



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# Navy LX(R) Amphibious Ship Program: Background and Issues for Congress

(name redacted)

Specialist in Naval Affairs

March 14, 2017

**Congressional Research Service**

7-....

[www.crs.gov](http://www.crs.gov)

R43543

## Summary

The LX(R) program is a program to build a new class of 11 amphibious ships for the Navy. The Navy wants to procure the first LX(R) in FY2020. LX(R)s are to replace 12 aging Whidbey Island/Harpers Ferry (LSD-41/49) class amphibious ships, the first of which will reach age 40 in 2025. The design of the LX(R) is to be derived from the design of the Navy's San Antonio (LPD-17) class amphibious ships, the 12<sup>th</sup> of which was procured in FY2016.

The Navy's proposed FY2017 budget requests \$6.4 million in research and development funding for the LX(R) program. Congress for FY2016 provided \$29 million in additional research and development funding and \$250 million in additional advance procurement (AP) funding to accelerate the procurement of the first LX(R) from FY2020 to an earlier year.

Congress for FY2016 provided \$29 million in additional research and development funding and \$250 million in additional advance procurement (AP) funding to accelerate the procurement of the first LX(R) from FY2020 to an earlier year, so as to reduce the gap in time between the end of LPD-17 production and the start of LX(R) production.

An issue for Congress for FY2017 is whether to further reduce the gap in time between the end of LPD-17 production and the start of LX(R) production by

- funding the procurement of a 13<sup>th</sup> LPD-17 class ship (i.e., LPD-29) in FY2018; and/or
- further accelerating the start of LX(R) production by providing additional LX(R) research and development funding and/or additional advance procurement (AP) funding.

## Contents

Introduction .....	1
Background .....	1
Strategic and Budgetary Context.....	1
Amphibious Ships in General .....	1
Roles and Missions of Amphibious Ships .....	1
Types of Amphibious Ships .....	2
Amphibious Lift Goal.....	2
Existing Force of LSD-41/49 Class Ships.....	3
LX(R) Program .....	4
Total of 11 Ships Envisaged.....	4
Program Schedule .....	4
Program Funding .....	5
Unit Procurement Cost Target.....	5
Analysis of Alternatives (AoA) .....	5
Design Based on LPD-17.....	6
Contract Design Work.....	7
Builder or Builders.....	9
Potential Block Buy Contract .....	9
12 <sup>th</sup> LPD-17 Class Ship.....	9
Issues for Congress.....	10
FY2017 Funding for LX(R) and 13 <sup>th</sup> LPD-17 .....	10
Funding Procurement of a 13 <sup>th</sup> LPD-17 (i.e., LPD-29) .....	10
Funding for Further Accelerating Start of LX(R) Procurement.....	10
Legislative Activity for FY2017.....	14
Summary of Congressional Action on FY2017 Funding Request .....	14
FY2017 National Defense Authorization Act (H.R. 4909/S. 2943/P.L. 114-328) .....	15
House .....	15
Senate.....	16
Conference.....	17
FY2017 DOD Appropriations Act (H.R. 5293/H.R. 1301).....	17
House .....	17
Senate.....	17
Conference .....	18

## Figures

Figure 1. LSD-41/49 Class Ship.....	4
Figure 2. Notional Artist’s Rendering of LX(R).....	8

## Tables

Table 1. LX(R) Program Funding .....	5
Table 2. Summary of Congressional Action on FY2017 Funding Request.....	14

## **Contacts**

Author Contact Information ..... 18

## Introduction

This report provides background information and issues for Congress on the LX(R) amphibious ship program, a Navy program to build a new class of 11 amphibious ships. The Navy wants to procure the first LX(R) in FY2020. Decisions Congress makes on the LX(R) program will affect Navy capabilities and funding requirements, and the U.S. shipbuilding industrial base.

## Background

### Strategic and Budgetary Context

For an overview of the strategic and budgetary context in which the LX(R) program and other Navy shipbuilding programs may be considered, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by (name redacted) .

### Amphibious Ships in General

#### Roles and Missions of Amphibious Ships

The primary function of Navy amphibious ships is to lift (i.e., transport) U.S. Marines and their equipment and supplies to distant operating areas, and enable Marines to conduct expeditionary operations ashore in those areas. Although amphibious ships are designed to support Marine landings against opposing military forces, they are also used for operations in permissive or benign situations where there are no opposing forces. Due to their large storage spaces and their ability to use helicopters and landing craft to transfer people, equipment, and supplies from ship to shore without need for port facilities,<sup>1</sup> amphibious ships are potentially useful for a range of combat and non-combat operations.<sup>2</sup>

---

<sup>1</sup> Amphibious ships have berthing spaces for Marines; storage space for their wheeled vehicles, their other combat equipment, and their supplies; flight decks and hangar decks for their helicopters and vertical take-off and landing (VTOL) fixed-wing aircraft; and well decks for storing and launching their landing craft. (A well deck is a large, garage-like space in the stern of the ship. It can be flooded with water so that landing craft can leave or return to the ship. Access to the well deck is protected by a large stern gate that is somewhat like a garage door.)

<sup>2</sup> Amphibious ships and their embarked Marine forces can be used for launching and conducting humanitarian-assistance and disaster-response (HA/DR) operations; peacetime engagement and partnership-building activities, such as exercises; other nation-building operations, such as reconstruction operations; operations to train, advise, and assist foreign military forces; peace-enforcement operations; non-combatant evacuation operations (NEOs); maritime-security operations, such as anti-piracy operations; smaller-scale strike and counter-terrorism operations; and larger-scale ground combat operations. Amphibious ships and their embarked Marine forces can also be used for maintaining forward-deployed naval presence for purposes of deterrence, reassurance, and maintaining regional stability.

Although the Marines have not conducted a large-scale amphibious assault against opposing military forces since the Korean conflict, Marine Corps officials stated in 2008 that about 85 U.S. amphibious operations of other kinds were conducted between 1990 and April 2008. (Source: Marine Corps briefing to CRS on April 25, 2008.) In addition, presenting the potential for conducting an amphibious landing can generate tactical benefits, even if the landing is not carried out. During the 1991 Persian Gulf conflict, for example, the potential for conducting an amphibious landing by a force of about 17,000 Marines embarked on amphibious ships in the Persian Gulf tied down several Iraqi divisions in coastal-defense positions. Those Iraqi divisions' positions were not available for use against U.S.-coalition ground forces moving north from Saudi Arabia. (See CRS Report 91-421, *Persian Gulf War: Defense Policy Implications for Congress*, coordinated by Ronald O'Rourke, p. 41 [May 15, 1991; out of print and available directly from the report coordinator.])

On any given day, some of the Navy's amphibious ships, like some of the Navy's other ships, are forward-deployed to various overseas operating areas. Forward-deployed U.S. Navy amphibious ships are often organized into three-ship formations called amphibious ready groups (ARGs).<sup>3</sup> On average, two or perhaps three ARGs might be forward-deployed at any given time. Amphibious ships are also sometimes forward-deployed on an individual basis to lower-threat operating areas, particularly for conducting peacetime engagement activities with foreign countries or for responding to smaller-scale contingencies.

## **Types of Amphibious Ships**

Navy amphibious ships can be divided into two main groups—the so-called “big-deck” amphibious assault ships, designated LHA and LHD, which look like medium-sized aircraft carriers, and the smaller (but still sizeable) amphibious ships designated LPD or LSD, which are sometimes called “small-deck” amphibious ships.

U.S. Navy amphibious ships have designations starting with the letter L, as in amphibious *landing*. LHA can be translated as landing ship, helicopter-capable, assault; LHD can be translated as landing ship, helicopter-capable, well deck; LPD can be translated as landing ship, helicopter platform, well deck; and LSD can be translated as landing ship, well deck. Whether noted in the designation or not, almost all these ships have well decks.<sup>4</sup> In the designation LX(R), the X means that the exact design of the ship has not yet been determined, and the R means it is intended as a replacement for existing ships.

The LHAs and LHDs have large flight decks and hangar decks for embarking and operating numerous helicopters and vertical or short takeoff and landing (V/STOL) fixed-wing aircraft, while the LSDs and LPDs have much smaller flight decks and hangar decks for embarking and operating smaller numbers of helicopters. The LHAs and LHDs, as bigger ships, in general can individually embark more Marines and equipment than the LSDs and LPDs.

## **Amphibious Lift Goal**

The Navy's 308-ship force structure goal calls for achieving and maintaining a 34-ship amphibious force that includes 11 LHA/LHA-type amphibious assault ships, 12 San Antonio (LPD-17) class amphibious ships, and 11 LSD/LX(R)-type amphibious ships (11+12+11).<sup>5</sup> Navy and Marine Corps officials had previously agreed that a 33-ship (11+11+11) force would minimally meet the Marine Corps' goal of having an amphibious ship force with enough combined capacity to lift the assault echelons (AEs) of 2.0 Marine Expeditionary Brigades (MEBs). A 33-ship force would include 15 amphibious ships for each MEB, plus 3 additional ships to account for roughly 10% of the amphibious ship force being in overhaul at any given time. In February and March 2015 testimony, the Navy has explained that the 33-ship (11+11+11)

---

<sup>3</sup> An ARG notionally includes three amphibious ships—one LHA or LHD, one LSD, and one LPD. These three amphibious ships together can embark a Marine expeditionary unit (MEU) consisting of about 2,200 Marines, their aircraft, their landing craft, their combat equipment, and about 15 days' worth of supplies. ARGs can operate in conjunction with carrier strike groups (CSGs) to form larger naval task forces; ARGs can also be broken up into individual ships that are sent to separate operating areas.

<sup>4</sup> The exceptions are LHAs 6 and 7, which do not have well decks and instead have expanded aviation support capabilities. For an explanation of well decks, see footnote 1.

<sup>5</sup> For more on the Navy's 308-ship force-level objective, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by (name redacted) .

requirement had been revised to a 34-ship (11+12+11) requirement to reflect the procurement in FY2016 of a 12<sup>th</sup> LPD-17 class ship.<sup>6</sup>

Marine Corps and Navy officials also agree that a 38-ship amphibious force would more fully meet the Marine Corps' 2.0 MEB AE amphibious lift requirement. Such a force would include 17 amphibious ships for each MEB, plus 4 additional ships to account for ships in overhaul. Although a 38-ship force would more fully meet the Marine Corps' lift requirement, the Navy and Marine Corps agreed to accept the operational risks associated with having a 33-ship (now 34-ship) force rather than a 38-ship force as a means of living within fiscal constraints.<sup>7</sup>

The requirement for a force of 34 or 38 amphibious ships relates primarily to meeting wartime needs for amphibious lift. Navy and Marine Corps officials have also testified that fully meeting U.S. regional combatant commander (COCOM) requests for day-to-day forward deployments of amphibious ships would require a force of 50 or more amphibious ships. For example, in testimony to the Seapower and Projection Forces subcommittee of the House Armed Services Committee on February 25, 2015, Marine Corps Lieutenant General Kenneth J. Glueck, Jr., Deputy Commandant for Combat Development and Integration and Commanding General of the Marine Corps Combat Development Command, stated that the number needed to fully meet COCOM demands for forward-deployed amphibious ships is "close to 54."<sup>8</sup>

## **Existing Force of LSD-41/49 Class Ships**

The Navy's existing force of LSD-type ships includes 12 Whidbey Island/Harpers Ferry (LSD-41/49) class ships (**Figure 1**).<sup>9</sup> These ships were procured between FY1981 and FY1993 and entered service between 1985 and 1998. They have an expected service life of 40 years; the first ship will reach that age in 2025. The ships are about 609 feet long and have a full load displacement of about 16,800 tons. The class includes 12 ships because they were built at a time when the Navy was planning a 36-ship (12+12+12) amphibious force.

The first three LSD-41/49 class ships were built by Lockheed Shipbuilding of Seattle, WA, a firm that subsequently exited the Navy shipbuilding business. The final nine ships were built by Avondale Shipyards of New Orleans, LA, a shipyard that eventually became part of the shipbuilding firm Huntington Ingalls Industries (HII). HII has wound down Navy shipbuilding operations at Avondale and plans to have Avondale exit the Navy shipbuilding business. (HII continues to operate two other shipyards that build Navy ships—Ingalls Shipbuilding in Pascagoula, MS, and Newport News Shipbuilding in Newport News, VA.)

---

<sup>6</sup> See, for example, the spoken remarks of Vice Admiral Joseph P. Mulloy, Deputy Chief of Naval Operations for Integration of Capabilities and Resources, at a February 25, 2015, hearing on Department of the Navy acquisition programs before the Seapower and Projection Forces subcommittee of the House Armed Services Committee, and at a March 18, 2015, hearing on Navy shipbuilding issues before the Seapower subcommittee of the Senate Armed Services Committee, as reflected in the transcripts of the hearings.

<sup>7</sup> For a more detailed review of the 33- (now 34-) and 38-ship force structure requirements, see Appendix A of CRS Report RL34476, *Navy LPD-17 Amphibious Ship Procurement: Background, Issues, and Options for Congress*, which is an archived report.

<sup>8</sup> Source: Spoken testimony of Lieutenant General Glueck, as reflected in transcript of hearing.

<sup>9</sup> The class was initially known as the Whidbey Island (LSD-41) class. The final four ships in the class, beginning with *Harpers Ferry* (LSD-49), were built to a modified version of the original LSD-41 design, prompting the name of the class to be changed to the Harpers Ferry/Whidbey Island (LSD-41/49) class. Some sources refer to these 12 ships as two separate classes.

**Figure I. LSD-41/49 Class Ship**



**Source:** U.S. Navy photo accessed May 7, 2014, at [http://www.navy.mil/gallery\\_search\\_results.asp?terms=lsd+52&page=4&r=4](http://www.navy.mil/gallery_search_results.asp?terms=lsd+52&page=4&r=4). The Navy's caption for the photo states that the photo is dated July 13, 2013, and that it shows the *Pearl Harbor* (LSD-52) anchored off Majuro atoll in the Republic of the Marshall Islands during an exercise called Pacific Partnership 2013.

## LX(R) Program<sup>10</sup>

### Total of 11 Ships Envisaged

Consistent with the newly revised 34-ship amphibious force level goal, the Navy envisages building 11 new LX(R)s as replacements for the 12 LSD-41/49 class ships.

### Program Schedule

The Navy wants to procure the first LX(R) in FY2020 and the remaining 10 at a rate of 1 per year from FY2022 through FY2031.

The Navy's FY2012 budget submission scheduled the procurement of the first LX(R) for FY2017. The Navy's FY2013, FY2014, and FY2015 budget submissions deferred the scheduled procurement of the first LX(R) progressively, to FY2018, FY2019, and FY2020, respectively. The Navy's FY2017 budget submission, like its FY2016 and FY2017 submissions, schedules it for FY2020.

<sup>10</sup> The LX(R) program was previously referred to as the LSD(X) program; the designation was changed to LX(R) in 2012 to signal that the replacement for the existing LSD-41/49 class ships would be an amphibious ship that would best meet future Navy and Marine Corps needs, regardless of whether that turns out to be a ship that one might refer to as an LSD. For an article discussing the change in the program's designation, see Christopher P. Cavas, "Different Missions Might Await New USN Amphib," *DefenseNews.com*, November 12, 2012.



## Program Funding

**Table 1** shows LX(R) program funding for FY2015-FY2021. The procurement funding shown in the table in years prior to FY2020 is advance procurement (AP) funding for the first ship in the class, which is scheduled for procurement in FY2020. The funding figures for FY2016 reflect \$29 million in additional research and development funding and \$250 million in additional advance procurement (AP) funding provided by Congress as part of its action on the Navy’s FY2016 budget to help accelerate the procurement of the first LX(R) from FY2020 to an earlier year.

**Table 1. LX(R) Program Funding**  
Millions of dollars, rounded to nearest tenth

	FY15	FY16	FY17 (req.)	FY18 (proj.)	FY19 (proj.)	FY20 (proj.)	FY21 (proj.)
Research and development	32.5	75.5	6.4	8.7	4.1	9.4	9.6
Procurement	0	250.0	0	0	45.8	1,499.1	0

**Source:** Table prepared by CRS based on Navy FY2017 budget submission.

**Notes:** Research and development funding is Project 2474 (LX(R) Design and Total Ship Integration) within PE (Program Element) 0604454N (LX(R)). Procurement funding in years prior to FY2020 is advance procurement (AP) funding for the first ship in the class, which is scheduled for procurement in FY2020.

## Unit Procurement Cost Target

The Navy’s unit procurement cost targets for the LX(R) program are \$1,643 million in constant FY2014 dollars for the lead ship, and an average of \$1,400 million in constant FY2014 dollars for ships 2 through 11.<sup>11</sup>

## Analysis of Alternatives (AoA)

From the first quarter of FY2013 through March 2014, the Navy conducted an Analysis of Alternatives (AoA) to evaluate alternative design concepts for the LX(R). Concepts evaluated included

- the existing LPD-17 design (which apparently was included primarily as a baseline or reference design for helping the Navy to evaluate other LX(R) design concepts, because the Navy considers the existing LPD-17 design to be unaffordable for the purposes of the LX(R) program);<sup>12</sup>
- a modified (reduced capability/reduced-cost) version of the LPD-17 design;
- brand new (i.e., “clean-sheet”) designs; and
- foreign designs.

<sup>11</sup> Source: Navy briefing on the LX(R) program to CRS and Congressional Budget Office (CBO), March 23, 2015.

<sup>12</sup> A May 29, 2014, press report quotes Vice Admiral William Hilarides, the Commander of the Naval Sea Systems Command (NAVSEA), as stating, in connection with the AoA, that “an LPD-17 variant that’s built exactly like the current LPD-17 is off the table. It is unaffordable in the context of the ship we need to replace.” (As quoted in Sam LaGrone, “NAVSEA: Affordability Prompted Second Look at LX(R),” *USNI News* (<http://news.usni.org>), May 29, 2014. The same quote (without the final two words) appears in Kris Osborn, “Navy Considers Commercial Technology for New Amphib,” *DOD Buzz* ([www.dodbuzz.com](http://www.dodbuzz.com)), June 1, 2014.)

A June 1, 2014, press report stated that the Navy, as part of the AoA, considered incorporating commercial-ship components into the LX(R) design as a means of helping to minimize the ship's procurement cost.<sup>13</sup> The Navy used the results of the AoA to inform its decision on a preferred design solution for the LX(R).

HII, the builder of LPD-17 class ships, promoted a modified LPD-17 as the design solution for the LX(R) program, citing the capabilities of the LPD-17 hull design, the reduced up-front design costs of modifying an existing design compared to those of developing an entirely new design, and the potential benefits in terms of life-cycle operation and support (O&S) costs of building the LX(R) to a design that uses the same basic hull and many of the same components as the LPD-17 design. Marine Corps leaders, citing their satisfaction with the LPD-17 design, expressed support for a modified LPD-17 design as the design solution for the LX(R) program.<sup>14</sup> Other observers, noting that the LPD-17, with a full load displacement of about 25,000 tons, is considerably larger than the LSD-41/49 class ships, questioned whether a modified LPD-17 could meet the Navy's reported unit procurement cost target for the LX(R) program.

### Design Based on LPD-17

An October 20, 2014, press report stated that Secretary of the Navy Ray Mabus had signed a decision memorandum dated October 14, 2014, designating a design based on that of the Navy's San Antonio (LPD-17) class amphibious ship as the Navy's preferred alternative for the design of the LX(R). According to the press report, the decision memorandum had been previously signed by Admiral Jonathan Greenert, the Chief of Naval Operations (CNO), General Joseph Dunford, Commandant of the Marine Corps, General James Amos, former Commandant of the Marine Corps, and Sean Stackley, Assistant Secretary of the Navy for Research, Development and Acquisition. According to the press report, the decision memorandum stated that preliminary design efforts for the LX(R) would begin "immediately."<sup>15</sup>

A November 5, 2015, press report states

The Navy and Marine Corps were able to design an LX(R) dock landing ship replacement with greater capability for less money by starting with the higher-end San Antonio-class LPD-17 design, stripping away unneeded features and adding back in desired ones, service officials said last week....

Capt. Bryon Johnson, head of the amphibious warfare branch in the expeditionary warfare directorate (OPNAV N953), said at the same conference that his office is still

---

<sup>13</sup> Kris Osborn, "Navy Considers Commercial Technology for New Amphib," *DOD Buzz* ([www.dodbuzz.com](http://www.dodbuzz.com)), June 1, 2014.

<sup>14</sup> A group of 20 Marine Corps generals expressed support for the LPD-17 hull form as the design solution for the LX(R) program in a letter to the Senate Armed Services Committee dated March 25, 2014. See Lara Seligman, "Officials On LX(R): LPD-17 Design Is Best Fit For Marine Lift Requirements," *Inside the Navy*, April 7, 2014. See also Megan Eckstein, "Amos: LPD Hull Production Should Continue, Serve As LSD Replacement," *Inside the Navy*, April 15, 2013.

<sup>15</sup> Lara Seligman, "Mabus Signs Decision Memo: LPD-17 Variant Preferred Platform For LX(R)," *Inside the Navy*, October 20, 2014. See also Sam LaGrone, "Memo: Hull Based On San Antonio Design Is Navy's Preferred Option For Next Generation Amphib," *USNI News*, October 20, 2014; Lara Seligman, "Senior Navy Officials Tell Mabus LPD-17 Variant Is Best Option For LX(R)," *Inside the Navy*, October 13, 2014; Lara Seligman, "Senior Leadership Get Decision Brief On LX(R); MOA Expected This Month," *Inside the Navy*, October 6, 2014; Lara Seligman, "Navy Moving Forward With 'Paper Review' Of LX(R) Amphibious Program," *Inside the Navy*, September 22, 2014; Lara Seligman, "Navy: LX(R) Will Either Be Modified LPD-17 Or 'Completely New' Design," *Inside the Navy*, August 18, 2014.

working through descoping the LPD design and deciding how much capability to add back in, but he praised the process the Navy had chosen.

When the Navy first started thinking about an LSD replacement, “there was a lot of effort to try to gold-plate the ship. We wanted it to do everything,” Johnson said.

“We wanted it to be able to carry six connectors, surface connectors, we wanted it to be able to carry a greater number of Marine Corps aircraft to support vertical takeoff capability. And once we started adding all of that up, we realized very rapidly that there was no way that we’d be able to afford essentially what was going to be a new start ship design to replace our LSD 41/49 class.”

By starting with an existing ship design and avoiding the extensive engineering cost of beginning with a clean sheet, the Navy saved “enough cost that we were actually able to take that money... and reinvest it into the platform” in the form of additional capabilities today’s LSDs don’t have, such as command and control to support split and disaggregated operations.

Johnson said the program had to stay within a cost cap but said he was confident the first ship would stay within the cost cap and deliver on time.

Lt. Gen. Robert Walsh, who served as director of expeditionary warfare (OPNAV N95) until July, said at a Marine Corps Association event last month that, in fact, the Navy and Marine Corps had far surpassed cost-reduction goals while descoping the LPD design.

“We drove that to a cost cap that was given to us by [the chief of naval operations], and we, with our industry partners, with [Naval Sea Systems Command], drove in the right requirements. And we got the most we could possibly get out of that ship, and it almost looks like an LPD-17, and we got it well under the cost cap,” he said.

Current N95 Maj. Gen. Chris Owens said the approach is “attractive to [the Office of the Secretary of Defense] and it’s attractive on Capitol Hill” due to its efficiency. Ultimately, he said, it will “give us a bigger ship, greater capability, not only in size and capacity but also in things like aviation capability, the medical capability and perhaps most importantly in this day and age of split and disaggregated operations the command and control capability that the LSDs lack. And we can only do that because the LPD-17 program is a proven one.”<sup>16</sup>

**Figure 2** shows a notional artist’s rendering of the LX(R).

### **Contract Design Work<sup>17</sup>**

On June 25, 2015, the Navy issued a combined solicitation consisting of separate requests for proposals (RFPs) for

- the detailed design and construction (DD&C) of the first six ships in the TAO-205 class oiler program (previously known as the TAO[X] program);<sup>18</sup>

<sup>16</sup> Megan Eckstein, “Navy: LX(R) Will Be Cheaper, More Capable Thanks To Using San Antonio LPD Design As Starting Point,” *USNI News*, November 5, 2015.

<sup>17</sup> Source for this section: Navy briefing for CRS and Congressional Budget Office (CBO), March 23, 2015.

<sup>18</sup> The TAO-205 class program is a Navy program to procure a class of 17 new oilers. The first TAO-205 was procured in FY2016. For more on the TAO-205 class program, see CRS Report R43546, *Navy John Lewis (TAO-205) Class Oiler Shipbuilding Program: Background and Issues for Congress*, by (name redacted) .

- the detailed design and construction in FY2017 (and also procurement of long lead-time materials in FY2016) for an amphibious assault ship called LHA-8 that the Navy wants to procure in FY2017; and
- contract design support for the LX(R) program.<sup>19</sup>

**Figure 2. Notional Artist's Rendering of LX(R)**



**Source:** Notional artist's rendering posted by Huntington Ingalls Industries, accessed May 25, 2015, at [http://www.huntingtoningalls.com/images/slideshow/lxr\\_capture.jpg](http://www.huntingtoningalls.com/images/slideshow/lxr_capture.jpg).

The Navy limited bidding in this combined solicitation to two bidders—Huntington Ingalls Industries' Ingalls Shipbuilding (HII/Ingalls) and General Dynamics' National Steel and Shipbuilding Company (GD/NASSCO)—on the grounds that these are the only two shipbuilders that have the capability to build both TAO-205s and LHA-8. Under the Navy's plan for the combined solicitation, one of these two yards was to be awarded the DD&C contract for the first six TAO-205s, the other yard was to be awarded the DD&C contract (and procurement of long lead-time materials) for LHA-8, and the shipyard with the lowest combined evaluated price was to receive a higher profit on its DD&C contract<sup>20</sup> and also be awarded the majority of the LX(R) contract design engineering man-hours. GD/NASSCO was awarded the first six TAO-205s; HII/Ingalls was awarded LHA-8, and HII/Ingalls and GD/NASSCO were awarded 75% and 25%, respectively, of the contract design engineering man-hours.<sup>21</sup>

<sup>19</sup> Press reports describe it as a single RFP; see, for example, Sam LaGrone, "Navy Issues RFP for Oilers and LHA-8 to NASSCO, Ingalls," *USNI News*, July 10, 2015; Valerie Insinna, "Navy Quietly Issues RFP for LHA-8, TAO(X)," *Defense Daily*, July 14, 2015: 2. Contract design work is intended to develop the design of a ship enough so that a contract can then be awarded for the detailed design of the ship.

<sup>20</sup> The Navy is planning to employ a Profit Related to Offer (PRO) contracting approach within this combined solicitation strategy to encourage competitive pricing by the shipyards. Under PRO bidding, both bidders are granted work, but the bidder with the lower price is given a high profit margin. PRO bidding has been used in other Navy shipbuilding programs, particularly the DDG-51 destroyer program, where it has been used since the 1990s.

<sup>21</sup> Regarding the division of the LX(R) contract design engineering man-hours, see Lee Hudson, "Ingalls Awarded Three Times More Hours for LX(R) Design Than NASSCO," *Inside the Navy*, July 8, 2016.

## Builder or Builders

The Navy has not determined which shipyard or shipyards will build LX(R)s. The Navy reportedly is open to the possibility of having the ships built either HII/Ingalls or GD/NASSCO, or at both shipyards, and plans to release a request for proposals (RFP) to the two shipyards in October 2018.<sup>22</sup>

## Potential Block Buy Contract

The Navy reportedly hopes to use a type of multiyear contract known as a block buy contract to procure the first few LX(R)s.<sup>23</sup> In September 2016, the Marine Corps testified that using a block buy contract could permit the Navy to procure five LX(R)s the price of three and a half LX(R)s procured separately—an implied cost reduction of 30%,<sup>24</sup> which would go well beyond the reduction of 5% to 10% that might normally be expected for a block buy contract for a group of five Navy ships.

## 12<sup>th</sup> LPD-17 Class Ship

Although the Navy, consistent with the previous 33-ship (11+11+11) amphibious ship force-level goal, had wanted the 11<sup>th</sup> LPD-17 class ship to be the final ship in the LPD-17 program, Congress supported the procurement of a 12<sup>th</sup> LPD-17 class ship, which would be designated LPD-28. Congress provided \$263.3 million in unrequested advance procurement (AP) funding for a 12<sup>th</sup> LPD-17 class ship in FY2013 (this funding figure was later reduced to \$243.0 million by the sequester of March 1, 2013), an additional \$1.0 billion in unrequested procurement funding for a 12<sup>th</sup> LPD-17 class ship in FY2015, and the final \$550 million in procurement funding needed to complete the procurement cost of the ship in FY2016. (In response to Congress's FY2013 and FY2015 funding actions, the Navy, as a part of its FY2016 budget submission, inserted a 12<sup>th</sup> LPD-17 class ship into its shipbuilding program and requested the \$550 million needed to complete the ship's estimated procurement cost.)

The 12<sup>th</sup> LPD-17's estimated procurement cost of \$1,793.0 million is \$286.2 million less than that of the 11<sup>th</sup> LPD-17 class ship, which was procured in FY2012 and has an estimated procurement cost of \$2,079.2 million. The Navy states that it plans to achieve the lower estimated cost of the 12<sup>th</sup> LPD-17 class ship by incorporating design innovations and cost-reduction strategies intended for the LX(R).<sup>25</sup> This will make LPD-28, to some degree, a transitional ship between the baseline LPD-17 design and the LX(R) design.

---

<sup>22</sup> Justin Doubleday, "Navy Open to Both Shipyards Building New LX(R) Amphibious Ships," *Inside the Navy*, January 27, 2017.

<sup>23</sup> Justin Doubleday, "Navy Open to Both Shipyards Building New LX(R) Amphibious Ships," *Inside the Navy*, January 27, 2017. For more on block buy contracts, see CRS Report R41909, *Multiyear Procurement (MYP) and Block Buy Contracting in Defense Acquisition: Background and Issues for Congress*, by (name redacted) and (name redacted).

<sup>24</sup> See Lee Hudson, "Neller Reveals Dock Landing Ship Replacement Block-Buy Cost Savings," *Inside the Navy*, September 19, 2016.

<sup>25</sup> Lara Seligman, "Navy: To Stay Under \$1.8 Billion, LPD-28 Will Exploit LX(R) Development Efforts," *Inside the Navy*, February 16, 2015; and Megan Eckstein, "Marines Will Use LPD-28 to Begin Transitioning to LX(R) Ship Systems," *Defense Daily*, February 4, 2015: 3-4.

## Issues for Congress

### **FY2017 Funding for LX(R) and 13<sup>th</sup> LPD-17**

Congress for FY2016 provided \$29 million in additional research and development funding and \$250 million in additional advance procurement (AP) funding to accelerate the procurement of the first LX(R) from FY2020 to an earlier year, so as to reduce the gap in time between the end of LPD-17 production and the start of LX(R) production.

An issue for Congress for FY2017 is whether to further reduce the gap in time between the end of LPD-17 production and the start of LX(R) production by

- funding the procurement of a 13<sup>th</sup> LPD-17 class ship (i.e., LPD-29) in FY2018; and/or
- further accelerating the start of LX(R) production by providing additional LX(R) research and development funding and/or additional advance procurement (AP) funding.

### **Funding Procurement of a 13<sup>th</sup> LPD-17 (i.e., LPD-29)**

Supporters of funding the procurement of a 13<sup>th</sup> LPD-17 in FY2018 could argue that it would take advantage of the hot LPD-17 production line, close the gap in time between the end of LPD-17 production and the start of LX(R) production by two years, which might help reduce the cost of LX(R)s (if the first LX(R) is built at HII/Ingalls), increase business stability for amphibious ship component manufacturers during a period of reduced amphibious ship construction, and provide the Navy with a ship that can help meet the Navy's force-level goal for amphibious ships.

Opponents of funding the procurement of a 13<sup>th</sup> LPD-17 in FY2018 could argue that the builder of the first LX(R) has not yet been selected, making the shipyard production benefits of bringing the start of LX(R) production closer to the end of LPD-17 production uncertain, and that providing additional FY2017 funding to accelerate the first LX(R) could require making offsetting FY2017 funding reductions in other Navy programs, which could have adverse effects on those programs, and on resulting Navy capabilities.

### **Funding for Further Accelerating Start of LX(R) Procurement**

Supporters of providing additional research and development funding and/or additional advance procurement (AP) funding in FY2017 to help accelerate the procurement of the first LX(R) from FY2020 to an earlier year could argue that it would help accelerate the construction schedule for the first LX(R) more than what can be accomplished by the additional FY2016 funding alone. They could also argue that accelerating the procurement of the first LX(R) to an earlier year would bring the construction schedule for the first LX(R) closer to what would have occurred under earlier Navy budget submissions that showed the first LX(R) being procured in FY2017 or FY2018 or FY2019 (see "Program Schedule"), that it would reduce the gap in time between the end of LPD-17 procurement and the start of LX(R) procurement, which might help reduce the cost of LX(R)s (if the first LX(R) is built at HII/Ingalls), and that it would increase business stability for amphibious ship component manufacturers during a period of reduced amphibious ship construction.

Opponents of providing additional research and development funding and/or additional advance procurement (AP) funding in FY2017 to help accelerate the procurement of the first LX(R) from

FY2020 to an earlier year could argue that the additional funding that Congress provided for this purpose in FY2016 has already accelerated the construction schedule of the first LX(R) by about a year,<sup>26</sup> and that providing additional funding for this purpose in FY2017 might not be able to accomplish much more in terms of additional schedule acceleration, particularly if the goal is to bring the LX(R) design to a high stage of completion before beginning construction, so as to avoid design-construction concurrency, which is a known cause of increased risk of cost growth and schedule delays in shipbuilding programs. They could also argue that the builder of the first LX(R) has not yet been selected, making the production learning curve benefits of bringing the start of LX(R) production closer to the end of LPD-17 production uncertain, and that providing additional FY2017 funding to accelerate the first LX(R) could require making offsetting FY2017 funding reductions in other Navy programs, which could have adverse effects on those programs, and on resulting Navy capabilities.

At an April 6, 2016, hearing on Navy shipbuilding programs before the Seapower subcommittee of the Senate Armed Services Committee, the following exchange occurred:

SENATOR ROGER WICKER, CHAIRMAN:

All right. And Secretary Stackley, both of you and General Walsh<sup>27</sup> mentioned that we work together, we're able to get an extra \$279 billion [sic: million] above the President's request [for the LX(R) program]. To what extent did that help us accelerate [the program] based on last year's Congressional actions?

SEAN J. STACKLEY, ASSISTANT SECRETARY OF THE NAVY RESEARCH, DEVELOPMENT, AND ACQUISITION:

Yes, sir. It helped in a couple of ways. First, of the dollars that were provided in the 2016 bill and the authorizations that came with that allowed us to first go after the planning activities which is the first thing you have to do with a new ship program. Get the planning activities going.

We're working in parallel with what we refer to as preliminary design for the ship and then, perhaps most importantly is to start ordering long lead-time material that will support, one, the vendor base, and then, two, it'll start—an earlier start of construction for the ship.

---

<sup>26</sup> In February 2016, Navy officials testified that

The Consolidated Appropriations Act, 2016 added funding for the acceleration of LX(R) and the program focus during FY 2016 will be on validating the requirements in the Capability Development Document and executing contract design efforts. The Navy will initiate key long lead time material procurements critical to maintaining a stable supplier base, and commence design efforts necessary to accelerate design activities to FY2019. This earlier start will enable design completion and start of construction up to a year earlier, and delivery in FY 2025, one year earlier than originally planned.

(Statement of the Honorable Sean J. Stackley, Assistant Secretary of the Navy (Research, Development and Acquisition) and Vice Admiral Joseph P. Mulloy, Deputy Chief of Naval Operations for Integration of Capabilities and Resources and Lieutenant General Robert S. Walsh, Deputy Commandant, Combat Development and Integration & Commanding General, Marine Corps Combat Development Command, Before the Subcommittee on Seapower and Projection Forces of the House Armed Services Committee on department of the Navy Seapower and Projection Forces Capabilities, February 25, 2016, p. 19.)

<sup>27</sup> This is a reference to one of the other witnesses at the hearing, Lieutenant General Robert S. Walsh, Deputy Commandant, Combat Development and Integration, and Commanding General, Marine Corps Combat Development Command.

WICKER:

From when to when?

STACKLEY:

Right now, it's a [FY]2020 procurement. The advance procurement material that you allowed us to go ahead and go forward with in 2016, we believe that we can pull construction to the left by a year and this budget—this year's budget reflects.

WICKER:

So, 2019.

STACKLEY:

Effectively, if we are on the same schedule for construction as though we were going to procure the ship in [FY]2019. In other words, when you award the ship, typically, you don't start construction right away. But with the advanced procurement, we will have enough material ready and the planning ready and the design ready that the shipbuilder can in fact accelerate construction by a year. So, it has the effect of accelerating the program by a year.

WICKER:

What, if anything, could we do in the NDAA [National Defense Authorization Act] this year to further accelerate?

STACKLEY:

The additional advance procurement dollars—buying the additional material will not further accelerate the LX(R). As I look at the issue...

WICKER:

Is there any way to further accelerate?

STACKLEY:

So, the critical path today is the design leading to a competitive award. The design will support an award in 2019. We believe that we could support a 2019 contract award and with the advance procurement, would allow us to then double down on the acceleration.

So, the AP [advance procurement funding] in [FY]'16 would provide one year's acceleration. Design would support a second year's worth of acceleration. The challenge becomes the budget. So, as we've already discussed in our opening statements, the challenges that we have in the budget today stand as a hurdle between us and pulling that ship to the left another year.

So, what I would propose is that we take a hard look at what the funding stream would be required to support that additional year's worth of acceleration and without pulling the whole ship to the left. What additional funding with incremental funding authority would allow the acceleration without breaking our budget?

WICKER:

So, there's additional acceleration that could be had if we work together and are smart.

STACKLEY:

Yes, sir. [The] Critical path is designed—the design right now, we're on the path to support an award as early as 2019. We have budget challenges associated with doing that. Any way to mitigate the budget impact would be looking specifically at the funding requirements on a year-by-year basis and look to see if it would make sense to incrementally fund that ship to allow it to come to the left a year.



WICKER:

OK. Well, I'm way past my time. But let me ask one other aspect of this program since we're on it and that is—are we going to have a production gap between the LPD and the LX(R) as we did when we paused (ph) the DDG Destroyer program?<sup>28</sup>

And upon restarting productions there, cost increased by perhaps 25 percent. Are we looking at the same thing possibly happening because of a gap between the LPD and the LX(R)? And, what efficiency and cost losses could we avoid in that regard looking forward?

STACKLEY:

Yes, sir. The first place where a gap would occur is the vendor base. And so, again, we're taking the advance procurement dollars that you've provided and we're going—we're serving the vendor base to identify any potential breakage that would occur to make sure that we're first addressing those issues between now and when LX(R) starts.

Now recognize that the LX(R)—the acquisition strategy for LX(R) is to compete the program. And so, today, Engel (ph) [sic: Ingalls] is building the LPD-17 Class. If Engel's (ph) [sic: Ingalls] were to win the competition and we were not able to further accelerate the LX(R), then, there would not be the overlap that you want on a ship loading program to retain efficiencies and retain the skilled workforce.

I don't think, the impact would not be the same that we saw on DDG-51, but there would be an impact.

WICKER:

Thank you.

Senator Hirono?

SENATOR MAZIE K. HIRONO, RANKING MEMBER:

Thank you very much. As long as we're on the subject of the LX(R), I know that the Navy announced an intention to compete a package of ship contracts, including the TAO(X) Oiler, the LHA(R), and the LX(R) ships. So, there is a desire to accelerate the LX(R).

So, you know, could Congress accelerate the LX(R) program in a responsible way and avoid undermining your acquisition strategy. And so, you've spoken we could accelerate by one year, by two years. Can we do this in a responsible way and maintain your strategy—competition?

STACKLEY:

Yes, ma'am. You touched on two topics. One is the pending contract or award for the combined solicitation for the LHA8 and the TAO(X).

In the Chairman's opening remarks, he wanted us to address what we're doing to help provide stability for the industrial base. That acquisition strategy goes exactly at stability for the industrial base, while also preserving competition on the two programs.

So, we have two shipbuilders that are competing for two separate shipbuilding programs and in the end, we'll receive the competitor pricing that we desire, but we're going to be

---

<sup>28</sup> This is a reference to how procurement of DDG-51 destroyers was ended in FY2005 and then restarted in FY2010. For more information on this, see CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by (name redacted) .

providing stability to both those builders because they both recognize that they will get—that work will be split between them.

Now, after we complete that award in about the June timeframe, we'll have a clear picture of what the workload looks like at the same two shipbuilders that will be competing for the LX(R) contract. So, we'll understand what the workload picture looks like. Your question regarding the ability to accelerate and preserve competition, we can accelerate a year without impacting the competition.

So, from 2020 to 2019, that work that needs to be done for design, we could accelerate a year and we would not harm either competition or the maturity of the design that we want for the LX(R). And then, the second year, we effectively gain by simply getting the material—having the material available, so constructing can start to an earlier schedule.

That's the potential in terms of two years of acceleration to construction, while also preserving competition.

HIRONO:

OK. I think that is a worthy goal to follow.<sup>29</sup>

## Legislative Activity for FY2017

### Summary of Congressional Action on FY2017 Funding Request

**Table 2** summarizes congressional action on the Navy's FY2017 funding request for the LX(R) program.

**Table 2. Summary of Congressional Action on FY2017 Funding Request**

Millions of dollars, rounded to nearest tenth

	Request	Authorization			Appropriation		
		HASC	SASC	Conf.	HAC	SAC	Conf.
Procurement funding (includes funding for LPD-29)	0	856.0	0	440.0	1,550.0	0	1,786.0
Advance procurement (AP) funding	0	0	50.0	0	0	200.0	0
Research and development—PE 0604454N, LX(R), line 81	6.4	25.4	25.4	6.4	6.4	25.4	25.4

**Source:** Table prepared by CRS based on Navy's FY2017 budget submission and committee reports, authorization conference report, and appropriation explanatory statement.

**Notes:** **HASC** is House Armed Services Committee; **SASC** is Senate Armed Services Committee; **HAC** is House Appropriations Committee; **SAC** is Senate Appropriations Committee; **Conf.** is conference agreement. Procurement funding includes funding for LPD-29; see discussions below for uses of procurement funding for procuring either the first LX(R) or LPD-29.

<sup>29</sup> Transcript of hearing.

## FY2017 National Defense Authorization Act (H.R. 4909/S. 2943/P.L. 114-328)

### House

The House Armed Services Committee, in its report (H.Rept. 114-537 of May 4, 2016) on H.R. 4909 of the 114<sup>th</sup> Congress, recommended the funding levels shown in the HASC column of **Table 2**. The recommendation for \$856 million in procurement funding was placed in a newly added line in the Navy’s shipbuilding account—line 012A, entitled Amphibious Ship Replacement LX(R)—with the funds to be used for “Procurement of LX(R).” (Page 486) The recommended increase of \$19 million in research and development funding is for “LX(R) Design.” (Page 526)

**Section 124** of H.R. 4909 as reported states:

SEC. 124. Design and construction of replacement dock landing ship designated LX(R) or amphibious transport dock designated LPD–29.

(a) In general.—The Secretary of the Navy may enter into a contract, beginning with the fiscal year 2017 program year, for the design and construction of the replacement dock landing ship designated LX(R) or the amphibious transport dock designated LPD–29 using amounts authorized to be appropriated for the Department of Defense for Shipbuilding and Conversion, Navy.

(b) Use of incremental funding.—With respect to the contract entered into under subsection (a), the Secretary may use incremental funding to make payments under the contract.

(c) Condition for out-year contract payments.—The contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such fiscal year.

H.Rept. 114-537 states:

#### *LX(R) Dock Landing Ship Replacement Program*

The budget request contained no funds for advance procurement associated with LX(R) Dock Landing Ship Replacement Program.

The committee notes that the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have agreed to support the LX(R) as a derivative of the LPD–17 San Antonio-class hull form. The committee also notes that the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92) and the Consolidated Appropriations Act, 2016 (Public Law 114–113) both included \$250.0 million to begin detailed design and construction of the LX(R) amphibious warship. The committee believes that it is imperative to continue the construction of LPD–17 class derivative in line with current construction efforts rather than the current Navy program of record of fiscal year 2020.

Therefore, the committee recommends \$856.0 million in Shipbuilding and Conversion, Navy, for construction of amphibious vessels. (Page 22)

H.Rept. 114-537 also states:

#### *Amphibious Ship Replacement Program*

The budget request contained \$6.3 million in PE 64454N for the Amphibious Ship Replacement Program (LX(R)).

The committee is concerned about the ability of the Marine Corps to project amphibious warfare power in a contested environment because of limitations associated with the amphibious ship force structure. The committee remains committed to ensuring sufficient funds are available to accelerate the programmed construction of the Amphibious Ship Replacement Program.

Accordingly, the committee recommends \$25.3 million, an increase of \$19.0 million, in PE 64454N for LX(R). (Page 59)

H.Rept. 114-537 also states:

*Strike capability assessment from surface amphibious forces*

The committee notes that the administration is assessing an “arsenal plane” as an option to expand the capabilities of existing aircraft. The committee is supportive of these inventive methods to better employ developing technologies with existing capabilities. The committee also notes that similar concepts could be employed on the surface Navy forces to augment a loss of land attack strike capability that will result with the retirement of the guided missile submarines. While the Virginia Payload Module (VPM) that is being incorporated into the Block V Virginia-class submarines will partially offset the loss to the land attack strike capability, the committee notes the Navy will still realize a net loss of strike capacity with the retirement of these guided missile submarines. The committee also notes that the lack of flexibility within the Navy surface forces to reload at sea also complicates salvo responses. Finally, the committee notes that there is potential for some of our amphibious force assets to accommodate additional capabilities in terms of space, weight, and machinery capacity. The committee believes that the Secretary of the Navy should review other alternatives to manage the loss of naval strike capacity including an option that could include the addition of the MK 41 Vertical Launch System on the Landing Platform/Dock (LPD) hull form to support other naval combatants with an “engage on remote” capability. The committee also believes that additional strike capability from surface amphibious forces appears to be consistent with the Navy’s pursuit of distributed lethality and complicates potential enemy targeting solutions of our forces.

Therefore, the committee directs the Secretary of the Navy to provide a briefing to the House Committee on Armed Services by October 1, 2016, that includes an assessment of options to optimally provide strike and missile defense from naval amphibious forces. Such an assessment should include options to insert the MK 41 Vertical Launch System on an LPD hull form. (Pages 23-24)

## Senate

The Senate Armed Services Committee, in its report (S.Rept. 114-255 of May 18, 2016) on S. 2943 of the 114<sup>th</sup> Congress, recommended the funding levels shown in the SASC column of **Table 2**. The recommended increase of \$19 million in research and development funding is for “Needed to maintain schedule.” (Page 483) S.Rept. 114-255 states:

**Amphibious ship replacement LX(R)**

The budget request included no funding in line item 13 of Shipbuilding and Conversion, Navy for advance procurement of the amphibious ship replacement LX(R), which is expected to functionally replace LSD-41 and LSD-49 class ships. The committee supports accelerating the construction of LX(R) class ships, provided the ships are competitively awarded. Therefore, the committee recommends an increase of \$50.0 million for this program. (Page 25)

S.Rept. 114-255 also states:

**Amphibious ship replacement LX(R)**

The budget request included \$6.4 million in PE [Program Element] 64454N for research, development, test, and evaluation (RDTE) of LX(R), which is expected to functionally replace LSD-41 and LSD-49 class ships. The committee supports accelerating the construction of LX(R) class ships, provided the ships are competitively awarded. The committee notes the President's budget request reduced LX(R) RDTE funding in fiscal years 2017 through 2019 by a total of \$29.0 million. Navy officials have stated an additional \$19.0 million is required in fiscal year 2017 to maintain an accelerated schedule. Therefore, the committee recommends an increase of \$19.0 million for this program. (Page 53)

**Conference**

The conference report (H.Rept. 114-328 of November 30, 2016) on S. 2943/P.L. 114-328 of December 23, 2016, recommended the funding levels shown in the authorization conference column of **Table 2**. The recommended increase of \$440.0 million in procurement funding is for "Procurement of LPD-29 or LX(R)." (Page 1351).

**Section 129** of S. 2943/P.L. 114-328 states:

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

(a) In general.—The Secretary of the Navy may enter into a contract, beginning with the fiscal year 2017 program year, for the design and construction of the replacement dock landing ship designated LX(R) or the amphibious transport dock designated LPD-29 using amounts authorized to be appropriated for the Department of Defense for Shipbuilding and Conversion, Navy.

(b) Use of incremental funding.—With respect to the contract entered into under subsection (a), the Secretary may use incremental funding to make payments under the contract.

(c) Condition for out-year contract payments.—The contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such fiscal year.

**FY2017 DOD Appropriations Act (H.R. 5293/H.R. 1301)**

**House**

The House Appropriations Committee, in its report (H.Rept. 114-577 of May 19, 2016) on H.R. 5293 of the 114<sup>th</sup> Congress, recommended the funding levels shown in the HAC column of **Table 2**. The recommended increase of \$1,550 million in procurement funding is for "Amphibious Ship Replacement LXR" (see text of bill).

**Senate**

The Senate Appropriations Committee, in its report (S.Rept. 114-263 of May 26, 2016) on S. 3000 of the 114<sup>th</sup> Congress, recommended the funding levels shown in the SAC column of **Table 2**. The recommended increase of \$200 million in advance procurement (AP) funding is for "Additional funding to support LPD 29 or LX(R) class of ships." (Page 98) The recommended

increase of \$19 million in research and development funding is for “Additional funding to support acceleration of LX(R) class of ships.” (Page 155)

### **Conference**

The explanatory statement for H.R. 1301 of the 115<sup>th</sup> Congress provides the funding levels shown in the appropriation conference column of **Table 2**. The \$1,786 million in procurement funding includes \$1,550 million for “Program increase—additional funding to support LPD-29” and \$236 million for “Realignment of fiscal year 2016 funds to support LPD-29.” (PDF page 152 of 350) The \$25.4 million in research and development funding is for “Program increase—accelerate LX(R) class of ships.” (PDF page 230 of 350)

### **Author Contact Information**

(name redacted)  
Specialist in Naval Affairs  
[redacted]@crs.loc.gov7-....

# EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.