SEC. ____. MULTIYEAR PROCUREMENT AUTHORITY FOR UH-60M/HH-60M BLACK HAWK HELICOPTERS.

(a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—Subject to section 2306b of title 10, United States Code, the Secretary of the Army may enter into one or more multiyear contracts beginning with the fiscal year 2017 program year, for the procurement of UH-60M/HH-60M Black Hawk helicopters.

(b) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for a fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such later fiscal year.

Section-by-Section Analysis

This proposal would allow the Secretary of the Army to enter into a multiyear contract for UH-60M/HH-60M Black Hawk helicopters for fiscal years (FY) 2017 through FY 2021. The proposed multiyear procurement (MYP) (FY 2017-2021) will produce significant savings and facilitate industrial stability.

The UH-60M/HH-60M Black Hawk is a core aviation program and is approved for full-rate production through the Future Years Defense Program. If the proposal is approved, the Army buy will consist of 193 UH-60M aircraft and 75 HH-60M aircraft between FY 2017 and FY 2021. The Navy is not expected to participate in this MYP. The Request for Proposal solicitation was released with a minimum quantity of 36 helicopters per year, a base quantity of 50 helicopters per year with options to increase the maximum quantity to 72 helicopters per year.

Budget Implications: The proposed multiyear contract is anticipated to result in a cost savings of $455.4 million (Then Year $) or 10.9 percent when compared to a series of Single Year Procurement (SYP) contracts. A multiyear contract will result in at least the minimum annual procurement quantities necessary for the prime manufacturer to leverage the certainty of future production to gain subcomponent savings across all subcontractors.

Then Year $ Millions	**Annual Contracts**	**Multiyear Procurement Alternative**
Total Contract Price	$4,178.1	$3,722.6
$ Cost Savings Over Annual		$455.4
% Cost Savings Over Annual		10.9%

Budget estimates and associated funding levels for the UH-60M/HH-60M Black Hawk program for FY 2017 and beyond are predicated on MYP authorization. Current budget estimates and associated funding levels are insufficient to support anything other than the planned Black Hawk helicopters without significant reduction in quantity each year.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash 1 Line Item**	**Program Element**
Army Base PROC	$543.2	$652.6	$830.9	$611.2	$808.8	Aircraft Procurement, Army	01	11	A05002
Army Adv PROC	$113.0	$44.9	$29.5	$46.3	$0.0	Aircraft Procurement, Army	01	12	AA0005
Total	$656.1	$697.5	$860.4	$657.5	$808.8				

Note: Resource requirements are for the multiyear procurement contract only. Does not represent total budget requirement.

Changes to Existing Law: This proposal would not change the text of existing law.