

PRESS RELEASE



**United States Senate
Committee on Armed Services**

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SENATE ARMED SERVICES COMMITTEE COMPLETES MARKUP OF NATIONAL DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 2004

Senator John Warner (R-VA), Chairman of the Armed Services Committee, and Senator Carl Levin (D-MI), Ranking Member, announced today that the committee has completed its markup of the National Defense Authorization Bill for Fiscal Year 2004. The bill authorizes funding for the Department of Defense and the national security programs of the Department of Energy.

"As the Committee reports this bill to the full Senate, over 300,000 soldiers, sailors, airmen and Marines, active and reserve component, and countless civilians continue to serve valiantly in the Persian Gulf region and Afghanistan to secure peace and freedom. All Americans are proud of what they have accomplished. This bill sends a strong signal of support to our men and women in uniform – from the Balkans to the Middle East to Korea and those standing watch here at home – that we appreciate their sacrifice and honor their service," said Warner.

"The committee has produced a strong, balanced bill that provides our armed forces with the means needed to meet today's challenges and makes the investments that will be needed to respond to the challenges of the 21st Century. At the same time, it continues the improvements in the compensation and quality of life for our servicemen and women and their families. Americans expect us to support our troops; this bill does that," Senator Levin said.

The Armed Services Committee has reported out a bill that contains a 3.2 percent real increase in defense spending and emphasizes the priorities of homeland defense, new capabilities to continue the transformation of the Armed Forces, and

quality of life improvements for members of the Armed Forces. Warner added, "History and recent experience remind us that, no matter how well prepared we are, new threats and challenges will surely emerge and we must be ready to meet the unexpected contingencies. This bill meets the expectations of every American that the U.S. military will have the skilled personnel and the equipment necessary to meet current and future threats."

This bill will:

- enhance the ability of the Department of Defense to fulfill its homeland defense responsibilities;
- continue the Committee's commitment to improve the quality of life for the men and women of the Armed Forces -- active, reserve, guard and retired -- and their families;
- provide our men and women in uniform with the resources, training, technology and equipment they need to safely and successfully perform their missions, both now and in the future;
- sustain the readiness of our Armed Forces to conduct the full spectrum of military operations;
- support the Department's efforts to build the innovative capabilities necessary to continue the transformation of the Armed Forces, particularly by enhancing our technological advantages in areas such as unmanned systems; and
- improve the efficiency of Department programs and operations, and reduce the cost and time required to develop and acquire new capabilities and needed services.

"The stunning military successes we have witnessed on the battlefields of Iraq and Afghanistan validate the investment of the American taxpayers over the years in our Armed Forces. We are grateful to the men and women in uniform, and their families, for their valor and professionalism. This bill gives our service men and women the equipment they need, the enhanced quality of life they and their families deserve, and the promise of a transformed force for the future. I urge all of my colleagues to support prompt passage of this bill in the Senate," concluded Warner.

FUNDING LEVELS

The committee recommends funding of \$400.5 billion in budget authority for defense programs for fiscal year 2004, which is \$17.9 billion above the amount

appropriated by the Congress last year, and is consistent with this year's Concurrent Budget Resolution. This recommended level of funding represents a 3.2 percent increase in real terms for defense. The committee authorized \$75.6 billion in procurement funding, a \$1.1 billion increase above the President's budget; and \$63.2 billion in funding for research, development, test and evaluation, a \$1.3 billion increase over the requested level.

MARKUP HIGHLIGHTS

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

- Approved a 3.7 percent across-the-board pay raise for all uniformed service personnel, including a targeted pay raise ranging from 5.25 to 6.25 percent for mid-career service members for an overall average pay raise of 4.15 percent.
- Authorized an increase in the rate of family separation allowance from \$100.00 per month to \$250.00 per month.
- Authorized an increase in the rate of special pay for duty subject to hostile fire or imminent danger from \$150.00 per month to \$225.00 per month.
- Mandated a \$100.00 per month assignment incentive pay for all military members stationed in Korea.
- Authorized a "high deployment allowance" of up to \$1000.00 per month, designed to compensate those service members who are repeatedly called away from their home bases, to include reservists.
- Authorized the requested amount of \$9.1 billion for ballistic missile defense (BMD) research and development and procurement.
- Ensured that our forces can continue to use their training ranges effectively by precluding designation of critical habitat under the Endangered Species Act on Department of Defense lands that are subject to an Integrated Natural Resource Management Plan.
- Expressed the committee's concern about friendly fire incidents and directed the Secretary of Defense to fully coordinate and, through the Commander, U.S. Joint Forces Command, lead the Department's efforts to develop and field joint, interoperable technologies to track and positively identify friendly forces.
- Added approximately \$400.0 million over the President's budget request to

improve homeland defense capabilities, including:

- \$88.4 million to field 12 additional Weapons of Mass Destruction-Civil Support Teams (WMD-CST), which will result in a total of 44 teams by the end of FY 04.
- \$76.6 million for the Chemical Biological Installation/Force Protection Program, doubling the number of bases, from 15 to 30, which will be fully equipped with highly effective chemical and biological detection equipment.
- \$147.0 million for innovative technologies to combat terrorism and defeat emerging asymmetric threats.
- \$42.2 million for chemical and biological defense program research and development.
- Authorized \$3.5 billion for the procurement of 20 F/A-22 Raptor aircraft, a reduction of two aircraft from the request, to allow the Air Force time to improve its production delivery schedule.
- Added \$135.0 million to rapidly accelerate the development and acquisition of unmanned systems.
- Authorized \$10.7 billion for the Defense Science and Technology program, including an additional \$515.0 million for critical science and technology programs, bringing the Department closer to its goal of devoting 3 percent of its budget to such programs.
- Supported efforts to strengthen the nation's nuclear weapons research and development and test readiness programs.
- Authorized \$6,624.5 million for construction of seven new ships, including \$1,511.9 million for one *Virginia*-class attack submarine, \$3,219.3 million for three *Arleigh Burke*-class destroyers, \$1,192.0 million for one *San Antonio*-class amphibious ship, and \$722.3 million in the National Defense Sealift Fund for two T-AKE auxiliary cargo and ammunition ships.
- Authorized multiyear procurements for *Virginia*-class attack submarines and Tactical Tomahawk cruise missiles, F/A -18E/F aircraft and E-2C aircraft.
- Authorized \$1,186.6 for advance procurement of the CVN-21 aircraft carrier.
- Supported the Army's transformation initiative by authorizing \$2.8 billion in research and development funding for Future Combat Systems, the Objective Force Indirect Fires program and the Comanche helicopter program, and \$955.0

million in procurement and \$61.0 million in RDT&E funding for Stryker vehicles.

- Authorized over \$4.4 billion, including an additional \$56.0 million, for the continued development of the Joint Strike Fighter.

SUBCOMMITTEE ON PERSONNEL

Subcommittee Chairman Saxby Chambliss (R-GA) and Ranking Member Ben Nelson (D-NE) continued the Personnel Subcommittee's focus and attention on improving compensation and quality of life programs for service members, retirees and their families. Specifically, the subcommittee:

- Authorized a 3.7 percent across-the-board pay raise for all uniformed service personnel, including a targeted pay raise ranging from 5.25 to 6.25 percent for mid-career service members, for an overall average raise of 4.15 percent.
- Mandated a \$100.00 per month assignment incentive pay for all military members stationed in Korea.
- Authorized an increase in the rate of family separation allowance from \$100.00 per month to \$250.00 per month.
- Authorized an increase in the rate of special pay for duty subject to hostile fire or imminent danger from \$150.00 per month to \$225.00 per month.
- Directed that annual military pay raises after FY 2006 be equal to the annual increase in the employment cost index (ECI).
- Authorized an increase in the death gratuity from \$6,000.00 to \$12,000.00, effective September 11, 2001.
- Authorized increases over FY 2003 levels in end strength for Reserve full time support personnel of 1035 for the Army National Guard and 366 for the Air National Guard, in part to support the activation of 12 additional Weapons of Mass Destruction-Civil Support Teams.
- Authorized the Department of Defense to contract with household goods carriers to reimburse service members for the full replacement value of personal property damaged during moves.
- Mandated TRICARE beneficiary counseling assistance coordinators to assist reserve component beneficiaries using the TRICARE program with reserve unique health benefit issues.

- Directed the Secretary of Defense to ensure the continued viability and adequacy of the TRICARE standard benefit.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Subcommittee Chairman Senator John Ensign (R-NV) and Ranking Member Senator Daniel K. Akaka (D-HI) focused the subcommittee's efforts on the readiness of the Armed Forces to meet the challenges of today, while preparing for tomorrow. The success of recent military operations illustrates the return on investments over the past several years in training, munitions, maintenance and spare parts. As the force reconstitutes after operations in Afghanistan and Iraq, the committee will closely monitor whether additional funds are needed for those items not covered by supplemental funding to pay for these operations. To address the readiness needs of the military, the subcommittee:

- Increased the budget request in the following areas:
 - \$30.5 million to support the active and reserve operating forces, including funding for personal gear and field equipment.
 - \$15.0 million for Army aviation training modernization.
 - \$287.9 million for equipment maintenance and testing.
 - \$28.0 million for ammunition, including war reserves and training munitions, and demilitarization of obsolete ammunition.
 - \$40.0 million for cleanup of Formerly Used Defense Sites (FUDS).

The transformation of the Department of Defense will depend on effective management and stewardship of departmental resources. The subcommittee recommended numerous legislative provisions to improve management and oversight of the Department of Defense. These provisions would:

- Ensure that our forces can continue to use their training ranges effectively by precluding designation of critical habitat under the Endangered Species Act on Department of Defense lands that are subject to an Integrated Natural Resource Management Plan, provided the Secretary of Interior determines that such plans address special management considerations or protection for endangered or threatened species.
- Extend emergency procurement authorities passed in the aftermath of September

11, 2001, to ensure that the U.S. military can rapidly respond to contingency operations and facilitate the defense against or recovery from terrorist attack, including nuclear, biological, chemical, or radiological attack.

- Authorize state and local purchase of anti-terrorism technologies and services from federal contracts and, if needed, apply discretionary indemnification authority to these purchases.
- Establish a pilot program to base competitive sourcing decisions for information technology services on best value criteria and ensure that schedules for public-private competitions are based on the availability of sufficient DOD personnel, training and technical resources to conduct such competitions.
- Approved a provision giving the Commander, U.S. Joint Forces Command, limited acquisition authority for the rapid development and fielding of important new command and control capabilities for combatant commanders.
- Provide for improved program management of acquisition programs using the radio frequency spectrum and streamline the acquisition process for computer systems integral to weapon systems.
- Provide the DOD intelligence community and the Special Operations Command the flexibility to enter into personal services contracts for critical needs.
- Enhance quality control of aviation critical safety items through improved sourcing, coordination and oversight.
- Strengthen the defense acquisition workforce by enhancing the flexibility of the Secretary of Defense to manage experience, education and tenure requirements; expanding the acquisition workforce pilot demonstration; and establishing a three-year moratorium on further reductions in the acquisition workforce.
- Extend and expand the authority for the use of innovative "other transactions" to acquire research and development from companies that do not traditionally do business with DOD.
- Address travel card abuses by requiring DOD to establish a program to evaluate the creditworthiness of individuals prior to the issuance of a defense travel card.
- Authorize the Secretary of Defense to waive domestic source or content requirements for defense allies that provide reciprocal treatment for our defense products.

Military Construction

The committee reaffirmed its support of the military services' efforts to modernize, renovate, and improve aging defense facilities and focused its funding priorities on improving quality of life, infrastructure, and readiness-related projects for the active and reserve components.

The Administration requested nearly \$9.0 billion for the military construction and family housing program. The Administration proposed a budget amendment in May 2003 to realign the request for overseas locations to address pending changes to overseas basing strategy. The committee has included nearly \$9.5 billion for military construction. This level of funding will provide for a prudent investment in overseas locations with an enduring presence and an increased investment in installations in the United States. The committee included over \$220.0 million in additional funding for critical unfunded military construction requirements identified by the military services, and more than \$200.0 million in additional funding for quality of life projects such as barracks, family housing, and child development centers.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

Under the leadership of the Chairman Senator Pat Roberts (R-KS) and Ranking Member Senator Jack Reed (D-RI), the Emerging Threats and Capabilities Subcommittee focused on supporting and enhancing the Department of Defense's efforts to combat terrorism both at home and abroad, countering the threat of proliferation of weapons of mass destruction, accelerating transformational technologies such as unmanned systems, and improving the Armed Forces' ability to meet the emerging threats of the 21st century.

The subcommittee's main focus was on enhancing the Department's capability to combat terrorism both at home and abroad and to provide for a robust homeland defense. In these areas, the committee increased the President's budget request by over \$400.0 million. Specifically, the subcommittee :

- Added \$88.4 million to field an additional 12 Weapons of Mass Destruction-Civil Support Teams (WMD-CST) which will result in a total of 44 teams by the end of FY 04.
- Added \$76.6 million to the Chemical Biological Installation/Force Protection Program, doubling the number of bases, from 15 to 30, that will be fully equipped with a highly effective suite of manual and automated chemical and biological detection equipment.
- Added \$147.0 million in innovative technologies to combat terrorism and defeat emerging asymmetrical threats.

- Added \$42.2 million for chemical and biological defense program research and development.
- Added \$36.0 million for chemical and biological protection suits.
- Added \$13.7 million for wide-area chemical and biological decontamination technology research and equipment procurement, an increase of 88 percent over the budget request.
- Added \$14.0 million for research, development and procurement of portable chemical detectors, including the Joint Chemical Agent Detector and the Automatic Chemical Agent Detector Alarm, and radiation search tools.
- Authorized \$7.0 million for information assurance technologies, including a \$3 million increase for the Information Assurance Scholarship Program which trains the next generation of information assurance professionals to defeat the increasing threat of cyber-terrorism.
- Required a report on the potential uses of unmanned aerial vehicles (UAVs) for homeland security missions.

The subcommittee also increased funding for transformational technologies and capabilities to meet the challenges of the 21st century. In particular, the subcommittee built on the goal the committee established in FY01 to accelerate the technologies which will lead to the development and fielding of operational unmanned combat systems. Specifically, the committee:

- Authorized a 25% increase in unmanned systems.
- Added \$135.0 million to rapidly accelerate the development and acquisition of unmanned systems including:
 - \$10.0 million for the High Altitude Airship
 - \$8.0 million for the Silver Fox
 - \$7.5 million for the Organic Micro UAV
 - \$3.5 million for Dragon Eye UAV
- Authorized a program to coordinate technology efforts and provide for the efficient utilization of bandwidth for unmanned systems.
- Authorized almost \$1.5 billion in university based research for transformational

defense technologies.

- Authorized \$10.7 billion for the Defense Science and Technology program, including an additional \$515.0 million for critical, high-payoff science and technology programs, including approximately \$150.0 million for technologies to combat terrorism and protect the homeland.
- Authorized \$6.7 billion for the Special Operations Command, including an additional \$107.0 million for weapons systems, psychological operations capabilities, and enhanced intelligence.

In addition, the subcommittee:

- Authorized \$1.7 billion for the Chemical Agents and Munitions Destruction Program.
- Authorized \$1.3 billion for the Department of Energy nonproliferation programs, including the development of enhanced proliferation detection and nuclear explosion monitoring capabilities.
- Authorized \$450.8 million for the Department of Defense's Cooperative Threat Reduction (CTR) Program, and provided authorization for CTR projects and activities outside the states of the Former Soviet Union, and provided the President one year authority to waive the conditions that must be met before continuing the Russian chemical demilitarization program at Shchuch'ye in FY 2004.

SUBCOMMITTEE ON STRATEGIC FORCES

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

To enhance national security space capabilities, the subcommittee:

- Authorized a provision to establish as the policy of the U.S. government that the nation will have an assured space launch capability for national security payloads.
- Added \$60.0 million for assured access to space.
- Approved a provision to promote the development of an effective cadre of military space professionals.

- Added \$60.0 million for the Advanced Extremely High Frequency (AEHF) communications satellite.
- Added \$80.0 million to accelerate the Global Positioning System III (GPS III) next generation navigational satellite.
- Added funds to improve space surveillance and space control and reduce space system vulnerability.

In the area of ballistic missile defense, the committee:

- Authorized the requested amount of \$9.1 billion for ballistic missile defense (BMD) research and development and procurement.
- Added \$100.0 million to the ground-based midcourse BMD system for an additional intercept test and other activities to reduce program risk.
- Authorized a restructuring of the PAC-3 and Medium Extended Air Defense System (MEADS) to coordinate the research and development on these two terminal phase BMD systems.

To enhance intelligence, surveillance, and reconnaissance (ISR) capabilities, the subcommittee:

- Required the Secretary of Defense to establish an intelligence, surveillance, and reconnaissance (ISR) council consisting of senior intelligence and operations officers from the military services and Defense intelligence agencies to develop a roadmap to fully integrate the ISR efforts of the military services and the intelligence agencies.
- Added \$66.7 million for Defense airborne reconnaissance programs (DARP), \$46.4 million to sustain the Fire Scout unmanned aerial vehicle (UAV) program, and \$34.0 million to accelerate development of modern tasking, processing, exploitation and dissemination (TPED) systems for ISR.

The subcommittee supported efforts to strengthen the nation's nuclear weapons research, development and test readiness capabilities and program management. Specifically, the subcommittee:

- Authorized a provision to repeal the ban on research and development of low yield nuclear weapons, and stated that nothing in the repeal shall be construed as authorizing the testing, acquisition, or deployment of a low-yield nuclear weapon.
- Authorized a provision to require the Secretary of Energy to achieve and maintain

the ability to conduct an underground nuclear test within 18 months, should it become necessary for the President to order such a test.

- Authorized \$21.0 million for the advance concepts initiative, of which \$15.0 million is directed to continue the feasibility study on the robust nuclear earth penetrator.

Consistent with the recommendations of the 2002 Nuclear Posture Review, the subcommittee also sought to ensure that U.S. nuclear forces are well coordinated with advanced conventional weapons, delivery systems, and ISR capabilities. To support that goal, the committee required the Secretary of Defense to establish a global strike roadmap that would provide an integrated plan to develop and deploy global strike capabilities.

SUBCOMMITTEE ON SEAPOWER

Under the leadership of the Chairman Senator James M. Talent (R-MO) and Ranking Member Senator Edward M. Kennedy (D-MA), the Subcommittee on Seapower focused on the needs of the Navy and the Marine Corps in a time of growing emphasis on operations in the littorals, in addition to traditional open ocean operations.

Operational commanders presented compelling testimony to the subcommittee in support of the new strategic vision for the Navy and the Marine Corps -- Sea Power 21 and Expeditionary Maneuver from the Sea, with its three pillars of Sea Strike, Sea Shield, and Sea Basing. In addition, the subcommittee noted the high demand on sealift and airlift forces in support of Operation Iraqi Freedom.

The subcommittee took action both to support the planned transformation of the Navy and the Marine Corps, and to ensure a current fleet capable of handling any near term contingencies. Specifically, the subcommittee:

- Authorized the construction of seven new ships, including \$1,511.9 million for one *Virginia*-class attack submarine, \$3,219.3 million for three *Arleigh Burke*-class destroyers, \$1,192.0 million for one *San Antonio*-class amphibious ship, and \$722.3 million in the National Defense Sealift Fund for two T-AKE auxiliary cargo and ammunition ships.
- Authorized three ship conversions, including \$930.7 million to convert two Trident ballistic missile submarines into guided missile submarines, and \$194.4 million for the first conversion of a *Ticonderoga*-class cruiser.
- Authorized multi-year procurements for *Virginia*-class attack submarines and Tactical Tomahawk cruise missiles.
- Authorized \$1,186.6 million for advance procurement of the CVN-21 aircraft

carrier.

- Approved the President's request for \$833.1 million for nine MV-22 Osprey aircraft for the Marine Corps, and \$217.9 million for two CV-22 Osprey aircraft for the Air Force.
- Approved the President's request for \$2,115.6 million for 11 C-17 airlift aircraft for the Air Force.
- Approved the President's request for \$1,058.4 million research, development, test and evaluation for the DD(X) destroyer.
- Approved the President's request for \$247.0 million for continuing research, development, test and evaluation of the Advanced Amphibious Assault Vehicle for the Marine Corps.
- Added \$35.0 million for the development of focused mission modules for the Littoral Combat Ship.
- Added \$248.0 million for the refueling and overhaul of the USS *Jacksonville*.
- Added \$77.2 million for various research, development, test, and evaluation programs, primarily for *Virginia*-class submarines.
- Added \$39.4 million for the procurement of additional P-3 aircraft anti-surface warfare improvement program kits.
- Added \$21.0 million for a modernization program for *Arleigh Burke*-class destroyers.
- Added \$20.0 million for upgrade kits for the Phalanx close-in weapons system.
- Added \$39.4 million to accelerate the C-5 aircraft avionics modernization program.
- Added \$46.0 million to accelerate the extended range active missile (ERAM) program.
- Added \$12.0 million for upgrades to the lightweight multi-band radio system.

SUBCOMMITTEE ON AIRLAND

Under the leadership of Chairman Senator Jeff Sessions (R-AL) and Ranking Member Senator Joseph Lieberman (D-CT), the Subcommittee on Airland emphasized Army transformation, tactical aviation fixed and rotary-wing programs, research and development requirements and emerging lessons learned from Operation Iraqi

Freedom. Specifically, the subcommittee:

- Authorized over \$1.3 billion in research and development funding for Future Combat Systems.
- Authorized over \$353.0 million for the continued development of the non-line-of-sight cannon platform.
- Authorized almost \$1.1 billion for the development of the Comanche helicopter.
- Authorized \$955.0 million in procurement and \$61.0 million in RDT&E funding for Stryker vehicles.
- Authorized over \$4.4 billion, including an additional \$56.0 million over the request, for the continued development of the Joint Strike Fighter.
- Authorized \$762.5 million for the procurement of Apache Longbow helicopters.
- Authorized \$2.9 billion for the follow-on multiyear procurement of 42 F/A-18 E/F Super Hornet aircraft for the Navy.
- Authorized \$211.1 million for the follow-on multiyear procurement of two E-2C early warning aircraft.
- Authorized \$705.0 million for procurement of Joint Direct Attack Munitions for the Navy and Air Force.
- Authorized \$3.5 billion for the procurement of 20 F/A-22 Raptor aircraft, a reduction of two aircraft from the request to allow the Air Force time to improve production deliveries.
- Authorized \$936.5 million for continued F/A-22 research and development.
- Added \$70.7 million for 7 additional UH-60 Blackhawk helicopters.
- Added \$17.0 million for aircraft and aircraft survivability equipment.
- Added \$83.0 million for Hellfire and Javelin missiles.
- Added \$25.0 million for procurement of the Movement Tracking System.
- Added \$14.9 million for the Rapid Fielding Initiative, a program to provide soldiers and units with field equipment not issued through normal supply procedures, such as fiber optic viewers, weapon optics, and advanced combat

helmets.

- Added \$35.0 million for the procurement of five additional Navy Joint Primary Aircraft Training Systems for the Navy.
- Added \$67.0 million for additional Litening advanced targeting pods for the AV-8B, A-10, and F-16 aircraft.
- Added \$73.2 million for F-15 and F-16 engine upgrades.
- Added \$16.5 million for the development of F-15C/D radar upgrades.
- Added \$20.0 million for the continued development of the Advanced Precision Kill Weapon System.