

**DIVISION A—DEPARTMENT OF DEFENSE  
AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

**Subtitle A—Authorization of Appropriations**

**Authorization of appropriations (sec. 101)**

The committee recommends a provision that would authorize appropriations for procurement activities at the levels identified in section 4101 of division D of this Act.

**Subtitle C—Navy Programs**

**Multiyear procurement authority for E-2D aircraft (sec. 121)**

The committee recommends a provision that would authorize the Secretary of the Navy to buy E-2D aircraft under a multiyear procurement contract. The Navy estimates that it stands to achieve a roughly 10 percent savings under the multiyear approach, as compared to annual procurement contracts.

**CVN-78 class aircraft carrier program (sec. 122)**

The committee recommends 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) in subsection (a)(1), striking “\$10,500,000,000” and inserting “\$12,887,000,000;” (2) in subsection (b), adding a new factor for adjustment allowing increases or decreases in the cost of the ship that are attributable to the shipboard test program; and (3) changing the heading of the subsection to reflect that the name of the program has changed from CVN-21 to CVN-78.

The provision would require a quarterly report providing the CVN-79 program manager’s cost estimate for CVN-79. The provision would require the Navy to halt payment of fee on any cost-type or incentive fee contract associated with CVN-79 until such time that the variance between the total program cost estimate and the mandated cost cap has been corrected.

The changes in the CVN-78 cost cap are related to three major areas:

- (1) reflecting allowable changes in the original cost cap due to economic inflation, changes in federal, state, or local laws, changes in nonrecurring design and engineering costs attributable to achieving compliance with the cost limitation, and changes to correct deficiencies that may affect the safety of the ship and personnel;

(2) cost increases from the shipyard, resulting from increases in labor costs, material costs, and design costs, offset by a reduction in shipyard's fee; and

(3) cost increases in government-furnished equipment.

The cost increases in the latter two categories are changes outside the original, allowable changes in the cost cap, and are troublesome. The Navy had envisioned the CVN-78 and CVN-79 (then called "CVNX-1" and "CVNX-2") as evolutionary ships that would implement new technologies gradually as they matured. However, the Department of Defense determined that planned incremental improvements for CVNX-1 did not justify the significant investments nor match the pace of technology, given the length of time needed to build the carrier. Instead, the CVNX-1 and CVNX-2 designs were combined into a single, transformational ship design, called "CVN-21," with the intent to skip a generation of technology, while meeting operational timelines for delivery.

This has resulted in cost increases in the shipyard, and costs increases in the new technologies developed and designed to be installed as government-furnished equipment. The shipyard has not been as efficient as it could be, but combining these two ships and maintaining the original construction schedule for operational reasons has resulted in reduced productivity and inefficiencies in the shipyard's effort. All told, this has resulted in roughly 40 percent of the reason to raise the cost cap.

There have also been cost increases in the equipment beyond the control of the shipyard. These include the "transformational" technologies of the electromagnetic aircraft launch system (EMALS), the dual-band radar (DBR), and advanced arresting gear (AAG). While each of these technologies represents an improvement in capability and promise substantial reductions in life cycle costs, collectively, these technologies resulted in roughly one third of the increase to the total construction costs of CVN-78.

As a result of the scrutiny of the CVN-78 program, the Navy believes that they and the shipyard can deliver the CVN-79 within the cost cap for the program recently adjusted by the Secretary of the Navy. This derives from a number of factors, including:

(1) CVN-79 construction will start with a complete design and a complete bill of material;

(2) CVN-79 construction will start with a firm set of stable requirements;

(3) CVN-79 construction will start with the development complete on a host of new technologies inserted on CVN 78 ranging from the EMALS and DBR, to key valves in systems throughout the ship; and

(4) CVN-79 construction will start with a revised construction plan that emphasizes the completion of work and ship outfitting as early as possible in the construction process to optimize cost and ultimately schedule performance.

The Administration and Congress chose to ignore the lessons repeatedly and painfully learned in previous shipbuilding programs that resulted in delays and cost increases. A decision to skip a generation of technology must be accompanied by an operational assessment of the need date for the operational capability and a plan to ensure new generations of technologies are developed, tested,

and ready for installation at the optimum time during the construction of the ship. Unfortunately, the decision on the construction cycle for CVN-78 construction was driven more by the need to replace the USS *Enterprise* at the end of her service life and the need to maintain workload and the industrial base of suppliers for the sole U.S. builder of aircraft carriers. The committee is committed to working with the Department of the Navy to ensure these lessons are not learned again in future Navy vessel construction.

**Repeal of requirements relating to procurement of future surface combatants (sec. 123)**

The committee recommends a provision that would repeal section 125 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84). Under section 125, the Navy was prohibited from obligating or expending funds for construction of, or advance procurement of materials for, naval surface combatants to be constructed after fiscal year 2011 until the Secretary of the Navy had provided specific reports to Congress. 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.

**Modification of requirements to sustain Navy airborne intelligence, surveillance, and reconnaissance capabilities (sec. 124)**

The committee recommends a provision 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 Broad-Area Maritime Surveillance 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 to coordinate with the Commanders of PACOM and the U.S. Special Operations Command 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.

Section 112 of Public Law 111-383 was intended to prevent a trough in capabilities as the Navy developed replacements for the EP-3 and the SPA intelligence, surveillance, and reconnaissance (ISR) systems. The committee is persuaded that the terms of that provision have not been effective in preventing such a trough. The

Navy is planning to remove a large number of personnel from the EP-3 and SPA programs and to use those billets to stand up an early version of the Triton program. However, this version of Triton is purely a complement to the P-8 Maritime Patrol aircraft, and does not have SIGINT capabilities. The personnel reductions in the EP-3 and SPA fleets will have the effect of substantially reducing the number of aircraft that can be supported for GFMAP allocation and wartime operations plans. The multi-intelligence version of Triton, with a capable SIGINT suite, is not planned to achieve IOC until very late in this decade. Clearly, there will be a trough in ISR support for the combatant commands for a number of years if these plans are implemented.

In addition, the ELINT systems on both the SPA and EP-3 aircraft are very old and pose serious obsolescence problems. Elsewhere in this report, the committee recommends authorization of funding to address these obsolescence problems, as well as to upgrade the final (12th) EP-3 primary aircraft authorization to the Spiral 3 configuration.

#### **Littoral Combat Ship (sec. 125)**

The committee recommends a provision 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.

When addressing survivability attributes, the committee expects the CNO's report to deal specifically with: (1) comparative assessments of the survivability of the LCS sea frames with the survivability of other Navy combatants and with the adversarial surface combatants; and (2) operational assessments of the core defensive capabilities of each of the LCS sea frames, especially when employed against air threats expected to face the LCS under the concept of operations.

### **Subtitle D—Air Force Programs**

#### **Tactical airlift fleet of the Air Force (sec. 131)**

The committee recommends a provision that would require the Secretary of the Air Force to consider, as part of the recapitalization of the tactical airlift fleet of the Air Force: (1) upgrades to legacy C-130H aircraft designed to help such aircraft meet the fuel economy goals of the Air Force; and (2) retention of such upgraded aircraft in the tactical airlift fleet. It would also require that the Secretary ensure that upgrades to the C-130H fleet are made in a manner that is proportional to the number of C-130H aircraft in the force structure of the active Air Force, the Air Force Reserve, and the Air National Guard.

#### **Modification of limitations on retirement of B-52 bomber aircraft (sec. 132)**

The committee recommends a provision that would amend section 131(a)(1) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (P.L. 109-364) by striking the term “in a

common capability configuration.” The lack of a definition raises concerns about whether it could also apply to the aircraft’s nuclear capabilities or other modifications and upgrades on the fleet.

The committee notes that the President has yet to provide Congress the force reduction strategy to comply with the limits imposed by the New Strategic Arms Reduction Treaty (START), despite a requirement to do so by section 1042(a) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1575). Without such strategic guidance, the committee is unable to fully perform its oversight role, as well as evaluate and prioritize resources designated to support U.S. strategic forces.

During a hearing on April 17, 2013, concerning Department of Defense nuclear force and policies, Senator Mark Udall, the Subcommittee on Strategic Forces Chairman asked Assistant Secretary of Defense for Global Strategic Affairs Madelyn Creedon whether the fiscal year 2014 budget request reflected the New START force structure changes. Secretary Creedon responded that “the way that the fiscal year 2014 budget request is structured is it allows both the Air Force and the Navy to continue their preparatory work that will support a decision that will be made in the context of fiscal year 2015 to implement either a reduction in the total number of deployed and total number of delivery systems. . . . The decision as to which of these options we choose has not been made yet, but the way that the ’14 budget structure is designed is to preserve the option as we get closer in time, as we understand more about the pros and cons of each option, and frankly also as we get more into where the whole geopolitical situation is going, where we’re going with further discussions with Russia, it allows us to maintain that flexibility for as long as possible before we make a decision.”

With the approaching New START deadline, it is more likely that the committee will be asked to consider changes to U.S. strategic force structure when it meets next year to review the fiscal year 2015 budget request. The committee believes it is of great importance that the President provide this report, as well as other relevant documentation—such as the report required by section 1043 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239)—so that it may fully assess any proposed changes to U.S. strategic forces.

The committee supports the Air Force’s request that it adjust the current requirements relative to maintaining certain nuclear-capable bombers. However, given that the relevant strategic planning remains incomplete, the committee notes that any reduction, conversion, or decommissioning of nuclear-certified strategic bombers must comply with the requirements of section 1042 of the National Defense Authorization Act for the Fiscal Year 2013 (Public Law 112–239).

**Repeal of requirement for maintenance of certain retired KC–135E aircraft (sec. 133)**

The committee recommends a provision 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.

Under the Defense Department's revised strategic guidance, the existing force of KC-10 and KC-135R tankers, along with modernization under the KC-46A program, the Air Force has sufficient tanker assets now and throughout the future years defense program to meet requirements without the need to reactivate any of the KC-135E aircraft. Therefore, there is little need to incur the expense of maintaining these 74 KC-135E aircraft in a higher readiness status.

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

The committee recommends a provision that would prevent the Secretary of the Air Force from obligating or expending any funds for the procurement of C-27J aircraft not already on contract as of June 1, 2013.

**Subtitle E—Joint and Multiservice Matters**

**Multiyear procurement authority for C-130J aircraft (sec. 151)**

The committee recommends a provision that would authorize the Secretary of the Air Force to buy C-130J aircraft under a multiyear procurement contract for the Department of the Air Force and the Department of the Navy. The Air Force estimates that the Department of Defense stands to achieve a roughly 9.5 percent savings under the multiyear approach, as compared to annual procurement contracts.

**Sense of Senate on the United States helicopter industrial base (sec. 152)**

The committee recommends a provision that would express the sense of the Senate that the Secretary of Defense should take into consideration the health of the U.S. helicopter industrial base when building the Department's annual budget.

**Budget Items**

**Army**

**Enhanced Medium Altitude Reconnaissance and Surveillance System**

The budget request included \$142.1 million in Aircraft Procurement, Army, to procure four Enhanced Medium Altitude Reconnaissance and Surveillance System (EMARSS) aircraft. In section 934, the committee recommends a provision that would require the Secretary of Defense to transfer Air Force C-12 Liberty aircraft to the Army and terminates the EMARSS procurement program. However, the Army will require funds to convert the Air Force C-12 Liberty aircraft to the EMARSS configuration to meet Army requirements. The committee directs that the EMARSS funds be utilized to convert the transferred Air Force C-12 Liberty aircraft to the EMARSS configuration to meet Army requirements. Any funds

remaining after all EMARSS conversions are complete may be used to recapitalize current Army MARSS aircraft.

#### **UH-60M Black Hawk helicopter**

The budget request included \$1.0 billion in Aircraft Procurement, Army (APA), for the UH-60M Black Hawk helicopter. At the Army's request, the committee recommends a decrease of \$20.0 million in APA for the UH-60M Black Hawk and an increase of \$20.0 million in PE 23744A for aircraft modifications and product improvement programs.

#### **Paladin Integrated Management**

The budget request included \$260.2 million in Procurement of Weapons and Tracked Combat Vehicles (WTCV), Army, for the Paladin Integrated Management (PIM). At the Army's request, the committee recommends a decrease of \$40.7 million in WTCV for PIM and an increase of \$40.7 million in PE 64854A for artillery systems engineering manufacturing and demonstration.

#### **XM25 counter defilade target engagement weapon system**

The budget request included \$69.1 million in Weapons and Tracked Combat Vehicles (WTCV), Army, for the XM25 counter defilade target engagement weapon system. The XM25 is a grenade launcher that fires a 25mm projectile selectively programmed to detonate in the air at a designated range. The XM25 is intended to provide infantry and other units with a more precise capability to engage targets fighting from behind terrain, walls, or other protections.

The committee understands that prototypes of this weapon were acquired, initially tested for safety, and deployed to Afghanistan for a forward operational assessment. A malfunction during this assessment has raised very serious questions about the safety and effectiveness of the weapon. The committee further understands that the Army is in the process of opening consideration of other available or developmental grenade launchers that are capable of firing programmable munitions.

Given the unreliable performance of the XM25 and the Army's review of alternative air burst weapon systems, the committee recommends a decrease of \$69.1 million in WCTV for the XM25 counter defilade target engagement weapon system.

#### **Carbine**

The budget request included \$70.8 million in Weapons and Tracked Combat Vehicles (WTCV), Army, for the Army's small arms carbine program. The committee notes that \$49.5 million of this would be for the procurement of a replacement carbine identified as the result of a competitive evaluation.

The committee understands that the Army has reached a decision not to continue with the individual carbine competitive evaluation program. Therefore, the committee concludes that funds to procure a replacement carbine are no longer needed and recommends a decrease of \$49.5 million in WTCV. The committee supports procurement of M4A1 carbines as requested in the budget.

Based on the Army's decision to terminate this effort, the committee directs the Secretary of the Army, or designee, to provide the congressional defense committees, not later than 90 days after termination, a briefing on the justification for this decision and a revised small arms modernization strategy. The committee believes that a stable small arms modernization program is essential and should be a key element of the Army's overarching modernization strategy moving forward. A revised small arms strategy should include a description of M4A1 procurements required annually to sustain the force until a next generation small arms program is established.

#### **5.56mm, 7.62mm, .50 caliber, and 30mm reductions**

The budget request included \$1.5 billion in Procurement of Ammunition, Army (PAA), of which \$112.1 million was for 5.56mm, \$58.5 million was for 7.62mm, \$80.0 million was for .50 caliber, and \$69.5 million was for 30mm.

The Department of Defense has identified specific amounts in these ammunition accounts, in the fiscal year 2014 base budget request, for reduction as a result of competition, reduced unit costs, and/or reduced requirements.

Accordingly, the committee recommends a decrease of \$74.5 million in PAA: \$25.0 million in 5.56mm, \$5.0 million in 7.62mm, \$25.0 million in .50 caliber, and \$19.5 million in 30mm.

#### **25mm reduction**

The budget request included \$1.5 billion in Procurement of Ammunition, Army (PAA), of which \$16.5 million was for 25mm.

The committee notes that per fiscal year 2014 Army budget documentation, the XM1083 high explosive air burst (HEAB) and the XM1081 target practice (TP) ammunition for the Individual Counter Defilade Weapon System are not approved for service use.

Accordingly, the committee recommends a decrease of \$10.3 million in PAA, 25mm: \$8.8 million for XM1083 HEAB, and \$1.5 million for XM1081 TP.

## **Navy**

### **Sustaining capabilities of EP-3 and Special Projects Aircraft**

The budget request included in Aircraft Procurement, Navy, \$55.9 million for the EP-3 series aircraft, and \$3.7 million for the Special Projects Aircraft (SPA). Elsewhere in this report, the committee recommends a provision that would require the Secretary of the Navy to sustain these two aircraft fleets until the end of the decade, when replacement programs are scheduled to achieve initial operational capability.

To sustain the ability of these systems to support the combatant commands with the capacity and capabilities required, several actions are necessary. One, the Navy needs to complete the Spiral 3 upgrade to all 12 of the EP-3 primary aircraft authorization, rather than stopping at 11, as proposed in this budget request. Accordingly, the committee recommends an additional \$8.0 million for EP-3 series procurement.

Two, due to the extreme ages of the electronics on certain sensors on these aircraft, the Navy faces serious obsolescence problems in the EP-3 and SPA fleets. The Navy's Multi-Intelligence Sensor Development project is developing sensors for the future MQ-4C Triton Broad Area Maritime Surveillance system that could correct the obsolescence problems for the EP-3 and SPA aircraft. The committee recommends authorization of \$14.0 million for EP-3 series procurement, and \$5.0 million for SPA procurement to procure and install these sensors, which will introduce new capabilities into the fleet before the Triton multi-intelligence version achieves operational status.

Three, the committee recommends authorization of an additional \$5.0 million for the SPA program office in the SPA procurement line to sustain engineering, integration, and technical services support.

#### **Close-in weapon system modifications**

The budget request included \$56.3 million to purchase and install various modifications for the close-in weapon system (CIWS), including \$7.7 million for reliability, maintainability, and availability (RMA) kits. The CIWS is the primary, last ditch self defense system in the Navy fleet.

The Navy has begun experiencing reliability problems with the latest CIWS version, the Block 1B. To deal with these issues, the Navy has developed the RMA kit that will fix known reliability problems and also deal with issues of parts obsolescence. The Navy can install the RMA kits dockside, without having to send the CIWS or its modules to the depot. In addition, installing these kits will allow the Navy to extend time between major CIWS overhauls, while still maintaining an acceptable level of operational availability.

The committee believes that the Navy should move more expeditiously on fielding these kits to the fleet, and recommends an increase of \$6.4 million to buy 24 additional RMA kits.

#### **Afloat forward staging base**

The budget request included \$134.9 million in the National Defense Sealift Fund (NDSF) for the third mobile landing platform (MLP-3) for which the bulk of the funding was provided in fiscal year 2012. The request also included \$524.0 million in Shipbuilding and Conversion, Navy (SCN), to procure the fourth mobile landing platform (MLP-4).

The Navy planned to use NDSF funds to complete MLP-3 as the first afloat forward staging base (AFSB-1) platform and use the SCN funds to buy MLP-4 as the second afloat forward staging base (AFSB-2). As a result of reviewing requirements for the AFSB program, the Navy has decided that some funding in the request needs to be shifted from the NDSF account to the SCN account, that some funds in the NDSF budget request are now not required to execute the AFSB program in either account.

Therefore, the committee recommends an increase to SCN of \$55.3 million and a decrease to the NDSF of \$112.2 million.

**DDG-51**

The budget request for Shipbuilding and Conversion, Navy (SCN), included \$1,615.6 million to purchase one DDG-51 destroyer, and \$388.6 million in advance procurement to buy DDG-51 destroyers in later years. This would be the second year of a multiyear contract for the DDG-51 program.

Congress added \$1.0 billion to the fiscal year 2013 budget request to purchase an additional DDG-51 beyond the two DDG-51s in the budget request. After the implementation of sequestration earlier this year, the Navy found that sequestration left the Navy several hundred million dollars short of having enough funds to award the contract for the third ship.

The committee specifically recommended multiyear procurement authority last year that allowed for buying this extra ship and believes that the Navy should buy the extra ship to help meet force structure shortfalls.

The committee recommends an increase of \$100.0 million in SCN for completion of prior year shipbuilding programs to help buy this additional DDG-51.

**Air Force****MQ-9**

The budget request included \$272.2 million in Aircraft Procurement, Air Force (APAF), for the MQ-9 program to buy 12 aircraft and to pay for various production support activities. According to program officials, the program has \$30.0 million in fiscal year 2012 APAF funds that are excess to program needs, since some planned aircraft procurements for fiscal year 2012 were delayed until fiscal year 2013. These funds could be used to pay for other activities within the MQ-9 program.

Therefore, the committee recommends a decrease of \$30.0 million in fiscal year 2014 for procurement of MQ-9, which the Air Force can offset with the available prior year funds.

**Reaper synthetic aperture radar**

The budget request included \$35.0 million in Aircraft Procurement, Air Force, for the procurement of upgrades to the Lynx synthetic aperture radar system for the Reaper unmanned aerial vehicle (UAV). This request would be the first year of retrofits for what is planned to be a procurement costing \$125.0 million over the future-years defense program.

The committee recommends no funding for this program. There is insufficient justification for upgrading this system because field studies and Air Force subject matter experts acknowledge that the system is almost never used. Furthermore, the upgrade is intended to provide a rudimentary dismount moving target indication (MTI) capability, while the Air Force is separately funding a robust dismount MTI radar program for the Reaper UAV.

**C-130 aircraft modifications**

The fiscal year 2014 budget request did not request funding for the C-130 avionics modernization program (AMP), but included \$9.9 million for communication, navigation, surveillance/air traffic

management (CNS/ATM) upgrades and \$4.3 million for upgrading cockpit voice and digital data recorders (CVR/DVR) for legacy C-130 aircraft in Aircraft Procurement, Air Force (APAF). The program of record for modernizing the legacy C-130 aircraft until the fiscal year 2013 budget request was the C-130 AMP. When the Air Force announced a decision to cancel AMP, the program was already in low rate initial production and had delivered five aircraft, four additional kits, and training devices.

Section 143 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) prevented the Secretary of the Air Force from canceling or modifying the avionics modernization program for C-130 aircraft until 90 days after he submits a cost-benefit analysis comparing the original C-130 AMP with a program that would upgrade and modernize the legacy C-130 airlift fleet using a reduced scope program for avionics and mission planning systems. Earlier this year, the Air Force contracted with the Institute for Defense Analyses (IDA) to conduct this study. The Air Force indicates that the study results should be available later in calendar year 2013.

The committee strongly supports modernization of the Nation's legacy C-130 fleet, and fears that the delay in the awarding the study contract will cause the Air Force to lose another year in modernizing the legacy C-130 fleet. Therefore, the committee recommends 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 use of these funds and the use of the funds for CNS/ATM and CVR/DVR upgrades included in the budget should be informed by the results of the IDA study. The committee directs that none of these funds be obligated or expended until 90 days after the Secretary submits the IDA report. The committee also reminds the Air Force that the restrictions in section 143 continue to apply.

### **Defense-wide**

#### **MQ-9 Unmanned Aerial Vehicle**

The budget request included \$1.89 million in Procurement, Defense-wide, for the acquisition and support of special operations-unique mission kits for the MQ-9 Unmanned Aerial Vehicle (UAV). U.S. Special Operations Command (USSOCOM) is responsible for the development and acquisition of special operations capabilities to, among other things, effectively carry out operations against terrorist networks while avoiding collateral damage.

The committee approved an above threshold reprogramming of funds requested by the Department of Defense in January 2013 to provide for the development, integration, and testing of additional capabilities to address identified technology gaps on USSOCOM UAVs. The committee understands that this reprogramming only partially addressed such technology gaps. Therefore, the committee recommends an additional \$13.0 million in Procurement, Defense-wide, to field additional capabilities for the MQ-9 UAV.

### **Items of Special Interest**

#### **Army air-to-ground rocket and missile programs**

The committee supports the Department of Defense's efforts to find and take advantage of opportunities to develop joint programs that can reduce costs and meet service requirements. In this regard the committee notes that the Marine Corps has developed a weapon system that transforms the standard 2.75-inch Hydra-type rocket into laser-guided precision munitions. The advantages of a smaller precision-guided rocket are apparent, not just in terms of reduced cost but also operational effectiveness as the lower weight of each rocket allows an aircraft to carry more of them increasing the number of engagements possible per sortie. The committee recognizes, however, that a new smaller, precision-guided rocket must be a capability integrated with each services' other air-to-ground rocket and missile portfolios. The Air Force, for example, is in the process of qualifying this precision rocket on a variety of its multi-role combat aircraft.

Given efforts to date by the Marine Corps and the Air Force, and the potential for achieving a precision engagement capability at a significantly reduced cost, the committee is interested to know the Army's analysis of this capability as part of its portfolio of armed helicopter rocket and missile munitions. Accordingly, the committee directs the Secretary of the Army, or designee, to brief the congressional defense committees, not later than December 1, 2013, on the Army's assessment of its current and future requirements and capabilities for air-to-ground precision-guided rocket and missile munitions.

Additionally, the committee directs the Comptroller General of the Government Accountability Office to provide the congressional defense committees, not later than December 1, 2013, with an assessment of each of the services' ground-attack rocket and missile programs. This assessment shall examine where there are potential redundancies in service air-to-ground rocket and missile programs; make recommendations where the services could benefit from a consolidation of these requirements and capabilities; and identify the savings, if any, associated with the consolidation of such programs.

#### **Army and Marine Corps initiatives to improve armored vehicle fuel efficiency**

The committee notes the commitment of the Army and Marine Corps to reduce the operational fuel consumption of their current and future armored vehicles. The benefits of lower fuel consumption without sacrificing performance include not only reduced cost, but also reduced vulnerability of theater logistics storage and resupply activity, and increased operational flexibility. This is consistent with congressional intent found in section 2911 of title 10, United States Code, requiring consideration of fuel logistics support requirements in planning, requirements development, and acquisition processes.

The committee is aware of efforts on the part of the Army and Marine Corps to implement consideration of the fully burdened cost of fuel into its plans for reset, upgrade, and modernization of their

armored vehicle fleets as well as in the requirements determination and development of their next generation armored vehicles. In this regard the committee is interested to learn more about Army and Marine Corps efforts to reduce fuel consumption that could result in near-term savings.

Therefore, the committee directs the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, and the Assistant Secretary of the Navy for Research, Development, and Acquisition, or their designees, to provide the congressional defense committees with briefings on their plans and efforts to achieve improved fuel efficiency in their current armored vehicle fleets. These briefings, by armored vehicle type, shall include, but not be limited to, the Army and Marine Corps priorities and objectives, plans and schedules for research and development, investments to date and planned over the future-years defense program, government and commercial research and development efforts including testing results that illustrate technological challenges and potential, and an assessment of the competitive environment for development and production of capable and affordable technologies to achieve greater fuel efficiency. The Secretaries shall provide these briefings not later than 60 days after enactment of the National Defense Authorization Act for Fiscal Year 2014.

#### **Close air support requirements**

The Joint Strike Fighter is designed to replace the F-16 and A-10 in the Air Force inventory. The A-10 has served as the Air Force's primary close air support asset, having been designed for that specific mission with characteristics that permit it to operate and maneuver at low altitude and slow speeds. The aircraft is also heavily armored to ensure the highest survivability for the pilot and vital aircraft systems.

To ensure that the Department of Defense is not heading toward a situation where there may be gaps in capability to meet close air support requirements when the A-10 is retired, the committee directs the Secretary of the Air Force, in consultation with the Secretary of the Army, to conduct a study to determine whether there will be any shortfalls in capability that will be incurred when the Air Force transitions from a fleet having A-10 aircraft to a fleet consisting entirely of F-22 and F-35 aircraft. If there are any gaps between capabilities and requirements, the Secretary of the Air Force should present alternatives for meeting those requirements. The Secretary shall submit this study with the fiscal year 2015 budget submission.

#### **Comptroller General review of the Ford-class aircraft carrier program**

The Navy is developing the Ford-class nuclear powered aircraft carrier (CVN-78) to serve as the future centerpiece of the carrier strike group. Ford-class carriers will introduce several advanced technologies that are intended to create operational efficiencies while enabling higher sortie rates with reduced manpower compared to current carriers. As discussed elsewhere in this report, however, these new technologies have led to cost and schedule problems in constructing the first ship of the class.

The Government Accountability Office (GAO) has recently reported on significant technology delays, construction inefficiencies, testing shortfalls, and cost and schedule pressures currently facing CVN-78. The committee remains concerned that these issues could delay and limit demonstration of eventual CVN-78 capabilities and potentially affect cost, schedule, and performance outcomes for the next ship, CVN-79.

Section 124 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) required the Secretary of the Navy to report what program management and cost control measures the Navy will employ in constructing the second Ford-class aircraft carrier. The Secretary of the Navy's report in response to that requirement identified a number of changes in the way CVN-79 will be built that will help improve on the performance on CVN-78.

In light of these concerns, the committee directs the GAO to undertake a follow-on review of Ford-class carrier acquisition program. Specifically, the committee directs the Comptroller General to review:

- (1) program management and cost control measures the Navy plans to employ in constructing the CVN-79 ship, as identified in its May 2013 report to Congress, in order to determine the extent to which these may be effective in controlling costs. As part of this analysis, the Comptroller General should evaluate the Navy's plans for executing the detail design and construction contract for CVN-79, and should pay particular attention to components of the Navy's plan intended to accommodate remaining schedule risk in the CVN-78 building program;

- (2) sufficiency of the Navy's post-delivery test plans for CVN-78 in facilitating timely demonstration of ship capabilities. As part of this analysis, the Comptroller General should evaluate the extent to which land-based testing delays for critical ship technologies have complicated the Navy's planned post-delivery testing activities and schedule;

- (3) Department of Defense (DOD) analysis underpinning the Navy's current capability estimates for CVN-78, progress made in meeting the ship's capability requirements, and gaps that may exist between the likely performance of the ship and its major capability requirements; and

- (4) maturity and implementation of plans by the shipbuilder to manage the workforce during concurrent construction of CVN-78 and CVN-79.

The committee further directs the Comptroller General to submit a report on his review to the congressional defense committees by April 30, 2014.

#### **Comptroller General review of the Littoral Combat Ship program**

The Navy's Littoral Combat Ship (LCS) program is intended to be a relatively smaller, more affordable vessel than cruisers or destroyers that carries modular payloads supporting the anti-surface warfare, mine countermeasures, and anti-submarine warfare mission area.

The Government Accountability Office (GAO) has recently reported to the committee on significant concerns about the LCS program.

In light of these concerns, the committee directs GAO to undertake a follow-on review of LCS acquisition program. Specifically, the committee directs the Comptroller General to review:

- (1) seaframe production and testing, including:
  - (a) seaframe developmental test activities and changes made to correct deficiencies identified during testing to date;
  - (b) weight management for both variants of the seaframe;
  - (c) Navy plans for verifying survivability, including the use of surrogate aluminum structures; and
  - (d) plans for achieving greater commonality between the variants, and progress made in executing such plans;
- (2) mission module development and testing, including developmental test activities and changes the Navy plans to correct deficiencies identified during testing to date;
- (3) lessons the Navy may be learning from the deployment of LCS-1 to Singapore;
- (4) results of Navy studies on LCS requirements and technical capabilities, and any recommendations for changes to the design and/or capabilities of either the current LCS configurations or potential future LCS configurations;
- (5) role of the LCS Council in overseeing LCS acquisition and fleet introduction.

The committee further directs the Comptroller General to submit a report on his review to the congressional defense committees by April 30, 2014.

### **Defense ground radar programs**

The Senate report accompanying S. 1390 (S. Rept. 111-35) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) raised concerns regarding the requirements, capabilities, and affordability of the Marine Corps TPS-80 Ground/Air Task Oriented Radar (G/ATOR). While the TPS-80 G/ATOR program has made progress recently, the committee notes that the Government Accountability Office (GAO) report of March 2013 titled "Defense Acquisitions: Assessments of Selected Weapon Programs" (GAO-13-294SP) found that the G/ATOR program has more than doubled in unit cost, total program costs, and research and development costs since the program began in 2005.

The Senate report also noted that the Marine Corps was at that time reviewing the G/ATOR mobile ground multi-mode radar program for possible joint development with the Army.

Now, each of the military departments is pursuing separate ground radar programs, including the Army TPQ-53, the Marine Corps TPS-80, and the Air Force TPS-78 and TPS-703. The committee is concerned that the Department of Defense has failed to find a material solution to meet common requirements for a mobile ground multi-mode radar capability and may be missing an opportunity to develop a joint program that meets the majority of service requirements while reducing unit costs and saving money. The

committee believes that the fiscal realities demand that the services look for every opportunity to develop joint programs, reduce costs, and meet valid service requirements.

Accordingly, the committee directs the Vice Chairman of the Joint Chiefs of Staff, or designee, to provide the congressional defense committees a classified or unclassified briefing, not later than December 1, 2013, on the analysis, evaluation, and decision-making process of the Joint Requirements Oversight Council with respect to the validation and approval of separate requirements and acquisition programs for the Army TPQ-53, the Marine Corps TPS-80, and the Air Force TPS-78 and TPS-703.

Additionally, the committee directs the Comptroller General to submit to the congressional defense committees, not later than December 1, 2013, an assessment of each of the services' ground radar programs. This assessment shall include a review of requirements and capabilities identifying redundancies, if any, and the degree of redundancy among the programs. The Comptroller General shall also include an assessment of the feasibility and acceptability of establishing a joint ground radar program and an estimate of program cost increases or decreases should such a joint program be established.

#### **Department of the Navy strike fighter inventories**

Throughout the past several years, the committee has expressed concern that the Navy is facing a sizeable gap in aircraft inventory as older F/A-18A-D retire before the aircraft carrier variant (F-35C) of the Joint Strike Fighter is available to replace them. In any case, the F/A-18E/F will be a critical part of the Navy's fleet for the next 25 years, complementing the Navy's F-35C. The F-35C is expected to reach initial operational capability in late 2018.

Additionally, the Navy now intends to inspect legacy F/A-18A-D aircraft periodically above 8,000 flight hours, in combination with executing a service life extension program (SLEP) on 150 of those aircraft, in an effort to extend a portion of the inventory to 10,000 hours. As yet, the Navy does not have sufficient data to predict the failure rate for aircraft being inducted into the SLEP. The current SLEP engineering analysis has not been completed. In addition, the costs and schedules associated with the Navy's plans remain unknown. As a result, executing the Navy's plan could negatively impact the tactical aviation shortfall, as there are already reports of aircraft backed up at Navy depots awaiting parts and maintenance. The committee understands that more than 42 percent of the legacy F/A-18A-D aircraft, approximately 260 aircraft, are currently out of service awaiting some form of maintenance, inspection, or repair.

The committee believes a strong carrier-based fleet is vital as part of the increased emphasis on the Pacific region. This emphasis requires the Navy to have a viable fleet of both F/A-18E/F and F-35C aircraft to avoid creating a risk for the Navy's future strike fighter force structure.

#### **Ejection seats**

The committee understands that aging and heavy operating tempo have caused metal fatigue and corrosion in legacy ejection

seats. Moreover, the incorporation of helmet-mounted displays and devices creates a situation for pilots that the legacy seats were never intended to accommodate during an ejection event. This leads to increased risks for pilot survival during high speed ejections.

The committee understands that newer ejection seats can effectively address these issues, while at the same time providing simplified maintenance and increasing aircraft availability. Furthermore, recent seat safety enhancement features provide for greatly improved safety for aircrew using current operational helmet-mounted displays, thereby reducing the possibility of head, neck, and spinal cord injuries.

For these reasons, the committee encourages the Air Force to evaluate a program or programs to replace the 1970s-designed ejection seats currently equipping most legacy fighter and bomber aircraft, paying particular attention to improving crew safety and reducing operation and support costs.

#### **Enhanced performance round versus special operations science and technology round**

The committee notes that the Army has developed and begun to field a 5.56mm enhanced performance round (EPR) which has the potential to demonstrate improved performance against hard and soft targets, in addition to other small caliber ammunition. The committee notes that the Marine Corps has begun testing on the use of the special operations science and technology (SOST) round which also has an opportunity to demonstrate similar effects. The committee understands the Marine Corps is conducting a review and comparison of the EPR versus the SOST round.

Accordingly, the committee directs the Marine Corps to prepare a briefing or a report to the committee on the status and progress of the EPR versus SOST round review no later than September 1, 2013.

#### **F-35 production rate**

The committee believes that the continued development and funding of all three variants of the F-35 Joint Strike Fighter is critical to maintaining U.S. air dominance. The committee supported restructuring the program to keep production remaining flat for the past 4 years to reduce concurrency risk and allow the program to make additional progress in the testing program before ramping up production.

The committee notes that the program has been executing close to the planned testing and development schedule. The Marine Corps will declare initial operational capability (IOC) in 2015 with the Block 2B software capability. The Air Force will declare IOC in 2016 with the Block 2B/3I software capability, rather than waiting for the Block 3F capability as previously planned. The Navy will declare IOC in late 2018 with the Block 3F software capability. Achieving these IOC dates depend in part on increasing production according to the current plan.

With the program now achieving most testing milestones, the committee believes that the Department of Defense should seri-

ously consider continuing with the current plan to increase production in fiscal year 2015 and beyond.

### **F-35 technical issues**

In his testimony before the Subcommittee on Airland of the Senate Committee on Armed Services, the F-35 Program Executive Officer (PEO) discussed the development issues which present the greatest technical risks to the program.

Regarding the software, the committee notes that a critical design review (CDR) is planned which will shed more light on progress of the Block 3F software against the requirements and delivery timeline. Block 3F software provides the capability that will allow all three services to declare full operational capability. The committee directs the PEO to provide a briefing to the congressional defense committees on the results of the CDR within 30 days of its conclusion.

In addition to software, the PEO also highlighted other known technical risks to the F-35 program, to include the helmet mounted display system, the tailhook, the fuel dumping system, and the autonomic logistics information system. The committee directs the F-35 PEO to provide a briefing to the congressional defense committees on the status of the risk and cost reduction efforts to these four systems within 30 days from the completion of any major test objective or risk reduction effort involving these four programs.

### **Intelligence, surveillance, and reconnaissance**

In January 2012, the Air Force proposed the retirement of its RQ-4 Global Hawk Block 30 aircraft. The Secretary of the Air Force stated the reason for this decision was based on the operational capability and cost to operate and maintain the Global Hawk Block 30. Section 154 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) required the Air Force to maintain the operational capability of each RQ-4 Block 30 Global Hawk unmanned aircraft system through December 31, 2014.

This committee understands the strategic importance of high-altitude surveillance and increasing demands for intelligence, surveillance, and reconnaissance (ISR) by the commanders of combatant commands (COCOM) around the world, both in permissive and non-permissive environments. The Senate report (S. Rept. 112-173) accompanying the National Defense Authorization Act for Fiscal Year 2013 (S. 3254) required the Chairman of the Joint Chiefs of Staff to identify enduring requirements for persistent ISR, and the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Under Secretary of Defense for Intelligence to provide a long-term investment strategy for meeting that requirement to the congressional defense committees and the congressional intelligence committees no later than May 2, 2013. The committee understands that the Department has had some difficulty in defining the terms of reference for the analytical effort that has resulted in delaying the report, but believes the Department of Defense should move expeditiously to complete these tasks.

Therefore, the committee directs the Chairman of the Joint Chiefs of Staff, the Secretary of the Air Force, the Under Secretary

of Defense for Acquisition, Technology, and Logistics, and the Under Secretary of Defense for Intelligence to provide an update on the congressionally directed report immediately to the congressional defense committees and the congressional intelligence committees, and the final report on COCOM peacetime and wartime requirements, and the long-term investment strategy for meeting those requirements, no later than February 1, 2014.

#### **Joint high speed vessel**

The Navy is procuring the Joint High Speed Vessel (JHSV) to serve as an intra-theater lift asset. In a prepared statement to the committee earlier this year, the Chief of Naval Operations, Admiral Jonathan W. Greenert, United States Navy, talked about the new deployments of JHSVs and Littoral Combat Ships and said, “[w]e will use these deployments to integrate these new, highly adaptable platforms into the fleet and evaluate the ways we can employ their combination of persistent forward presence and flexible payload capacity.”

To better understand the Navy’s plans for the JHSV fleet, the committee believes that the Secretary of the Navy should identify: (1) the Navy’s intent for allocating JHSVs among the combatant commanders; and (2) any overseas basing plan to support that allocation.

Further, the committee believes the Navy should consider additional functions or capabilities that the JHSV fleet might provide. Some of these could include support to counterdrug or counter piracy operations, command and control for joint task force operations, to intelligence, surveillance, and reconnaissance operations.

The committee directs the Secretary to provide a report on these issues with the submission of the fiscal year 2015 budget request.

#### **Joint surveillance/target attack radar system modernization**

The committee is concerned about the continued long-term sustainment of the capability provided by the Joint Surveillance and Target Attack Radar System (JSTARS) E-8 aircraft. The aircraft and sensors may need costly upgrades to keep the system relevant to the operational environment. The Air Force has completed an Analysis of Alternatives (AoA) to evaluate potential replacement platforms to perform the battle management command and control and ground moving target indicator (BMCC/GMTI) missions. These missions that support ground and naval forces are critical.

The AoA recommends as the preferred option a combined solution of modern business jets, using a fourth generation sensor system already in development by the Navy and Global Hawk Block 40 remotely piloted vehicle. The analysis indicates that this option would offer the potential of significant lifecycle cost savings and improved sensor capabilities, if the Air Force could afford the upfront investment costs. Although the Air Force acknowledges the need for a JSTARS mission area replacement aircraft, the fiscal year 2014 budget request does not include a request for funding such an option.

This committee is concerned that delays in commencing a program to replace and modernize the JSTARS capability could result in unfulfilled intelligence, surveillance, and reconnaissance require-

ments and higher risk to operational forces. Therefore, the committee directs the Secretary of Defense to submit a report that would provide a detailed description of the Department of Defense plan to modernize the capability to satisfy the BMCC/GMTI missions. The Secretary is directed to submit that report no later than 180 days after enactment of this Act.

#### **Joint Tactical Radio System handheld, manpack, and small form fit competition and contracting**

The committee has long supported and encouraged Army plans for a full and open competition at full rate production for the handheld and manpack radios of the Joint Tactical Radio System (JTRS) program. The advantages to the Army and the taxpayers of a communications system built upon non-proprietary, open-architecture technologies acquired through competition are apparent. The potential savings and technological performance improvements associated with competition among several tactical radio manufacturers could be significant over time.

The committee is concerned, however, that a potential plan to award a 5-year contract to a single vendor will result in an uncompetitive and smaller tactical radio industrial base. This, in turn, could lead to the Army becoming entrapped in subsequent sole-source procurements that forfeit greater savings and improved technical performance that come with frequent competition.

Accordingly, the committee directs the Under Secretary of Defense for Acquisition, Technology, and Logistics to review the Army's handheld and manpack radio competition and contracting plans and provide to the congressional defense committees an assessment of how they will achieve the objectives of increased savings and performance through competition among several vendors over the life of the JTRS program. The Under Secretary shall submit this assessment not later than 60 days after enactment of the National Defense Authorization Act for Fiscal Year 2014.

#### **Long Range Strike Bomber**

The committee is aware that the President, the Secretary of Defense, the Secretary of the Air Force, and the Air Force Chief of Staff have called for the development of a new stealth bomber as our nation's military posture transitions and focuses on emerging threats in both the Middle East and the Asia-Pacific region. A new stealth bomber is essential to deterrence and anti-access strategies in these regions. A new stealth bomber will continue to ensure that deterrence remains a viable tool of our foreign policy by providing the President and combatant commanders with the ability to hold targets at risk with a versatile platform that combines range, persistence, payload, and survivability. A new stealth bomber will be an indispensable foundation of future U.S. power projection. As the only new aircraft development program planned for the next decade, continued development of the new bomber is essential to maintain U.S. technological superiority and a highly specialized workforce.

**Modernization of B-1 bomber**

The Secretary of the Air Force is directed to report to the congressional defense committees on efforts to modernize the B-1 bomber over the life of the airframe. The report shall be due to the congressional defense committees no later than February 28, 2014.

**Modernization of the B-52 Strategic Radar System**

The current B-52H Strategic Radar System (SRS) is approaching the end of its useful life. The Air Force conducted an Analysis of Alternatives to evaluate potential replacements for this system. The Committees on Armed Services of the Senate and the House of Representatives expressed concern in their reports accompanying the National Defense Authorization Acts for Fiscal Year 2013 regarding funding for the Strategic Radar Replacement (SR2) program. This committee remains concerned about lack of funding in the fiscal year 2014 budget, which would allow critical capability gaps, and directs the Secretary of the Air Force to provide a detailed plan with timeline on how it will replace the SRS on all B-52Hs.

**Paladin integrated management program**

The budget request included \$260.2 million in Weapons and Tracked Combat Vehicles and \$80.6 million in PE 64854A for the Paladin Integrated Management (PIM) self-propelled howitzer program. The committee notes the PIM program will soon be entering low rate initial production (LRIP). Over the past several months, the committee notes that the Army has taken several fact-of-life reductions to the program. The Army explains that these reductions are due to the extraordinary fiscal constraints of sequestration and overseas contingency operations funding shortfalls. The committee further notes that the Army intends to hold to the program's current schedule including the procurement of the full complement of the initial LRIP vehicles while still able to reduce LRIP procurement in the out-years. The committee fully supports the PIM program and expects the Army to continue to review the development schedule for other ways to accelerate the program while retaining cost and schedule.

**Report on the results of the Army voluntary flight demonstration**

The committee is aware that the Army is continuing its evaluation and consideration of the feasibility, affordability, and advisability of acquiring a new light armed scout helicopter to replace the current OH-58D Kiowa Warrior. Since the cancellation in 2011 of the Armed Reconnaissance Helicopter, the Army has been methodically working through an assessment of its light armed scout helicopter requirements and an analysis of alternatives across a wide range of operating concepts including manned helicopters, unmanned aerial systems, and manned-unmanned teaming. As part of a broader consideration of alternatives for what has become the Armed Aerial Scout (AAS), the Army conducted a voluntary flight demonstration of commercially available aircraft to refine its requirements determination process and explore how closely aircraft flying today compare to the capability of the Kiowa Warrior and

could approach meeting the capabilities the Army has in mind for a light armed scout replacement. The committee is interested to learn more about the results of the Army voluntary flight demonstration and its contribution to the ongoing analysis of the feasibility, affordability, and advisability of replacing the OH-58D Kiowa Warrior.

Accordingly, the committee directs the Secretary of the Army, or designee, to submit a report to the congressional defense committees by September 30, 2014 that details the performance metrics demonstrated by each participant. The report shall also provide an estimate of the costs associated with the development and testing of each participant's aircraft for modifications and upgrades necessary to convert such aircraft to a fully militarized AAS. Finally, the report shall include the estimated schedule for competition, development, testing, and qualification of each aircraft overlaid on current timelines for Kiowa Warrior service life extension, safety upgrades, and modernization programs.

The committee is aware that information regarding the performance of participants' aircraft is competition sensitive and directs that the report shall not disclose their identities and shall, where appropriate, protect their intellectual property. The committee will work with the Army to ensure that such information is adequately protected.

The committee further understands that Kiowa Warrior service-life, safety, and capability upgrades are necessary under any potential replacement scenario in order to address critical near-term operational performance and safety requirements. The committee supports these Kiowa Warrior modification efforts to ensure that the Army's current light armed scout helicopter, that has been proven in combat in Iraq and Afghanistan, is ready and available for the 10-20 years it may take to field a replacement should an alternative prove feasible and affordable.

### **Ship Modernization, Operations and Sustainment Fund**

Section 8105 of the Defense Appropriations Act for Fiscal Year 2013 (Public Law 113-6) established the Ship Modernization, Operations and Sustainment Fund, and appropriated more than \$2.4 billion to the Fund. The Fund was intended to prevent the premature retirement of seven cruisers and two dock landing ships during fiscal years 2013 and 2014. This reflected a concern with the proposed retirement plan that the plan: (1) was disconnected from the defense strategy; (2) created future unaffordable ship-building requirements; and (3) would exacerbate force structure shortfalls that negatively impact the Department's ability to meet combatant commander (COCOM) requirements.

The Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for fiscal year 2014, date May 10, 2013, proposes to retire these cruisers and amphibious ships during fiscal year 2015, resulting in a fleet of 270 ships, the smallest fleet since 1917. The Navy is taking this action despite the fact that keeping these vessels operating until the end of 2014 will cost, according to the Navy, \$931.1 million. The committee believes that the Navy should use the remaining resources in the Fund to sustain all of these ships. Available funds would permit the Navy to operate the

ships during most of the period future-years defense program and would permit the Navy and Congress to continue evaluating options for modernizing and retaining these vessels until the end of their expected service lives.

### **Small diameter bomb**

The Small Diameter Bomb (SDB) program fields a 250-pound bomb that provides low-cost, precision strike capability and is designed to increase weapon's loads of fighters, bombers, and unmanned aerial systems.

The first version of SDB, SDB-I, is an all-weather munition for which the requirements are defeating stationary targets. SDB-1 uses global positioning system (GPS) and inertial navigation system (INS) data to achieve the required precision. This munition achieved initial operating capability in late 2006.

The second version of SDB, SDB-II, would add a tri-mode seeker (radar, infrared, and semi-active laser) to the INS and GPS guidance of the original SDB-I. These sensors are intended to provide automatic target recognition features for striking mobile targets, such as tanks, vehicles, and mobile command posts.

The Air Force plans to start low rate initial production of SDB-II in 2014. Earlier this year, SDB-II flight test program was temporarily suspended due to a flight test failure, but has since resumed. Any further delays could affect the timing of Milestone C, currently scheduled for August 2013, and could cause a delay in having required assets available to outfit an F-15E squadron in late 2016.

The committee is aware that there is a possible modification to the SDB-I that would add a semi-active laser (SAL) sensor. This might provide some, but not all, of the potential SDB-II capability against mobile targets. The Air Force may want to consider this or other options if there were additional flight testing difficulties that would cast doubt on the success of the SDB-II program.

Therefore, the committee directs the Secretary of the Air Force to brief the congressional defense committees on the status of the entire SDB program no later than 90 days after enactment of this Act. The briefing should include current status of SDB-II test program, potential gaps in capabilities if SDB-II testing were to be delayed, examination of the mix of SDB-1 and SDB-II weapon capabilities and costs, and recommended way ahead for SDB procurement.

### **UH-1N replacement strategy**

The committee is aware that the Air Force has a long-standing need to replace its aging UH-1N helicopter fleet. The current UH-1N fleet provides the Air Force with a capability to provide security for Global Strike Command operations and to ensure continuity of government and continuity of operations in the National Capital Region. The committee acknowledges that the Air Force has had to make difficult decisions on a replacement utility helicopter, but believes that the Air Force should articulate a strategy for modernizing the capability provided by these helicopters.

The committee directs the Secretary of the Air Force to provide the congressional defense committees a report, not later than Feb-

ruary 1, 2014, that assesses and categorizes the Air Force's utility helicopter capabilities to meet the full range of nuclear security and continuity of government requirements and describes the Air Force's strategy towards meeting such requirements.

#### **UH-72 light utility helicopter**

The budget request included \$96.2 million in Aircraft Procurement, Army (APA), for the procurement of 10 UH-72 light utility helicopters. According to the Army this is the final year of UH-72 purchases, truncating the total program buy at 315 aircraft instead of the originally planned 346. The committee notes that even though this ends production short of the original plan, the final buy fully meets the documented UH-72 requirements of the Army National Guard.

The committee is concerned that the Army's decision may have an impact on the UH-72 industrial base that increases risks over time for the support of its fielded fleet of 315 aircraft. Therefore, the committee directs the Assistant Secretary of the Army for Acquisition, Logistics, and Technology to provide the congressional defense committees with an assessment of the impact of production termination on the UH-72 industrial base and support for the fielded fleet. The Secretary's assessment should address, but not be limited to, the potential impacts on the parts supply chain including mission modules, the availability of maintenance services, and how the replacement of aircraft will be managed in the event of any future losses. The Secretary shall submit this assessment not later than 60 days after enactment of the National Defense Authorization Act for Fiscal Year 2014.

#### **Uninterruptable power supply**

The committee is aware of a funding shortfall associated with procurement of the Uninterruptable Power Supply (UPS) required for the new United States Strategic Command Replacement Facility. The committee also notes the UPS must be delivered no later than July 2014 to avoid significant construction delays and/or contract penalties.

The committee directs the Secretary of the Air Force to submit a report to the congressional defense committees no later than September 30, 2013, identifying specific actions the Air Force is taking to ensure the UPS is delivered by the construction need date.

#### **Use of commercially available systems to support certain Navy requirements**

The Navy faces growing anti-access and area denial threats around the world, specifically including Iranian small boat swarm threats in the Arabian Gulf and in the Strait of Hormuz. In addition to this reality of increasing threats, the Navy faces tightening resources from implementation of the Budget Control Act (Public Law 112-25). The committee believes that the Navy, whenever possible, should seek to make maximum use of commercially available systems to fill capability gaps in the most affordable manner. Therefore, the committee directs the Secretary of the Navy to submit a report to the congressional defense committees with the submission of the fiscal year 2015 budget request, including a classi-

fied annex as necessary, that would identify: (1) any gaps in Department of the Navy's capability to deal with anti-access and area denial threats; (2) if there are gaps, whether those gaps are covered by other Department of Defense forces or systems; (3) if there are gaps, to what extent there may be commercially available systems to fill the capability gaps; (4) whether fielding commercially available systems could potentially avoid lengthy and costly research and development programs; and (5) whether commercially available systems are free from cyber threats.

**War readiness engine shortfall**

The committee understands that the Air Force faces a shortfall of useable engines for the F-15 and F-16 fleets as compared to the war readiness engine objective. Given that the Air Force will continue to rely on the F-15 and F-16 well into the foreseeable future, maintaining the readiness of these fleets is imperative. The committee urges the Secretary of the Air Force to include sufficient resources in future budgets for engines to avoid degrading readiness.