

DIVISION A—DEPARTMENT OF DEFENSE
AUTHORIZATIONS

TITLE I—PROCUREMENT

SUBTITLE A—AUTHORIZATION OF
APPROPRIATIONS

Authorization of appropriations (sec. 101)

The House bill contained a provision (sec. 101) authorizing appropriations for fiscal

year 2014 for procurement for the Army, the Navy and Marine Corps, the Air Force, and defense-wide activities, as specified in the funding table in section 4101.

The Senate committee-reported bill contained an identical provision (sec. 101).

The agreement includes this provision.

SUBTITLE B—ARMY PROGRAMS

Limitation on availability of funds for Stryker vehicle program (sec. 111)

The House bill contained a provision (sec. 111) that would limit the availability of funds for the Stryker vehicle program to not more than 75 percent until the Secretary of the Army submits a report on Stryker spare parts inventories.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision.

Study on multiyear, multivehicle procurement authority for tactical vehicles (sec. 112)

The House bill contained a provision (sec. 142) that would authorize the Secretary of Defense to enter into a 5-year pilot program for the multiyear multivehicle procurement of tactical wheeled vehicles.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision with an amendment that would express a sense of Congress and require a study and report on multiyear multivehicle procurement.

SUBTITLE C—NAVY PROGRAMS

CVN-78 class aircraft carrier program (sec. 121)

The House bill contained a provision (sec. 122) that would amend section 122 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) by: (1) Adjusting the cap for CVN-78 from \$10,500.0 million to \$12,887.0 million; (2) Adjusting the cost cap for subsequent ships in the class from \$8,100.0 million to \$11,411.0 million; and (3) Adding a new factor for adjustment, allowing increases or decreases in the cost of CVN-78 that are attributable to the shipboard test program.

The Senate committee-reported bill contained a similar provision (sec. 122) that would amend section 122 by: (1) Adjusting the cost cap for CVN-78 from \$10,500.0 million to \$12,887.0 million; (2) Adding a new factor for adjustment, allowing increases or decreases in the cost of the CVN-78 class that are attributable to the shipboard test program; (3) Requiring quarterly updates on the cost of CVN-79; and (4) Preventing the Navy from paying fees under any cost-type or incentive fee contract if the program manager's estimate of the total cost of CVN-79 exceeds the cost cap for CVN-79.

The agreement includes a provision that would amend section 122 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) by: (1) Adjusting the cap for CVN-78 from \$10,500.0 million to \$12,887.0 million; (2) Adjusting the cost cap for subsequent ships in the class from \$8,100.0 million to \$11,498.0 million; (3) Adding a new factor for adjustment, allowing increases or decreases in the cost of CVN-78 that are attributable to the shipboard test program, but only when the changes result for urgent and unforeseen testing problems that would delay delivery or initial operating capability of the ship; (4) Requiring quarterly updates on the cost of CVN-79; and (5) Directing the Secretary of the Navy to ensure that each prime contract for CVN-79 includes an incentive fee structure that will, throughout the entire period of performance of the contract, provide incentives for each contractor to meet the portion of the cost of the ship for which the contractor is responsible.

Repeal of requirements relating to procurement of future surface combatants (sec. 122)

The Senate committee-reported bill contained a provision (sec. 123) that would re-

peal a reporting requirement in section 125 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84). The report submitted by the Secretary of the Navy to Congress of February 2010 provided the Department of the Navy's implementation plan to complete these reports.

The House bill contained no similar provision.

The agreement includes this provision.

Multiyear procurement authority for E-2D aircraft program (sec. 123)

The House bill contained a provision (sec. 121) that would authorize the Secretary of the Navy to buy E-2D aircraft and E-2D mission equipment under one or more multiyear procurement contracts.

The Senate committee-reported bill contained a provision (sec. 121) that would authorize the Secretary of the Navy to buy E-2D aircraft under one or more multiyear procurement contracts.

The agreement includes the Senate provision.

Limitation on availability of funds for Littoral Combat Ship (sec. 124)

The Senate committee-reported bill contained a provision (sec. 125) that would require that the Chief of Naval Operations (CNO), in coordination with the Director of Operational Test and Evaluation, to submit a report to the congressional defense committees on the current concept of operations and expected survivability attributes of each of the Littoral Combat Ship (LCS) sea frames when they would be employed according to the concept of operations.

The House bill contained no similar provision.

The agreement includes the Senate provision with an amendment that would fence funding for LCS-25 and LCS-26 until:

- (1) The Navy provides certain reports about the LCS program; and
- (2) The Joint Requirements Oversight Council makes certain certifications about the LCS program.

SUBTITLE D—AIR FORCE PROGRAMS

Repeal of requirement for maintenance of certain retired KC-135E aircraft (sec. 131)

The Senate committee-reported bill contained a provision (sec. 133) that would repeal section 135(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364). Section 135(b) requires that the Secretary of the Air Force maintain at least 74 of the KC-135E aircraft retired after September 30, 2006 in a condition that would allow recall of the aircraft to future service in the Air Force Reserve, Air National Guard, or active forces aerial refueling force structure.

The House bill contained no similar provision.

The House bill, however, contained a provision (sec. 133) that would require that the Secretary of the Air Force maintain any retired KC-135R aircraft in a condition that would allow recall of the aircraft to future service in the Air Force Reserve, Air National Guard, or active forces aerial refueling force structure.

The agreement includes the Senate provision with a technical/clarifying amendment.

Multiyear procurement authority for C-130J aircraft (sec. 132)

The House bill contained a provision (sec. 131) that would authorize the Secretary of the Air Force to enter into one or more multiyear contracts to procure multiple variants of the C-130J aircraft.

The Senate committee-reported bill contained a similar provision (sec. 151) that would allow the Secretary of the Air Force to enter into one or more multiyear contracts to procure C-130J aircraft.

The agreement includes the Senate provision.

Prohibition on cancellation or modification of avionics modernization program for C-130 aircraft (sec. 133)

The House bill contained a provision (sec. 132) that would prohibit the Secretary of the Air Force from terminating the legacy C-130H Avionics Modernization Program (AMP). The House report accompanying H.R. 1960 (H. Rept. 113-102) of the National Defense Authorization Act for Fiscal Year 2014 recommended an increase of \$47.3 million in Aircraft Procurement, Air Force (APAF), to fund modifications of legacy C-130 with the original AMP upgrade.

The Senate committee-reported bill contained no similar provision. The Senate report accompanying S. 1197 (S. Rept. 113-44) of the National Defense Authorization Act for Fiscal Year 2014 recommended an increase of \$47.3 million in APAF to fund modifications of legacy C-130 with either: (1) the original AMP upgrade; or (2) an alternative program that would upgrade and modernize the legacy C-130 airlift fleet using a reduced scope program for avionics and mission planning systems.

The agreement includes the House provision with an amendment that would add a requirement that the Comptroller General conduct a sufficiency review of the cost-benefit analysis conducted under section 143(b) of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239), including any findings and recommendations relating to such review. The agreement also recommends an increase of \$47.3 million for Research, Development, Test, and Evaluation, Air Force, in PE 41115F for C-130 Airlift Squadrons, pending completion of that sufficiency review. This is in lieu of a recommendation for additional procurement funding in fiscal year 2014, since procurement funding for modernizing C-130 avionics would be premature.

Prohibition of procurement of unnecessary C-27J aircraft by the Air Force (sec. 134)

The Senate committee-reported bill contained a provision (sec. 134) that would prevent the Secretary of the Air Force from obligating or expending any funds for the procurement of C-27J aircraft not on contract as of June 1, 2013.

The House bill contained no similar provision.

The agreement includes the provision with an amendment that would narrow the prohibition to the use of funds authorized in fiscal year 2012, since all C-27J funds except the fiscal year 2012 funds have been obligated or transferred to other programs.

SUBTITLE E—DEFENSE-WIDE, JOINT, AND MULTISERVICE MATTERS

Personal protection equipment procurement (sec. 141)

The House bill contained a provision (sec. 144) that would require the Secretary of Defense to ensure that within each military service procurement account, a separate procurement budget line item is designated for personal protection equipment (PPE) investment and funding transparency.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision with an amendment that would direct the Secretary of Defense to submit with the annual budget request a consolidated budget display that describes and justifies all programs and activities, in the appropriations accounts for operation and maintenance as well as research, development, test, and evaluation, associated with the development and procurement of PPE.

After 12 years of war and billions of dollars spent to develop, produce, and field the best

available individual PPE, such as body armor and helmets, the Department of Defense should not lose momentum in its search for better protection at lower weight and cost for individual soldiers, marines, airmen, and sailors. One of the most important lessons of the wars in Iraq and Afghanistan is that research, development, and acquisition (RDA) of improved ballistic protection for our troops must anticipate, not react, to likely threats. In this regard, budget visibility must be sufficient to allow for comprehensive oversight of the Department's RDA efforts as reflected in the annual budget request accompanied by spending estimates projected over the subsequent 5 years. Subject to the completeness and usefulness of the information provided in the budget exhibits that would be required by this provision, Congress may consider other budgetary methods for ensuring the Department's investments over time sustain the importance of and momentum for achieving technological improvements in PPE into the future.

We also note that the Department categorizes PPE, including body armor, as an "expendable" item consistent with current acquisition and financial management policy definitions. Nonetheless, given the military's experiences during operations in Iraq and Afghanistan, the significant RDA investment for body armor, and the fact that body armor is now an essential part of individual combat equipment, one could question whether the categorization of PPE, and body armor in particular, should change from "expendable" to another category that could improve resource stability and provide for better management throughout the RDA process. Accordingly, the Secretary of Defense is encouraged to reassess the Department's categorization of PPE and body armor as "expendable" items.

Repeal of certain F-35 reporting requirements (sec. 142)

The House bill contained a provision (sec. 145) that would amend section 122 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383) to eliminate the requirement to provide an annual update to the F-35 system maturity matrix.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision.

Limitation on availability of funds for retirement of RQ-4 Global Hawk unmanned aircraft systems and A-10 aircraft (sec. 143)

The House bill contained a provision (sec. 143) that would limit the use of funds to retire Global Hawk Block 30 unmanned aircraft systems and would require the Secretary of the Air Force to take all actions necessary to maintain the operational capability of the RQ-4 Block 30 Global Hawk through December 31, 2016.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with an amendment that would: (1) Prohibit spending funds authorized to be appropriated or otherwise made available during fiscal year 2014 to retire Global Hawk Block 30 unmanned aircraft systems or A-10 aircraft (except for A-10s planned for retirement on or before April 9, 2013); (2) Modify the prohibited spending to include making significant changes to Global Hawk and A-10 manning levels during fiscal year 2014; (3) Prohibit the Secretary of the Air Force from retiring or planning to retire A-10 aircraft (except for A-10s planned for retirement on or before April 9, 2013) between October 1, 2014 and December 31, 2014; and (4) Add a requirement that the Secretary of Defense provide a report on all high-altitude intel-

ligence, surveillance, and reconnaissance systems that the Department of Defense is operating or plans to operate in the future.

We intend that the prohibition on making additional A-10 aircraft retirements before December 31, 2014, be to provide breathing space for Congress to conduct oversight and to consider what actions to take on any force structure changes the Air Force may propose in fiscal year 2015.

MC-12 Liberty Intelligence, Surveillance, and Reconnaissance aircraft (sec. 144)

The Senate committee-reported bill contained a provision (sec. 934) that would require the Secretary of Defense to develop and carry out a plan for the transfer of Air Force MC-12 aircraft to the Army. The provision would also prohibit the Army from acquiring the Enhanced Medium Altitude Reconnaissance and Surveillance System (EMARSS) in fiscal year 2014.

The House bill contained no similar provision.

The agreement includes the Senate provision with an amendment that directs the Secretary of Defense to develop a plan for the potential transfer of MC-12 Liberty aircraft from the Air Force to the Army. In addition, the provision prohibits the Army from using fiscal year 2014 funds to procure additional aircraft under the EMARSS program, but does allow the Army to use fiscal year 2014 funds to complete conversion efforts of existing aircraft that have already been procured, and to convert transferred Liberty aircraft to the EMARSS configuration.

Competition for evolved expendable launch vehicle providers (sec. 145)

The House bill contained a provision (sec. 134) that would require the Secretary of the Air Force to develop and implement a plan to ensure the fair evaluation of competing contractors in awarding a contract to a certified evolved expendable launch vehicle provider. This plan would include descriptions of how the following areas would be addressed in the evaluation: the proposed cost, schedule, and performance; mission assurance activities; the manner in which the contractor will operate under the Federal Acquisition Regulation; the effect of other contracts in which the contractor is entered into with the Federal Government, such as the Evolved Expendable Launch Vehicle (EELV) launch capability and the space station commercial resupply services contracts; and any other areas determined appropriate by the Secretary.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with an amendment that requires the plan at the same time that the Secretary issues a draft request for proposals for a contract on the EELV with respect to how the Secretary will conduct competition in awarding the contract in addition to the specific areas listed in the original House bill.

We note that the Government Accountability Office (GAO) is conducting ongoing work regarding the EELV competition. We request that GAO conduct a review of the Air Force EELV acquisition strategy, which should include an assessment of the methodology, potential challenges, gaps, and acquisition planning process of the Air Force for evaluating competitors, and that GAO brief the defense and intelligence committees on its review. We request that this briefing be provided before a draft request for proposal is released by the Air Force.

This legislative provision should not be construed as direction regarding ongoing procurement or any aspect of source selection criteria.

Reports on personal protection equipment and health and safety risks associated with ejection seats (sec. 146)

The House bill contained a provision (sec. 146) that would require the Secretary of Defense to enter into a contract with a federally-funded research and development center (FFRDC) to conduct a study to identify and assess alternative and effective means for stimulating competition and innovation in the personal protection equipment industrial base.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision with an amendment that would also require the Secretary of the Air Force to conduct a study to assess the safety of ejection seats currently in operational use by the Air Force.

LEGISLATIVE PROVISIONS NOT ADOPTED

Modification of requirements to sustain Navy airborne intelligence, surveillance, and reconnaissance capabilities

The Senate committee-reported bill contained a provision (sec. 124) that would amend section 112 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383) to require the Secretary of the Navy to maintain sufficient numbers of EP-3 Airborne Reconnaissance Integrated Electronic System II (ARIES II) Spiral 3 aircraft and Special Projects Aircraft (SPA) version P909 to support the wartime operational plans of U.S. Pacific Command (PACOM), and to maintain the capacity to support five EP-3s for allocation to the combatant commands under the Global Force Management Allocation Plan (GFMAP), until the Navy's multi-intelligence (Multi-INT) Broad Area Maritime Surveillance (BAMS) System TRITON aircraft with signals intelligence (SIGINT) capabilities reaches initial operational capability (IOC). The provision also would require the Secretary to upgrade the final (12th) EP-3 ARIES II aircraft to the Spiral 3 configuration, and to correct electronic intelligence (ELINT) obsolescence problems on both the EP-3 and the SPA aircraft. Finally, the provision would require the Chairman of the Joint Requirements Oversight Council (JROC) to coordinate with the Commanders of PACOM and the U.S. Special Operations Command (SOCOM) to determine requirements for the special capabilities provided by the SPA aircraft, and would require the Secretary to sustain sufficient numbers of SPA aircraft to meet those requirements until the Navy achieves IOC of a system with capabilities greater than or equal to the SPA.

The House bill contained no similar provision.

The agreement does not include this provision.

Section 112 of Public Law 111-383 is intended to prevent a capacity decline in capabilities as the Navy developed replacements for the EP-3 and the SPA intelligence, surveillance, and reconnaissance (ISR) systems. The Navy budget request, which is counter to congressional intent, creates a plan for transitioning from the EP-3/SPA systems to the TRITON Multi-INT and P-8 Quick Reaction Capability (QRC) that would result in a capacity decline beginning in fiscal year 2015.

The Navy also informed Congress that the JROC supports the Navy's transition plan, but in fact the JROC Memorandum (JROCM) on this issue expresses concern about the Navy's plan and requires numerous follow-up actions. In addition, the JROCM instructs the Navy to develop requirements for the Multi-INT TRITON prior to the program's next acquisition milestone review. Congressional review of the TRITON Capabilities Development Document confirms that a robust

SIGNIT capability is documented only as a “potential future capability,” and not a validated requirement as implied by Navy officials to Congress.

The Navy also proposes to prematurely remove highly-skilled personnel from the EP-3/SPA programs, resulting in a reduction of the number of available aircraft to support GFMAP and wartime requirements. Congress is concerned that harvesting these personnel to support an early version of TRITON that provides only optical and radar sensing, but little or no SIGINT capability, does not maximize utilization of highly-skilled personnel with perishable skill sets. Furthermore, the lack of a validated requirement for a robust SIGINT capability for TRITON raises concerns that the capacity and capability decline will turn out to be a permanent ISR capability loss.

We have serious concerns about the Navy’s non-compliant EP-3/SPA to P-8 QRC/TRITON Multi-INT transition plan. Therefore, we direct that:

(1) The JROC review and report to Congress the combatant commander requirements for the simultaneous ISR collection capability provided by EP-3/SPA assets under current Operational Plans and for the GFMAP;

(2) The Joint Staff and the Under Secretary of Defense for Intelligence (USDI) identify and report to Congress alternative EP-3/SPA to P-8 QRC/TRITON Multi-INT transition options that do not result in a capacity decline or capability gap, including such options as using Navy reserve personnel to stand up the baseline TRITON system;

(3) The JROC collaborate with the Navy to develop and document a formal requirement for TRITON Multi-INT;

(4) The USDI develop, and report to Congress, a mitigation plan to address the ELINT obsolescence issues identified in the Senate report accompanying S. 1197 (S. Rept. 113-44) of the National Defense Authorization Act for Fiscal Year 2014; and,

(5) The JROC and USDI to determine, and report to Congress, the force structure quantity and type of federated ISR systems and sensors required to wholly replace the EP-3/SPA force structure of aircraft to meet or exceed the current capacity and diversity of ISR collection capability inherently resident on the EP-3/SPA aircraft.

Multiyear procurement authority for Ground-Based Interceptors

The House bill contained a provision (sec. 141) that would provide multi-year procurement authority and advance procurement authority to the Director of the Missile Defense Agency for the procurement of 14 Ground-Based Interceptors.

The Senate committee-reported bill contained no similar provision.

The agreement does not include this provision.

Sense of Senate on the United States helicopter industrial base

The Senate committee-reported bill contained a provision (sec. 152) that would express the sense of Senate on the health of the helicopter industrial base.

The House bill contained no similar provision.

The agreement does not include this provision.