



THE UNDER SECRETARY OF DEFENSE

3010 Defense Pentagon
Washington, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

OCT 26 2001

Dear Mr. Chairman:

I would like to thank you and your Committee for including language permitting the Air Force to begin a follow-on multiyear contract to acquire more C-17 aircraft in the Senate version of the National Defense Authorization Act for Fiscal Year 2002 (Section 131 of S. 1416). H.R. 2586 included a similar provision at Section 122. We do not believe, however, that Sections 131 and 122 provide sufficient flexibility to the Department. Accordingly, the Department has developed the attached language that I ask the conferees to consider for inclusion in the final version of the authorization Act, in lieu of both sections. I enthusiastically support this language because it preserves the options of both the Department and the Congress with respect to obtaining more military airlift capabilities in the most innovative and cost-effective way possible.

As you know, the Air Force's innovative multiyear plan raises several issues that the Department needs to address before such a contract can be executed. These issues include costs, available funding, and the phasing of that funding. However, if implemented in Fiscal Year 2002, this proposal has the potential to save the Department about \$1 billion. Therefore, I am requesting your support to incorporate the attached language so that the Congress and the Department will be able to take advantage of the multiyear proposal after these issues are satisfactorily resolved. To ensure satisfactory resolution of these issues, the language would require the Secretary to certify to the congressional defense committees that it is in the Department's interest to implement a follow-on C-17 multiyear plan before such a contract is executed.

The results of the Quadrennial Defense Review demonstrate that our nation must increase its long-range, heavy airlift capabilities, and that these increased capabilities are essential to the successful implementation of our new defense strategy. Additional C-17's will play a vital role in enhancing the strategic and theater mobility of our armed forces.

Thank you in advance for your consideration of these views. I am sending a similar letter to the Chairman and Ranking Minority Member of the House Committee on Armed Services.

Sincerely,

E. C. Aldridge, Jr.

Attachment:

As stated

cc:

The Honorable John W. Warner
Ranking Member

SECTION XXX. MULTIYEAR PROCUREMENT OF C-17 AIRCRAFT

(a) MULTIYEAR PROCUREMENT OF C-17 AIRCRAFT. If the Secretary of Defense certifies to the congressional defense committees that it is in the interest of the Department of Defense to proceed with a follow-on multiyear procurement of additional C-17 aircraft, then the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a new multiyear procurement contract beginning in fiscal year 2002 or fiscal year 2003 to procure additional C-17 aircraft in order to meet the Department's airlift requirements.

(b) USE OF COMMERCIAL CONTRACT PROCEDURES.

Notwithstanding any other provision of law, the Secretary of the Air Force may use the policies and procedures of Federal Acquisition Regulation Part 12 in executing a multiyear contract under subsection (a).

(c) CONTRACT PERIOD. A contract entered into under the authority of subsection (a) may (notwithstanding section 2306b(k) of title 10, United States Code) be for a period of six program years.

(d) ADVANCE PROCUREMENT. The authority provided in subsection (a) includes the authority to enter into a multiyear contract for advance procurement of components; parts and materials; and fabrication and sub-assembly of components that can also be used for spare parts necessary to the manufacture of the C-17 aircraft, including a multiyear contract for such advance procurement that is entered into in order to achieve economic-lot purchases and more efficient production rates.