

Department of the Navy Budgetary Appeal



Conference Appeal
FY 22

Defense Appropriations Bill

Rank	FY	APPN	#-1	Title	Line Item	RQST	HAC	SAC	Appeal Amt
1	FY22	SCN	7	CVN Refueling Overhauls (RCOH)	2086	2,456,018	-\$191,000	-\$11,800	\$2,444,218
2	FY22	RDTEN	158	TACAMO Modernization	0605180N	150,592	-\$62,880	-\$150,592	\$87,712
3	FY22	RDTEN	97	(U) Ground Based Anti-Ship Missile	0605514M	102,716	-\$3,654	0	\$102,716
4	FY22	RDTEN	125	Standard Missile Improvements	0604366N	343,511	-\$44,961	0	\$343,511
5				Classified Appeal					
6	FY22	RDTEN	168	(U) MC AVS Development & Demonstration	0605611M	80,709	-\$18,731	0	\$80,709
7	FY22	RDTEN	99	CPS	0605518N	1,373,521	-\$96,985	-\$111,050	\$1,276,536
8	FY22	RDTEN	170	Conventional Prompt Strike [DDG-1000 197]	0204202N	112,576	0	-\$14,071	\$112,576
9	FY22	OMN	010/020	Flying Hour Program	1A1A & 1A2A	8,729,661	-\$158,750	0	\$8,729,661
10	FY22	PMC	30	Common Computer Resources	4630	83,608	-\$26,189	-\$4,000	\$79,608
11	FY22	WPN	6	Standard Missile	2234	521,814	-\$111,481	0	\$515,314
12	FY22	RDTEN	200	F35 C2D2	0604840N	481,962	0	-\$84,080	\$481,962
13	FY22	RDTEN	67	Link Plumeria [Classified]	0603748N	692,280	-\$175,000	0	\$692,280
14	FY22	RDTEN	96	Unmanned Surface Vehicle Enabling Capabilities	0605513N	170,838	-\$87,286	-\$6,660	\$164,178
15	FY22	RDTEN	203	Strategic Sub & Wpns Sys Supt	0101221N	177,098	-\$33,241	-\$40,452	\$143,857
16	FY22	RDTEN	191	Marine Corps Program Wide Supt	0605873M	47,042	-\$3,518	-\$14,000	\$43,524
17	FY22	APN	25	MQ-25 - Advanced Procurement	449	47,468	-\$47,468	0	\$47,468
18	FY22	WPN	19	Evolved Sea Sparrow Missile (ESSM)	2307	248,619	-\$118,558	0	\$248,619
19	FY22	SCN	30	Auxiliary Vessels (Used Sealift)	5201	299,900	0	-\$299,900	\$299,900
20	FY22	OMN	320	Base Operating Support	BSS1	4,826,314	0	-\$46,000	\$4,826,314
21	FY22	OPN	77	Submarine Broadcast Support	3107	47,579	-\$11,600	0	47,579
22	FY22	RDTEN	58	Marine Corps Grnd Cmbt/Supt Sys	0603635M	77,065	-\$21,021	-\$10,500	\$66,565
23	FY22	SCN	14	FFG AP	2128C	69,100	0	-\$69,100	\$69,100
24	FY21	PMC	32	Radio Systems - 2021 Rescission	4633	0	0	-\$219,057	\$0
25	FY22	RDTEN	64	Chalk Coral [Classified]	0603734N	579,389	-\$110,000	0	\$579,389
26	FY22	SCN	2	COLUMBIA Class Submarine -AP	1045 C	1,643,980	-\$42,175	\$130,000	\$1,643,980
27	FY22	PMC	19	Ground/Air Task Oriented Radar (G/ATOR)	4655	297,369	-\$10,600	\$346,000	\$297,369
28	FY22	OMN	90	Mission and Other Ship Operations	1B1B	5,758,028	-\$36,000	-\$100,000	\$5,722,028
29	FY22	OMN/OPN	110/25	Ship Depot Maintenance (OMN + OPN #25)	1B4B/25	11,607,729	-\$199,922	0	\$11,607,729
30	FY22	OPN	47	Shipboard IW Exploit	2360	261,735	0	-\$20,798	\$261,735
31	FY22	OMN	450	Professional Development Education	3B3K	311,209	0	-\$10,000	\$311,209
32	FY22	OPN	51	Adv Tact Data Link Sys (ATDLS)	2614	101,595	-\$9,884	0	\$101,595
33	FY22	PMC	2	Amphibious Combat Vehicle Family of Vehicles	2025	532,355	-\$26,846	-\$11,658	\$520,697
34	FY22	OPN	141	Next Generation Enterprise Service	8164	175,041*	-\$25,000	0	175,041
35	FY22	OPN	46	AN/SLQ-32	2312	370,559	-\$58,005	-\$9,742	\$360,817
36	FY22	RDTEN	19	USMC Advanced Technology Demonstration (ATD)	0603640M	224,155	-\$17,843	38,100	220,296
37	FY22	RDTEN	144	Personnel, Trng, Sim, & Human Factors	0604703N	7,375	-\$1,430	0	\$7,375
38	FY22	RDTEN	154	SSN(X)	0604850N	29,829	-\$24,849	0	\$29,829
39	FY22	OPN	60	ID Systems	2851	46,918	-\$20,042	0	\$46,918
40	FY22	PMC	32	Radio Systems	4633	468,678	-\$51,443	0	\$438,585
41	FY22	RDTEN	46	Ship Concept Advanced Design	0603563N	111,590	-\$5,310	-\$6,570	\$111,590
42	FY22	OPN	135	Environmental Support Equipment	8126	25,098	-\$1,683	0	\$25,098
43	FY22	RPMC		Reserve Personnel Marine Corps	N/A	881,909	-\$15,690	-\$71,040	\$866,219
44	FY22	APN	59	P-8 Series	586	131,298	-\$76,501	-\$15,300	\$115,998
45	FY22	RDTEN	215	Elect Warfare Readiness Supt	0204575N	62,006	-\$13,168	0	\$62,006
46	FY22	PMC	31	Command Post Systems	4631	53,708	-\$14,295	-\$5,075	\$48,633
47	FY22	SCN	5	VIRGINIA Class Submarine	2013	4,249,240	\$80,000	-\$50,000	\$4,249,240
48	FY22	OPN	74	Shipboard Tactical Comms	3010	43,212	-\$5,498	0	\$43,212
49	FY22	RDTEN	143	MC Ground Combat/Supporting Arms Sys-Eng Dev	0604657M	42,144	-\$3,862	0	\$42,144
50	FY22	WPN	18	Tomahawk Mods	2301	206,223	-\$21,034	-\$44,159	\$185,199
51	FY22	RDTEN	202	Cooperative Engagement Capability	0607658N	176,486	-\$13,810	0	\$176,486
52	FY22	RDTEN	120	JT TACTICAL RADIO SYSTEM (JTRS)	0604280N	234,434	-\$5,907	0	\$234,434
53	FY22	RDTEN	174	ISR & INFO OPERATIONS	0304785N	136,140	-\$2,359	0	\$136,140
54	FY22	OPN	113	Anti-ship Missile Decoy System	5530	76,994	-\$3,357	0	\$76,994
55	FY22	OMN	130	Combat Communications	1C1C	1,551,846	0	-\$50,000	\$1,501,846
56	FY22	OMN	510	Administration	4A1M	1,268,961	-\$3,000	-\$25,000	\$1,265,961

* Reflects \$175M moved to OPN by both Committees from BA-08

Subject: CVN Refueling Overhauls

Citation: H. Rpt. 117-88, p. 185, Line 7; S. Rpt. 117-XXX, p. 106, Line 7

Appropriations: SCN

Summary: The House reduced the request by \$191M for excess growth. The Senate reduced the request by \$11.8M for MQ-25 infrastructure early to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
CVN Refueling Overhauls	2,456.0	2,265.0		2,444.2	2,444.2

Position/Impact: The Department opposes the House reduction. The Refueling and Complex Overhaul (RCOH) accomplishment contract awarded in February 2021. The funding requested in FY22 is required to meet the contract requirements negotiated with the shipbuilder.

This reduction will require re-scoping and re-negotiation of the CVN 74 RCOH contract, resulting in reduced operational capability and delay in RCOH completion and return to operations. Additionally, FY 2022 is the final year that funding may be appropriated for CVN 74 RCOH. The FY20 National Defense Authorization Act limits CVN RCOH incremental funding to six years after advance procurement funds for such nuclear refueling and complex overhaul efforts are first obligated. Congress appropriated advance procurement for CVN 74 RCOH in FY16 and the Department is authorized to incrementally fund the RCOH only through FY22.

The immediate impact of the overall reduction will be significant cuts to Prime Contractor repair and modernization efforts and cancellation of non-nuclear government furnished equipment procurement. This reduction will result in significant reductions to critical repairs in habitability, structural work, preservation, and all categories of non-nuclear modernization. Deferred modernization will include F-35C Modifications, combat direction systems such as the Ship Self Defense Systems (SSDS), Close-In Weapons System (CIWS), and Rolling Airframe Missile (RAM), battle force integration systems such as Consolidated Afloat Networks and Enterprise Services (CANES) Command & Control Systems Integration, Air Traffic Control and surveillance radars including the Enterprise Air Surveillance Radar (EASR), and External Communication and Data Links including the Network Tactical Common Data Link (NTCDL). The deferred work identified above is still required to meet operational requirements and achieve full ship service life, and would have to be accomplished in a post-RCOH availability period.

The Department urges support of the Senate position.

Subject: TACAMO Modernization

Citation: H. Rpt. 117-88, p. 271, Line 158; S. Rpt. 117-XXX, p. 177, Line 158

Appropriations: RD TEN

Summary: The House reduced the request by \$62.88M for lack of Acquisition Strategy. The Senate reduced the request by \$150.592M as a program adjustment.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
TACAMO	150.6	87.7	0.0	87.7
MODERNIZATION				

Position/Impact: The Department opposes the Senate reduction.

E-XX is not a new start in FY22; initial RD TEN began in FY19, as part of a shared effort to recapitalize the E-6B. Prior year funding had been focused on the NEAT* Analysis of Alternatives (AoA) and pre-Milestone A activities.

In November 2020, the Department of Defense determined that the TACAMO and Looking Glass (formerly ABNCP) missions would be recapitalized independently. Navy was directed to immediately recapitalize E-6B to support a TACAMO-only mission to preclude unacceptable nuclear command, control, and communications (NC3) operational risk. PB22 funding was transferred from PE0101402N PU2959 (a shared PE) to PE0605180N PU3259 (stand-alone PE) to accelerate the program in accordance with Secretary of Defense direction.

After directing the Navy to immediately recapitalize E-6B to support a TACAMO only mission, the Secretary of Defense directed over \$2B in current and future years to accelerate the recapitalization of this critical NC3 capability. The PB22 request fully funds all pre-Milestone B activities to include the incremental funding for three test aircraft. The Navy's Unfunded Priority List (UPL) included \$367M for full funding of three aircraft in FY22 to enable further acceleration and capitalize on an active production line - however, the PB22 request is fully funded and not reliant on the UPL to execute the Acquisition Strategy.

Since the approval of the Acquisition Strategy (20 Sep 2021), the Navy has reached an agreement with the U.S. Air Force (USAF) to procure three C-130s with existing USAF contract vehicles, obviating the requirement for a Determination and Findings (D&F) to use USC 2373. The Navy is procuring aircraft via the USAF under traditional, FAR based authority (USC 2304c) via their procuring office, contract vehicle and Justification & Approval (J&A).

The Department is using USC 2373 authority in accordance with statute to design and develop the modifications to those aircraft to support experimental mission system integration and test.

The Committee refers to the ongoing study for the ABNCP mission with concern about irreversibility of the decision to exclude that mission from E-XX. In November 2020, USD(A&S) and USSTRATCOM determined that the TACAMO and Looking Glass missions would be recapitalized independently. The Navy was directed to immediately recapitalize E-6B on a small, TACAMO only, aircraft to prevent unacceptable NC3 operational risk. Responding to these decisions, the Navy completed and the Joint Requirements Oversight Council (JROC) validated

the TACAMO Weapon System Capability Development Document, establishing mission requirements for E-XX.

The Department views E-XX as late to need due to E-6B sustainability and availability along with emerging threats. E-6B SLEP extends the service life from a fatigue life perspective, but it does not address corrosion and other obsolescence issues, and therefore does not fully address operational effectiveness shortfalls. The E-XX IOC supported by PB22 funding will address these shortfalls before the end of E-6B service life.

The replacement aircraft for the E-6B Mercury is a critical Airborne NC3 platform. The reduction of the entire E-XX budget will bring all program work and contracts to a halt and eliminate all momentum, delaying IOC by at least two years. This delay induces additional risk to our strategic nuclear deterrence, due in part to emerging threats to the E-6B's capabilities and increased challenges associated with an aging platform's sustainability and availability (critical details in classified attachment).

The Department urges support of the House position.

* NEAT: National Airborne Operations Center (NAOC), Executive Airlift, Airborne Command Post (ABNCP), Take Charge and Move Out (TACAMO)

Subject: Ground Based Anti–Ship Missile (GBASM)

Citation: H. Rpt. 117-88, p. 268, Line 97; S. Rpt. 117-XXX, p. 171, Line 97

Appropriations: RDTEN

Summary: The House reduced the request by \$3.654M citing Production Representative Models (PRM) leader kit and resupply unjustified request.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
GROUND BASED	102.7	99.1	102.7	102.7
ANTI-SHIP				
MISSILE				

Position/Impact: The Department opposes the House reduction. The Navy/Marine Expeditionary Ship Interdiction System (NMESIS) consists of two Naval Strike Missiles (NSM) and a launcher/weapon control system integrated on to a ground-based, remotely operated carrier called the Remotely Operated Ground Unit for Expeditionary (ROGUE) Fires Carrier. The leader kit and re-supply components are part of the PRM systems needed for FY23 Initial Operational Test and Evaluation (IOT&E).

The remote capability of the ROGUE-Fires Carrier resides in a Leader Kit which is mounted on a manned vehicle that controls multiple ROGUE-Fires Carriers. IOT&E will employ eight NMESIS to adequately assess tactical operations requiring four PRM Leader Kits. The fifth PRM Leader Kit will be used to support NMESIS in Electromagnetic Environmental Effects (E3) testing. PRM Leader Kits have the same lead-time requirement as the ROGUE-Fires Carriers which requires an FY22 acquisition in order to support FY23 E3, New Equipment Training (NET), and IOT&E. A reduction of \$2.642M in PRM Leader Kits will result in NMESIS being unable to remotely move around an area of operations as intended in the concept of employment, which will reduce the scope and utility of the IOT&E assessment.

To safely transport NSM, the HIMARS resupply system requires modification as well as an existing crane which will require a certified materiel handling attachment to manipulate NSMs while conducting reloading operations. PRM Re-supply provides FY23 IOT&E with a NSM Resupply System consisting of a resupply vehicle with materiel handling equipment and a resupply trailer, both of which HIMARS currently employ. A reduction of \$1.012M will defer the re-supply system modification, making this capability unavailable to support IOT&E.

The Department urges support of the Senate position.

Subject: STANDARD Missile Improvements

Citation: H. Rpt. 117-88 p. 269, Line 125; S. Rpt. 117-XXX, p. 171, Line 125

Appropriations: RDTEN

Summary: The House reduced the request by \$22.461M for SM-6 BLK IB electronics unit integration early to need, \$20M for SM-6 system engineering and flight test support early to need and by \$2.5M for future combat system integration land-based testing delays.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Standard Missile Improvements	343.5	298.6		343.5	343.5

Position/Impact: The Department opposes the House reductions.

Project Unit 2063, SM-6 Block IB Reduction (\$22.5M): Unit integration activity is needed to maintain the SM-6 Blk IB Engineering and Manufacturing Development (EMD) flight test schedule in order to deliver SM-6 Blk IB capability in FY27. These activities include long lead material procurements for flight tests on the new Electronics Unit (EU) in FY24, analysis to support algorithm development during EMD mission architecture development on the EU in FY23, and a long lead software in the loop facility for EU that needs to be operational in FY24. This reduction delays SM-6 Blk IB IOC from Q3FY27 to Q3FY28.

SM-6 Blk IB is a critical part of the Navy's Offensive Missile Strategy and a vital capability to enable success in a near peer engagement. For urgent delivery of this capability, the Navy initiated a phased SM-6 Blk IB prototyping effort in FY19 using a legacy guidance section near its end of life with projected obsolescence in FY24. The Navy planned to upgrade the SM-6 Blk IB with the new EU developed under the SM-6 Blk IA EU replacement effort to enable SM-6 Blk IB production after FY24. In FY21, the Navy restructured the Blk IB program to streamline the number of design iterations and directly develop the SM-6 Blk IB capability on the new EU under a Major Capability Acquisition (MCA) program. As a result, the SM-6 Blk IB prototyping efforts will lead to a FY23 flight demonstration of the new 21-inch rocket motor integrated with SM-6 Blk IA missile and comprehensive development of the SM-6 Blk IB capability was deferred to EMD. The FY23 demonstration reduces the hardware risk to fielding SM-6 Blk IB in FY27 due to rocket motor maturity and airframe survivability against the new hypersonic environment; however, it does not address the electronics and software risk to field in FY27.

The SM-6 Blk IB electronics unit integration effort addresses that electronics and software risk. These activities build on the current EU obsolescence development work for SM-6 Blk IAU by leveraging the Blk IAU EU hardware and software architecture. The transition timing from Blk IAU to Blk IB is required for the Blk IB program to meet IOC in Q3FY27.

Project Unit 3092, Standard Missile 6 Program Reduction (\$20.0M): Initial Operational Test & Evaluation (IOT&E) Anti-Air Warfare events start in FY23 and finish in FY24. The FY22 funding is necessary to support the development of design modifications to the SM-6 and SM-2 Blk IIIC Flight Instrumentation Kits (FIKs) with C-band telemetry capability and upgraded Flight Termination System. This technology is required to support IOC of DDG 51FLT III and FFG 62 class ships. The current FIKs and termination systems are insufficient to support the complex

scenarios of the DDG 51 FLT III and FFG 62 Developmental and operational test (DT/OT) plans due to spectrum limitations. Reduction of funding will delay the delivery of instrumented flight test rounds supporting the DDG 51 Flight III and FFG62 Test and Evaluation Master Plan events, and will impact the current FLT III DT/OT in Q3 FY24, making it unsupportable until C-band capability is funded.

The Department urges support of the Senate position.

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Classified Appeal

See Classified Annex

Subject: Marine Corps Assault Vehicles System (AVS) Development & Demonstration

Citation: H. Rpt. 117-88, p. 271, Line 168; S. Rpt. 117-XXX, p. 172, Line 168

Appropriations: RDTEN

Summary: The House reduced the request by \$17.655M citing System Design and Development excess growth and \$1.076M citing Support cost previously funded, for a total reduction of \$18.731M.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
MC AVS Development & Demonstration	80.7	62.0		80.7	80.7

Position/Impact: The Department opposes the House reduction.

The increase in cost between FY21 and FY22 is primarily attributed to: the ACV-30 Phase III Risk Reduction and Analysis effort; the order of three (3) Production Representative Test Vehicles (PRTVs); the initiation of the ACV-R variant design and development activities; and the introduction of design activities for an ACV-specific Submerged Vehicle Egress Trainer (SVET).

The program has completed ACV-30 Phase I (Turret Selection) and ACV-30 Phase II (Turret Integration) efforts, culminating in a Preliminary Design Review which was completed in May 2021. The proposed reduction would eliminate approximately 60% of the planned efforts for ACV-30 Phase III, which is on the critical path to production in FY25. This mark will delay the critical design review from 2QFY22 to 2QFY23, thereby shifting the order of ACV-30 PRTVs by a year. This would result in a deferral of test efforts by at least a year, and would introduce a gap in production between the end of ACV-P production in FY24, and the beginning of ACV-30 production in FY25. ACV-30 is the only variant planned for production in FY25. This will also shift the IOC for ACV-30 and FOC for ACV FOV by at least a year.

The proposed Support Cost reduction would eliminate approximately 30% of the design effort for the SVET, a safety trainer designed to help Marines safely egress the vehicle in the event of the vehicle sinking.

The Department urges support of the Senate position.

Subject: Conventional Prompt Strike

Citation: H. Rpt. 117-88, p. 268, Line 99; S. Rpt. 117-XXX, p. 176, Line 99

Appropriations: RDTEN

Summary: The House reduced the request by \$43.085M for: Underwater Launch (UWL) Test Facility outfitting early to need, \$19M for development assets early to need, \$9.9M for advanced payload module for UWL Test Facility early to need, and \$25M for flight subsystem missile integration testing excess to need. The Senate reduced the request by \$106.05M, including: \$31.050M for VIRGINIA Class submarine integration early to need, \$80M for industrial base capacity expansion funding early to need, and an increase of \$5.0M for cross-service hypersonic testing capabilities through advanced concepts technology evaluation.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
CONVENTIONAL PROMPT STRIKE (CPS)	1,373.5	1,275.4		1,266.3	1,275.4

Position/Impact: The Department opposes the Senate reductions. The reductions delay VIRGINIA Class Initial Operational Capability (IOC) by one year and preclude both the Navy and Army from meeting CPS fielding requirements to ZUMWALT Class destroyers, VIRGINIA Class submarines, and Army batteries.

Virginia Class submarine integration: VIRGINIA Class submarine integration is not early to need, as the CPS program is required to deliver an Initial Operating Capability (IOC) to VIRGINIA Class Block V hull 806, which begins construction in FY22. PMS 450 (VIRGINIA Program Office) non-recurring engineering (NRE) efforts funded by the CPS program were initiated in FY20 and must continue and complete by FY25 to incorporate mechanical and electrical changes during the construction period for hull 806. Additionally, PMS425 (Submarine Combat and Weapon Control System Program Office) NRE efforts initiated in FY20 and funded by the CPS program must similarly complete by FY25 to incorporate and fully test combat system changes to support hull 806 installation. Finally, the CPS Program Office tasks Naval Undersea Warfare Center, Division Newport with supporting the PMS450, PMS425, and CPS Program with subject matter experts, concept of operations development, engineering management, systems engineering, test laboratory upgrades, safety program support, training development support, and logistics development. If these efforts are not funded in FY22, hull 806 will not have the mechanical and electrical changes, weapon control system, or safety, training and logistical support to achieve the required IOC, resulting in a delay by at least one year, and a decrease in the total number of CPS capable VIRGINIA Class submarines.

Industrial Base capacity expansion: The FY22 \$80M investment in the industrial base expansion is not early to need, as the combined Navy CPS and Army Long Range Hypersonic Weapon (LRHW) programs' All-Up-Round (AUR) production requirements exceed the current capacity of 12 AURs per year in FY25, when a production rate of 24 AURs per year is required. Additionally, the Navy CPS program and ZUMWALT Class Destroyer program Advanced Payload Module (APM) production requirements to support ZUWALT and SSN fielding will exceed the current capacity of one per year starting in FY24, when a production rate of 5 per year is required. The 24 AUR per year production capacity requires 29 months of lead time;

and, the 5 APM per year production capacity requires 28 months of lead time.

If the industrial base expansion is not supported in FY22, 8 of 24 planned AURs for ZUMWALT deployment, 8 of 24 planned AURs for deployed Army Batteries, 22 of 24 Army reloads, 10 of 12 Army training rounds, and 6 of 26 AURs for SSN deployment and Navy inventory objectives will not be delivered. Additionally, ZUMWALT Class installations will deploy with only one of four APMs.

The Department urges support of the House position.

Subject: DDG 1000

Citation: H. Rpt. 117-88, p. 260, Line 170; S. Rpt. 117-XXX, p. 177, Line 170

Appropriations: RD TEN

Summary: The Senate reduced the request by \$14.1M for CPS design, integration and SSP support accelerated into fiscal year 2021.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
DDG-1000	112.6	112.6	98.5	112.6

Position/Impact: The Department opposes the Senate reduction.

The Senate reduction negatively affects the Conventional Prompt Strike (CPS) development schedule and puts CPS installation on DDG 1000 at risk. CPS development and integration is vital to pacing peer adversaries in Great Power Competition. FY22 RD TEN funding supports critical efforts required to integrate CPS on Zumwalt class destroyers. Those efforts include ship change document and ship installation drawing development at Bath Iron Works, in concert with Lockheed Martin, required to install the CPS capability on DDG 1000 during her first Docking Selected Restricted Availability (DSRA) in FY24.

The scope of this installation requires the program office to engage with the Strategic Systems Programs program office, multiple field activities and industry partners to develop the CPS capability for deployment on the Zumwalt class. Not fully funding the PB22 request will negatively affect the development schedule and puts the installation window during DSRA at risk. Funding provided in FY21 was accounted for in the Navy's cost estimate for CPS and did not offset future requirements across the Future Years Defense Program.

The Department urges support of the House position.

Subject: Flying Hour Program (Mission and Other Flight Ops and Fleet Air Training)

Citation: H. Rpt. 117-88, p. 77, Lines 10, 20; S. Rpt. 117-XXX, p. 41 Lines 10, 20

Appropriations: OMN

Summary: The House proposed a reduction of \$90M to Mission and Other Flight Operations for unjustified growth and \$68.75M to Fleet Air Training for unjustified growth. The Senate supported the President's Budget.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
1A1A Mission and Other Flight Operations	6,264.7	6,174.7	6,264.7	6,264.7
1A2A Fleet Air Training	2,465.0	2,396.25	2,465.0	2,465.0

Position/Impact: The Department opposes the proposed reductions of \$90M for unjustified growth to Mission and Other Flight Operations and \$68.75M to Fleet Air Training unjustified growth.

Mission and Other Flight Operations: The budget request incorporates increased operations, sustainment costs, and availability of aircraft tied to requirements in the global force management plan. The PB22 request is funded to 87% of the fleet requirement; the reduction lowers that to 86%. The operational impact of the proposed mark, combined with carryover of \$54M in repair part bills from FY21, is equivalent to removing 1 Carrier Air Wing (CVW) from the deployed phase of the Optimized Fleet Response Plan as well as funding 3 of 4 CVWs in the maintenance phase at tactical hard deck. The resulting reduced aircrew proficiency and tactical readiness will cause aircrew to workup and deploy with the bare minimum experience and training. FY21 mitigations also included a 20% cut to flight hours in the Pacific during the fourth quarter. Historically, DoN has experienced increased aviation mishaps as a result of similar decreases to flying hours. The account is further pressurized by DLA increasing the FY22 fuel rate on 29 Sept 2021, resulting in \$88M of lost buying power.

OMN Mission and Other Flight Operations would be also negatively impacted by OMNR's Mission and Other Flight Operations lost buying power (\$8M) associated with the fuel price increase and a proposed \$25M reduction. The total impact (\$33M) would impact the Reserve Component Fleet Logistics Support Wing (FLSW) which provides organic airlift capability to the Combatant Commands. This reduction would drive the active components to seek an alternative service provider either through US TRANSCOM or commercial services driving unbudgeted bills.

The Chief of Naval Operations' (CNO's) FY22 Unfunded Priority List (UPL) included an increase for 1A1A of \$236.8M (Priority #10).

Fleet Air Training: The PB22 request contained risk in meeting all of the Fleet Air Training requirements due to affordability constraints. The proposed \$69M reduction will further

pressurize the Navy's student pilot production and Fleet Readiness Squadron pilot production. The Navy is still recovering from a 67% reduction in Strike Fighter student pilot production in 2019 due to T-45 engine failures which drove maintenance changes and a temporary reduction in T-45 aircraft availability. The reduction would decrease production by 33 pilots and incur additional manpower risk in the Super Hornet community. Strike Fighter Pilot production is behind by sixty-nine (69) pilots. To support the National Defense Strategy the Navy needs to have sufficient pilots in the pipeline to execute the Master Aviation Plan and support operational presence globally. The account is further pressurized by DLA increasing the FY22 fuel rate on 29 Sept 2021, resulting in \$26M of lost buying power.

The CNO's FY22 UPL included an increase for 1A2A of \$156.9M (Priority #22).

The Department urges support of the Senate position.

Subject: Common Computer Resources

Citation: H. Rpt. 117-88, p. 203, Line 30; S. Rpt. 117-XXX, p. 119, Line 30

Appropriations: PMC

Summary: The House reduced the request by \$23.898M citing Wargaming hardware early to need and \$2.291M citing education headquarters support unjustified request, for a total reduction of \$26.189M. The Senate reduced the program by \$2M for Wargaming early to need and by \$2M for Recruit Training Early to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Common Computer Resources	83.6	57.4		79.6	79.6

Position/Impact: The Department opposes the House reduction.

Marine Corps Wargaming Capability enables enhanced analytics-based wargaming solutions to provide maximum effectiveness and efficiency in force development and operations planning. This funding procures hardware and pre-installation activities for the infrastructure outfitting of MILCON P-719, Marine Corps Wargaming and Analysis Center (MCWAC) facility. The acquisition of information technology/audio visual (IT/AV) and Computer Network Defense (CND) hardware supports the compute and storage capacity necessary for multi-domain, information-centric, time-constrained and distributed operations. The supporting agency, Naval Information Warfare Center – Atlantic (NIWC-LANT), agency has confirmed, due to global supply chain delays of critical technology components, the normal delivery timeline of 60 days for IT/AV and CND hardware is experiencing a six-to-eight-month delay. Consequently, in order to meet program schedule, the hardware must be procured in FY22 to ensure completion of Pre-Installation and Test Check-out (PITCO), configuration, integration, and accreditation of the hardware on time. FY22 funding will enable delivery of equipment in 3rd quarter FY22. Upon receipt of equipment, a 12-month period will begin in which to conduct configuration and Risk Management Framework cybersecurity testing and certification activities, a timeline that cannot be shortened without risk of cybersecurity vulnerabilities resulting in being unable to accredit the system. Following this the system will be installed in MILCON P-719, which will become ready as the hardware becomes ready to install.

A \$23.898M reduction to FY22 PMC will result in a 12-month delay to the program's critical path as well as a 12-month delay of Initial Operational Capability and Full Operational Capability. The IT/AV infrastructure is essential to the MCWAC's functionality and integrating the materiel solution to support the Marine Corps' Force Design 2030. Ultimately, the delay results in MILCON P-719 without internal network infrastructure rendering the MCWAC non-operational for executing analytics-based wargames beginning FY24.

The Department opposes the House reduction of \$2.291M in Training and Education Headquarters support for unjustified request. The Marine Corps must establish a Wargaming Program and procure an online repository/hosting platform similar to the construct of Microsoft's X-Box Live. The Wargaming program will provide the structure, resources, and policy to nest wargames effectively throughout the training and education continuum. In support of this

program, the Wargaming Center Online Repository/Hosting Platform will provide a forum and viable information source, from the pre-accession pipeline and across the training and education continuum and enterprise. The learner profile will capture data to provide leadership with a snapshot of their Marines' decision-making abilities, individual proficiency, and moral and ethical decision making.

The proposed reduction will detrimentally impact the Wargaming Program (as one of the Commandant's Planning Guidance (CPG) Tasks to "Institutionalize War-games across the Training & Education continuum) necessary to increase the cognitive abilities of current and junior leaders through the uses of these war-games. The decrement eliminates the purchase of commercial off the shelf (COTS) war games and other products to facilitate delivery of wargaming content in support of the 21st Century Learning Initiative and CPG.

The Department urges support of the Senate position.

Subject: STANDARD Missile

Citation: H. Rpt. 117-88, p. 177, line 6

Appropriations: WPN

Summary: The House reduced the request by \$104.981M for production capacity efforts early to need and by \$6.5M for diminishing manufacturing sources delays.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Standard Missile	521.8	410.3	521.8	515.3

Position/Impact: The Department opposes the House mark of \$104.981M due to production capacity efforts early to need. Funding is required in FY 2022 to procure long lead material for replication of special test equipment to meet procurement capacity increase of 200 SM-6 BLK IA/IB All Up Round (AURs) in FY 2026. This reduction will impact the Navy's ability to meet increased production requirements for weapons load-out for Fleet deployers.

FY 2022 is intended to be the second year effort for replication of special tooling and test equipment as well as tier 1 vendor improvements required to increase annual SM-6 production capacity to 200 AURs. The intended procurements in FY2022 include: specialized test equipment (including software and hardware); large scale automation; specialized circuit card assembly (CCAs); and fabrication of test equipment. Replication of specialized test equipment is necessary to achieve the requisite factory throughput of 200/year on guidance sections and radomes. Much of this test equipment is complex and requires both investment in Raytheon factory infrastructure (footprint, auxiliary services, and certifications) as well as specialized test equipment procurement. The lead times of this equipment, combined with the infrastructure upgrades necessary, drive significant lead times (approximately 36 months) before prove-in can begin. As such, the elimination of funding in FY 2022 compounded with the FY 2021 rescission will delay the increased production capacity by a minimum of 24 months.

Additionally, the fidelity of the completed cost estimates to achieve production capacity of 200 AURs per year will be subject to change the longer the effort is delayed, and could drive a cost increase to the overall effort.

The Department urges support of the Senate position and restoration of the House \$104.981M mark to support SM-6 BLK IA/IB AUR production and production facility capacity increase requirements.

Subject: F-35C Continuous Capability Development and Delivery (C2D2)

Citation: H. Rpt. 117-88, p. 260, Line 200; S. Rpt. 117-XXX, p. 177, Line 200

Appropriations: RDTEN

Summary: The Senate reduced the request by \$84.1M for unjustified program growth – excluding test and evaluation.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
F-35C C2D2	482.0	482.0		397.9	482.0

Position/Impact: The Department opposes the reduction to the F-35 Joint Strike Fighter C2D2 program for unjustified growth.

The F-35C C2D2 request of \$482M includes \$131M for Test and Evaluation, and the remaining \$351M are vital to support Technology Refresh-3 (TR-3)/Block 4 efforts. In FY21, the program faced a work stoppage in development of planned capabilities due to the hardware budget forecast exceeding FY21 plan. These FY22 funds were added to prevent additional work stoppage and further delay of development for crucial program capabilities. The FY22 reduction to Navy's F-35C C2D2 program has a compound impact to the program when combined with the impacts from FY21 delays and the other Services reductions.

The reductions will result in a one-year delay in delivery of critical electronic warfare (EW) hardware, increasing retrofit costs for the services by \$700M and decreasing operational availability to execute the modifications. The resulting hardware deliveries also delay the program's parallel hardware upgrades to the United States reprogramming lab directly impacting warfighter generation of operational mission data files in support of the new EW capabilities.

Furthermore, the reduction will also drive a one-year delay of U.S. Service prioritized weapons integration and associated mission planning activities including AARGM-ER, the AGM-158 family of weapons, and increased missile carriage negatively impacting F-35 survivability and lethality. The proposed reduction will delay hardware/software architecture improvements in F-35 Pilot Training Devices that will enable operationally relevant training on Block 4 capabilities.

Finally, the reductions will cause significant negative impacts to the ALIS to ODIN development, delivery, and fielding of modern software and hardware that address obsolescence, cyber resiliency, and execution of fleet operations targeted to address affordability and availability, particularly in a contested environment.

Proposed program reductions will cause significant negative impacts to the development, delivery, and fielding of important electronic warfare, radar, communications, precision navigation, and integrated weapons capabilities on the F-35 (inclusive of critical F-35 Training Systems). These capabilities are required by the F-35 warfighter to meet the challenges of a rapidly evolving global threat environment, and are critical to keeping F-35 dominance over our near-peer competitors, China and Russia. The C2D2 program is exceeding FY21 Obligation and Expenditure benchmarks with minimal margin to address reduced FY22 funding.

The Department urges support of the House position.

Link Plumeria

See Classified Annex

Subject: Unmanned Surface Vehicle Enabling Capabilities

Citation: H. Rpt. 117-88, p. 268, Line 96; S. Rpt. 117-XXX, p. 176, Line 96

Appropriations: RDTEN

Summary: The House reduced the request by \$87.3M, including: \$47.3M for USV machinery qualification, \$20.3M for unmanned communications, \$7.1M for autonomy development, \$7.0M USV operations center, and \$5.5M for elevated sensors. The Senate reduced the request by \$6.7M for RAIL software factory acquisition strategy.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
UNMANNED SURFACE VEHICLE ENABLING CAPABILITIES	170.8	83.6		164.2	164.2

Position/Impact: The Department opposes the House reductions. They delay necessary developmental efforts required to prove hardware and software systems, components, and subcomponents and execute testing in support of future USV programs of record. Further, some of the reductions potentially limit future USV system competition.

The \$47.3M reduction to the industry-led USV machinery qualification effort will preclude the Navy from demonstrating that multiple engine vendors can meet USV reliability requirements. This funding is in direct support of Navy certifications required by the FY21 NDAA in advance of future USV procurements. It is intended to develop multiple qualified (using a new American Bureau of Shipping process) engine vendors in advance of awarding USV design and construction contracts (with required Navy certifications). A lack of qualified vendors will create a cost barrier that may unnecessarily decrease future engine competition and/or delay MUSV and LUSV program development.

The \$20.3M reduction to the C4I funding will delay development of automated network and radio systems that will be fielded on both MUSV and LUSV. Current Program of Record Government Furnished communication equipment requires modifications to meet USV requirements for reliable autonomous operation and further efforts are needed to engineer autonomous behaviors into Navy's next generation of PEO C4I systems to meet USV operational needs. Removal of this funding delays technology readiness for future MUSV and LUSV development contract awards and will impair alignment with Project Overmatch efforts.

The \$7.1M reduction to the autonomy funding will reduce quantity and potential quality of autonomy software developed and tested. Development of autonomy software is likely the most difficult and important effort needed to develop fully functional USVs. Investments in sensory perception and autonomy will ensure the Navy can develop and demonstrate trust in autonomous systems to meet safety, reliability, and navigation (COLREGs) requirements.

The \$7.0M reduction to the USV Operations Center (UOC) funding will hinder the Navy's prototyping execution, delay the Initial Operation Capability of the UOC at Naval Base Ventura County (NBVC) date by one year, and delays the functional establishment of USV Division One-

-the operational detachment of SURFDEVRON--at NBVC. USVDIV1 sailors arrive at NBVC in FY22, and Overlord USVs 1-4 will all be operating from NBVC by the end of FY22. A co-located shore operations center is required to support the operators and vessels in FY22.

The \$5.5M reduction to the elevated sensors funding would result in a one year delay in the acquisition of the extended-line-of-sight Containerized-Tethered Elevated Mast (C-TEM) and delay the development of integration standards that will be used to incorporate new payloads on future USVs. Tandem development of USVs and elevated sensors supports the rapid evolution and testing of supporting autonomous technologies, understanding of key reliability drivers, and requirements refinement for the first generation USV Programs of Record.

The \$6.7M reduction to the autonomy funding for RAIL software factory acquisition strategy will delay necessary developmental efforts required for the Rapid Autonomy Integration Lab (RAIL). The RAIL is essential to the Navy's plans to develop a modular family of USVs that can be rapidly upgraded as autonomy technology, sensors, and payloads improve. The RAIL leverages the Unmanned Maritime Autonomy Architecture (UMAA) software standard and provides the capability to rapidly integrate, test, certify and deliver new autonomy software baselines to USVs including Sea Hunter, Overlord, MUSV, and LUSV. The Navy's PB22 plan for RAIL includes the enrollment in DON enterprise software development infrastructure and projects in support of increased autonomy software capability delivery to unmanned surface and undersea vehicles.

The Navy acknowledges Congressional concerns with software factories, however, the RAIL effort has been closely coordinated with other Navy efforts including the PEOIWS Forge and Overmatch Software Armory (and others such as USAF Kessel Run) to ensure commonality, leverage best practices, and avoid duplication of effort. The PB22 plan for RAIL includes enrollment in DON Enterprise software infrastructure solutions including DON Black Pearl as its Platform-as-a-Service and the Universal Naval AI Core Environment (UNACORN) as its data repository. The funding requested for RAIL is required to pay for use of DON Enterprise software infrastructure services and USV-specific autonomy development efforts and is not duplicative of other Navy software factory efforts.

The Enabling Capabilities Program Element and funding requested within are intended to directly address Congressional concerns and ensure technology readiness in six key unmanned surface vessel technology areas in support of future USV programs of record, including Medium (MUSV) and Large USV (LUSV) and deliver holistic unmanned capabilities.

The Department urges support of the Senate position.

Subject: Strategic Sub & Weapon Systems Support

Citation: H. Rpt. 117-88, p. 271, Line 203; S. Rpt. 117-XXX, p. 177, Line 203

Appropriations: RDTEN

Summary: The House reduced the request by \$29.590M for unjustified growth of the Mk7 W-93 program. The Senate reduced the request by \$40.452M for D5LE2 growth without acquisition strategy.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Strategic Sub & Wpns Sys Supt	177.1	149.9		162.6	162.6

Position/Impact: The Department opposes the House reduction.

D5LE2: The funding requested does not represent growth without an acquisition strategy.

- TRIDENT II is an ACAT IC program with Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN (RDA)) as the Milestone Decision Authority.
- The TRIDENT II program reports via Navy & Office of the Secretary of Defense (OSD) acquisition oversight reporting mechanisms (Selective Acquisition Reports (SAR), etc.).
- D5LE2 modernizes the Strategic Weapons System (SWS) under the TRIDENT II Program. It does so via a Strategic Systems Programs Alteration (SPALT) process similar to how D5LE was successfully executed and how SSP has regularly updated SWS throughout its life.
- D5LE2 quantities will be included as a part of the scheduled TRIDENT II Acquisition Program Baseline (APB) document update in FY2025.

ASN (RDA) initially validated the acquisition strategy in November of 2017. OSD Acquisition & Sustainment concurred in May of 2019, and the Deputy Assistant Secretary of Defense, Strategic, Space, and Intelligence Portfolio Management, stated "SSP continues to satisfy the intent of current processes for credible acquisition oversight, therefore, there is no immediate need to readdress the D5LE2 acquisition strategy" as recently as August of 2021.

The growth in PB22 aligns with the activities required to support Submarine Launched Ballistic Missile development across multiple performers in multiple locations. The Senate reduction will delay essential D5LE2 system and technology development activities by at least one year with an equivalent delay in production activities due to schedule pressures caused by previous funding impacts. Any delay to D5LE2 production risks impacting COLUMBIA availability, fails to support United States Strategic Command priorities, delays opportunities to improve strategic system survivability against future threats, and ultimately undermines the credibility of the Sea Based Strategic Deterrent. Furthermore, it threatens the ability to deliver D5LE2 assets to the UK that are required to support their DREADNOUGHT platform which provides 100% of our ally's sovereign strategic deterrent.

W93/Mk7: The request supports the program in finalizing Phase 1 (Concept Study) activities of the Joint DOD-DOE/NNSA Nuclear Weapons Life-Cycle Process and entering Phase 2 (Feasibility Study and Design Options) during FY22. FY22 funds are required to assess the

technical feasibility concepts and potential alternatives for the W93/Mk7, including assessments of programmatic tradeoffs, courses of action related to Military Characteristics, Stockpile to Target Sequences, NNSA requirements, and program timelines. These efforts are a significant increase in critical work in designing the first aeroshell for development flight tests in FY23.

A \$29.59M cut (48% reduction) to the W93 nuclear warhead and Mk7 reentry body program will cause at least a one-year delay to First Production Unit (FPU) and Initial Operating Capability (IOC), and will further offset the U.S. and United Kingdom development timelines. A delay of early development flight tests will impact the availability of required environmental flight data, which is required to support initial Fire Control Software, aerodynamic models, and codes. This will result in at least a one-year delay of the FPU and IOC milestones. Delaying these milestones by a year will push W93/Mk7 efforts into conflict with other nuclear modernization programs and likely exceed NNSA capacity to perform work. This would force the U.S. to remain reliant on systems well beyond their design life and impact the ability to develop critical enabling technologies necessary to address emerging threats. Additionally, the Navy will not have sufficient resources to align to the NNSA's W93 warhead program, which would make the Mk7 program unable to meet current planned milestones, and will further misalign the U.S. program with the UK resulting in additional risk to meeting UK need dates for their sovereign deterrent.

The Department urges support of the Senate position.

Subject: Marine Corps Program Wide Support

Citation: H. Rpt. 117-88, p. 271, Line 191; S. Rpt. 117-XXX, p. 177, Line 191

Appropriations: RDTEN

Summary: The House reduced the request by \$3.518M citing Project 3009 (Marine Corps Wargaming Capability) excess growth. The Senate reduced the request by \$14M citing excess growth in Project 3009 prototyping.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Marine Corps Program Wide Supt	47.0	43.5		33.0	43.5

Position/Impact: The Department opposes the Senate reduction. The \$23.5M request for the Marine Corps Wargaming Capability completes and validates vendor Phase II prototype development; enabling enhanced analytics-based wargaming solutions to provide maximum effectiveness and efficiency in force development and operations planning. Program Manager, Marine Corps Wargaming Capability, awarded a wargaming integrated prototype Other Transaction agreement to BAE Systems to continue the prototype development that will support a comprehensive wargaming systems of systems with full obligation planned for 1QFY22.

Phase II was initiated in July 2020 with three integrated prototype agreements which were modified to a team of two vendors, BAE Systems as prime, and Cole Engineering Services Inc. (CESI) as subcontractor, based on performance and affordability due to an FY21 congressional mark. The third vendor, Microsoft Corporation, was not interested in a teaming arrangement. Due to the early down-selection and increase in scope for the modified agreement. Phase II prototype development completion was extended from February 2022 to September 2022, and as a result there was minimal change to the total cost for Phase II. The total estimated RDTEN (FY20-FY22) cost across all Phase II prototype development agreements is \$47.6M. There is no concurrency with the FY22 PMC for the facility IT/AV infrastructure and security hardware, as it is required in FY22 to meet delivery schedules and a 12-month effort for integration, Risk Management Framework, cybersecurity testing and certification activities.

A reduction of \$3.518M in FY22 eliminates funding necessary to complete prototype developmental testing; delaying the correction of findings, reducing test and refinement and consequently Initial Operational Capability (IOC) will be extended by six months. Additionally, the reduction will result in a loss of skilled labor furthering the disruption in prototype development, increasing software rework, and reducing continuity of follow-on production support. The reduction will also negatively affect the Marine Corps' ability to achieve a viable and affordable solution that is responsive to all critical wargaming requirements and transformational initiatives aligned to support the Marine Corps' Force Design 2030.

The proposed reduction of \$14M will cause a work stoppage by March 2022 prohibiting the program from achieving a prototype solution. The funding reduction will also result in a loss of skilled labor, including non-traditional defense and small business subcontractors. The loss of skilled labor would pause prototype development, increase software rework, and reduce continuity of follow-on production support. This reduction will limit the materiel solution prototype

functionality by an estimated 60%. Without the funding user interface development, data ingest, analytics capability, and modeling at the operational and strategic levels will be eliminated (~\$7M). Additionally, integration of the multiple simulation engines, which provide coverage of all wargaming domains (e.g., land, air, maritime, space, and cyber), will not be completed (~\$4M). Lastly, the majority of the deliverables currently required in Phase II (e.g., M&S validation, verification, & accreditation plan/process; DevSecOps plan; conceptual models documentation; system training materials; technical manuals; maintenance strategy, etc.) will not be delivered (~\$3M), which prohibits the program's ability to meet Initial Operational Capability 4QFY24 and Full Operational Capability 4QFY25. Consequently, this will negatively impact the Marine Corps' ability to achieve a viable and affordable solution that fulfills all critical wargaming requirements necessary to provide analytic rigor, which inform CONOPS, OPLANS, and capability development in support of Force Design 2030.

The Department urges support of the House position.

Subject: MQ-25 (AP-CY)

Citation: H. Rpt. 117-88, p. 170, Line 25; S. Rpt. 117-XXX, p. 92, Line 25

Appropriations: APN

Summary: The House reduced the request by \$47.5M as early to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
MQ-25	47.5		0.0	47.5	47.5

Position/Impact: The Department opposes the House reduction.

The PB22 request of \$47.5M is required to procure long lead items in FY22 to enable award of the LRIP contract in FY23 and start LRIP deliveries in FY25. The proposed reduction will cause a one year delay to MQ-25A LRIP contract award and directly result in the Navy not being able to stand up Fleet Squadrons to support FY26 operational deployments per the Navy's Master Aviation Plan 20-2.

F/A-18E/F Super Hornets will continue to perform the Carrier Air Wing (CVW) organic mission/recovery tanking mission, stagnating the CVW organic strike range as threat ranges increase. F/A-18E/F Fatigue Life Expenditure will remain elevated and fewer airframes will be available to fulfill the Strike Fighter mission. The delayed introduction of MQ-25 to CVW and carrier (CVN) operations will impede development of critical warfighter proficiency operating with unmanned systems. Additionally, the program will incur a \$250-300M increase over the MQ-25A life of production due to the one-year delay, increasing risk to the supply base, re-qualification of components and subsystems, obsolescence, and potential redesign.

The program continues to gain confidence in the MQ-25A design through Boeing T1 early learning and Model Based Systems Engineering in advance of traditional Engineering Development Model (EDM) testing. These efforts reduce the DT/OT Testing timeline and increase confidence in the aircraft's ability to meet its two KPPs. T1 has completed wake surveys and aerial refueling demonstrations with F/A-18, E-2D, and F-35C, increasing confidence in the aircraft's ability to meet KPP-2 (Sea-Based Mission Tanker). Additionally, 33 completed test events provided critical test data on aircraft flight and engine operating envelopes, conducted software integration and verification activities, and tested a new/improved deck control device for compatibility. In December 2021, T1 will conduct an Unmanned Carrier Aviation Demonstration (UCAD) aboard the USS GEORGE H.W. BUSH (CVN 77) to demonstrate KPP-1 (CVN Compatibility). Additional data and testing will support LRIP contract award in 3QFY23 through EDM aircraft ground and flight-testing, JPALS shore testing, land-based catapults and arrestments, and inflight refueling envelope expansion.

The Department urges support for the Senate position.

Subject: Evolved SeaSparrow Missile (ESSM)

Citation: H. Rpt. 117-88, p. 176, Line 19; S. Rpt. 117-XXX, p. 97, Line 19

Appropriations: WPN

Summary: The House reduced the request by \$87.138M for ESSM Block 2 contract award delay and \$31.42M for Production Capacity Funds Unjustified Request.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Evolved Sea Sparrow Missile (ESSM)	248.6	130.1	248.6	248.6

Position/Impact: The Department opposes the House reduction.

The reduction of \$87.138M results in a decrease of approximately 53 AURs being procured and an increase in the unit price of missiles by 8.5%. This reduction will delay awarding/exercising the U.S. FY22 AURs for ESSM Block 2 under the Raytheon Production Contract (FY22 & FY23 quantities are Firm Fixed Priced options). Any decrease in quantity and/or delay in funding will compromise the terms and conditions of the contract and affect the overall international effort as US quantities are combined in the contract with 12 other Consortium nations. This will delay the delivery of Blk 2 missiles and require re-negotiation of terms and pricing with Raytheon, as it would drop the quantity of missiles below the contractual minimum purchase, raising the likelihood of further increases to the missile unit price and delays in delivery. Substantial contract award delay results from late contract proposal from Raytheon without FAR mandated cost accounting information included. The 2019 Raytheon/UTC authorized company merger caused Raytheon to re-develop company cost data in order to propose 2021-2023 production of missiles and test equipment, further delaying proposal submission with an estimated overall value of \$1.9B (including international procurement). In response to these challenges and to meet previously budgeted quantities, the program has structured contract negotiations for FY21-23 production with a Long Lead Material award to mitigate impacts of awarding the majority of funding in SEP 21 and the remaining 11 AUR's in NOV 2021. FY22 and FY23 awards will follow upon receipt of full funding. ESSM Blk 2 missiles are planned as replacement to current ESSM Blk 1 missiles, which are currently below the Fleet minimum inventory requirement level to meet deployment loadouts. Delays to ESSM Blk 2 missile procurement will cause a larger Combat Useable Asset gap as ESSM Blk 1 missiles continue to expire.

A reduction of \$31.42M for production capacity affects procurement of production line equipment required to increase capacity to meet significantly increased procurement requirements currently budgeted to start in FY24. This was justified in Footnote (7) of PB22 Exhibit P-5. Although the increased production requirement is primarily driven by USN requirements, multi-national Consortium investment will reduce USN investment required. This reduction would result in ESSM being unable to procure its share of production line test equipment required to increase missile production capacity from 25 AURs to 45 AURs per month, delaying the budgeted capacity increase for the US scheduled to start in FY24. If production capacity is unfunded, the Department will be unable to increase procurement quantity from current production levels, doubling the years required to reach fielding of the full ESSM Block 2 inventory requirement. Extending production requirements would run beyond the

multi-national cooperative production period which would significantly increase US Navy's share of production support costs.

The Department urges support of the Senate position.

Subject: Auxiliary Vessels (Used Sealift)

Citation: H. Rpt. 117-88, p. 184, Line 30; S. Rpt. 117-XXX, p. 106, Line 30

Appropriations: SCN

Summary: The Senate reduced the Auxiliary Vessels (Used Sealift) request by \$299.9 million for auxiliary ships early to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Auxiliary Vessels (Used Sealift)	299.9	299.9	0.0	299.9

Position/Impact: The Department opposes the Senate reduction.

FY22 funding is necessary to sustain future Sealift capability, close the growing capacity gap caused by age-related vessel retirements, and to meet FY21 NDAA mandate to rapidly restore sealift readiness. FY21 SCN funds were provided to Maritime Administration (MARAD) for the Vessel Acquisition Manager to purchase two ships. The Navy-approved, MARAD-managed, vessel acquisition manager contract was delayed by nearly a year due to a sustained protest. These ships are expected to complete MARAD procurement actions in JAN 2022 and be part of the Ready Reserve Force once contracting is complete.

The two FY21 ships are the first ships procured under the used sealift program. By removing all requested procurement funding in FY22, this vital program is effectively terminated and the ability to strategically project power by delivering the Army and Marine Corps equipment is degraded as a powerful national defense tool. Additionally, this reduction puts at risk the government's "used-buy" market plans in future years by removing all ships that the Navy planned to buy in FY22.

The Department urges support of the House position.

Subject: Base Operating Support

Citation: H. Rpt. 117-88, p. 75, Line 280; S. Rpt. 117-XXX, p. 42, Line 280

Appropriations: OMN

Summary: The Senate reduced Base Operating Support by \$46M for unjustified growth.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
BSS1 Base Operating Support	4,826.3	4,826.3	4,780.3	4,826.3

Position/Impact: The Department opposes the Senate reduction.

The reduction will exacerbate a BOS FY22 shortfall of \$180M identified as a result of FY21 close out. The FY22 shortfall is comprised of \$135M associated with two BOS programs (Utilities and Transportation) and \$45M in planning, equipment and phased maintenance requirements deferred from FY21. BOS has experienced significant downward pressure over the last 10 years, with a relatively flat funding profile resulting in the account being over \$1,000M below inflation over that time period.

The reduction directly affects executability of portions of the BOS portfolio, and will trigger reductions in base services such as Fire and Emergency services, Security, and Custodial services. It will also negatively impact Quality of Life programs such as MWR, Fitness centers, Childcare, and Family Readiness. A reduction to these programs will adversely affect the physical and mental resiliency of the force as well as the retention of valuable skills and experience.

The Department urges support of the House position.

Subject: Submarine Broadcast Support

Citation: H. Rpt. 117-88, p. 196, Line 77; S. Rpt. 117-XXX, p. 112, Line 77

Appropriations: OPN

Summary: The House reduced the request by \$11.6M due to Early to Need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Submarine	47.6		36.0	47.6	47.6
Broadcast Support					

Position/Impact: (U) The Department opposes the House reduction.

Initial SCORPION terminal is required to meet IOC in FY23. Lead-time for the GASNT terminal procurement/delivery, testing, and inspection is 14-months. FY22 funding is required to place GASNT terminal on contract in FY22 to deliver in FY23. GASNT procurement will cost \$10.7M.

The majority of the funding will be sent to U.S. Air Force Program Office via Military Interdepartmental Purchase Request (MIPR), and placed on their GASNT Indefinite Delivery/Indefinite Quantity (IDIQ) contract, with contract award scheduled for Q4FY22.

The remainder of the funds will be used to procure the trailer, generator, and HF/UHF radios and to integrate all components into a mobile solution to produce a SCORPION unit. Trailer, generator, and radio procurements will cost \$0.150M. Design, integration, and testing will cost \$0.8M.

Additional justification at a higher classification level is submitted and available upon request.

The Department urges support of the Senate position.

Subject: Marine Corps Ground Combat/Support System

Citation: H. Rpt. 117-88, p. 266, Line 58; S. Rpt. 117-XXX, p. 176, Line 58

Appropriations: RDTEN

Summary: The House reduced the request by \$4.4M citing GFP excess to need and \$4.958M vehicle testing early to need. The House also reduced the request for LRUSV by \$9.919M for prototypes excess to need and \$1.744M for testing previously funded. The Senate reduced the request by \$10.5M citing ARV change to Marine Corps Acquisition Strategy.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Marine Corps Grnd Cmbt/Supt Sys	77.1	56.0		66.6	66.6

Position/Impact: The Department opposes the House reduction. In FY21, the Marine Corps designated LRUSV as a Middle Tier Acquisition (MTA) program to enable refinement of a broad, loosely defined concept into a materiel capability. The Marine Corps procured three prototype systems in FY21 and plans to procure two additional prototype systems in FY22. In FY22, LRUSVs prototypes #1 and #2 will support autonomy development, munition integration, and on-water, live-fire testing while prototype #3 conducts transportability testing. Simultaneously, prototypes #4 and #5 are needed to develop advanced fire direction coordination and collaborative behavior testing. To assess the full concept of operations and mission profile, the Marine Corps will conduct an Early Operational Assessment (EOA) at the platoon level (five LRUSV) to evaluate the system's ability to support the Naval Expeditionary Force's sea denial and sea control mission by providing the ability to launch Organic Precision Fires (OPF) munitions to strike maritime targets. The five prototypes will provide valuable information on the cognitive loads (human systems interface) for the number of personnel required to control a five vessel platoon, both from a craft control, and munition control perspective. The reduction of \$9.9M will eliminate two of the five LRUSVs required for the FY23 EOA, limiting the assessment of this new capability.

Additionally, the LRUSV budget was reduced by \$4.339M in FY21 which required an adjustment to program requirements. As a result, the program deferred LRUSV testing from FY21 to FY22. A FY22 reduction of \$1.7M will prevent completion of system-level, autonomy, and transportability testing prior to Marines employing the equipment at the EOA.

The Department urges support of the Senate position.

Subject: FFG-Frigate Advanced Procurement

Citation: H. Rpt. 117-88, p. 183, Line 14; S. Rpt. 117-XXX, p. 106, Line 14

Appropriations: SCN

Summary: The Senate reduced the request by \$69.1M citing unjustified request for advance procurement.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
FFG-Frigate	69.1	69.1	0.0	69.1

Position/Impact: The Department opposes the Senate reduction.

The FY22 AP funding is required to meet the In-Yard Need Dates (IYNDs) for FFG 65 Surface Electronic Warfare Improvement Program (SEWIP) and Enterprise Air Surveillance Radar (EASR) shipsets, causing a delay of the ship delivery schedule by up to 12 months.

SEWIP has an annual contract option due in March of every year with an associated Production Lead Time (PLT) of 29 months to meet the IYND of 45 months prior to ship delivery. Because of this lead time, FY22 AP funding is required in order to meet the FFG 65 SEWIP IYND of January 2025 for an October 2028 delivery.

Additionally, FY22 AP funding for the FFG 65 EASR is required in FY22 in order to meet an IYND of January 2025. The PLT is 34 months per unit with an IYND of 45 months prior to ship delivery requiring the system to be placed on contract by March 2022.

The Department urges support of the House position.

Subject: Radio Systems - 2021 Rescission

Citation: H. Rpt. 117-88, p. 348, §8047, 2021 Appropriations; S. Rpt. 117-XX, p. 232, §8047, 2021 Appropriations

Appropriations: PMC

Summary: The Senate reduced the FY21 enacted appropriation by \$219.057M.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Radio Systems	0.0	0.0	-219.1	0.0

Position/Impact: The Department opposes the \$219.057M Senate rescission of Radio Systems FY21 PMC for Tactical Communications Modernization (TCM).

In May 2021, the Marine Corps submitted an update to the February 2021 TCM Congressional information paper, reporting the delay of both Multi-Channel Handheld (MCHH) and Multi-Channel Manpack (MCMP) procurements from Q4 FY21 to 2Q FY22 and 1Q FY23 respectively. A subsequent response to a Request for Information submitted in June 2021 (response to question 29.h) erroneously stated that the FY22 award for MCHH procurement would occur in Q4 FY22. The correct award date is Q2 FY22 (February 2022), as documented in the May 2021 Information Paper submitted to the Committees and the budget exhibit. The revised award date for MCHH resulted from a vendor protest of the Request for Proposal, and the MCMP delay resulted from temperature concerns experienced during test events requiring further market research. The revised procurement strategy is to procure MCHH systems with \$219.1M of FY21 and \$176.9M of FY22 procurement funds, and initiate the MCMP procurement in FY23 with FY23 procurement funds. FY21 funds will procure systems in support of the FY21 requirement, and FY22 funds will procure systems in support of the FY22 requirement. MCHH's procurement budget was also adjusted internally in order to account for the delay.

The Marine Corps TCM program is critical to the overall modernization of the Marine Corps. The proposed rescission will result in a quantity reduction of approximately 6,531 Hand-Held Radios and 2,743 Vehicle Integration Kits, which equates to 40% of the Authorized Acquisition Objective. Furthermore, a reduction in funding while the program is in source selection, scheduled for 25 October 2021, could adversely influence the pricing associated with vendor proposals, resulting in even fewer quantities procured by the Marine Corps due to the increase in costs. This will result in a critical capability shortfall across the Marine Corps starting in FY24. Additionally, the proposed rescission will delay the enhanced voice and data capabilities offered by these radios to achieve compliance with the National Security Agency (NSA) Crypto Modernization mandate by 2024.

The Department urges support of the House position and restoration of the proposed rescission.

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See Classified Annex

Subject: COLUMBIA Class Submarine (Advance Procurement)

Citation: H. Rpt. 117-88, p. 185, Line 2; S. Rpt 117-XXX, p. 106, Line 2

Appropriations: SCN

Summary: The House reduced the request by \$42.175M citing SSBN 829 missile tube continuous production early to need (\$29.47M), SSBN 829 ordnance Strategic Weapons System (SWS) shipboard systems Long Lead Time Material (LLTM) early to need (\$11.355M), SSBN 831 shipyard manufactured items continuous production early to need (\$0.93M), and SSBN 831 ordnance SWS shipboard systems continuous production early to need (\$0.42M). The Senate added \$130M for Program increase: Submarine supplier development.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
COLUMBIA Class Submarine	1,644.0	1,601.8		1,774.0	1,644.0

Position/Impact: The Department opposes the House reductions.

SSBN 829 missile tube continuous production (\$29.47M). Funding requested is required to make FY22 payments on existing missile tube production contracts. Upon delivery from missile tube vendors, missile tube outfitting funds labor associated with these efforts and are part of the recently awarded Build I contract. This effort is necessary to ensure workforce level-loading, minimizing the effects of gaps or large variation in demand, and procurement efficiencies.

SSBN 829 Ordnance SWS shipboard systems LLTM (\$11.355M). SWS Launcher Subsystem Government Furnished Equipment (GFE) must be procured in FY22, and is forecast to be contracted in November 2021 to support continuous Missile Tube outfitting efforts essential to minimizing construction schedule risk. The components procured in FY22 require 36 months of production lead time to support the shipbuilder required in-yard (RIY) date in 2025.

SSBN 831 shipyard manufactured items continuous production (\$0.930M). The funding supports material procurements from the supplier base needed to maintain the cadence of manufacturing key components (spherical air flasks, torpedo tubes, etc.) at the shipyards. FY22 Shipyard Manufactured Items Continuous Production are a part of the overall supplier development effort continued from FY19-21 to improve submarine industrial base stability.

SSBN 831 Ordnance SWS shipboard systems continuous production (\$0.420M). SWS Subsystems are comprised of unique and critical components that have significant material and manufacturing obsolescence risks and are being procured using a single production line in a continuous production acquisition strategy to support in-service SSBN (OHIO, Vanguard) and SSBN replacement (COLUMBIA, Dreadnought) programs. The FY22 planned continuous production budget profile accounts for procurement of critical components using an existing production line to maintain homogeneity and maximize material and manufacturing efficiencies.

The Department urges support of the President's Budget request.

Subject: Ground/Air Task Oriented Radar (G/ATOR)

Citation: H. Rpt. 117-88, p. 203, Line 19; S. Rpt. 117-XXX, p. 178, Line 203

Appropriations: PMC

Summary: The House reduced the request by \$10.6M citing support costs prior year carryover. The Senate increased the line by \$47M for: Program increase: Naval Integrated Fire Control (NIFC) (\$12M); Radar Signal Processor Refresh (\$12M), and Air Traffic Control (ATC) Block IV Development (\$23M)

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Ground/Air Task Oriented Radar (G/ATOR)	297.4	286.8	643.4	297.4

Position/Impact: The Department opposes the House reduction. As a result of a \$6.4M undistributed mark to GATO/R PMC funding in FY21, the Marine Corps deferred the procurement of three (3) Gallium Nitride (GaN) Transmit/Receive Module Retrofit Kits in FY21 at a cost of \$17M in the PB21 budget. The kits were planned to be procured on an existing Firm Fixed-Price contract option, however, there was insufficient PMC funding available to execute the option after the \$6.4M reduction. This presented an opportunity to use the remaining \$10.6M from the deferral of the GaN Retrofit kits to address the current readiness and sustainment challenges experienced by fielded systems. Those challenges were addressed by procuring seven (7) Pallet Communications Support Processor (PCSP) Retrofit Kits with the necessary PCSP logistics support and ancillary PCSP support equipment. All funds will be executed in FY21 and there will be no carryover.

PCSP is the number one requested system change by the Warfighter that removes several "single point of failure" items to reduce operational cost. This system upgrade has been proven to significantly improve G/ATOR's Reliability, Maintainability and Availability (Ao) for fielded systems from 77% to 97%. The main component that PCSP replaces has a thirty-two (32) month lead-time for production, and an average repair time of twelve (12) months. The original components were not predicted to fail at the rate the Fleet Marine Force is currently experiencing, and subsequently were not sufficiently spared to meet that failure rate. PCSP also enables Radar Emplacement/Displacement times to meet G/ATOR's Key System Attribute (KSA) requirements for rapid emplacement and displacement and enhances personnel and equipment survivability.

A \$10.6M FY22 PMC funding reduction will only allow for the procurement of two (2) Pallet Communication Support Processor (PCSP) Retrofit Kits vice the fourteen (14) necessary to complete this game changing, readiness enhancing upgrade for all LRIP, FRP Lot 1 and 2 Systems.

The Department urges support of the President's Budget request.

Subject: Mission and Other Ship Operations (1B1B)

Citation: H. Rpt. 117-88, p. 74, Line 090; S. Rpt. 117-XXX, p. 41, Line 090

Appropriations: OMN

Summary: The House proposed a reduction of \$36M for Unjustified Growth. The Senate proposed a reduction of \$100M for Unjustified Growth.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Mission and Other Ship Operations	5,858.0	5,822.0	5,758.0	5,822.0

Position/Impact: The Department opposes the proposed Senate reduction.

The reduction impacts the Navy's ability to meet COCOM requests. Updated ship underway projections for the Fleet in FY22 include 500 additional days of steaming and 366,000 more barrels of fuel compared to the request. Additionally, the budget provides support for two more deployable battle force ships bringing the fleet to 296 at the end of FY22. On 29 Sept 2021, DLA increased the FY22 fuel rate adversely impacting Navy Mission and Other Ship Operations with lost buying power of \$85M. The proposed reduction will have a compounding effect in addition to the lost buying power of the fuel rate adjustment. A reduction of this magnitude (\$185M) will cause the cancellation of non-deployed operations and port visits, or cut up to 9% of OPTAR, which reduces readiness by deferring the purchase of repair parts and consumables to restock ship storerooms.

The budget request also provides an increase of \$119M in Military Sealift Command (MSC) for pre-delivery, per-diem, and funding to address critical maintenance backlog on an aging fleet. The proposed reduction will limit operations of the MSC fleet of Combat Logistic Forces (CLF), Special Mission Ships (SMS), Afloat Preposition Force (APF-N) and Service Support Ships (SSS) impacting forward presence, and limiting the fleet's towing and salvage capability which is in high demand with emergent requirements as well as the requirement to support Submarine Sea Trials. Additionally, the DLA fuel rate increase also pressurizes MSC with lost buying power of \$44M.

The Department urges support of the House position.

Subject: Ship Depot Maintenance (OMN 1B4B and OPN Line 25)

Citation: H. Rpt. 117-88, p. 77 and 195, Line 090 (OMN) and 25 (OPN); S. Rpt. 117-XXX, p. 41 and 109, Line 090 (OMN) and 25 (OPN)

Appropriations: Operations and Maintenance, Navy (OMN), Other Procurement, Navy (OPN)

Summary: The House reduced the request by \$63.09M to OPN Ship Maintenance, Repair and Modernization for early to need, \$36.823M to OPN Ship Maintenance, Repair, & Modernization for excess to need, and \$100M to OMN Ship Depot Maintenance for unjustified growth.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
1000 Ship Depot Maintenance	1,307.7	1,207.8	1,307.7	1,307.7
1B4B Ship Maintenance	10,300.1	10,200.1	10,300.1	10,300.1

Position/Impact: The Department opposes the House reductions.

The FY22 request is based on modeled maintenance schedules and established contracting timelines.

OPN Ship Maintenance: A total \$99.92M reduction will impact four surface ship availabilities. These four availabilities submitted in the FY22 request have ship induction dates in quarters one and two of FY23. Funding for all four of these surface ship availabilities must be in place at the time of contract award in FY22. It is imperative to award the contracts in a timely manner to ensure the contractor has adequate time to plan, ensure material readiness, and resource the project appropriately. These efforts must continue to ensure that private sector ship repairs maintain their improving trend. The reduction will result in the rescheduling of four private sector surface ship availabilities and will require Navy to defer critical lifecycle depot maintenance, yielding a bow wave of requirements into FY23 and FY24. Additionally, the Navy will perform unplanned technical assessments for each ship to determine their ability to deploy.

OMN Ship Maintenance: The \$100M reduction will result in cancelling/rescheduling seven surface ship maintenance availabilities across both the Pacific and Atlantic Fleets, four of which are forward deployed naval vessels. Deferring critical lifecycle depot maintenance will yield a bow wave of requirements into FY23 and FY24 and will necessitate technical assessments for each ship to determine their ability to deploy and additional continuous maintenance funding to address readiness shortfalls identified. The reduction directly impacts surface ship readiness and reduces workload stability. Improved ship maintenance execution over the last several years has enabled the program to execute within appropriated funds with limited mitigations.

The Department urges support of the Senate position.

Subject: Shipboard IW Exploit

Citation: H. Rpt. 117-88, p. 189, Line 47; S. Rpt. 117-XXX; p. 115, Line 47

Appropriations: OPN

Summary: The Senate reduced the request by \$16.749M due to SSEE Increment F(V)7/8 ship - below deck and core excess to need, and \$4.049M for SSEE Increment F(V)7/8 ship - infrastructure excess to need.

<u>Item</u>	<u>Budget Authority</u> (Dollars in Millions)				<u>Recommendation</u>
	<u>Budget</u>	<u>House</u>	<u>Senate</u>		
Shipboard IW Exploit	261.7	261.7	240.9		261.7

Position/Impact: The Department opposes the Senate reduction.

The SSEE Increment F (V)7/8 Below-deck and Core and Infrastructure systems are procured in alignment with critical ship availability windows to replace legacy systems in a timely manner. The SSEE Increment F (V)7/8 Below-deck and Core and Infrastructure systems are procured together to field an operational SSEE Increment F (V)7/8 system for Navy platforms. The PB22 budget submission requests funding for procurement and installation of seven SSEE Increment F (V)7/8 systems to ensure units are supplied to remaining platforms in the scheduled installation availability windows to meet operational need and mission requirements.

A \$20.798M reduction eliminates purchase and installation of B kits for four of seven mission critical SSEE Increment F (V)7/8 systems to three (3) planned DDG Flight I and II platforms and one (1) LHD. Specific ships impacted are USS LASSEN (DDG 82), USS MICHAEL MURPHY (DDG 112), USS DEWEY (DDG 105), and USS KEARSARGE (LHD 3). This reduction will result in 25+ year old SSEE Increment E systems to remain in service well beyond their intended 10-15 year lifecycle until they are replaced with a Spectral system in 4-8 years. Overall long-term program costs will increase due to unanticipated support costs for much older systems and maintenance of multiple SSEE baselines for longer durations, disrupting planned production values setting fixed pricing at contract award.

Operationally, this severely degrades Fleet Commanders, particularly in the Pacific, who rely on system readiness and capability that enable Fleet Maritime Operational Plans. Shipboard IW Exploit systems provide the Navy required maritime Signals Intelligence capabilities to dominate the Information and Electronic Warfare domains against China.

The Department urges support of the House position.

Subject: Professional Development Education (3B3K)

Citation: H. Rpt. 117-88, p. 75, Line 380; S. Rpt. 117-XXX, p. 42, Line 380

Appropriations: OMN

Summary: The Senate reduced the request by \$10M due to program decrease unaccounted for.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Professional Development Education	311.2	311.2	301.2	311.2

Position/Impact: The Department opposes the Senate reduction. Reducing Professional Development Education will delay Outcomes-Based Military Education (Chairman of Joint Chiefs of Staff (CJCS) mandate); delay enhanced Wargaming capabilities required by the Navy, Joint Chiefs, Combatant Commanders, and Department of Defense Strategic Capabilities Office; and require Reduction in Force authority for 25 civilian personnel at Naval Postgraduate School and a curriculum reduction for 500 Naval and 300 non-Naval students.

Outcomes-Based Military Education is a revamped approach to the development, delivery, and assessment of educational offerings ranging from initial pipeline training to graduate education and Joint Professional Military Education. This effort will develop strategically minded warfighters who think critically and creatively apply military power to conduct globally integrated operations under conditions of disruptive change. Delaying implementation will make DoN institutions noncompliant with CJCS guidance and 2016 NDAA on delivery of Joint Professional Military Education.

Enhanced Wargaming increases both capability and capacity to provide the full spectrum from tabletop exercises to Global Integrated War Games and Title X assessments in support of the Chief of Naval Operations, the numbered Fleets, Fleet Commanders, Joint Chiefs, Combatant Commanders, and the DoD Strategic Capabilities Office. Wargaming results, information, and analysis drive individual and organizational learning that increases warfighting capability and informs force structure and resourcing decisions. The mark will delay by at least one year the increase in the number of faculty and staff to meet the increased demand in number, scope, and complexity of annual war games and a two-to-three-year backlog in game execution and loss of immediate applicability in force generation and employment.

The reduction also delays procurement of modeling and simulation capability, and high-performance computing to conduct “widely-informed” games at higher classification levels on multiple specialized networks. This prevents the expansion of war gaming network operations that the Navy and Joint Force have requested with appropriate security controls and degrades the development capability of collaborative research data mining and emerging technologies.

Reduction in Force (RIF). This authority for 25 faculty at Naval Postgraduate School will require approximately ~\$2M in severance costs and drive a reduction of approximately 40 curriculum, negatively impacting career progression, professional development, and warfighting

capability of at least 500 Naval students and 300 non-Naval students. This would create additional unplanned PCS expenses for transfer to civilian universities for program completion at an estimated cost of \$60M for FY22, or extended re-enrollment at NPS delaying return of students to operational Fleet units.

Proposed reductions also preclude development of curriculum and research in response to emerging requirements from combatant commands, such as strategic deterrence and INDO-PACOM/PACFLT initiatives.

The Department urges support of the House position.

Subject: Advanced Tactical Data Link System (ATDLS)

Citation: H. Rpt. 117-88, p. 195, Line 51; S. Rpt. 117-XXX, p. 112, Line 51

Appropriations: OPN

Summary: The House reduced the request by \$9.884M for: ATDLS kits previously funded (\$6.385M) and ATDLS excess installation costs (\$3.499M)

	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
<u>Item</u>	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Adv Tact Data Link Sys (ATDLS)	101.6	91.7	101.6	101.6

Position/Impact: The Department opposes the House reduction.

After submission of the PB-21 budget request, ATDLS received \$6.28M in FY19 OPN and \$10M of FY20 OPN via Below Threshold Reprogramming (BTR) in support of Link 16 Cryptographic Modernization (CM) accelerated fielding across all US Navy ships to achieve compliance with National Security Agency (NSA) milestone of CY22.

This additional funding accelerated hardware kit procurements using FY19 and FY20 OPN and allowed for funds originally requested for a portion of the planned FY21 kit procurements to be realigned to support the associated installation of those units in FY21. The FY21 Link 16 Terminal Ship procurement quantity decrease from the PB-21 budget request (112) to the PB-22 budget request (80) reflects this acceleration.

The increase in FY22 Link 16 Terminal Ship installation costs from the PB-21 budget request to the PB-22 budget request is due to the change in quantity and type of installation occurring in FY22, also related to the change in FY21 quantity procurement.

To comply with the CM mandate, Link 16 procures four types of solutions under the Terminal Ship category; MIDS on Ship Modernization (MOS Mod), Joint Tactical Information Distribution System (JTIDS) CM, MOS CM/FR and MOS-J (JTRS). MOS Mod requires a Ship Alteration for installation that is significantly more expensive than the Engineering Change required for the other three solutions. After the acceleration of PB-21 FY21 procurement quantities, the remaining PB-22 FY22 installation quantities proportionally have more MOS Mod installations and fewer of the less expensive JTIDS CM, MOS CM/FR and MOS-J resulting in an increased installation cost.

The reduction prevents procurement of 29 Link 16 high power amplifiers (HPAs), a current requirement for Link 16. Without the HPAs, those ships would not be able operate in high power mode (1000 watt) resulting in inability to operate Link 16 in certain combat conditions.

The Department urges support of the Senate position.

Subject: Amphibious Combat Vehicle (ACV) Family of Vehicles

Citation: H. Rpt. 117-88, p. 203, Line 2; S. Rpt. 117-XXX, p. 119, Line 2

Appropriations: PMC

Summary: The House reduced the request for ACV by \$1.353M citing GFE Communication Suites excess growth, \$5.259M citing GFE Remote Weapons Stations excess growth, \$8.834M citing ECO excess growth, \$7.235M citing Systems Engineering and Program Management excess growth, and \$4.165M citing Vehicle Modifications previously funded, for a total reduction of \$26.846M.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Amphibious Combat Vehicle Family of Vehicles	532.4	505.5		520.7	520.7

Position/Impact: The Department opposes the \$26.846M reduction.

The Department acknowledges the PB22 request has increases in noted cost elements from FY21; however, these are due to increased production compared to FY21, and the introduction of the ACV Command Variant (ACV-C). The program will have to reduce vehicle quantities based on the marks.

The increase in cost between FY21 and FY22 for Government Furnished Equipment (GFE) Communications Suites is attributed to the initial procurement of ACV-C communication systems for 14 vehicles. Without the communication suites, these vehicles have no way to communicate while in operation and will not be fielded.

The increase in GFE Remote Weapons Stations (RWS) is attributed to the procurement of new systems in FY22. In FY21, refurbished Common Remote Weapons Systems (CROWS) were procured at a lower cost. However, the refurbished systems are no longer available; therefore, new systems must be procured at a higher cost. Similar to the GFE Communications suites, if this reduction stands, these vehicles will have no weapon system and will not be fielded.

The increase in Engineering Change Orders (ECOs) is attributed to an increase in the number of vehicles procured over the previous year (20 vehicles), the introduction of ECOs resulting from Developmental and Operational testing of ACV-C and the implementation of high priority ECOs from the ECO list, such as the RWS Multi-User Multi-Station (MUMS), the radio upgrade for COMSEC 2024 cryptography requirements, and other modifications related to operational safety and fleet maintenance (Tow Pintle Improvement, Ramp Extension Handle Update, Conditioned-based Maintenance, and Mounted Family of Computer Systems converter). If the reduction stands, baseline vehicle configuration ECOs would be reduced, delaying critical safety modifications and resulting in a mixed fleet of vehicle configurations which is logistically difficult to maintain and will degrade operational readiness and increase maintenance costs.

The increase in Systems Engineering and Program Management (SE/PM) is directly related to the increase in total vehicles and the introduction of a second variant on the production line, the production line will include both the ACV-P and ACV-C variant in FY22. The increase in Vehicle

Modifications is attributed to the retrofit of the Environmental Control System (ECS) for LRIP Lot 2 vehicles, which were not previously funded.

If the proposed reductions stand, the USMC would reduce the planned procurement by six 6 vehicles; from 92 vehicles (78 ACV-Ps and 14 ACV-Cs) to 86 vehicles (72 ACV-Ps and 14 ACV-Cs). This adjustment will require a renegotiation of the Full Rate Production (FRP) Lot 2 contract at an increased cost per vehicle in FY 2022. The vehicles not procured in FY22 will need to be purchased in a future year at a likely higher cost.

The Department urges support of the Senate position.

Subject: Next Generation Enterprise Services

Citation: H. Rpt. 117-88, p. 198, Line 141; S. Rpt. 117-XXX, p. 115, Line 141

Appropriations: OPN

Summary: The House transferred \$175M from RDTEN Line 255 to OPN 141 and reduced the line by \$25M for unjustified growth in Transformation. The Senate transferred \$175M from RDTEN Line 255 to OPN Line Item 141.

<u>Item</u>	<u>Budget Authority</u> (Dollars in Millions)				<u>Recommendation</u>
	<u>Budget</u>	<u>House</u>	<u>Senate</u>		
Next Generation Enterprise Service	0.0	150.0	175.0		175.0

Position/Impact: The Department opposes the House reduction. *NOTE: Budget amount shown here does not include \$175M RDTEN requested via the BA08 Software Pilot Program

The reductions delay completion of necessary network transformation work required to have a cloud-native/cloud-ready network, and will thus increase funding requirements in FY23 and out.

FY22 total OPN requirement for the NGEN program is \$175M which includes \$125M for Transformation, \$27M for Network Management, \$13M for Cybersecurity, \$7M for Information Transport, and \$3M for Cloud Services. The Transformation requirement (\$125M) will provide for the costs associated with transforming and upgrading the Navy Marine Corps Intranet (NMCI) and OCONUS Enterprise Network (ONE-Net) networks, as well as the security and technology improvement efforts such as systems/security engineering and integration, production, installation and implementation of network infrastructure, in support of merging ONE-Net and NMCI operating models. The requested OPN is needed for the procurement of government-owned modernized hardware and infrastructure solutions.

Delay Replacement of Legacy Equipment: Existing legacy equipment such as servers, data center equipment, and transport layers must be replaced as they reach End of Life/End of Service (EOL/EOS). Specific impacts of this delay are:

- Prolonged reliance on obsolete technology, potentially causing Network Connectivity to drop below the Sustainment (Availability) Key Performance Parameter (KPP) requirements and affecting the Network Distribution Services Key System Attribute (KSA) requirements for latency and packet loss (data not reaching their destination after transmission across a network).
- Obsolete equipment will impede the Navy's ability to modernize cybersecurity solutions at a pace needed to achieve parity with adversaries.
- Defer this cost until FY23 or such time as funding is available. This will result in higher costs (estimated at 2x the cost of equipment to be procured in FY22 as planned) and schedule delays (estimated at 1 year in alignment with length of new maintenance agreements), impacting support and capability delivery to the warfighters.

The Department urges support of the Senate position.

Subject: AN/SLQ-32

Citation: H. Rpt. 117-88, p. 195, Line 46; S. Rpt 117-XXX, p. 115, Line 46

Appropriations: OPN

Summary: The House reduced the request by \$58.005M for Block 3 kit early to need (\$56.415M) and Block 3 installation excess to need (\$1.590M). The Senate reduced the request by \$9.742M for Block 3 spares and ECPs unjustified growth.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
AN/SLQ-32	370.6	312.6	360.8	360.8

Position/Impact: The Department opposes the House reductions. The SEWIP Block 3 lead time is 30 months (24 months for production and 6 months for integration) with a delivery rate of one system every 2 months. The \$56.415M reduction eliminates one planned FY22 system for installation onboard DDG 103 in 3QFY25 during its DDG Modernization availability, and negatively impacts planning for two units to be installed in FY24.

The \$4.770M installation funding shown in the justification material in FY22 is for design services allocation (DSA) planning to support two FY24 SEWIP Block 3 installations (\$2.385M each). DSA funding for the 3QFY25 DDG 103 installation starts in FY23 and is not included in the FY22 Block 3 installation funding request. Based on a March 2022 contract award, the third FY22 system will complete integration and deliver in January 2025 (2QFY25) in support of the 3QFY25 installation.

If the SEWIP Block 3 procurement for the DDG 103 is removed, the Department will not be able to award it in a later fiscal year. The earliest a FY23 award would deliver would be September 2025 (4QFY25) which does not support DDG 103's DDG Modernization availability window in Q3FY25. Installation of SEWIP Block 3 will be deferred indefinitely on DDG 103 since SEWIP Block 3 can only be installed on DDGs during DDG Modernization availabilities due to the lengthy production and test duration required to complete the complex SEWIP Block 3 installation. The SEWIP Block 3 installation includes the fabrication and outfitting of two 45,000-pound steel sponson structures to house the arrays, electronic processing racks, and cooling equipment hardware as well as the reconfiguration of internal spaces and the addition of lead ballast to offset the weight increase caused by SEWIP Block 3.

If the installation funding is removed, the program will experience potential delays, cost increases and possible cancellation of planned SEWIP Block 3 installations on DDG 97 and DDG 100 in FY24.

The Department urges support of the Senate position.

Subject: Marine Corps Advanced Technology Demonstration

Citation: H. Rpt. 117-88, p. 253, Line 19; S. Rpt. 117-XXX, p. 175, Line 19

Appropriations: RDTEN

Summary: The House reduced the request by \$17.843M for command, control, computers, communications for failure to comply with congressional direction (\$3.859M), Force protection previously funded (\$1.605M), Maneuver unjustified growth (\$3.350M), and Combat service support and force protection excess growth (\$9.029M). The House increased the request for Expeditionary autonomous logistics (expeditionary process, exploitation, and dissemination) (\$4M), advanced mission planning system (SBIR) technology insertion (\$5M), data analysis and sharing augmentation (\$2M), and low-cost attributable aircraft technology (\$25.000M). The Senate increased the request by \$38.1M for: Adaptive future force (\$8M), AI powered tactical ISR (\$5.1M), Expeditionary mission support (\$10M), Platform agnostic weapons system (\$5M), and Stand-off security inspection and surveillance system (\$10M)

		<u>Budget Authority</u> (Dollars in Millions)		
<u>Item</u>	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
MC Advanced Technology Demo	224.2	242.3	262.3	224.2

Position/Impact: The Department opposes the House reduction.

Force Protection research is iterative and ongoing, as development continues in areas of effort including countering unmanned aerial systems, sensor/perception autonomy, High Energy Laser use in expeditionary operations, swarming unmanned vehicles, autonomic and amphibious robotic systems, and human/machine teaming. While some research areas build on FY21 efforts, there is no duplication. FY22 funding will advance development to a higher and more technically mature level. The proposed reduction significantly delays the demonstration of human-machine teaming concepts and appropriate military tactics; specifically, reduction would apply a 12-month delay to the demonstration of work with swarming multi-domain platforms, capable of delivering military capabilities over land and sea. The Department continues to make Science & Technology investments in autonomous systems, neutralization of threat unmanned aerial systems, and development of technologies in support of High Energy Lasers in expeditionary operations.

The growth in the Maneuver line of effort from FY21 to FY22 is primarily due to Unmanned Swarming Amphibious Assault Craft (USAAC) experimentation and the refinement of autonomy algorithms for enhanced performance in the surf and beach environments, two of the most challenging areas in which to maneuver autonomous platforms. The proposed reduction to Maneuver of \$3.350M will delay experimentation of the USAAC by 12 months, as well as causing a significant delay to algorithm development. The FY22 increase in funding directly supports this development and maintains the timeline for successful transition of surf zone autonomy.

The growth in funding for CSS/FP is largely attributable to the chartering of a Stern Landing Vessel - the prototype variant for the Light Amphibious Warship. This vessel is critical to advancing development in these areas as it provides a risk-worthy, inexpensive platform for

maneuver and sustainment distribution. The proposed reduction of \$9.029M will result in significant reductions in capability development and follow-on experimentation, which are in direct support of maneuver and posture resilience, advanced autonomous systems, and agile logistics. Working in close cooperation with the existing Naval Amphibious Fleet, activities will supplement and expand the existing operational model for amphibious operations within the littorals and will enhance maneuver to and from seabases. The increase is also due to the realignment of funds from Management Support to the various R-2 categories to provide a higher level of transparency on funding distribution across efforts in this line.

The Department urges support of the President's Budget request.

Subject: Personnel, Training, Simulation, & Human Factors

Citation: H. Rpt. 117-88, p. 270, Line 144; S. Rpt. 117-XXX, p. 172, Line 144

Appropriations: RDTEN

Summary: The House reduced the request by \$1.43M for Historical Under Execution.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> (Dollars in Millions)		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Personnel, Trng, Sim, & Human Factors	7.4	5.9		7.4	7.4

Position/Impact: The Department opposes the House reduction.

Since FY19, this program has obligated 100% of its appropriation. Expensing of funds has been delayed due to Continuing Resolutions and COVID-related disruptions.

The reduction of \$1.43M will cause the following projects to be discontinued:

- Artificial Intelligence and Machine Learning (AI/ML) decision making capabilities affecting manpower and personnel determinations across 350K+ Sailors' career in fitting and filling positions for the fleet as well as forecasting training pipelines and bottlenecks (i.e. MyNavy World Decision Support Modeling)
- Remote-use mobile tools to promote communication and monitoring of up to 40,000 Sailors in the Delayed Entry Program (DEP) necessary to recruit and retain as well as provide training materials prior to bootcamp in order to reduce DEP and bootcamp attrition and increase warfighting readiness (Virtual Recruit Tracker)
- Continued development of adaptive training tools to efficiently assess individual and unit training performance. Continued development of analytic platforms with automatic data capture scaled to Fleet training needs (MyNavy Learning Training Assessment Framework and AI-enabled Live, Virtual, Constructive training)
- Continued development of data visualization dashboards that utilize analytic algorithms to consolidate data from 55 different data sources in order to provide timely strategic level decision-making for the Navy and MyNavy HR. This effort affects the Human Resource needs of over 400K Sailors (MyNavy HR Dashboard)

The Department urges support of the Senate position.

Subject: SSN(X)

Citation: H. Rpt. 117-88, p. 270, Line 154; S. Rpt, 117-XXX, p. 172, Line 154

Appropriations: RDTEN

Summary: The House reduced the request by \$24.849M for excess to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> (Dollars in Millions)		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
SSN(X)	29.8	5.0		29.8	29.8

Position/Impact: The Department opposes the House reductions.

The SSN(X) FY22 request directly funds the ramp up of SSN(X) efforts. The marked funds (\$24.8M) are needed to support:

- (1) Documentation and completion of the Initial Capabilities Document (ICD), Gate 1, and the commencement of the Analysis of Alternatives (AoA) including CAPE Approval (\$4.7M)
- (2) Continuation of studies and technology development (\$12.1M) and tool development (\$2.8M) to support and inform the AoA and performance targets
- (3) Program and engineering support efforts (\$5.2M).

SSN(X) will bring greater speed, increased horizontal payload capacity, improved acoustic superiority, and higher operational availability to the submarine force. These capabilities are required to counter emerging and existing threats to national interests. SSN(X) will provide capabilities beyond VIRGINIA Class submarines that will meet the future threat. Historical technology development and submarine design and build timelines indicate approximately seven to 10 years of design activity, preceded by up to decades of technology development efforts are required prior to ship construction start. Additionally, industrial base concerns for both shipyard design and component vendors need to be considered. For example, design resources will be available as the COLUMBIA program design draws down and critical submarine design skillsets will be lost if not engaged on the SSN(X) design. The proposed funding reduction will negatively impact completion of these actions and will result in a one year delay to SSN(X) construction start.

This program funds critical developmental activities for the Navy's next generation fast attack submarine. The proposed reduction would result in a year delay to SSN(X), as completion of these activities are critical to the on-time progression of design and development efforts.

The Department urges support of the Senate position.

Subject: ID Systems

Citation: H. Rpt. 117-88, p. 194, Line 60; S. Rpt. 117-XXX, p. 93, Line 60

Appropriations: OPN

Summary: The House reduced the request by \$2.684M for Mode S digital interrogator excess support cost and \$17.358M for AN/UPX-46 processor system early to need.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
ID Systems	46.9	26.9	46.9	46.9

Position/Impact: The Department opposes the House reductions.

The FY22 request for the Mode (S)elect (Mode S) program does not include excess support cost. The full \$2.684M is required to plan and convert AN/UPX-41(C) to AN/UPX-45(C) Identification Friend or Foe (IFF) Digital Interrogators for delivery to in-service surface combatants and start building the capacity for Fleet deployments with Mode S capable platforms.

Mode S Digital Interrogator installations commenced with two hulls in to 2018, to planned peak installation quantities of 13-17 hulls per year in FY22 through FY25. Mode S installations align with Aegis and Ship Self Defense System (SSDS) combat system modernization availabilities planned two to three years in advance. The proposed reduction will delay fielding and prevent the Navy from achieving a coordinated modernization approach for surface combatants due to decreased planning and integration efforts as new ship classes and flights come into the installation window from FY22 to FY25.

Mode S Digital Interrogator is integral to keeping pace with the supersession of Selective Identification Features (SIF) modes in favor of Mode S. This capability is the only viable method of discreet identification of neutrals for surface combatants as Mode S implementation continues worldwide.

Delays or losses of these funds will have significant schedule impacts to LPD, LHD, LHA and both legacy and future CVN (Ford Class) platforms, risking degrading operational readiness of each of ship classes, risking warfighters onboard.

For the AN/UPX-46 Processor program, \$17.358M is required for initial procurement of common Identification Friend or Foe (IFF) systems to replace unique Contractor Furnished Equipment (CFE) or ship class specific IFF solutions delivered to both variants of Littoral Combat Ships (LCS) and United States Coast Guard ships. These unique IFF solutions are transitioning from CFE to government support, and vary from a total lack of Mode 5 IFF capability to partial capability with no viable upgrade path. The proposed reduction will prevent the Navy from commencing procurement of hardware for an inventory objective of 68 hulls that are not compliant with Mode 5 Joint Full Operational Capability (JFOC) of Jun 2020.

AN/UPX-46 Processor hardware has a 24-month lead time, which accounts for the time from initial procurements in FY22 to initial installs in FY24. The proposed reduction will affect initial procurements for ten systems that will require re-planning for future years resulting in a two-year schedule extension.

AN/UPX-46 Processor is integral to transition of CFE and unique IFF solutions to common organic hardware and provides the means for the affected hulls to attain an integrated Mode 5 IFF capability. Mode 5 is the only authorized method for secure positive ID of friendly military forces.

FY22 is the beginning of the AN/UPX-46 program of record. The planned timeline and associated funding profile are carefully aligned to ship availability and future integration within the limited obtainability of these ships in port. Delays of funding will directly impact deployment of this interrogation capability to the entire LCS and USCG inventory, degrading secure positive ID of targeting which is a critical element in the AOR's that these ships operate.

The Department urges support of the Senate position.

Subject: Radio Systems

Citation: H. Rpt. 117-88, p. 197, Line 32; S. Rpt. 117-XXX, p. 117, Line 32

Appropriations: PMC

Summary: The House reduced the request by \$15M citing REPNT unjustified request, \$20.093M citing Ancillary and accessory components unjustified growth, \$10M citing TCM ground radios sparing previously funded, and \$6.4M citing Line of Sight optical capability previously funded, for a total reduction of \$51.443M.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Radio Systems	468.7	417.2	468.7	438.5

Position/Impact: The Department opposes the House reductions of \$21.350M against Radio Systems citing Resilient Expeditionary Positioning, Navy, and Timing (REPNT) unjustified request (\$15.000M) and Line of Sight optical capability citing previously funded (\$6.350M).

Beginning in FY22 REPNT will transition from a US Space Force funded technology maturation effort to a Marine Corps funded program of record to field the M-Code GPS capability mandated by public law and Congress. The Marine Corps leveraged US Space Force (previously US Air Force) RDTEN funding since approximately 2010 leading to the procurement of Military-code Increment 1 receiver cards as mandated by the NDAA 2021, Section 1611 and the planned fielding of REPNT by FY23 to counter the pacing threat faced by GPS dependent systems. As mandated by the FY21 NDAA, the legacy Selective Availability Anti-Spoofing Module (SASSM) GPS capability that is currently employed by all Marine Corps systems must be migrated and fielded as resilient M-Code capable Position, Navigation, and Timing (PNT) devices. REPNT plans for contracting actions in FY22 to begin fulfilling the fielding requirements of priority platforms to meet the FY23 deadline with a Navigation Warfare (NAVWAR) compliant, resilient PNT solution.

The \$15M reduction in FY22 will result in a 50% reduction (210 of 420 systems) to the FY22 MGUE Increment 1 procurement which will fulfill near-term platform resilient PNT requirements. The REPNT devices include M-Code Receiver Cards and PNT distribution devices as the Military GPS User Equipment (MGUE) Increment I service solution to mitigate the current and evolving threats to PNT for weapon systems and platforms that the Marine Corps will employ to deter enemy aggression and outpace future threats to PNT. If funding is reduced the Marine Corps will be at risk of not meeting mandated deadlines. It will also put the Marine Corps at risk during battlefield navigation, system synchronization and operations (to include preventing fratricide); along with the employment of Long-Range Fires "kill-chains" which are critical to operations within an Expeditionary Advanced Base Operations construct and vital to Force Design success.

In FY21, the Line of Sight optical capability systems were not procured as planned in September 2021 due to higher priorities within the Marine Corps. The Line of Sight optical capability systems contract is now scheduled to award December 2021 therefore, FY21 PMC in the amount of \$6.435M was redirected to support the Line of Sight Family of Systems Mobile Radio Communication (MRC) system procurement which awarded 16 June 2021. The optical capability procurement is now reflected in FY22 for a total of 24 systems which will be used as

test assets to ensure the system meets government requirements and will then be refurbished and fielded to operational units.

The proposed \$6.435M reduction to Line of Sight optical capability will result in reducing the test assets from 24 to 12. Reducing the test assets will slow down developmental testing results causing a 6 to 9 month slip in the follow-on delivery order to field the Optical Augment to the LRS, a Force Design program. The warfighter will be limited to radio frequency spectrum and will be denied the capability of operating outside the Radio Frequency spectrum at significantly higher data rates. The optical system has an inherently low probability of intercept / low probability of detection which provides additional safety to the Warfighter.

The Department urges support of the Senate position, and restoration of funding for REPNT and for Line of Sight optical capability.

Subject: Ship Concept Advance Design (Next Generation Medium Logistics Ship)

Citation: H. Rpt. 117-88, p. 266, Line 46; S. Rpt. 117-XXX, p. 170, Line 46

Appropriations: RDTEN

Summary: The House reduced the request by \$1M for next generation medium logistics ship industry studies and design contract award delay and by \$2.5M for next generation medium logistics ship special studies excess to need. The Senate reduced the request by \$6.57M for Project 4045 (Next Generation Medium Logistics Ship) prior year execution baseline adjustment.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Ship Concept	111.6	128.3	109.0	111.6
Advanced Design				

Position/Impact: The Department opposes the Senate reduction.

A reduction of \$6.57M leaves the program unable to successfully execute both the industry studies and the NGLS Analysis of Alternatives (AoA) in FY22. The Navy plans to award multiple NGLS industry studies contracts in the 1QFY22. Additionally, the NGLS AoA is scheduled to kick-off in January 2022. As a part of the AoA, the program is funding demonstrations of fleet experiments onboard Military Sealift Command's Next Generation Logistics, Tactics, Techniques and Procedures (NTS) charter ship which must be performed to fully inform the AoA and identify issues. Failure to perform any of these activities in their current scope will adversely affect the ability of the Navy to award a Detail Design and Construction (DD&C) contract in FY26 and delay implementation of forward afloat force logistics.

The Department urges support of the House position.

Subject: Environmental Support Equipment

Citation: H. Rpt. 117-88, p. 198, line 135; S. Rpt. 117-XXX, p. 114, Line 135

Appropriations: OPN

Summary: The House reduced the request by \$1.683M for acoustic positioning system contract award delay OPTSEO timing, transfer, EOP delivery unit cost growth.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Environmental Support Equipment	25.1	23.4	25.1	25.1

Position/Impact: The Department opposes the House reduction.

In FY21, the OPTSEO Timing, Time Transfer and EOP Delivery funds project line (\$1.889M) and OPCRFM Celestial Reference Frame Management project line (\$2.661M) were used to support the purchase of an emergent HVAC unit for the Master Clock (MC) timing facility. This emergent requirement was not previously planned for purchase in FY21.

The subsequent increase from FY21 (\$1.889M) to FY22 (\$3.050M) in the OPTSEO Timing, Time Transfer and EOP Delivery line purchases a Two-Way Satellite Time Transfer (TWSTT) portable link system fly away antennae, next-generation transceivers for time transfer and lifecycle replacement of four steerable clocks.

The TWSTT is used by multiple DoD and Intelligence Community (IC) programs who need exquisite timing accuracy beyond that which GPS can provide. The timing capability enables C5ISRT and assured PNT critical to national security. A reduction of \$1.123M in this project line will eliminate critical FY2022 life cycle replacement of failing TWSTT systems, thereby injecting risk to national security. Without TWSTT, USNO cannot provide the timing synchronization and products critical to DoD and IC programs requiring these capabilities for national security and strategic deterrence.

The Department urges support for the Senate position.

Subject: Marine Corps Reserve Personnel

Citation: H. Rpt. 117-88, p. 42; S. Rpt. 117-XX, p. 29

Appropriations: RPMC

Summary: The House reduced the request by \$15.69M for historical unobligated balances. The Senate reduced the request by \$71.04M for revised budget estimate.

<u>Budget Authority</u> <u>(Dollars in Millions)</u>				
<u>Item</u>	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
Reserve Personnel, Marine Corps (RPMC)	881.9	866.2	810.9	886.2

Position/Impact: The Department opposes the Senate reduction.

The revised budget estimates in FY20 and FY21 were required due to COVID impacts that included significant reductions in planned unit drills, participation in exercises, annual training (AT), travel, and recruit accessions. The FY22 budget request is based on a return to normal accessions, reserve participation and reserve force operations due to the lifting of restriction of movement (ROM) and travel restrictions, and the vaccine mandate. The Department reprogrammed funds into the appropriation in late FY21 due to the Reserve Component returning to pre-COVID operational norms. The RPMC appropriation finished FY21 with an unobligated balance of just \$0.969M.

The reduction will require significant programmatic changes to the FY22 plan, to include curtailment of training requirements, with long term effects on force readiness. In addition, it will result in reduced reserve participation in planned exercises, such as Eager Lion 22, Eagle Resolve 22, Kamandag 5 and Keen Edge 22. This will result in lost training opportunities for the Marine Corps Reserve, to include training to mission essential tasks and building readiness, and increased OPTEMPO for Active Component (AC) forces required to cover for the loss of Reserve Component (RC) support. Furthermore, the lack of RC participation in these exercises increases pressure on AC deployment to dwell ratios and reduces flexibility in the Marine Corps' transition to its 2030 Force.

The Department urges support of the House position.

Subject: P-8 Series

Citation: H. Rpt. 117-88, p. 170, Line 59; S. Rpt. 117-XXX, p. 95, Line 59

Appropriations: APN

Summary: The House reduced the request by \$76.501M for Inc-3, ECP-6/7 kits early to need (OSIP 006-18). The Senate reduced the request by \$15.3M for Program Delays.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
P-8 Series	131.3	54.8	116.0	116.0

Position/Impact: The Department opposes the House reduction.

The request for five ECP-6/7 kits reflects an 18-month long lead-time for delivery. The five FY22 kits are the minimum required in order to support hardware procurements and delivery (18 months), retrofit of fleet aircraft (nine months), training of the Fleet Introduction Team instructors (six months), and initial training, qualification, and outfitting for the first squadron (12 months) scheduled to deploy with ECP-6/7 capabilities. Some overlap is needed between development and procurement to maintain the FY25 Initial Operating Capability (IOC) for ECP 6 and 7.

ECP-6 aircraft modifications require an extensive depot-level effort via the OEM. Modification of sufficient aircraft for the first deploying squadron requires hardware procurement contracts to award NLT 2QFY22 to enable the first retrofit installations to begin no later than 4QFY23 in order to deliver sufficient modified aircraft to the fleet introduction team (3QFY24) and operational user (4QFY24) in support of a 4QFY25 deployment.

FY22 funding is low risk for execution given the maturity of the hardware design (based largely on COTS components), progression of ECP-6 lab testing (utilizing aircraft-representative hardware and software), and ongoing modification activities for the first test aircraft that are proceeding ahead of schedule (1QFY22 start of ground test). Additionally, in April 2021 ECP 7 (Multi-static Active Coherent- Enhanced) technology was successfully demonstrated via roll-on/roll-off kit through a Fleet demonstration exercise. Hardware lead times of 18 months provide sufficient schedule to incorporate emergent changes if there is discovery in testing (which would likely be associated with software/firmware, vice hardware) prior to hardware deliveries and installations. Delaying procurements by a year increases risk of needing to address emergent obsolescence of COTS items via additional engineering change proposals.

The requirement of 138 P-8A is based on each aircraft being equipped with Inc 3 capability. This reduction will delay IOC for P-8A Increment 3 ECP-6 Wide Band SATCOM, ASW SIGINT, Minotaur Track Management, and Higher Than Secret processing and comms and ECP-7 Multi-Static Coherent-Enhanced wide-area ASW search capabilities by one year to 4QFY26.

The Senate reduction of \$15.3M (one kit) will result in a one-month delay, but still enables 4QFY25 IOC. Delays in fielding ECP 6/7 capability increases warfighter risk and prevent satisfying operational plan requirements. The loss of additional kits beyond the Senate's position will degrade Fleet combat readiness preparations, delaying initial deployment to FY26.

The Department urges support of the Senate position.

Subject: Electronic Warfare Readiness Support

Citation: H. Rpt. 117-88, p. 272, Line 215; S. Rpt. 117-XXX, p. 173, Line 215

Appropriations: RDTEN

Summary: The House reduced the request by \$13.168M; \$6.69M for historical under-execution and \$6.478M for unjustified growth in project 3426.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Elect Warfare Readiness Supt	62.0	48.8		62.0	62.0

Position/Impact: The Department opposes the House reduction. The \$12.956M funding increase from FY21 (\$11.684M) to FY22 (\$24.64M) in project 3426 reflects prior years' re-phasing actions taken by the Department and is justified due to validated requirements for capabilities research and development. This funding increase will support expansion of maritime cyber capabilities, development and testing of operational prototypes based on vulnerabilities research conducted in FY21, and increased support for Navy cyber organizations through maturation of tactics, techniques, and procedures for cyber capabilities employment (Additional details available at a higher classification). The reduction will severely degrade the ability to continue critical research and development efforts on USCYBERCOM, EUCOM, and INDOPACOM priorities for Counter-Command, Control, Communications, Computers, and Cyber, Intelligence Surveillance, Reconnaissance, and Targeting (C-C5ISR&T) capabilities in Great Power Competition (GPC) with near-peer adversaries. The following efforts are impacted:

- **Counter-C5ISR&T Cyber/EW effects to protect against adversary missile systems.** This venture supports PACFLT requirements and addresses INDOPACOM prioritized capability gaps #5, #11, and #12. Project specifically requested by CDR USINDOPACOM and identified as a top priority for target investment in the US Fleet Forces and USPACFLT Integrated Priorities List. This cut will significantly place in jeopardy offensive countermeasure delivery and the ability to rapidly address emergent threats. (Additional details available at a higher classification.)

- **Counter-C5ISR&T Maritime Cyber capabilities.** This line of effort supports INDOPACOM Cyber PEL #19 and NAVIFOR prioritized Information Warfare capability gap #1. The reduction prevents delivery of one offensive cyber toolkit and two cyber access capabilities to operational partners and will delay capability upgrades for an existing cyber toolkit by an additional 12 months. It also prevents development of three advanced maritime cyber capabilities until FY23; development on these three capabilities already delayed in FY22 due to FY21 reductions. Reductions will also delay the procurement of equipment necessary to develop and deliver critical cyber capabilities until FY24. (Additional classified details are available.)

The Department urges support of the Senate position.

Subject: Command Post Systems

Citation: H. Rpt. 117-88, p. 203, Line 31; S. Rpt. 117-XXX, p. 119, Line 31

Appropriations: PMC

Summary: The House reduced the request by \$14.295M citing Networking on the Move (NOTM) system refresh/equipment upgrades - early to need. The Senate reduced the request by \$5.075M for NOTM Ultra Light Tactical Vehicle (ULTV) Systems early to need.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Command Post Systems	53.7	39.4	48.6	48.6

Position/Impact: The Department opposes the House reduction.

NOTM is a critical CMC Force Design program and is essential to achieving Force Design initial operational capability (IOC) in FY 2023 along with sustaining momentum to achieve Force Design full operational capability (FOC) by 2030. The PB22 budget request funds the Joint Light Tactical Vehicle (JLTV) retrofit kit procurement for NOTM's transition to a modern vehicle platform to support Force Design IOC and Fleet Marine Force's (FMF) readiness, and ability to command and control while on the move. The proposed reduction will result in delaying the procurement of JLTV retrofit kits, and delay the NOTM FOC by one year from FY24 to FY25.

Additionally, the proposed reduction will negatively affect NOTM's ability to maintain a production line at Naval Information Warfare Center – Atlantic, thereby delaying the ability to establish and maintain a production line for the duration of the JLTV retrofit activity (FY22-FY24). The purpose of procuring a single component through Defense Logistics Agency in FY22 is for the assembly line to begin the tasks that are not dependent upon long-lead components in order to start fielding in Q4FY23. This reduction in funding will result in a reduction of 29 kits in FY22. This would require an entire procurement strategy revisit, which may result in higher costs within the FYDP as well as delaying NOTM fielding and pushing FOC into 2025. This would ultimately delay NOTM's transition to a modern vehicle platform, which would degrade the Fleet Marine Force's readiness and the ability to command and control while on the move.

The Department urges support of the Senate position.

Subject: Virginia Class Submarine

Citation: H. Rpt. 117-88, p. 185, Line 5; S. Rpt. 117-XXX, p. 106, Line 5

Appropriations: SCN

Summary: The House increased the request by \$80M for Program increase- submarine supplier development. The Senate reduced the request by \$50M for an unjustified request.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Virginia Class Submarine	4,249.2	4,329.2		4,199.2	4,249.2

Position/Impact: The Department opposes the Senate reduction.

Historically, General Dynamics Electric Boat (GDEB), Huntington Ingalls Industries - Newport News Shipbuilding (HII-NNS), and the Navy have invested in facilities at EB and HII-NNS to support both SSN and SSBN submarine construction. However, to support future shipbuilding plans, additional investments, including investments supported by the \$50M request are required.

At the end of August 2021, the Navy, EB, and HII-NNS reached alignment on facilities and fixtures investments to support the required rate of one Columbia class submarine (CLB) per year, while simultaneously executing two Virginia class submarines (VCS) per year (1+2 annual rate) in the mid-2020s. These investments include a fourth Segment Assembly Machine fixture at HII-NNS to support construction of submarine bows and sterns.

The need dates to have these facilities and fixtures online, and therefore the funding required to make the investments, has been accelerated from the baseline Integrated Enterprise Plan (IEP) in order to meet current schedules and to account for current EB and HII-NNS VCS and CLB performance. The Senate reduction will adversely limit the Navy from funding some of these investments in FY 2022. Without the required facilities and fixtures investments, the shipbuilders will be unable to meet VCS and CLB build schedules to meet the 1+2 annual rate, including SSBN deliveries required to meet strategic deterrence coverage requirements as OHIO Class submarines retire.

The Department urges support of the President's budget.

Subject: Shipboard Tactical Communications

Citation: H. Rpt. 117-88; p. 196, Line 74; S. Rpt. 117-XXX, p. 111, Line 74

Appropriations: OPN

Summary: The House reduced the request by \$5.498M for Historical Under-execution.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
Shipboard Tactical Comms	43.2	House 37.7	43.2	43.2

Position/Impact: The Department opposes the House reduction.

In FY 21, the program met year end obligation benchmarks. In previous years, the DMR Program had not met end of fiscal year benchmarks as a result of contract negotiations extending past the fiscal year end and changes to shipboard installations. Obligations for these efforts occurred in quarter one of the next fiscal year allowing the program to meet benchmark.

The mark to the Digital Modular Radio (DMR) Program of Record (PoR) will defer MUOS/IW procurements for four (4) DDG Forward Fits and one (1) LPD Back-fit in FY22 and their respective installations in later years (FY25-26). This will result in an inability to support operational requirements for encrypted voice and data across satellite, Line of Sight (LOS), High Frequency (HF), Very High Frequency (VHF) and Ultra High Frequency (UHF) communications. Additionally, this mark will delay NSA-mandated Cryptographic Modernization (CM) waveform requirements for DMR including: UHF Legacy (Thornton TRANSEC Algorithm Modernization) required for all UHF legacy communications; MUOS waveform 3.2 (ACC); SINCGARS 3.0/3.1 required for all Joint USMC VHF Electronic Countermeasure landing force mission objectives; and SATURN (replacement for HAVEQUICKII) in support of Strike Tactical Air operations. Failing to meet CM requirements prior to mandates will impede command and control with and across joint and naval tactical units, exponentially increasing mission risk due to loss of Low Probability of Exploitation (LPE), secure, anti-jam, tactical voice and data communications.

The Department urges support of the Senate position.

Subject: MC Ground Combat/Supporting Arms Systems – Eng Dev

Citation: H. Rpt. 117-88, p. 270, Line 143; S. Rpt. 117-XXX, p. 172, Line 143

Appropriations: RD TEN

Summary: The House reduced the request by \$1.862M citing training system development early to need and \$2M citing program concurrency, for a total reduction of \$3.862M.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
MARINE CORPS	42.1	38.3	42.1	42.1
GROUND				
COMBAT/SUPPO				
RTING ARMS				
SYST				

Position/Impact: The Department opposes the House reduction.

In conjunction with the completion of Organic Precision Fires (OPF) development and the execution of the Early Operational Assessment, the Marine Corps is initiating the analysis and development of training systems requirements. Specifically, FY22 funding will document and assess system capabilities and gather key user insights to inform the FY23 development of training simulators. These simulators are necessary to support unit training in advance of OPF fielding. The reduction of \$1.862M will defer the initiation of training system development until FY23 resulting in limited unit training prior to fielding.

Based on the results of the FY21 demonstration and subsequent follow-on award, the overarching OPF hardware configuration is stable. As a result, the Marine Corps budgeted for one additional prototype to begin integration onto the Joint Light Tactical Vehicle (JLTV) to mitigate risk of future launcher modification. The reduction of \$2M will prevent the purchase of one OPF prototype, integration, and testing for the JLTV which is a critical infantry lethality enabler.

The Department urges support of the Senate position.

Subject: Tomahawk Mods

Citation: H. Rpt. 117-88, p. 176, Line 18, S. Rpt. 117-XXX, p. 100, Line 18

Appropriations: WPN

Summary: The House reduced the request by \$21.034M for: Recertification kit contract award delay (\$6.944M), and MST Kit contract award delay (\$14.09M). The Senate reduced the request by \$44.159M for: Navigation/Communications (NAV/COMM) kit procurement (\$24.159M) and for Maritime Strike Tomahawk (MST) kit contract award delay (\$20M).

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>(Dollars in Millions)</u>		
Tomahawk Mods	206.2	<u>House</u> 185.2	162.1	185.2

Position/Impact: The Department opposes the Senate reduction.

Navigation / Communications (NAV/COMM) kit procurement (\$24.159M): The significant increase in the recertification of TACTOM missiles in FY23, requiring procurement of the long lead-time NAV/COMM kits in FY22, is due to a congressionally supported multi-year procurement in FY04 through FY08. The increase in procurements from that Multi-Year Procurement contract started coming due for recertification after their 15-year service life in FY21. Limiting NAV/COMM kit procurements to 156 in FY22 increases the recertification backlog by an additional 144 missiles in FY23. Missiles in backlog, which are past their Material Due Date, are not available for operational use and will not provide a full 15 years of service life once recertified, due to life-limiting factors associated with missile energetics.

Maritime Strike Tomahawk (MST) kit contract award delay (\$20M): The MST Low Rate Production contract has been negotiated and was awarded October 29, 2021 with a pre-negotiated option for FY22. The funding requested in FY22 is required to realize lower unit costs and to procure the required quantity of units to meet Initial Operational Capability. A reduction of \$20M will necessitate a renegotiation of the FY22 option with the Prime Contractor, since it will reduce the available budget below the negotiated Variable Quantity Table. This reduction will further delay schedules and increase costs. The attached table depicts negotiated variation in quantity unit costs.

The lowest quantity in the variable quantity table aligns with the House position, which reduced the budget requested for MST kit procurement from \$50.7M to \$36.6M.

While the House position results in (1) 13 fewer recertified TACTOMs in FY22, (2) 13 fewer Maritime Strike Tomahawk (MST) kits in FY22, (3) a 9-12 month break in recertification production while contract is re-structured, and (4) a MST Initial Operational Capability delay from the second quarter of FY24 to 1QFY25, the impacts to fleet inventory levels and to the Tomahawk industrial base are less than those that would be realized with the Senate position.

The Department urges support of the House position.

OPTION FY22 Qty	SLIN 100102 FY22 Total Value	CLIN 1001 Total Qty	CLIN 1001 FY21-22 Unit Price	CLIN 1001 FY21-22 Total Value
26	\$ 36,644,306	32	\$ 1,757,478	\$ 56,239,306 ¹
27	\$ 37,910,270	33	\$ 1,742,584	\$ 57,505,270 ¹
28	\$ 39,159,122	34	\$ 1,728,062	\$ 58,754,122 ¹
29	\$ 40,392,099	35	\$ 1,713,917	\$ 59,987,099 ¹
30	\$ 41,610,294	36	\$ 1,700,147	\$ 61,205,294 ¹
31	\$ 42,814,687	37	\$ 1,686,748	\$ 62,409,687 ¹
32	\$ 44,006,154	38	\$ 1,673,715	\$ 63,601,154 ¹
33	\$ 45,185,482	39	\$ 1,661,038	\$ 64,780,482 ¹
34	\$ 46,353,386	40	\$ 1,648,710	\$ 65,948,386 ¹
35	\$ 47,510,511	41	\$ 1,636,720	\$ 67,105,511 ¹
36	\$ 48,657,446	42	\$ 1,625,058	\$ 68,252,446 ¹
37	\$ 49,794,728	43	\$ 1,613,715	\$ 69,389,728 ¹
38	\$ 50,922,849	44	\$ 1,602,678	\$ 70,517,849 ¹

¹ Includes FY21 WPN - \$19,595,000

Subject: Cooperative Engagement Capability

Citation: H. Rpt. 117-88, p. 271, Line 202; S. Rpt. 117-XXX, p. 173, Line 202

Appropriations: RDTEN

Summary: The House reduced the request by \$13.810M for FIRECAP excess growth (\$5.007M) and ELEKTRA excess growth (\$8.803M).

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>		<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>			
Cooperative Engagement Capability	176.5	162.7		176.5	176.5

Position/Impact: The Department opposes the House reduction.

The full \$6.451M FY22 FIRECAP funding and \$17.605M FY22 ELEKTRA funding is required to initiate the FIRECAP and ELEKTRA development efforts in FY22 and maintain CEC Block II program timeline. FIRECAP was previously marked \$1.8M in FY21. ELEKTRA transition was previously postponed to FY22. The CEC Block II program development is in progress with incremental capability deliveries planned FY22-FY26. These reductions to FIRECAP and ELEKTRA impact the ability to align development efforts and incremental capability deliveries with the ongoing CEC Block II effort. These reductions will require re-planning of the CEC Block II capability deliveries and will delay the integration of Artificial Intelligence/Machine Learning algorithms into CEC and subsequent delivery to the Fleet in accordance with the Naval Operational Architecture (NOA).

CEC Block II has been established as an ACAT II program that will be the first instantiation of CEC capability improvements described in the CEC Increment II CDD. The CEC Block II capabilities include support for real-time sensor and weapons coordination algorithms using artificial intelligence and machine learning to counter complex multi-domain raids of targets, closely spaced targets, and maneuvering targets. Addressing these new and significantly more stressing scenarios is a critical element of the Naval Operational Architecture (NOA).

FIRECAP funding is part of the approved CEC Block II budget and is intended to provide support for real-time sensor and weapons coordination algorithms. CEC Block II is scheduled for Initial Operational Capability (IOC) in FY24 and Full Operational Capability (FOC) in FY26. CEC Block II development began in FY20 with completion of a System Requirements Review (SRR) and completed Systems Functional Review (SFR) in early FY21.

The House reduction of \$5.007M will delay FIRECAP integration with CEC Block II development, and will result in the following impacts:

- Tight coupling/interdependencies between CEC BLK II capabilities necessitates the design/development of all capabilities simultaneously; capabilities designed/developed separately will introduce significant inefficiencies/rework.
- Delay fielding of this capability in support of the NOA by a minimum of one year.

- Delay fielding of this capability beyond the planned FY24 IOC and FY26 FOC dates by a minimum of one year.

The House reduction of \$8.803M in ELEKTRA will cause delays to the introduction of real-time Artificial Intelligence/Machine Learning algorithms into the Fleet. ELEKTRA is addressing multi-domain threats that can overwhelm individual platforms ability to defend the force by prototyping 1st Generation "Human-on-the-Loop" Artificial Intelligence (AI)-enabled algorithms and applications to perform force level kinetic/non-kinetic kill chain optimization and coordination across multiple domains at machine-to-machine speeds. The program will begin to transition incremental ELEKTRA functionality into CEC starting in FY22, with the initial development of interfaces to provide CEC's common track data (number, kinematics, and ID), information on local and remote platform locations and other auxiliary information needed by ELEKTRA. The FY22 reduction will delay integration of capabilities developed under ELEKTRA with CEC Block II and FIRECAP development and will cause software development inefficiencies and rework.

The Department urges support of the Senate position.

Subject: JT Tactical Radio System (JTRS)

Citation: H. Rpt. 117-88, p. 269, Line 120; S. Rpt.117-XXX, p. 171, Line 120

Appropriations: RDTEN

Summary: The House reduced the request by \$5.907M due to Contract Delay.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
JT TACTICAL RADIO SYSTEM (JTRS)	234.4	228.5	234.4	234.4

Position/Impact: The Department opposes the House reduction.

The Department already corrected the funding profile in FY21 to account for the MIDS contract delay for the depot expansion development, with a \$7M reduction in the FY21 Omnibus Reprogramming (FY21-11PA). This FY21 reduction did not impact other MIDS development efforts (MIDS Modernization and Tactical Targeting Network Technology). The depot expansion contract for test bench and test stations were awarded in September 2021.

The proposed reduction of \$5.907M in FY22 would be a second and repeat reduction due to the contract delay. The Depot contract was awarded in September 2021 (firm fixed price) with all the available funding remaining for the Depot effort. All remaining Depot funds are obligated and thus there is no excess from this effort. The proposed FY22 reduction of \$5.907M will delay test bench development and would reduce the DoD cost savings of \$54.8M to the various platforms that can utilize the depot. This impact will begin to impact Tactical Targeting Network Technology also if the depot expansion is not completed. Those development efforts are focused on strengthening the DoD's security posture and implementing critical capability necessary to shorten the decision kill chain to ensure information superiority in contested environments.

The Department urges support of the Senate position.

Subject: JT Tactical Radio System (JTRS)

Citation: H. Rpt. 117-88, p. 269, Line 120; S. Rpt.117-XXX, p. 171, Line 120

Appropriations: RDTEN

Summary: The House reduced the request by \$5.907M due to Contract Delay.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
JT TACTICAL RADIO SYSTEM (JTRS)	234.4	228.5	234.4	234.4

Position/Impact: The Department opposes the House reduction.

The Department already corrected the funding profile in FY21 to account for the MIDS contract delay for the depot expansion development, with a \$7M reduction in the FY21 Omnibus Reprogramming (FY21-11PA). This FY21 reduction did not impact other MIDS development efforts (MIDS Modernization and Tactical Targeting Network Technology). The depot expansion contract for test bench and test stations were awarded in September 2021.

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The Department urges support of the Senate position.

Subject: ISR & Info Operations

Citation: H. Rpt. 117-88, p. 271, Line 174; S. Rpt. 117-XXX, p. 172, Line 174

Appropriations: RDTEN

Summary: The House reduced the request by \$2.359M due to Spectral Unjustified Growth

	<u>Budget Authority</u> (Dollars in Millions)			
<u>Item</u>	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Recommendation</u>
ISR & INFO OPERATIONS	136.1	133.8	136.1	136.1

Position/Impact: The Department opposes the House reduction.

The FY22 increase supports multiple Radio Frequency (RF) aperture development and interface efforts, as well as topside antenna development to meet multi-mission needs, shore and ship testing, and to complete studies, development, and integration to realize increased frequency band operability. In addition, funds will be used to procure additional Production Representative Article (PRA) equipment and up front, long-lead item topside components for two base PRA systems. Lastly, the increase of funding will focus on identifying and validating a Continuous Integration/Continuous Deliver (CI/CD) pipeline on the Sensitive Compartmented Information (SCI) enclave. During the PB22 budget cycle, ISR and INFO OPERATIONS realigned \$7.3M of FY22 Other Procurement to RDTEN to mitigate a Spectral Program Office Estimate identified shortfall to the program (Cost Analysis Estimate Division (CAED) Serial U267-19 28 Aug 2019) in support of the Development Request for Proposal Decision.

The program is currently on track with developing Production Representative Articles (PRAs). The reduction cuts the PB22 reprogramming action and jeopardizes efforts needed to meet Minimum Viable Product requirements and both OPNAV and Fleet priorities for maritime Cryptologic Warfare and Signals Intelligence mission areas in the scheduled timeframes.

The reduction will directly affect the following:

- System engineering to modify, enhance, and integrate Radio Frequency (RF) apertures required to meet Spectral's mission requirements
- Combat Systems integration to exchange data with both Aegis Weapons Systems and Ship's Self Defense Systems
- Cross Domain Solution (CDS) rule set development to perform all management and developmental processes within the ship
- Completion of the DevSecOps CI/CD pipeline transition to the SCI enclave to support Spectral's modular and remotable requirements for rapidly fielding capabilities to the Fleet

Further details are available at higher classification. The department urges support of the Senate position.

Subject: Anti-ship Missile Decoy System

Citation: H. Rpt. 117-88, p. 197, Line 113; S. Rpt. 117-XXX, p. 113, Line 113

Appropriations: OPN

Summary: The House reduced the request by \$3.357M based on Rocket Motor Assembly (RMA) previously funded.

<u>Item</u>	<u>Budget</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>	<u>Senate</u>	<u>Recommendation</u>
		<u>House</u>		
Anti-ship Missile Decoy System	77.0	73.6	77.0	77.0

Position/Impact: The Department opposes the House reduction.

During FY21, RMA procurements were reduced from 74 to 45 to support realignment of \$3.357 million to procure five modified payloads to address a critical Fleet capability gap (classified) in Nulka payloads.

A \$3.357M reduction in FY22 will inhibit the program's ability to procure RMAs under an existing Australian contract. Reductions in planned procurement quantities will cause the Australian government to enter into contract renegotiations for a reduced Rocket Motor quantity. This action will result in a higher contract unit cost, a delayed contract option award, and delayed delivery schedules.

RMAs are a critical component of the Nulka decoy. Due to RMAs reaching end of useable life (25 years) and without new procurements in FY22, the program will be unable to maintain operational Nulka decoys for Fleet deployments of the primary critical anti-ship missile protection capability.

The Department urges support of the Senate position.

Subject: Combat Communications and Electronic Warfare (1C1C)

Citation: H. Rpt. 117-88, p. 74, Line 130; S. Rpt. 117-XXX, p. 41, Line 130

Appropriations: OMN

Summary: The Senate reduced the request by \$50M for program decrease unaccounted for.

<u>Item</u>	<u>Budget Authority</u> (Dollars in Millions)				<u>Recommendation</u>
	<u>Budget</u>	<u>House</u>	<u>Senate</u>		
Combatant Communications and Electronic Warfare	\$1,551.8	\$1,551.8	\$1,501.8		\$1,551.8

DoD Position/Impact: The Department opposes the Senate reduction.

The reduction would have negative impacts to multiple programs and capabilities including NIPR/SIPR networks, critical communication capabilities in Djibouti, Planning and Decision Aid System (PDAS), In-Service Engineering Agent (ISEA) teams, Radar Restoration, Air and Missile Defense Radar (AMDR), Dual Band Radar (DBR), Core Network Cybersecurity, Ship Self Defense System (SSDS), Navigation System Maintenance, and Common Aviation Command and Control System (CAC2S) programs.

Networks and Critical Communications: Proposed reductions would result in decreased support to Networks and critical communications capabilities in Djibouti and users residing at Camp Lemonier, including AFRICOM, CENTCOM, SOCOM, TRANSCOM, Combined Joint Task Force (CJTF) Horn of Africa, USAF Special Operations Command, NAVAFA, CNEURAFCENT, NAVFAC, Camp Lemonier Djibouti (CLDJ) Base Commander, and the Defense Health Agency along with the inability to support the CLDJ AFRICOM NIPR/SIPR networks.

This will result in the operational commands listed above being unable to perform tasks to execute assigned missions. The majority of missions supported out of Camp Lemonier are Joint and tactical. The proposed reduction would also result in loss of base-level communications and Technical Control Facility/Outside Plant and Base Communications Office operations and maintenance because funding would be insufficient to support repairs to restore services following telephone switch hardware and/or cable failures, no physical security/access control to protect telecomm facilities, and no Information Assurance support.

In-Service Engineering Agent (ISEA) Teams and Radar Restoration Programs: Funding reductions to the In-Service Engineering Agent (ISEA) would decrease helpdesk response time, ultimately reducing tier-2 and tier-3 support and inhibiting ability to mitigate future risks through training, logistics, and configuration management support.

Moreover, a reduction in funding would result in the delay of crucial sustainment efforts for the In-Service Engineering Agent (ISEA) and Radar Restoration for AN/SPQ-9B, AN/SPS-40, AN/SPS-48, AN/SPS-49, AN/SPS-55, AN/SPS-67, AN/SPS-73, AN/SPS-74 and AN/SPS-77). Funding cuts will defer the maintenance of an AN/SPS-48 antenna/pedestal to FY23 as well as reduce engineering and contracting support for the Radar Restoration and ISEA programs. This will contribute to delayed

deliveries of required radar systems and will result in deferred procurement of several long lead materials, further delaying the restoration of antennas/pedestals. ISEA and Radar Restoration contractor personnel layoffs will impact the number of Subject Matter Experts (SMEs), experienced radar equipment technicians, parts and inventory specialists, and technical writers that support procedure development and maintenance, and subsequently would have an adverse impact on the Fleet. The reduction will also reduce the ISEA's ability to respond quickly to Fleet casualties, either through onboard/remote technical assistance or supply support.

Air and Missile Defense Radar (AMDR) Program: A reduction in funding would prevent the completion, validation, and delivery of training and maintenance documentation needed by DDG 125. Necessary corrections to identified software defects would be deferred resulting in increased risk of radar functionality not being able to support DDG 125 sea trials.

Dual Band Radar (DBR) Program: A reduction in DBR funding will impact support during CVN78 Planned Incremental Availability (PIA), Post-PIA underway, and Post Delivery Test & Trials (PDT&T) test activities associated with fixing software defects underway, testing radar builds, limited test team personnel, and the inability to support shipboard test plans. Also, the reduction will eliminate shipboard analysis capability to support real-time diagnostics of issues and will limit support to CVN78 at-sea test activities and related data analysis. Shipboard analysis capability underway will also be eliminated to support real-time diagnostics of issues or post-event data analysis to confirm performance at required levels or causes of degraded performance.

Core Network Cybersecurity: A reduction will reduce ability to complete required cybersecurity engineering & Risk Management Framework (RMF) support necessary to meet operational requirements for Littoral Combat Ship (LCS) in-service ships and maintain a moderate risk posture which could result in a Denial Authority to Operate (DATO) against the core LCS network being issued. If a DATO is issued, the core network will have to be turned off and be non-operational. Failure to maintain and modernize the LCS cyber posture precludes the platform/elements ability to connect to the DOD Information Network (DoDIN). These disruptions result in the inability for combat, navigation, C4I, and HM&E systems to communicate and support LCS missions. These systems are reliant on the core network for Defense in Depth and network transport. Ships will be unable to deploy and certify their systems for deployment.

Loss of cybersecurity engineering will severely impair fleet forces ability to implement patch sets, placing LCS into non-compliance leaving the warfighter and warship vulnerable to cybersecurity attacks and unable to meet required combat system and weapons systems certifications.

Ship Self Defense System (SSDS): The reduction will negatively impact the pre-installation inspection and check-out for all SSDS ships entering an availability where modernization or repair of any integrated combat system element is scheduled. Additionally, the decrease will reduce post-delivery activities, to expedite light-off of the integrated combat system as ships exit the availability. The funding decrease will result in a decrease in resolution of latent software defects, increasing the repair backlog. The delivery of mandatory software updates will decrease on CVN/LHD/LHA/LPD/LSD class ships, and supporting shore sites will not receive mandatory updates of delivered software. Operator workarounds will increase.

The reduction will decrease the support to and maintenance of the SSDS Land Based Development Sites (LBTS) impacting SSDS development, integration, and certification testing efforts.

Navigation System Maintenance: The funding reduction will negatively impact the operation and maintenance support of Electronic Charting Display and Information System (ECDIS), which is a critical system required for safe navigation at sea as noted in the 2017 report from United States Fleet Forces' Comprehensive Review Team. The funding is needed to provide technical and logistics support to maximize the system operational availability and ensure that the Sailors can properly maintain and operate the ECDIS equipment. The mark will significantly limit the In-Service Engineering Agent's (ISEA) ability to provide key Fleet support.

Common Aviation Command and Control System (CAC2S): The funding reduction will reduce the ability to support/resolve Fleet issues as well as delay mandatory updates of delivered information assurance software releases.

Planning and Decision Aid System (PDAS): A funding reduction for PDAS would inhibit direct industry partner action in providing operational planning capacity for integration of Special Access Program (SAP) capabilities by Combatant Commands (COCOMs), their components, Services and coalition partners, and reduce participation and coordination with the Intelligence Community. This reduction in capacity would come at a time when the Joint Staff demand signal indicates a requirement of Additional sites.

The Department urges the support of the House position.

Subject: Administration (4A1M)

Citation: H. Rpt. 117-88, p. 77, Line 440; S. Rpt 117-XXX, p. , Line 440

Appropriations: Operations and Maintenance, Navy (OMN)

Summary: The House reduced the request by \$3M for Unjustified Growth and increased the request by \$25M for Naval Audit Service. The Senate reduced the request by \$25M for Unjustified Increase.

<u>Item</u>	<u>Budget Authority</u> (Dollars in Millions)				<u>Recommendation</u>
	<u>Budget</u>	<u>House</u>	<u>Senate</u>		
Administration	\$1,269	\$1,291	\$1,244		\$1,291

Position/Impact: The Department opposes the Senate reduction.

This proposed reduction will hinder multiple DON efforts including: 1) efforts to sustain organic audit capability and risk DON's ability to obtain a clean audit opinion in FY2027; 2) efforts to develop a prevention workforce able to address Sexual Assault Prevention and Response (SAPR); 3) Suicide Prevention efforts; and 4) efforts directed by SECNAV and CNO to relocate and construct a Smithsonian-quality service-equivalent National Museum of the U.S. Navy Campus.

Efforts to sustain organic audit placing DON at risk of not obtaining a clean audit opinion in FY2027: The Department is currently undergoing its fourth year of full financial statement audits, involving rigorous examinations of the DON business environment. A reduction in FY22 funding will significantly deter the progress toward completion of audit remediation activities. This reduction will slow down needed improvements in inventory accuracy and planned 100 percent visibility of worldwide Operating Materials and Supplies; thus, widest-possible global availability of battle-ready assets to support warfighters will be slowed. In addition, continued progress planned for FY22 in the inventory and valuation of buildings and property, resulting in more-accurate cost estimates for maintenance and replacement, will be delayed. The following business process modernizations and associated system infrastructure will be negatively impacted: strengthening system safeguards against unauthorized access and activity; continued consolidation of accounting systems by replacing legacy systems with modern, more capable and auditable systems; and continued strengthening of internal controls to improve accountability, standardization, and compliance with laws and policies.

Efforts to develop a prevention workforce able to address sexual assault prevention and response (SAPR): Development of an integrated prevention workforce aligns with both the recent findings of the Independent Review Commission on Sexual Assault in the Military (IRC) and the Department of Defense Sexual Assault Prevention and Response Office (DoD SAPRO) Prevention Plan of Action.

This effort has been approved for immediate implementation by the Secretary of Defense. A significant finding of the IRC report was that effective prevention of sexual assault, sexual harassment and other forms of violence requires the time and dedication of full-time personnel with specific skills, knowledge, and public health expertise. For the DON, developing a holistic model for integration of a dedicated prevention workforce will increase capacity to address

primary prevention needs, and leverage this expertise across programs to ensure more effective and efficient strategies to improve outcomes.

A reduction in funding will delay the hiring and training of key prevention personnel and threaten the ability to implement critical integrated prevention strategies, proactively address negative behaviors, and reduce the incidence of sexual assault, sexual harassment, and other forms of violence across the Fleet. Moreover, this funding reduction increases the risk of DON non-compliance with Secretary of Defense - and anticipated congressional - requirements to immediately implement all IRC recommendations to diminish the scourge of sexual assault and sexual harassment in the military.

Suicide Prevention Efforts: The Navy Suicide Prevention Program requires full funding to execute new and existing Congressional and DoD program requirements. These include an expanded multi-disciplinary case review, program alignment with the Centers for Disease Control prevention strategy, and expanded focus on lethal means safety. Funding ensures compliance with Congressional and Department mandates, alignment with the Centers for Disease Control's prevention strategy, and a robust lethal means safety program that reduces the risk of suicide deaths. Loss of Sailors to suicide presents a readiness cost that outweighs any benefit of not funding the program.

A reduction in the Suicide Prevention Program would seriously impede the individual Sailor readiness efforts required to support effective stress mitigation and suicide prevention strategy (leadership engagement, skills-based training, community coordination, and strategic communications). It will also degrade mission effectiveness, Sailor and family morale, and ongoing research and surveillance efforts at a time when increased prevention efforts are needed.

Efforts directed by the SECNAV and CNO to relocate and construct a Smithsonian-quality service-equivalent National Museum of the U.S. Navy Campus. The funding reduction will delay the opening of the museum to the public in 2025, the Navy's 250th Birthday as directed by the CNO and current SECNAV.

Any reduction to the Navy History and Heritage Command's (NHHC) Museum Campus Program Office (CPO) budget would constitute a mission failure for the SECNAV and CNO-directed goal of opening Phase I of the Museum Campus by 2025. Funding will remain for basic contract support and to execute a conceptual design competition, but the planned detailed construction and exhibit design work will not be funded as required this year. Remaining funding represents the absolute minimum necessary to continue land acquisition support, appropriate support to the foundation responsible for the fundraising, and minimal design planning.

The ability of CPO personnel to travel for community working groups to support the design process will be cut more than 50%. The CPO's inability to travel to fleet concentration areas and engage with waterfront sailors in focus groups will directly impact creative decisions being made about museum galleries and artifact selection.

A planned study on the necessary IT infrastructure required by a modern state-of-the-art museum, and specifically how that architecture would be constructed in the context of a government/military IT system, will be deferred to a future FY. This will have a direct impact on

the ability to design modern, tech-intensive, immersive museum buildings and galleries and create an impactful visitor experience that reflects positively on the United States Navy.

All work associated with vacating the current museum building and transferring the collection to the new campus will be deferred to future fiscal years. This includes money set aside for removing artifacts from display, conserving and packing them, performing restorative work when necessary, and preparing them for transport.

Furthermore, contracting requirements for conceptual design studies, exhibit planning, IT/digital infrastructure and related programs will be further delayed. This effort is a private party collaboration. They are relying on the Department of Navy to provide full support as they work toward raising funds to construct the museum. Lack of effort shown by the DON could result in lack of effort on the part of our private partners, (e.g. foundations, the District of Columbia, Congressional approvals and support.).

The Department urges the support of the House position.