

# TITLE I—PROCUREMENT

## SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

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

The Senate bill contained a provision (sec. 101) that would authorize appropriations for procurement at the levels identified in section 4101 of division D of this Act.

The House amendment contained an identical provision (sec. 101).

The conference agreement includes this provision.

## SUBTITLE B—ARMY PROGRAMS

### *Multiyear procurement authority for AH-64E Apache helicopters (sec. 111)*

The Senate bill contained a provision (sec. 113) that would authorize the Secretary of the Army to enter into a multiyear contract for AH-64E Apache helicopters for fiscal years 2017 through 2021.

The House amendment contained an identical provision (sec. 111).

The conference agreement includes this provision.

### *Multiyear procurement authority for UH-60M and HH-60M Black Hawk helicopters (sec. 112)*

The Senate bill contained a provision (sec. 112) that would authorize the Secretary of the Army to enter into a multiyear contract for UH-60M/HH-60M Black Hawk helicopters for fiscal years 2017 through 2021.

The House amendment contained a similar provision (sec. 111) that would authorize the Secretary of the Army to enter into one or more multiyear contracts for UH-60M and HH-60M Black Hawk helicopters beginning in fiscal year 2017, in accordance with section 2306b of title 10, United States Code.

The Senate recesses.

*Distributed Common Ground System-Army increment 1 (sec. 113)*

The Senate bill contained a provision (sec. 111) that would require the Secretary of the Army to improve and tailor training for units equipped with the Distributed Common Ground System- Army Increment 1. The provision would also require the Secretary of the Army to rapidly identify and field a commercially available capability that meets tactical requirements, can integrate at the tactical unit level, is substantially easier for personnel to use, and requires less training.

The House amendment contained no similar provision.

The House recedes with an amendment that would allow the Secretary of Defense to waive limitations if any adversely affect ongoing operational activities.

*Assessment of certain capabilities of the Department of the Army (sec. 114)*

The House amendment contained a provision (Sec. 113) that would require the Secretary of Defense, in consultation with the Secretary of the Army and the Chief of Staff of the Army, to provide an assessment to the congressional defense committees by April 1, 2017, of the ways, and associated costs, to reduce or eliminate shortfalls in responsiveness and capacity of the following capabilities:

(1) AH-64-equipped Attack Reconnaissance Battalion capacity to meet future needs;

(2) Air defense artillery (ADA) capacity, responsiveness, and the capability of short range ADA to meet existing and emerging threats (including unmanned aerial systems, cruise missiles, and manned aircraft), including an assessment of the potential for commercial-off-the-shelf solutions;

(3) Chemical, biological, radiological, and nuclear capabilities and modernization;

(4) Field artillery capabilities and the changes in doctrine and war plans resulting from the memorandum of the Secretary of Defense dated June 19, 2008, regarding the Department of Defense policy on cluster munitions and unintended harm to civilians, as well as required modernization or munition inventory shortfalls;

(5) Fuel distribution and water purification capacity and responsiveness;

(6) Army watercraft and port opening capabilities and responsiveness;

(7) Transportation (fuel, water, and cargo) capacity and responsiveness;

(8) Military police capacity; and  
(9) Tactical mobility and tactical wheeled vehicle capacity and capability, to include adequacy of heavy equipment prime movers.

The Senate bill contained no similar provision.

The Senate recesses.

## **SUBTITLE C—NAVY PROGRAMS**

### *Determination of vessel delivery dates (sec. 121)*

The Senate bill contained a provision (sec. 123) that would require the Secretary of the Navy to deem ship delivery to occur at the completion of the final phase of construction.

The House amendment contained no similar provision.

The House recesses with an amendment that would clarify the determination of vessel delivery dates and include such determination in title 10, United States Code.

### *Incremental funding for detail design and construction of LHA replacement ship designated LHA 8 (sec. 122)*

The Senate bill contained a provision (sec. 121) that would allow the Secretary of the Navy to enter into and incrementally fund a contract for detail design and construction of the LHA Replacement ship, designated LHA-8. Subject to the availability of appropriations, funds for payments under the contract may be provided from amounts authorized to be appropriated for the Department of Defense for Shipbuilding and Conversion, Navy, for fiscal years 2017 and 2018.

The House amendment contained a similar provision (sec. 123).

The House recesses.

### *Littoral Combat Ship (sec. 123)*

The Senate bill contained a provision (sec. 122) that would require an annual report on Littoral Combat Ship (LCS) mission packages, a certification on the acquisition inventory objective of LCS mission packages, a limitation on the use of funds to revise or deviate from revision three of the LCS acquisition strategy, and a repeal of a reporting requirement related to LCS mission modules.

The House amendment contained a similar provision (sec. 126).

The House recesses with an amendment that would:

(1) Replace the limitation on the use of funds to revise or deviate from revision three of the LCS acquisition strategy with a requirement that the Secretary of Defense provide a certification to the congressional defense committees prior to a revision or deviation from revision three of the LCS acquisition strategy. The conferees' intent is this subsection be limited to those revisions or deviations that would result in a change to: the acquisition inventory objective of 40 ships, annual procurement quantities through fiscal year 2021, or the planned down-select to a single LCS prime contractor no later than fiscal year 2019; and

(2) Prohibit the Secretary of Defense from selecting a single contractor for the LCS or frigate program unless such selection is conducted using competitive procedures, performed for the purpose of constructing a frigate class ship, and occurs only after a frigate design has reached sufficient maturity and completeness.

*Limitation on use of sole-source shipbuilding contracts for certain vessels (sec. 124)*

The Senate bill contained a provision (sec. 124) that would prohibit funds from being used to enter into or prepare to enter into sole source contracts for one or more Joint High Speed Vessels (JHSV) or Expeditionary Fast Transports (EPF) unless the Secretary of the Navy submits to the congressional defense committees a certification and a report.

The House amendment contained no similar provision.  
The House recedes.

*Limitation on availability of funds for the Advanced Arresting Gear Program (sec. 125)*

The Senate bill contained a provision (sec. 125) that would limit funds for the Advanced Arresting Gear (AAG) to be installed on USS *Enterprise* (CVN-80) until the Secretary of Defense submits to the congressional defense committees the report described under section 2433a(c)(2) of title 10, United States Code, for the AAG program.

The provision would also direct the Secretary of Defense to deem the 2009 AAG acquisition program baseline as the original baseline estimate and to execute the requirements of sections 2433 and 2433a of title 10, United States Code, as though the Department had submitted a Selected Acquisition Report with this baseline estimate included. This action would provide clarity on the original baseline estimate, which is a necessary element of a Nunn-McCurdy review.

The House amendment contained no similar provision.

The House recedes with an amendment that would:

(1) Require the Navy to report on the AAG program in accordance with section 2432 of title 10, United States Code, which deals with Selected Acquisition Reports, instead of reporting in accordance with section 2433a(c)(2) which deals with critical cost growth in major defense acquisition programs;

(2) Add a limitation of funds for the AAG to be installed on USS *John F. Kennedy* (CVN-79) unless the Milestone Decision Authority (MDA) determines that AAG should be installed on that ship, and the MDA submits notification of such determination to the congressional defense committees;

(3) Establish the original baseline estimate for the AAG program and require the Secretary of Defense to execute the requirements of sections 2433 and 2433a of title 10, United States Code, but exempt the Department from having to rescind the milestone decision approval for the AAG program during the review required by those provisions; and

(4) During the review required by section 2433a of title 10, United States Code, allow the Secretary of Defense to approve contract action or actions to enter a new contract, exercise an option under an existing contract, or otherwise extend the scope of an existing contract under the AAG program for CVN-80 only if the MDA, on a non-delegable basis, were to determine that such action would be needed to appropriately restructure the program as intended by the Secretary of Defense.

The conferees note that, although the AAG program is now being managed as a Major Defense Acquisition Program, it began more than 10 years ago as an Acquisition Category II program, which limited transparency and insight of the Navy's acquisition and contract management. In 2015, the Comptroller General reported that the Department of Defense needed a better approach to manage Acquisition Category II programs, particularly those programs that have the potential to become Major Defense Acquisition Programs.

Therefore, the conferees direct the Comptroller General to review no fewer than five Navy aircraft launch and recovery equipment (ALRE) Acquisition Category II programs to determine:

(1) The roles and responsibilities for acquiring ALRE systems for major ship programs, and the relationship of these programs to the Navy's overall acquisition of the ship platform;

(2) How the acquisition and contracting practices for these programs compare to guidance, regulations, and best practices for acquisition management;

(3) How the Navy manages cost, schedule, and performance to meet ship delivery schedules, and what

mechanisms, if any, are in place to periodically reassess assignment of such programs to a particular acquisition category;

(4) Recommendations to improve the Navy's performance in managing ALRE and other Acquisition Category II programs; and

(5) Any other observations of the Comptroller General.

The conferees request a briefing to the congressional defense committees no later than June 1, 2017, to be followed by a report.

*Limitation on availability of funds for procurement of U.S.S. Enterprise (CVN-80) (sec. 126)*

The Senate bill contained a provision (sec. 126) that would limit more than 25 percent of funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for advance procurement or procurement of USS *John F. Kennedy* (CVN-79) or USS *Enterprise* (CVN-80) from being obligated or expended until the Secretary of the Navy and Chief of Naval Operations submit a report to the congressional defense committees.

The House amendment contained no similar provision.

The House recedes with an amendment that would remove the limitation of funds on CVN-79 and terminate this section on September 30, 2021.

*Sense of Congress on aircraft carrier procurement schedules (sec. 127)*

The House amendment contained a provision (sec. 122) that would provide the sense of Congress that the Secretary of the Navy's schedule to procure 1 aircraft carrier every 5 years will reduce the overall aircraft carrier inventory to 10 aircraft carriers, a level insufficient to meet peacetime and war plan requirements. The section would also recommend that the Secretary begin construction for the *Ford*-class aircraft carrier designated CVN-81 in fiscal year 2022 and align advance procurement activities with this accelerated programming.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would remove the reference to CVN-81.

*Report on P-8 Poseidon aircraft (sec. 128)*

The House amendment contained a provision that would require the Secretary of the Navy to submit to the congressional defense committees a report regarding future capabilities for the P-8 Poseidon aircraft.

The Senate bill contained no similar provision.

The Senate recesses.

*Design and construction of replacement dock landing ship designated LX(R) or amphibious transport dock designated LPD-29 (sec. 129)*

The House amendment contained a provision (sec. 124) that would authorize the Secretary of the Navy to enter into and incrementally fund a contract for design and construction of the replacement dock landing ship designated LX(R) or the amphibious transport dock designated LPD-29.

The Senate bill contained no similar provision.

The Senate recesses.

## **SUBTITLE D—AIR FORCE PROGRAMS**

*EC-130H Compass Call recapitalization program (sec. 131)*

The Senate bill contained a provision (Sec. 145) that would prohibit the availability of funds for the Air Force EC-130H Compass Call recapitalization program unless the Air Force conducts a full and open competition to acquire the replacement aircraft platform.

The House amendment contained no similar provision.

The House recesses with an amendment that strikes the full and open competition requirement, and authorizes the Secretary of the Air Force to obligate and expend fiscal year 2017 funds for the purpose of re-hosting the primary mission equipment of the current EC-130H Compass Call aircraft fleet on to a more operationally effective and survivable airborne platform to meet combatant commander requirements. The amendment limits procurement to the first two aircraft of the planned ten aircraft fleet until the Secretary determines there is a high likelihood the program will meet the requirements of the combatant commands.

The conferees agree the restructured EC-130H Compass Call program shall be implemented consistent with existing authorities, including Federal Acquisition Regulation Part 6.3 and Department of Defense Instruction 5000.02, "Operation of the Defense Acquisition System."

The conferees note the fiscal year 2017 funding adjustments to allow the Secretary of the Air Force to proceed with the program are outlined in Division D.

*Repeal of requirement to preserve certain retired C-5 aircraft (sec. 132)*

The Senate bill contained a provision (Sec. 143) that would repeal the requirement in Section 141 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) for the Secretary of the Air Force to preserve certain retired C-5 aircraft.

The House amendment contained a similar provision (Sec. 132).

The Senate recesses.

*Repeal of requirement to preserve F-117 aircraft in recallable condition (sec. 133)*

The Senate bill contained a provision (Sec. 144) that would repeal the requirement in Section 136 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2114) to preserve F-117 aircraft in recallable condition.

The House amendment contained a similar provision (Sec. 133).

The House recesses.

*Prohibition on availability of funds for retirement of A-10 aircraft (sec. 134)*

The Senate bill contained a provision (Sec. 141) that would amend section 142 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92) by extending the prohibition on obligation or expenditure of funds to retire or prepare to retire A-10 aircraft until the Secretary of the Air Force and Chief of Staff of the Air Force submit a report to the congressional defense committees describing their views on the results of an F-35A initial operational test and evaluation (IOT&E). The provision would also ensure the F-35A IOT&E includes comparison tests and evaluation of the F-35A and A-10C in conducting close air support, combat search and rescue, and airborne forward air controller missions. The provision would also require the Comptroller General of the United States to provide an independent assessment of the report from the Secretary and Chief of Staff.

The House amendment contained a similar provision (Sec. 134) that would prevent retirements of A-10 aircraft, but would allow the Secretary of the Air Force to transition the A-10 unit at Fort Wayne Air National Guard Base, Indiana, to an F-16 unit in fiscal year 2018, as the Secretary had proposed in the budget of the President for fiscal year 2017.

The Senate recesses.

The conferees agree that section (f)(2) of the House provision explicitly prevents the divestment of any A-10 aircraft if the special rule were to be invoked.

The conferees also agree the Comptroller General of the United States shall assess the conclusions and assertions contained in the Secretary's and Chief of Staff's report on the F-35A IOT&E, and submit a report to the congressional defense committees of such assessment not later than 90 days after the Secretary's and Chief of Staff's report is submitted.

The conferees also agree the Comptroller General's report shall include the following:

(1) An assessment of whether the conclusions and assertions included in the report submitted by the Secretary and Chief of Staff are comprehensive, fully supported, and sufficiently detailed; and

(2) An identification of any shortcomings, limitations, or other matters that affect the quality of the report's findings or conclusions.

*Limitation on availability of funds for destruction of A-10 aircraft in storage status (sec. 135)*

The Senate bill contained a provision (Sec. 142) that would prohibit the availability of funds authorized to be appropriated by this Act or otherwise made available for the Air Force to be obligated for the purpose of scrapping, destroying, or otherwise disposing of any A-10 aircraft in any storage status in the Aerospace Maintenance and Regeneration Group (AMARG) that have serviceable wings or other components that could be used to prevent total active inventory A-10 aircraft from being permanently removed from flyable status due to unserviceable wings or other components.

The House amendment contained no similar provision.

The House recesses with minor technical corrections.

The conferees agree the provision does not prevent the Air Force from reclaiming any usable parts or components on A-10 aircraft in any storage status for the purpose of keeping active inventory A-10 aircraft in flyable and mission capable condition.

*Prohibition on availability of funds for retirement of Joint Surveillance Target Attack Radar System aircraft (sec. 136)*

The House amendment contained a provision (Sec. 135) that would prohibit the availability of funds for retirement of Joint Surveillance Target Attack Radar System aircraft in fiscal year 2018.

The Senate bill contained no similar provision.  
The Senate recesses.

*Elimination of annual report on aircraft inventory (sec. 137)*

The House amendment contained a provision (Sec. 131) that would strike the requirement in Section 231a of title 10, United States Code, for the Secretary of Defense to deliver an annual report on the military services' aircraft inventory to the congressional defense committees.

The Senate bill contained no similar provision.  
The Senate recesses.

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

*Standardization of 5.56mm rifle ammunition (sec. 141)*

The House amendment contained a provision (sec. 146) that would require the Secretary of Defense to ensure that the Army and the Marine Corps are using in combat one standard type of enhanced 5.56mm rifle ammunition not later than one year after the date of the enactment of this Act with exceptions that require the Secretary of Defense to certify to the congressional defense committees the reasons why there are different 5.56mm rounds being used in combat.

The Senate bill contained no similar provision.  
The Senate recesses.

*Fire suppressant and fuel containment standards for certain vehicles (sec. 142)*

The House amendment contained a provision (Sec. 142) that would require the Secretary of the Army, or his designee, and the Secretary of the Navy, or his designee, to establish and maintain policy guidance regarding the establishment of, and updates to, fire suppressant and fuel containment standards that meet survivability requirements across various classes of vehicles, including light tactical vehicles, medium tactical

vehicles, heavy tactical vehicles, and ground combat vehicles for the Army and Marine Corps. This section would also require the Secretary of the Army and the Secretary of the Navy to provide a report to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, that contains policy guidance for each class of vehicle including armor, fire suppression systems, self-sealing material and containment technologies, and any other information as determined by the Secretaries.

The Senate bill contained no similar provision.

The Senate recesses.

*Limitation on availability of funds for destruction of certain cluster munitions (sec. 143)*

The Senate bill contained a provision (section 152) that would limit the funds available for the destruction of cluster munitions until the Secretary of Defense submits a report on the Department's policy on, and plan for, cluster munitions.

The House amendment contained no similar provision.

The House recesses with an amendment that would limit the funds for the destruction of serviceable cluster munitions, but would allow the demilitarization of cluster munitions determined to be unserviceable due to a significant failure to meet performance or logistics requirements. Cluster munitions categorized as unserviceable solely due to current or amended Department of Defense policy related to cluster munitions would not meet this definition of unserviceable and would be subject to the limitation in this provision.

*Report on Department of Defense munitions strategy for the combatant commands (sec. 144)*

The House amendment contained a provision that would require the Secretary of Defense to submit to the congressional defense committees a report on the munitions strategy of the combatant commands.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would reduce the time horizon for the strategy and modify the elements of the required report.

*Modifications to reporting on use of combat mission requirements funds (sec. 145)*

The House amendment contained a provision (sec. 141) that would amend the quarterly report requirement in section 123 of

the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383), to sunset the requirement for such reports on September 30, 2018.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would change from quarterly to annually the requirement for the commander of U.S. Special Operations Command to submit a report on use of Combat Mission Requirements funds.

*Report on alternative management structures for the F-35 joint strike fighter program (sec. 146)*

The Senate bill contained a provision that would disestablish the F-35 Joint Program Office (JPO) and devolve relevant responsibilities to the Air Force and the Navy.

The House amendment contained no similar provision.

The House recedes with an amendment that would remove the requirement to disestablish the JPO and require the Secretary of Defense, no later than March 31, 2017, to submit to the congressional defense committees a report on potential options for the future management of the Joint Strike Fighter program.

*Comptroller General review of F-35 Lightning II aircraft sustainment support (sec. 147)*

The House amendment contained a provision (Sec. 144) that would direct the Comptroller General of the United States to conduct an analysis of the sustainment support strategy for the F-35 Joint Strike Fighter program.

The Senate bill contained no similar provision.

The Senate recedes.

*Briefing on acquisition strategy for Ground Mobility Vehicle (sec. 148)*

The House amendment contained a provision (Sec. 145) that would direct the Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Secretary of the Army, to provide a briefing to the congressional defense committees on the acquisition strategy for the ground mobility vehicle.

The Senate bill contained no similar provision.

The Senate recedes.

*Study and report on optimal mix of aircraft capabilities for the Armed Forces (sec. 149)*

The Senate bill contained a provision (Sec. 151) that would direct the Secretary of Defense to obtain an independent study on the future mix of aircraft platforms for the Armed Forces.

The House amendment contained no similar provision.

The House recedes with an amendment changing the study to be conducted by the Secretary of Defense rather than by an independent entity, adds the congressional intelligence committees as recipients of the study report, and includes other minor technical corrections.

### **LEGISLATIVE PROVISIONS NOT ADOPTED**

#### *Funding for surface-to-air missile system*

The House amendment contained a provision (Section 114) that would authorize an increase in funding for Missile Procurement, Army line 002, MSE missile, by \$84.2 million and decrease funding for Defense Nuclear Nonproliferation Research and Development, material management and minimization, by an equal \$84.2 million.

The Senate bill contained no similar provision.

The House recedes.

The outcome is reflected in sections 4101 and 4701 of the Act.

#### *Procurement authority for aircraft carrier programs*

The House amendment contained a provision (sec. 121) that would provide economic order quantity authority for the construction of two *Ford*-class aircraft carriers and incremental funding authority for the nuclear refueling and complex overhaul of five *Nimitz*-class aircraft carriers.

The Senate bill contained no similar provision.

The House recedes.

#### *Ship to shore connector program*

The House amendment contained a provision (sec. 125) that would authorize the Secretary of the Navy to enter into a contract for the procurement of up to 45 Ship to Shore Connector vessels.

The Senate bill contained no similar provision.

The House recedes.

#### *Limitation on availability of funds for Tactical Combat Training System Increment II*

The Senate bill contained a provision (sec. 127) that would limit the obligation or expenditure of 25 percent of funds for the Tactical Combat Training Systems (TCTS) Increment II program until 60 days after the Secretary of the Navy submitted the report required by section 235 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92).

The House amendment contained a similar provision (sec. 218) that would limit the obligation or expenditure of 20 percent of the funds for TCTS Increment II until the Secretary of the Navy and Secretary of the Air Force provided the required report.

The conference agreement includes neither provision. Because the Secretary of the Navy submitted the required report in May 2016, the limitation on availability of funds within these provisions is no longer applicable.

However, the conferees remain concerned about training gaps, both in live and simulated environments, for pilots in fourth and fifth-generation aircraft. Pilots will have to operate these aircraft with advanced weapon systems in highly complex anti-access, area denial environments. The conferees recognize the importance of developing higher fidelity interoperable training for combat pilots using live-virtual-constructive (LVC) exercises. Such exercises should allow the Department to simulate a broader range of threat system capabilities that enable training aircraft pilots under more realistic combat conditions.

Therefore, the conferees expect the Department of Defense to apply the necessary focus and resources to develop and support LVC training as soon as possible.

#### *Prohibition on availability of funds for retirement of U-2 aircraft*

The House amendment contained a provision (Sec. 137) that would prohibit the availability of funds for the retirement of U-2 aircraft.

The Senate bill contained no similar provision.

The House recedes. Section 133 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) prohibits the Secretary of the Air Force from taking any action that would prevent the Air Force from maintaining the U-2 aircraft fleet in its current configuration and capability beyond fiscal year 2016. The conferees agree that this provision remains in full force and effect.

*Medium Altitude Intelligence, Surveillance, and Reconnaissance Aircraft*

The Senate bill contained a provision (sec. 153) that would prohibit the obligation or expenditure of funds for the acquisition of Medium Altitude Intelligence, Surveillance, and Reconnaissance (MAISR) aircraft in fiscal year 2017 until the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD SOLIC), in consultation with the Commander of U.S. Special Operations Command (SOCOM), provides the congressional defense committees with a report on the manned ISR requirements of the command and how such an acquisition aligns with the SOCOM ISR Roadmap.

The House amendment contained no similar provision.

The Senate recesses.

The conferees understand that a SOCOM analysis determined that the cost avoidance of acquiring versus leasing MAISR aircraft is approximately \$1.3 million per month with a break even return on investment of approximately 11 months. However, the conferees believe that procurement of ISR aircraft should not be ad hoc, but instead be a deliberate acquisition informed by an analysis of alternatives that fully considers changing requirements, threats, capabilities, tactics, and resource constraints. Therefore, the conferees direct ASD SOLIC and SOCOM to provide an interim briefing on the scope, methodology and timeline for the Next Generation Manned ISR Study and Analysis of Alternatives no later than 90 days after enactment of this Act.