE OF GUARANTEED LOAN									
42	INTEREST ON RE-ESTIMATE									
TOTAL AMMUNITION PRODUCTION BASE SUPPORT		290,762		17,000		17,000		0		307,762
TOTAL PROCUREMENT OF AMMUNITION, ARMY		2,190,576		47,600		47,600		0		2,238,176

Items of Special Interest

Excalibur extended range artillery projectile

The budget request contained \$28.8 million for the Excalibur XM982 precision guided extended range artillery projectile.

The committee is aware the Excalibur XM982 projectile is proceeding into early production to support an urgent fielding requirement in Operation Iraqi Freedom. The committee understands the Excalibur XM982 would potentially reduce collateral damage in urban environments and serve as a significant combat multiplier to military personnel.

The committee recommends \$49.9 million, an increase of \$21.1 million, for the rapid fielding of the Excalibur XM982 precision guided extended range artillery projectile.

OTHER PROCUREMENT, ARMY

Overview

The budget request for fiscal year 2008 contained \$11.9 billion for Other Procurement, Army. The committee recommends authorization of \$11.5 billion, a decrease of \$394.8 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Other Procurement, Army program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization		
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	
OTHER PROCUREMENT, ARMY											
TACTICAL AND SUPPORT VEHICLES											
TACTICAL VEHICLES											
1	TACTICAL TRAILERS/DOLLY SETS	66,684							66,684	0	
2	SEMITRAILERS, FLATBED Refurbishment- ARNG	6,271		2,900		2,900			9,171	0	
3	SEMITRAILERS, TANKERS	2,185							2,185	0	
4	HI MOB MULTI-PURP WHLD VEH (HMMWV)	986,409							986,409	0	
5	FAMILY OF MEDIUM TACTICAL VEH (FMTV)	1,852,752							1,852,752	0	
6	FIRETRUCKS & ASSOCIATED FIREFIGHTING EQUIPMENT	36,011							36,011	0	
7	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	563,664							563,664	0	
8	ARMORED SECURITY VEHICLES (ASV)	281,412							281,412	0	
9	MINE PROTECTION VEHICLE FAMILY Transfer to Title XV Mine Resistant Ambush Protected Vehicle (MRAP)	199,100		(66,000)		(66,000)			133,100	0	
10	TRUCK, TRACTOR, LINE HAUL, M915/M916	83,897							83,897	0	
11	HVY EXPANDED MOBILE TACTICAL TRUCK EXT SERV P	197,499							197,499	0	
12	LINE HAUL ESP	0							0	0	
13	HMMWV RECAPITALIZATION PROGRAM	0							0	0	
14	MODIFICATION OF IN SVC EQUIP	32,725							32,725	0	
15	ITEMS LESS THAN \$5.0M (TAC VEH)								0	0	
16	TOWING DEVICE-FIFTH WHEEL	932							932	0	
NON-TACTICAL VEHICLES											

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
17	HEAVY ARMORED SEDAN		600								0	600
18	PASSENGER CARRYING VEHICLES		310								0	310
19	NONTACTICAL VEHICLES, OTHER		3,437								0	3,437
TOTAL TACTICAL AND SUPPORT VEHICLES			4,313,888		(63,100)		2,900		(66,000)			4,250,788
COMMUNICATIONS AND ELECTRONICS EQUIPMENT												
COMM - JOINT COMMUNICATIONS												
20	COMBAT IDENTIFICATION PROGRAM		4,228								0	4,228
21	JCSE EQUIPMENT (USREDCOM)		2,071								0	2,071
COMM - SATELLITE COMMUNICATIONS												
22	SECOMP-I		0								0	0
23	DEFENSE ENTERPRISE WIDEBAND SATCOM SYSTEMS		125,372								0	125,372
24	SHF TERM		13,964								0	13,964
25	SAT TERM, EMUT (SPACE)		812								0	812
26	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)		97,290			6,000					0	103,290
Additional Advanced GPS Receivers												
27	SMART-T (SPACE)		50,412					6,000			0	50,412
28	SCAMP (SPACE)		1,300								0	1,300
29	GLOBAL BRDCST SVC - GBS		35,697								0	35,697
30	MOD OF IN-SVC EQUIP (TAC SAT)		6,042								0	6,042
COMM - C3 SYSTEM												
31	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		25,912								0	25,912
COMM - COMBAT COMMUNICATIONS												
32	ARMY DATA DISTRIBUTION SYSTEM (DATA RADIO)		9,491								0	9,491
33	RADIO TERMINAL SEF, MIDS LVT(2)		32,016								0	32,016
34	SINCGARS FAMILY		147,643								0	147,643
35	AMC CRITICAL ITEMS - OPA2		8,000								0	8,000
36	MULTI-PURPOSE INFORMATION OPERATIONS SYSTEMS		8,653								0	8,653

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization		
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
57	GENERAL DEFENSE INTEL PROG (GDIP)	0									
	ELECT EQUIP - TACT INT REL ACT	0									
58	ALL SOURCE ANALYSIS SYS (ASAS) (MIP)	52,485								52,485	0
59	JTT/CIBS-M (MIP)	7,566								7,566	0
60	PROPHET GROUND (MIP)	119,482								119,482	0
61	TACTICAL UNMANNED AERIAL SYS (TUAS) MIP	227,079		(5,768)						221,311	0
	Pricing										
62	SMALL UNMANNED AERIAL SYS (SUAS)	33,480								33,480	0
63	ARMY COMMON GROUND STATION (CGS) (MIP)										
64	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (MIP)	38,854								38,854	0
65	DRUG INTERDICTION PROGRAM (DIP)	0								0	0
66	TACTICAL EXPLOITATION SYSTEM (MIP)	0								0	0
67	DCGS-A (MIP)	147,630								147,630	0
68	JOINT TACTICAL GROUND STATION (JTAGS)	0								0	0
69	TROJAN (MIP)	13,418								13,418	0
70	MOD OF IN-SVC EQUIP (INTEL SPT) (MIP)	2,351								2,351	0
71	CI HUMINT INFO MANAGEMENT SYSTEM (CHIMS)	26,586								26,586	0
72	ITEMS LESS THAN \$5.0M (MIP)	23,422								23,422	0
	ELECT EQUIP - ELECTRONIC WARFARE (EW)										
73	LIGHTWEIGHT COUNTER MORTAR RADAR	49,197								49,197	0
74	COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES	11,900								11,900	0
75	CI MODERNIZATION (MIP)	1,278								1,278	0
	ELECT EQUIP - TACTICAL SURV. (TAC SURV)										
76	SENTINEL MODS	20,885								20,885	0
77	NIGHT VISION DEVICES	425,743								425,743	0
78	LONG RANGE ADV SCOUT SURVEILLANCE SYS	159,489								159,489	0
79	NIGHT VISION, THERMAL WPN SIGHT	333,024								333,024	0
80	RADIATION MONITORING SYSTEMS	3,518								3,518	0
81	ARTILLERY ACCURACY EQUIP	300								300	0

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	Army Portable Deployment Kits				2,600					
100	TC AIMS II	29,399							0	29,399
101	JOINT NETWORK MANAGEMENT SYSTEM (JNMS)	10,745							0	10,745
102	TACTICAL INTERNET MANAGER	10,268							0	10,268
103	DATA PRODUCTS	36,142							0	36,142
104	MANEUVER CONTROL SYSTEM (MCS) Program Reduction	122,489		(42,000)					0	80,489
105	SINGLE ARMY LOGISTICS ENTERPRISE (SALE) Depot AIT	149,605		6,000		6,000		(42,000)	0	155,605
106	MOUNTED BATTLE COMMAND ON THE MOVE (MBCOTM) ELECT EQUIP - AUTOMATION	42,000							0	42,000
107	GENERAL FUND ENTERPRISE BUSINESS SYS	39,353							0	39,353
108	ARMY TRAINING MODERNIZATION	11,389							0	11,389
109	AUTOMATED DATA PROCESSING EQUIP	120,732							0	120,732
110	CSS COMMUNICATIONS	35,635							0	35,635
111	RESERVE COMPONENT AUTOMATION SYS (RCAS) ELECT EQUIP - AUDIO VISUAL SYS (AV)	30,427							0	30,427
112	AFRTS	964							0	964
113	ITEMS LESS THAN \$5.0M (AV)	6,306							0	6,306
114	ITEMS LESS THAN \$5M (SURVEYING EQUIP) ELECT EQUIP - MODS TACTICAL SYS/EQ	7,118							0	7,118
115	WEAPONIZATION OF UAS ELECT EQUIP - SUPPORT	15,207							0	15,207
116	ITEMS UNDER \$5.0M (SSE)	14,430							0	14,430

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization			
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
117	PRODUCTION BASE SUPPORT (C-E) CLASSIFIED GDIP	508 [8600]									508	0
TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT			5,411,338		(353,268)	20,800	(374,068)			5,058,070		
OTHER SUPPORT EQUIPMENT												
CHEMICAL DEFENSIVE EQUIPMENT												
118	RADIAC SET AN/PDR 770	1,539								1,539	0	
119	RECONNAISSANCE SYSTEM NBC	316								316		
120	CBRN SOLDIER PROTECTION	59,826								59,826		
121	SMOKE & OBSCURANT FAMILY: SOF (NON AAO ITEM)	9,079								9,079	0	
BRIDGING EQUIPMENT												
122	TACTICAL BRIDGING Program Reduction	50,443			(2,000)			(2,000)		48,443	0	
123	TACTICAL BRIDGE, FLOAT-RIBBON ENGINEER (NON-CONSTRUCTION) EQUIPMENT	74,785								74,785	0	
124	HANDHELD STANDOFF MINEFIELD DEFLECTION SYS-HST	49,163								49,163	0	
125	KIT, STANDARD TELEOPERATING	0								0	0	
126	GRND STANDOFF MINE DEFLECTION SYSTEM (GSTAMIDS)	63,016								63,016	0	
127	ROBOTIC COMBAT SUPPORT SYSTEM (RCSS)	0								0	0	
128	EXPLOSIVE ORDNANCE DISPOSAL EQPMT (EOD EQPMT)	33,283								33,283	0	
129	ITEMS LESS THAN \$5M, COUNTERMINE EQUIP	3,562								3,562	0	
130	AERIAL DETECTION COMBAT SERVICE SUPPORT EQUIPMENT	11,708								11,708	0	
131	HEATERS AND ECU'S	19,860								19,860	0	
132	LAUNDRIES, SHOWERS AND LATRINES	7,050								7,050	0	
133	SOLDIER ENHANCEMENT	19,803								19,803	0	
134	LIGHTWEIGHT MAINTENANCE ENCLOSURE (LME)	0								0	0	
135	LAND WARRIOR	0								0	0	

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
136	MOUNTED SOLIDER SYSTEM		0								0
137	FORCE PROVIDER		0								0
138	FIELD FEEDING EQUIPMENT		56,145	(2,000)					(2,000)		54,145
	Program Reduction										
139	CARGO AERIAL DELIVERY PROGRAM		43,842								43,842
140	MOBILE INTEGRATED REMAINS COLLECTION SYSTEM		9,941								9,941
141	ITEMS LESS THAN \$5.0M (ENG SPT)		21,084								21,084
142	ITEMS LESS THAN \$5.0M (CSS EQ)		0								0
	PEFROLEUM EQUIPMENT										0
143	QUALITY SURVEILLANCE EQUIPMENT		1,293								1,293
144	DISTRIBUTION SYSTEMS, PETROLEUM & WATER		34,406								34,406
145	WATER EQUIPMENT			(2,000)							0
	Program Reduction										
	WATER PURIFICATION SYSTEMS		42,417						(2,000)		40,417
	MEDICAL EQUIPMENT										0
146	COMBAT SUPPORT MEDICAL		86,361								86,361
	MAINTENANCE EQUIPMENT										0
147	MOBILE MAINTENANCE EQUIPMENT SYSTEMS		62,173								62,173
148	ITEMS LESS THAN \$5.0M (MAINT EQ)		1,396								1,396
	CONSTRUCTION EQUIPMENT										0
149	GRADER, ROAD MTZD, HVY, 6X4 (CCE)		15,010								15,010
150	SKID LOADER (SSL) FAMILY OF SYSTEM		16,900								16,900
151	SCRAPERS, EARTHMOVING		26,019								26,019
152	DISTR. WATER, SP MIN 2500G SEC/NON-SEC		6,440								6,440
153	MISSION MODULES - ENGINEERING		4,219								4,219
154	LOADERS		19,886								19,886
155	HYDRAULIC EXCAVATOR		3,931								3,931
156	TRACTOR, FULL TRACKED		8,189								8,189

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
157	CRANES	0								0
158	HIGH MOBILITY ENGINEER EXCAVATOR (HMEE) FOS	40,087								40,087
159	CONST EQUIP ESP	42,984								42,984
160	ITEMS LESS THAN \$5.0M (CONST EQUIP)	11,822								11,822
160a	PLANT, ASPHALT MIXING (M08100)									
	RAIL FLOAT CONTAINERIZATION EQUIPMENT									
161	LOGISTIC SUPPORT VESSEL (LSV)	0								0
162	JOINT HIGH SPEED VEHICLE (JHSV)	210,000								210,000
163	HARBORMASTER COMMAND & CONTROL CENTER	18,237								18,237
164	CAUSEWAY SYSTEMS	0								0
165	ITEMS LESS THAN \$5.0M (FLOAT/RAIL) GENERATORS	4,300								4,300
166	GENERATORS AND ASSOCIATED EQUIP	111,475	(2,000)				(2,000)			109,475
	Program Reduction									
	MATERIAL HANDLING EQUIPMENT									
167	ROUGH TERRAIN CONTAINER HANDLER (RTCH)	42,895								42,895
168	ALL TERRAIN LIFTING ARM SYSTEM (ATLAS) TRAINING EQUIPMENT	39,742								39,742
169	COMBAT TRAINING CENTERS SUPPORT	16,337	6,250							22,587
	Simulated Expandable Combat Training Cap - ARNG				3,750					
	Great Plains JRTC - Radios - ARNG				500					
	Great Plains JRTC - Safety Equipment - ARNG				2,000					
170	TRAINING DEVICES, NONSYSTEM	201,843	23,350							225,193
	Reconfigurable Wireless Range System				4,600					
	Combat Skills Training Simulation Systems				800					
	Virtual Interactive Combat Environment				4,000					
	Call for Fire Trainer Iteration II/ Joint Fires and Effects Trainer System (JFETS)				5,000					
	Combat Arms Training System ARNG				6,000					
	Air and Missile Defense Instrumentation System				2,950					

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.	Committee Change		Committee Increase		Committee Decrease		Committee Authorization
				COST	QTY.	COST	QTY.	COST	QTY.	
	TOTAL OTHER SUPPORT EQUIPMENT	2,081,865		21,600		29,600		(6,000)		2,103,465
	SPARE AND REPAIR PARTS									
	OPA2									
186	INITIAL SPARES - C&E	44,497							0	44,497
	OPA3									
187	INITIAL SPARES - OTHER SUPPORT EQUIP	0							0	0
	TOTAL SPARE AND REPAIR PARTS	44,497		0		0		0		44,497
0	CLASSIFIED PROGRAMS	8,636							0	8,636
	TOTAL OTHER PROCUREMENT, ARMY	11,860,224		(394,768)		53,300		(448,068)		11,465,456

Items of Special Interest

Automatic identification technology for Army depots

The budget request contained no funds for commercial, off the shelf, automatic identification, and data collection solutions for Army depots.

The committee recommends an increase of \$6.0 million for the Army Product Manager, Joint Automatic Identification Technology Office to continue improvements to the repair and rebuilding processes for combat vehicles and equipment at Anniston Army Depot and Red River Army Depot through integration of commercial, off the shelf, automatic identification technology, automated data collection, and work flow management solutions.

Force XXI Battle Command Brigade and Below

The budget request contained \$250.1 million for the procurement of 7,659 Force XXI Battle Command Brigade and Below (FBCB2) systems. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$374.0 million for 4,820 FBCB2 systems.

The committee supports continued fielding of the FBCB2 system. However, the committee notes that the Army received \$159.7 million for 4,434 FBCB2 systems in fiscal year 2007 and that production capacity for this system is limited.

The committee recommends \$187.6 million, a decrease of \$62.5 million, for FBCB2 systems in title I of this Act. The committee notes that additional funding for FBCB2 systems is authorized in title XV of this Act.

Forward Area Air Defense Command and Control

The budget request contained \$9.0 million for Forward Area Air Defense Command and Control (FAAD C2) systems. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$21.5 million for FAAD C2 systems.

The committee notes that the Army received \$228.6 million for FAAD C2 systems in fiscal year 2006 and an additional \$21.0 million in fiscal year 2007. The committee also notes that production capacity for FAAD C2 equipment is limited.

The committee recommends no funding for FAAD C2, a decrease of \$9.0 million, in title I of this Act. The committee notes that additional funding for FAAD C2 systems is recommended in title XV of this Act.

Future Unmanned Aerial Vehicle threat to Army forces

The committee is concerned that current Army air defense capabilities may not be appropriate given the evolving threat to Army forces posed by Unmanned Aerial Vehicles (UAV). The committee directs the Army to submit a report to the congressional defense committees by January 15, 2008, which shall include an analysis of the current and future UAV threat to deployed Army forces and the Army's plan, with regard to air defense systems and force structure, to address current and future UAV threats. In the report, the Army shall take into account the Air Force Scientific Advisory Board report titled "Report on Air Defense Against Unmanned Aerial Vehicles," dated August 1, 2006, and ongoing joint

staff and service studies and analyses on joint integrated air and missile defense. The report shall include an unclassified summary.

Individual soldier survivability equipment budget line item

The committee recognizes the majority of funding for individual soldier survivability equipment, such as body armor, is contained in the fiscal year 2008 budget request for ongoing military operations, specifically within Operation and Maintenance budget activities.

The committee feels long range planning, programming, and budgeting, as part of a stabilized long-term acquisition strategy, would produce a cost-effective and efficient method for the manufacturing and fielding of individual soldier survivability equipment, such as body armor and associated components.

Therefore, the committee strongly encourages the Department of the Army to establish a funding budget line item in the Other Procurement, Army budget account for individual soldier survivability equipment such as body armor and associated components.

Joint Network Node

The budget request contained \$372.4 million for the procurement of Joint Network Node (JNN) equipment. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$2.2 billion for JNN equipment.

The committee expressed concern regarding the lack of coordination and potential capability overlap between the Warfighter Information Network—Tactical (WIN-T) program and the JNN program in section 114 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) and required a report from the Department of the Army on its future battlefield network equipment modernization plan. The required report describes a plan to procure JNN for the entire Army while also spending significant research and development funding to continue work on WIN-T. While the committee supports the Army's goal to improve its battlefield networking capability, the committee remains concerned that the JNN program continues to procure equipment outside of normal Department of Defense procedures that provide for testing and competition.

The committee recommends \$344.9 million, a decrease of \$27.5 million, for JNN equipment in title I of this Act. The committee notes that additional funding for JNN equipment is authorized in title XV of this Act.

Maneuver Control System

The budget request contained \$122.5 million for Maneuver Control System (MCS) equipment and support services. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$57.9 million for MCS equipment and support services.

The committee notes that the MCS program received \$76.7 million in fiscal year 2007 and that the Army's production capacity for MCS equipment is limited.

The committee recommends \$80.5 million, a decrease of \$42.0 million, for MCS equipment in title I of this Act. The committee notes that additional funding for MCS equipment is authorized in title XV of this Act.

Mine protection vehicle family

The budget request contained \$199.1 million for the mine protection vehicle family, of which \$66.0 million would procure approximately 82 medium mine protected vehicles (MMPV).

The committee believes the mine resistant ambush protected (MRAP) category 2 vehicle could potentially fulfill the requirement for a medium mine protected vehicle. Furthermore, the committee notes current Army budget justification materials indicate that funding is provided for the medium mine protected vehicle program elsewhere in the Army Procurement budget activities. The committee is aware the budget request for the MMPV is for a potential contract award and the committee notes vehicles would not be delivered until the second quarter of fiscal year 2009.

The committee recommends realigning \$66.0 million from the mine protection vehicle family to the budget request for ongoing military operations in order to address the Chief of Staff of the Army urgent unfunded MRAP vehicle requirements.

Nonsystems training devices

The budget request contained \$201.8 million to procure non-system training devices, but contained no funds to modernize the Combat Arms Training System (CATS) for the Army National Guard (ARNG); to procure the Call for Fire Trainer Iteration II/ Joint Fires and Effects Trainer System (JFETS); to procure the Virtual Interactive Combat Environment (VICE) System for the ARNG; to procure combat skills training simulation systems for the ARNG; or to procure the Homestation Instrumentation Training System (HITS) Air and Missile Defense Instrumentation Training System.

The committee notes that each of these systems provides needed training for non-deployed and “next to deploy” military personnel involved in ongoing operations throughout the world. The committee understands CATS requires modernization to move from analog to digital technology. The committee notes the JFETS has already trained almost 4,000 soldiers and has proved to be a useful tool for soldiers preparing to deploy to the U.S. Central Command area of responsibility. The committee understands there is an emphasis to train military personnel in urban operations and asymmetric tactical situations similar to those being experienced by soldiers in Operation Iraqi Freedom. The committee notes the VICE could provide such capability at relative low cost and would allow ARNG units to be effectively trained in these type situations. The committee is aware the Ohio National Guard has critical requirements for combat skills training systems in order to ensure combat effective readiness and proficiency before deployments. The committee understands current HITS require improvements and enhancements to instrumentation in order to better provide full spectrum training capability for air and missile defense units.

The committee recommends \$6.0 million for CATS for the ARNG, \$5.0 million for the JFETS, \$4.0 million for the VICE, \$0.8 million for combat skills training systems for the ARNG, and \$2.9 million for improvements to current HITS; an increase of \$18.7 million for nonsystem training devices.

Profiler system

The budget request contained \$10.8 million for profiler systems. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$64.8 million for profiler systems.

The committee notes that in fiscal year 2006 the Army received \$125.0 million for profiler systems and an additional \$8.6 million in fiscal year 2007, but that the Army's production capacity for this system is limited.

The committee recommends \$2.8 million, a decrease of \$8.0 million, for profiler systems in Title I of this Act. The committee notes that additional funding for profiler systems is authorized in Title XV of this Act.

Radio, improved high-frequency family

The budget request contained \$81.4 million for radio, improved high-frequency family systems. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$433.4 million for radio, improved high frequency family systems.

The committee notes that during fiscal years 2006 and 2007 that the Army received funding to procure more than 36,000 improved high-frequency radios. However, the fiscal year 2008 request is based upon a unit cost per radio that is either flat or has increased compared to fiscal year 2007. The committee is aware that the Army plans to continue to procure thousands of additional radio, improved high-frequency family systems, and urges the Army to negotiate a lower unit cost per system with manufactures or conduct a new competitive bid process for future purchases of radio, improved high-frequency family systems.

The committee recommends \$61.0 million, a decrease of \$20.4 million, for radio, improved high-frequency family systems. The committee notes that additional funding for radio, improved high-frequency family systems is authorized in title XV of this Act.

Shadow unmanned aerial systems

The budget request contained \$70.2 million and the fiscal year 2008 request for ongoing military operations contained \$176.5 million for Shadow unmanned aerial vehicle systems (UAS).

The justification materials provided by the Department of the Army for the fiscal year 2008 request priced the cost of a Shadow UAS system at \$11.7 million per system, while the fiscal year 2008 request for ongoing military operations priced the cost of a system at \$8.9 million per system.

The committee recommends \$64.4 million, a decrease of \$5.8 million, for Shadow UAS.

Simulated expandable combat training capability for Army National Guard

The budget request contained \$16.3 million for Combat Training Centers support and other associated costs, but contained no funds for simulated combat training capability systems for the Army National Guard (ARNG).

The committee understands this system would provide effective simulated pre-mobilization and post-mobilization home-station training for ARNG units participating in the Operation Iraqi Freedom and the Operation Enduring Freedom. The committee recog-

nizes that although there is no substitute for the robust live-fire and simulated training capabilities provided at Combat Training Centers (CTCs) and through the Joint National Training Capability (JNTC), this particular system would supplement CTC and JNTC activities, as well as provide additional training opportunities for ARNG units at their home stations who are preparing to deploy. Furthermore, the committee believes that this additional simulated training capability would potentially contribute to more effective CTC and JNTC training exercises for ARNG units.

The committee recommends an increase of \$3.8 million to provide simulated, flexible and expandable combat training capability to ARNG “next to deploy” units.

Tactical Operations Centers

The budget request contained \$393.9 million for Tactical Operations Centers (TOCs) equipment. In addition, the budget request for ongoing military operations contained \$263.7 million for TOCs equipment.

The committee notes that the Army TOC program provides a capability similar to several other DOD programs, including the Navy Deployable Joint Command and Control (DJC2) and U.S. Marine Corps Combat Operations Center (COC) programs. The committee also notes that the Army received \$57.5 million in fiscal year 2007 for the TOCs program.

The committee recommends \$196.9 million, a decrease of \$196.9 million, for TOCs equipment. The committee urges the Army to coordinate with the Navy and Marine Corps to procure, where possible, common command post equipment in order to reduce the unit cost of each system and to improve interoperability. The committee notes that additional funding for TOCs equipment is authorized in title XV of this Act.

Tactical wheeled vehicle armor classification levels

The committee is aware that efforts to quickly armor tactical wheeled vehicles resulted in three basic methods of installing vehicle armor: armor integrated into the vehicle on the assembly line; armor added as a Department-approved kit specifically designed for a particular vehicle; and armor added in the field. These three methods of armor installation were designated Levels I, II, and III, respectively. Although these levels only refer to the method of armor installation, they are generally viewed as defining the level of crew protection. After careful review of all the tactical vehicles and their true armor protection level, the committee found that the levels as currently defined do not necessarily indicate the level of protection.

The committee is aware the Department of Defense is developing new armor protection definitions and expects to complete them by 2007. The committee strongly encourages the development of new definitions for armor protection levels based on actual protection provided versus installation method. The committee expects the Department to make this a top priority and encourages the Department to expedite this process so that commanders and their troops understand the true level of protection offered by a myriad of armor configurations present in the current force.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

Overview

The budget request for fiscal year 2008 contained \$500.0 million for Joint Improvised Explosive Device Defeat Fund. The committee recommends authorization at the request level of \$500.0 million.

The committee recommendations for the fiscal year 2008 Joint Improvised Explosive Device Defeat Fund program are identified in the table below. Major changes to the Army request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	JOINT IMPR EXPLOSIVE DEV DEFEAT FUND	500,000		0						500,000
	Transfer to Title XV									
	TOTAL PROCUREMENT, JIEDDF	500,000		0					0	500,000
	TOTAL PROCUREMENT, ARMY	24,253,017		(695,227)		459,200		(1,154,427)		23,557,790

AIRCRAFT PROCUREMENT, NAVY

Overview

The budget request for fiscal year 2008 contained \$12.7 billion for Aircraft Procurement, Navy. The committee recommends authorization of \$12.7 billion, an increase of \$3.0 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Aircraft Procurement, Navy program are identified in the table below. Major changes to the Navy request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	AIRLIFT AIRCRAFT										
17	AIRLIFT AIRCRAFT		0							0	0
	C-40A										
	TOTAL AIRLIFT AIRCRAFT		0		0		0		0		0
	TRAINER AIRCRAFT										
18	TRAINER AIRCRAFT		32,523							0	32,523
19	T-45TS (TRAINER) GOSHAWK	44	295,272								295,272
	JPATS										
	TOTAL TRAINER AIRCRAFT		327,795		0		0		0		327,795
	OTHER AIRCRAFT										
	OTHER AIRCRAFT										
20	KC-130J	4	268,096							4	268,096
20	LESS: ADVANCE PROCUREMENT (PY)		(45,553)							0	(45,553)
21	ADVANCE PROCUREMENT (CY)		33,900							0	33,900
22	F-5		0							0	0
23	VTUAV		37,687								37,687
24	OTHER SUPPORT AIRCRAFT		0							0	0
	TOTAL OTHER AIRCRAFT		294,130		0		0		0		294,130

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
MODIFICATION OF AIRCRAFT												
25	EA-6 SERIES	30,602										30,602
26	AV-6 SERIES	37,549										37,549
27	ADVERSARY	3,523										3,523
28	F-18 SERIES	441,883										441,883
29	H-46 SERIES	22,125										22,125
30	AH-1W SERIES	7,404										7,404
31	H-53 SERIES	48,145										48,145
32	SH-60 SERIES	58,609										58,609
33	H-1 SERIES	6,489										6,489
34	EP-3 SERIES	46,862										46,862
35	P-3 SERIES	262,563			3,000							265,563
	Digital Recorders											
36	S-3 SERIES	470									3,000	470
37	E-2 SERIES	11,047										11,047
38	TRAINER A/C SERIES	20,227										20,227
39	C-2A	32,420										32,420
40	C-130 SERIES	1,208										1,208

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
58	WAR CONSUMABLES	65,369							0	65,369
59	OTHER PRODUCTION CHARGES	20,630							0	20,630
60	SPECIAL SUPPORT EQUIPMENT	58,315							0	58,315
61	FIRST DESTINATION TRANSPORTATION	1,719							0	1,719
62	JUDGMENT FUND									
63	CANCELLED ACCOUNT ADJUSTMENTS	0							0	0
TOTAL AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		627,640	0	0	0	0	0	0	0	627,640
TOTAL AIRCRAFT PROCUREMENT, NAVY		12,747,767	3,000	3,000	3,000	0	0	0	0	12,750,767

Items of Special Interest

P-3C modernization

The budget request contained \$262.6 million for P-3C aircraft modifications, but contained no funds for the P-3C high-resolution digital recorder.

The committee understands the P-3C aircraft has been used extensively as a surveillance and targeting platform to provide time-sensitive targeting information to ground forces and other airborne assets. As part of the P-3C anti-surface warfare improvement program upgrade, a next generation high-resolution combined video and radar recorder has been developed to replace the legacy recorder. The committee understands that key technology upgrades and aircraft parts obsolescence management are necessary for the P-3C to meet the Navy's Fleet Response Plan.

The committee recommends \$265.6 million, an increase of \$3.0 million, for procurement of high-resolution digital recorders.

Weapons Procurement, Navy

Overview

The budget request for fiscal year 2008 contained \$3.1 billion for Weapons Procurement, Navy. The committee recommends authorization of \$3.1 billion, a decrease of \$26.0 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Weapons Procurement, Navy program are identified in the table below. Major changes to the Navy request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	COST	QTY.	COST	QTY.	COST	
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
	MODIFICATION OF MISSILES										
1	TRIDENT II MODS Program Reduction	12	1,087,801		(26,000)				(26,000)	12	1,061,801
2	SUPPORT EQUIPMENT AND FACILITIES MISSILE INDUSTRIAL FACILITIES		3,486							0	3,486
	TOTAL BALLISTIC MISSILES		1,091,287		(26,000)		0		(26,000)		1,065,287
	OTHER MISSILES										
	STRATEGIC MISSILES										
3	TOMAHAWK	394	383,075							394	383,075
	TACTICAL MISSILES										
4	AMRAAM	79	87,460							79	87,460
5	SIDEWINDER	184	54,891							184	54,891
6	JSOW	421	131,324							421	131,324
7	SLAM-ER										
8	STANDARD MISSILE	75	159,667							75	159,667
9	RAM	90	79,540							90	79,540
10	HELLFIRE	439	45,736							439	45,736
11	AERIAL TARGETS		66,311							0	66,311
12	DRONES AND DECOYS									0	0
13	OTHER MISSILE SUPPORT		9,279							0	9,279
	MODIFICATION OF MISSILES										
14	ESSM	85	83,275							85	83,275

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
				COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
15	HARM MODS		41,302							41,302	
16	STANDARD MISSILES MODS		0							0	
	SUPPORT EQUIPMENT AND FACILITIES										
17	WEAPONS INDUSTRIAL FACILITIES		3,675							3,675	
18	FLEET SATELLITE COMM FOLLOW-ON		215,834							215,834	
	ORDNANCE SUPPORT EQUIPMENT										
19	ORDNANCE SUPPORT EQUIPMENT		41,697							41,697	
	TOTAL OTHER MISSILES		1,403,066		0		0		0	1,403,066	
	TORPEDOES AND RELATED EQUIPMENT										
	TORPEDOES AND RELATED EQUIP.										
20	SSTD (TORPEDO DEFENSE)		13							13	
21	ASW TARGETS		10,158							10,158	
	MOD OF TORPEDOES AND RELATED EQUIP										
22	MK-46 TORPEDO MODS		83,902							83,902	
23	MK-46 TORPEDO ADCAP MODS		63,754							63,754	
24	QUICKSTRIKE MINE		3,236							3,236	
	SUPPORT EQUIPMENT										
25	TORPEDO SUPPORT EQUIPMENT		35,919							35,919	
26	ASW RANGE SUPPORT		9,496							9,496	
	DESTINATION TRANSPORTATION										
27	FIRST DESTINATION TRANSPORTATION		3,395							3,395	
	TOTAL TORPEDOES AND RELATED EQUIPMENT		209,873		0		0		0	209,873	

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
	OTHER WEAPONS											
	GUNS AND GUN MOUNTS											
28	SMALL ARMS AND WEAPONS	14,233									14,233	0
	MODIFICATION OF GUNS AND GUN MOUNTS											
29	CIWS MODS	182,314									182,314	0
30	COAST GUARD WEAPONS	20,516									20,516	0
31	GUN MOUNT MODS	8,365									8,365	0
32	PIONEER	0									0	0
33	CRUISER MODERNIZATION WEAPONS	23,561									23,561	0
34	AIRBORNE MINE NEUTRALIZATION SYSTEMS	6,566									6,566	0
	OTHER											
35	MARINE CORPS TACTICAL UNMANNED AERIAL SYSTEM	90,259									90,259	0
36	CANCELLED ACCOUNT ADJUSTMENTS	0									0	0
	TOTAL OTHER WEAPONS	345,814			0		0		0		345,814	
	SPARES AND REPAIR PARTS											
	SPARES AND REPAIR PARTS											
37	SPARES AND REPAIR PARTS	34,347									34,347	0
	TOTAL SPARES AND REPAIR PARTS	34,347			0		0		0		34,347	
	TOTAL WEAPONS PROCUREMENT, NAVY	3,084,387			(26,000)		0		(26,000)		3,058,387	

Items of Special Interest

Conventional Trident Modification

The budget request contained \$175.4 million for the Conventional Trident Modification, containing \$36.0 million within Weapons Procurement, Navy, \$13.0 million within Other Procurement, Navy, and \$126.4 million within Research Development Test and Evaluation, Navy.

The committee believes it is necessary for the United States to be able to respond to a range of potential threats with a prompt conventional global strike capability. The committee recognizes that converting selected missiles of the trident strategic nuclear deterrence arsenal to carry conventional payloads is the most technically mature and cost effective way to achieve that capability.

As required by section 219 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364), the Secretary of Defense, in consultation with the Secretary of State, submitted a report that addresses concerns identified by Congress about the concept of operations associated with the Conventional Trident Modification program including the possibility of misinterpretation of a launch event from a submarine by both allies and potential adversaries. The committee notes that the Secretary of Defense assesses the risk of misinterpretation to be "extremely low." However, the committee is also aware that a National Academy of Sciences study has been initiated to further analyze the Conventional Trident's mission requirement. The committee would like to ensure that significant study recommendations, risk mitigation strategies, and strategic policy considerations receive due consideration concurrently with development and testing of the system and prior to operationally fielding the system. Therefore, for fiscal year 2008, the committee supports continued research, development, test and evaluation for the Conventional Trident Modification program. However, the committee includes a provision, section 124 of this Act, that would prevent fiscal year 2008 funds from being obligated or expended for operational deployment of the system. Further, this section would also require the Secretary of Defense to submit written notification to the congressional defense committees at such time as the Secretary determines that the system is fully functional and fielding is necessary to meet military requirements.

The committee recommends a decrease of \$26.0 million within Weapons Procurement, Navy, and a decrease of \$7.0 million within Other Procurement, Navy, for funds associated with long-lead procurement for the Conventional Trident Modification.

AMMUNITION PROCUREMENT, NAVY & MARINE CORPS

Overview

The budget request for fiscal year 2008 contained \$1.1 billion for Ammunition Procurement, Navy & Marine Corps. The committee recommends authorization at the budget request level of \$1.1 billion for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Ammunition Procurement, Navy & Marine Corps program are identified

in the table below. Major changes to the Navy & Marine Corps request are discussed following the table.

Shipbuilding and Conversion, Navy

Overview

The budget request for fiscal year 2008 contained \$13.7 billion for Shipbuilding and Conversion, Navy. The committee recommends authorization of \$15.7 billion, an increase of \$2.1 billion, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Shipbuilding and Conversion, Navy program are identified in the table below. Major changes to the Navy request are discussed following the table.

Table I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
24	SERVICE CRAFT	32,903								32,903
25	LCAC SLEP	98,518	5						5	98,518
26	COMPLETION OF PY SHIPBUILDING PROGRAMS	511,474								511,474
26	SSN-774 (MEMO NON ADD)	[109000]								[109000]
26	LPD (MEMO NON ADD)	[65999]								[65999]
TOTAL AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAMS		1,062,706	0	0	0	0	0	0	0	1,062,706
TOTAL SHIPBUILDING & CONVERSION, NAVY		13,656,120	2,088,000	2,286,000	(200,000)	15,744,120				

Items of Special Interest

Littoral Combat Ship

The budget request contained \$910.5 million for the construction of three Littoral Combat Ships (LCS). The LCS is designed to counter asymmetric threats in the littoral waters of the world's oceans with an interchangeable system of capabilities; anti-submarine, anti-mine, and anti-surface warfare.

The committee notes with concern the significant cost growth experienced within the LCS program, which has recently led to a termination of a contract option to construct the third ship of the class. In testimony before the Subcommittee on Seapower and Expeditionary Forces on February 8, 2007, Navy and industry witnesses agreed that the original ship construction schedule for the lead ship was overly aggressive and that Navy and industry program managers sought to maintain schedule performance, rather than cost performance, to the detriment of cost-effective construction. The witnesses also agreed that additional major cost drivers on the lead ship were caused by the inclusion of the new naval vessel rules into the design of the ship without a pause in the construction schedule. Additionally, a necessary component for the propulsion system arrived late to the construction yard changing the most efficient construction sequence for the vessel.

The committee commends the Secretary of the Navy for taking action to identify the issues discussed above; however the committee remains concerned that recent Navy decisions to terminate the option for the third ship may eliminate the benefit of a competitive environment for this program.

The proposed 55 ship class represents a significant portion of the Chief of Naval Operations plan for a 313 ship Navy. If the Secretary cannot maintain affordability in this vital program, the 313 ship fleet cannot be realized. The committee believes it is imperative that the Navy pursue all reasonable means to control costs in the LCS program. The committee believes that a key component of cost control is competition. The committee strongly encourages the Navy to avoid defaulting to a single design acquisition strategy for fiscal years 2008 and 2009 and expects the Navy to take all reasonable steps necessary to ensure continued competition between the two LCS designs.

The committee is convinced that the capability that this vessel will bring to the Navy is of the utmost urgency for responding to asymmetric threats. The committee understands that in order to cover the cost increases of the first three ships, the Secretary intends to submit to Congress an above threshold reprogramming requesting for the appropriations for the two ships authorized in fiscal year 2007. Further, the Secretary has communicated a request that the committee only authorize two of the three ships submitted in the budget for fiscal year 2008.

The committee recommends \$710.5 million, a decrease of \$200.0 million from the budget request, for the construction of two ships in fiscal year 2008.

The committee directs the Secretary of the Navy to submit a report to the congressional defense committees by August 1, 2007, on the analysis of the root causes of the LCS cost overruns; the methods and procedures put in place throughout the various Program

Executive Offices ensuring these mistakes are not repeated in other programs; the structure of the Navy's current contractual agreements with both LCS prime contractors along with justification for differences between the two, if any; an explanation of the Navy's plan for testing of the two different ship variants; and an analysis of alternatives for future procurement and deployment of the LCS.

Premature retirement of Navy vessels

The committee remains concerned that vessels of the U.S. Navy are being retired prior to the end of useful service life. The committee understands that over the past two decades a significant percentage of the capital ships of the Navy have been retired based on cost avoidance decisions for modernization of surface combatants or refueling of submarines.

The committee notes that those decisions have resulted in a current fleet of less than 280 capital ships. The committee strongly believes that future Navy ship classes should be designed and constructed to allow for cost effective upgrades to the ships sensors, communications, and weapons systems as new technologies become available.

The committee directs the Secretary of the Navy to submit a report to the congressional defense committees by October 1, 2007, detailing the vessels that the Navy expects to retire between October 1, 2007, and September 30, 2012, which will not have reached the end of useful service life. This report shall specify why it is in the best interest of the nation to retire any such vessel prior to the end of its useful service life. For the purposes of this report, "useful service life" shall be defined as the projected hull life of the ship class. Additionally, this report shall include the Navy's strategy for future design and construction to ensure that capital ships can be upgraded economically, and are not retired prematurely.

San Antonio Class (LPD)

The budget request contained \$1.4 billion for procurement of the ninth and final ship of the San Antonio class LPD.

The committee understands that a tenth ship is the top priority on the Chief of Naval Operations' unfunded priority list. The committee recognizes that authorizing a tenth ship of this class would allow the Marine Corps to more fully meet its requirement for amphibious assault.

The committee recommends \$1.4 billion for the ship contained in the budget request and recommends an increase of \$1.7 billion, to include advance procurement, for the construction of an additional San Antonio class amphibious assault ship.

Virginia Class Submarine Advance Procurement

The budget request contained \$702.7 million for advance procurement of Virginia class submarine construction. The committee understands that the procurement of an additional ship-set of reactor plant components and main propulsion components reduces risk of construction delay and provides savings in the form of increased production orders. Additionally, the committee understands that additional funding allows the shipbuilders to prefabricate major components reducing the overall time of construction.

The committee is aware of the Navy requirement for a force of 48 fast attack submarines, and that the Navy will fall short of that number after the year 2020 under the current shipbuilding plan. The committee is committed to increasing the procurement of Virginia class submarines to two per year prior to the Navy's current plan of increased procurement in fiscal year 2012. The addition of advance procurement for construction of long-lead items such as reactor plant and main propulsion components allows the committee the flexibility to increase the procurement rate of submarines in the coming years.

Therefore, the committee recommends an increase of \$588.0 million for the procurement of an additional ship-set of reactor plant, main propulsion, and prefabrication of Virginia class components.

OTHER PROCUREMENT, NAVY

Overview

The budget request for fiscal year 2008 contained \$5.5 billion for Other Procurement, Navy. The committee recommends authorization of \$5.4 billion, a decrease of \$26.8 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Other Procurement, Navy program are identified in the table below. Major changes to the Navy request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	COST	QTY.	COST	QTY.	COST	
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
	SHIP PROPULSION EQUIPMENT										
1	LM-2500 GAS TURBINE		6,690							0	6,690
2	ALLISON 501K GAS TURBINE		9,468							0	9,468
	NAVIGATION EQUIPMENT		0								0
3	OTHER NAVIGATION EQUIPMENT		29,503							0	29,503
	UNDERWAY REPLENISHMENT EQUIPMENT		0							0	0
4	UNDERWAY REPLENISHMENT EQUIPMENT		0							0	0
	PERISCOPES										0
5	SUB PERISCOPES & IMAGING EQUIP		69,753							0	69,753
	OTHER SHIPBOARD EQUIPMENT										0
6	DDG MOD		50,008								50,008
7	FIREFIGHTING EQUIPMENT		9,139							0	9,139
8	COMMAND AND CONTROL SWITCHBOARD		2,192							0	2,192
9	POLLUTION CONTROL EQUIPMENT		25,219							0	25,219
10	SUBMARINE SUPPORT EQUIPMENT		31,178							0	31,178
11	VIRGINIA CLASS SUPPORT EQUIPMENT		146,787							0	146,787
12	SUBMARINE BATTERIES		40,837							0	40,837
13	STRATEGIC PLATFORM SUPPORT EQUIP		10,076							0	10,076
14	DSSP EQUIPMENT		6,159							0	6,159
15	CG-MODERNIZATION		267,809							0	267,809
16	LCAC		65							0	65
17	MINESWEEPING EQUIPMENT		14,127							0	14,127
18	ITEMS LESS THAN \$5 MILLION		186,018							0	200,718
	Aircraft Carrier Propeller Replacement				14,700						
							3,800				

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	LSD 41 Class 60 Ton Crane Upgrades				4,000						
	JP-5 Manifold Electric Valve Operators				6,900						
19	CHEMICAL WARFARE DETECTORS		3,968							0	3,968
20	SUBMARINE LIFE SUPPORT SYSTEM		16,128							0	16,128
	REACTOR PLANT EQUIPMENT										0
21	REACTOR POWER UNITS		391,610							0	391,610
22	REACTOR COMPONENTS		234,245							0	234,245
	OCEAN ENGINEERING		0								0
23	DIVING AND SALVAGE EQUIPMENT		6,840							0	6,840
	SMALL BOATS		0								0
24	STANDARD BOATS		30,236		2,000		2,000			0	32,236
	Weapon Retrieval Vehicle										
	TRAINING EQUIPMENT										0
25	OTHER SHIPS TRAINING EQUIPMENT		9,239							0	9,239
	PRODUCTION FACILITIES EQUIPMENT										0
26	OPERATING FORCES IPE		50,335							0	50,335
	OTHER SHIP SUPPORT										0
27	NUCLEAR ALTERATIONS		70,101							0	70,101
28	LCS MODULES		80,324		(60,000)				(60,000)		20,324
	Program Reduction										
	DRUG INTERDICTION SUPPORT		0							0	0
29	DRUG INTERDICTION SUPPORT		0							0	0
	TOTAL SHIPS SUPPORT EQUIPMENT		1,788,054		(43,300)		16,700		(60,000)		1,754,754

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
COMMUNICATIONS AND ELECTRONICS EQUIPMENT											
30	SHIP RADARS		0							0	0
	RADAR SUPPORT									0	0
	SHIP SONARS										
31	SPO-9B RADAR		14,480		8,000		8,000			0	22,480
	DDG Modernization										
32	AN/SQQ-89 SURF ASW COMBAT SYSTEM		25,423							0	25,423
33	SSN ACOUSTICS		319,981							0	319,981
34	UNDERSEA WARFARE SUPPORT EQUIPMENT		14,929							0	14,929
35	SONAR SWITCHES AND TRANSDUCERS		13,357							0	13,357
	ASW ELECTRONIC EQUIPMENT		0							0	0
36	SUBMARINE ACOUSTIC WARFARE SYSTEM		16,955							0	16,955
37	SURFACE SHIP TORPEDO DEFENSE (SSTD)		2,924							0	2,924
38	FIXED SURVEILLANCE SYSTEM		60,745							0	60,745
39	SURTASS		10,484							0	10,484
40	TACTICAL SUPPORT CENTER		7,173							0	7,173
	ELECTRONIC WARFARE EQUIPMENT		0							0	0
41	AN/SLQ-32		29,903							0	29,903
42	INFORMATION WARFARE SYSTEMS		0							0	0
	RECONNAISSANCE EQUIPMENT		0							0	0
43	SHIPBOARD IW EXPLOIT		51,375							0	51,375
	SUBMARINE SURVEILLANCE EQUIPMENT		0							0	0
44	SUBMARINE SUPPORT EQUIPMENT PROG		105,015							0	105,015
	OTHER SHIP ELECTRONIC EQUIPMENT		0							0	0
45	NAVY TACTICAL DATA SYSTEM		0							0	0
46	COOPERATIVE ENGAGEMENT CAPABILITY		26,562							0	26,562
47	GCCS-M EQUIPMENT		63,190							0	63,190
48	NAVAL TACTICAL COMMAND SUPPORT SYS (NTCSS)		27,853							0	27,853

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Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
66	GCCS-M EQUIPMENT TACTICAL/MOBILE	3,983								3,983
67	COMMON IMAGERY GROUND SURFACE SYSTEMS	63,973								63,973
68	RADIAC	10,205								10,205
69	GPEFE	7,042								7,042
70	INTEG COMBAT SYSTEM TEST FACILITY	4,466								4,466
71	EMI CONTROL INSTRUMENTATION	9,476								9,476
72	ITEMS LESS THAN \$5 MILLION	40,843								40,843
	SHIPBOARD COMMUNICATIONS	0								0
73	SHIPBOARD TACTICAL COMMUNICATIONS	185								185
74	PORTABLE RADIOS	0								0
75	SHIP COMMUNICATIONS AUTOMATION	301,868								301,868
76	COMMUNICATIONS ITEMS UNDER \$5M	36,753								36,753
	SUBMARINE COMMUNICATIONS	0								0
77	SUBMARINE BROADCAST SUPPORT	4,169								4,169
78	SUBMARINE COMMUNICATION EQUIPMENT	86,551								86,551
	SATELLITE COMMUNICATIONS	0								0
79	SATELLITE COMMUNICATIONS SYSTEMS	74,677								74,677
	SHORE COMMUNICATIONS	0								0
80	JCS COMMUNICATIONS EQUIPMENT	2,643								2,643
81	ELECTRICAL POWER SYSTEMS	1,179								1,179
82	JEDMICS	0								0
83	NAVAL SHORE COMMUNICATIONS	10,672								10,672
	CRYPTOGRAPHIC EQUIPMENT	0								0
84	INFO SYSTEMS SECURITY PROGRAM (ISSP)	107,609								107,609
	CRYPTOLOGIC EQUIPMENT	0								0
85	CRYPTOLOGIC COMMUNICATIONS EQUIP	16,067								16,067
	OTHER ELECTRONIC SUPPORT	0								0
86	COAST GUARD EQUIPMENT	27,298								27,298
	DRUG INTERDICTION SUPPORT	0								0

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Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
87	OTHER DRUG INTERDICTION SUPPORT		0								0
	TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,814,672	8,000	8,000	8,000	0				1,822,672
	AVIATION SUPPORT EQUIPMENT										
	SONOBUOYS										
88	SONOBUOYS - ALL TYPES		67,373								67,373
89	AIRCRAFT SUPPORT EQUIPMENT		56,155								56,155
90	WEAPONS RANGE SUPPORT EQUIPMENT		8,281								8,281
91	EXPEDITIONARY AIRFIELDS		12,897								12,897
92	AIRCRAFT REARMING EQUIPMENT		38,863								38,863
93	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		12,248								12,248
94	METEOROLOGICAL EQUIPMENT		1,507								1,507
95	OTHER PHOTOGRAPHIC EQUIPMENT		12,750								12,750
96	AVIATION LIFE SUPPORT		79,536								79,536
97	AIRBORNE MINE COUNTERMEASURES		31,811								31,811
98	LAMPS MK III SHIPBOARD EQUIPMENT		11,638								11,638
	TOTAL AVIATION SUPPORT EQUIPMENT		335,059	0	0	0	0	0	0		335,059

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
	ORDNANCE SUPPORT EQUIPMENT											
99	SHIP GUN SYSTEM EQUIPMENT											0
	NAVAL FIRES CONTROL SYSTEM	2	1,382									0
100	GUN FIRE CONTROL EQUIPMENT		5,567									1,382
	SHIP MISSILE SYSTEMS EQUIPMENT		0									5,567
101	HARPOON SUPPORT EQUIPMENT		0									0
102	NATO SEASPARROW		28,765									0
103	RAM GMLS		3,990									28,765
104	SHIP SELF DEFENSE SYSTEM		31,642									3,990
105	AEGIS SUPPORT EQUIPMENT		93,783									31,642
106	TOMAHAWK SUPPORT EQUIPMENT		53,966									93,783
107	VERTICAL LAUNCH SYSTEMS		6,840									53,966
	FBM SUPPORT EQUIPMENT		0									6,840
108	STRATEGIC MISSILE SYSTEMS EQUIP Conventional Trident Modification		150,918		(7,000)				(7,000)			0
	ASW SUPPORT EQUIPMENT		0									150,918
109	SSN COMBAT CONTROL SYSTEMS		114,205									0
110	SUBMARINE ASW SUPPORT EQUIPMENT		5,191									114,205
111	SURFACE ASW SUPPORT EQUIPMENT		3,490									5,191
112	ASW RANGE SUPPORT EQUIPMENT		8,935									3,490
	OTHER ORDNANCE SUPPORT EQUIPMENT		0									8,935
113	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		36,462									0
114	ITEMS LESS THAN \$5 MILLION		3,422									36,462
	OTHER EXPENDABLE ORDNANCE		0									3,422
115	ANTI-SHIP MISSILE DECOY SYSTEM		42,450									0
116	SURFACE TRAINING DEVICE MODS		9,950									42,450
117	SUBMARINE TRAINING DEVICE MODS		32,093									9,950
	TOTAL ORDNANCE SUPPORT EQUIPMENT		635,051		(7,000)	0		(7,000)				32,093
												628,051

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	CIVIL ENGINEERING SUPPORT EQUIPMENT									
	CIVIL ENGINEERING SUPPORT EQUIPMENT									
118	PASSENGER CARRYING VEHICLES	1,455								1,455
119	GENERAL PURPOSE TRUCKS	839								839
120	CONSTRUCTION & MAINTENANCE EQUIP	12,097								12,097
121	FIRE FIGHTING EQUIPMENT	17,648								17,648
122	TACTICAL VEHICLES	32,853								32,853
123	AMPHIBIOUS EQUIPMENT	138,485								138,485
124	COLLATERAL EQUIPMENT	5,434								5,434
125	POLLUTION CONTROL EQUIPMENT	5,778								5,778
126	ITEMS UNDER \$5 MILLION	23,337								23,337
127	PHYSICAL SECURITY VEHICLES	2,047								2,047
	TOTAL CIVIL ENGINEERING SUPPORT EQUIPMENT	239,973	0	0	0	0	0	0	0	239,973
	SUPPLY SUPPORT EQUIPMENT									
	SUPPLY SUPPORT EQUIPMENT									
128	MATERIALS HANDLING EQUIPMENT	13,037								13,037
129	OTHER SUPPLY SUPPORT EQUIPMENT	15,521		2,000						17,521
	Portable Deployment Kits					2,000				

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
130	FIRST DESTINATION TRANSPORTATION		6,153							0	6,153
131	SPECIAL PURPOSE SUPPLY SYSTEMS		72,576							0	72,576
	TOTAL SUPPLY SUPPORT EQUIPMENT		107,287		2,000		2,000		0		109,287
PERSONNEL AND COMMAND SUPPORT EQUIPMENT											
TRAINING DEVICES											
132	TRAINING SUPPORT EQUIPMENT		19,463		8,000		8,000			0	27,463
	Laser Marksmanship Training System (LMTS)										
	COMMAND SUPPORT EQUIPMENT		42,539		500		500			0	43,039
	High Performance Computing Capability										
134	EDUCATION SUPPORT EQUIPMENT		1,983							0	1,983
135	MEDICAL SUPPORT EQUIPMENT		3,418							0	3,418
136	INTELLIGENCE SUPPORT EQUIPMENT									0	0
137	OPERATING FORCES SUPPORT EQUIPMENT		11,608		5,000		5,000			0	16,608
	Envelop Protective Covers										
138	CAISR EQUIPMENT		13,996							0	13,996
139	ENVIRONMENTAL SUPPORT EQUIPMENT		30,938							0	30,938
140	PHYSICAL SECURITY EQUIPMENT		137,366							0	137,366
141	ENTERPRISE INFORMATION TECHNOLOGY		49,572							0	49,572
142	CLASSIFIED PROGRAMS										
143	SPECIAL PROGRAM										
	OTHER										
144	CANCELLED ACCOUNT ADJUSTMENTS		0							0	0
	TOTAL PERSONNEL AND COMMAND SUPPORT EQUIPMENT		310,883		13,500		13,500		0		324,383

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	SPARES AND REPAIR PARTS									
145	SPARES AND REPAIR PARTS	218,071								218,071
	SPARES AND REPAIR PARTS									
	TOTAL SPARES AND REPAIR PARTS	218,071	0	0	0	0	0	0	0	218,071
999	CLASSIFIED PROGRAMS	11,362								11,362
	TOTAL OTHER PROCUREMENT, NAVY	5,470,412	(26,600)	40,200	(67,000)					5,443,612

Items of Special Interest

CVN Propeller Replacement Program

The budget request contained \$186.0 million in the category of items under \$5.0 million, but contained no funds for the aircraft carrier propeller replacement program.

The committee understands that the original propellers on the Nimitz class aircraft carriers suffer from significant blade erosion caused by cavitation and require refurbishment every three to six years. The new design propeller is resistant to erosion by cavitation and only requires refurbishment every 12 years which most closely approximates major dry-docking availability.

The committee recommends an increase of \$3.8 million in the category, items less than \$5.0 million, for the aircraft carrier propeller replacement program.

DDG 51 modernization program

The budget request contained \$14.5 million for procurement of the highly capable, multi-role AN/SPQ-9B radar.

The committee understands the Navy plans to deploy the AN/SPQ-9B radar during the modernization of the DDG 51 class destroyers and to deploy the radar on the LPD 17, LHD 8, and CVN 78 ship classes.

The committee recommends an increase of \$8.0 million for accelerated radar system procurement to reduce risks and meet the delivery requirements for the first DDG 51 modernization.

Envelop protective covers for naval applications

The budget request contained \$11.6 million in operating forces support equipment, but contained no funds for the procurement of envelop protective covers.

The committee understands that these covers are currently in use on 160 Navy ships and have significantly reduced corrosion caused by the shipboard environment, thereby decreasing maintenance and increasing readiness.

The committee recommends an increase of \$5.0 million in operating support equipment for the procurement of envelop protective covers.

LSD 41 class 60 ton crane upgrades

The budget request contained \$186.0 million for items under \$5.0 million, but contained no funds for upgrading the crane controls and drives for the four ships of the LSD 41 class.

The committee understands that the 60 ton cranes on the ships of the LSD 41 class are essential to the safe loading and off loading of Marine Corps heavy equipment. The committee further understands that the control systems and drives on these cranes are of an outdated technical design, require continuous maintenance, and are no longer fully supported for spares.

The committee recommends an increase of \$4.0 million in items less than \$5.0 million for the replacement of the control systems and drives for LSD 42, 44, 47, and 48.

PROCUREMENT, MARINE CORPS

Overview

The budget request for fiscal year 2008 contained \$2.7 billion for Procurement, Marine Corps. The committee recommends authorization of \$2.6 billion, a decrease of \$118.8 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Procurement, Marine Corps program are identified in the table below. Major changes to the Marine Corps request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
PROCUREMENT, MARINE CORPS												
WEAPONS AND COMBAT VEHICLES												
TRACKED COMBAT VEHICLES												
1	MC GROUND FORCES AUGMENTATION		0									0
2	AAV7A1 PIP		4,379									4,379
3	EXPEDITIONARY FIGHTING VEHICLE		0									0
3	LESS: ADVANCE PROCUREMENT (PY)		0									0
4	ADVANCE PROCUREMENT (CY)		0									0
5	LAV PIP		32,065									32,065
6	M1A1 FIREPOWER ENHANCEMENTS		14,829									14,829
7	ARTILLERY AND OTHER WEAPONS		0									0
7	EXPEDITIONARY FIRE SUPPORT SYSTEM		3,895									3,895
8	155MM LIGHTWEIGHT TOWED HOWITZER		200,879									200,879
9	HIGH MOBILITY ARTILLERY ROCKET SYSTEM		30,650									30,650
10	WEAPONS & COMBAT VEHICLES UNDER \$5 M		55,434									55,434
11	WEAPONS		0									0
11	MODULAR WEAPON SYSTEM		12,735									12,735
11	OTHER SUPPORT		0									0
12	MODIFICATION KITS		194,859									194,859
13	WEAPONS ENHANCEMENT PROGRAM		15,009									15,009
14	OPERATIONS OTHER THAN WAR		0									0
TOTAL WEAPONS AND COMBAT VEHICLES			564,734		0		0		0			564,734
GUIDED MISSILES AND EQUIPMENT												
GUIDED MISSILES												
15	GROUND BASED AIR DEFENSE		1,988									1,988
16	JAVELIN		9,240									9,240
17	COMPLEMENTARY LOW ALTITUDE WEAPON SYSTEM		0									0

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
OTHER SUPPORT												
18	MISSILE MODIFICATION KITS - TOW		80,661								0	80,661
TOTAL GUIDED MISSILES AND EQUIPMENT			91,889		0		0			0		91,889
COMMUNICATIONS AND ELECTRONICS EQUIPMENT												
COMMAND AND CONTROL SYSTEMS												
19	UNIT OPERATIONS CENTER		56,943								0	56,943
20	REPAIR AND TEST EQUIPMENT		74,519								0	74,519
21	AUTO TEST SYSTEMS		0								0	0
	OTHER SUPPORT (TEL)		0								0	0
22	COMBAT SUPPORT SYSTEM		19,112								0	19,112
23	MODIFICATION KITS		35,158								0	35,158
24	COMMAND AND CONTROL SYSTEM (NON-TEL)		0								0	0
25	ITEMS UNDER \$5 MILLION (COMM & ELEC)		6,399								0	6,399
26	AIR OPERATIONS C2 SYSTEMS		66,681								0	66,681
27	JOINT TACTICAL RADIO SYSTEMS		0								0	0
	RADAR + EQUIPMENT (NON-TEL)		0								0	0
	RADAR SYSTEMS		150,715								0	150,715
28	INTELL/COMM EQUIPMENT (NON-TEL)		27,022								0	27,022
29	FIRE SUPPORT SYSTEMS		149,653								0	149,653
30	INTELLIGENCE SUPPORT EQUIPMENT		0								0	0
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)		42,544								0	42,544
	NIGHT VISION EQUIPMENT		0								0	0
31	OTHER SUPPORT (NON-TEL)		97,248								0	97,248
32	COMMON COMPUTER RESOURCES		31,579								0	31,579
	Program Reduction										(28,400)	(28,400)

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
33	RADIO SYSTEMS Program Reduction		179,818		(90,400)				(90,400)	0	89,418
34	COMM SWITCHING & CONTROL SYSTEMS		103,612							0	103,612
35	COMM & ELEC INFRASTRUCTURE SUPPORT		22,393							0	22,393
	TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,063,396		(118,800)		0		(118,800)		944,596
	SUPPORT VEHICLES										
	ADMINISTRATIVE VEHICLES										
36	COMMERCIAL PASSENGER VEHICLES		1,070							0	1,070
37	COMMERCIAL CARGO VEHICLES		13,366							0	13,366
	TACTICAL VEHICLES		0							0	0
38	5/4T TRUCK HMMVV (MYP)		180,655							0	180,655
39	MOTOR TRANSPORT MODIFICATIONS		0							0	0
40	MEDIUM TACTICAL VEHICLE REPLACEMENT		106,755							0	106,755
41	LIGHTWEIGHT PRIME MOVER		0							0	0
42	LOGISTICS VEHICLE SYSTEM REP		35,063							0	35,063
43	FAMILY OF TACTICAL TRAILERS		38,682							0	38,682
43X	TRAILERS, ALL TYPES		147,388							0	147,388
	OTHER SUPPORT		0							0	0
44	ITEMS LESS THAN \$5 MILLION		6,857							0	6,857
	TOTAL SUPPORT VEHICLES		529,846		0		0		0		529,846
	ENGINEER AND OTHER EQUIPMENT										
	ENGINEER AND OTHER EQUIPMENT										
45	ENVIRONMENTAL CONTROL EQUIP ASSORT		5,781							0	5,781
46	BULK LIQUID EQUIPMENT		6,064							0	6,064
47	TACTICAL FUEL SYSTEMS		17,552							0	17,552

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
48	POWER EQUIPMENT ASSORTED		11,421								11,421
49	AMPHIBIOUS SUPPORT EQUIPMENT		12,399								12,399
50	EOD SYSTEMS		46,211								46,211
	MATERIALS HANDLING EQUIPMENT		0								0
51	PHYSICAL SECURITY EQUIPMENT		12,388								12,388
52	GARRISON MOBILE ENGR EQUIP (GMEE)		12,439								12,439
53	MATERIAL HANDLING EQUIP		25,490								25,490
54	FIRST DESTINATION TRANSPORTATION		6,613								6,613
	GENERAL PROPERTY		0								0
55	FIELD MEDICAL EQUIPMENT		18,286								18,286
56	TRAINING DEVICES		72,149								72,149
57	CONTAINER FAMILY		9,185								9,185
58	FAMILY OF CONSTRUCTION EQUIPMENT		87,991								87,991
59	FAMILY OF INTERNALLY TRANSPORTABLE VEH (ITV)		2,472								2,472
60	BRIDGE BOATS		43,903								43,903
61	RAPID DEPLOYABLE KITCHEN		23,091								23,091
	OTHER SUPPORT		0								0
62	MODIFICATION KITS		0								0
63	ITEMS LESS THAN \$5 MILLION		22,963								22,963
	TOTAL ENGINEER AND OTHER EQUIPMENT		436,398		0		0		0		436,398

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
	SPARES AND REPAIRS PARTS											
64	SPARES AND REPAIRS PARTS		12,794									0
	TOTAL SPARES AND REPAIR PARTS		12,794		0		0	0	0			12,794
TOTAL PROCUREMENT, MARINE CORPS			2,699,057		(118,800)		0	(118,800)				2,580,257
TOTAL NAVY PROCUREMENT			38,718,227		1,919,400		2,331,200	(411,800)				40,637,627

Items of Special Interest

Combat Operations Centers

The budget request contained \$56.9 million for Combat Operations Center (COC) equipment. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$92.4 million for COC equipment.

The committee notes that the Marine Corps COC program provides a capability similar to other Department of Defense programs, including the Navy Deployable Joint Command and Control (DJC2) and Army Tactical Operations Center (TOC) programs. The committee also notes that the Marine Corps received \$275.0 million in fiscal year 2007 for the COC program and that the Marine Corps production capacity for this equipment is limited. The committee urges the Marine Corps to coordinate with the Departments of the Navy and Army to procure, where possible, common command post equipment in order to reduce the unit cost of each system and to improve interoperability.

The committee recommends \$28.5 million, a decrease of \$28.4 million, for COC equipment. The committee notes that additional funding for the COC program is authorized in Title XV of this Act.

Radio systems

The budget request contained \$179.9 million for procurement of Marine Corps radio systems. In addition, the fiscal year 2008 budget request for ongoing military operations contained \$464.5 million for procurement of radio systems.

The committee notes that the Marine Corps received \$876.5 million in fiscal year 2007 for the procurement of radios that, in addition to the recommended fiscal year 2008 funding, will allow the Marine Corps to meet the communications needs for deploying units in 2008. The committee is concerned that despite the dramatic increase in the number of radios planned for procurement that the individual unit cost of these radios has remained flat or has increased. The committee strongly encourages the Marine Corps to negotiate a lower unit price for these radio systems. The committee urges the Marine Corps to conduct a competitive process to procure radios that provide similar capability at a lower unit cost, if a lower price with the current manufacturers of the radios is not achievable.

The committee recommends \$90.5 million, a decrease of \$90.4 million, for procurement of Marine Corps radio systems. The committee notes that additional funding for radio systems is authorized in Title XV of this Act.

AIRCRAFT PROCUREMENT, AIR FORCE

Overview

The budget request for fiscal year 2008 contained \$12.4 billion for Aircraft Procurement, Air Force. The committee recommends authorization of \$12.4 billion, a decrease of \$37.0 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Aircraft Procurement, Air Force program are identified in the table below.

Major changes to the Air Force request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
AIRCRAFT PROCUREMENT, AIR FORCE										
COMBAT AIRCRAFT										
TACTICAL FORCES										
1	F-35	6	1,391,824						6	1,391,824
1	LESS: ADVANCE PROCUREMENT (PY)		(93,657)							(93,657)
2	ADVANCE PROCUREMENT (CY)		123,539							123,539
3	F-22A	20	3,737,976						20	3,737,976
3	LESS: ADVANCE PROCUREMENT (PY)		(585,263)							(585,263)
4	ADVANCE PROCUREMENT (CY)		426,666							426,666
5	F-15E									
5	LESS: ADVANCE PROCUREMENT (PY)									
TOTAL COMBAT AIRCRAFT			5,001,085	0	0	0	0	0	0	5,001,085
ARLIFT AIRCRAFT										
TACTICAL AIRLIFT										
6	C-17A (MYP)		260,601						0	260,601
6	LESS: ADVANCE PROCUREMENT (PY)		0						0	0
7	ADVANCE PROCUREMENT (CY)		0						0	0
OTHER AIRLIFT										
8	C-130J	9	799,658						9	799,658
8	LESS: ADVANCE PROCUREMENT (PY)		(113,589)							(113,589)
9	ADVANCE PROCUREMENT (CY)		0						0	0

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
10	ADVANCE PROCUREMENT (CY)		9,990								9,990
11	ADVANCE PROCUREMENT (CY)		65,742							0	65,742
	TOTAL AIRLIFT AIRCRAFT		1,022,402		0		0		0		1,022,402
	TRAINER AIRCRAFT										
	OPERATIONAL TRAINERS										
12	JPATS	39	245,889							39	245,889
	TOTAL TRAINER AIRCRAFT		245,889		0		0		0		245,889
	OTHER AIRCRAFT										
	HELICOPTERS										
13	V-22 OSPREY	5	473,957							5	473,957
13	LESS: ADVANCE PROCUREMENT (PY)		(20,160)							0	(20,160)
14	ADVANCE PROCUREMENT (CY)		41,245							0	41,245
	MISSION SUPPORT AIRCRAFT										
15	C-40	2	48,615							2	48,615
16	CIVIL AIR PATROL A/C		4,477							0	4,477
	OTHER AIRCRAFT										
17	TARGET DRONES		85,604							0	85,604
18	C-37A		0								
19	GLOBAL HAWK		564,722							0	564,722
19	LESS: ADVANCE PROCUREMENT (PY)		(50,717)							0	(50,717)
20	ADVANCE PROCUREMENT (CY)		63,841							0	63,841
21	MQ-1	24	277,999							24	277,999
22	MQ-9	4	58,470							4	58,470
	TOTAL OTHER AIRCRAFT		1,548,053		0		0		0		1,548,053

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
MODIFICATION OF INSERVICE AIRCRAFT										
STRATEGIC AIRCRAFT										
23	B-2A Program Execution	316,055		(100,000)				(100,000)	0	216,055
24	B-1B Program Reduction	53,125		(16,900)				(16,900)	0	36,225
MSOGS Reliability Improvement Program										
25	B-52 Attrition Reserve Modernization	18,091		20,000		2,000			0	38,091
26	F-117 Attrition Reserve Modernization	0				20,000			0	0
TACTICAL AIRCRAFT										
27	A-10	167,107							0	167,107
28	F-15	19,165							0	19,165
29	F-16 Block 42 Engine Upgrade	329,370		29,400		29,400			0	358,770
30	F-22A Airlift Aircraft	281,905							0	281,905
31	C-5 Appique Protective Armor	398,473		4,700		4,700			0	403,173
LESS: ADVANCE PROCUREMENT (PY)										
31	LESS: ADVANCE PROCUREMENT (PY)	(66,457)							0	(66,457)
32	ADVANCE PROCUREMENT (CY)	66,700							0	66,700
33	C-17A	211,206							0	211,206
34	C-21	13,920							0	13,920
35	C-32A	1,646							0	1,646
36	C-37A Trainer Aircraft	420							0	420
GLIDER MODS										
37	T-6	118							0	118
38	T-6	17,089							0	17,089

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
76	INDUSTRIAL RESPONSIVENESS	23,942								23,942
	WAR CONSUMABLES									0
77	WAR CONSUMABLES	86,707								86,707
	OTHER PRODUCTION CHARGES									0
78	OTHER PRODUCTION CHARGES	683,080		3,900						686,980
	ANALQ-213 Process of				3,900					
79	DEPOT MODERNIZATION	0								0
	CLASSIFIED PROGRAMS									0
80	CLASSIFIED PROGRAMS									0
81	CLASSIFIED ACTIVITIES									0
82	SPECIAL PROGRAM									0
	OTHER PRODUCTION CHARGES - SOF									0
83	CANCELLED ACCT ADJUSTMENTS									0
	DARP									0
84	DARP	27,881								27,881
	CLASSIFIED PROGRAMS									8,348
999	CLASSIFIED PROGRAMS	8,348								8,348
TOTAL AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		1,158,297	3,900	(37,000)	81,900	(118,900)	0	0	1,162,197	
TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		12,393,270	(37,000)	81,900	(118,900)	0	0	12,356,270		

Items of Special Interest

AC-130 large aircraft infrared countermeasures

The budget request contained \$384.4 million for C-130 modifications, of which \$26.9 million was for the procurement and installation of the large aircraft infra-red counter-measures (LAIRCM) system on AC-130 aircraft.

The LAIRCM system consists of ultra-violet missile warning sensors, a missile tracking system, small laser turret assemblies, and processors to detect, track, and counter incoming infra-red (IR)-guided missiles. The committee notes that the LAIRCM system provides a significantly improved defensive capability for large aircraft to counter the IR man-portable air defense system threats, and believes that this capability should be accelerated on the Department of the Air Force's AC-130 fleet. The committee notes that the Air Force Chief of Staff has included the AC-130 LAIRCM among his top ten unfunded priorities for fiscal year 2008.

The committee recommends \$389.4 million for C-130 modifications, an increase of \$5.0 million for procurement and installation of the LAIRCM system on AC-130 aircraft.

AN/ALQ-213 processor

The budget request contained \$683.1 million for other production charges, but contained no funds to complete qualification of an updated AN/ALQ-213 processor.

The AN/ALQ-213 processor is an advanced electronic warfare management system, used on the F-16 and A-10 aircraft, which integrates all on-board self-protection systems such as missile warning systems, chaff and flare dispensing systems, jammers, and towed decoys to reduce pilot workload while conducting combat operations in enemy airspace. The committee understands that the limited processing and memory capacity of the existing AN/ALQ-213 processor impacts the survivability of the F-16 and A-10 fleets, and the committee believes that qualification of an updated AN/ALQ-213 processor should be completed. The committee notes that the Chief of Staff of the Air Force has included the updated AN/ALQ-213 among his unfunded priorities for fiscal year 2008.

The committee recommends \$687.0 million, an increase of \$3.9 million, for other production charges to complete qualification of an updated AN/ALQ-213 processor.

B-1 bomber modernization

The budget request contained \$53.1 million for in-service modification of B-1 aircraft.

According to Air Force officials, the funding request for the B-1 fully integrated data-link (FIDL) modification will not be used as documented in the Air Force justification materials. The Air Force intends to use \$18.9 million of these funds for a targeting pod modification unrelated to FIDL. FIDL development delays required the Air Force to delay the start of procurement beyond fiscal year 2008. Further, the fiscal year 2008 budget request for ongoing military operations contained \$17.1 million for the targeting pod modification.

The committee recommends \$34.2 million, a decrease of \$18.9 million, for in-service modification of B-1 aircraft.

B-2 bomber modernization

The budget request contained \$316.1 million for in-service modification of B-2 aircraft.

The committee understands that the radar antenna for the B-2 radar modernization program is not meeting performance criteria and has delayed the delivery and installation of the six development radar units needed for flight-testing. The committee notes that data gathered from the testing of these six radar units was supposed to contribute to the completion of design activity, provide an aircrew training capability, and provide test information on reliability and maintainability to support the production decision. The fiscal year 2008 budget request contains procurement of eight radar units. The Air Force does not plan to install three of the eight radar units until fiscal year 2011. The committee notes that based on procurement lead times, delaying procurement of three units until fiscal year 2009 should allow the Air Force to meet the fiscal year 2011 installment schedule without impacting initial operational capabilities.

The committee recommends \$216.1 million, a decrease of \$100.0 million, for in-service modification of B-2 aircraft due to radar modernization program delays.

B-52

The budget request contained \$18.1 million for in-service modification of 56 B-52 aircraft, but contained no funds for the 20 remaining B-52 aircraft in the Air Force aircraft inventory.

The committee understands that the 2006 Quadrennial Defense Review directed the Air Force to reduce the B-52 force to 56 aircraft and use the savings to fully modernize the remaining B-52s, B-1s, and B-2s to support global strike operations. The committee also understands that the current B-52 combat coded force structure of 44 is insufficient to meet combatant commander requirements for conventional long-range strike if there is a need to conduct near simultaneous operations in two major regional conflicts. The committee believes it is premature to retire any B-52 aircraft prior to a replacement long-range strike aircraft reaching initial operational capability status.

Section 131 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) permits the Secretary of the Air Force to retire up to 18 B-52 aircraft, but maintain no less than 44 combat coded B-52 aircraft, beginning 45 days after the Secretary submits to the Senate Committee on Armed Services and the House Committee on Armed Services a report prepared by the Institute for Defense Analyses on the amount and type of bomber force structure required to carry out the National Security Strategy of the United States. Section 131 also prohibits retirement of more than 18 B-52 aircraft until a long-range strike replacement aircraft with equal or greater capability has attained initial operational capability status or until January 1, 2018, whichever comes first.

The committee understands that the Air Force plans to modernize and upgrade only 56 of the total 76 B-52 aircraft in the inventory. The committee strongly opposes a strategy to reduce capability in present day conventional long-range strike capability without a replacement platform. The replacement platform is not pro-

jected to achieve initial operational capability until well into the future.

The committee recommends \$38.1 million, an increase of \$20.0 million, for in-service modification of 76 B-52 aircraft and recommends the Air Force to request the fiscal resources necessary to similarly modernize and upgrade 76 B-52 aircraft in future fiscal year budget requests.

C-5 small arms protective armor

The budget request contained \$332.0 million for modification of in-service C-5 aircraft, but contained no funds for C-5 small arms protective armor.

The committee understands that intelligence threat reporting and aircraft incidents indicate an urgent need to equip the C-5 aircrew cockpit, liquid-oxygen bottle, and troop door with protective armor. Installation of armor protection will increase aircrew and aircraft survivability against the small arms fire threat and will meet a U.S. Central Command area of responsibility requirement that all aircraft operating in specified zones be outfitted with small arms protective armor.

The committee recommends \$336.7 million, an increase of \$4.7 million, for equipping C-5 aircraft with small arms protective armor.

F-16 block 42 engine upgrades

The budget request contained \$329.4 million for F-16 modifications, but contained no funds for F-16 block 42 F100-PW-229 engine upgrades for the Air National Guard (ANG).

The committee notes that, without an engine upgrade, the ANG's F-16 block 42 aircraft are underpowered compared to F-16 block 40, block 50, and block 52 aircraft, reducing their combat effectiveness. The committee understands that 31 of the ANG's 48 F-16 block 42 aircraft have been upgraded with the F100-PW-229 engine; and notes that this engine upgrade provides a twenty percent thrust increase, and improved durability, reliability, survivability, and speed. The committee believes that the ANG's F-16 block 42 aircraft fleet should continue to be upgraded with the F100-PW-229 engine.

The committee recommends \$358.8 million for F-16 modifications, an increase of \$29.4 million, for four F100-PW-229 engine upgrades for the ANG's F-16 block 42 fleet.

Joint cargo aircraft

The budget request contained \$42.4 million for Air Force development and procurement of the joint cargo aircraft and \$163.4 million for Army development and procurement of the joint cargo aircraft.

The committee understands that the Army initiated the future cargo aircraft program to fill an operational gap identified by the Army to support an organic, time-sensitive cargo mission that is not adequately being filled by any currently fielded system. The committee understands that the Air Force initiated its light cargo aircraft program to more efficiently execute the intra-theater airlift cargo mission and supplement its current portfolio of airlift aircraft. The committee notes that the Army and the Air Force signed a Memorandum of Understanding on June 16, 2006, regarding

merging the two programs into a new program called the Joint Cargo Aircraft.

The committee understands that the Joint Chiefs of Staff is currently conducting the Joint Intra-Theater Lift Capabilities Study and the Joint Intra-Theater Distribution Assessment. The committee understands that the Air Force is conducting a Functional Area Series Analysis, a Joint Cargo Aircraft Analysis of Alternatives, and the Air Mobility Command Mobility Roadmap. The committee understands that these studies are essential in identifying effective and efficient intra-theater airlift operations that should support all intra-theater airlift requirements of the military services.

The committee is extremely concerned that progressing with development and procurement of an additional cargo aircraft program to support intra-theater airlift requirements within the Department of Defense without completion of the relevant studies will prohibit informed decision-making, could invoke unnecessary duplication of effort and expenditure of fiscal resources, and may infringe upon the separate roles, missions, and core capabilities of the military services.

The committee included a provision (section 132) of this Act that would prohibit the Secretary of the Air Force or the Secretary of the Army from obligating or expending authorized appropriations for the development or procurement of the Joint Cargo Aircraft until 30 days after the Secretary of Defense submits to the congressional defense committees the Air Force Air Mobility Command's Airlift Mobility Roadmap; the Department of Defense Intra-Theater Airlift Capabilities Study; the Department of Defense Joint Intra-Theater Distribution Assessment; the Joint Cargo Aircraft Functional Area Series Analysis; the Joint Cargo Aircraft Analysis of Alternatives; and the Secretary of Defense certifies that validated operational requirements exist to fill a Department of the Army, Department of the Air Force, Army National Guard, or Air National Guard capability gap or shortfall for intra-theater airlift with the Joint Cargo Aircraft.

KC-135R global air traffic management system

The budget request contained \$118.6 million for modification of in-service C-135 aircraft, containing \$103.3 million for the global air traffic management (GATM) system installation kit.

The committee understands that the GATM upgrade is required for all KC-135 aircraft to operate unrestricted within transoceanic airspace allocations where reduced horizontal separations are implemented. Accelerating installation of GATM should ensure that KC-135 aircraft can meet all assigned missions.

The committee recommends \$128.5 million for modification of in-service C-135 aircraft, an increase of \$9.9 million for procurement of six additional GATM kits.

Senior scout shelter

The budget request contained \$384.4 million for C-130 modifications, containing \$3.9 million for change orders to update three C-130 senior scout shelters, but contained no funds for procurement of a fourth mission shelter for the senior scout system.

The senior scout system is a roll-on and roll-off suite of equipment, configured in a shelter system, and used on specially-configured C-130 aircraft to perform intelligence, surveillance, and reconnaissance (ISR) missions. The committee notes that senior scout systems have been deployed continuously since September 11, 2001, because of their exceptional ISR capabilities and small footprint. The committee believes that an additional senior scout mission shelter is needed to meet operational demands.

The committee recommends an increase of \$7.0 million for a fourth mission shelter for the senior scout system.

Strategic airlift aircraft

The budget request contained \$260.6 million for C-17 aircraft procurement support items, but no funds were included for additional C-17 aircraft.

The committee notes that the Commander, U.S. Transportation Command and the Commander, Air Mobility Command, both testified before the House Committee on Armed Services on March 2, 2006, that no more than 20 C-17s, in addition to the former program of record of 180 C-17s, are needed to meet both the inter-theater and intra-theater airlift requirements, and provide a recapitalization solution for older C-17s being used at a higher than planned utilization rate. The Chief of Staff of the Air Force included \$472.8 million for two C-17 aircraft and \$280.0 million for C-17 production line shutdown funding on the Air Force's Unfunded Priority List submitted to the committee.

Additionally, the committee received a briefing from Air Force officials which explained that the cost savings garnered from retiring 30 C-5A aircraft and procuring 30 C-17 aircraft could be roughly equivalent in cost and that pursuing this course of action could increase operational flexibility of combatant commanders and improve the overall strategic airlift mobility capability of the United States Transportation Command. However, the committee notes that in the business case analysis briefed to the committee pursuing this option, the Air Force could not use actual cost estimates for the C-5 Reliability Enhancement and Re-engineing Program (RERP), actual unit cost estimates for additional C-17 aircraft, actual costs for personnel or military construction, or actual flying hour costs because these were still under review by Air Force officials.

Regardless of the Air Force position that there is near financial neutrality of retiring 30 C-5As and procuring 30 C-17s, the committee is concerned that a minimum of 299 strategic airlift aircraft may not be sufficient to meet future airlift requirements and supports procurement of at least 10 additional C-17s beyond the 190 aircraft program of record given the dilapidated condition of the C-130E/H fleet of aircraft, the lack of well defined inter-theater and intra-theater airlift requirements for the Army's modularity and Future Combat Systems operational concepts, the personnel end strength increases of both the Army and Marine Corps, the increased use of the C-17 tasked for the intra-theater airlift mission, and the uncertainty associated with C-5 modernization testing and possible cost growth.

The committee recommends \$2.4 billion in title XV of this Act, an increase of \$2.4 billion for procurement of 10 additional C-17s.

Additionally, the committee directs the Secretary of the Air Force to apply the \$37.3 million of shutdown costs in the budget request towards the procurement of these additional C-17s, and strongly encourages the Secretary to program out-year funding for additional C-17 aircraft in subsequent budget requests if the Air Force plans to pursue the option of retiring C-5A aircraft and procuring additional C-17 aircraft.

The committee also includes in a provision in Title I of this Act that would allow the Secretary of the Air Force to retire C-5A aircraft from the inventory and replace the capability with C-17 aircraft if the cost analysis performed is prudent in meeting strategic airlift requirements and does not significantly increase overall costs above those already planned in the out-years. Before C-5A retirement can commence, the Secretary must submit to the congressional defense committees a cost analysis that evaluates retiring C-5A aircraft and procuring C-17 aircraft versus performing the Avionics Modernization Program and RERP on C-5A aircraft is more prudent in meeting strategic airlift mobility requirements; submit certification that the Department can comply with the minimum strategic airlift inventory requirement of 299 aircraft by October 1, 2008, section 8062(g) of title 10, United States Code; and, submit certification that operational risk will not significantly increase in meeting the National Military Strategy objectives by retiring C-5A aircraft and procuring additional C-17 aircraft. The committee understands that the Air Force should have a minimum of 299 strategic airlift aircraft in the inventory with delivery of the 189th C-17 in June 2009.

Consequently, the committee understands that no C-5A retirements will occur before the delivery of the 189th C-17. This should provide adequate time for the committee and the Secretary of the Air Force to both reconsider minimum airlift needs and to fully evaluate the operational efficiencies involved in replacing C-5A aircraft with C-17 aircraft. Additionally, the committee notes that after section 8062(g) of title 10, United States Code, was implemented with the John Warner National Defense Authorization Act for Fiscal Year 2007, the C-17 delivery schedule changed due to additional C-17 foreign military sales which could impact the Secretary of the Air Force complying with section 8062(g) of title 10, United States Code.

Study on procuring F-35 aircraft for Air National Guard units

The committee notes that some Air National Guard (ANG) units currently equipped with F-16 and F-15 aircraft provide homeland defense by conducting combat air patrol missions for high-value areas of the United States. Further, the committee notes that the existing fleets of F-15 and F-16 aircraft are aging, and that the F-35 aircraft will eventually assume F-16 missions when F-16s are retired.

To address the prospect of continuing the homeland defense combat air patrol mission when fleets of F-16s and F-15s are retired, the committee directs the Secretary of the Air Force, in consultation with the Chief of the National Guard Bureau and the Secretary of Homeland Security, to conduct a study on the feasibility and desirability of procuring F-35 aircraft for those ANG units that are responsible for providing homeland defense combat air pa-

trol missions for high-value areas of the United States. The Secretary of the Air Force shall submit a report with the results and conclusions of this study, including any other information that the Secretary considers appropriate, to the congressional defense committees by October 1, 2008.

AMMUNITION PROCUREMENT, AIR FORCE

Overview

The budget request for fiscal year 2008 contained \$868.9 million for Ammunition Procurement, Air Force. The committee recommends authorization at budget request level of \$868.9 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Ammunition Procurement, Air Force program are identified in the table below. Major changes to the Air Force request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2006 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	PROCUREMENT OF AMMUNITION, AIR FORCE									
	PROCUREMENT OF AMMO, AIR FORCE									
	ROCKETS									
1	ROCKETS	18,188							0	18,188
	CARTRIDGES									
2	CARTRIDGES	165,343							0	165,343
	BOMBS									
3	PRACTICE BOMBS	26,080							0	26,080
4	GENERAL PURPOSE BOMBS	150,247							0	150,247
5	SENSOR FUZED WEAPONS	0							0	0
6	JOINT DIRECT ATTACK MUNITION	112,783	3,817						3,817	112,783
7	WIND CORRECTED MUNITIONS DISPENSER FLARE, IR MJU-7B	0							0	0
	CAD/PAD									
8	CAD/PAD	33,867							0	33,867
9	EXPLOSIVE ORDNANCE DISPOSAL	3,198							0	3,198
10	SPARES AND REPAIR PARTS	4,726							0	4,726
11	MODIFICATIONS	935							0	935
12	ITEMS LESS THAN \$5 M FUZES	4,169							0	4,169

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
13	FLARES		274,921								274,921
14	FUZES		70,808								70,808
	TOTAL PROCUREMENT OF AMMO, AIR FORCE		865,265		0		0		0		865,265
	WEAPONS										
	SMALL ARMS		3,652								3,652
	TOTAL WEAPONS		3,652		0		0		0		3,652
	TOTAL PROCUREMENT OF AMMUNITION, AIR FORCE		868,917		0		0		0		868,917

MISSILE PROCUREMENT, AIR FORCE

Overview

The budget request for fiscal year 2008 contained \$5.1 billion for Missile Procurement, Air Force. The committee recommends authorization of \$5.1 billion, an increase of \$7.0 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Missile Procurement, Air Force program are identified in the table below. Major changes to the Air Force request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
				COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
	MISSILE PROCUREMENT, AIR FORCE										
	BALLISTIC MISSILES										
	MISSILE REPLACEMENT EQUIPMENT - BALLISTIC	26,446									26,446
1	MISSILE REPLACEMENT EQUIP - BALLISTIC										0
	TOTAL BALLISTIC MISSILES	26,446		0		0		0			26,446
	OTHER MISSILES										
	TACTICAL										
2	JASSM	201,125	210								210
3	SIDEWINDER (AIM-9X)	52,690	172								172
4	AMRAAM	224,577	206								206
5	PREDATOR HELLFIRE MISSILE	65,143	662								662
6	SMALL DIAMETER BOMB	95,297	1,395								1,395
	INDUSTRIAL FACILITIES										
7	INDUSTRIAL PREPAREDNESS/POL PREVENTION	2,382									2,382
	TOTAL OTHER MISSILES	641,214		0		0		0			641,214
	MODIFICATION OF INSERVICE MISSILES										
	CLASS IV										
8	ADVANCED CRUISE MISSILE	31									31
9	MM III MODIFICATIONS Remote Visual Assessment	505,395		7,000							0
10	AGM-65D MAVERICK	252									252
11	AIR LAUNCH CRUISE MISSILE	10,111									10,111
	TOTAL MODIFICATION OF INSERVICE MISSILES	515,789		7,000		7,000		0			522,789

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	SPARES AND REPAIR PARTS									
12	MISSILE SPARES + REPAIR PARTS	46,675							0	46,675
	TOTAL SPARES AND REPAIR PARTS	46,675			0	0	0	0	0	46,675
	OTHER SUPPORT									
	SPACE PROGRAMS									
13	ADVANCED EHF	744							0	744
13	LESS: ADVANCE PROCUREMENT (PY)								0	0
14	WIDEBAND GAFILLER SATELLITE (SPACE)	375,682							0	375,682
14	LESS: ADVANCE PROCUREMENT (PY)	(50,499)							0	(50,499)
15	ADVANCE PROCUREMENT									
16	SPACEBORNE EQUIP (COMSEC)	18,242							0	18,242
17	GLOBAL POSITIONING (SPACE)	200,161							0	200,161
17	LESS: ADVANCE PROCUREMENT (PY)	0							0	0
18	ADVANCE PROCUREMENT	10,100							0	10,100
19	DEF METEOROLOGICAL SAT PROG(SPACE)	127,350							0	127,350
20	DEFENSE SUPPORT PROGRAM(SPACE)	0							0	0
21	TITAN SPACE BOOSTERS (SPACE)	36,457							0	36,457

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
22	EVOLVED EXPENDABLE LAUNCH VEH (SPACE)	1,166,591								1,166,591
23	MEDIUM LAUNCH VEHICLE(SPACE)	117,740								117,740
24	SBIRS HIGH ADVANCE PROCUREMENT	479,000		0						479,000
	SPECIAL PROGRAMS									
25	DEFENSE SPACE RECONN PROGRAM	184,314								184,314
26	SPECIAL UPDATE PROGRAMS	148,581								148,581
999	CLASSIFIED PROGRAMS	1,086,415								1,086,415
TOTAL OTHER SUPPORT		3,900,878		0		0				3,900,878
TOTAL MISSILE PROCUREMENT, AIR FORCE		5,131,002		7,000		7,000				5,138,002

Items of Special Interest

Intercontinental Ballistic Missile Remote Visual Assessment

The budget request contained \$505.4 million for Minuteman III modifications, containing \$10.1 million for Remote Visual Assessment for intercontinental ballistic missile security.

The committee is aware that the Air Force has an unfunded requirement for additional Remote Visual Assessment installation kits to increase security at Minuteman III sites.

The committee recommends an increase of \$7.0 million for Remote Visual Assessment for intercontinental ballistic missile security.

Other Procurement, Air Force

Overview

The budget request for fiscal year 2008 contained \$15.4 billion for Other Procurement, Air Force. The committee recommends authorization of \$15.4 billion, an increase of \$20.6 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Other Procurement, Air Force program are identified in the table below. Major changes to the Air Force request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
COMM SECURITY EQUIPMENT(COMSEC)										
13	COMSEC EQUIPMENT	180,186								0
14	MODIFICATIONS (COMSEC)	1,526								180,186
	INTELLIGENCE PROGRAMS									1,526
15	INTELLIGENCE TRAINING EQUIPMENT	3,057								0
16	INTELLIGENCE COMM EQUIP	24,139								3,057
16a	INTELLIGENCE COMM EQUIP			3,500						24,139
	Hawaii Air National Guard Eagle Vision				3,500					3,500
ELECTRONICS PROGRAMS										
17	TRAFFIC CONTROL/LANDING	12,821								0
18	NATIONAL AIRSPACE SYSTEM	50,429								12,821
19	THEATER AIR CONTROL SYS IMPROVE	61,769								50,429
20	WEATHER OBSERVE/FORECAST	23,650								61,769
21	STRATEGIC COMMAND AND CONTROL	41,216								23,650
22	CHEYENNE MOUNTAIN COMPLEX	18,612								41,216
23	DRUG INTERDICTION SPT	446								18,612
SPECIAL COMM-ELECTRONICS PROJECTS										
24	GENERAL INFORMATION TECHNOLOGY	113,348		4,000						0
	Science & Engineering Lab Data Integration						2,000			117,348
	IMPACT						2,000			0
25	AF GLOBAL COMMAND & CONTROL	14,319								0
26	MOBILITY COMMAND AND CONTROL	10,420								14,319
27	AIR FORCE PHYSICAL SECURITY	78,189								0
28	COMBAT TRAINING RANGES	33,423								78,189
29	MINIMUM ESSENTIAL EMERGENCY COMM	10,700								0
30	C3 COUNTERMEASURES	7,421								33,423
31	GCSS-AF FOS	27,798								10,700
32	THEATER BATTLE MGT C2 SYS	22,702								7,421
										27,798
										22,702

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.
MODIFICATIONS												
51	COMM ELECT MODS		35,460								0	35,460
TOTAL ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT			2,002,597		12,500		12,500		0		2,015,097	
PERSONAL SAFETY AND RESCUE EQUIPMENT												
52	NIGHT VISION GOGGLES		21,251		7,400		2,500				0	21,251
53	ITEMS LESS THAN \$2.0 M (SAFEFY + RESCUE) Rescue Streamer Distress Signal Kit Light Inflation Decontamination System						4,900				0	7,400
DEPOT PLANT + MATERIALS HANDLING EQUIPMENT												
54	MECHANIZED MATERIAL HANDLING EQUIPMENT		22,177								0	22,177
BASE SUPPORT EQUIPMENT												
55	BASE PROCURED EQUIPMENT Tracon Switchgear & Quick Connect		17,360		700		700				0	18,060
56	MEDICAL/DENTAL EQUIPMENT		0								0	0
57	CONTINGENCY OPERATIONS		6,221								0	6,221
58	PRODUCTIVITY CAPITAL INVESTMENT		3,035								0	3,035
59	MOBILITY EQUIPMENT		36,932								0	36,932
60	ITEMS LESS THAN \$2.0 M (BASE SUPPORT) SPECIAL SUPPORT PROJECTS		53,876								0	53,876
PRODUCTION ACTIVITIES												
62	DARF RC-136		22,532								0	22,532
63	DISTRIBUTED GROUND SYSTEMS		197,806								0	197,806
64	SELECTED ACTIVITIES										0	
65	SPECIAL UPDATE PROGRAM		532,214								0	532,214
66	DEFENSE SPACE RECONNAISSANCE PROG		15,573								0	15,573
TOTAL OTHER BASE MAINTENANCE AND SUPPORT EQUIP			928,977		8,100		8,100		0		937,077	

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
			QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	SPARE AND REPAIR PARTS									
	SPARES AND REPAIR PARTS									
67	SPARES AND REPAIR PARTS	27,935								27,935
	TOTAL SPARE AND REPAIR PARTS									
999	CLASSIFIED	12,269,562								12,269,562
999	TOTAL CLASSIFIED	12,269,562								12,269,562
	TOTAL OTHER PROCUREMENT, AIR FORCE	15,421,162		20,600		20,600		0		15,441,762
	TOTAL AIR FORCE PROCUREMENT	33,814,351		(9,400)		109,500		(118,900)		33,804,951

Items of Special Interest

General information technology

The budget request contained \$113.3 million for general information technologies, but contained no funds for the science and engineering lab data integration (SELDI) program, or for information modernization for processing with advance coating technologies (IMPACT).

The Air Force Material Command's science and engineering lab captures, analyzes, and disseminates lab test data to the Department of the Air Force's engineering and system overhaul operations. The SELDI program facilitates this mission by providing a maintenance and logistics information management tool that allows more rapid lab data access affecting overhaul operations; provides accident investigators with immediate access to lab results of failed components; enables component failure trend analysis; and implements a new acoustic signature sensor to ensure the proper chemical composition of materials and equipment. The committee understands that the SELDI program has provided quantifiable benefits including cost avoidance of \$10.0 million per year in spare parts configuration discrepancies, and elimination of unnecessary landing gear overhaul process operations at a savings of \$3.6 million per year. In the committee report (H. Rept. 108-491) accompanying the National Defense Authorization Act for Fiscal Year 2005 and in the committee report (H. Rept. 109-89) accompanying the National Authorization Act for Fiscal Year 2006, the committee recommended increases for the SELDI program and continues to believe its implementation would improve operational aircraft readiness, increase flight safety, and reduce support costs. Accordingly, the committee recommends an increase of \$2.0 million for this purpose.

As a result of much more stringent permissible exposure limits to chemical byproducts of chrome plating processes, Warner Robins Air Logistics Center (WR-ALC) will be required to migrate to a new process known as advanced coating systems. The committee understands that the advanced coating systems process will offer improved durability and lower life-cycle costs for those components treated with this process. The IMPACT program is working to calibrate, validate, and certify the existing thermal spray equipment used in the advanced coating systems process, and identifying candidate parts that could be overhauled with this process. To accelerate the IMPACT program, the committee recommends an increase of \$2.0 million for this purpose.

The committee recommends \$117.3 million, and increase of \$4.0 million, for general information technology.

Hawaii Air National Guard Eagle Vision

The budget request contained \$24.1 million for intelligence communications equipment, but contained no funds to procure a one-meter synthetic aperture radar (SAR) imagery system. This includes software upgrades for the Hawaii Air National Guard's (HANG) Eagle Vision program.

The HANG Eagle Vision program is a family of systems that provide commercial imagery data to operational commanders for mission planning and intelligence support purposes. The committee

understands that the Eagle Vision one-meter SAR imagery system will allow the HANG to respond to natural or man-made disasters, military contingencies, maritime surveillance, and search and rescue operations throughout the U.S. Pacific Command's (USPACOM) area of responsibility, and believes this capability is necessary to meet USPACOM mission requirements.

The committee recommends \$27.6 million for intelligence communications equipment, an increase of \$3.5 million to procure a one-meter SAR imagery system, this includes software upgrades for the HANG Eagle Vision program.

Lightweight inflatable decontamination system

The budget request contained no funds for the lightweight inflatable decontamination system (LIDS).

The committee is aware that the Air National Guard (ANG) has an immediate requirement for additional decontamination systems and believes that LIDS is a tested and qualified system that is readily available to address this critical requirement.

The committee recommends \$4.9 million for additional LIDS procurement for the ANG.

Rescue streamer distress signal kit

The budget request contained no funds for personal safety and rescue equipment items less than \$2.0 million, or for the rescue streamer distress signal kit for the Air National Guard (ANG).

The rescue streamer distress signal kit provides a variety of streamers including those attached to ejection seats, life rafts, and aircrew equipment vests. The committee believes that this system assists in more rapidly locating and recovering downed crew members and that it should be installed on ANG aircraft and provided to ANG aircrew personnel.

The committee recommends an increase of \$2.5 million to procure rescue streamer distress signal kits for the ANG.

Terminal radar approach control switchgear and quick connect panel

The budget request contained \$17.4 million for base procured equipment, but contained no funds for a terminal radar approach control (TRACON) switchgear and quick connect panel for the Air Force Flight Test Center (AFFTC).

The committee understands that the AFFTC TRACON facility operates with a forty-year old electrical switching device, which, if it failed, would render the TRACON facility without power and halt flight operations until replacement of the switching device. The committee also understands that the AFFTC TRACON facility operates without a quick connect panel to immediately provide emergency generator power in the event of an electrical power outage.

The committee recommends \$18.1 million for base procured equipment, an increase of \$0.7 million, to replace the existing switchgear system, and to procure a quick-connect panel for a portable emergency generator.

PROCUREMENT, DEFENSE-WIDE

Overview

The budget request for fiscal year 2008 contained \$4.9 billion for Procurement, Defense-Wide. The committee recommends authorization of \$5.0 billion, an increase of \$119.0 million, for fiscal year 2008.

The committee recommendations for the fiscal year 2008 Procurement, Defense-Wide program are identified in the table below. Major changes to the Air Force request are discussed following the table.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request		Committee Change		Committee Increase		Committee Decrease		Committee Authorization	
		QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST	QTY.	COST
	PROCUREMENT, DEFENSE-WIDE										
	MAJOR EQUIPMENT										
1	MAJOR EQUIPMENT, OSD		98,063							0	98,063
2	MAJOR EQUIPMENT, NSA										
3	INTELLIGENCE SUPPORT TO INFORMATION OPERATION										
4	CONSOLIDATED CRYPTOLOGIC PROGRAM		8,145							0	8,145
5	INFORMATION SYSTEMS SECURITY PROGRAM										
6	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM										
7	COUNTERDRUG INTELLIGENCE		0							0	0
8	TACTICAL CRYPTOLOGIC PROGRAM										
9	MAJOR EQUIPMENT, WHS		175							0	175
10	MAJOR EQUIPMENT, DISA		22,393							0	22,393
11	INTERDICTION SUPPORT		0							0	0
12	INFORMATION SYSTEMS SECURITY		45,564							0	45,564
13	DEFENSE MESSAGE SYSTEM		0							0	0
14	GLOBAL COMMAND AND CONTROL SYSTEM		10,779							0	10,779
15	GLOBAL COMBAT SUPPORT SYSTEM		2,596							0	2,596
16	TELEPORT PROGRAM		39,082							0	39,082
17	ITEMS LESS THAN \$5 MILLION		127,177							0	127,177
18	NET CENTRIC ENTERPRISE SERVICES		10,836							0	10,836
19	DEFENSE INFORMATION SYSTEMS NETWORK		48,946							0	48,946
20	PUBLIC KEY INFRASTRUCTURE		1,909							0	1,909
21	MAJOR EQUIPMENT, DIA										
22	INTELLIGENCE AND COMMUNICATIONS										
23	COMBATANT COMMAND INTELLIGENCE PROGRAMS									0	0
24	DIA SUPPORT TO SOUTHCOM INTELLIGENCE ACTIVITY										

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	Committee Change	Committee Increase	Committee Decrease	Committee Authorization
		COST	COST	COST	COST	COST
		QTY.	QTY.	QTY.	QTY.	QTY.
38	TSCM EQUIPMENT					
	MAJOR EQUIPMENT, BTA	7,330				7,330
39	MAJOR EQUIPMENT, BTA					
	TOTAL MAJOR EQUIPMENT	475,312	0	0	0	475,312
	SPECIAL OPERATIONS COMMAND					
	AVIATION PROGRAMS					
40	ROTARY WING UPGRADES AND SUSTAINMENT	74,414				74,414
41	SOF TRAINING SYSTEMS	0				0
42	MC-130H AIR REFUELING SYSTEM	0				0
43	MH-47 SERVICE LIFE EXTENSION PROGRAM MH-47G Reconstitution	61,254	43,900	43,900		105,154
44	MH-60 SOF MODERNIZATION PROGRAM	76,756				76,756
45	NON-STANDARD AVIATION	22,513				22,513
46	SOF TANKER RECAPITALIZATION	18,565				18,565
47	MC-130H, COMBAT TALON II	38,302				38,302
48	CV-22 SOF MOD	238,636				238,636
49	AC-130U GUNSHIP ACQUISITION	0				0
50	C-130 MODIFICATIONS	133,477				133,477
51	AIRCRAFT SUPPORT SHIPBUILDING	1,322				1,322
52	ADVANCED SEAL DELIVERY SYSTEM (ASDS)	10,621				10,621
53	MK8 MOD1 SEAL DELIVERY VEHICLE AMMUNITION PROGRAMS	8,080				8,080
54	SOF ORDNANCE REPLENISHMENT	51,837	12,000			51,837
55	SOF ORDNANCE ACQUISITION M153 Time Delayed Firing Device Remote Activated Munitions	26,509		6,000		38,509

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	FY 2008 Request	QTY.	Committee Change		Committee Increase		Committee Decrease		Committee Authorization
				COST	QTY.	COST	QTY.	COST	QTY.	
73	MISCELLANEOUS EQUIPMENT	17,644								17,644
74	SPECIAL OPERATIONS MISSION PLANNING ENVIRONMENT	366,024								366,024
75	PSYOP EQUIPMENT	76,198								76,198
TOTAL SPECIAL OPERATIONS COMMAND				1,821,149		114,000		114,000		1,935,149
CHEMICAL/BIOLOGICAL DEFENSE										
CBDP										
76	INSTALLATION FORCE PROTECTION	86,418								86,418
77	INDIVIDUAL PROTECTION	127,537								127,537
78	DECONTAMINATION	28,639		5,000						33,639
Joint Service Transportable Decontamination System										
79	JOINT BIOLOGICAL DEFENSE PROGRAM	55,991				5,000				55,991
80	COLLECTIVE PROTECTION	38,857								38,857
81	CONTAMINATION AVOIDANCE	211,311								211,311
TOTAL CHEMICAL/BIOLOGICAL DEFENSE				548,753		5,000		5,000		553,753
XXX	CLASSIFIED PROGRAMS	0	0							473,620
TOTAL CLASSIFIED PROGRAMS				473,620		0		0		473,620
RAPID ACQUISITION FUND (Transfer)										
					100,000		100,000			100,000
TOTAL PROCUREMENT, DEFENSE-WIDE				3,318,834		219,000		219,000		3,537,834

Items of Special Interest

MH-47G Reconstitution

The budget request contained \$61.3 million for the MH-47 service life extension program (SLEP) managed by U.S. Special Operations Command (USSOCOM), but did not contain the level of funding necessary to maintain the full complement of reconstituted aircraft in the fleet through fiscal year 2011.

The committee notes that USSOCOM has a requirement for 61 highly specialized MH-47 aircraft and continues to fund a SLEP with the objective to extend the average life of each aircraft an additional 20 years. The committee is aware that two MH-47s were lost in 2006, one during a pre-deployment training accident and another in Operation Enduring Freedom. The committee recognizes the crucial, high-demand nature of these aircraft, and supports efforts to fully meet the logistical requirements of Special Operations Forces, and remains committed to a program that will sustain a fleet of 61 upgraded aircraft.

Therefore, the committee recommends an increase of \$43.9 million to reconstitute two additional MH-47 aircraft.

Night Vision Devices

The budget request contained \$160.1 million for small arms and weapons. Of this amount, the request contained \$18.4 million for night vision devices (NVDs). The committee is aware of recent advances in night vision technology and the potential to significantly improve tactical sensor capabilities available to special operators in the field. The committee understands that such developments offer the potential fielding of NVDs with dramatically improved fields of view as well as with counter-NVDs or “counter electro-optic” technologies. The committee supports accelerated efforts to field these technologies and recommends an increase of \$20.0 million for night vision devices.

Special Operations Craft-Riverine

The budget request contained \$17.0 million for Special Operations Forces (SOF) combatant craft systems, containing \$4.1 million for the Special Operations Craft-Riverine (SOC-R) replacement program.

The committee recognizes the SOC-R provides a unique capability for confronting the demands of counterterrorist and counter-narcotics missions. The committee is aware that U.S. Special Operations Command maintains a fleet of 20 vessels but is concerned that the current acquisition plan will fail to adequately sustain the fleet at its present level in the future.

Therefore, the committee recommends \$26.0 million, an increase of \$9.0 million, for the SOC-R replacement program.

Special Operations Forces Personnel Equipment Advanced Requirements

The budget request contained \$160.1 million for small arms and weapons, containing \$62.0 million for Special Operations Forces (SOF) Personal Equipment Advanced Requirements (SPEAR).

The committee commends initiatives to improve individual protection for special operators and urges further efforts in this area.

One area the committee recognizes as deserving attention is the effort to field the Modular Supplemental Armor Protection (MSAP), an individual body armor system offering superior protection against small arms threats. The committee understands U.S. Special Operations Command (USSOCOM) is aware of the superior protection provided by MSAP, especially in the neck, sides, and groin area of each special operator. The committee notes the existence of a USSOCOM unfunded requirement for more than 7,100 MSAP units and supports efforts to field this additional capability in an expeditious manner.

The committee also recognizes USSOCOM's effort to improve SPEAR Eye Protection for special operators. The committee notes that the current requirement is only partially funded and understands that a fully funded requirement would significantly improve self-protection measures for operators in the field.

The committee recommends an increase of \$12.1 million for the procurement of MSAP units and \$5.0 million increase for Special Operations Eye Protection, USSOCOM's top two unfunded requirements in fiscal year 2008.

Joint Intelligence Operations Centers

The establishment of the Joint Intelligence Operations Centers (JIOCs) was one of the key elements of remodeling Defense Intelligence selected by the Under Secretary of Defense for Intelligence (USD(I)) to operationalize intelligence for the combatant commanders. The committee commends this initiative to achieve intelligence fusion, analysis and dissemination, but remains concerned that the effectiveness of the JIOCs are being diluted by the proliferation of disparate intelligence fusion efforts throughout the department.

Therefore, the committee directs the USD(I) to submit an assessment of JIOC implementation. This assessment shall include the JIOC relationship to other intelligence and operational fusion centers in combat theaters and lessons learned from the establishment of each JIOC categorized by combatant command. This assessment shall also include documentation by the respective combatant commander as to the degree the commanders intelligence requirements are being satisfied by the JIOC implementation. This assessment shall be submitted to the congressional defense committees by November 1, 2007.

Persistence intelligence surveillance and reconnaissance

The committee notes that the military services have clearly stated the requirement for wide field-of-view (WFOV) persistent surveillance (PS). The committee notes that there are two WFOV/PS programs underway to offer battalion level WFOV/PS intelligence, surveillance, and reconnaissance (ISR) to commanders to plan and execute combat operations. The committee is satisfied with the progress and proof of concept demonstrated on both the Army's Constant Hawk program and the Marine Corps Angel Fire demonstration. Although each of these programs is supporting slightly different missions, the committee believes that these programs can be merged into a single WFOV/PS ISR activity, and that the best of each program can be incorporated into a single operational capa-

bility, while ensuring that the information collected can be accessed in a manner that best meets the needs of the end user.

Therefore, the committee strongly recommends that the Under Secretary of Defense for Intelligence provide guidance to the Departments of the Army and Navy that these two WFOV/PS ISR programs be merged to ensure the capability is deployed to support operations as efficiently as possible. Furthermore, the committee recommends that all funding be used to improve the infrastructure, communications paths, bandwidth, processing tools, exploitation tools, and to support WFV/PS ISR for other ISR programs.

PROCUREMENT, NATIONAL GUARD AND RESERVE

Overview

The budget request for fiscal year 2008 contained \$1.1 billion for the procurement of National Guard and Reserve Component equipment.

The committee recommends an increase of \$500.0 million for the procurement of critical, high-priority miscellaneous equipment to include aircraft, missiles, wheeled and tracked combat vehicles, tactical wheeled vehicles, ammunition, other weapons, and other procurement to address National Guard and reserve component unfunded equipment shortfalls.

The committee notes that the events of September 11, 2001, Operation Iraqi Freedom (OIF), and Operation Enduring Freedom (OEF) have caused dramatic changes in how National Guard and reserve components are used to support overseas operational missions and domestic security and preparedness tasks. The National Guard is no longer a strategic reserve component but is now considered an operational force. The extended commitment of the National Guard and reserve components to meet wartime requirements of OIF and OEF has exposed longstanding pre-September 11, 2001 wartime-related equipping, manning, resourcing and policy issues that must be considered a top priority of the Department of Defense. The committee is aware that personnel, equipment, and training readiness for the National Guard and reserve components have fallen dramatically since 2001 and feels this is an unacceptable situation.

The committee is aware this budget request provides a significant increase in procurement funding for National Guard and reserve component equipment from previous budget requests; however, the committee notes that despite this increase in funds, significant equipment shortfalls still exist for many National Guard and reserve component units. The committee is aware the Army National Guard has only 40 percent of its required equipment in the continental United States. The committee understands the Chief of Staff of the National Guard Bureau has submitted a \$2.0 billion unfunded requirement for equipment for fiscal year 2008.

The committee strongly encourages the Secretary of Defense to work closely with the congressional defense committees to generate an effective resourcing plan to address these critical readiness shortfalls of the National Guard and reserve components.

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008	Committee	Committee	Committee	Committee
			Request				
			COST	COST	COST	COST	COST
			QTY.	QTY.	QTY.	QTY.	QTY.
	DEFENSE PRODUCTION ACT PURCHASES						
	DEFENSE PRODUCTION ACT PURCHASES		18,592				18,592
	TOTAL DEFENSE PRODUCTION ACT PURCHASES		18,592	0	0	0	18,592
	General Provisions						
	NATIONAL GUARD & RESERVE EQUIPMENT						
	Additional Equipment			1,131,850			1,131,850
	RESERVE EQUIPMENT						
1	ARMY RESERVE						
	Miscellaneous Equipment						
2	NAVY RESERVE						
	Miscellaneous Equipment						
3	MARINE CORPS RESERVE						
	Miscellaneous Equipment						
4	AIR FORCE RESERVE						
	Miscellaneous Equipment						
	TOTAL, RESERVE EQUIPMENT						
	NATIONAL GUARD EQUIPMENT						
	ARMY NATIONAL GUARD						
	Miscellaneous Equipment						
	AIR NATIONAL GUARD						
	Miscellaneous Equipment						
	TOTAL, NATIONAL GUARD EQUIPMENT						
	TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT						

Title I - PROCUREMENT
(Dollars in Thousands)

Line	PROGRAM TITLE	QTY.	FY 2008 Request		Committee Change	Committee Increase		Committee Decrease		Committee Authorization
			COST	QTY.		COST	QTY.	COST	QTY.	
	CHEM AGENTS & MUNITIONS DESTRUCTION									
	CHEM AGENTS & MUNITIONS DESTRUCTION- O&M									
	OPERATIONS AND MAINTANCE									
1	CHEM DEMILITARIZATION - O&M	0	1,198,086		(1,198,086)			(1,198,086)		0
2	CHEM AGENTS & MUNITIONS DESTRUCTION- RDT&E	0	221,212		(221,212)			(221,212)		0
	CHEM AGENTS & MUNITIONS DESTRUCTION- PROC									
	PROCUREMENT									
3	CHEM DEMILITARIZATION- PROC	0	36,426		(36,426)			(36,426)		0
	TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION		1,455,724		(1,455,724)		0	(1,455,724)		0
	RAPID ACQUISITION FUND									
	RAPID ACQUISITION FUND (Transfer to Defense Wide, Procurement)		100,000		(100,000)			(100,000)		0
	TOTAL RAPID ACQUISITION FUND		100,000							0
	TOTAL PROCUREMENT		101,676,745		1,009,899		4,250,750	(3,240,851)		102,688,644

LEGISLATIVE PROVISIONS

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Sections 101–104—Authorization of Appropriations

These sections would authorize the recommended fiscal year 2007 funding levels for all procurement accounts.

Section 105—National Guard and Reserve Equipment

This section would authorize \$500.0 million for the procurement of aircraft, missiles, wheeled and tracked combat vehicles, tactical wheeled vehicles, ammunition, other weapons, and other procurement for the National Guard and Reserve Components.

SUBTITLE B—ARMY PROGRAMS

Section 111—Multiyear Procurement Authority for M1A2 Abrams System Enhancement Package Vehicles

This section would authorize the Secretary of the Army to enter a multiyear procurement contract in accordance with section 2306b of title 10, United States Code, for up to five years for M1A2 Abrams SEP tanks.

Section 112—Multiyear Procurement Authority for M2A3 Bradley Fighting Vehicles, M3A3 Cavalry Fighting Vehicles, and M2A3 Bradley Fire Support Team Vehicles

This section would authorize the Secretary of the Army to enter a multiyear procurement contract in accordance with section 2306b of title 10, United States Code, for up to four years for three different models of the Bradley Fighting Vehicle.

Section 113—Multiyear Procurement Authority for Conversion of CH–47D Helicopters to CH–47F Configuration

This section would authorize the Secretary of the Army to enter a multiyear contract in accordance with section 2306b of title 10, United States Code, beginning with the fiscal year 2008 program year, for the conversion of CH–47D helicopters to the CH–47F configuration.

Section 114—Multiyear Procurement Authority for CH–47F Helicopters

This section would authorize the Secretary of the Army to enter a multiyear contract in accordance with section 2306b of title 10, United States Code, beginning with the fiscal year 2008 program year, for procurement of CH–47 helicopters in the CH–47F configuration.

Section 115—Limitation on Use of Funds for Joint Network Node Program Pending Certification to Congress

This section would limit the amount of funding that can be obligated or expended from funds appropriated or otherwise made available for the Joint Network Node (JNN) program in fiscal year 2008 to 50 percent of the total amount appropriated until the Sec-

retary of the Army certifies that (1) the JNN program is an official program of record in accordance with Department of Defense Instruction 5000.2, "Operation of the Defense Acquisition System," May 12, 2003; (2) that the Director, Operational Test and Evaluation has approved a plan for a JNN operational test and evaluation; and (3) the Army plans to seek competitive bids for all future lots of JNN equipment.

Section 116—Prohibition on Closure of Army Tactical Missile System Production Line Pending Report

This section would prohibit the obligation or expenditure of any funds appropriated or otherwise made available in fiscal year 2008, or any other funds available to the Secretary of the Army, toward any costs associated with shutting down the Army Tactical Missile System production line until the Secretary of the Army submits to the congressional defense committees with a report that (1) certifies that the long range strike and counter battery mission can be adequately performed by the other services; (2) details the Army's plan to mitigate any shortfalls in the industrial base that are created by the closing of the ATACMS production line; and (3) specifies the Army's plans to replace its capability to perform long range surface-to-surface strike and counter battery missions.

The committee is concerned that a termination of the ATACMS production line will leave a gap in the Army's capability for deep strike surface-to-surface operations in future years. As the Army's sole long range surface-to-surface missile system, ATACMS provides unique capabilities in its 270 kilometer range and effectiveness in counter-battery missions, that no other current Army system can provide. There are currently no plans to produce a replacement system for these capabilities that the Army will lose as it expends the remaining missiles in inventory.

Therefore, this section would require the Secretary of the Army to submit a report to the congressional defense committees by April 1, 2008, and that no funds will be appropriated or otherwise made available until 120 days after this report is submitted. Further, production of ATACMS missiles shall continue until this report is delivered.

SUBTITLE C—NAVY PROGRAMS

Section 121—Authority to Transfer Funds for Submarine Engineered Refueling Overhauls and Conversions and for Aircraft Carrier Refueling Complex Overhauls

This section would authorize the Secretary of Defense to transfer up to \$20.0 million from any appropriation account to the Shipbuilding and Conversion, Navy, account, for unanticipated or emergent maintenance or repair requirements discovered during the conduct of the submarine or aircraft carrier refueling overhaul providing the maintenance or repair requirements are necessary to return the vessel to full operational capability at the conclusion of the overhaul.

The committee understands that the Navy carefully plans the funding requirements to conduct submarine and aircraft carrier refueling overhauls, but that additional maintenance or repair re-

quirements identified during the conduct of the overhauls are not always performed due to the limitations of funding authorized and appropriated for the overhaul. The committee understands that correction of the identified maintenance or repair requirement in subsequent maintenance availability incurs additional cost to the government than would have occurred if the maintenance or repair had been completed during the original overhaul.

This section would require the Secretary to notify the congressional defense committees when funds have been transferred under this section along with an explanation of the maintenance or repair requirement discovered during the conduct of the overhaul.

Section 122—Multiyear Procurement Authority for Virginia-Class Submarine Program

This section would allow the Secretary of the Navy to enter a multiyear procurement contract in accordance with section 2306b of title 10, United States Code, beginning with the program year starting in fiscal year 2009, for additional Virginia-class submarines.

Section 123—Limitation on Final Assembly of VH-71 Presidential Transport Helicopters

This section would limit the obligation or expenditure of funds, pursuant to an authorization of appropriations, for the final assembly of more than five VH-71 presidential transport helicopters; however, this limitation would not apply if the final assembly of the helicopter is carried out in the United States.

Section 124—Limitation on Operational Deployment of Weapons System that Uses Trident Missiles Converted to Carry Conventional Payloads

This section would prohibit the use of fiscal year 2008 funds for operational deployment of the weapons system that uses converted Trident missiles to carry conventional payloads. Further, this section would require the Secretary of Defense to submit written notification to the congressional defense committees within 30 days of the date on which the Secretary determines that the system is fully functional and fielding is necessary to meet military requirements.

Section 125—Program to Provide Contractors with Capital Expenditure Incentives

This section would permit the Secretary of the Navy to carry out a program providing capital expenditure incentives for contractors in the shipbuilding industry. This section would authorize the Secretary to use funds in the Shipbuilding and Conversion, Navy, account to invest in infrastructure, process, or training improvements when such an investment would be beneficial to the government and lower overall costs of ship construction programs.

The committee believes that the rising cost of ship construction can be mitigated by improvements in efficiency at the construction yards and major subcontractors. The committee believes the most significant gains in efficiency are derived from capital investment in state of the art manufacturing equipment that both improves

quality of the finished product and reduces the labor hours required.

This section would require the Secretary to annually report on the capital investment projects awarded, the costs associated with the project, and the anticipated savings to be derived from the project.

Section 126—Limitation on use of Shipbuilding and Conversion, Navy, Funds for Employment of Nonimmigrant Workers

This section would prohibit the use of shipbuilding and conversion, Navy, funds for the purpose of construction of a Navy vessel at a construction facility where the contractor employs or contracts for foreign workers who are legally present in the United States under the H2B visa program. This section would allow for an exception to the above requirement if the contractor certifies that it has fully complied with all existing laws and regulations in regards to the H2B visa program, and that the contractor has attempted to recruit U.S. shipyard workers in geographical areas that the Secretary of the Navy has identified may have potential labor surpluses within the next five years. This section would also require the Secretary of the Navy to identify such shipyards in the annual naval vessel construction plan, required by section 231 of title 10, United States Code.

Section 127—Limitation on Concurrent Design and Construction on First Ship of a Shipbuilding Program

This section would require the Secretary of the Navy to certify to the congressional defense committees that research and development, detailed design, and contractor preparedness are mature prior to the start of construction of the first ship in a new class of vessels, the first ship to be built at a shipyard, or the first vessel after a major design change, characterized as a change in flight.

SUBTITLE D—AIR FORCE PROGRAMS

Section 131—Limitation on Retiring C-5 Aircraft

This section would allow the Secretary of the Air Force to retire C-5A aircraft from the inventory and replace the capability with C-17 aircraft if the cost analysis performed is prudent in meeting strategic airlift requirements and does not significantly increase overall costs above those already planned in the out-years. Before C-5A retirement can commence, the Secretary must submit to the congressional defense committees a cost analysis performed by a Federally Funded Research and Development Center that evaluates retiring C-5A aircraft and procuring C-17 aircraft versus performing the Avionics Modernization Program and the Reliability Enhancement and Re-engining Program on C-5A aircraft is more prudent in meeting strategic airlift mobility requirements; submit certification that the Department can comply with the strategic airlift inventory requirement of 299 aircraft by October 1, 2008, section 8062(g) of title 10, United States Code; and, submit certification that operational risk will not significantly increase in meeting the National Military Strategy objectives by retiring C-5A aircraft and procuring additional C-17 aircraft.

Section 132—Limitation on Joint Cargo Aircraft

This section would prohibit the Secretary of the Air Force or the Secretary of the Army from obligating or expending authorized appropriations for the development or procurement of the Joint Cargo Aircraft until 30 days after the Secretary of Defense submits to the congressional defense committees the Air Force Air Mobility Command's Airlift Mobility Roadmap; the Department of Defense Intra-Theater Airlift Capabilities Study; the Department of Defense Joint Intra-Theater Distribution Assessment the Joint Cargo Aircraft Functional Area Series Analysis; the Joint Cargo Aircraft Analysis of Alternatives; and the Secretary of Defense certifies that validated operational requirements exist to fill a Department of the Army, Department of the Air Force, Army National Guard, or Air National Guard capability gap or shortfall for intra-theater airlift with the Joint Cargo Aircraft.

Section 133—Clarification of Limitation on Retirement of U-2 Aircraft

This section would amend section 133 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) requiring the Secretary of Defense to conduct an annual review of the U-2 and Global Hawk transition plan and an assessment of the migration of U-2's intelligence, surveillance, and reconnaissance capabilities to the Global Hawk platform, highlighting any potential gaps in capability. This section would also require the Secretary of Defense to present the findings to Congress and concurrence the U-2 is no longer needed, by April 1st each year until the transition is complete.

Section 134—Repeal of Requirement to Maintain Retired C-130E Tactical Airlift Aircraft

This section would repeal section 137(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364).

TITLE II—RESEARCH, DEVELOPMENT, TEST, & EVALUATION

OVERVIEW

The budget request contained \$75.1 billion for research, development, test, and evaluation (RDT&E). The committee recommends \$73.3 billion, a decrease of \$1.8 billion to the budget request.