

PRESS RELEASE



**United States Senate
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FOR IMMEDIATE RELEASE

May 25th, 2007
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**SENATE ARMED SERVICES COMMITTEE COMPLETES MARKUP OF NATIONAL
DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 2008**

Senator Carl Levin (D-MI), Chairman of the Armed Services Committee, and Senator John McCain (R-AZ), Ranking Member, announced today that the committee has completed its markup of the National Defense Authorization Bill for Fiscal Year 2008. The bill authorizes funding for the Department of Defense and the national security programs of the Department of Energy.

"I am pleased that the committee has unanimously voted to report out a bill that provides our troops the resources that they need and the pay and benefits that they deserve. This bill provides a 3.5 percent across-the-board pay raise for all uniformed personnel, a half a percent more than the President requested. It adds \$4 billion to the President's budget for mine resistant vehicles to protect our troops in Iraq and Afghanistan. The bill also contains important management reforms, including the establishment of a Chief Management Officer for the Department of Defense, tighter competition requirements for the billions of dollars the Department spends on contract services, and much-needed regulation for armed contractors working in an area of combat operations. The Armed Services Committee can be proud of its bipartisan work on this bill," said Levin.

"I am proud of this year's Defense Authorization bill. The committee has adopted meaningful defense acquisition reform and increased the transparency of Members' earmarks. The acquisition reform provisions in this bill substantially improve the way the

Pentagon buys its largest and most expensive weapons systems, ensure that taxpayers receive the best value for their money, and help guarantee that the U.S. maintains the strongest, most capable fighting force in the world. Maximizing the transparency of Members' requests is fundamental to good governance. As stewards of taxpayers' dollars, it is our duty to spend the people's money responsibly, and to do it in an open and honest fashion. I am pleased that the committee has accepted that responsibility. This year's bill proves that a strong national defense and saving taxpayers' dollars are—as it should be—bipartisan priorities. I thank Chairman Levin for his leadership and support,” Senator McCain said.

“The policies and funding decisions reflected in this bill will help restore the readiness of our armed forces while also prudently investing in the capabilities that will be needed in the future, “ added Levin.

The total funding in the bill reported by the committee is consistent with the Fiscal Year 2008 budget resolution which was adopted by the Congress on May 17, 2007, which fully funded the \$648.8 billion requested for national defense in the President's fiscal year 2008 budget.

MARKUP HIGHLIGHTS

The committee addressed a number of defense priorities in this year's bill. Specifically, the committee included provisions:

- To improve compensation and quality of life for the men and women in uniform, including:
 - Authorizing \$135 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
 - Authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel.
 - Authorizing payment of combat-related special compensation to service members medically retired for a combat-related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation.
 - Reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on active duty under certain mobilization authorities.
- To continue its commitment to quality health care for all beneficiaries, including:
 - Authorizing \$24.6 billion for the defense health program, which includes a \$1.9 billion adjustment by the Budget Resolution to fund TRICARE benefits in fiscal year 2008.
 - Authorizing the use of federal pricing for pharmaceuticals dispensed

through the TRICARE retail program.

- To ensure the Department provides needed equipment and has authorities necessary to protect our deployed forces, including:
 - Adding \$4 billion for all known Service and Special Operations Command (SOCOM) requirements for mine resistant ambush protected (MRAP) vehicles, that improve protection for our troops exposed to the improvised explosive device (IED) threat in Iraq and Afghanistan. This includes adding almost \$2 billion for Navy and Marine Corps vehicles, over \$1.5 billion for Army vehicles, \$430 million for MRAP vehicles for the Air Force, and \$124 million for SOCOM vehicles.
 - Fully funding the President's budget request for \$4.5 billion for the Joint Improvised Explosive Defeat Office (JIEDDO), directing JIEDDO to invest at least \$50.0 million in blast injury research and over \$150.0 million for the procurement of IED jammers for the Army.
- Authorizing fiscal year 2008 end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, an increase of 13,000 for the Army and 9,000 for the Marine Corps.
- To help protect our troops, uphold our values, and restore our image around the world by providing a fair process for reviewing the status of DOD detainees at Guantanamo Bay, Cuba. This provision would require that detainees receive legal representation, provide for legal rulings to be made by military judges, and prohibit the use of statements that are obtained through cruel and inhuman treatment of a detainee.
- To repeal the existing authority of the Department of Defense to establish a new labor relations system under the National Security Personnel System (NSPS). This would guarantee the rights of DOD employees to union representation in NSPS. This provision would permit the Department to continue its effort to develop a new pay-for-performance system, if the system is implemented in a manner that is consistent with existing federal labor relations law.
- To strengthen statutory protections for contractor employees who blow the whistle on waste, fraud and abuse on Department of Defense contracts. This provision would, for the first time, provide a private right of action in federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests.
- To require the Department of Defense to provide much-needed regulation for armed contractors operating on the battlefield in Iraq and Afghanistan.
- Directing the Department of Defense to study and develop a plan to address the findings of the Army medical department's fourth assessment of the mental

health and well-being of soldiers and marines in Iraq, including findings that multiple deployments and lengthy deployments lead to increased mental health and marital problems and more frequent mistreatment of non-combatants. The committee also directed the Department of Defense to report on the extent to which these findings were taken into consideration in the decision to extend Army tour lengths in Iraq from 12 to 15 months.

- Directing the Comptroller General to conduct a review of the policies and procedures of the military departments for the prevention of and response to sexual assaults involving members of the armed forces, including an assessment of the adequacy of mental health resources available to victims of sexual assault.
- Requiring the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs.
- Amending the Immigration and Nationality Act to allow certain spouses and children of service members residing under orders in foreign countries to treat their time accompanying the service member as residence in the United States for the purpose of satisfying citizenship requirements.
- To promote the transformation of the armed forces to meet the threats of the 21st century, including:
 - Fully funding the President's budget request for the Army's Future Combat Systems (FCS), adding \$90 million to restore fiscal year 2008 funding for the Armed Robotic Vehicles deleted in the recent program restructure, and adding \$25 million to accelerate development of the FCS active protection system.
 - Adding \$2.7 billion for items on the Army Chief of Staff's Unfunded Requirements List, including \$775.1 million for reactive armor and other Stryker requirements, \$207.4 million for aviation survivability equipment, \$102.4 million for combat training centers, and funding for explosive ordnance disposal equipment, night vision devices and machine guns.
 - Including a provision that would require the Secretary of Defense to obligate sufficient annual amounts to develop and procure a competitive propulsion system for the Joint Strike Fight (JSF) program, in order to conduct a competitive propulsion source selection. Also adding \$480 million to the Joint Strike Fighter program in fiscal year 2008 for this effort, but not recommending reductions to the JSF budget to pay for the competitive engine program.
 - Authorizing construction for five warships and provided multiyear procurement authority for fiscal year 2009 - 2013 Virginia class submarines.
 - Adding \$470 million in advance procurement funding for Virginia class

- submarines to support buying an additional submarine in fiscal year 2010.
 - Adding approximately \$300 million to the budget request to provide increased space situational awareness capabilities to address concerns raised as a result of the recent Chinese kinetic anti-satellite weapons test.
 - Adding over \$450 million for defense science and technology (S&T) programs, for a total authorization of \$11.2 billion.
- Committee actions in the area of nonproliferation and cooperative threat reduction included:
 - Authorizing an increase of \$87 million to the amount requested for the Department of Energy (DOE) nonproliferation programs.
 - Authorizing an increase of \$100 million for the Department of Defense's Cooperative Threat Reduction (CTR) Program.
 - Adopting provisions that would repeal all of the required annual certifications and that would expand the CTR program to countries outside of the former Soviet Union.
- The committee continued its focus on effective near-term ballistic missile defense capabilities to protect forward-deployed U.S. forces against existing short- and medium-range missile threats by authorizing an additional \$255 million for the Patriot PAC-3 system, the Aegis Ballistic Missile Defense (BMD) system, and the Terminal High Altitude Area Defense (THAAD) system, with the additional funding offset by reductions to lower-priority programs.
- The committee tightened the rules for Department of Defense acquisition of major weapon systems and subsystems, components and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.
- The committee rejected the administration's proposal to give DOD broad authority to increase TRICARE program cost sharing amounts for military retirees and their dependents.
- The committee is drafting a separate comprehensive bill to improve the flawed system for the care and administration of military personnel with combat-related injuries. The "Dignified Treatment of Wounded Warriors Act" will be introduced as a stand-alone bill in the near future and will be addressed by the committee independent of this National Defense Authorization Act.

A full summary of the bill is available at <http://armed-services.senate.gov/press.htm>.

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***United States Senate
Carl Levin, Michigan
Committee on Armed Services
Chairman***

May 25, 2007

FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION BILL SUMMARY

The Senate Armed Services Committee identified the following seven priorities to guide its work on the Fiscal Year 2008 National Defense Authorization bill:

- Provide fair compensation and first rate health care, and improve the quality of life of the men and women in the armed forces (active duty, National Guard and Reserves) and their families.
- Provide our servicemen and women with the resources, training, technology, equipment (especially force protection) and authorities they need to participate in combat and stability operations, particularly in Iraq and Afghanistan.
- Reduce our Nation's strategic risk by starting and, if possible, accelerating the restoration of the readiness of the military services to conduct the full range of their assigned missions.
- Improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs.
- Improve the ability of the armed forces to meet nontraditional threats, including terrorism and weapons of mass destruction.
- Promote the transformation of the armed forces to meet the threats of the 21st century.

- Conduct aggressive oversight of the Department's programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations. Improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs.

FUNDING LEVELS

The total funding in the bill reported by the committee is consistent with the Fiscal Year 2008 budget resolution that was adopted by the Congress on May 17, 2007, and which fully funded the \$648.8 billion requested for national defense in the President's fiscal year 2008 budget. The budget request was submitted in two parts, a base budget request of \$507 billion and a war-related funding request of \$141.8 billion. The committee bill is consistent with the overall funding levels in the budget request and the budget resolution, but shifts money between the base budget and the war budget. The committee moved approximately \$12 billion from the \$141.8 billion war-related request back into the base budget for programs where funds were for ongoing programs, or related to increasing the size of the Army and the Marine Corps, and not directly related to operations in Iraq and Afghanistan. The committee bill is also consistent with the budget resolution in that it does not treat any of the funding as emergency spending.

MARKUP HIGHLIGHTS

The committee addressed a number of defense priorities in this year's bill. Specifically, the committee included provisions:

- To improve compensation and quality of life for the men and women in uniform, including:
 - Authorizing \$135 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
 - Authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel.
 - Authorizing payment of combat-related special compensation to service members medically retired for a combat-related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation.
 - Reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on active duty under certain mobilization authorities.
- To continue its commitment to quality health care for all beneficiaries, including:

- Authorizing \$24.6 billion for the defense health program, which includes a \$1.9 billion adjustment by the Budget Resolution to fund TRICARE benefits in fiscal year 2008.
- Authorizing the use of federal pricing for pharmaceuticals dispensed through the TRICARE retail program.
- To ensure the Department provides needed equipment and has authorities necessary to protect our deployed forces, including:
 - Adding \$4 billion for all known Service and Special Operations Command (SOCOM) requirements for mine resistant ambush protected (MRAP) vehicles, that improve protection for our troops exposed to the improvised explosive device (IED) threat in Iraq and Afghanistan. This includes adding almost \$2 billion for Navy and Marine Corps vehicles, over \$1.5 billion for Army vehicles, \$430 million for MRAP vehicles for the Air Force, and \$124 million for SOCOM vehicles.
 - Fully funding the President's budget request for \$4.5 billion for the Joint Improvised Explosive Device Defeat Office (JIEDDO), directing JIEDDO to invest at least \$50.0 million in blast injury research and over \$150.0 million for the procurement of IED jammers for the Army.
- Authorizing fiscal year 2008 end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, an increase of 13,000 for the Army and 9,000 for the Marine Corps.
- To help protect our troops, uphold our values, and restore our image around the world by providing a fair process for reviewing the status of DOD detainees at Guantanamo Bay, Cuba. This provision would require that detainees receive legal representation, provide for legal rulings to be made by military judges, and prohibit the use of statements that are obtained through cruel and inhuman treatment of a detainee.
- To repeal the existing authority of the Department of Defense to establish a new labor relations system under the National Security Personnel System (NSPS). This would guarantee the rights of DOD employees to union representation in NSPS. This provision would permit the Department to continue its effort to develop a new pay-for-performance system, if the system is implemented in a manner that is consistent with existing federal labor relations law.
- To strengthen statutory protections for contractor employees who blow the whistle on waste, fraud and abuse on Department of Defense contracts. This provision would, for the first time, provide a private right of action in federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests.
- To require the Department of Defense to provide much-needed regulation for

armed contractors operating on the battlefield in Iraq and Afghanistan.

- Directing the Department of Defense to study and develop a plan to address the findings of the Army medical department's fourth assessment of the mental health and well-being of soldiers and marines in Iraq, including findings that multiple deployments and lengthy deployments lead to increased mental health and marital problems and more frequent mistreatment of non-combatants. The committee also directed the Department of Defense to report on the extent to which these findings were taken into consideration in the decision to extend Army tour lengths in Iraq from 12 to 15 months.
- Directing the Comptroller General to conduct a review of the policies and procedures of the military departments for the prevention of and response to sexual assaults involving members of the armed forces, including an assessment of the adequacy of mental health resources available to victims of sexual assault.
- Requiring the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs.
- Amending the Immigration and Nationality Act to allow certain spouses and children of service members residing under orders in foreign countries to treat their time accompanying the service member as residence in the United States for the purpose of satisfying citizenship requirements.
- To promote the transformation of the armed forces to meet the threats of the 21st century, including:
 - Fully funding the President's budget request for the Army's Future Combat Systems (FCS), adding \$90 million to restore fiscal year 2008 funding for the Armed Robotic Vehicles deleted in the recent program restructure, and adding \$25 million to accelerate development of the FCS active protection system.
 - Adding \$2.7 billion for items on the Army Chief of Staff's Unfunded Requirements List, including \$775.1 million for reactive armor and other Stryker requirements, \$207.4 million for aviation survivability equipment, \$102.4 million for combat training centers, and funding for explosive ordnance disposal equipment, night vision devices, and machine guns.
 - Including a provision that would require the Secretary of Defense to obligate sufficient annual amounts to develop and procure a competitive propulsion system for the Joint Strike Fight (JSF) program, in order to conduct a competitive propulsion source selection. Also adding \$480 million to the Joint Strike Fighter program in fiscal year 2008 for this effort, but not recommending reductions to the JSF budget to pay for the competitive engine program.

- Authorizing construction for five warships and provided multiyear procurement authority for fiscal year 2009 - 2013 Virginia class submarines.
 - Adding \$470 million in advance procurement funding for Virginia class submarines to support buying an additional submarine in fiscal year 2010.
 - Adding approximately \$300 million to the budget request to provide increased space situational awareness capabilities to address concerns raised as a result of the recent Chinese kinetic anti-satellite weapons test.
 - Adding over \$450 million for defense science and technology (S&T) programs, for a total authorization of \$11.2 billion.
- Committee actions in the area of nonproliferation and cooperative threat reduction included:
 - Authorizing an increase of \$87 million to the amount requested for the Department of Energy (DOE) nonproliferation programs.
 - Authorizing an increase of \$100 million for the Department of Defense's Cooperative Threat Reduction (CTR) Program.
 - Adopting provisions that would repeal all of the required annual certifications and that would expand the CTR program to countries outside of the former Soviet Union.
- The committee continued its focus on effective near-term ballistic missile defense capabilities to protect forward-deployed U.S. forces against existing short- and medium-range missile threats by authorizing an additional \$255 million for the Patriot PAC-3 system, the Aegis Ballistic Missile Defense (BMD) system, and the Terminal High Altitude Area Defense (THAAD) system, with the additional funding offset by reductions to lower-priority programs.
 - The committee tightened the rules for Department of Defense acquisition of major weapon systems and subsystems, components and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.
 - The committee rejected the administration's proposal to give DOD broad authority to increase TRICARE program cost sharing amounts for military retirees and their dependents.
 - The committee is drafting a separate comprehensive bill to improve the flawed system for the care and administration of military personnel with combat-related injuries. The "Dignified Treatment of Wounded Warriors Act" will be introduced as a stand-alone bill in the near future and will be addressed by the committee independent of this National Defense Authorization Act.

SUBCOMMITTEE ON PERSONNEL

Subcommittee Chairman Ben Nelson (D-NE), and Ranking Member Lindsey Graham (R-SC), continued the Personnel Subcommittee's focus and attention on improving recruiting and retention, providing top quality health care, military family readiness and support, and quality of life programs for military and civilian personnel of the Department of Defense.

The committee is drafting a separate comprehensive bill to improve the flawed system for the care and administration of military personnel with combat-related injuries. The "Dignified Treatment of Wounded Warriors Act" will be introduced as a stand-alone bill in the near future and will be addressed by the committee independent of this National Defense Authorization Act.

The committee addressed a number of defense priorities in this year's bill. Specifically, the committee included a provision that:

- Authorizes fiscal year 2008 active duty end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, an increase of 13,000 for the Army and 9,000 for the Marine Corps.

To improve compensation and quality of life for the men and women in uniform, the committee passed several provisions, including:

- Authorizing \$135 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
- Authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel, a half percent above the Administration's request.
- Authorizing payment of over 25 types of bonuses and special pays aimed at encouraging enlistment, reenlistment, and continued service by active-duty and reserve military personnel.
- Authorizing payment of combat-related special compensation to service members medically retired for a combat-related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation.
- Reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on active duty under certain mobilization authorities.
- Authorizing certain service members to sell back up to 30 days of leave under special leave accrual provisions affecting deployed service members and

authorizing all service members to carry up to 90 days of leave from one fiscal year to the next, effective in 2008.

The committee included several provisions to continue to provide top quality health care to service members and their dependents and that would enhance the ability of the services to attract critically short health care personnel, including:

- Authorizing \$24.6 billion for the defense health program, which includes a \$1.9 billion adjustment by the Budget Resolution to fund TRICARE benefits in fiscal year 2008.
- Requiring DOD to continue surveys of civilian health care providers in TRICARE to improve the adequacy of TRICARE Standard providers, including for members of the Selected Reserve, and creating a new requirement for surveys to determine the adequacy of mental health care providers.
- Requiring DOD to report to Congress on its efforts to advertise and implement the TRICARE Reserve Select program for members of the Selected Reserve.
- Authorizing the use of federal pricing for pharmaceuticals dispensed through the TRICARE retail program.
- Authorizing the Secretary of Defense to waive the 8-year minimum service obligation for initial appointments of commissioned officers in critically short health professional specialties.
- Authorizing a new bonus of up to \$2,000 for referring to military recruiters an individual who is commissioned in a health profession.
- Authorizing medical students at the Uniformed Services University of the Health Sciences and persons participating in the Armed Forces Health Professions Scholarship and Financial Assistance Programs to serve in a higher pay grade if they have prior commissioned service and meet specified promotion criteria.
- Authorizing the Secretary of Defense to pay an accession bonus of up to \$20,000 to participants in the Armed Forces Health Professions Scholarship and Financial Assistance Program.
- Authorizing an increase from \$50,000 to \$75,000 in the maximum incentive special pay and multiyear retention bonus for medical officers.
- Authorizing an increase in dental officer additional special pay for military dentists with less than 3 years of service from \$4,000 to \$10,000 and for dental officers with more than 3 but less than 10 years of service from \$6,000 to

\$12,000.

- Requiring the Secretary of Defense, in consultation with the Director, Office of Personnel Management, to report on all hiring authorities available to the Department of Defense for hiring civilian medical personnel.

The committee included provisions to better assist survivors of military personnel by:

- Modifying the death gratuity statute to allow service members to designate in writing any person as the beneficiary.
- Modifying the Survivor Benefit Plan (SBP) to allow guardians or caretakers of dependent children to receive SBP benefits.

The committee also:

- Directed the Department of Defense to study and develop a plan to address the findings of the Army medical department's fourth assessment of the mental health and well-being of soldiers and marines in Iraq, including findings that multiple deployments and lengthy deployments lead to increased mental health and marital problems and more frequent mistreatment of non-combatants. Also directed the Department of Defense to report on the extent to which these findings were taken into consideration in the decision to extend Army tour lengths in Iraq from 12 to 15 months.
- Directed the Comptroller General to conduct a review of the policies and procedures of the military departments for the prevention of and response to sexual assaults involving members of the armed forces, including an assessment of the adequacy of mental health resources available to victims of sexual assault.
- Required the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs.
- Amended the Immigration and Nationality Act to allow certain spouses and children of service members residing under orders in foreign countries to treat their time accompanying the service member as residence in the United States for the purpose of satisfying citizenship requirements.
- Authorized \$50 million in supplemental educational aid to local school districts that are affected by the assignment or location of military families, including \$35 million for supplemental Impact Aid, \$5 million for educational services to severely disabled children, and an additional \$10 million for districts experiencing rapid increases in the number of students due to rebasing, activation of new

military units, or base realignment and closure.

- The committee rejected the administration's proposal to give DOD broad authority to increase TRICARE program cost sharing amounts for military retirees and their dependents. The proposed increase is premature. An increase, if any, in TRICARE program cost sharing should be made only on the basis of the forthcoming comprehensive analyses required by Congress in last year's bill, including the report of the Task Force on the Future of Military Health Care and the Comptroller General's audit of DOD health care costs and cost saving measures.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Subcommittee Chairman Senator Daniel K. Akaka (D-HI), and Ranking Member Senator John Ensign (R-NV) focused the subcommittee's efforts on starting and, where possible, accelerating the restoration of the readiness of the Army, Navy, Air Force, and Marines to conduct the full range of their assigned missions; on improving the efficiency of DOD programs and activities; and on oversight of DOD programs to ensure the proper stewardship of taxpayer dollars.

The Readiness subcommittee portion of the bill sustains our strong commitment to increasing the readiness of the armed forces. The readiness and operation and maintenance funding in the bill supports the stated requirements of the military services for the next fiscal year, including the funds needed for the cost of normal operations, war-related operations, and the initial operating cost of increasing the size of our ground forces. The committee bill fully funds the requested amounts for the readiness accounts of our ground forces. Altogether, the subcommittee recommends \$188.4 billion for the operation and maintenance accounts within its jurisdiction.

To address the readiness and management needs of the military, the subcommittee included:

- \$188.4 billion to meet the services' operation and maintenance requirements to support the combat operations, improve the readiness of deploying and non-deployed forces, and to support the Army and Marine Corps plans to increase their fiscal year 2008 end strengths.
- \$4.8 billion in procurement of ammunition for all services, including funds for ammunition plant modernization and improvement.
- An increase of \$77 million for Navy aircraft depot maintenance unfunded requirements.
- An additional \$15 million for Army training range modernization and

improvements.

- An increase of \$12 million accelerate fielding of the Defense Readiness Reporting System (DRRS), the new military readiness reporting and management system.
- An additional \$20 million to help create buffer zones around military installations to protect and enhance military training ranges.

The subcommittee also included provisions that would:

- Establish a Director of Corrosion Control Policy and Oversight; remove layers of bureaucracy by assigning this function directly to office of Under Secretary for Acquisition, Technology and Logistics; and increase this function's oversight and training authority.
- Extend authority for Army depots, arsenals, and ammunition plants to enter cooperative agreements and partnerships with commercial entities.
- Require the Director of Defense Research and Engineering, under the oversight of the Director of Operational Test and Evaluation, to conduct a comprehensive technical assessment of commercially available body armor systems that claim to meet military protection standards.
- Allow troops to keep their issued combat uniforms when they return from deployment.

The subcommittee included several provisions designed to improve the management of the Department of Defense. Specifically, these provisions would:

- Provide that the Deputy Secretary of Defense is the Chief Management Officer of the Department of Defense, and establish a full-time position of Under Secretary of Defense for Management (Deputy Chief Management Officer) to ensure continuous top-level attention to the high-risk management problems of the Department identified by the Comptroller General;
- Require the Department's Business Transformation Agency to carry out a coordinated program to modernize the financial management systems of the defense agencies;
- Repeal an obsolete limitation on the number of personnel in DOD headquarters, allowing the Department to hire more federal employees instead of continuing to rely on contractors to perform essential government functions; and
- Require DOD to inventory functions performed by service contractors under

cost-type contracts (as it currently inventories functions performed by federal employees), enabling the Department to plan for the performance of these functions in a more efficient and economical manner.

The subcommittee also included a number of provisions to improve the management and oversight of DOD acquisition programs. In particular, these provisions would:

- Establish an acquisition workforce development fund within the Department of Defense, to enable the Department to increase the size and quality of its acquisition workforce and meet the challenges posed by dramatic increases in DOD's spending for products and services;
- Require increased competition in large "umbrella contracts" awarded by the Department of Defense, like the \$20 billion LOGCAP contract under which DOD acquires logistics support services for troops in Iraq and Afghanistan;
- Ensure that commanders on the battlefield have the authority to establish rules of engagement, as well as registration, processing, tracking, reporting and investigation requirements, for armed contractors in an area of combat operations;
- Authorize DOD to purchase products and services produced in Iraq and Afghanistan to support our efforts in those countries, where the Secretary of Defense determines that the preference is necessary to provide a stable source of employment and will not undermine the U.S. industrial base;
- Require that each of the military departments appoint a three-star military deputy to the service acquisition executive, to assist in managing and overseeing major defense acquisition programs and keep the service chiefs informed on the progress of such programs;
- Tighten the rules for DOD's acquisition of major weapon systems and subsystems, components and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements;
- Establish statutory guidelines for savings to be achieved under multiyear contracts for the acquisition of major weapon systems, to ensure that such savings outweigh the risks inherent in a multiyear acquisition program;
- Require the Department to reexamine its investment strategy for major defense acquisition programs, with a focus on the portfolio management process recently instituted by the Department on a pilot basis;

- Strengthen the statutory requirements that must be met before a major defense acquisition program may be certified as ready for system demonstration and development;
- Strengthen statutory protections for contractor employees who blow the whistle on waste, fraud and abuse on Department of Defense contracts; and
- Require major defense contractors to report on former senior Department of Defense officials who receive compensation from the contractor.

The subcommittee added an additional \$461 million investment in our infrastructure above the military construction budget request to repair, replace, and modernize our aging defense facilities and improve the quality of life and the productivity of our military. All projects added to the request adhered to the committee's traditional criteria for military construction projects, and the committee received a certification of no personal financial interest with respect to every military construction project added to this bill.

The subcommittee also continues its longstanding record of supporting the full and prompt implementation of the base realignment and closure (BRAC) process, with no provisions that would attempt to overturn any BRAC decisions. The bill includes a provision that would authorize an exchange of property between the Army and the General Services Administration in Springfield, Virginia that would promote "smart growth" and reduce congestion by allowing the Army to relocate some of the incoming BRAC workforce at Fort Belvoir, Virginia, to a site adjacent to public transportation.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

The Emerging Threats and Capabilities Subcommittee, under the leadership of Chairman Senator Jack Reed (D-RI) and Ranking Member Senator Elizabeth Dole (R-NC), focused on improving Department of Defense capabilities to protect the nation against emerging threats, including terrorism and the proliferation of weapons of mass destruction, and helping to transform U.S. forces to meet the threats of the 21st Century. The subcommittee authorized increased investment in science and technology programs, nonproliferation programs, Special Operations Forces programs, and chemical and biological defense programs, among others.

In the area of science and technology, the subcommittee:

- Authorized an increase of over \$450 million for defense science and technology (S&T) programs, for a total authorization of \$11.2 billion.
- Increased funding for development of advanced technologies to support current operational needs and develop new military capabilities to defeat emerging

threats, including:

- Nearly \$85 million for advanced manufacturing research and processes to reduce the production costs of weapons systems, to improve the Department's ability to surge production of critical items - such as body and vehicle armor and to preserve the domestic defense industrial base;
 - Over \$70 million in research and technologies to enhance the force protection of deployed units, including advanced materials for vehicle and body armor, active protection systems that shoot down incoming rocket propelled grenades, and sniper detection systems;
 - Nearly \$75 million for advanced energy and power technologies, including programs to develop fuel cells, hybrid engines, and biofuels for military systems;
 - Nearly \$65 million for defense related research performed at our nation's universities, which develops next generation military capabilities, while training tomorrow's scientists and engineers; and
 - Nearly \$50 million for research on combat casualty care and military medical technologies, including work to address blast injuries and brain trauma.
- Authorized a provision that would expand the nanotechnology research and development efforts of the Department of Defense, to include enhanced efforts in nanomanufacturing and the incorporation of nanotechnologies into defense systems.
 - Authorized a provision that would require the development of a strategic plan for defense manufacturing technology development to ensure that the defense industrial base has the most advanced manufacturing processes available to support the production of defense systems at the lowest cost possible, while being responsive to surge production demands driven by military needs; and
 - In conjunction with the Readiness subcommittee, authorized a provision to revitalize defense laboratories by providing more flexibility in funding construction projects and other infrastructure investment to ensure that these laboratories remain world class technical institutions to support the engineering and technical needs of operational forces.

In the area of nonproliferation and cooperative threat reduction, the subcommittee:

- Authorized an increase of \$87 million to the amount requested for Department of Energy (DOE) nonproliferation programs.
- Authorized an increase of \$100 million for the Department of Defense Cooperative Threat Reduction (CTR) Program.

- Included provisions that would repeal all of the required annual certifications and that would expand the CTR program to countries outside of the former Soviet Union.

In the area of Special Operations Forces and programs, the subcommittee:

- Authorized an additional \$124 million to meet unfunded requirements of the Special Operations Command for Mine Resistant Ambush Protected (MRAP) vehicles.
- Directed the Comptroller General to review the ongoing reorganization of the office of the Undersecretary of Defense for Policy, especially as it pertains to the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.
- Added over \$25 million in funding for the Special Operations Command (SOCOM) to meet critical language and cultural awareness training requirements, and for various SOCOM science and technology programs.

The subcommittee also took the following steps to promote the development of DOD's language capabilities:

- Authorized the creation of a National Foreign Language Coordination Council, to ensure that the administration's current efforts to promote foreign language competency will develop into an organized and concerted effort to improve the nation's foreign language capabilities.
- Directed the Comptroller General to review Department of Defense programs to improve language and cultural awareness.

In the area of counter-drug activities, the subcommittee:

- Authorized an increase of \$22.5 million to support Department of Defense drug interdiction activities, primarily those of U.S. Southern Command.
- Authorized the Department of Defense to provide counter-drug support to Mexico and the Dominican Republic.

In the area of chemical and biological defense and chemical demilitarization, the subcommittee:

- Authorized an increase of nearly \$70 million for enhancements to chemical and biological defense programs, including:
 - \$30 million for procurement of chemical detection equipment for the Army National Guard that can be used both for overseas deployments and for

- domestic consequence management missions.
- Nearly \$20 million for research and development projects to enhance the Department's ability to detect and protect its forces from chemical and biological warfare agents.
- Included a provision stating the sense of Congress that the United States should make every effort to meet its legal obligation under the Chemical Weapons Convention to destroy its entire stockpile of chemical weapons by April 2012, or as soon as possible thereafter, and that the Department of Defense should budget sufficient funds to allow the most expeditious destruction of the chemical weapons stockpile, consistent with the legal requirement to protect public health, safety, and the environment.
- Authorized an increase of \$36 million to restore funds that were removed from the chemical demilitarization program budget request. These funds would help avoid further delays in destroying the U.S. stockpile of chemical weapons, as required by law.

In the area of homeland defense, the subcommittee included a provision that would require an advisory panel to assess the capabilities of the Department of Defense to provide support to civil authorities for consequence management in the event of a chemical, biological, radiological, nuclear, or high-yield explosive (CBRNE) incident in the United States. The panel would report its findings and recommendations within one year from starting its duties.

SUBCOMMITTEE ON STRATEGIC FORCES

Under the leadership of the Chairman Senator Bill Nelson (D-FL), and Ranking Member Senator Jeff Sessions (R-AL), the Strategic Forces Subcommittee reviewed Department of Defense programs for national security space, strategic forces, ballistic missile defenses, intelligence, reconnaissance and surveillance, as well as Department of Energy (DOE) nuclear and environmental management programs.

The subcommittee addressed an important issue in the intelligence area. The committee included a provision that would direct the director or head of any department, agency, or element of the intelligence community to respond to the Armed Services Committees within 15 days of receiving a request for information.

The subcommittee continued implementing the policy of focusing on the development, testing, fielding, and improvement of effective near-term missile defense capabilities, particularly to protect forward-deployed U.S. forces and allies against existing threats from short- and medium-range ballistic missiles. The subcommittee also authorized provisions to improve acquisition and oversight of ballistic missile defense programs. The subcommittee authorized a total of \$10.1 billion for ballistic

missile defense, a net reduction of \$231 million below the budget request for the Missile Defense Agency. The subcommittee authorized increases of \$315 million to near-term missile defense programs and offset those increases by decreasing funding for far-term, lower priority programs. Specifically, the subcommittee:

- Approved the Army funding request for the Patriot PAC-3 program, including the “Pure Fleet” initiative, and added \$75 million to procure 25 additional PAC-3 missiles.
- Authorized an addition of \$75 million for the Aegis Ballistic Missile Defense (BMD) program to increase the production rate of Standard Missile-3 (SM-3) interceptors, procure 15 additional SM-3 missiles, and accelerate work on the Aegis BMD Signal Processor and Open Architecture program.
- Approved an increase of \$105 million for the Terminal High Altitude Area Defense (THAAD) system to increase the missile production rate, begin the upgrade of the evolved THAAD interceptor, and to conduct an additional test.
- Added \$25 million for co-production of the Arrow missile, and added \$10 million to study the suitability of the THAAD missile to serve as a follow-on to Israel’s Arrow system.
- Authorized an increase of \$25 million for accelerated joint development of a short-range ballistic missile defense (SRBMD) system for Israel.
- Reduced the budget request of \$310.4 million for the proposed European missile defense deployment by \$85 million for site activation and construction work, to reflect the schedule of negotiations with the host nations, but authorized the remaining budget request, with availability of funding for some activities being subject to meeting certain conditions.
- Reduced funding for the Airborne Laser program by \$200 million.
- Reduced funding for BMD Special Programs by \$150 million, and for BMD Systems Core by \$50 million.
- Reduced the budget request for the Space Tracking and Surveillance System by \$55 million for premature development of follow-on satellites, and authorized no funds for the proposed space test-bed.
- Included legislative provisions that would:
 - Extend by five years the requirement for the Comptroller General to assess the ballistic missile defense program annually.

- Require the Department of Defense, starting in fiscal year 2009, to submit the budget request for the Missile Defense Agency using regular budget categories (research and development, procurement, operation and maintenance, and military construction), and make certain acquisition and oversight improvements.
- Limit the use of funds for construction and deployment activities for the proposed European missile defense deployment until certain conditions are met, primarily the approval of any negotiated bilateral agreements with the host nations. Other activities would be permitted.
- Require a certification from the Secretary of Defense that the Block 2006 Ground-based Midcourse Defense (GMD) system is operationally effective before deploying more than 40 Ground-Based Interceptors (GBIs) at Fort Greely, Alaska.
- Ensure that the Director of Operational Test and Evaluation has full access to missile defense test and evaluation data.

The subcommittee supported improved national security space capabilities for satellite communications, missile warning, space situational awareness and surveillance, space control, and reduced space system vulnerability. Specifically, the subcommittee:

- Added \$125 million for advanced procurement for a fourth Advanced Extremely High Frequency (AEHF) communications satellite, and \$10 million for Ultra High Frequency to reduce the risk of communications gaps.
- Added \$15 million for sensors for small satellite efforts to provide operationally responsive space support capability for the warfighter.
- Added \$35 million for the Space Based Space Surveillance System to provide improved situational awareness in space.
- Added \$16.8 million for space situational awareness operations, \$9.8 million for the space fence, \$13.8 million to the Rapid Attack Identification Detection and Reporting System (RAIDRS) and \$50 million for space control technology to improve space protection and awareness capabilities.
- Fully funded the GPS III program and the Transformational Communications Satellite Program.
- Provided an additional \$100 million for the Space-Based Infrared Satellite System (SBIRS) GEO-4 and \$27.6 million for the SBIRS backup control station, but no funding for the Alternative Infrared Satellite System.

- Provided no funding for the Space Radar program but provided additional funding for research and development of space radar capabilities.
- Included provisions that would direct the Secretary of Defense in the next administration to conduct a space posture review, and direct the Director of the National Reconnaissance Office (NRO) to participate in the National Security Space Office.

The subcommittee addressed strategic systems as follows:

- Refocused efforts to achieve a prompt global strike capability into a single coordinated program.
- Added \$19 million for modernization efforts to sustain 76 B-52 aircraft.
- Directed the Secretary of Defense to submit a report on the retirement schedule for remaining nuclear cruise missiles.
- Included a provision that would direct the Secretary of Defense in the next administration to conduct a new nuclear posture review.

The subcommittee continues to support the Stockpile Stewardship Program and modernization of the nation's nuclear weapons complex. The committee also supports efforts to enhance the security posture of the Department of Energy nuclear sites, reduce deferred maintenance, and complete the environmental cleanup of Cold War legacy sites. Specifically, the subcommittee:

- Consolidated funding for the Reliable Replacement Warhead into one funding line, reduced the total amount requested by \$43 million, and limited fiscal year 2008 program activities to phase 2A activities only.
- Added \$62.4 million to enhance security at Department of Energy nuclear sites.
- Added \$36.8 million to reduce deferred maintenance within the nuclear weapons complex.
- Added \$10 million for nuclear weapons incident response.
- Included provisions directing the Comptroller General to review issues related to the security protection forces at DOE sites and to review a report that would be prepared by the Secretary of Energy on the future plans and cost of the Environmental Management program.

The subcommittee also recommended an increase of \$5.0 million for the

Defense Nuclear Facilities Safety Board to address their increased workload.

SUBCOMMITTEE ON SEAPOWER

Under the leadership of the Chairman Senator Edward M. Kennedy (D-MA) and Ranking Member Senator John Thune (R-SD), the Subcommittee on Seapower focused on the needs of the Navy, Marine Corps, and strategic mobility forces. The subcommittee put particular emphasis on support for Marines and naval forces engaged in combat operations and on the continuing transformation of the Navy.

The subcommittee focused on force protection for Marine Corps ground forces and on execution of the shipbuilding budget. The subcommittee was concerned with the amount of funding in the budget request devoted to shipbuilding, and took steps to protect the capability of the Navy to provide necessary global presence into the future. Specifically, the subcommittee:

- Added almost \$2 billion for mine resistant ambush protected (MRAP) vehicles. This addition will support all known requirements of the Navy and Marine Corps for these vehicles that improve protection for our troops exposed to the improvised explosive device (IED) threat in Iraq and Afghanistan.
- Authorized construction for five warships and provided multiyear procurement authority for fiscal year 2009 - 2013 Virginia class submarines.
- Added \$470 million in advance procurement funding for Virginia class submarines to support buying an additional submarine in fiscal year 2010. There is no requirement that the Navy allocate additional funds to buy the second submarine in fiscal year 2010. If the Navy chooses not to do that, the funds could be used to support economic order quantity buys of material in fiscal year 2008, which could yield additional savings for the multiyear procurement and reduce pressure on the outyear shipbuilding budget.
- Reduced \$430.5 million in funding for the Littoral Combat Ship (LCS) program, requiring that future ships of the program be competitively awarded with added measures to control cost. This reflects a response to the more than doubling of the price of these ships, schedule delays, and delays in promulgating an acquisition strategy.
- Reduced Title XV war-related funding by \$492.5 million for five CV-22 Special Operations Command aircraft and \$123.4 million for six UH-1Y / AH-1Z Marine Corps helicopters due to concerns about the production cost growth and management processes at the contractor plant that builds both of these aircraft. Production in fiscal year 2008 for all V-22s would still increase from 16 to 28 and H-1 production would increase from 11 to 20 aircraft.

- Added \$78.6 million to Navy and Marine Corps research and development programs.
- Supported critical efforts to efficiently and effectively modernize the force; including C-5 Galaxy strategic airlift aircraft Reliability Enhancement Re-engining Program, Arleigh Burke (DDG-51) class destroyer modernization, and Navy Open Systems Architecture.
- Authorized increases to guaranteed business for the Civil Reserve Air Fleet program to strengthen the Department's partnership with industry on this critical program.
- Reduced the request for the Marine Corps Expeditionary Fighting Vehicle by \$100 million, since the program has encountered serious technical problems and cost growth, and will not be able to spend the funds appropriated for the current fiscal year.

SUBCOMMITTEE ON AIRLAND

Under the leadership of Chairman Senator Joseph Lieberman (I-CT) and Ranking Member Senator John Cornyn (R-TX), the Subcommittee on Airland followed Chairman Levin's full committee markup guidelines, in particular to reduce strategic risk, to accelerate the readiness of Army ground forces and Air Force and Navy tactical air systems, to promote transformation, and to improve efficiency of programs and apply the savings toward high-priority programs. Particular emphasis was placed on addressing the needs of an Army stressed and stretched by over four years of war, but doing so in a way that also positions the Army to meet the challenges of the future.

In a series of legislative and funding actions designed to achieve those objectives, the subcommittee:

- Authorized multiyear procurement for Abrams Tank and Bradley Fighting Vehicle upgrades.
- Included a provision which withholds all funding for the procurement of the Stryker Mobile Gun System (MGS) until 30 days after the date on which the Secretary of the Army certifies to Congress that the results of the initial operational test and evaluation indicate that the MGS is operationally effective, suitable and survivable. The Secretary of Defense may waive the limitation its funding if the Secretary determines that further procurement of MGS is in the national security interest of the United States.
- Included a provision which requires a comparative live fire test of appropriate

active protection systems and an assessment of current and developing foreign and domestic active protection systems (APS) to assess technologies and analyze operational impact.

- Included a provision which consolidates the Joint Network Node (JNN) and the Warfighter Information Network - Tactical (WIN-T) programs into a single Army tactical network program.
- Included a provision which limits retirements of C-130E/H and KC-135E aircraft.
- Included a provision which assigns fixed-wing intra-theater airlift functions and missions to the Air Force and shifts Army aircraft and funding in Fiscal Year 2008 to the Air Force.
- Included a provision that directs the Secretary of Defense to obligate sufficient annual funding to develop and procure a competitive propulsion system for the Joint Strike Fighter (JSF) program, in order to conduct a competitive propulsion source selection. Added \$480 million to the JSF program in fiscal year 2008 for this purpose but did not recommend reductions to the JSF budget to pay for the competitive engine program.
- Fully funded the President's budget request for the Army's Future Combat Systems, adds \$90 million to restore fiscal year 2008 funding for the Armed Robotic Vehicles deleted in the recent program restructure, and adds \$25 million to accelerate development of the FCS active protection system.
- Added \$40 million for integration of an active protection (APS) system on the Stryker vehicles.
- Transferred funding for the Armed Reconnaissance Helicopter (ARH) to Kiowa Warrior modifications and ARH research and development, and reduces ARH procurement at the Army's request in anticipation of program restructure.
- Added \$80 million to restore fiscal year 2008 funding for the Land Warrior system, ensuring sufficient quantities to field to the remaining two battalions of the Stryker Brigade Combat Team currently equipped with the system in Iraq.
- Added \$2.7 billion for items on the Army Chief of Staff's Unfunded Requirements List, including over \$1.5 billion for Mine Resistant Ambush Protected (MRAP) vehicles, \$775.1 million for reactive armor and other Stryker requirements, \$207.4 million for aviation survivability equipment, \$102.4 million for combat training centers, and funding for explosive ordnance disposal equipment, night vision devices and machine guns.
- Added funding for other major force protection items, including \$430 million for

MRAP vehicles for the Air Force, and fully funds the President's budget request for \$4.5 billion for the Joint Improvised Explosive Defeat Office (JIEDDO), directing JIEDDO to invest at least \$50 million in blast injury research and over \$150 million for the procurement of IED jammers for the Army.

- Reduced over \$3.5 billion in excessive funding in programs such as the Joint Network Node, SINCGARS radios, Army Sustainment and Logistics Enterprise, Joint Strike Fighter, CSAR-X and C-130J.
- Realigned funding from the cancelled E-10A aircraft development program to begin a program to backfit the JSTARS aircraft with the improved multi-platform radar technology insertion program (MP-RTIP) radar.

OTHER MATTERS

The committee also took a number of other important actions, including:

- Establishing a requirement that the President report to Congress on his long-term strategy for engaging with Pakistan to eliminate safe havens for the Taliban, al-Qaeda and other violent extremists in Pakistan and to stop their cross-border movements into Afghanistan. Reimbursements to Pakistan for support to U.S. military operations would be restricted unless the President certifies that Pakistan is making substantial and sustained efforts to eliminate terrorist safe havens on its territory;
- Extending and enhancing the Department of Defense's authority to provide services or transfer funds to the State Department for police training and stabilization assistance;
- Extending and expanding the Department of Defense's authority to lease or lend equipment for personnel protection and survivability to allies and coalition partners participating in combined military operations with U.S. forces;
- Extending the participation of Department personnel in NATO military centers of excellence;
- Directing the Comptroller General to assess the implementation of the Global Peace Operations Initiative, including whether it would have an impact on participation in upcoming peace operations; and
- Recognizing the significant changes in the role and missions of the National Guard and Reserve, by:
 - Increasing the grade of the Chief of the National Guard Bureau from lieutenant general to general and expanding the duties of and eligibility

- requirements for this position.
 - Requiring the Secretary of Defense, in consultation with the Secretaries of the Army and Air Force and the Chairman of the Joint Chiefs of Staff, to prescribe the charter for the National Guard Bureau.
 - Enhancing the authority for National Guard and Reserve general and flag officers to serve on active duty.
 - Authorizing federal civilian employees who are in the National Guard or Reserves to continue their coverage under the Federal Employees Group Life Insurance for up to 24 months when mobilized.
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- Consistent with the committee's longstanding practice, the committee report identifies all funding provided for programs, projects and activities that were not requested in the President's budget. For the first time, the report will also identify the name of Members requesting such funding. The committee will also make this information available to the general public in an electronically searchable format at least 48 hours before consideration of the bill or conference report.