

The Senate Committee on Appropriations released their version of the FY2018 Defense Appropriations bill. It supports \$581.3 billion in base Department of Defense funding, \$15.4 billion above the President's budget request, and \$64.9 billion in Overseas Contingency Operations (OCO) funding, roughly equal to the President's budget request. The bill funds a 2.4 percent pay raise for military personnel as authorized by the 2018 National Defense Authorization Act. Overall, it increases Navy and Marine Corps procurement by about \$5.1 billion. Highlights are below.

Ships

- \$673 million is included to repair damage to and restore operational readiness of two Navy destroyers, *USS John S. McCain* and *USS Fitzgerald*. The bill also provides an additional \$23 million to begin implementing the recommendations of the Comprehensive Review of Recent Surface Force Incidents.
- \$21.8 billion for Navy shipbuilding programs, \$1.4 billion above the President's request but still below the Navy League's recommended \$25 billion level.
- The bill funds the construction of 10 new ships:
 - one aircraft carrier
 - two Virginia class submarines
 - two DDG-51 destroyers
 - two Littoral Combat Ships
 - one LXR/LPD amphibious warship
 - one Expeditionary Fast Transport ship
 - one T-AGS oceanographic survey ship.
 - Advance procurement activities for Ohio class and Virginia class submarines. Adds \$175 million in the Shipbuilding account for submarine industrial base expansion in support of Navy efforts to implement action plans to improve readiness assessments of critical suppliers for the Columbia-class and Virginia-class submarine efforts shipbuilding enterprise and overall expresses some concern about ensuring readiness of the submarine industrial base and warns against schedule delays. Adds \$25M for Columbia-class advanced materials propeller program.

- Adds five ship-to-shore connectors for eight total
- \$175 million for the expansion of the submarine industrial base and \$150 million to accelerate procurement of a Heavy Polar Icebreaker.
- Expresses concern that the Navy's program of record reflects a seven year planned break in production between LHA 8 and 9, creating inefficiencies, and notes that the Navy proposed acceleration plans for other ship classes but not any amphibious assault ships and ask the Navy for a few reports on acceleration options and the impacts of the seven year break.
- Adds \$20M to accelerate the FFG (X) frigate acquisition by one year due to the contested threat environment.

Aircraft Procurement. The following are above the Administration's request.

- Adds \$1.0 billion for four F-35 carrier variant and four F-35 vertical take-off Joint Strike Fighters over request (Navy & Marine Corps)
- Adds \$739 million for 10 F-18 Super Hornet aircraft (Navy) over request
- \$495 million for six V-22 helicopters (four for the Marine Corps & two for Navy) over request
- \$400 million for eight MH-60R helicopters (Navy)
- \$343 million for four KC-130J tanker aircraft over request (Marine Corps)
- Adds \$250 million for two CH-53K King Stallion helicopters (Marine Corps) over request
- Adds \$19.6M for lead long for 5 E-2D Advance Hawkeye for aircraft to be procured FY2019
- Adds funds for spares for KC-130J and CH-53K

Other

- Adds 1,000 Marines to end strength
- Adds funds to investigate T-45 and F/A-18 physiological issues
- Adds \$870.3M in Navy Operations & Maintenance

- Cuts \$92.4M in Marine Corps Operations & Maintenance, mostly for unjustified growth
- Cuts \$22M from Navy RDTE
- Zeros out the National Defense Sealift fund, but transfers \$147M to Ship Prepositioning and Surge O&M and \$289.3M to Ready Reserve Force O&M. They state again they do not believe ships should be funded from this account, but states “the Committee supports the recapitalization of the National Defense Reserve Fleet for the Maritime Administration’s national defense and national emergencies mission. Therefore, the Committee directs the Secretary of Defense, in consultation with the Maritime Administrator, to provide to the congressional defense committees a revised acquisition strategy related to vessels, alteration, and conversion of vessels that support the National Defense Reserve Fleet.”
- Directs the Navy to use provided O&M funds to pay overhead costs incurred at a Naval Shipyard when drydocking U.S. Coast Guard ships
- Directs the Navy to induct classes of at least 100 apprentices at each of the naval shipyards.
- Notes that the Committee is waiting for a NAVSEA analysis to improve their graving docks and encourages them to consider mobile floating dry docks
- Maintains five-year multi-year procurement limit
- Rescinds funds from the Navy’s Weapons account, small acquisition accountability cuts in most lines
- Adds \$25M to the Navy-Marine Corps Ammunition account
- Funds the ACV, but expresses concern over its status, particularly its aggressive testing schedule
- Adds \$15M for Navy renewable energy research
- Adds funds for maritime port security threat research