

105TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
105-132

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 1998

R E P O R T

OF THE

COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES

ON

H.R. 1119

together with

ADDITIONAL AND DISSENTING VIEWS

[Including cost estimate of the Congressional Budget Office]



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NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 1998

JUNE 16, 1997.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. SPENCE, from the Committee on National Security,
submitted the following

REPORT

[To accompany H.R. 1119]

[Including cost estimate of the Congressional Budget Office]

The Committee on National Security, to whom was referred the bill (H.R. 1119) to authorize appropriations for fiscal years 1988 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

The amendment strikes out all after the enacting clause of the bill and inserts a new test which appears in italic type in the reported bill.

The title of the bill is amended to reflect the amendment to the text of the bill.

EXPLANATION OF THE COMMITTEE AMENDMENT

The committee adopted an amendment in the nature of a substitute during the consideration of H.R. 1119. The remainder of the report discusses the bill, as amended.

PURPOSE

The bill would—(1) Authorize appropriations for fiscal year 1998 for procurement and for research, development, test and evaluation (RDT&E); (2) Authorize appropriations for fiscal year 1998 for operation and maintenance (O&M) and for working capital funds; (3) Authorize for fiscal year 1998: (a) the personnel strength for each

active duty component of the military departments; (b) the personnel strength for the Selected Reserve for each reserve component of the armed forces; (c) the military training student loads for each of the active and reserve components of the military departments; (4) Modify various elements of compensation for military personnel and impose certain requirements and limitations on personnel actions in the defense establishment; (5) Authorize appropriations for fiscal year 1998 for military construction and family housing; (6) Authorize appropriations for fiscal year 1998 for the Department of Energy National Security Programs; (7) Modify provisions related to the National Defense Stockpile; (8) Authorize appropriations for fiscal year 1998 for the operation of the Panama Canal Commission; and (9) Authorize appropriations for fiscal year 1998 for the Maritime Administration.

RELATIONSHIP OF AUTHORIZATION AND APPROPRIATIONS

Importantly, the bill does not generally provide budget authority. The bill authorizes appropriations. Subsequent appropriation acts provide budget authority. The bill addresses the following categories in the Department of Defense budget: procurement; research, development, test and evaluation; operation and maintenance; working capital funds, military personnel; and military construction and family housing. The bill also addresses Department of Energy National Security Programs and the Maritime Administration.

Active duty and reserve personnel strengths authorized in this bill and legislation affecting compensation for military personnel determine the remaining appropriation requirements of the Department of Defense. However, this bill does not provide authorization of specific dollar amounts for personnel.

SUMMARY OF AUTHORIZATION IN THE BILL

The President requested budget authority of \$265.6 billion for the national defense budget function for fiscal year 1998. Of this amount, the President requested \$251.0 billion for the Department of Defense (including \$8.4 billion for military construction and family housing) and \$13.6 billion for Department of Energy national security programs and the Defense Nuclear Facilities Safety Board.

The committee recommends an overall level of \$268.2 billion in budget authority. This amount is an increase of approximately \$2.6 billion from the amount requested for the national defense budget function by the President. The committee's recommendation is consistent with the amounts established in the budget resolution for fiscal year 1998 for the national security budget function.

SUMMARY TABLE OF AUTHORIZATIONS

The following table provides a summary of the amounts requested and that would be authorized for appropriation in the bill (in the column labeled "Budget Authority Implication of Committee Recommendation") and the committee's estimate of how the committee's recommendations relate to the budget totals for the national defense function. For purposes of estimating the budget authority implications of committee action, the table reflects the num-

bers contained in the President's budget for proposals not in the committee's legislative jurisdiction.

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998

(Dollars in Thousands)

Account Title	FY 1998		FY 1998		FY 1998		FY 1998		Budget Authority	
	Authorization Request	Budget Authority Request	Committee Change From Request	Committee Recommendation	Committee Change From Request	Committee Recommendation	Committee Change From Request	Committee Recommendation	Implication of Committee Recommendation	Committee Recommendation
PROCUREMENT										
Aircraft Procurement, Army	1,162,459	1,162,459	372,805	1,535,264		1,535,264		1,535,264		1,535,264
Missile Procurement, Army	1,178,151	1,178,151	(1,635)	1,176,516		1,176,516		1,176,516		1,176,516
Procurement of Weapons and Tracked Combat Vehicles, Army	1,065,707	1,065,707	453,820	1,519,527		1,519,527		1,519,527		1,519,527
Procurement of Ammunition, Army	890,902	890,902	202,900	1,093,802		1,093,802		1,093,802		1,093,802
Other Procurement, Army	2,455,030	2,455,030	185,247	2,640,277		2,640,277		2,640,277		2,640,277
Aircraft Procurement, Navy	6,085,965	6,085,965	86,985	6,172,950		6,172,950		6,172,950		6,172,950
Weapons Procurement, Navy	1,136,293	1,136,293	78,394	1,214,687		1,214,687		1,214,687		1,214,687
Procurement of Ammunition, Navy and Marine Corps	336,797	336,797	133,558	470,355		470,355		470,355		470,355
Shipbuilding and Conversion, Navy	7,438,158	7,438,158	216,819	7,654,977		7,654,977		7,654,977		7,654,977
Other Procurement, Navy	2,825,500	2,825,500	247,932	3,073,432		3,073,432		3,073,432		3,073,432
Procurement, Marine Corps	374,306	374,306	68,501	442,807		442,807		442,807		442,807
Aircraft Procurement, Air Force	5,817,847	5,817,847	953,053	6,770,900		6,770,900		6,770,900		6,770,900
Missile Procurement, Air Force	2,557,741	2,557,741	(168,558)	2,389,183		2,389,183		2,389,183		2,389,183
Procurement of Ammunition, Air Force	403,984	403,984	33,000	436,984		436,984		436,984		436,984
Other Procurement, Air Force	6,561,253	6,561,253	12,843	6,574,096		6,574,096		6,574,096		6,574,096
Procurement, Defense-wide	1,695,085	1,695,085	141,904	1,836,989		1,836,989		1,836,989		1,836,989
Procurement, National Guard and Reserve Equipment	0	0	700,355	700,355		700,355		700,355		700,355
Chemical Agents and Munitions Destruction, Army	82,200	82,200	0	82,200		82,200		82,200		82,200
Operation & Maintenance	472,200	472,200	0	472,200		472,200		472,200		472,200
Research, Development, Test & Evaluation	66,300	66,300	(10,000)	56,300		56,300		56,300		56,300
Defense Production Act Purchases	274,068	274,068	0	274,068		274,068		274,068		274,068
Procurement, Defense Health Program	1,800	1,800	0	1,800		1,800		1,800		1,800
Procurement, Office of the Inspector General	1,231	1,231	0	1,231		1,231		1,231		1,231
Defense Export Loan Guarantee Program Account	42,882,977	42,882,977	3,712,923	46,595,900		46,595,900		46,595,900		46,595,900
Total Procurement										

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998
(Dollars in Thousands)

Account Title	FY 1998	FY 1998	Committee	FY 1998	Budget Authority
	Authorization Request	Budget Authority Request	Change From Request	Committee Recommendation	Implication of Committee Recommendation
RESEARCH, DEVELOPMENT, TEST & EVALUATION					
Research, Development, Test & Evaluation, Army	4,510,843	4,510,843	242,070	4,752,913	4,752,913
Research, Development, Test & Evaluation, Navy	7,611,022	7,611,022	335,974	7,946,996	7,946,996
Research, Development, Test & Evaluation, Air Force	14,451,379	14,451,379	208,357	14,659,736	14,659,736
Research, Development, Test & Evaluation, Defense-wide	9,069,680	9,071,680	541,333	9,611,013	9,613,013
Developmental Test & Evaluation, Defense	268,183	268,183	11,500	279,683	279,683
Operational Test & Evaluation, Defense	23,384	23,384	0	23,384	23,384
Total Research, Development, Test & Evaluation	35,934,491	35,936,491	1,339,234	37,273,725	37,275,725
OPERATION AND MAINTENANCE & WORKING CAPITAL FUNDS					
Operation and Maintenance, Army	17,215,484	17,215,484	(30,450)	17,185,034	17,185,034
Operation and Maintenance, Navy	21,581,130	21,581,130	(208,431)	21,372,699	21,372,699
Operation and Maintenance, Marine Corps	2,305,345	2,305,345	75,900	2,381,245	2,381,245
Operation and Maintenance, Air Force	18,910,785	18,910,785	(164,800)	18,745,985	18,745,985
Operation and Maintenance, Defense-wide	10,403,938	10,403,938	(373,881)	10,030,057	10,030,057
Office of the Inspector General	136,580	136,580	0	136,580	136,580
Defense Health Program	9,766,582	10,040,650	208,800	9,975,382	10,254,450
Operation and Maintenance, Army Reserve	1,192,891	1,192,891	10,000	1,202,891	1,202,891
Operation and Maintenance, Navy Reserve	834,711	834,711	15,000	849,711	849,711
Operation and Maintenance, Marine Corps Reserve	110,366	110,366	0	110,366	110,366
Operation and Maintenance, Air Force Reserve	1,624,420	1,624,420	4,700	1,629,120	1,629,120
Operation and Maintenance, Army National Guard	2,258,932	2,258,932	7,500	2,266,432	2,266,432
Operation and Maintenance, Air National Guard	2,991,219	2,991,219	(5,250)	2,985,969	2,985,969
United States Court of Appeals for the Armed Forces	6,952	6,952	0	6,952	6,952
Environmental Restoration, Army	377,337	377,337	0	377,337	377,337
Environmental Restoration, Navy	277,500	277,500	0	277,500	277,500
Environmental Restoration, Air Force	378,900	378,900	0	378,900	378,900
Environmental Restoration, Defense-Wide	27,900	27,900	0	27,900	27,900
Environmental Restoration, Formerly Used Defense Sites	202,300	202,300	0	202,300	202,300

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998

(Dollars in Thousands)

Account Title	FY 1998	FY 1998	FY 1998	Committee	FY 1998	Budget Authority	Budget Authority	Committee	Budget Authority
	Authorization Request	Budget Authority Request	Change From Request	Recommendation	Committee Recommendation	Request	Request	Recommendation	Committee Recommendation
Drug interdiction and Counter-drug Activities, Defense	652,582	652,582	9,089	661,671	661,671				661,671
Former Soviet Union Threat Reduction	382,200	382,200	(97,500)	284,700	284,700				284,700
Overseas Military Investment Recovery	0	30,322	0	0	30,322				30,322
Disposal of DoD Real Property	0	41,687	0	0	41,687				41,687
Lease of DoD Real Property	0	22,533	0	0	22,533				22,533
Payment to Kaho' Olawe Island Restoration Fund	10,000	10,000	0	10,000	10,000				10,000
Kaho' Olawe Island Conveyance, Remediation, and Environmental Re	0	10,000	0	0	10,000				10,000
Overseas Humanitarian, Disaster, & Civic Aid	80,130	80,130	(30,130)	50,000	50,000				50,000
National Science Center, Army	0	120	0	0	120				120
Restoration of Rocky Mountain Arsenal	0	5,000	0	0	5,000				5,000
Defense Burdensharing (Allies/NATO)	0	92,000	0	0	92,000				92,000
Overseas Contingency Operations Transfer Fund	1,467,500	1,467,500	0	1,467,500	1,467,500				1,467,500
Subtotal Operation and Maintenance	93,195,684	93,673,214	(579,453)	92,616,231	92,616,231				93,098,761
Military Commissary Revolving Fund	938,552	992,181	(938,552)						1,025,581
DoD Working Capital Funds	33,400	33,400	938,552	971,952	971,952				1,181,626
National Defense Sealift Fund	1,191,426	1,191,426	(9,800)	1,181,626	1,181,626				0
Armed Forces Retirement Home	79,977	0	0	79,977	79,977				(150,000)
National Defense Stockpile Transaction Fund (Routine & Ongoing)	0	(150,000)	0	0	0				2,057,207
Subtotal Working Capital Funds	2,243,355	2,067,007	(9,800)	2,233,555	2,233,555				95,155,968
Total Operation and Maintenance & Working Capital Funds	95,439,039	95,740,221	(589,253)	94,849,786	94,849,786				69,539,862
<u>MILITARY PERSONNEL</u>									
Total Military Personnel		69,473,762							
<u>MILITARY CONSTRUCTION</u>									
Military Construction, Army	595,277	595,277	110,750	706,027	706,027				706,027
Military Construction, Navy	530,606	540,106	145,200	675,806	675,806				685,306

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998

(Dollars in Thousands)

Account Title	FY 1998 Authorization		FY 1998 Budget Authority		Committee Change From		FY 1998 Committee		Budget Authority Implication of	
	Request	Request	Request	Request	Request	Request	Recommendation	Recommendation	Committee	Recommendation
Military Construction, Air Force	495,782	495,782	495,782	495,782	142,665	638,447	638,447	638,447	638,447	638,447
Military Construction, Defense-wide	673,633	673,633	673,633	673,633	(60,400)	613,233	613,233	613,233	613,233	613,233
Military Construction, Army National Guard	45,098	45,098	45,098	45,098	0	45,098	45,098	45,098	45,098	45,098
Military Construction, Air National Guard	60,225	60,225	60,225	60,225	77,050	137,275	137,275	137,275	137,275	137,275
Military Construction, Army Reserve	39,112	39,112	39,112	39,112	30,719	69,831	69,831	69,831	69,831	69,831
Military Construction, Naval Reserve	13,921	13,921	13,921	13,921	26,640	40,561	40,561	40,561	40,561	40,561
Military Construction, Air Force Reserve	14,530	14,530	14,530	14,530	19,913	34,443	34,443	34,443	34,443	34,443
Base Realignment and Closure II, III, IV	2,060,854	2,060,854	2,060,854	2,060,854	0	2,060,854	2,060,854	2,060,854	2,060,854	2,060,854
NATO Infrastructure	176,300	176,300	176,300	176,300	(10,000)	166,300	166,300	166,300	166,300	166,300
Total Military Construction	4,705,338	4,714,838	4,714,838	4,714,838	482,537	5,187,875	5,187,875	5,187,875	5,187,875	5,187,875
<u>FAMILY HOUSING</u>										
Family Housing Construction, Army	143,000	143,000	143,000	143,000	57,400	200,400	200,400	200,400	200,400	200,400
Family Housing Support, Army	1,148,937	1,148,937	1,148,937	1,148,937	0	1,148,937	1,148,937	1,148,937	1,148,937	1,148,937
Family Housing Construction, Navy and Marine Corps	278,933	278,933	278,933	278,933	121,782	400,715	400,715	400,715	400,715	400,715
Family Housing Support, Navy and Marine Corps	976,504	976,504	976,504	976,504	0	976,504	976,504	976,504	976,504	976,504
Family Housing Construction, Air Force	253,138	253,138	253,138	253,138	88,271	341,409	341,409	341,409	341,409	341,409
Family Housing Support, Air Force	830,234	830,234	830,234	830,234	0	830,234	830,234	830,234	830,234	830,234
Family Housing Construction, Defense-wide	4,950	4,950	4,950	4,950	0	4,950	4,950	4,950	4,950	4,950
Family Housing Support, Defense-wide	32,724	32,724	32,724	32,724	0	32,724	32,724	32,724	32,724	32,724
Homeowners Assistance Fund	0	0	0	0	0	0	0	0	0	0
DoD Family Housing Improvement Fund	0	0	0	0	0	0	0	0	0	0
DoD Unaccompanied Housing Improvement Fund	0	0	0	0	0	0	0	0	0	0
Total Family Housing	3,668,420	3,668,420	3,668,420	3,668,420	267,453	3,935,873	3,935,873	3,935,873	3,935,873	3,935,873
<u>OTHER DoD MILITARY</u>										
Other Legislation	0	0	0	0	0	0	0	0	0	0
General Transfer Authority	[2,000,000]	[2,000,000]	[2,000,000]	[2,000,000]	0	[2,000,000]	[2,000,000]	[2,000,000]	[2,000,000]	[2,000,000]
National Security Education Trust Fund	0	0	0	0	0	0	0	0	0	0
		2,000	2,000	2,000	0	2,000	2,000	2,000	2,000	2,000

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998

(Dollars in Thousands)

Account Title	FY 1998		FY 1998		Committee Change From Request	FY 1998		Budget Authority Implication of Committee Recommendation
	Authorization Request	Budget Authority Request	Budget Authority Request	Committee Recommendation		Committee Recommendation	Committee Recommendation	
Other Trust Funds (includes interfund transfers)	0	68,848	68,848	0	0	0	68,848	
National Defense Stockpile Transaction Fund (Excess of Routine & O	0	(120,000)	(120,000)				(120,000)	
Offsetting Receipts & Other	0	(1,103,477)	(1,103,477)	0	0	0	(1,103,477)	
Total Other DoD Military	0	(1,152,629)	(1,152,629)	0	0	0	(1,152,629)	
Total Department of Defense Military (051)	182,630,265	250,988,212	250,988,212	5,212,894	187,843,159	187,843,159	256,267,206	
<u>ATOMIC ENERGY DEFENSE ACTIVITIES (053)</u>								
Weapons Activities	3,576,255	3,576,255	3,576,255	389,795	3,966,050	3,966,050	3,966,050	
Defense Environmental Restoration and Waste Management	5,052,499	5,052,499	5,052,499	230,771	5,283,270	5,283,270	5,283,270	
Defense Environmental Management Privatization	1,006,000	1,006,000	1,006,000	(1,006,000)	0	0	0	
Defense Nuclear Waste Disposal	190,000	190,000	190,000	0	190,000	190,000	190,000	
Other Defense Activities	1,605,981	1,605,981	1,605,981	(93,430)	1,512,551	1,512,551	1,512,551	
Defense Asset Acquisition	2,166,859	2,166,859	2,166,859	(2,166,859)	0	0	0	
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500	17,500	17,500	
Sale of Defense Assets	0	0	0	0	0	0	0	
Total Atomic Energy Defense Activities (053)	13,615,094	13,615,094	13,615,094	(2,645,723)	10,969,371	10,969,371	10,969,371	
<u>DEFENSE RELATED ACTIVITIES (054)</u>								
Department of Justice - Radiation Exposure Compensation Trust Fund								
Payments to Individuals		4,381	4,381	0	0	0	4,381	
Administrative Expenses		2,000	2,000	0	0	0	2,000	
Department of Justice - Federal Bureau of Investigation Special Program		147,081	147,081	0	0	0	147,081	
Department of Transportation - Coast Guard Operations		300,000	300,000	0	0	0	300,000	
Department of Transportation - MARAD Maritime Security Program		54,000	54,000	0	0	0	54,000	
Federal Emergency Management Agency								

SUMMARY OF NATIONAL DEFENSE AUTHORIZATIONS FOR FY 1998
(Dollars in Thousands)

Account Title	FY 1998	FY 1998	FY 1998	Committee	FY 1998	Budget Authority	Budget Authority	Committee	FY 1998	Budget Authority
	Authorization Request	Request	Budget Authority Request	Change From Request	Committee Recommendation	Request	Recommendation	Change From Request	Committee Recommendation	Implication of Committee Recommendation
Salaries and Expenses	26,000	26,000	26,000	(26,000)	0	26,000	26,000	(26,000)	0	0
Planning and Assistance	16,000	16,000	16,000	(16,000)	0	16,000	16,000	(16,000)	0	0
CIA Retirement and Disability System			196,900	0	0	196,900	196,900	0	0	196,900
National Science Foundation - Antarctic research activities			62,600	0	0	62,600	62,600	0	0	62,600
Selective Service System - Salaries and Expenses			23,919	0	0	23,919	23,919	0	0	23,919
Intelligence Community Management Account			96,000	0	0	96,000	96,000	0	0	96,000
Telecommunications Carrier Compliance Fund			50,000	0	0	50,000	50,000	0	0	50,000
Total Defense Related Activities (054)	42,000	42,000	978,881	(42,000)	0	978,881	978,881	(42,000)	0	936,881
TOTAL NATIONAL DEFENSE FUNCTION (050)	186,287,359	186,287,359	265,582,187	2,525,171	198,812,530	265,582,187	265,582,187	2,525,171	198,812,530	268,173,458

RATIONALE FOR THE COMMITTEE BILL

H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998, reflects the committee's continued efforts to manage the risks that continued force downsizing and budget reductions pose for U.S. national security interests in an uncertain world. The committee and the Congress have helped bring a measure of stability to the U.S. defense program over the past two years, moving to restore some balance between the need to maintain sufficiently large and capable forces today and the need to modernize and introduce innovative new technologies and concepts that will provide a basis for continued American military superiority in future.

The committee believes that the fundamental dilemma facing the Department of Defense remains constant: how to maintain a viable all-volunteer force in an environment where the number, scope and duration of military missions, especially peacekeeping and humanitarian missions, continue to grow while military forces and defense budgets continue to decline. Although the Department's recent Quadrennial Defense Review (QDR) recognized these realities, the long-standing gap between strategy and resources will persist and, in fact, is likely to widen. The National Defense Panel (NDP), an independent body selected by the Administration and Congress to assess the QDR, summarized the problem when it concluded that the QDR exposed a "risk in defense resources." In particular, the NDP concluded that the QDR's plan to improve modernization funding was based upon "tenuous" assumptions which "collectively . . . represent a budget risk which could potentially undermine the entire Defense Strategy."

The QDR acknowledges that a sound national military strategy is based upon protecting the ability of U.S. military forces to respond to today's challenges while also preparing for the challenges of an uncertain future. This strategy requires three principle tasks of the Department of Defense. First, U.S. military forces must help to maintain the security and stability among powerful nations that is by and large the result of the American-led victory in the Cold War. Second, U.S. forces must protect today's security and stability from lesser threats, be they smaller nations, ethnic conflicts, terrorism or myriad other sources. Finally, U.S. forces must begin to prepare now for the possibility of future great-power conflicts that may be fought with military forces quite different from today's.

This first task of maintaining current security and stability has been articulated in a clear set of standards that account for the size and structure of today's U.S. military forces. These standards include the need to maintain approximately 100,000 troops both in Europe and in East Asia, and sufficient forces available to deploy, fight and rapidly win two nearly simultaneous major wars. The committee continues to support these standards. The troop levels in Europe and Asia represent an enduring commitment by the United States to these vital regions, while the capability to fight two wars simultaneously ensures that the United States will be able to respond to crises without compromising the ability to maintain stability elsewhere. With the continued imminent threats in Korea and the Persian Gulf, this two-war capability must remain a basic building block of U.S. military forces.

At the same time, the dominance of U.S. conventional military forces and the continued strength of our nuclear deterrent is compelling adversaries to be more innovative and aggressive. Countering more diffuse and less traditional threats accounts for the second principle task of U.S. armed forces. Terrorism, proliferation of weapons of mass destruction, tribal and ethnic conflicts, the potential for “information warfare” and other asymmetric threats are placing new burdens upon the U.S. military. In the past year, the terrorist bombing of the Khobar Towers complex in Dhahran, Saudi Arabia has highlighted the need for improved force protection measures for U.S. units deployed abroad. The proliferation of ballistic missile technology and weapons of mass destruction also has accelerated in the past year, and the committee continues to believe that efforts to develop and deploy effective defenses against such threats must remain a national priority.

The QDR also has acknowledged, under the rubric of “smaller-scale contingencies,” that U.S. military forces will be engaged in a growing number of peacekeeping and humanitarian missions. Because the Administration regularly has deployed the U.S. military on such missions, the QDR concluded that these lesser contingencies will represent a significant element of U.S. military operations over the next decade. The QDR also recognized the strains that multiple peacekeeping and humanitarian deployments place on U.S. troops, their families, military equipment and training for combat. However, based upon its continued attention to the growing readiness problems that U.S. forces confront, the committee is skeptical that the Department can maintain the current level of operational and personnel tempo without sacrificing critical military capabilities. Units and troops absorbed in repeated peacekeeping operations are unable to train effectively, for the high-intensity combat missions necessary to execute the national military strategy.

The committee has long been concerned that the third principle task of the U.S. armed forces—preparing today for the eventuality of future great-power conflicts—has been undervalued by the administration. By contrast, the committee considers the maintenance of peace and stability among the world’s most powerful nations to be America’s unique contribution to global security, and of critical importance to the nation’s ability to protect its interests around the world. However, today’s security is the historical exception rather than the rule. As historian Donald Kagan testified before the committee, “War has been a persistent part of human experience since before the birth of civilization. In 1968, Will and Ariel Durant calculated that there had been only 268 years free of war in the previous 3,421.” There is every reason to believe that the current epoch should be viewed not as a “post-war” period, but instead as an interwar period. With history as a teacher, it is only prudent to assume that a large power or coalition of powers eventually will contest a vital U.S. national security interest.

While the committee cannot predict with certainty who this challenger will be or exactly when the challenge will arise, it is possible to identify what our enduring national interests are, for they have remained constant. Even in the post-Cold War era and absent a global competitor like the Soviet Union, the United States retains

its traditional interests in protecting the American homeland and its people; preventing a hostile power or coalition of hostile powers from dominating Europe, East Asia and the energy-producing regions of the world; and protecting the international order of nation-states. These abiding interests preceded, and have survived, the Cold War.

The most serious and sustained threats to these enduring interests can only come from other powers capable of fielding substantial conventional military forces or nuclear weapons. While the QDR represents an improvement over the Administration's 1993 Bottom-Up Review, the QDR presents an overly optimistic view of the possibility of future challenges to America's core security interests. The committee believes that a sound national military strategy must account not only for the likelihood of threats but also for the gravity of any threat to these core security interests.

In the past year, the committee has focused on the challenges posed by China—an emerging power—and Russia—a once and perhaps future power—to United States global interests. While neither nation is currently an enemy of the United States, they do represent the nations most likely and able to accumulate military power sufficient to challenge U.S. vital national security interests. The QDR's projection that neither China nor Russia is likely to emerge as a regional great power until beyond 2015 is questionable.

The committee remains supportive of efforts to bolster the democratic process in Russia. The collapse of the Soviet Union has created an opportunity to more closely tie Russia to the world's democracies. However, the committee believes that Russia's future will be shaped less by U.S. policies than by whether Russia decides to remain an independent power pursuing its own strategic goals, driven by its own history and character, or decides to form working partnerships with the United States and its allies. The current Russian experiment in quasi-democracy is struggling against a centuries-long tradition of autocracy, and the United States must remain guarded in assessing prospects for the experiment's success. Moreover, history has demonstrated that the transition to democracy often proves a tumultuous and violent process. A vast but collapsed empire, governed by a weak central authority and armed with an arsenal of nuclear weaponry under questionable control, Russia must provide cause for great caution. Even if Russia succeeds in becoming more fully democratic, it still may establish security goals that conflict with those of the United States.

China is an emerging power and poses an inverse problem. The Administration believes that the nature of Chinese power is not yet determined, and that China's external relations can be shaped through engagement to allow it to make a positive contribution to regional stability and to act as a responsible member of the international community. The committee takes a guarded view, more consistent with the Department of Defense report prepared pursuant to the National Defense Authorization Act for Fiscal Year 1997. The report concluded that China's goal is to become one of the world's great powers, that China will be securely established as the leading political power in East Asia early in the coming century and that China will "build its military power to the point where it

can engage and defeat any potential enemy within the region with its conventional forces and can deter any global threat to China's national security." Whether or not an emerging China becomes an enemy of the United States and its allies remains to be seen, but China's stated strategic goals would appear to challenge America's current position as a powerful presence for peace and stability in East Asia.

The committee believes that the process of managing strategic risk must be shaped first and foremost by the risks of renewed great-power rivalries. The surest way to optimize the chances of an American strategic partnership with either Russia or China is for the United States to continue to be the world's most powerful force for peace and stability. However, the committee also recognizes that the assumption that either Russia or China will acquiesce in American global leadership is a dangerous premise upon which to base U.S. security strategy for the coming century.

The making of strategy has always been a process of managing risk. In a post-Cold War environment of shrinking military forces and constrained defense budgets, the imperative to maintain strategic priorities grows while the margin for error gets smaller. The QDR strategy is consistent with the committee's view of the role America should play in the post-Cold War world, and the committee is hopeful that the review might provide a more stable foundation for maintaining the armed forces necessary for the nation to meet these future challenges. However, the continued decline in defense spending means that the committee's two-year-old effort to begin revitalizing U.S. military forces will take longer and will involve higher risk to the nation.

The projected real decline in future defense budgets, assumed in the QDR and ratified in the recent budget agreement, adds to strategic risk. Neither the Administration's fiscal year 1998 defense budget request nor the defense plan established in the QDR adequately address budgetary shortfalls that exacerbate the strategic risks inherent in a dangerous world. The QDR has not allayed the committee's skepticism regarding the Administration's commitment to establishing a defense program that balances the pillars of a sound defense program: the maintenance of sufficient combat forces in a state of readiness necessary to execute the national military strategy, the guarantee of a decent quality of military life and an adequate program of equipment modernization to ensure for the future the advantages U.S. military force enjoy today. If the defense program is to be truly brought into balance, and the harmony between current readiness, quality of life, and modernization restored, more dramatic actions are demanded.

READINESS

The committee reaffirms its commitment to maintaining a high state of military readiness. In past years, the committee has added significant funds to restore pay raises, increase the level of combat training, improve the level of equipment maintenance and undertake many other initiatives to compel the Administration to address readiness problems. However, the readiness of U.S. armed forces, particularly for the high-intensity combat missions central to the nation's military strategy, has continued to erode. It is ap-

parent that the high pace of military operations, due in large part to the burdens of repeated deployments for peacekeeping and humanitarian missions, and declining budgets are taking a heavy toll on U.S. military forces. Four trends are salient. First, soldiers, sailors, airmen and Marines are working harder and longer to execute their peacetime missions due to an inherent tension between personnel and resources shortages and the increased pace of operations. Military personnel and their families are paying an increasingly higher human price from being repeatedly asked to “do more with less.” Second, the quantity and quality of combat training is being compromised, especially for the most demanding mission—to fight and win tomorrow’s high-intensity wars. Third, the quality of military life continues to erode to the point where a growing number of talented and dedicated military personnel and their families are questioning the desirability of a life in uniform. And fourth, military equipment is aging prematurely due to extended use and reduced maintenance. Budget cuts and the increased operational tempo have started to affect the reliability and availability of existing fleets of equipment. In sum, these trends depict a significant, systemic readiness problem that will continue to undermine the preparedness of U.S. military forces.

The committee bill represents an effort to manage the risk associated with a deepening readiness problem by protecting funding for high-intensity combat training and maintenance of equipment and infrastructure. In addition, the committee believes that the Administration’s personnel budget request will not be able to provide the forces needed to execute the national military strategy and to support current operational tempo while providing a decent quality of military life. Nor does the committee accept the QDR’s end-strength recommendations, which are likely to exacerbate the personnel readiness problems outlined above. To more prudently manage the risk associated with the problems inherent in the Administration’s budget request, the committee has maintained the end-strength floors established in 1996 and continues to protect what it believes to be prudent active-duty force levels. The committee also has continued its commitment to readiness by adding funds for depot maintenance, real property maintenance and mobility enhancements needed to maintain a power-projection force capable of rapid reaction to world crises.

QUALITY OF LIFE

In past, the committee has considered the quality of military life to be an essential component of a balanced defense program, and has strengthened military housing programs, programs to reduce out-of-pocket costs for military personnel and their families, and has funded full pay raises, whether requested by the Administration or not. Nonetheless, many troops and their families have grown increasingly dissatisfied with the quality of military life. Much of this dissatisfaction stems from the stress of extended time away from home resulting from almost continuous peacekeeping and other humanitarian missions.

Quality of life is inherently difficult to quantify. It is a complex construct, reflected in a delicate mix of variables such as balancing family life and military service, decent housing, adequate pay and

benefits, reliable and affordable health care and many other factors. Providing a decent quality of military life is essential to recruit, retain and maintain the professional, all-volunteer force upon which U.S. military strategy relies. Since the 1970s, when the draft was terminated, the compact between the nation and the men and women who serve it in uniform has rested upon the proposition that soldiers, sailors, airmen and Marines and their families will be provided with a standard of living that approximates that of middle-class America.

However, there is a widespread belief among service personnel and their families that the quality of their lives is eroding. As a consequence, many in the military are beginning to question whether the rewards of military life are worth the mounting hardships. Perhaps the leading cause of dissatisfaction is increased family separations. Given that 65 percent of the force, officer and enlisted, is married, the choice between professional requirements and personal needs is becoming more complicated. One Navy spouse summarized the problem when she told the committee, "In such a high [operations tempo] environment, the best marriages, the ones that survive, are those in which people learn to live apart."

The services' attempts to balance quality of life with other factors reveal just how difficult a management problem this is. For example, the commander of the Army's III Corps at Fort Hood, Texas, has demanded that important training time and resources be diverted to create opportunities for soldiers to attend to basic and essential activities of family life, such as parent-teacher conferences. This is a poignant and disturbing example of the dilemmas facing military families. Since the committee began reporting on the growing readiness problem, the Department of Defense has begun to recognize the problem, and has introduced a number of measures to better manage the strains of high operational and personnel tempos. The committee notes these small belated steps with satisfaction, but believes that more aggressive actions will be necessary.

MODERNIZATION AND INNOVATION

A third critical component of a balanced defense program is ensuring that U.S. military personnel are equipped with modern technology. There is widespread general consensus that the "procurement holiday" of the past five years must come to an end. The Joint Chiefs of Staff have identified a goal of \$60 billion per year in procurement spending as the approximate funding level needed to recapitalize the U.S. armed forces—a figure reconfirmed by the QDR. The committee continues to support this objective, but continues to doubt the Administration's commitment.

In the context of trying to manage risk in an environment of constrained resources, the committee believes it is necessary to set modernization priorities that reflect strategic priorities. Systems that promise only marginal improvement over those currently in the field should, and eventually will, give way to those systems that demonstrate more cost-effective and strategically relevant capabilities. There is no better example than tactical aircraft programs, where plans far exceed projected budgets and the half-measures recommended in the QDR do not address the problem.

The committee was pleased to see, in several instances, that the QDR did make important strides toward aligning modernization priorities with strategic need. For example, the QDR's recognition that the Administration's own "three-plus-three" national missile defense program was substantially underfunded confirms the committee's approach to this important program over the past several years. The committee stands by its belief that continued global proliferation of ballistic missile technology makes the deployment of an effective national missile defense system of the highest priority. However, the committee continues to question the Administration's commitment to either national or theater missile defenses. Despite claims advanced in the fiscal year 1998 defense budget request that theater defense programs were being accelerated, funding for these programs was cut by more than \$400 million from current spending levels.

DEFENSE REFORM

Serious readiness, quality of life and modernization problems and shortfalls add increased urgency to the committee's continuing efforts to reform the Department of Defense establishment to create a smaller, smarter and streamlined bureaucracy. In an environment where combat forces continue to be reduced while they are deployed more often, the committee believes that it is untenable to continue devoting 60 percent of the defense budget to support and infrastructure. If the goal to reestablish a defense program balanced among the need to maintain ready forces and to ensure a decent quality of military life today while modernizing U.S. military forces for tomorrow is to become a reality, the Administration must become a more active partner in pursuing meaningful defense reform.

Defense reform is no longer just about being more efficient. Rather, it is about survival in an environment where failure to achieve real defense reform will result in degraded combat capability for lack of adequate resources. The committee initiated a number of reforms during the 104th Congress in the areas of acquisition policy, infrastructure and support services, and defense structure and organization. All were intended to increase overall efficiency within the Department while, at the same time, encouraging the shift of resources from the Department's support "tail" to the services' combat "tooth" in an effort to preserve the military's warfighting effectiveness.

The committee acknowledges Secretary Cohen's promise to pursue defense reform through the establishment of the Task Force on Defense Reform, but the committee notes that the results of that new review will not be known until late in the year. While additional reviews may be warranted, it is the committee's view that in the aftermath of the 1995 Commission on Roles and Mission, the 1996 Defense Science Board Task Force on Outsourcing and Privatization, and the 1997 QDR, the time for aggressive action is now.

To accelerate the process of reform, the committee reported H.R. 1778, the Defense Reform Act of 1997, to the House of Representatives. This bill pursues meaningful reform in three basic areas: streamlining the defense bureaucracy, improving defense business practices and adding a measure of common sense to the environ-

mental regulations governing the Department's operations. Chief among the bureaucratic reforms are initiatives to reduce headquarters staffs by 25 percent and the defense acquisition workforce by more than 40 percent. According to the Congressional Budget Office, these reforms will save \$15 billion over the next five years and an additional \$5 billion each year thereafter without taking into account the additional potential savings resulting from the mandated increases in competition of defense support services. Finally, the environmental reforms will not merely help to control the rapidly escalating cost—now \$12 billion per year—of defense environmental clean-up efforts, they will ensure that these funds actually are spent on restoration work itself, rather than to satisfy excessive and redundant regulatory requirements. The committee recognizes the need for environmental restoration of former military and defense installations, but believes that taxpayer dollars should be devoted to the needed cleanup work, not on paperwork.

CONCLUSION

Secretary of Defense Cohen has admitted that the defense posture outlined in the Quadrennial Defense Review will allow U.S. forces to execute the national military strategy, but at increased risk. He also quantified the budgetary risk—the amount of defense spending required to close the strategy-resource gap—at approximately \$15 billion per year. While the committee believes that the annual shortfall is greater than \$15 billion, what was most striking about the Secretary's estimate was the relatively small size of the budget shortfall in comparison to the tremendous strategic risk associated with not addressing it. At \$15 billion, the estimate represents approximately one-tenth of 1 percent of the federal budget. Yet the military, strategic and political risks associated with not fixing this shortfall are monumental. For the military, the budget shortfall translates into declining readiness, diminished quality of military life and postponed modernization problems described above. The continued erosion of military capability will threaten the nation's capabilities to protect and promote its interests around the world and will inevitably lead to the loss of American international influence. In the committee's view, the risks of inaction or failure far outweigh the cost of addressing shortfalls in the defense budget—whether \$15 billion per year, or more.

Although the QDR was completed too late to shape the Administration's fiscal year 1998 defense budget request or to factor significantly in the committee's deliberations, H.R. 1119 reflects the committee's mounting sense of urgency to restore a proper balance among readiness, quality of military life and modernization and to push the Department of Defense in the direction of meaningful reform. The nation cannot afford status quo defense budgets. The way forward is uncertain and involves great risks. The committee would prefer to be raising and maintaining military forces capable of an unquestioned response to challenges anywhere in the world, rather than managing budgetary, military and strategic risk with no margin for error. In this context, H.R. 1119 reflects the committee's effort to address serious shortfalls while managing risk in a resource-constrained environment.

HEARINGS

Committee consideration of the National Defense Authorization Act for Fiscal Year 1998 results from extensive hearings that began on February 12, 1997 and that were completed on May 22, 1997. The full committee conducted 11 sessions. In addition, a total of 54 sessions were conducted by five different subcommittees and two panels of the committee on various titles of the bill.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATION

TITLE I—PROCUREMENT

OVERVIEW

The last few years have seen a vigorous debate concerning the adequacy of the Clinton Administration budgets for defense modernization. Administration officials argue that a “holiday” in weapons procurement was justified due to the many new weapons purchased in the 1980s and to not having to replace older weapons retired as a result of the drawdown in the size of the force. The 104th Congress reasoned otherwise: namely, that the disproportionate cuts in the equipment modernization accounts jeopardized the technological edge that was so brilliantly demonstrated in the Persian Gulf War. Consequently, Congress added \$11 billion to these accounts in the fiscal year 1996 and fiscal year 1997 National Defense Authorization Acts (Public Laws 104–106 and 104–201)—a 15 percent increase over the budget request for each of those two years—despite the Administration’s opposition to doing so. In taking these actions, the 104th Congress sought the expert advice of the military service chiefs on how best to apply the additional funds to the most urgent unfunded modernization priorities. Regrettably, no sooner had these acts had been signed into law than the Administration proposed to use the added modernization funds to pay for the operations and readiness shortages contained in their budgets.

This same pattern continues with the fiscal year 1998 budget request. Attainment of even modest modernization increases has again been deferred until “next year.” Despite obvious and compelling evidence of procurement shortfalls and despite the fact that the Chairman of the Joint Chiefs of Staff concluded that, beginning with fiscal year 1998, the Department required \$60 billion annually to keep the force modernized, the fiscal year 1998 budget request of \$42.6 billion represents a cut of \$1.5 billion from the budget enacted for fiscal year 1997 and is \$2.9 billion below the spending levels forecast in the President’s budget for fiscal year 1998 just last year. Furthermore, the budget request marks the fourth consecutive year that the Administration has reduced the fiscal year 1998 procurement figure—by a cumulative total of \$14.5 billion—relative to its earlier projections.

The committee notes that the recently-released Quadrennial Defense Review (QDR) acknowledges that the planned “rebound” in procurement “has been repeatedly postponed in recent budgets as increases previously projected for the procurement accounts have been eroded by unexpected demands for additional funding in operational activities.” The committee is dismayed by the fact that the

Department believes this shift in resources from modernization to operations will continue and that procurement funding, instead of growing to \$60 billion per year, could be expected to stall in the range of \$45–\$50 billion. The committee further notes that this belief is reinforced by the independent National Defense Panel’s critique of the QDR, which found the QDR modernization plan risky due to tenuous assumptions of further base closures and savings from acquisition and other infrastructure reforms.

Notwithstanding the Administration’s lack of resolve to deal proactively with the continuing modernization problem, the committee—for the third year in a row—has added funds significantly in excess of the procurement budget request. Moreover, in formulating its proposed addition of \$3.8 billion, the committee has also once again been responsive to meeting the unfunded priorities submitted by the various military service chiefs of staff. However, because the committee believes that the QDR has not made the correct decisions regarding tactical aircraft and the B-2, it has taken different positions on these two issues. Furthermore, the committee disagrees with the Department’s assessment of the Arsenal Ship demonstrator’s utility and its proposed teaming arrangement for construction of the New Attack Submarine. These topics are discussed at length in the report.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION
DOD PROCUREMENT PROGRAM SUMMARY				
AIRCRAFT PROCUREMENT, ARMY	1,162,459	372,805	1,535,264	1,535,264
MISSILE PROCUREMENT, ARMY	1,178,151	(1,636)	1,176,516	1,176,516
PROCUREMENT OF W&TCV, ARMY	1,065,707	463,820	1,519,527	1,519,527
PROCUREMENT OF AMMUNITION, ARMY	890,902	202,900	1,093,802	1,093,802
OTHER PROCUREMENT, ARMY	2,455,030	185,247	2,640,277	2,640,277
TOTAL ARMY	6,752,249	1,213,137	7,965,386	7,965,386
AIRCRAFT PROCUREMENT, NAVY	6,085,965	86,965	6,172,950	6,172,950
WEAPONS PROCUREMENT, NAVY	1,136,293	78,394	1,214,687	1,214,687
PROCUREMENT OF AMMUNITION, NAVY/MARINE CORPS	336,797	133,558	470,355	470,355
SHIPBUILDING AND CONVERSION, NAVY	7,438,158	216,819	7,654,977	7,654,977
OTHER PROCUREMENT, NAVY	2,825,500	247,932	3,073,432	3,073,432
PROCUREMENT, MARINE CORPS	374,306	68,501	442,807	442,807
TOTAL NAVY/MARINE CORPS	18,197,019	832,189	19,029,208	19,029,208
AIRCRAFT PROCUREMENT, AIR FORCE	5,817,847	953,053	6,770,900	6,770,900
PROCUREMENT OF AMMUNITION, AIR FORCE	403,984	33,000	436,984	436,984
MISSILE PROCUREMENT, AIR FORCE	2,557,741	(168,556)	2,389,183	2,389,183
OTHER PROCUREMENT, AIR FORCE	6,581,253	12,843	6,574,096	6,574,096
TOTAL AIR FORCE	15,340,825	830,338	16,171,163	16,171,163
PROCUREMENT, DEFENSE-WIDE	1,695,085	141,904	1,836,989	1,836,989
NATIONAL GUARD & RESERVE EQUIPMENT	-	700,355	700,355	700,355
CHEM AGENTS & MUNITIONS DESTRUCTION - PROCUREMENT	82,200	-	82,200	82,200
CHEM AGENTS & MUNITIONS DESTRUCTION - RDT&E	66,300	(10,000)	56,300	56,300
CHEM AGENTS & MUNITIONS DESTRUCTION - O&M	472,200	-	472,200	472,200
PROCUREMENT, DEFENSE HEALTH PROGRAM	274,068	5,000	279,068	279,068
PROCUREMENT, OFFICE OF THE INSPECTOR GENERAL	1,800	-	1,800	1,800
DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOUNT	1,231	-	1,231	1,231
TOTAL DEPARTMENT OF DEFENSE	42,882,977	3,712,923	46,595,900	46,595,900

AIRCRAFT PROCUREMENT, ARMY

Overview

The budget request contained \$1,162.5 million for Aircraft Procurement, Army in fiscal year 1998. The committee recommends authorization of \$1,535.3 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
AIRCRAFT PROCUREMENT, ARMY						
AIRCRAFT						
FIXED WING						
001 ARL (TIARA)	-	41,048	-	-	-	41,048
002 C-XX (MEDIUM RANGE) AIRCRAFT	-	-	-	-	-	-
003 GUARDRAIL COMMON SENSOR (TIARA)	-	3,388	-	-	-	3,388
003a SHORT RANGE, UAV	-	-	-	20,000	-	20,000
ROTARY						
004 AH-64 ATTACK HELICOPTER (APACHE)	-	-	-	-	-	-
005 UH-60 BLACKHAWK (MYP)	18	246,131	12	96,000	30	342,131
005 LESS: ADVANCE PROCUREMENT (PY)	-	(62,900)	-	-	-	(62,900)
006 ADVANCE PROCUREMENT (CY)	-	25,000	-	-	-	25,000
007 HELICOPTER NEW TRAINING	-	-	-	-	-	-
TOTAL AIRCRAFT		252,667		116,000		368,667
MODIFICATION OF AIRCRAFT						
MODIFICATION OF AIRCRAFT						
008 GUARDRAIL MODS (TIARA)	-	15,613	-	-	-	15,613
009 AH1F MODS	-	451	-	-	-	451
010 AH-64 MODS	-	41,168	-	-	-	41,168
011 CH-47 CARGO HELICOPTER MODS (MYP)	-	63,854	-	-	-	63,854
012 C-12 CARGO AIRPLANE MODS	-	613	-	6,000	-	6,613
013 OH-58 MODS	-	748	-	-	-	748
014 C-20 AIRCRAFT MODS	-	853	-	-	-	853
015 LONGBOW	-	497,358	-	28,500	-	525,858
015 LESS: ADVANCE PROCUREMENT (PY)	-	(22,526)	-	-	-	(22,526)
016 ADVANCE PROCUREMENT (CY)	-	36,932	-	-	-	36,932
017 UH-1 MODS	-	4,679	-	-	-	4,679
018 UH-60 MODS	-	14,353	-	-	-	14,353
019 KIOWA WARRIOR	-	38,822	21	175,000	21	213,822
020 EH-60 QUICKFIX MODS	-	38,140	-	-	-	38,140
021 AIRBORNE AVIONICS	-	42,860	-	-	-	42,860

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
022 ASE MODS	-	4,578	-	15,000	-	19,578
023 MODIFICATIONS < \$2.0M	-	1,735	-	-	-	1,735
TOTAL MODIFICATIONS OF AIRCRAFT		780,231		224,500		1,004,731
SPARES AND REPAIR PARTS						
024 SPARES AND REPAIR PARTS	-	27,546	-	-	-	27,546
TOTAL SPARES AND REPAIR PARTS		27,546		-		27,546
SUPPORT EQUIPMENT AND FACILITIES						
GROUND SUPPORT AVIONICS						
025 AIRCRAFT SURVIVABILITY EQUIPMENT	-	905	-	14,800	-	15,705
OTHER SUPPORT						
026 AIRBORNE COMMAND & CONTROL	-	-	-	-	-	-
027 AVIONICS SUPPORT EQUIPMENT	-	2,701	-	-	-	2,701
028 TRAINING DEVICES	-	-	-	18,600	-	18,600
029 COMMON GROUND EQUIPMENT	-	30,636	-	-	-	30,636
030 AIRCREW INTEGRATED SYSTEMS	-	12,472	-	-	-	12,472
031 AIR TRAFFIC CONTROL	-	5,802	-	-	-	5,802
032 INDUSTRIAL FACILITIES	-	2,049	-	-	-	2,049
32a DMPE	-	-	-	5,700	-	5,700
033 AIRBORNE COMMUNICATIONS	-	47,450	-	-	-	47,450
034 CLOSED ACCOUNT ADJUSTMENT	-	-	-	-	-	-
TOTAL SUPPORT EQUIPMENT AND FACILITIES		102,015		39,100		141,115
035 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(6,795)	-	(6,795)
TOTAL AIRCRAFT PROCUREMENT, ARMY		1,162,459		372,805		1,535,264

Items of Special Interest

Aircraft survivability equipment (ASE)

The budget request contained \$900,000 for project management support and fielding of ASE systems, however, no funding was included for upgrades to the Aircraft Survivability Equipment Trainer IV (ASET IV).

The ASET IV is a ground-based, mobile aviation threat emitter simulation and training system, which teaches aircrews to recognize surface-to-air-missile (SAM) and anti-aircraft artillery threats in order to employ the correct aircraft threat avoidance tactics. ASET IV systems are currently fielded at major training centers throughout the United States and Germany and require that an aircraft have a fully operational ASE suite of sensors on board for training. The committee understands that in its present configuration, however, the ASET IV cannot locate, identify, or track aircraft at night nor can it simulate the most current infrared (IR) SAM threats, thereby limiting aircrews to daylight training against older IR SAM threats, which is not representative of the Army's "train as you fight concept."

The committee is aware of upgrades to the ASET IV system that would enable nighttime training through the incorporation of a night vision camera and provide an up-to-date IR SAM threat emitter simulation capability. Based on the Army's requirement for forces to train in realistic threat environments, the committee recommends an increase of \$14.8 million for upgrading eight ASET IV systems with IR SAM threat simulators and night vision cameras.

Aircraft survivability equipment (ASE) modifications

The budget request contained \$4.6 million for ASE modifications, of which \$2.2 million was to complete the installation of AN/AVR-2A Laser Detecting Sets (LDS) on the AH-64 Apache. However, no funding was requested for procurement of additional LDSs for other types of aircraft despite the fact that only 413 of the required 2,063 systems have been fielded by the Army.

The LDS detects, identifies, and characterizes threats from laser-targeted weapons 360-degrees-around and plus-or-minus 45 degrees above-and-below an aircraft. It is the only device procured by the Army that provides warning to helicopter crews when they have been illuminated by a laser-targeted weapon. As a result of the increasing proliferation of laser technology, the committee believes the Army should fulfill its requirement for these unique detection systems as soon as possible and, therefore, recommends an increase of \$15.0 million for continued procurement of LDS for installation on UH-60 Blackhawks, MH-60K Blackhawks, and MH-47E Chinooks.

C-12 cargo aircraft modifications

The budget request contained \$600,000 for avionics and cockpit upgrades to C-12 cargo aircraft.

The C-12 is based throughout the world and is one of the Army's primary passenger-carrying aircraft. The C-12 is expected to remain active in service for at least the next 20 years and will be one of four types of aircraft that will remain in the Army's fixed wing

utility aircraft fleet after a major consolidation of the inventory is completed.

Based on the need for passenger-carrying military aircraft to have the latest technology for safe flight operations and noting that the majority of the Army's C-12 aircraft were purchased in the 1970s and 1980s with avionics and navigation equipment that was state-of-the-art at that time but obsolete today, the committee believes these upgrades should be accelerated. Therefore, the committee recommends an increase of \$6.0 million for avionics and cockpit upgrades for 34 C-12 cargo aircraft.

Longbow training devices

The budget request contained \$474.8 million for the Longbow modification program, of which \$81.6 million was for Longbow training devices. The requested funding will procure two types of pilot trainers, the Longbow Crew Trainer and the Longbow Collective Training System, and several types of maintenance trainers.

The Army has deemed these devices critical for training, since the Apache Longbow will be a primary weapon system in almost all Army operations and deployments. The committee recommended an increase of \$53.0 million in fiscal year 1997 to accelerate procurement of these devices to support pilot and maintenance training when the Army's first Apache Longbow battalions are fielded. Since \$28.5 million of this amount was not appropriated in fiscal year 1997, the committee recommends an increase of \$28.5 million in fiscal year 1998 for this purpose.

OH-58D Kiowa Warrior modifications

The budget request contained \$38.8 million for Kiowa Warrior modifications.

The committee notes that the current inventory of Kiowa Warriors is still below the requirement of 507, yet, the Army has not requested funds for the procurement of additional aircraft. While there are sufficient aircraft to meet the active Army division, regiment, and battalion component requirements, an insufficient amount exists for active component target acquisition and reconnaissance platoons, as well as for Force XXI needs and Army National Guard units. Therefore, the committee recommends \$175.0 million to fund an additional 21 aircraft.

Training devices

The budget request did not contain funding for training devices.

Currently, the Korean-based Eight Army (EUSA) UH-60 Blackhawk, CH-47 Chinook, and AH-64 Apache flight simulators visually depict generic terrain that does not duplicate any real-world location. The committee is concerned that EUSA helicopter pilots do not have the correct visual databases, state-of-the-art image generators and associated computers to simulate the Korean terrain. Further, the committee believes that having the capability to practice flying over Korean-simulated terrain in a simulator would greatly reduce the possibility of inadvertent flights over politically sensitive and potentially hostile areas. The committee is aware of an EUSA requirement for improved flight simulators, including geographic-specific databases and state-of-the-art image

generators, and recommends an increase of \$18.6 million for these hardware and software upgrades.

UH-60 blackhawk

The budget request contained \$183.2 million for 18 UH-60L Blackhawks but did not contain funding to modify Blackhawks to the UH-60Q enhanced medical evacuation variant.

Noting that the total Blackhawk requirement for the Army National Guard's (ARNG) aging utility helicopter fleet is in excess of 400 aircraft, the committee recommends an increase of \$90.0 million to procure an additional 12 Blackhawks for the ARNG. The committee further recommends an increase of \$6.0 million for modification kits to configure three of these aircraft as UH-60Q enhanced medical evacuation models in acknowledgment of the fact that this modification is also a priority modernization requirement of the ARNG.

MISSILE PROCUREMENT, ARMY

Overview

The budget request contained \$1,178.2 million for Missile Procurement, Army in fiscal year 1998. The committee recommends authorization of \$1,176.5 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
MISSILE PROCUREMENT, ARMY						
OTHER MISSILES						
SURFACE-TO-AIR MISSILE SYSTEM						
001 PATRIOT SYSTEM SUMMARY (MYP)	52	349,109	-	-	52	349,109
002 AVENGER SYSTEM SUMMARY	-	-	-	-	-	-
AIR-TO-SURFACE MISSILE SYSTEM						
003 HELLFIRE SYS SUMMARY	1,465	279,687	-	-	1,465	279,687
ANTI-TANK/ASSAULT MISSILE SYSTEM						
004 JAVELIN (AAWS-M) SYS SUM (MYP)	1,080	153,112	-	-	1,080	153,112
005 LESS: ADVANCE PROCUREMENT (PY)	-	(10,000)	-	-	-	(10,000)
006 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
006 TOW 2 SYSTEM SUMMARY	-	-	-	-	-	-
007 MLRS ROCKET	-	1,326	-	-	-	1,326
008 MLRS-LAUNCHER SYSTEMS	-	2,863	-	-	-	2,863
009 ARMY TACTICAL MSL SYS (ATACMS) (MYP)	29	102,649	-	-	29	102,649
010 LESS: ADVANCE PROCUREMENT (PY)	153	114,494	-	(10,770)	153	103,724
010 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
011 ATACMS/BAT-	-	(16,680)	-	-	-	(16,680)
012 BAT	-	-	-	-	-	-
012 BAT	305	85,208	-	-	305	85,208
TOTAL OTHER MISSILES		1,061,768		(10,770)		1,050,998
MODIFICATION OF MISSILES						
013 PATRIOT MODS	-	20,825	-	-	-	20,825
014 STINGER MODS	-	12,411	-	9,300	-	21,711
015 ITAS/TOW MODS	-	62,755	-	7,000	-	69,755
016 DRAGON MODS	-	-	-	-	-	-
017 MLRS MODS	-	2,188	-	-	-	2,188
17a AVENGER MODS	-	-	-	13,300	-	13,300
TOTAL MODIFICATION OF MISSILES		98,179		29,600		127,779
SPARES AND REPAIR PARTS						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	RECOMMENDATION	RECOMMENDATION	QUANTITY	COST
018 SPARES AND REPAIR PARTS	-	11,381	-	-	-	11,381
TOTAL SPARES AND REPAIR PARTS		11,381				11,381
SUPPORT EQUIPMENT AND FACILITIES						
019 AIR DEFENSE TARGETS	-	998	-	-	-	998
020 ITEMS LESS THAN \$2.0M (MISSILES)	-	954	-	-	-	954
021 MISSILE DEMILITARIZATION	-	1,507	-	-	-	1,507
022 PRODUCTION BASE SUPPORT	-	3,364	-	-	-	3,364
TOTAL SUPPORT EQUIPMENT AND FACILITIES		6,823				6,823
023 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(20,465)	-	(20,465)
TOTAL MISSILE PROCUREMENT, ARMY		1,178,151		(1,635)		1,176,516

Items of Special Interest

Army tactical missile system (ATACMS)

The budget request contained \$97.8 million for the procurement of 153 Block IA ATACMS missiles to be acquired using a multiyear procurement contract. The committee notes, however, that the Army has changed its plans for initiating a multiyear procurement contract as a result of deficiencies in operational testing performed on the missile prior to its entering into full-rate production.

As a result of the multiyear procurement cancellation, the committee understands that only 100 missiles will be procured in fiscal year 1998. Therefore, the committee recommends a corresponding reduction of \$10.8 million.

Avenger modifications

The budget request did not contain funding for modifications to Avenger fire units, which constitute the rear component of the Army's Forward Area Air Defense System (FAADS) and are the first element of FAADS that has been fielded.

The committee notes that the Avenger's current configuration limits its capability to rapidly lock on and track newly emerging threats to ground forces, such as cruise missiles and unmanned aerial vehicles, both of which are under development by many countries around the world. The slew-to-cue upgrade gives the Avenger an automatic and much more rapid target identification, tracking and processing capability in response to these types of targets and provides an over 50 percent increase in kill capability as a result of the greater speed of operation.

Since the committee believes it is vitally important to enhance the capability of the Army's only FAADS fielded assets, it recommends an increase of \$13.3 million for 125 slew-to-cue upgrade kits.

Improved target acquisition system/tube-launched, optically-tracked, wire-guided (ITAS/TOW) missile modifications

The budget request contained \$62.8 million for ITAS/TOW modifications, of which no funding was included for the Missile Ordnance Inhibit Circuit (MOIC) modification.

The MOIC modification provides for installation of a circuit on TOW training missiles to prevent flyback in the event of a missile malfunction. This critical safety enhancement is fundamental for troops to be able to train with live-fire missiles. Therefore, the committee recommends an increase of \$7.0 million for the procurement and installation of the MOIC on both the basic and improved versions of the TOW missile.

Stinger modifications

The budget request contained \$12.4 million for modification upgrades to 751 Stinger Block I missiles.

This electronics, software and guidance upgrade extends the service life of Block I missiles and increases the effectiveness of the Stinger against low-flying fixed and rotary wing targets. Consequently, consistent with actions taken by the committee in fiscal years 1996 and 1997, the committee recommends an increase of

\$9.3 million for an additional 549 Block I upgrades to continue to maintain an economic production rate of this missile.

WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Overview

The budget request contained \$1,065.7 million for procurement of Army weapons and tracked combat vehicles for fiscal year 1998. The committee recommends authorization of \$1,519.5 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
PROCUREMENT OF W&TCV, ARMY						
TRACKED COMBAT VEHICLES						
TRACKED COMBAT VEHICLES						
001 ABRAMS TRNG DEV MOD	-	2,222	-	-	-	2,222
002 BRADLEY BASE SUSTAINMENT	-	125,591	-	-	-	125,591
003 BRADLEY FVS TRAINING DEVICES	-	1,417	-	-	-	1,417
004 HAB TRAINING DEVICES	-	-	-	-	-	-
005 BRADLEY FVS TRAINING DEVICES (MOD)	-	-	-	-	-	-
006 FIELD ARTILLERY AMMUNITION SUPPORT VEH	-	-	-	-	-	-
007 ARMORED COMBAT EARTHMOVER	-	-	54	52,400	54	52,400
008 ABRAMS TANK TRAINING DEVICES	-	13,351	-	-	-	13,351
009 M1 ABRAMS TANK SERIES (MYP)	-	-	-	-	-	-
010 COMMAND & CONTROL VEHICLE	5	30,897	-	-	5	30,897
MODIFICATION OF TRACKED COMBAT VEHICLES						
011 CARRIER, MOD	-	20,244	-	44,600	-	64,844
012 FIST VEHICLE (MOD)	-	14,656	-	-	-	14,656
013 BFVS SERIES (MOD)	-	61,232	120	120,000	120	181,232
014 HOWITZER, MED SP FT 155MM M109A6 (MOD)	-	18,706	72	111,000	72	129,706
015 HOWITZER, MED SP FT 155MM M109A5 (MOD)	-	-	-	-	-	-
016 FAASV PIP TO FLEET	-	1,922	72	81,100	72	83,022
017 IMPROVED RECOVERY VEHICLE (M88 MOD)	-	28,601	12	27,800	12	56,401
018 BREACHER SYSTEM (MOD)	-	-	-	-	-	-
019 HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	-	42,205	-	-	-	42,205
020 M1 ABRAMS TANK (MOD)	-	29,843	-	-	-	29,843
021 ABRAMS UPGRADE PROGRAM	-	594,856	-	-	-	594,856
022 MODIFICATIONS LESS THAN \$2.0M (TCV-WTCV)	-	1,030	-	-	-	1,030
SUPPORT EQUIPMENT AND FACILITIES						
023 ITEMS LESS THAN \$2.0M (TCV-WTCV)	-	139	-	-	-	139
024 PRODUCTION BASE SUPPORT (TCV-WTCV)	-	8,942	-	-	-	8,942
025 REGIONAL MAINTENANCE TRAINING SITES-EQUIP	-	-	-	-	-	-
TOTAL TRACKED COMBAT VEHICLES		995,854		436,900		1,432,754

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	REQUEST	QUANTITY	RECOMMENDATION
WEAPONS AND OTHER COMBAT VEHICLES						
WEAPONS AND OTHER COMBAT VEHICLES						
026 PERSONAL DEFENSE WEAPON (ROLL)	-	-	-	-	-	-
027 ARMOR MACHINE GUN, 7.62MM M240 SERIES	406	5,569	2,100	20,000	2,100	20,000
028 MACHINE GUN, 5.56MM (SAW)	-	-	-	-	406	5,569
029 GRENADE LAUNCHER, AUTO, 40MM, MK19-3	-	-	-	-	-	-
030 MORTAR, 120MM	-	-	-	-	-	-
031 M16 RIFLE	11,297	5,089	-	-	11,297	5,089
032 5.56 CARBINE M4	7,484	5,089	-	2,000	7,484	7,089
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES						
033 M4 CARBINE MODS	-	2,152	-	-	-	2,152
034 MEDIUM MACHINE GUNS (MODS)	-	-	-	-	-	-
035 M119 MODIFICATIONS	-	4,977	-	-	-	4,977
036 M16 RIFLE MODS	-	7,603	-	-	-	7,603
037 MODIFICATIONS LESS THAN \$2.0M (WOCV-WTCV)	-	1,406	-	-	-	1,406
SUPPORT EQUIPMENT AND FACILITIES						
038 ITEMS LESS THAN \$2.0M (WOCV-WTCV)	-	1,215	-	-	-	1,215
039 PRODUCTION BASE SUPPORT (WOCV-WTCV)	-	6,195	-	-	-	6,195
040 INDUSTRIAL PREPAREDNESS	-	5,758	-	-	-	5,758
041 SMALL ARMS (SOLDIER ENH PROG)	-	4,178	-	-	-	4,178
TOTAL WEAPONS AND OTHER COMBAT VEHICLES		49,231		22,000		71,231
SPARE AND REPAIR PARTS						
SPARES						
042 SPARES AND REPAIR PARTS (WTCV)	-	20,622	-	-	-	20,622
TOTAL SPARES AND REPAIR PARTS		20,622				20,622
043 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(5,080)	-	(5,080)
TOTAL PROCUREMENT OF W&TCV, ARMY		1,065,707		453,620		1,519,527

Items of Special Interest

Bradley fighting vehicle system series modifications

The budget request contained \$61.2 million for modifications to the Bradley fighting vehicle, of which \$34.6 million is for upgrading Bradley "A2" version vehicles to the Operation Desert Storm (ODS) variant.

The Bradley ODS variant incorporates changes that improve the vehicle's lethality, survivability, and mobility, as well as the situational awareness of its crew. Modifications include installation of a laser range finder, Global Positioning System navigation capability, a combat identification system, a driver's thermal viewer and a missile countermeasure device.

When the Army completes all of its planned modifications to the Bradley, the active fleet will include a mix of the most advanced "A3" variant, along with "A2" and ODS versions. The Army National Guard (ARNG), however, will be left with unmodified, first-generation "A0" vehicles, which, because of major survivability deficiencies, were not used in ODS and will not be taken into future combat.

Because the ARNG comprises an increasing percentage of the total force warfighting assets as a result of active component force reductions, the committee recommends an increase of \$120.0 million for modifying 120 Bradley "A0" vehicles to the ODS variant for the ARNG.

M109A6 paladin/M992A2 field artillery ammunition support vehicle (FAASV)

The budget request did not contain funding to procure M109A6 Paladin self-propelled howitzers or M992A2 FAASVs for the Army National Guard (ARNG).

Although ARNG units comprise the majority of the Army's field artillery force, the committee notes that the ARNG does not have a full complement of the most recently upgraded versions of either the M109A6 Paladin or the M992A2 FAASV. Since ARNG artillery battalions will have a greatly enhanced role in the future, yet only 16 of the 48 ARNG battalions are scheduled to receive the fully-digitized Paladin system, the committee recommends an increase of \$111.0 million for 72 Paladins and a corresponding \$81.1 million increase for 72 FAASVs to upgrade four additional ARNG artillery battalions.

M113 carrier modifications

The budget request contained \$20.2 million for modifying 66 M113 carriers to the "A3" configuration. The M113A3 upgrade program, forecast to add an additional 20 years of service life to the vehicle, includes depot overhaul and rebuild of the vehicle along with the installation of a new engine, transmission, external fuel tanks, driver controls, and spall liners. The committee recommends an increase of \$53.0 million for M113 modifications, as discussed below.

The committee notes that the budget request falls far short of the required amount, as it has in previous years, for the planned upgrade of 250 vehicles per year and recommends an increase of

\$24.6 million, which, when combined with the budget request, will provide for approximately this number. Also, the committee is concerned that the M113 may not provide sufficient armor protection for its crew and that the majority of the M113 fleet cannot operate at night. Therefore, the committee recommends an increase of \$20.0 million for reactive armor tiles to enhance the vehicle's survivability and an increase of \$8.4 million to accelerate equipping the M113A3 with night vision driver viewers.

M240B medium machine gun

The budget request did not contain funding for the M240B medium machine gun. The M240B is intended to replace the M60 series machine gun in light infantry, mechanized infantry, and combat engineer units. Although the Army has a total procurement objective of over 11,000 M240B machine guns, the service has only procured 1,200 of these weapons to date.

The committee notes that the Army has failed to fund this requirement for a second straight year and that funding to fulfill the Army's objective falls far short of the 11,000 weapons objective through the future years defense program. Moreover, the Army has not entered into a multiyear procurement as the committee strongly encouraged in the committee report on H.R. 3230 (H Rept. 104-563)

To ensure that the requirements for small arms are fulfilled, the committee recommends an increase of \$20.0 million for 2,100 M240B medium machine guns and strongly urges the Secretary of the Army to include funding in the fiscal year 1999 budget request for this weapon.

M88A2 improved recovery vehicle

The budget request contained \$28.6 million for modifying 12 existing "A1" variant vehicles to the more capable "A2" version.

The A2 upgrade enables the vehicle to safely perform battlefield recovery of the 70-ton M1 Abrams tank and other vehicles weighing 60 tons or more. It consists of structural improvements to the vehicle chassis, an increased-horsepower engine, additional armor, an improved winch, and the addition of a hydraulic-assisted braking system. Although 24 vehicles per year is the minimum sustaining production rate, the budget request is sufficient to fund only 12 vehicles.

The committee believes that this upgrade program is vital to the Army's future mobility and, consistent with its actions for the past two fiscal years, recommends an increase of \$27.8 million for 12 additional vehicles.

M9 armored combat earthmover (ACE)

The budget request did not contain funding for the M9 ACE.

The M9 ACE provides infantry, tank and artillery units with survivable fighting positions and creates anti-tank ditches as obstacles against enemy maneuver units. The committee believes the vehicle's high speed and heavy digging capabilities are essential to the success of any ground combat unit's maneuver effectiveness.

Consistent with its recommendation for fiscal year 1997 to fund an additional 54 M9 ACE vehicles, the committee recommends an

increase of \$52.4 million to fund the remaining 54 M9 ACEs necessary to complete the active Army's requirement for 108 vehicles.

AMMUNITION PROCUREMENT, ARMY

Overview

The budget request contained \$890.9 million for Ammunition Procurement, Army in fiscal year 1998. The committee recommends authorization of \$1,093.8 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
PROCUREMENT OF AMMUNITION, ARMY						
AMMUNITION						
SMALL/MEDIUM CAL AMMUNITION						
001 CTG. 5.56MM, ALL TYPES	-	63,588	-	2,400	-	65,988
002 CTG 5.56MM ARMOR PIERCING XM995	1,406	1,976	-	-	1,406	1,976
003 CTG. 7.62MM, ALL TYPES	-	1,136	-	6,000	-	7,136
004 CTG 7.62MM ARMOR PIERCING XM993	1,013	1,984	-	-	1,013	1,984
005 CTG. 9MM, ALL TYPES	-	4,229	-	-	-	4,229
006 CTG. .45 CAL, ALL TYPES	-	73	-	-	-	73
007 - CTG. .50 CAL, ALL TYPES	-	19,977	-	200	-	20,177
008 CTG CAL .50 API/MK211 MOD 0	286	1,984	-	-	286	1,984
009 CTG. 20MM, ALL TYPES	-	-	-	-	-	-
010 CTG. 25MM, ALL TYPES	-	88,166	-	-	-	88,166
011 CTG. 30MM, ALL TYPES	-	10,357	-	-	-	10,357
012 CTG. 40MM, ALL TYPES	-	26,203	-	-	-	26,203
MORTAR AMMUNITION						
013 CTG MORTAR 60MM 1/10 PRAC M766	-	-	-	-	-	-
014 CTG MORTAR 60MM ILLUM M721/M767	-	-	-	-	-	-
015 CTG MORTAR 60MM SMOKE WP M722	23	4,744	-	-	23	4,744
016 CTG MORTAR 60MM HE M720	-	-	-	-	-	-
017 CTG MORTAR 81MM ILLUM M853A1	-	-	-	-	-	-
018 CTG MORTAR 81MM SMOKE RP M819	-	-	-	-	-	-
019 CTG MORTAR 81MM PRAC 1/10 RANGE M880	-	-	-	-	-	-
020 CTG MORTAR 120MM FULL RANGE PRACTICE M931	59	24,432	-	-	59	24,432
021 CTG MORTAR 120MM HE M934 W/MO FUZE	32	29,908	-	-	32	29,908
022 CTG MORTAR 120MM ILLUM XM650 W/MTSQ FZ	-	-	-	9,000	-	9,000
023 CTG MORTAR 120MM SMOKE M825 W/MO FUZE	-	-	-	3,000	-	3,000
TANK AMMUNITION						
024 CTG 120MM APFSDS-T M829A2/M829E3	21	72,920	-	-	21	72,920
025 CTG 120MM HEAT-IP-T M830A1	-	-	-	-	-	-
026 CTG TANK 120MM TP-T M831/M831A1	80	52,226	-	-	80	52,226
027 CTG TANK 120MM TPCSDS-T M865	184	111,653	-	12,800	184	124,453
ARTILLERY AMMUNITION						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	REQUEST	QUANTITY	COST
028 CTG ARTY 75MM BLANK M337A1	70	2,964	-	-	70	2,964
029 CTG ARTY 105MM DPICM XM915	-	-	-	-	-	-
030 PROJ ARTY 155MM SMOKE WP M825	-	12,586	-	-	-	12,586
031 PROJ ARTY 155MM HE M795	-	-	-	50,000	-	50,000
032 PROJ ARTY 155MM SADARM M898	507	67,909	-	-	507	67,909
032a PROJ ARTY 105MM HERA	-	-	-	20,000	-	20,000
032b PROJ ARTY 105MM DPICM	-	-	-	10,000	-	10,000
*ARTILLERY FUZZES	-	-	-	-	-	-
033 FUZE MULTI OPTION	-	-	-	20,000	-	20,000
MINES	-	-	-	-	-	-
034 MINE TRAINING, ALL TYPES	-	-	-	-	-	-
035 MINE AT/AP M87 (VOLCANO)	-	-	-	12,000	-	12,000
036 WIDE AREA MUNITIONS	215	15,323	-	-	215	15,323
ROCKETS	-	-	-	-	-	-
037 BURKER DEFEATING MUNITION (BDM)	-	-	-	10,000	-	10,000
038 ROCKET, HYDRA 70, ALL TYPES	-	12,067	-	37,200	-	49,267
OTHER AMMUNITION	-	-	-	-	-	-
039 DEMOLITION MUNITIONS, ALL TYPES	-	18,766	-	10,000	-	28,766
040 GRENADES, ALL TYPES	-	14,637	-	-	-	14,637
041 SIGNALS, ALL TYPES	-	7,862	-	-	-	7,862
042 SIMULATORS, ALL TYPES	-	4,573	-	500	-	5,073
MISCELLANEOUS	-	-	-	-	-	-
043 AMMO COMPONENTS, ALL TYPES	-	4,823	-	-	-	4,823
044 CAD/PAD ALL TYPES	-	1,087	-	-	-	1,087
045 ITEMS LESS THAN \$2 MILLION	-	819	-	-	-	819
046 AMMUNITION PECULIAR EQUIPMENT	-	8,627	-	-	-	8,627
047 FIRST DESTINATION TRANSPORTATION (AMMO)	-	6,558	-	-	-	6,558
TOTAL AMMUNITION		694,177		212,900		907,077
AMMUNITION PRODUCTION BASE SUPPORT						
PRODUCTION BASE SUPPORT						
048 PROVISION OF INDUSTRIAL FACILITIES	-	45,857	-	-	-	45,857

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM REQUEST		FY 1988 COMMITTEE RECOMMENDATION	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
049 COMPONENTS FOR PROVE-OUT	-	-	-	-	-	-
050 LAYAWAY OF INDUSTRIAL FACILITIES	-	16,750	-	-	-	16,750
051 MAINTENANCE OF INACTIVE FACILITIES	-	23,000	-	-	-	23,000
052 CONVENTIONAL AMMO DEMILITARIZATION	-	106,118	-	(10,000)	-	96,118
053 ARMS INITIATIVE	-	5,000	-	-	-	5,000
TOTAL AMMUNITION PRODUCTION BASE SUPPORT		196,725		(10,000)		186,725
TOTAL PROCUREMENT OF AMMUNITION, ARMY		890,902		202,900		1,093,802

Items of Special Interest

Ammunition

The budget request contained \$694.2 million for procurement of ammunition. The committee recommends \$915.1 million, an increase of \$212.9 million for the following types of ammunition:

[In millions of dollars]

Small/Medium Cal Ammunition:	
CTG 5.56mm Blank M200 Linked	2.4
CTG 7.62mm ball M80 linked	6.0
CTG 50 caliber ball M33 w/M9 linked	0.1
CTG 50 caliber 4 ball/1 Tracer	0.1
Mortar Ammunition:	
CTG Mortar 120mm HE M934 w/mo Fuze	9.0
CTG Mortar 120mm Illum M930	3.0
Tank Ammunition:	
CTG Tank 120mm TPCSDS-T M865	12.8
CTG Tank 120mm TP-T M831/M831A	9.8
Artillery Ammunition:	
CTG Arty 105mm DPICM M915	10.0
CTG Arty 105mm HERA M927	20.0
PROJ Arty 155mm HE M795	50.0
Artillery Fuzes:	
M767A1 Electronic Artillery Fuze	20.0
Mines:	
M87 Volcano	12.0
Rockets:	
Bunker Defeating Munition	10.0
Rocket, Hydra-70 MPSM Practice	37.2
Demolition Munitions, All Types:	
SLAM	10.0
Other Ammunition:	
Antitank Simulator M27	0.5

Armament retooling and manufacturing support (ARMS) initiative

The budget request contained \$5.0 million for the ARMS initiative.

The committee is aware that several refinements could be made to the ARMS Act of 1992 (Public Law 102-484), which provides for the reutilization of excess capacity of government-owned, contractor-operated ammunition facilities of the Department of the Army for commercial purposes. While the committee is supportive of innovative ways to reduce the impact of defense downsizing on communities, it believes that a thorough review of the benefits of these proposed refinements is required before considering permanent changes to existing authorities.

Therefore, the committee directs the Secretary of the Army to provide a report to the congressional defense committees by March 31, 1998, that evaluates the following issues: (1) establishment of a special account for the accumulation of revenues generated from ARMS activities and the benefits of allowing the Secretary of the Army to retain those revenues for ARMS industrial base projects; (2) authorization for the Secretary to offer an ARMS participant who had made nonseverable property improvements to a facility to have the first right of refusal in acquiring title to the improved property at a fair market or negotiated value in the event that the Army decided to dispose of the property or facility as surplus; (3) authorization for the Secretary to enter into sole-source contracts with a facility-use contractor for long-term periods; (4) authoriza-

tion for the Secretary to be able to accept a combination of funds, property, services or other consideration in lieu of rental payments for the use of property accountable under an ARMS facility-use contract; and (5) authorization for the Army Industrial Operations Command to make an ammunition facility available for ARMS initiatives, even in cases where the facility was considered "excess," thus providing an alternative to the current requirement to transfer an "excess" facility to the Army Corps of Engineers for environmental remediation and property management determinations.

Conventional ammunition demilitarization

The budget request contained \$106.1 million for conventional ammunition demilitarization.

The committee strongly supports demilitarization of older ammunition but notes that the request represents a 10 percent increase over the amount requested in prior years and that is forecast for fiscal year 1999 in the future years defense program. The committee recommends \$96.1 million, a \$10.0 million reduction, which the committee believes would create neither a near-term safety hazard nor prevent the execution of a balanced and safe ammunition demilitarization program.

OTHER PROCUREMENT, ARMY

Overview

The budget request contained \$2,455.0 million for Other Procurement, Army in fiscal year 1998. The committee recommends authorization of \$2,640.3 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless other specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
OTHER PROCUREMENT, ARMY						
TACTICAL AND SUPPORT VEHICLES						
001 TACTICAL TRAILERS/DOLLY SETS	-	8,053	-	-	-	8,053
002 SEMITRAILER FB BB/CONT TRANS 22 1/2 T	350	9,361	-	-	350	9,361
003 SEMITRAILER LB 40T M870A1 (CCE)	3	991	-	-	3	991
004 SEMITRAILER, TANK, 5000G	74	7,581	-	-	74	7,581
005 SEMITRAILER, TANK, 7500G, BULKHAUL	231	10,408	-	-	231	10,408
006 SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	51	4,296	-	-	51	4,296
007 HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP)	774	66,233	-	-	774	66,233
008 FAMILY OF MEDIUM TACTICAL VEH (MYP)	1,506	209,446	360	38,700	1,134	104,933
009 FAMILY OF HEAVY TACTICAL VEHICLES (MYP)	-	9,071	-	(10,000)	1,506	199,446
010 ARMORED SECURITY VEHICLES (COMBAT SPT) TACTIC	25	9,470	96	45,000	96	54,071
011 TRUCK, TRACTOR, LINE HAUL, M815/M816	293	36,079	-	(18,000)	25	9,470
012 MEDIUM TRUCK EXTENDED SVC PGM(ESP) (PREV SLEP	-	-	-	-	293	18,079
013 HMMWV ESP	-	-	-	-	-	-
014 MODIFICATION OF IN SVC EQUIP	-	-	-	-	-	-
015 ITEMS LESS THAN \$2.0M (TAC VEH)	-	3,610	-	-	-	3,610
016 NON-TACTICAL VEHICLES	-	189	-	-	-	189
017 HEAVY ARMORED SEDAN	-	-	-	-	-	-
018 PASSENGER CARRYING VEHICLES	-	-	-	-	-	-
019 GENERAL PURPOSE VEHICLES	-	-	-	-	-	-
020 SPECIAL PURPOSE VEHICLES	-	-	-	-	-	-
SUPPORT EQUIPMENT AND FACILITIES						
021 SYSTEM FIELDING SUPPORT PEO	-	1,876	-	-	-	1,876
022 PROJECT MANAGEMENT SUPPORT	-	596	-	-	-	596
023 SYSTEM FIELDING SUPPORT (TACOM)	-	934	-	-	-	934
TOTAL TACTICAL AND SUPPORT VEHICLES		378,194		55,700		433,894
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
COMM - JOINT COMMUNICATIONS						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
024 JCSE EQUIPMENT (USREDCOM)	-	3,075	-	-	-	3,075
COMM - SATELLITE COMMUNICATIONS						
025 DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC)	-	87,643	-	-	-	87,643
026 . SAT TERM. EMUT (SPACE)	207	7,264	-	-	207	7,264
027 NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	17	6,796	-	-	17	6,796
028 GROUND COMMAND POST	-	589	-	-	-	589
029 SMART-T (SPACE)	-	22,762	-	-	-	22,762
030 SCAMP (SPACE)	-	4,305	-	12,300	-	16,605
031 GLOBAL BRDCT SVC - GBS	-	4,967	-	-	-	4,967
032 . MOD OF IN-SVC EQUIP (TAC SAT)	-	2,021	-	-	-	2,021
COMM - COMBAT SUPPORT COMM						
033 MSE MOD IN SERVICE	-	-	-	-	-	-
COMM - C3 SYSTEM						
034 COMMAND CENTER IMPROVEMENT PROG (CCIP)	-	-	-	-	-	-
035 SOUTHCOM HQ RELOCATION	-	-	-	-	-	-
036 ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	-	17,315	-	-	-	17,315
COMM - COMBAT COMMUNICATIONS						
037 ARMY DATA DISTRIBUTION SYSTEM (ADDS)	-	57,165	-	37,400	-	94,565
038 MOBILE SUBSCRIBER EQUIP (MSE)	-	-	-	-	-	-
039 SINGARS FAMILY	-	290,164	-	-	-	290,164
040 JOINT TACTICAL AREA COMMS SYS	-	10,684	-	-	-	10,684
041 ACUS MOD PROGRAM (WIN-TT)	-	82,391	-	10,000	-	92,391
042 TAC RADIO	-	-	-	-	-	-
043 C-E CONTINGENCY/FIELDING EQUIP	-	2,023	-	-	-	2,023
044 SOLDIER ENHANCEMENT PROGRAM COMMELECTRONICS	-	1,003	-	-	-	1,003
045 COMBAT SURVIVOR EVADER LOCATOR (CSEL)	-	5,677	-	-	-	5,677
046 MEDICAL COMMUNICATIONS FOR CBT CASUALTY CARE	-	-	-	-	-	-
COMM - INTELLIGENCE COMM						
047 JMICS CONNECTIVITY	-	-	-	-	-	-
048 CI AUTOMATION ARCHITECTURE	-	2,297	-	-	-	2,297
049 CI CONUS BASED LAN	-	-	-	-	-	-
INFORMATION SECURITY						
050 TSEC - ARMY KEY MGT SYS (AKMS)	-	4,714	-	-	-	4,714

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	REQUEST	QUANTITY	RECOMMENDATION
051 INFORMATION SYSTEM SECURITY PROGRAM - ISSP	-	10,208	-	-	-	10,208
COMM - LONG HAUL COMMUNICATIONS	-	-	-	-	-	-
052 TERRESTRIAL TRANSMISSION	-	20,811	-	-	-	20,811
053 BASE SUPPORT COMMUNICATIONS	-	1,053	-	-	-	1,053
054 ARMY DISM ROUTER	-	2,991	-	-	-	2,991
055 ELECTROMAG COMP PROG (EMCP)	-	469	-	-	-	469
056 WW TECH CON IMP PROG (WWTCIP)	-	944	-	-	-	944
COMM - BASE COMMUNICATIONS	-	-	-	-	-	-
057 INFORMATION SYSTEMS	-	20,498	-	-	-	20,498
058 DEFENSE MESSAGE SYSTEM (DMS)	-	7,962	-	-	-	7,962
059 LOCAL AREA NETWORK (LAN)	-	17,576	-	-	-	17,576
060 PENTAGON INFORMATION MGT AND TELECOM	-	28,249	-	-	-	28,249
ELECT EQUIP - NAT FOR INT PROG (NPIP)	-	-	-	-	-	-
061 FOREIGN COUNTERINTELLIGENCE PROG (FCI)	-	3,897	-	-	-	3,897
062 GENERAL DEFENSE INTELL PROG (GDIP)	-	18,856	-	-	-	18,856
063 ITEMS LESS THAN \$2.0M (INTEL SPT) - TIARA	-	-	-	1,400	-	2,800
ELECT EQUIP - TACT INT REL ACT (TIARA)	-	-	-	2,800	-	-
064 ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	-	7,772	-	-	-	16,772
065 JTT/CIBS-M (TIARA)	56	11,438	-	-	-	11,438
066 IEW - GND BASE COMMON SENSORS (TIARA)	-	26,817	-	-	-	26,817
067 JOINT STARS (ARMY) (TIARA)	-	118,873	-	-	-	118,873
068 NATO-AGS	-	26,153	-	-	-	26,153
069 INTEGRATED BROADCAST TERMINAL MODS (TIARA)	-	3,294	-	-	-	3,294
070 DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	4	7,465	-	-	-	7,465
071 DRUG INTERDICTION PROGRAM (DIP) (TIARA)	-	-	-	-	-	-
072 TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	-	1,679	-	-	-	1,679
073 JOINT TACTICAL GROUND STATION	-	-	-	-	-	-
074 JOINT TACTICAL GROUND STATION MODS	-	-	-	-	-	-
075 TROJAN (TIARA)	-	2,913	-	-	-	2,913
076 MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)	-	3,828	-	-	-	3,828
077 ITEMS LESS THAN \$2.0M (TIARA)	-	1,676	-	-	-	1,676
ELECT EQUIP - ELECTRONIC WARFARE (EW)	-	526	-	-	-	526
078 SHORTSTOP	-	-	-	9,000	-	9,000

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
079 COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES		2,325				2,325
ELECT EQUIP - TACTICAL SURV (TAC SURV)						
080 SENTINEL	12	41,014	14	20,300	26	61,314
081 NIGHT VISION DEVICES	-	85,312	-	30,800	-	116,112
082 ARTILLERY ACCURACY EQUIP	-	4,548	-	-	-	4,548
083 MOD OF IN-SVC EQUIP (TAC SURV)	-	1,223	-	8,000	-	9,223
084 COMPUTER BALLISTICS; MORTAR XM-23	-	-	-	6,900	-	6,900
085 INTEGRATED MET SYS SENSORS (IMETS) - TIARA	2	1,379	-	-	2	1,379
086 SHF TERM	-	14,328	-	-	-	14,328
ELECT EQUIP - TACTICAL C2 SYSTEMS						
087 ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	253	33,245	-	-	253	33,245
088 FIRE SUPPORT ADA CONVERSION	-	3,306	-	-	-	3,306
089 CMBT SVC SUPT CONTROL SYS (CSCS)	50	5,759	-	-	50	5,759
090 FAAD C2	3	13,080	-	10,000	3	23,080
091 FORWARD ENTRY DEVICE (FED)	-	2,382	-	16,300	-	18,682
092 LIFE CYCLE SOFTWARE SUPPORT (LCSS)	-	1,978	-	-	-	1,978
093 LOGTECH	-	3,358	-	11,700	-	15,058
094 TC AIMS II	-	2,197	-	-	-	2,197
095 ISYSCON EQUIPMENT	-	10,645	-	-	-	10,645
096 MANEUVER CONTROL SYSTEM (MCS)	145	15,699	-	-	145	15,699
097 STAMIS TACTICAL COMPUTERS (STACOMP)	1,615	36,124	-	-	1,615	36,124
098 STANDARD INTEGRATED CMD POST SYSTEM	-	26,551	-	-	-	26,551
ELECT EQUIP - AUTOMATION						
099 ARMY TRAINING XX1 MODERNIZATION	-	25,238	-	-	-	25,238
100 AUTOMATED DATA PROCESSING EQUIP	-	125,099	-	13,000	-	138,099
101 RESERVE COMPONENT AUTOMATION SYS (RCAS)	-	114,323	-	(24,000)	-	90,323
ELECT EQUIP - AUDIO VISUAL SYS (AV)						
102 AFRYS	-	459	-	-	-	459
103 ITEMS LESS THAN \$2.0M (A/V)	-	2,624	-	-	-	2,624
ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)						
104 CALIBRATION SETS EQUIPMENT	-	-	-	-	-	-
105 INTEGRATED FAMILY OF TEST EQUIP (IFTE)	-	-	-	-	-	-
106 TMDE MODERNIZATION (TMOD)	-	-	-	-	-	-

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988		COMMITTEE		FY 1988	
	AUTHORIZATION QUANTITY	REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	COMMITTEE	COMMITTEE
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
ELECT EQUIP - SUPPORT						
107 INSTALLATION C4 UPGRADE (ICU)	-	-	-	-	-	-
108 PRODUCTION BASE SUPPORT (C-E)	-	418	-	-	-	418
TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,531,417		174,900		1,706,317
OTHER SUPPORT EQUIPMENT						
CHEMICAL DEFENSIVE EQUIPMENT						
109 GEN SMK MECH:MTRZD DUAL PU/RP M56	70	12,560	-	-	70	12,560
110 GENERATOR, SMOKE, MECH M58	34	9,159	-	-	34	9,159
111 GEN SET, SMOKE, MECH; PUL JET, M157 SERIES	-	-	-	-	-	-
112 LT VEH OBSCURANT SMK SYS	486	2,164	-	-	486	2,164
BRIDGING EQUIPMENT						
113 RIBBON BRIDGE	-	4,200	-	-	-	4,200
ENGINEER (NON-CONSTRUCTION) EQUIPMENT						
114 DISPENSER, MINE M139	-	-	-	-	-	-
115 METALLIC MINE DETECTOR, VEHICLE MOUNTED	10	12,574	-	-	10	12,574
116 BN COUNTERMINE SIP	-	3,357	-	-	-	3,357
COMBAT SERVICE SUPPORT EQUIPMENT						
117 AIR CONDITIONERS VARIOUS SIZE/CAPACITY	-	1,468	-	-	-	1,468
118 KITCHEN, CONTAINERIZED, FIELD	-	-	-	-	-	-
119 SANITATION CENTER, FIELD FEEDING	-	-	-	-	-	-
120 TRUCK, FIREFIGHTING, MULTI-PURPOSE	-	-	-	-	-	-
121 ARMY SPACE HEATER, 120,000 BTU (ASH)	94	930	-	-	94	930
122 LAUNDRY ADVANCED SYSTEM (LADS)	-	-	-	-	-	-
123 CONTAINERIZED SELF-SERVICE LAUNDRY	-	-	-	-	-	-
124 FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	-	-	-	-	-	-
125 SOLDIER ENHANCEMENT	-	1,709	-	-	-	1,709
126 LAND WARRIOR	-	-	-	-	-	-
127 FORCE PROVIDER	2	11,633	-	-	2	11,633
128 REFRIGERATION EQUIPMENT	-	-	-	-	-	-
129 ITEMS LESS THAN \$2.0M (CSS-EQ)	-	2,020	-	-	-	2,020
PETROLEUM EQUIPMENT						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
130 TANK ASSEMBLY FAB COLL POL 50000 G	-	-	-	-	-	-
131 FORWARD AREA REFUELING EQUIPMENT (FARE)	-	-	-	-	-	-
132 GROUND FUEL PETROLEUM TESTING KIT	-	-	-	-	-	-
133 TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	116	949	-	-	116	949
134 TANK ASSY, FAB COLLAPS, 20,000 GAL POL	-	-	-	-	-	-
135 TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING	-	-	-	-	-	-
136 TANK UNIT TRLR MTD 600 GAL	-	-	-	-	-	-
137 3000 GAL FABRIC TANK	-	-	-	-	-	-
138 AVIATION FUEL TESTING KIT	-	-	-	-	-	-
139 FILTER SEPARATOR, 350 GPM	-	-	-	-	-	-
140 LAB PETROLEUM MODULAR BASE	-	-	-	-	-	-
141 FUEL SYSTEM SUPPLY POINT, 60000 GALLON	-	-	-	-	-	-
142 PUMP ASSY, REGULATED, 350 GPM	-	-	-	-	-	-
143 50 GPM PUMP, AUXILIARY UTILITY	-	-	-	-	-	-
144 PUMP ASSY, UNREGULATED, 350 GPM	-	-	-	-	-	-
145 HOSELINE OUTFIT FUEL HANDLING	-	-	-	-	-	-
146 INLAND PETROLEUM DISTRIBUTION SYSTEM	-	1,037	-	-	-	1,037
147 FORWARD AREA REFUELING SYS ADV AVIATION	-	-	-	-	-	-
148 HEMTT AVIATION REFUELING SYSTEM	-	-	-	-	-	-
149 ITEMS LESS THAN \$2.0M (POL)	-	6,275	-	-	-	6,275
WATER EQUIPMENT						
150 WATER PURIF UNIT REV OS 3000 GPH	-	-	-	-	-	-
151 FWD AREA WTR POINT SUP SYSTEM	-	-	-	-	-	-
152 SMALL MOBILE WATER CHILLER (SMWC)	-	-	-	-	-	-
153 ITEMS LESS THAN \$2.0M (WATER EQ)	-	2,862	-	-	-	2,862
MEDICAL EQUIPMENT						
154 COMBAT SUPPORT MEDICAL	-	11,808	-	-	-	11,808
MAINTENANCE EQUIPMENT						
155 SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	28	1,635	-	-	28	1,635
156 WELDING SHOP, TRAILER MTD	-	-	-	-	-	-
157 ITEMS LESS THAN \$2.0M (MAINT EQ)	-	1,167	-	-	-	1,167
CONSTRUCTION EQUIPMENT						
158 DIST. BITUM MATATERIAL 1500G TRK MTD (CC	-	-	-	-	-	-

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
159 ROLLER, VIBRATORY, SELF-PROPELLED (CCE)	90	6,072	-	-	90	6,072
160 HYDRAULIC EXCAVATOR	11	2,825	-	-	11	2,825
161 DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	8,885	-	-	23	8,885
162 TRUCK, DUMP, 20T (CCE)	-	-	-	-	-	-
163 TRUCK, CONCRETE, 8 CU YD (CCE)	-	-	-	-	-	-
164 CRUSHING/SCREENING PLANT, 150 TPH	-	-	-	-	-	-
165 CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	22	6,055	-	-	22	6,055
166 ITEMS LESS THAN \$2.0M (CONST EQUIP)	-	845	-	-	-	845
RAIL FLOAT CONTAINERIZATION EQUIPMENT						
167 PUSHER TUG, SMALL	2	6,755	-	-	2	6,755
168 FLOATING CRANE, 100-250 TON	1	14,073	-	-	1	14,073
169 CONTAINERIZED MAINTENANCE FACILITY	-	-	-	-	-	-
170 CAUSEWAY SYSTEMS	-	-	-	-	-	-
171 RAILWAY CAR, FLAT, 100 TON	165	17,755	-	-	165	17,755
172 ITEMS LESS THAN \$2.0M (FLOAT/RAIL)	-	9,165	-	-	-	9,165
GENERATORS						
173 GENERATORS AND ASSOCIATED EQUIP	-	7,706	-	-	-	7,706
MATERIAL HANDLING EQUIPMENT						
174 TRUCK, FORK LIFT, DE, PT, RT, 50000 LB	-	-	-	-	-	-
175 ALL TERRAIN LIFTING ARTICULATING SYSTEM	34	3,554	-	-	34	3,554
176 ROUGH TERRAIN CONTAINER CRANE	-	-	-	-	-	-
177 ITEMS LESS THAN \$2.0M (MHE)	-	1,724	-	-	-	1,724
TRAINING EQUIPMENT						
178 COMBAT TRAINING CENTERS SUPPORT	-	26,724	-	-	-	26,724
179 TRAINING DEVICES, NONSYSTEM	-	49,668	-	-	-	49,668
180 SIMNET/CLOSE COMBAT TACTICAL TRAINER	-	92,968	-	4,000	-	53,668
181 FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	-	19,860	-	(11,500)	-	81,468
TEST MEASURE AND DIG EQUIPMENT (TMD)						
182 CALIBRATION SETS EQUIPMENT	-	6,572	-	-	-	6,572
183 INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	-	14,828	-	-	-	14,828
184 TMD MODERNIZATION (TMD)	-	6,572	-	-	-	6,572
OTHER SUPPORT EQUIPMENT						
185 RECONFIGURABLE SIMULATORS	-	13,823	-	-	-	13,823

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION --- QUANTITY	COST
186 PHYSICAL SECURITY SYSTEMS (OPA3)	-	6,472	-	-	-	6,472
187 SYSTEM FIELDING SUPPORT (OPA-3)	-	4,941	-	-	-	4,941
188 BASE LEVEL COMIL EQUIPMENT	-	4,283	-	-	-	4,283
189 SHED PROFILOMETER	-	2,988	-	-	-	2,988
190 ELECTRONIC REPAIR SHELTER	3	5,678	-	-	3	5,678
191 MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)	-	16,659	-	-	-	16,659
192 PRODUCTION BASE SUPPORT (OTH)	-	2,241	-	-	-	2,241
193 DEPOT MAINTENANCE OF OTHER END ITEMS	-	24,819	-	(24,819)	-	-
194 SPECIAL EQUIPMENT FOR USER TESTING	-	14,922	-	-	-	14,922
195 TRACTOR VAPOR	-	4,243	-	-	-	4,243
196 CLOSED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-
TOTAL OTHER SUPPORT EQUIPMENT		491,182		(32,319)		458,863
SPARE AND REPAIR PARTS						
OPA1 INITIAL SPARES - TSV	-	101	-	-	-	101
OPA2 INITIAL SPARES - C&E	-	53,284	-	-	-	53,284
OPA3 INITIAL SPARES - OTHER SUPPORT EQUIP	-	852	-	-	-	852
TOTAL SPARE AND REPAIR PARTS		54,237				54,237
200 ADVISORY AND ASSISTANCE SERVICES				(13,034)		(13,034)
TOTAL OTHER PROCUREMENT, ARMY		2,455,030		185,247		2,640,277

Items of Special Interest

Area common user system (ACUS) modifications

The budget request contained \$82.4 million for implementation and engineering support of the ACUS modification program to update current legacy information systems and transition them to the Warfighter Information Network (WIN), which will support the Army's Force XXI digitization efforts. However, no funding was included for procurement of Tactical Personal Communications Services (PCS).

As part of the Army's future wireless command post, Tactical PCS will replace wire-based communications with cellular communications. The committee is supportive of the Army's WIN communications upgrades and is aware of demonstrated cellular technologies that could meet preliminary Army Tactical PCS requirements. Based on the Army's plan to field a fully digitized division by fiscal year 2001 and its related mobile communications requirements, the committee recommends an increase of \$10.0 million for the procurement of currently available Tactical PCS technologies for evaluation by Force XXI experimental forces.

Army data distribution system (ADDS)

The budget request contained \$57.2 million for the ADDS, of which \$37.0 was for procurement of 304 Enhanced Position Location Reporting System (EPLRS) radios.

As the digital "backbone" of the Army's Force XXI battlefield digitization efforts, EPLRS provides field commanders position information on their forces, in addition to supporting the majority of their data communication requirements. The Army's procurement objective for EPLRS is 5,015 units, however, it has only procured 1,776 units to date. The committee understands the unique position location information that this system contributes to a combat unit's situational awareness, and, therefore, recommends an increase of \$37.4 million for the procurement of 1,092 additional EPLRS radios.

All source analysis system (ASAS)

The budget request contained \$7.8 million for procurement of six ASAS-Extended unit sets to replace selected ASAS Common Hardware Software (CHS)-I workstations with CHS-II workstations and enhanced software.

The ASAS is a ground-based, mobile, intelligence information processing and fusion system designed to provide automated intelligence support to combat commanders. The system interfaces with selected national, joint, and theater-level intelligence assets to provide commanders at echelons above corps down through battalion level a common, comprehensive picture of an opposing force's capabilities and potential actions.

The committee anticipates that the Army will become increasingly reliant upon timely and accurate all source intelligence data provided by ASAS for the rapid targeting and employment of precision weapons and, therefore, recommends an increase of \$9.0 million for the procurement of additional ASAS-Extended unit sets and enhanced software.

Automated data processing equipment

The budget request contained \$125.1 million for the Army's sustaining base automation systems, of which no funding was included for Sustaining Base Information Services (SBIS).

As the Army modernizes its warfighting forces for the twenty-first century, it must also leverage state-of-the-art automation technology to plan, organize, train, equip, deploy, sustain, and redeploy these forces. The committee notes that continental United States (CONUS)-based combat service support for forces forward-deployed throughout the world will likely expand in the future to include logistics, personnel, finance, transportation, medical, and other sustaining base functions. However, the committee understands that the overall base automation infrastructure is currently overburdened, is reaching technological obsolescence, and may not be able to provide the level of combat service support expected of it by Army leaders. Consequently, the committee recommends an increase of \$13.0 million to procure additional SBIS hardware for application fielding to additional CONUS bases and urges the Secretary of the Army to fully fund SBIS requirements in future budget requests.

Close combat tactical trainer (CCTT)

The budget request contained \$93.0 million for continued low rate initial production of the CCTT system, to include 122 modules for fixed sites and seven mobile modules.

The CCTT is a networked system of manned simulators for the Abrams tank, Bradley fighting vehicle, High Mobility Multipurpose Wheeled Vehicle, and M113A3 carrier and will train both active and reserve component crews of armored and mechanized infantry combat units. The committee is aware of the cost savings that can be achieved through simulation training and is encouraged with the progress made to date. However, the committee notes that a delay in the Initial Operational Test and Evaluation of the CCTT from April 1997 to the second quarter of fiscal year 1998 has occurred due to software reliability difficulties. Accordingly, the committee recommends a reduction of \$11.5 million.

Common hardware software (CHS)

The budget request did not contain funding for the procurement of CHS, which provides the standardized hardware and software for the information systems that will support the Army's first fully digitized division.

The committee understands that the Army's contract for CHS-I will expire prior to the end of fiscal year 1997. The committee believes it would be imprudent to terminate the existing CHS-I contract until a thorough analysis of the results of the recently concluded Advanced Warfighting Experiment, which evaluated its "digital battlefield" modernization efforts, has been completed. Allowing the CHS-I contract to expire prior to the complete evaluation of CHS-I, CHS-II and other battlefield digitization hardware could potentially delay fielding of critically-needed command, control and communications capabilities. Therefore, the committee directs the Army to extend the expiring CHS-I contract for one year,

a period commensurate with minimizing fielding interruptions and with attaining the final certification of CHS-II.

Communications satellite radios

The budget request did not contain funding for procurement of satellite communications radios for counterintelligence (CI) units in Korea.

The committee is aware that communications shortfalls exist to fully support CI units deployed throughout the Korean peninsula and that a recent study identified a requirement to provide satellite communications connectivity for these units. Therefore, the committee recommends an increase of \$2.8 million for this purpose.

Depot maintenance of other end items

The budget request contained \$24.8 million for depot maintenance of other end items.

The committee is puzzled by the first-time request for these funds, as many of the projects included in the budget justification material appear to be associated with research, development, test and evaluation of existing systems rather than related to depot maintenance activities. Therefore, the committee recommends a reduction of \$24.8 million.

Family of heavy tactical vehicles (FHTV)

The budget request contained \$9.1 million for procurement of Palletized Load System (PLS) cargo beds and handling devices.

The FHTV includes the PLS along with companion trailers and flatracks, three variants of Heavy Expanded Mobility Tactical Trucks, and the Heavy Equipment Transporter System (HETS). The committee has recommended increases in funding for this class of vehicles in previous fiscal years because it recognized the increased role that they play in the Army's expanding mission areas and the multiple requirements they have fulfilled during operations in Bosnia. However, the committee notes that the Army National Guard still has a shortfall of approximately 500 HETS. Therefore, the committee recommends an increase of \$45.0 million for 96 of these vehicles in order to equip an Army National Guard HETS company.

Family of medium tactical vehicles (FMTV)

The budget request contained \$209.4 million for 1,506 FMTV vehicles. The FMTV program provides for replacement for approximately 50 percent of the two-and-half ton and 100 percent of the five-ton trucks in the Army's inventory, all of which are reaching the end of their useful service lives.

While the committee strongly supports the Army's requirement for medium trucks, it notes that there is a large increase in the funds requested for engineering change orders. Therefore, the committee recommends a decrease of \$10.0 million and believes the funds remaining for engineering change orders are adequate for a program at this level of maturity.

Handheld computer terminal units

The budget request contained \$13.1 million for three Forward Area Air Defense Command and Control (FAAD C2) computer and software systems and \$2.4 million for 20 Forward Entry Devices (FED). No funding was included for the XM-30 Mortar Ballistic Computer (MBC). The committee recommends a total increase of \$33.2 million for these programs, as discussed below.

The automated, deployable FAAD C2 system provides accurate and timely targeting information for the employment of FAAD weapon systems. The committee notes that although full-rate production of the FAAD C2 system was approved by the Joint Requirements Oversight Council in June 1995, funding requests for this critical air defense system have continued to decrease since fiscal year 1996. The committee, therefore, recommends an increase of \$10.0 million for accelerated fielding of the FAAD C2 system to five divisions.

The FED, a ruggedized, lightweight, high resolution, handheld computer, is an integral part of the Advanced Field Artillery Tactical Data System (AFATDS) and is used by Forward Observers (FO), Fire Support Teams (FIST) and Field Artillery Battery Commanders to control and synchronize fire support assets within the AFATDS. The committee understands that currently-fielded systems require upgrading in order to provide artillery forces with a much faster computer processing capability. The committee is concerned that FOs, FISTs, and Battery Commanders have the processing capability to rapidly coordinate artillery fire and counterfire support missions, and, also notes that these devices are high on the Army Chief of Staff's fiscal year 1998 unfunded priority list. Therefore, the committee recommends an increase of \$16.3 million to procure upgraded FEDs for these purposes.

The XM-30 MBC will replace the obsolete M23 MBC and provide accurate, rapid ballistic trajectory calculations for all cartridge and fuze combinations of 60mm, 81mm, 107mm and 120mm mortars as well as automated digital communications with other fire support devices via the AFATDS. The M23 MBC is incompatible with FEDs and is no longer supportable in the field due to the lack of unique repair parts and components. Based upon the enhanced response times, improved accuracy and commonality with AFATDS and FEDs, the committee recommends an increase of \$6.9 million for the XM-30 MBC.

High mobility multi-purpose wheeled vehicle (HMMWV)

The budget request contained \$66.2 million to procure 774 HMMWVs, of which \$28.8 million was for 250 Up-Armored HMMWVs.

In response to increased peacekeeping mission requirements, the Army developed the Up-Armored HMMWV variant to provide increased ballistic and blast protection primarily for the military police. This variant has proven to be a valuable asset and is responsible for saving the lives of soldiers whose vehicles were struck by mine blasts in Bosnia. Since the committee anticipates that the Up-Armored HMMWV will play a continuing role in more frequent deployments to areas of unrest around the world, it recommends an

increase of \$38.7 million for an additional 360 of these HMMWV variants.

Logtech

The budget request contained \$3.4 million for automatic identification technology (AIT), which consists of various radio frequency (RF), bar code scanning and data carrier devices. AIT devices, as components of automated logistics systems, contribute to expedited receiving, storage, distribution, and inventory management of new and reparable items.

The committee is aware of an AIT that employs an RF tagging device to identify items and track their location for supply and logistics purposes. The committee understands that the device is currently used to track supplies being shipped from several inventory control points in the continental United States to Guantanamo Bay, Cuba, as well as to forces deployed in Bosnia. The committee further understands that the device is used to automate manufacturing process controls for jet engine repairs and inventory tracking of ground support equipment at various military depots. The committee is impressed with the promising results achieved to date with the RF tagging device and believes that substantial savings can be achieved from further implementation of the device into automated inventory and repair processes. Therefore, the committee recommends an increase of \$11.7 million for this purpose.

M915/M916 line haul tractor trailer truck

The budget request contained \$36.1 million to initiate the procurement of 293 commercially available vehicles.

While the committee is well aware of the requirements for this cargo handling vehicle and commends the Army for procuring a commercial truck, it believes there should be a more moderate initial rate of procurement. For this reason, the committee recommends a reduction of \$18.0 million.

Modifications to in-service equipment

The budget request contained \$1.2 million for modifications to Firefinder radars, including the AN/TPQ-36 Mortar Locating Radar.

This radar is the primary target acquisition and counterfire system for Army field artillery forces. It is capable of rapidly locating multiple indirect fire weapons, such as mortars and rocket launchers, simultaneously and transmitting target data in near-real-time. However, the committee understands that currently-fielded radars generate false target location errors and believes there is a critical need to eliminate these errors. Therefore, the committee recommends an increase of \$6.5 million for modification kits to correct the AN/TPQ-36 Mortar Locating Radar false target location errors. The committee also recommends an increase of \$1.5 million for spares and logistics support.

Night vision devices

The budget request contained \$85.3 million for procurement of night vision devices, of which \$24.3 million was for the procurement of AN/PVS-7 night vision goggles. However, no funding was

included for the procurement of 25mm generation three image intensifier tubes for upgrading the Aviator's Night Vision Imaging System (ANVIS). The committee recommends a total increase of \$30.8 million for night vision devices as discussed below and elsewhere in this report.

The AN/PVS-7 night vision goggle is a head- or helmet-mounted, third-generation, image intensifying, device used by soldiers for nighttime operations. The Army procurement objective for this device is 281,000 however, at the end of fiscal year 1997, only 166,180 units will have been procured.

The committee is aware of the enhanced operational capability that night vision devices provide combat forces and believes that these devices will play an increasingly important role in future Army deployments. Accordingly, the Army Chief of Staff has designated these devices as one of the Army's highest unfunded priorities for fiscal year 1998. The committee understands that an increase in funding would allow for procurement of an additional 6,239 devices, enabling the Army to fulfill force requirements earlier than planned. Therefore, the committee recommends an increase of \$17.0 million to procure AN/PVS-7 night vision goggles for this purpose.

The ANVIS upgrade, also included in the Army Chief of Staff's top unfunded fiscal year 1998 priorities, will provide aviators with a significantly enhanced night flying capability and contribute immeasurably to their safety of flight. The ANVIS collects critical flight information, such as, altitude and course heading from aircraft sensors and converts this information onto a visual imaging heads-up display. The upgrade will provide new image intensifier tubes that generate higher resolution images at lower light levels, which the committee understands will increase pilot reaction time to avoid obstacles by 40 percent. Because of the critical safety improvements that will result from this upgrade, the committee recommends an increase of \$5.4 million for ANVIS 25mm generation three image intensifier tubes.

Nonsystem training devices

The budget request contained \$49.7 million for nonsystem training devices, of which no funding was included for firefighter trainers. This training device is a computer-controlled, natural-gas-fueled system, which is currently providing safe, realistic, and environmentally-friendly training for firefighters at airports and training academies throughout the country.

The committee understands that Army firefighter training sites have been or will be closed in the future because most are not in compliance with environmental regulations. Because of the site closures, the Army has established a program to provide regional firefighter training and has awarded a contract to procure 28 firefighter trainers over a five-year period for this purpose. However, it has procured only four of these trainers to date. The committee believes these trainers provide a safe, unique and fundamental fire prevention and teaching capability for Army firefighters and, therefore, recommends an increase of \$4.0 million to procure four additional firefighter trainers.

Reserve component automation system (RCAS)

The budget request contained \$114.3 million for continued procurement and fielding of the RCAS. The RCAS provides the Army the capability to more effectively administer, manage, and deploy the Army National Guard and Reserve forces.

While the committee is a strong supporter of the National Guard and Reserve forces, it is concerned with the significant increase in funding requested for this program, an increase of 50 percent over the combined amounts contained in the budget requests for the previous two years. The committee believes that such a large increase is not warranted and, therefore, recommends a reduction of \$24.0 million.

Sentinel

The budget request contained \$41.0 million for 12 Sentinel systems.

The Sentinel system consists of a trailer-mounted radar and an identification-friend-or-foe device, along with Forward Area Air Defense Command, Control and Intelligence interfaces. The system plays an integral role in the digital battlefield by automatically detecting, identifying, and reporting cruise missiles, unmanned aerial vehicles (UAV), and rotary and fixed wing aircraft targets and rapidly transmitting data on these targets to air defense units.

The committee believes that the Sentinel system will play increasingly critical air defense and force protection roles, especially with the proliferation of UAVs and cruise missiles throughout the world. These small targets require early detection in order to provide maximum reaction times for engagement at ranges well beyond the forward line of troops. Therefore, the committee recommends an increase of \$20.3 million for 14 additional Sentinel systems.

Shortstop

The budget request did not contain funding for procurement of the Shortstop Electronic Protection System (SEPS).

The SEPS is a commercial electronics radio frequency countermeasure system that protects personnel and high value assets from artillery and mortar rounds and rockets by detonating their proximity fuzes well before they impact in the target area. The committee understands that initial Army testing of 5000 artillery rounds fired at the SEPS resulted in a 100 percent pre-detonation success rate, while follow-on tests with both artillery and rockets were also highly successful.

The initial SEPS units were developed as a quick reaction capability system and deployed during Operation Desert Storm. More recently the SEPS has been deployed to Bosnia. The committee is aware of an urgent need statement for 62 systems for the Eighth Army in Korea. Funding for procurement of 20 units for Korea was appropriated in fiscal year 1997; however, the Army failed to request funding for SEPS in the fiscal year 1998 budget request. Therefore, the committee recommends an increase of \$9.0 million for the procurement of 42 additional SEPS to ensure that deployed forces have adequate protection from artillery, mortar and rocket attacks.

Single channel anti-jam manportable (SCAMP) terminals

The budget request contained \$4.3 million for fielding of SCAMP terminals. No funds were requested to procure new terminals even though the Army has procured less than half of its requirement for 660 terminals.

These satellite communications terminals provide extended-range, anti-jam voice and data command and control (C2) communications capability worldwide as part of the extremely high frequency Milstar satellite communications program.

Based on the critical requirement for joint C2 communications and to ensure that the Army can be fully integrated into the joint C2 network provided by the Milstar communications network, the committee recommends an increase of \$12.3 million for SCAMP terminals and encourages the Secretary of Army to exercise the existing firm fixed price contract option for these terminals in fiscal year 1998.

AIRCRAFT PROCUREMENT, NAVY

Overview

The budget request contained \$6,086.0 million for Aircraft Procurement, Navy in fiscal year 1998. The committee recommends authorization of \$6,173.0 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998		FY 1998	
	AUTHORIZATION	COMMITTEE	CHANGE FROM	COMMITTEE	COMMITTEE	COMMITTEE
	QUANTITY	REQUEST	REQUEST	RECOMMENDATION	RECOMMENDATION	RECOMMENDATION
		COST	QUANTITY	COST	QUANTITY	COST
AIRCRAFT PROCUREMENT, NAVY						
COMBAT AIRCRAFT						
001 AV-8B (V/STOL)HARRIER	11	300,067	1	33,000	12	333,067
002 LESS: ADVANCE PROCUREMENT (PY)	-	(22,419)	-	-	-	(22,419)
003 F/A-18C/D (FIGHTER) HORNET	-	18,914	-	-	-	18,914
004 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
005 F/A-18EF (FIGHTER) HORNET	20	2,389,793	TBD	(752,193)	TBD	1,637,600
006 LESS: ADVANCE PROCUREMENT (PY)	-	(288,693)	-	-	-	(288,693)
007 ADVANCE PROCUREMENT (CY)	5	90,475	-	-	-	90,475
008 LESS: ADVANCE PROCUREMENT (PY)	-	597,085	2	189,300	7	786,385
009 V-22 (MEDIUM LIFT)	-	(125,076)	-	-	-	(125,076)
010 LESS: ADVANCE PROCUREMENT (PY)	-	69,659	-	-	-	69,659
011 ADVANCE PROCUREMENT (CY)	3	257,009	1	68,000	4	325,009
012 LESS: ADVANCE PROCUREMENT (PY)	-	(20,535)	-	-	-	(20,535)
013 ADVANCE PROCUREMENT (CY)	-	19,481	-	-	-	19,481
TOTAL COMBAT AIRCRAFT		3,285,758		(461,893)		2,823,865
AIRLIFT AIRCRAFT						
012 CH-60 HELICOPTER	-	-	-	-	-	-
013 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
014 ADVANCE PROCUREMENT (CY)	-	31,837	-	-	-	31,837
TOTAL AIRLIFT AIRCRAFT		31,837		-		31,837
TRAINER AIRCRAFT						
014 T-45TS (TRAINER) GOSHAWK	12	269,762	6	100,000	18	369,762
014 LESS: ADVANCE PROCUREMENT (PY)	-	(25,802)	-	-	-	(25,802)

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM REQUEST		FY 1998 COMMITTEE RECOMMENDATION	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
015 ADVANCE PROCUREMENT (CY)	-	6,235	-	-	-	6,235
016 T-39	-	-	-	-	-	-
TOTAL TRAINER AIRCRAFT		250,195		100,000		350,195
OTHER AIRCRAFT						
017 KC-130J	-	-	3	179,700	3	179,700
018 HH-60H (HELICOPTER)	-	-	-	-	-	-
TOTAL OTHER AIRCRAFT		-		179,700		179,700
MODIFICATION OF AIRCRAFT						
019 EA-6 SERIES	-	86,783	-	68,000	-	154,783
020 AV-8 SERIES	-	32,647	-	-	-	32,647
021 F-14 SERIES	-	290,500	-	-	-	290,500
022 ADVERSARY	-	115	-	-	-	115
023 ES-3 SERIES	-	5,233	-	-	-	5,233
024 F-18 SERIES	-	156,213	-	-	-	156,213
025 H-46 SERIES	-	33,480	-	-	-	33,480
026 AH-1W SERIES	-	34,518	-	-	-	34,518
027 H-53 SERIES	-	35,704	-	-	-	35,704
028 SH-60 SERIES	-	74,300	-	-	-	74,300
029 H-1 SERIES	-	18,489	-	(5,600)	-	12,889
030 H-3 SERIES	-	1,417	-	-	-	1,417
031 EP-3 SERIES	-	4,386	-	200	-	4,586
032 P-3 SERIES	-	164,907	-	103,900	-	268,807
033 S-3 SERIES	-	44,606	-	-	-	44,606
034 E-2 SERIES	-	49,073	-	100	-	49,173
035 TRAINER A/C SERIES	-	7,919	-	-	-	7,919
036 C-2A	-	19,159	-	100	-	19,259
037 C-130 SERIES	-	12,645	-	-	-	12,645
038 FEWSG	-	537	-	-	-	537

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
039 CARGO/TRANSPORT A/C SERIES	-	29,911	-	-	-	29,911
040 E-6 SERIES	-	96,344	-	-	-	96,344
041 EXECUTIVE HELICOPTERS SERIES	-	22,763	-	-	-	22,763
042 SPECIAL PROJECT AIRCRAFT	-	16,527	-	-	-	16,527
042a CONTRACT AERIAL REFUELING	-	-	-	6,000	-	6,000
043 T-45 SERIES	-	5,442	-	-	-	5,442
044 *POWER PLANT CHANGES	-	13,972	-	-	-	13,972
045 MISC FLIGHT SAFETY CHANGES	-	-	-	-	-	-
046 COMMON ECM EQUIPMENT	-	32,855	-	90,000	-	122,855
047 COMMON AVIONICS CHANGES	-	131,599	-	(10,000)	-	121,599
047a AN/AWW-13	-	-	-	9,000	-	9,000
TOTAL MODIFICATION OF AIRCRAFT		1,422,044		261,700		1,683,744
AIRCRAFT SPARES AND REPAIR PARTS						
048 AIRCRAFT SPARES AND REPAIR PARTS	-	740,214	-	62,000	-	802,214
TOTAL AIRCRAFT SPARES AND REPAIR PARTS		740,214		62,000		802,214
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
049 CANCELLED ACCOUNT ADJUSTMENTS (M)	-	-	-	-	-	-
050 CANCELLED ACCOUNT ADJUSTMENTS (88)	-	-	-	-	-	-
051 COMMON GROUND EQUIPMENT	-	287,114	-	(13,000)	-	274,114
052 AIRCRAFT INDUSTRIAL FACILITIES	-	17,585	-	-	-	17,585
053 WAR CONSUMABLES	-	16,014	-	-	-	16,014
054 OTHER PRODUCTION CHARGES	-	10,185	-	-	-	10,185
055 SPECIAL SUPPORT EQUIPMENT	-	23,302	-	-	-	23,302
056 FIRST DESTINATION TRANSPORTATION	-	1,717	-	-	-	1,717
TOTAL AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		355,917		(13,000)		342,917
057 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(41,522)	-	(41,522)
TOTAL AIRCRAFT PROCUREMENT, NAVY		6,085,965		86,985		6,172,950

Items of Special Interest

Aircraft spares and repair parts

The budget request contained \$740.2 million for aircraft spares and repair parts.

The committee recommends an additional \$62.0 million to procure 11 improved F402-408A engines for the TAV-8B Harrier trainer aircraft. The committee notes that the Commandant of the Marine Corps identified a requirement for 22 of these engines among his highest unfunded aviation procurement priorities. In making this recommendation, the committee understands that these engines will enhance the safety margin of flight training operations and increase AV-8B pilot training production by twenty percent. The committee encourages the Navy to include the remaining 11 F402-408A engines in its fiscal year 1999 budget request in order to re-engine all 22 TAV-8B trainer aircraft.

AN/ALR-67E(V)2 radar warning receiver upgrade

The budget request contained \$32.9 million for common electronic countermeasures modifications but did not include any funding to upgrade the AN/ALR-67E(V)2 radar warning receiver (RWR).

The AN/ALR-67E(V)2 RWR is the common RWR installed on all Navy and Marine Corps front-line strike and fighter aircraft. The committee understands that low cost upgrades to the AN/ALR-67E(V)2 RWR are now available that would provide significantly greater survivability through better signal analysis, longer detection ranges, and improved situation awareness. The committee further understands that these upgrades would significantly lower the RWR's life cycle costs through maintainability improvements to the operating system software. Accordingly, the committee recommends an increase of \$15.0 million to provide these upgrades to the AN/ALR-67E(V)2.

AN/ALQ-165 airborne self-protection jammer (ASPJ)

The budget request contained \$32.9 million for common electronic countermeasures equipment, but did not include funding to procure the AN/ALQ-165 ASPJ for the F-14D or the F/A-18C/D aircraft.

The self-protection system installed on the F/A-18C/D, except those configured with the ASPJ for contingency operations, has no capability against pulse doppler or continuous wave radars that currently are the most widely deployed air-to-air and air-to-surface radar threats to tactical aircraft. The committee is aware that the Navy can only equip approximately 72 aircraft with the ASPJ, although it has a requirement for employment of this system on over 500 F-14Ds and F/A-18C/Ds. The committee understands that in order to meet its current deployment requirements in the Bosnia and Persian Gulf theaters, the Navy must remove the ASPJs from aircraft returning from these areas and install them on aircraft beginning deployment. Furthermore, as a result of this shortfall, ASPJs are not available to support training or other potential combat requirements. Accordingly, the committee recommends an increase of \$75.0 million for production of 50 AN/ALQ-165 ASPJs.

AN/AWW-13 guided weapon control monitor set

The budget request did not contain funding to procure AN/AWW-13 guided weapon control monitor sets.

The AN/AWW-13 provides the data link capability for the F/A-18 series aircraft to employ the precision-guided Walleye and Stand-off Land Attack Missiles (SLAM). The committee understands that the Navy requires 218 AN/AWW-13s, but only plans to procure 200 of these systems through calendar year 1997, when production of the AN/AWW-13 is scheduled for termination. To meet the Navy's requirement and retain AN/AWW-13 production capability for future F/A-18s or other aircraft that employ Walleye or SLAM, the committee recommends an increase of \$9.0 million to procure the remaining 18 systems.

AV-8B

The budget request contained \$277.6 million to procure 11 remanufactured AV-8B aircraft, and \$19.4 million for advance procurement of 12 remanufactured aircraft in fiscal year 1999.

The committee continues to support the upgraded AV-8B's enhanced mission-capability and safety-related improvements and notes that, for fiscal year 1997, it authorized the procurement of two more additional aircraft than were appropriated. Since the Commandant of the Marine Corps identified an additional AV-8B as his highest unfunded aviation procurement priority for fiscal year 1998, the committee recommends an additional \$33.0 million to procure this aircraft.

Contract aerial refueling services

The budget request did not contain funding for contract aerial refueling services.

The committee understands that commercial aerial refueling may be less expensive than the cost-per-flight-hour of the current Air Force tankers and believes this concept warrants further evaluation. Accordingly, the committee recommends an increase of \$6.0 million to modify three aircraft for this purpose.

E-2C

The budget request contained \$236.5 million to procure three E-2C aircraft, and \$23.6 million for advance procurement of four aircraft in fiscal year 1999.

Fleet aviation continues to require modern, robust, carrier-based airborne early warning (AEW) command and control aircraft. Except for fiscal year 1998, the Department plans to procure four new AEW aircraft per year throughout the future years defense program. The Chief of Naval Operations (CNO), in order to maintain a steady production rate of four aircraft per year, identified an additional E-2C as one of his top two unfunded procurement priorities in fiscal year 1998.

The committee supports the CNO's request and recommends an additional \$68.0 million to procure one additional E-2C aircraft. This increase will result in a more efficient production flow, provide aircraft to the fleet sooner, and save \$13.2 million.

EA-6B modifications

The budget request contained \$86.8 million for EA-6B modifications but did not include funding to replace wing center sections (WCS) or for the turbine engine blade containment system (TEBS).

The first 65 EA-6B aircraft were manufactured with an aluminum alloy WCS that is susceptible to stress corrosion cracking. Thirty nine of these aircraft are still in service, 20 of which Congress provided WCS replacement funding in fiscal years 1995 and 1997. Consistent with its prior actions, the committee recommends an increase of \$50.0 million to replace the WCSs of 10 additional EA-6Bs. The committee urges the Secretary of the Navy to provide funds to complete the WCS modifications in his fiscal year 1999 budget request.

Based on historical data analysis of the EA-6B's engine, the Navy determined that the EA-6B will experience between three and five aircraft losses due to catastrophic failure of turbine engine blades before the EA-6B reaches its retirement. In fiscal year 1997, the Congress provided \$5.0 million to address this problem, but the committee has since learned that the cost to outfit the entire fleet has risen to \$60.0 million. Since the EA-6B is no longer in production and the total cost to modify all EA-6Bs with the TEBS is less than the value of one aircraft, the committee recommends an increase of \$18.0 million to continue this modification.

F/A-18

The budget request contained \$2,101.1 million for procurement of 20 F/A-18E/F aircraft, four fewer than the number for which advance procurement funds were requested in fiscal year 1997, and \$90.5 million for advanced procurement of 30 aircraft in fiscal year 1999.

Based on the recently-released recommendations of the Quadrennial Defense Review (QDR), the Navy's current procurement objective for the F/A-18E/F is 548 to 785 aircraft, at a maximum production rate of 48 aircraft per year, which has been decreased from the fiscal year 1998 budget request procurement plan of 1,000 aircraft at a maximum production rate of 60 aircraft per year. The committee understands that the Navy plans to determine its actual procurement objective based on the initial operational capability date of the Joint Strike Fighter (JSF).

The committee is sensitive to the Navy's requirement to modernize its tactical aircraft fleet. Unfortunately, the Navy failed in its attempts to replace the A-6 and F-14 fleets first with the A-12 and then with the A/F-X, both of which were terminated. Consequently, the F/A-18E/F program emerged—more by default than by design—as the Navy's choice to replace the A-6 in the all-weather attack mission, replace the F-14 in the fleet air defense and tactical reconnaissance missions, and to supplement existing F/A-18C/Ds. The F/A-18E/F improves range and payload capabilities compared to the F/A-18C/D, but it will not be nearly as survivable as either the A-12 or the A/F-X would have been. Accordingly, the committee strongly supports the Navy's participation in the JSF program to meet its longer-term force structure and modernization requirements and believes that the JSF will be more cost and operationally effective than any previous Naval aircraft when it enters

service with the fleet. Therefore, the committee recommends an increase of \$20.0 million in PE63800N to accelerate development of the Naval variant of the JSF, as explained elsewhere in this report.

The committee notes that the budget request proposal to reduce the quantity of F/A-18E/Fs procured in fiscal years 1998 and 1999 by 10 from the 60 proposed in the fiscal year 1997 acquisition plan, together with the QDR recommendation to reduce both the total procurement objective and the maximum production rate of this aircraft, suggests that future aircraft, shipbuilding, and other weapons procurement demands on the Navy's budget are necessitating consideration of alternative F/A-18E/F production rates. Accordingly, the committee recommends \$1,348.9 million for continued F/A-18E/F production, a reduction of \$752.2 million. The committee believes that until the review of the QDR by the independent National Defense Panel is completed in December 1997 and assessed by the Congress, the F/A-18E/F program should proceed at a slower pace.

H-1 series modifications

The budget request contained \$18.5 million for modifications to the H-1 series helicopter, of which \$18.3 million was planned for communications and navigation block upgrades. The budget request also contained \$80.7 million in research and development funding for future H-1 upgrades.

Subsequent to the Department's submission of the budget request, the Navy determined a need to restructure its communications and navigation block upgrades and research and development plans for the H-1 series helicopters. The restructured program, which requires transferring funds from the aircraft procurement account to the research and development account, would improve commonality between the UH-1N and AH-1W helicopters through a new plan to design common cockpit architecture and to procure common parts and software. The committee supports this initiative and recommends \$12.7 million for H-1 communications and navigation block upgrades, a reduction of \$5.6 million, and a corresponding increase in PE 0604245N for research and development of H-1 series upgrades.

Lightweight environmentally sealed parachute assembly (LESPA)

The budget request did not contain funding for LESPA.

The committee continues to support this initiative, begun in fiscal year 1997, to replace old parachutes in the P-3 and EP-3 aircraft with the LESPA. Due to its longer repack cycle and extended service life, the committee understands that the Navy will realize substantial life cycle cost savings by procuring LESPA compared to continued use of existing parachutes. Accordingly, the committee recommends an additional \$11.0 million to procure LESPA for P-3 and EP-3 aircraft fleets as follows: \$10.8 million for the P-3 and \$200 thousand for the EP-3.

Oil debris detection system (ODDS)

The budget request contained \$164.9 million for the modification of P-3 aircraft, \$49.1 million for the modification of E-2 aircraft, and \$19.2 million for the modification of C-2 aircraft. The budget

request did not contain funding for the procurement and installation of ODDS in the T-56 engine, which is common to the P-3, E-2 and C-2 fleets.

The ODDS is an on-board detection system that alerts aircrews to the presence of metal chips in engines and propeller gear boxes, allowing flights to be terminated prior to catastrophic failure of critical components. It also permits the clearing of smaller particles that routinely accumulate in engine oil and cause false impending engine failure alarms, resulting in unnecessary termination of aircraft missions and costly engine diagnostics. Since the ODDS, which has been successfully integrated into many other Department of Defense aircraft, both reduces aircraft maintenance costs and enhances aircrew safety, the committee recommends an increase of \$1.6 million to incorporate this system on the P-3, E-2 and C-2 fleets as follows: \$1.4 million for the P-3 and \$100 thousand each for the E-2 and C-2 fleets.

P-3 series modifications

The budget request contained \$164.9 million for P-3 series modifications, \$74.7 million of which is for four anti-surface warfare improvement program (AIP) kits, and \$41.3 million of which is for 11 sustained readiness program (SRP) kits.

The AIP improves the P-3's capabilities in communications, survivability and over-the-horizon targeting through the installation of commercial-off-the-shelf components. The committee understands that the Commanders-in-Chief (CINCs) of the Atlantic and Pacific theaters require 68 AIP-configured P-3 aircraft by fiscal year 2001, but the future years defense program only provides for 44 aircraft by this time. In the last year alone, these aircraft have played major roles in joint naval operations in Bosnia, Liberia, Central Africa, the Formosa Strait and the Strait of Hormuz by providing littoral and overland surveillance. Consequently, in order to meet CINC requirements and achieve a more efficient production rate, the committee recommends an increase of \$56.6 million for an additional eight AIP kits.

The SRP extends the service life of the P-3C by replacing and refurbishing airframe components. The committee understands that material conditions of the fleet aircraft are deteriorating faster than originally forecast, requiring frequent major airframe repairs in advance of the nominal 30-year expected operational service life. If left unchecked, aircraft could be rendered unserviceable due to corrosion or cracking of major structural components. Accordingly, the committee recommends an increase of \$35.1 million to procure 17 additional shipsets of SRP kits.

T-45 training system

The budget request contained \$244.0 million to procure 12 T-45C aircraft and associated ground-based training equipment, and \$6.2 million for advance procurement of 12 T-45C aircraft in fiscal year 1999.

The committee is aware that the T-45A Goshawks delivered thus far are performing extremely well and have exceeded expectations in almost every performance measure. The last T-45A is planned for delivery in February 1998 and a significantly upgraded T-45C,

with a digital cockpit, will begin deliveries in October 1997. Student training in the digitally instrumented T-45C will begin in mid-summer 1998.

The committee is concerned that the aging TA-4J and T-2C aircraft, now scheduled for retirement in fiscal years 1998 and 2003 respectively, are increasingly expensive to operate due to an increased instructor requirement, more frequent parts replacement cycle, and more aircraft flight time required to train students to the desired standard. Lead time for spares is excessive and results in an increased period of time that the aircraft are unavailable for training. Moreover, the T-2 fleet has been grounded on numerous occasions due to flight control problems and other maintenance issues related to an aging aircraft. Taken together, these factors could cause the fiscal year 1998 pilot training rate to fall short of the Navy's yearly quota by approximately 100 naval aviators.

Therefore, the committee recommends an increase of \$100.0 million to procure six additional T-45C aircraft. The committee understands that by continuing to procure the T-45C at the rate of 18 aircraft per year, the Navy would complete its T-45 aircraft procurement program three years earlier and save \$210.0 million in aircraft procurement costs compared to the future years defense program, as well as \$262.2 million in T-2 flight hour cost avoidance.

V-22

The budget request contained \$472.0 million to procure five V-22 aircraft and \$69.7 million for advance procurement of seven aircraft in fiscal year 1999.

The committee has been a strong supporter of accelerated V-22 procurement and endorses the recently-released Quadrennial Defense Review's (QDR) recommendation to achieve a long-term production rate of 30 aircraft per year by 2004. However, the committee notes that despite the fact that in fiscal year 1997 Congress appropriated advance procurement funding for 12 aircraft in fiscal year 1998, the Department has requested only five. Therefore, consistent with its prior actions, the recommendations of the QDR, and the Commandant of the Marine Corps' unfunded priorities for fiscal year 1998, the committee recommends an increase of \$189.3 million to procure two additional aircraft.

WEAPONS PROCUREMENT, NAVY

Overview

The budget request contained \$1,136.3 million for Weapons Procurement, Navy in fiscal year 1998. The committee recommends authorization of \$1,214.7 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988		FY 1988		FY 1988	
	AUTHORIZATION ***** REQUEST *****	QUANTITY	COMMITTEE CHANGE FROM ***** REQUEST *****	QUANTITY	COMMITTEE RECOMMENDATION ***	COST
WEAPONS PROCUREMENT, NAVY						
BALLISTIC MISSILES						
BALLISTIC MISSILES						
001 TRIDENT II	7		-	7		309,130
001 LESS: ADVANCE PROCUREMENT (PY)	-		-	-		(16,882)
002 ADVANCE PROCUREMENT (CY)	-		-	-		47,021
SUPPORT EQUIPMENT AND FACILITIES						
003 MISSILE INDUSTRIAL FACILITIES	-		-	-		2,143
TOTAL BALLISTIC MISSILES						341,412
OTHER MISSILES						
STRATEGIC MISSILES						
004 TOMAHAWK	65		-	65		51,820
005 ESSM	-		-	-		15,529
TACTICAL MISSILES						
006 AMRAAM	100		-	100		57,066
007 HARPOON	-		-	-		-
008 JSOW	113		37	150		58,665
009 STANDARD MISSILE	127		-	127		196,492
010 RAM	100		-	100		44,082
011 PENGUIN	-		-	-		-
012 AERIAL TARGETS	-		-	-		72,923
013 DRONES AND DECOYS	-		-	-		298
014 OTHER MISSILE SUPPORT	-		-	-		18,294
014a HELLFIRE	-		700	700		37,500
MODIFICATION OF MISSILES						
015 TOMAHAWK MODS	-		-	-		-
016 SPARROW MODS	-		-	-		-
017 SIDEWINDER MODS	-		-	-		333
018 HARPOON MODS	-		-	-		21,694
019 OTHER MISSILE MODS	-		-	-		-
020 STANDARD MISSILES MODS	-		-	-		33,000
						68,601

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
SUPPORT EQUIPMENT AND FACILITIES						
021 WEAPONS INDUSTRIAL FACILITIES	-	34,932	-	(9,000)	-	25,932
022 FLEET SATELLITE COMM (MYP) (SPACE)	-	-	-	-	-	-
023 ORDNANCE SUPPORT EQUIPMENT	-	5,264	-	-	-	5,264
TOTAL OTHER MISSILES		612,993		71,500		684,493
TORPEDOES AND RELATED EQUIPMENT						
024 ASW TARGETS	-	685	-	-	-	685
025 VERTICAL LAUNCHED ASROC (VLA)	-	-	-	-	-	-
MOD OF TORPEDOES AND RELATED EQUIP						
026 MK-46 TORPEDO MODS	-	274	-	-	-	274
027 MK-48 TORPEDO ADCAP MODS	-	55,392	-	-	-	55,392
SUPPORT EQUIPMENT						
028 TORPEDO SUPPORT EQUIPMENT	-	25,509	-	-	-	25,509
029 ASW RANGE SUPPORT	-	11,847	-	-	-	11,847
DESTINATION TRANSPORTATION						
030 FIRST DESTINATION TRANSPORTATION	-	2,008	-	-	-	2,008
TOTAL TORPEDOES AND RELATED EQUIPMENT		95,715		-		95,715
OTHER WEAPONS						
GUNS AND GUN MOUNTS						
031 SMALL ARMS AND WEAPONS	-	994	-	-	-	994
MODIFICATION OF GUNS AND GUN MOUNTS						
032 CIWS MODS	-	9,990	-	20,000	-	29,990
033 5/54 GUN MOUNT MODS	-	241	-	-	-	241
034 MK-75 76MM GUN MOUNT MODS	-	-	-	-	-	-
035 MODS UNDER \$2 MILLION	-	1,320	-	-	-	1,320
SUPPORT EQUIPMENT						
036 PIONEER	-	3,962	-	-	-	3,962
OTHER						

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
037 PIONEER	-	42,723	-	-	-	42,723
038 CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-
039 PRIOR YEAR DEFICIENCIES	-	-	-	-	-	-
TOTAL OTHER WEAPONS		59,230		20,000		79,230
SPARES AND REPAIR PARTS						
040 SPARES AND REPAIR PARTS	-	26,943	-	-	-	26,943
TOTAL SPARES AND REPAIR PARTS		26,943		-		26,943
041 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(13,106)	-	(13,106)
TOTAL WEAPONS PROCUREMENT, NAVY		1,136,293		78,394		1,214,687

Items of Special Interest

Close-in weapon system (CIWS) surface mode upgrade

The budget request contained \$10.0 million for CIWS but did not include funding to procure surface mode upgrade kits for this system.

The CIWS is a fully autonomous, radar-directed gun system designed for anti-ship missile defense. While the existing system is effective against its designed threat, the Navy's new focus on littoral operations requires an ability to defend against small, fast surface craft for which most Navy ships have a limited defense. To address this deficiency, the committee recommends an increase of \$20.0 million to procure CIWS upgrade kits for both surface combatants and other ships equipped with this system.

HELLFIRE II MISSILES

The budget request did not contain funding for the Hellfire II missile.

The Hellfire II missile is an anti-armor and anti-ship weapon used by the Marine Corps on the AH-1W and by the Navy on the SH-60B. Neither the Navy nor the Marine Corps have procured Hellfire II missiles since fiscal year 1994. The committee has been informed that because of this situation, the Navy's and the Marine Corps' inventories of Hellfire II missiles is 25 percent below requirements. To address this shortfall, the committee recommends \$37.5 million to procure 700 Hellfire missiles.

Joint stand off weapon (JSOW)

The budget request contained \$58.7 million for 113 JSOW missiles for the Navy. No funds were requested to procure JSOW missiles for the Air Force until fiscal year 1999.

The committee continues to support accelerated procurement of precision guided munitions and integration of these weapons into aircraft and mission planning subsystems. Also, the committee notes that the Chief of Naval Operations included additional JSOW procurement in the top one-third of his fiscal year 1998 unfunded priorities.

The committee added funding in fiscal year 1997 to accelerate the integration of precision guided weapons on the B-2 bomber and understands that some of this funding will be used to complete JSOW integration in late 1998. The committee urges the Air Force to accelerate updating the B-2's mission support system in order to employ JSOW at the earliest possible date.

The committee recommends an increase of \$10.0 million for the Navy to procure 37 additional missiles and an increase of \$29.0 million for the Air Force to initiate procurement of 100 missiles. The committee understands that these increases will reduce the fiscal year 1998 JSOW unit cost by 24 percent. The committee expects the Air Force to accelerate JSOW capability on the B-2 with these weapons.

Standard Missile (SM)-2 Block IIIB medium range (MR) modification kits

The budget request contained \$35.6 million for 80 SM-2 Block IIIB MR modification kits.

The SM is the Navy's primary surface-to-air weapon against hostile aircraft and anti-ship cruise missiles. The latest MR version to enter production, SM-2 Block IIIB, retains the full performance of earlier models and adds improvements against electronic countermeasures. However, the current SM inventory is dominated by older versions that are less capable against modern anti-ship weapons and ineffective against some newer threat missiles.

Even though the Navy plans to supplement its new missile production by upgrading older missiles to the Block IIIB configuration, its projected Block IIIB inventories at the turn of the century will still fall significantly short of the quantity required to meet deployment inventories. Accordingly, the committee recommends an increase of \$33.0 million to procure an additional 80 SM-2 Block IIIB MR modification kits. This action will allow the Navy to field more of the latest-version missiles and reduce the need to "cross deck" the missiles between deploying and returning ships.

AMMUNITION PROCUREMENT, NAVY/MARINE CORPS

Overview

The budget request contained \$336.8 million for Ammunition Procurement, Navy/Marine Corps in fiscal year 1998. The committee recommends authorization of \$470.4 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998		COMMITTEE		FY 1998	
	AUTHORIZATION	COMMITTEE	CHANGE FROM	COMMITTEE	RECOMMENDATION	COST
	QUANTITY	REQUEST	QUANTITY	REQUEST	QUANTITY	COST
PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP						
PROC AMMO, NAVY						
NAVY AMMUNITION						
001 GENERAL PURPOSE BOMBS	-	12,849	-	-	-	12,849
002 JDAM	668	38,520	-	-	668	38,520
003 2.75 INCH ROCKETS	-	15,833	-	-	-	15,833
004 MACHINE GUN AMMUNITION	-	7,823	-	-	-	7,823
005 PRACTICE BOMBS	-	41,766	-	-	-	41,766
006 CARTRIDGES & CART ACTUATED DEVICES	-	24,373	-	-	-	24,373
007 AIRCRAFT ESCAPE ROCKETS	-	8,544	-	-	-	8,544
008 AIR EXPENDABLE COUNTERMEASURES	-	22,724	-	-	-	22,724
009 MARINE LOCATION MARKERS	-	655	-	-	-	655
010 JATOS	-	4,517	-	-	-	4,517
011 5 INCH/54 GUN AMMUNITION	-	27,669	-	-	-	27,669
012 CIWS AMMUNITION	-	467	-	-	-	467
013 76MM GUN AMMUNITION	-	3,446	-	-	-	3,446
014 OTHER SHIP GUN AMMUNITION	-	4,499	-	-	-	4,499
015 SMALL ARMS & LANDING PARTY AMMO	-	7,796	-	-	-	7,796
016 PYROTECHNIC AND DEMOLITION	-	10,216	-	-	-	10,216
017 MINE NEUTRALIZATION DEVICES	-	6,321	-	-	-	6,321
018 SHIP EXPENDABLE COUNTERMEASURES	-	-	-	-	-	-
019 CANCELLED ACCOUNT ADJUSTMENTS (87)	-	-	-	-	-	-
019a 20 MM PGU-28	-	-	-	7,000	-	7,000
TOTAL PROC AMMO, NAVY		237,978		7,000		244,978
PROC AMMO, MC						
MARINE CORPS AMMUNITION						
020 5.56 MM, ALL TYPES	-	33,000	-	-	-	36,000
021 7.62 MM, ALL TYPES	-	2,900	-	-	-	8,900
022 LINEAR CHARGES, ALL TYPES	-	2,290	-	-	-	13,790
023 50 CALIBER	-	1,700	-	-	-	1,700
024 40 MM, ALL TYPES	-	5,701	-	-	-	16,301

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
025 60 MM HE M888	-	-	-	-	-	-
026 81 MM HE	-	-	-	-	-	-
027 81MM, ALL TYPES	-	-	-	-	-	-
028 81 MM SMOKE SCREEN	-	-	-	-	-	-
029 120MM, ALL TYPES	-	15,481	-	33,400	-	48,881
030 120MM TPCSDS-T M865	-	-	-	5,200	-	5,200
031 120 MM TP-T.M831	-	-	-	-	-	-
032 155MM CHG. PROP. RED BAG	-	-	-	-	-	-
033 FUZE, ET, XM762	-	-	-	7,000	-	7,000
034 CTG 25MM, ALL TYPES	-	2,181	-	1,100	-	3,281
035 9 MM ALL TYPES	-	3,684	-	-	-	3,684
036 GRENADES, ALL TYPES	-	2,882	-	3,400	-	6,282
037 ROCKETS, ALL TYPES	-	15,047	-	-	-	15,047
038 DEMOLITION MUNITIONS, ALL TYPES	-	600	-	43,300	-	43,900
039 FUZE, ALL TYPES	-	-	-	3,500	-	3,500
040 NON LETHALS	-	2,000	-	-	-	2,000
041 AMMO MODERNIZATION	-	9,888	-	-	-	9,888
042 ITEMS LESS THAN \$2 MIL	-	1,465	-	-	-	1,465
TOTAL PROC AMMO, MC		98,819		128,000		226,819
043 ADVISORY AND ASSISTANCE SERVICES				(1,442)		(1,442)
TOTAL PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP		336,797		133,558		470,355

Items of Special Interest

Marine corps ammunition

The budget request contained \$99.0 million for procurement of ammunition. The committee recommends \$227.0 million, an increase of \$128.0 million for the following types of ammunition:

[In millions of dollars]	
CTG 5.56mm training rounds	3.0
CTG 7.62mm training rounds	6.0
Rocket Motor, 5 inch	1.5
Charge, demolition linear HE	10.0
CTG 40mm practice grenade linked M918	10.6
CTG Tank 120mm M830A1 (HEAT)	33.4
CTG Tank 120mm TPCSDS-T M865	5.2
Fuze, ET, XM762	7.0
CTG 25mm TPDS-T, linked	1.1
Signal Smoke, illumination	3.4
Charge, demolition assembly M183	43.3
Fuze, ET, M767	3.5

SHIPBUILDING AND CONVERSION, NAVY

Overview

The budget request contained \$7,438.2 million for Shipbuilding and Conversion, Navy in fiscal year 1998. The committee recommends authorization of \$7,655.0 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	REQUEST	REQUEST	RECOMMENDATION	COST
SHIPBUILDING & CONVERSION, NAVY						
OTHER WARSHIPS						
001 SSN-21	-	153,444	-	-	-	153,444
001 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
002 NEW SSN	1	3,296,374	-	-	1	3,296,374
002 LESS: ADVANCE PROCUREMENT (PY)	-	(981,471)	-	-	-	(981,471)
003 ADVANCE PROCUREMENT (CY)	-	284,859	-	-	-	284,859
004 CVN REFUELING OVERHAULS	1	2,136,625	-	(6,600)	1	2,130,025
004 LESS: ADVANCE PROCUREMENT (PY)	-	(521,622)	-	-	-	(521,622)
005 ADVANCE PROCUREMENT (CY)	-	92,855	-	-	-	92,855
006 CGN REFUELING OVERHAULS	-	-	-	-	-	-
006 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
007 DDG-51	3	2,788,839	-	-	3	2,788,839
007 LESS: ADVANCE PROCUREMENT (PY)	-	(123,072)	-	-	-	(123,072)
008 ADVANCE PROCUREMENT (CY)	-	157,806	-	-	-	157,806
TOTAL OTHER WARSHIPS		7,284,637		(6,600)		7,278,037
AMPHIBIOUS SHIPS						
AMPHIBIOUS SHIPS						
009 COMPLETION OF LSD-52	-	-	-	-	-	-
010 LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)	-	-	-	-	-	-
010 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
011 LPD-17	-	-	-	185,000	-	185,000
TOTAL AMPHIBIOUS SHIPS				185,000		185,000
AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM COSTS						
AUXILIARIES, CRAFT AND PRIOR-YEAR PROGRAM COSTS						
012 AE(CONV)	-	-	-	-	-	-
013 OCEANOGRAPHIC SHIPS	-	-	-	-	-	-
013 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
013a TAGS 65	-	-	1	75,200	1	75,200

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
014 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
015 SERVICE CRAFT	-	33,859	-	-	-	33,859
016 LCAC LANDING CRAFT	-	-	-	17,300	-	17,300
017 OUTFITTING	-	28,140	-	(7,000)	-	21,140
018 FAST PATROL CRAFT	-	-	-	20,000	-	20,000
019 POST DELIVERY	-	90,177	-	(9,000)	-	81,177
-020 AFS (CONV)	-	-	-	-	-	-
021 FIRST DESTINATION TRANSPORTATION	-	1,345	-	-	-	1,345
TOTAL AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM COSTS		153,521		96,500		250,021
022 ADVISORY AND ASSISTANCE SERVICES				(58,081)		(58,081)
TOTAL SHIPBUILDING & CONVERSION, NAVY		7,438,158		216,819		7,654,977

Items of Special Interest

Fast patrol craft

The budget request did not contain funding for a fast patrol craft.

The Navy and Marine Corps emphasis on the employment of expeditionary forces, coupled with the enormous investment required for construction of major combatant ships, combine to make the procurement of an inexpensive, multi-mission fast patrol craft a highly desirable objective. The committee direction for such a craft, contained in its report on H.R. 1530 (H. Rept. 104-131), was clear—a high-speed vessel capable of carrying multiple anti-surface ship missiles, as well as command, control, and intelligence assets. The committee continues to believe that a fleet of such small multi-mission craft would be a national asset and, consequently, recommends an increase of \$20.0 million, to be combined with the \$9.5 million authorized and appropriated in fiscal year 1996, to construct this platform. The committee directs the Secretary of the Navy to release these funds to the Office of Naval Research only for the purpose of contracting for the fast patrol craft.

Landing craft air cushion (LCAC) service life extension program (SLEP)

The budget request did not contain funding for LCAC SLEP.

Congress provided \$3.0 million in fiscal year 1997 for advance procurement of components needed to initiate an LCAC SLEP, based on its understanding that the Navy was prepared to fully fund this program in fiscal year 1998. The committee understands that these funds will not be released until fiscal year 1999 because the Navy now intends to begin the LCAC SLEP in fiscal year 2000. However, the committee also understands that the Navy's strategy to begin this SLEP in fiscal year 2000 is currently under review in order to address the realities of more extensive corrosion and greater obsolescence of electronic equipment in the LCAC fleet than earlier realized.

The LCAC is the only surface platform that can provide high-speed, heavy lift from over-the-horizon. Without a SLEP, the first LCACs will begin retiring in 2004; with a SLEP, ten years of useful life will be added to the LCAC fleet. Since no funding is programmed for a replacement craft, allowing the LCACs to deteriorate without a SLEP would result in a severe degradation in the Navy's ability to perform amphibious warfare and operational maneuver from the sea. Accordingly, the committee recommends \$17.3 million to begin the LCAC SLEP in fiscal year 1998.

LPD-18

The budget request did not contain funding for the LPD-18.

LPD-18 is the second ship of 12 in the LPD-17 class of new amphibious ships with which the Navy plans to replace 41 obsolete amphibious vessels. The LPD-17 class will not only provide the Navy and Marine Corps with advanced-technology command systems and extensively improved ship self-defense capabilities but also reduce by 60 percent the crew requirements of the four existing classes of ships it will replace. The committee notes that the

Chief of Naval Operations considers the procurement of the LPD-18 to be among his top unfunded procurement priorities for fiscal year 1998 and recommends \$185.0 million for the advance procurement of this ship.

New attack submarine (NAS)

The budget request contained \$2,314.9 million for procurement of the first NAS and \$284.9 million for advance procurement of the second and third NASs in fiscal years 1999 and 2001 respectively.

In presenting its budget request for fiscal year 1996 two years ago, the Navy was poised to proceed with its plan to begin producing a 30-ship class of NASs at a single shipyard, the Electric Boat Division of General Dynamics. Congress rejected the Navy's plan, directing that the NAS would not be a serially-produced new class of nuclear attack submarines and further directing that Newport News Shipbuilding would participate in the future construction of such submarines. Congress was concerned over having the NAS design serially produced at a single shipyard since it could have led to production of a scaled-down, less capable, version of the NAS predecessor, the Seawolf, while precluding the consideration of technological innovation available through the other nuclear-capable shipyard. Moreover, because Congress was concerned with the prospects of an unaffordable nuclear attack submarine, it reasoned that competition between Electric Boat and Newport News was viewed as important to controlling costs.

The results of Congress' efforts were enacted into law in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106). Section 131 of that Act replaced the Navy's plan with one that set forth a series of four submarines, beginning construction in each of fiscal years 1998 through 2001, which use the NAS as a baseline design and successively incorporate new technologies. The first and third of these submarines were to be built at Electric Boat; the second and fourth were to be built at Newport News. The Congressional plan stated that the best designs from each shipyard would form the basis for serial production of the first of a new class of next-generation submarines beginning in 2003 (amended to 2002 by the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201)). Although the Navy's original plan also projected commencing construction of four NASs between fiscal year 1998 and fiscal year 2003, the Navy, nevertheless, maintained that the Congressional plan was unaffordable.

Notwithstanding the previously signed Memorandum of Agreement (MOA) with Electric Boat and Newport News to facilitate the competition requirements of Section 131, the Navy's budget request for fiscal year 1998 is premised upon having the two shipyards team to produce not only the first four NASs, beginning construction in fiscal years 1998, 1999, 2001 and 2002 respectively, but all NASs thereafter. This teaming arrangement, in conjunction with authorization to initiate a proposed multiyear procurement contract for the first four submarines, would, according to the Navy, save \$600.0 million "over the current plan."

The committee notes several inconsistencies between provisions contained in the formal Team Agreement and representations made to the committee in other documents: (1) The Team Agree-

ment states that, "The Government, acting through the Department of the Navy ("Government") planned to construct four NAS submarines, the first and third of which were to be built by Electric Boat, and the second and fourth of which were to be built by Newport News, in accordance with the National Defense Authorization Act for Fiscal Year 1997." The Assistant Secretary of the Navy (Research, Development, and Acquisition), in a formal witness statement submitted to the committee earlier this year stated, "The plan the Secretary of Defense submitted to the Congress in March of last year, for fiscal year 1997, included funding for two of the four submarines and concluded that it would be very difficult to accelerate funding for the program in the context of other modernization priorities." (2) The Team Agreement states that, "Both Electric Boat and Newport News have been encouraged by the Government to enter into a team arrangement for NAS submarines, and the parties anticipate alterations to existing law to accommodate the team arrangement contemplated by this Agreement." In the same formal statement noted above, the Assistant Secretary of the Navy stated that, "In December 1996, Electric Boat and Newport News proposed to construct New Attack Submarines as a team, rather than as competitors." The committee is puzzled by such apparent contradictions and believes they call into question the forthrightness with which the Navy is dealing with the Congress.

Additionally, the committee notes that the Navy has proposed legislation that would waive section 2306b (a) of Title 10, United States Code, which enumerates those determinations that an agency head must make as being in the best interests of the government in order to enter into a multiyear procurement contract, and would repeal the provisions of the National Defense Authorization Acts for Fiscal Years 1996 and 1997, which codified the Congressional plan for next-generation nuclear attack submarines. Based on the Navy's request for a waiver of section 2306b (a), the committee can only infer that authorizing a multiyear procurement in the case of the NAS may not be in the best interests of the government. Accordingly, the committee does not recommend approval of this waiver. Moreover, the committee believes that the current NAS design is the best the Navy is willing to do rather than the best the Navy is capable of doing and, therefore, declines to repeal the Congressional plan for production of the next-generation submarine, as enacted into law.

The committee is pleased that the Navy has followed the committee's direction to increase funding for advanced submarine technologies and notes that the fiscal year 1998 request adds approximately \$60.0 million to the amount requested in fiscal year 1997 for this purpose. However, the committee is not convinced that the Navy is committed to maturing these advanced technologies and inserting them into the NAS, especially into any of the first four submarines. Although the Navy asserts there are many technology insertion "opportunities" on these four submarines, the committee does not yet see evidence of a funding commitment to incorporate more than a very few of them as they mature. Because of this apparent shortcoming, the committee recommends a provision (sec. 121) that would prohibit the obligation of more than 50 percent of the funds authorized and appropriated for fiscal year 1998 for the

Seawolf (SSN-23) until the Secretary of Defense certifies that he will fully fund in the future years defense program accompanying the fiscal year 1999 budget request 50 percent of the procurement resources estimated to be required for incorporation into each of the first four NASs the technology “opportunities” available for those vessels, as briefed to the committee by the Assistant Secretary of the Navy (Research, Development, and Acquisition).

The committee is aware that the initial sea trials of the Seawolf produced some very unexpected and positive results. Those results testify to the potential of contemporary hydrodynamic design to both improve the performance and enhance the affordability of the NAS. Unfortunately, the Seawolf’s hydrodynamic design is not reflected in the NAS, and the committee believes that the results of these sea trials demonstrate that the Congressional plan not to freeze the NAS design has merit.

Based on the Seawolf initial sea trials, the committee believes that the current NAS power plant might be capable of providing performance levels beyond those demonstrated by the Seawolf, if alternative hydrodynamic technologies are exploited. If such is the case, then: (1) an even smaller power plant might be used on an NAS-displacement platform to produce planned-for NAS performance levels while simultaneously yielding more space for additional weapons storage; or (2) a smaller power plant might be used to provide Seawolf performance levels on a less-than-NAS-displacement platform. In recognition of the fact that hydrodynamic shaping and advanced control surfaces cannot be “inserted” once a submarine is built, the committee further believes the Navy should pursue a parallel, large-scale demonstrator that is not limited by form (hull and appendages) or by a single hull design to evaluate the potential to achieve higher levels of performance with either the NAS or smaller power plants. The committee is aware of the encouraging hydrodynamic and acoustic potential identified by a recent Electric Boat evaluation of incorporating a double hull around a contemporary submarine and believes this potential reinforces the benefits of constructing such a demonstrator.

For this purpose, the committee recommends an additional \$103.0 million in research and development funds and directs the Secretary of the Navy to issue a competitive solicitation for the demonstrator to the shipyards not currently involved in the design or future construction of the NAS. Furthermore, the committee directs the Secretary to transfer funds in the future years defense program accompanying the fiscal year 1998 budget for the Arsenal Ship demonstrator, which the committee recommends terminating in Title II of this report, to the submarine large-scale demonstrator.

Nuclear aircraft carrier refueling overhauls

The budget request contained \$1,615.0 million for the refueling overhaul of the Nimitz nuclear aircraft carrier and \$92.9 million in advance procurement for overhaul of a second carrier in fiscal year 2001.

The committee understands that the Navy will not install the close-in weapons system on the Nimitz, as previously planned and budgeted. Therefore, the committee recommends \$1,608.4 million, a corresponding reduction of \$6.6 million.

OTHER PROCUREMENT, NAVY

Overview

The budget request contained \$2,825.5 million for Other Procurement, Navy in fiscal year 1998. The committee recommends authorization of \$3,073.4 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
OTHER PROCUREMENT, NAVY						
SHIPS SUPPORT EQUIPMENT						
SHIP PROPULSION EQUIPMENT						
001 LM-2500 GAS TURBINE	-	7,548	-	-	-	7,548
002 ALLISON 501K GAS TURBINE	-	5,897	-	-	-	5,897
003 STEAM PROPULSION IMPROVEMENT	-	541	-	-	-	541
004 OTHER PROPULSION EQUIPMENT	-	12,077	-	-	-	12,077
GENERATORS						
005 OTHER GENERATORS	-	1,810	-	-	-	1,810
PUMPS						
006 OTHER PUMPS	-	444	-	-	-	444
PROPELLERS						
007 SUBMARINE PROPELLERS	-	-	-	-	-	-
008 OTHER PROPELLERS AND SHAFTS	-	1,496	-	-	-	1,496
NAVIGATION EQUIPMENT						
009 OTHER NAVIGATION EQUIPMENT	-	31,552	-	18,000	-	49,552
UNDERWAY REPLENISHMENT EQUIPMENT						
010 UNDERWAY REPLENISHMENT EQUIPMENT	-	8,189	-	-	-	8,189
PERISCOPES						
011 SUB PERISCOPES & IMAGING EQUIP	-	32,131	-	-	-	32,131
OTHER SHIPBOARD EQUIPMENT						
012 FIREFIGHTING EQUIPMENT	-	14,081	-	23,000	-	37,081
013 COMMAND AND CONTROL SWITCHBOARD	-	8,049	-	-	-	8,049
014 POLLUTION CONTROL EQUIPMENT	-	156,775	-	(6,280)	-	150,495
015 SUBMARINE SILENCING EQUIPMENT	-	4,285	-	-	-	4,285
016 SUBMARINE BATTERIES	-	9,043	-	-	-	9,043
017 SSN21 CLASS SUPPORT EQUIPMENT	-	6,442	-	-	-	6,442
018 STRATEGIC PLATFORM SUPPORT EQUIP	-	6,435	-	-	-	6,435
019 DSSP EQUIPMENT	-	7,269	-	-	-	7,269
020 MINESWEEPING EQUIPMENT	-	4,940	-	-	-	4,940
021 HM&E ITEMS UNDER \$2 MILLION	-	51,059	-	-	-	51,059
022 SURFACE IMA	-	2,026	-	-	-	2,026
023 RADIOLOGICAL CONTROLS	-	163	-	-	-	163

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
024 MINIMICROMINI ELECTRONIC REPAIR	-	495	-	-	-	495
REACTOR PLANT EQUIPMENT	-	-	-	-	-	-
025 REACTOR POWER UNITS	-	108,542	-	-	-	108,542
026 REACTOR COMPONENTS	-	193,880	-	(13,000)	-	180,880
OCEAN ENGINEERING	-	-	-	-	-	-
027 DIVING AND SALVAGE EQUIPMENT	-	4,860	-	-	-	4,860
028 EOD UNDERWATER EQUIPMENT	-	9,050	-	-	-	9,050
SMALL BOATS	-	-	-	-	-	-
029 STANDARD BOATS	-	4,932	-	-	-	4,932
TRAINING EQUIPMENT	-	-	-	-	-	-
030 OTHER SHIPS TRAINING EQUIPMENT	-	1,815	-	-	-	1,815
PRODUCTION FACILITIES EQUIPMENT	-	-	-	-	-	-
031 PRODUCTION SUPPORT FACILITIES	-	353	-	-	-	353
032 OPERATING FORCES IPE	-	888	-	-	-	888
OTHER SHIP SUPPORT	-	-	-	-	-	-
033 NUCLEAR ALTERATIONS	-	74,053	-	-	-	74,053
034 MODERNIZATION SUPPORT	-	-	-	-	-	-
TOTAL SHIPS SUPPORT EQUIPMENT		771,120		21,720		792,840
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
SHIP RADARS						
035 AN/SPS-40	-	669	-	-	-	669
036 AN/SPS-48	-	230	-	-	-	230
037 AN/SPS-49	-	13,401	-	-	-	13,401
038 AN/SY(S-1)	-	-	-	-	-	-
039 MK-23 TARGET ACQUISITION SYSTEM	-	1,923	-	-	-	1,923
040 RADAR SUPPORT	-	1,708	-	22,000	-	23,708
041 SURFACE ELECTRO-OPTICAL SYSTEM	-	-	-	-	-	-
042 TISS	-	13,703	-	-	-	13,703
SHIP SONARS						
043 SURFACE SONAR SUPPORT EQUIPMENT	-	3,810	-	-	-	3,810
044 AN/SQQ-89 SURF ASW COMBAT SYSTEM	-	16,628	-	-	-	16,628

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM REQUEST		FY 1998 COMMITTEE RECOMMENDATION	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
045 SSN ACOUSTICS	-	77,953	-	8,000	-	85,953
046 SURFACE SONAR WINDOWS AND DOME	-	-	-	6,000	-	6,000
047 SONAR SUPPORT EQUIPMENT	-	5,430	-	-	-	5,430
048 SONAR SWITCHES AND TRANSDUCERS	-	11,574	-	-	-	11,574
ASW ELECTRONIC EQUIPMENT	-	-	-	-	-	-
049 SUBMARINE ACOUSTIC WARFARE SYSTEM	-	4,259	-	-	-	4,259
050 SSTD	-	344	-	12,600	-	12,944
051 ACOUSTIC COMMUNICATIONS	-	412	-	-	-	412
052 FIXED SURVEILLANCE SYSTEM	-	15,175	-	-	-	15,175
053 SURTASS	-	7,108	-	-	-	7,108
054 ASW OPERATIONS CENTER	-	5,255	-	-	-	5,255
055 CARRIER ASW MODULE	-	16	-	-	-	16
ELECTRONIC WARFARE EQUIPMENT	-	-	-	-	-	-
056 AN/SIQ-32	-	2,119	-	-	-	2,119
057 AN/MLR-1	-	-	-	-	-	-
058 INFORMATION WARFARE SYSTEMS	-	3,781	-	-	-	3,781
059 EW SUPPORT EQUIPMENT	-	4,216	-	-	-	4,216
060 C-3 COUNTERMEASURES	-	6,891	-	-	-	6,891
RECONNAISSANCE EQUIPMENT	-	-	-	-	-	-
061 COMBAT DF	-	10,473	-	-	-	10,473
062 OUTBOARD	-	11,674	-	-	-	11,674
063 BATTLE GROUP PASSIVE HORIZON EXTEN	-	50,221	-	-	-	50,221
SUBMARINE SURVEILLANCE EQUIPMENT	-	-	-	-	-	-
064 AN/WLQ-4	-	4,479	-	-	-	4,479
065 SUBMARINE SUPPORT EQUIPMENT PROG	-	6,904	-	-	-	6,904
OTHER SHIP ELECTRONIC EQUIPMENT	-	-	-	-	-	-
066 NAVY TACTICAL DATA SYSTEM	-	14,335	-	10,000	-	24,335
067 COOPERATIVE ENGAGEMENT CAPABILITY	-	-	-	114,800	-	114,800
068 JMCIS AFLOAT	-	22,403	-	-	-	22,403
069 NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)	-	49,710	-	-	-	49,710
070 ATDLS	-	16,991	-	-	-	16,991
071 MINESWEEPING SYSTEM REPLACEMENT	-	15,848	-	-	-	15,848
072 SHALLOW WATER MCM	-	-	-	-	-	-

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
073 EMSP (MYP)	-	-	-	-	-	-
074 NAVSTAR GPS RECEIVERS (SPACE)	-	5,006	-	-	-	5,006
075 HF LINK-11 DATA TERMINALS	-	-	-	-	-	-
076 ARMED FORCES RADIO AND TV	-	15,665	-	-	-	15,665
077 STRATEGIC PLATFORM SUPPORT EQUIP TRAINING EQUIPMENT	-	7,499	-	-	-	7,499
078 OTHER SPAWAR TRAINING EQUIPMENT	-	3,569	-	-	-	3,569
079 OTHER TRAINING EQUIPMENT	-	24,529	-	-	-	24,529
080 MATCALS	-	9,726	-	-	-	9,726
081 SHIPBOARD AIR TRAFFIC CONTROL	-	2,971	-	-	-	2,971
082 AUTOMATIC CARRIER LANDING SYSTEM	-	13,200	-	-	-	13,200
083 NATIONAL AIR SPACE SYSTEM	-	2,239	-	-	-	2,239
084 TACAN	-	-	-	-	-	-
085 AIR STATION SUPPORT EQUIPMENT	-	9,495	-	-	-	9,495
086 MICROWAVE LANDING SYSTEM	-	5,311	-	-	-	5,311
087 FAGSFAC **	-	7,001	-	-	-	7,001
088 ID SYSTEMS	-	11,293	-	-	-	11,293
089 SURFACE IDENTIFICATION SYSTEMS	-	-	-	-	-	-
090 TAC A/C MISSION PLANNING SYS(STAMPS)	-	15,722	-	-	-	15,722
OTHER SHORE ELECTRONIC EQUIPMENT	-	-	-	-	-	-
091 JMCIS ASHORE	-	3,393	-	-	-	3,393
092 JMCIS OED	-	343	-	-	-	343
093 TADIX-B	-	5,239	-	-	-	5,239
094 NATIONAL IMAGERY SUPPORT	-	-	-	-	-	-
095 JMCIS TACTICAL/MOBILE	-	2,888	-	-	-	2,888
096 RADIAC	-	6,093	-	-	-	6,093
097 GPETE	-	7,461	-	-	-	7,461
098 INTEG COMBAT SYSTEM TEST FACILITY	-	3,877	-	-	-	3,877
099 CALIBRATION STANDARDS	-	2,075	-	-	-	2,075
100 EMI CONTROL INSTRUMENTATION	-	4,984	-	-	-	4,984
101 SHORE ELEC ITEMS UNDER \$2 MILLION SHIPBOARD COMMUNICATIONS	-	3,425	-	-	-	3,425

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	REQUEST	QUANTITY	REQUEST	QUANTITY	RECOMMENDATION
102 SHIPBOARD TACTICAL COMMUNICATIONS	-	24,497	-	-	-	24,497
103 PORTABLE RADIOS	-	2,375	-	-	-	2,375
104 SINCARS	-	7,426	-	-	-	7,426
105 SHIP COMMUNICATIONS AUTOMATION	-	25,799	-	-	-	25,799
106 SHIP COMM ITEMS UNDER \$2 MILLION	-	12,374	-	-	-	12,374
SUBMARINE COMMUNICATIONS						
107 SHORE LF/VLF COMMUNICATIONS	-	7,751	-	-	-	7,751
108 SUBMARINE COMMUNICATION EQUIPMENT	-	37,239	-	-	-	37,239
109 ADVANCED VLF RECEIVER	-	7,643	-	-	-	7,643
SATELLITE COMMUNICATIONS						
110 SATCOM SHIP TERMINALS (SPACE)	-	107,608	-	-	-	107,608
111 SATCOM SHORE TERMINALS (SPACE)	-	4,987	-	-	-	4,987
SHORE COMMUNICATIONS						
112 JCS COMMUNICATIONS EQUIPMENT	-	2,603	-	-	-	2,603
113 NSIPS	-	-	-	-	-	-
114 JEDMICS	-	-	-	-	-	-
115 GCCS EQUIPMENT	-	1,560	-	-	-	1,560
NAVAL SHORE COMMUNICATIONS						
116 NAVAL SHORE COMMUNICATIONS	-	72,465	-	-	-	72,465
CRYPTOGRAPHIC EQUIPMENT						
117 SECURE VOICE SYSTEM	-	-	-	-	-	-
118 SECURE DATA SYSTEM	-	-	-	-	-	-
119 INFO SYSTEMS SECURITY PROGRAM (ISSP)	-	31,667	-	-	-	31,667
120 KEY MANAGEMENT SYSTEMS	-	-	-	-	-	-
CRYPTOLOGIC EQUIPMENT						
121 CRYPTOLOGIC COMMUNICATIONS EQUIP	-	7,122	-	-	-	7,122
OTHER ELECTRONIC SUPPORT						
122 ELEC ENGINEERED MAINT (NAVSEA)	-	-	-	-	-	-
DRUG INTERDICTION SUPPORT						
123 OTHER DRUG INTERDICTION SUPPORT	-	-	-	-	-	-
TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT		925,763		173,400		1,099,163
AVIATION SUPPORT EQUIPMENT						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
SONOBUOYS						
124 AN/SSQ-36 (BT)	-	1,402	-	1,500	-	2,902
125 AN/SSQ-53 (DIFAR)	-	28,382	-	23,700	-	52,082
126 AN/SSQ-62 (DICASS)	-	24,291	-	8,600	-	32,891
127 AN/SSQ-101 (ADAR)	-	-	-	-	-	-
128 AN/SSQ-110	-	-	-	5,000	-	5,000
129 SIGNAL UNDERWATER SOUND (SUS)	-	672	-	2,500	-	3,172
129a AN/SSQ-57	-	-	-	4,500	-	4,500
AIRCRAFT SUPPORT EQUIPMENT						
130 WEAPONS RANGE SUPPORT EQUIPMENT	-	4,858	-	9,500	-	14,358
131 EXPEDITIONARY AIRFIELDS	-	1,252	-	-	-	1,252
132 AIRCRAFT REARMING EQUIPMENT	-	10,356	-	-	-	10,356
133 AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	-	29,630	-	-	-	29,630
134 PREDATOR UAV (DARF)	-	-	-	-	-	-
135 PIONEER UAV (DARF)	-	-	-	-	-	-
136 METEOROLOGICAL EQUIPMENT	-	17,816	-	-	-	17,816
137 OTHER PHOTOGRAPHIC EQUIPMENT	-	805	-	-	-	805
138 AVIATION LIFE SUPPORT	-	15,345	-	-	-	15,345
139 AIRBORNE MINE COUNTERMEASURES	-	20,192	-	7,500	-	27,692
140 LAMPS MK III SHIPBOARD EQUIPMENT	-	5,805	-	-	-	5,805
141 REMSON PHOTOGRAPHIC EQUIPMENT	-	693	-	-	-	693
142 STOCK SURVEILLANCE EQUIPMENT	-	1,586	-	-	-	1,586
143 OTHER AVIATION SUPPORT EQUIPMENT	-	6,165	-	-	-	6,165
144 SAFETY & SURVIVABILITY ITEMS	-	-	-	-	-	-
TOTAL AVIATION SUPPORT EQUIPMENT		169,250		62,800		232,050
ORDNANCE SUPPORT EQUIPMENT						
SHIP GUN SYSTEM EQUIPMENT						
145 GUN FIRE CONTROL EQUIPMENT	-	9,753	-	-	-	9,753
SHIP MISSILE SYSTEMS EQUIPMENT						
146 MK-92 FIRE CONTROL SYSTEM	-	906	-	-	-	906
147 HARPOON SUPPORT EQUIPMENT	-	243	-	-	-	243

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
148 TARTAR SUPPORT EQUIPMENT	-	-	-	-	-	-
149 POINT DEFENSE SUPPORT EQUIPMENT	-	-	-	-	-	-
150 AIRBORNE ECM/ECCM	-	-	-	-	-	-
151 ENGAGEMENT SYSTEMS SUPPORT	-	6,881	-	-	-	6,881
152 NATO SEASPARROW	-	6,866	-	-	-	6,866
153 RAM GMLS	-	68,292	-	-	-	68,292
154 SHIP SELF DEFENSE SYSTEM	-	5,841	-	-	-	5,841
155 AEGIS SUPPORT EQUIPMENT	-	26,813	-	8,000	-	34,813
156 SURFACE TOMAHAWK SUPPORT EQUIPMENT	-	65,502	-	-	-	65,502
157 SUBMARINE TOMAHAWK SUPPORT EQUIP	-	1,425	-	-	-	1,425
158 VERTICAL LAUNCH SYSTEMS	-	7,591	-	-	-	7,591
FBM SUPPORT EQUIPMENT	-	-	-	-	-	-
159 STRATEGIC PLATFORM SUPPORT EQUIP	-	2,312	-	-	-	2,312
160 STRATEGIC MISSILE SYSTEMS EQUIP	-	231,528	-	-	-	231,528
ASW SUPPORT EQUIPMENT	-	-	-	-	-	-
161 SSN COMBAT CONTROL SYSTEMS	-	20,511	-	-	-	20,511
162 SUBMARINE ASW SUPPORT EQUIPMENT	-	3,442	-	-	-	3,442
163 SURFACE ASW SUPPORT EQUIPMENT	-	5,929	-	-	-	5,929
164 ASW RANGE SUPPORT EQUIPMENT	-	3,551	-	-	-	3,551
OTHER ORDNANCE SUPPORT EQUIPMENT	-	-	-	-	-	-
165 EXPLOSIVE ORDNANCE DISPOSAL EQUIP	-	7,521	-	-	-	7,521
166 UNMANNED SEABORNE TARGET	-	4,271	-	-	-	4,271
167 ANTI-SHIP MISSILE DECOY SYSTEM	-	24,696	-	-	-	24,696
168 INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT)	-	1,373	-	-	-	1,373
169 STOCK SURVEILLANCE EQUIPMENT	-	1,292	-	-	-	1,292
OTHER EXPENDABLE ORDNANCE	-	-	-	-	-	-
170 PYROTECHNIC AND DEMOLITION (SOF)	-	-	-	-	-	-
171 FLEET MINE SUPPORT EQUIPMENT	-	5,269	-	-	-	5,269
172 SURFACE TRAINING DEVICE MODS	-	4,829	-	-	-	4,829
173 SUBMARINE TRAINING DEVICE MODS	-	23,025	-	-	-	23,025
174 INDUSTRIAL DEPOT MAINTENANCE	-	-	-	-	-	-
TOTAL ORDNANCE SUPPORT EQUIPMENT		539,662		8,000		547,662

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TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
CIVIL ENGINEERING SUPPORT EQUIPMENT						
175 ARMORED SEDANS	-	274	-	-	-	274
176 PASSENGER CARRYING VEHICLES	194	5,689	-	-	194	5,689
177 SPECIAL PURPOSE VEHICLES	-	2,795	-	-	-	2,795
178 GENERAL PURPOSE TRUCKS	-	-	-	-	-	-
179 TRAILERS/TRUCK TRACTORS	-	-	-	-	-	-
180 EARTH MOVING EQUIPMENT	-	-	-	-	-	-
181 CONSTRUCTION & MAINTENANCE EQUIP	-	3,700	-	-	-	3,700
182 FIRE FIGHTING EQUIPMENT	-	1,543	-	-	-	1,543
183 TACTICAL VEHICLES	-	2,459	-	-	-	2,459
184 WEIGHT HANDLING EQUIPMENT	-	-	-	-	-	-
185 AMPHIBIOUS EQUIPMENT	-	6,233	-	-	-	6,233
186 COMBAT CONSTRUCTION SUPPORT EQUIP	-	245	-	-	-	245
187 MOBILE UTILITIES SUPPORT EQUIPMENT	-	1,160	-	-	-	1,160
188 COLLATERAL EQUIPMENT	-	530	-	-	-	530
189 OCEAN CONSTRUCTION EQUIPMENT	-	332	-	-	-	332
190 POLLUTION CONTROL EQUIPMENT	-	28,650	-	-	-	28,650
191 OTHER CIVIL ENG SUPPORT EQUIPMENT	-	-	-	-	-	-
TOTAL CIVIL ENGINEERING SUPPORT EQUIPMENT		53,610				53,610
SUPPLY SUPPORT EQUIPMENT						
192 FORKLIFT TRUCKS	-	6,328	-	-	-	6,328
193 OTHER MATERIALS HANDLING EQUIPMENT	-	2,063	-	-	-	2,063
194 OTHER SUPPLY SUPPORT EQUIPMENT	-	-	-	-	-	-
195 FIRST DESTINATION TRANSPORTATION	-	3,930	-	-	-	3,930
196 SPECIAL PURPOSE SUPPLY SYSTEMS	-	44,207	-	-	-	44,207
TOTAL SUPPLY SUPPORT EQUIPMENT		56,528				56,528
PERSONNEL AND COMMAND SUPPORT EQUIPMENT						

PERSONNEL AND COMMAND SUPPORT EQUIPMENT

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
TRAINING DEVICES						
197 TRAINING SUPPORT EQUIPMENT	-	2,065	-	-	-	2,065
198 TRAINING DEVICE MODIFICATIONS	-	-	-	-	-	-
COMMAND SUPPORT EQUIPMENT						
199 COMMAND SUPPORT EQUIPMENT	-	15,915	-	-	-	15,915
200 EDUCATION SUPPORT EQUIPMENT	-	-	-	-	-	-
201 MEDICAL SUPPORT EQUIPMENT	-	-	-	-	-	-
202 INTELLIGENCE SUPPORT EQUIPMENT	-	22,449	-	300	-	22,749
203 OPERATING FORCES SUPPORT EQUIPMENT	-	4,743	-	-	-	4,743
204 NAVAL RESERVE SUPPORT EQUIPMENT	-	-	-	-	-	-
205 ENVIRONMENTAL SUPPORT EQUIPMENT	-	15,678	-	-	-	15,678
206 PHYSICAL SECURITY EQUIPMENT	-	-	-	-	-	-
207 INDUSTRIAL DEPOT MAINTENANCE EQUIP	-	-	-	-	-	-
OTHER						
208 CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-
209 CANCELLED ACCOUNT ADJUSTMENT (68)	-	-	-	-	-	-
TOTAL PERSONNEL AND COMMAND SUPPORT EQUIPMENT		60,850		300		61,150
SPARES AND REPAIR PARTS						
210 SPARES AND REPAIR PARTS	-	248,717	-	-	-	248,717
TOTAL SPARES AND REPAIR PARTS		248,717				248,717
211 ADVISORY AND ASSISTANCE SERVICES	0	(18,288)	0	(18,288)	0	(18,288)
TOTAL OTHER PROCUREMENT, NAVY		2,825,500		247,832		3,073,432

Items of Special Interest

Airborne mine countermeasures

The budget request contained \$20.2 million for airborne mine countermeasures, but did not include funding for Magic Lantern.

The committee is aware of the successful Naval Reserve operational assessment of the Magic Lantern airborne mine detection system. The committee understands the system demonstrated the ability to automatically detect and classify contact mines from the surface to below the keel depth of any U.S. warship with an unprecedented probability of detection.

The committee supports the Navy's decision to designate the Naval Reserve as the existing operational command for the laser airborne mine warfare mission. The committee is concerned, however, that if the capability exists only in the one East Coast Light Airborne Multi-Purpose System (LAMPS) squadron, as is presently the case, the Navy will not be optimizing the use of these very limited assets. The committee believes that, with minor modifications, existing Magic Lantern assets could be used to establish a capability in the West Coast LAMPS squadron comparable to that in its East Coast counterpart. A Magic Lantern capability in the West Coast squadron would provide for more flexible training and, more importantly, enhance the ability of the Reserves to draw qualified and trained personnel from both squadrons to support contingencies for extended periods.

Therefore, the committee recommends an increase of \$7.5 million for: (1) equipping the West Coast squadron with two Magic Lantern systems; (2) procuring spares and support equipment for the West Coast Magic Lantern systems; (3) provisioning eight Reserve LAMPS aircraft with Magic Lantern engineering change proposals, including miniaturized airborne Global Positioning System receivers; and (4) converting the Magic Lantern adaptation system to the Magic Lantern deployment contingency configuration.

AN/BPS-16 submarine navigation radar

The budget request did not contain funding for the AN/BPS-16 submarine navigation radar.

Consistent with its initiative over the last two years to upgrade the navigation radar on the Los Angeles-class submarine fleet, the committee recommends \$9.0 million to initiate the backfit of the AN/BPS-16 radar on the TRIDENT submarine fleet. The AN/BPS-16 navigation radar redresses a severe safety and readiness problem associated with the high failure rate of the older BPS-15 radar. The routine failure of the older system forces the fleet to rely on a small, pleasure boat style commercial radar that does not meet standards for larger vessels. Installation of the AN/BPS-16 will provide TRIDENT submarines with significantly improved capability for safe operations while navigating into and out of ports and performing tactical surface operations at sea in adverse weather conditions.

AN/SPS-73(V) surface search radar

The budget request contained \$1.7 million to procure 10 AN/SPS-73(V) surface search radars.

The AN/SPS-73(V) surface search radar is the radar navigation system selected to replace the less-reliable AN/SPS-55, AN/SPS-64(V), AN/SPS-67(V)1 and LN-66 radars, many of which are over 30 years old. The AN/SPS-73(V) will replace these different radars with one system, reducing logistics management costs and saving approximately \$42,000 per ship per year in maintenance costs. Although the Navy's procurement objective is 550 systems, it has budgeted for only 44 systems in the future years defense program. To accelerate the introduction of this cost-effective system and enhance the navigation safety of the Navy's surface ships, the committee recommends an increase of \$13.0 million for production and installation of approximately 55 more systems.

Computer aided submode training (CAST) lesson authoring system (CLASS)

The budget request contained \$26.8 million for AEGIS support equipment, but did not include any funding for CLASS to be expanded to ships or systems other than AN/UYQ-70-equipped AEGIS destroyers.

CLASS is a commercial-off-the-shelf training system that operates with the Navy's existing CAST system, but adds multi-media capabilities such as video, audio, three-dimensional graphics, animation and interactive simulations. The committee understands that the CLASS is fully funded beginning in fiscal year 1999 for installation on AN/UYQ-70-equipped AEGIS destroyers, but the Navy does not plan to backfit this system on other AEGIS-equipped platforms or to expand it to other systems. Accordingly, the committee recommends an increase of \$8.0 million for the purpose of backfitting CLASS on AEGIS cruisers and destroyers and to expand this technology to other systems such as cooperative engagement capability, joint maritime command information system, and global command and control system.

Cooperative engagement capability (CEC)

The budget request did not contain funding for CEC.

The CEC significantly improves anti-air warfare (AAW) capability by integrating all battle group component AAW sensor information into a single, real-time depiction that allows one platform to target and engage a hostile air threat with information from another. CEC distributes sensor data from any ship or aircraft in the battle group to all others through a real-time, line-of-sight, high-data-rate distribution network. The committee notes that the Chief of Naval Operations has identified CEC as one of the top three fiscal year 1998 unfunded procurement priorities. Therefore, the committee recommends \$114.8 million to restore the Navy's CEC fielding plan by procuring and installing CEC shipsets for two aircraft carrier battle groups.

DD-963 combat control upgrade

The budget request contained \$14.3 million for Navy tactical data systems, but did not include funding to upgrade DD-963 combat control systems with AN/UYQ-70 workstations and associated peripherals.

The Spruance-class surface combatants operate with combat control and display systems, designed thirty years ago, that are obsolete, unreliable and expensive to maintain. Due to the obsolescence of these computer and display systems, the Navy must often “cannibalize” ships in non-deployed and overhaul status for spare parts. Moreover, the lack of modern technology, combined with the low reliability and frequent maintenance of these systems, require increased shipboard manning to keep these systems combat-ready. Accordingly, the committee recommends \$10.0 million to upgrade the computers, consoles and associated equipment of two Spruance-class surface ships with AN/UYQ-70 workstations and associated peripherals.

Integrated navigation, information, and ship control system

The budget request did not contain funding for the integrated navigation, information, and ship control system.

Congress authorized and appropriated \$24.0 million in fiscal year 1997 for the procurement and installation of commercial-off-the-shelf (COTS) integrated navigation, information, and ship control systems for backfit on CG-47 class cruisers. However, the committee understands that the Navy currently intends to use these funds to conduct a competition for the development of a machinery control system, notwithstanding the fact that the \$24.0 million was provided for the procurement and installation of a suite of non-developmental “smart ship” systems like those installed on the U.S.S. Yorktown. The committee strongly opposes the Navy’s intentions and directs the Secretary of the Navy to procure COTS systems—not develop new ones—for installation on CG-47 class cruisers.

Mobile remote emitter simulator (MRES)

The budget request contained \$4.9 million for weapons range support, but did not include funding to procure MRES systems.

The MRES is a ground-based threat simulator system that provides in-flight electronic threat training to aircrews. The Navy currently operates outdated electronic combat simulator systems at two fixed sites on the east coast of the United States. The MRES system would provide both updated threat simulation and allow this training to be conducted at other locations. Therefore, to improve the quality and availability of electronic combat training, the committee recommends an increase of \$9.5 million to procure two MRES systems for the Atlantic test range component of the Naval Air Warfare Center.

Self-contained breathing apparatus (SCBA)

The budget request contained \$14.1 million for fire fighting equipment, but did not include funding to procure oxygen breathing apparatus used for shipboard firefighting.

The committee notes that the Navy is attempting to replace antiquated oxygen-breathing apparatus used for shipboard firefighting with a more user-friendly and efficient system. The committee understands that in fiscal year 1996, the Navy successfully completed testing of a non-developmental, commercial off-the-shelf SCBA in the fleet and, as a result, recently directed that SCBAs be procured and installed on all Navy ships. Given the improved performance

of these systems and their contribution to shipboard survivability, the committee recommends an additional \$23.0 million to begin outfitting the fleet with SCBAs.

Sonobuoys

The budget request contained \$54.8 million for the procurement of AN/SSQ-36, AN/SSQ-53E, AN/SSQ-62E and Signal Underwater Sound (SUS) sonobuoys. The budget request did not contain any funding for the AN/SSQ-57 or the AN/SSQ-110 sonobuoys.

The Navy formerly maintained the equivalent of a five-year stockpile of sonobuoys based on peacetime consumption rates. However, today's inventory has been reduced to only one and one-half to two times the annual peacetime consumption rate and the committee understands that the level of funding contained in the budget request will not allow the Navy to meet inventory requirements for the execution of even one major regional conflict. Furthermore, the committee notes that the Chief of Naval Operations identified additional sonobuoy procurement among the top ten unfunded procurement priorities for fiscal year 1998. To address this inventory shortage, the committee recommends an increase of \$45.8 million. The committee expects this increase to be distributed as follows: \$1.5 million to restore and stabilize the inventory of AN/SSQ-36s at required levels; \$23.7 million to meet AN/SSQ-53 inventory shortfalls; \$4.5 million to retrofit the current inventory of AN/SSQ-57 sonobuoys to meet changing threat acoustic signatures; \$8.6 million to restore and stabilize the inventory of SSQ-62s; \$5.0 million to continue to upgrade the existing inventories of the AN/SSQ-110 with shallow-water capabilities and safety enhancements; and \$2.5 million to restore and stabilize the inventory of the SUS sonobuoy.

Surface ship sonar windows and domes

The budget request did not contain funding for surface ship sonar windows and domes.

In fiscal year 1996, Congress authorized and appropriated funds to ensure that essential support services and ongoing product improvement initiatives would continue for surface ship sonar windows and domes. However, the committee understands that the Department of the Navy has reprogrammed these funds for other purposes and has jeopardized the completion of a Navy-initiated product improvement. This product improvement employs a structural acoustic glass-reinforced plastic-and-rubber sandwich material system which, in tests thus far, demonstrates superior performance, lower life-cycle costs, and reduced manufacturing and procurement costs over the current rubber-only system. Accordingly, the committee recommends \$6.0 million to complete the ongoing product improvement initiative for the structural acoustic sandwich material system for surface ship sonar domes.

Surface ship torpedo defense (SSTD)

The budget request contained \$344 thousand for SSTD but did not include funding for the procurement of countermeasure systems or acoustic devices.

The SSTD system, which consists of the AN/SLQ-25A towed torpedo countermeasure, the AN/SLQ-25B torpedo countermeasure

set, and the launched expendable acoustic device, enhances ship survivability against both advanced acoustic and non-acoustic homing torpedoes. The committee understands that the current program funds equipment for only 53 surface combatants, leaving over 200, including aircraft carriers, unprotected. Since the worldwide torpedo threat continues to proliferate, the committee recommends an increase of \$12.6 million to add this capability to additional surface combatants and urges the Secretary of the Navy to adequately fund this program in future budget requests.

TB-23 towed array

The budget request contained \$78.0 million for submarine acoustics, of which approximately \$8.0 million is for the refurbishment and upgrade of 20 TB-23 towed arrays.

The TB-23 is one of four towed arrays employed by submarines to passively detect other ships, thereby enhancing their ability to determine ship activity in an area of operations. The committee understands that the TB-29, the newest towed array of the four, is currently undergoing a program restructure due to the high cost of the first 10 systems and, as a result, approximately 55 TB-23s will require refurbishment to fully outfit the Navy's attack and ballistic missile submarine fleets. Fifteen of these 55 systems will be refurbished with funds provided in fiscal year 1997, in addition to the 20 in the fiscal year 1998 budget request. Accordingly, the committee recommends an increase of \$8.0 million to refurbish and upgrade the remaining 20 TB-23s in order to restore the towed array inventory to needed readiness levels.

WSN-7 ring laser gyro (RLG)

The budget request contained \$31.6 million for navigation equipment, including \$12.3 million for the procurement of nine WSN-7 RLGs. The WSN-7 has been selected as the common RLG for all surface and submarine fleets.

The committee recommends an increase of \$18.0 million for procurement and installation of 18 additional WSN-7 RLGs. This increase would allow the Navy to significantly accelerate the replacement of high-maintenance-cost WSN-1, WSN-2, WSN-3, and WSN-5 ship navigation systems in the surface and submarine fleets with the WSN-7 RLG ship navigator. According to fleet commanders, this accelerated procurement would maximize cost savings and improve fleet performance.

PROCUREMENT, MARINE CORPS

Overview

The budget request contained \$374.3 million for Procurement, Marine Corps in fiscal year 1998. The committee recommends authorization of \$442.8 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
PROCUREMENT, MARINE CORPS WEAPONS AND COMBAT VEHICLES						
001 AAV7A1 PIP	-	13,520	-	-	-	13,520
002 LAV PIP	-	600	-	-	-	600
003 LIGHT ARMORED VEHICLE	-	6,727	-	-	-	6,727
004 MODIFICATION KITS (TRKD VEH)	-	4,483	-	-	-	4,483
005 ITEMS UNDER \$2M (TRKD VEH)	-	99	-	-	-	99
ARTILLERY AND OTHER WEAPONS						
006 MOD KITS (ARTILLERY)	-	1,787	-	-	-	1,787
007 ITEMS UNDER \$2M (ALL OTHER)	-	810	-	-	-	810
008 MARINE ENHANCEMENT PROGRAM	-	1,513	-	-	-	1,513
009 155MM LIGHTWEIGHT TOWED HOWITZER	-	-	-	-	-	-
TOTAL WEAPONS AND COMBAT VEHICLES		29,539				29,539
GUIDED MISSILES AND EQUIPMENT						
GUIDED MISSILES						
010 HAWK MOD	-	3,475	-	-	-	3,475
011 JAVELIN (MYP)	194	44,146	186	17,000	380	61,146
LESS: ADVANCE PROCUREMENT (PY)	-	(2,000)	-	-	-	(2,000)
012 JAVELIN (MYP)	-	-	-	-	-	-
ADVANCE PROCUREMENT (CY)	-	217	-	-	-	217
013 PEDESTAL MOUNTED STINGER (PMS) (MYP)	-	-	-	-	-	-
014 PREDATOR (SRAW)	-	-	-	-	-	-
OTHER SUPPORT						
015 MODIFICATION KITS	-	842	-	-	-	842
016 ITEMS LESS THAN \$2 MILLION	-	-	-	-	-	-
TOTAL GUIDED MISSILES AND EQUIPMENT		46,680		17,000		63,680
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
MANPACK RADIOS						

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
017 MANPACK RADIOS AND EQUIP	-	-	-	-	-	-
TELEPHONE AND TELETYPE EQUIPMENT	-	-	-	-	-	-
018 JOINT TACT INFO DIST SYS (CL 1)	-	-	-	-	-	-
REPAIR AND TEST EQUIPMENT	-	-	-	-	-	-
019 AUTO TEST EQUIP SYS	-	12,121	-	-	-	12,121
GENERAL PURPOSE ELECTRONIC TEST EQUIP.	-	9,142	-	-	-	9,142
020 OTHER COMMELEC EQUIPMENT	-	-	-	-	-	-
SINGLE CHAN GRD & AIR RADIO	-	-	-	-	-	-
021 OTHER SUPPORT (TEL)	-	-	-	-	-	-
MODIFICATION KITS (TEL)	-	-	-	-	-	-
022 ITEMS LESS THAN \$2M (TEL)	-	-	-	-	-	-
COMMAND AND CONTROL SYSTEM (NON-TEL)	-	-	-	-	-	-
023 TACTICAL AIR OPER MODULE (TAOM)	-	-	-	-	-	-
ADVANCED TACT AIR COMMAND CENTER	-	-	-	-	-	-
024 MULTISERV ADF-FIELD ART TACTICAL DATA SYS	-	-	-	-	-	-
025 TACTICAL COMBAT OPERATIONS SYS	-	-	-	-	-	-
INTELL/COMM EQUIPMENT (NON-TEL)	-	-	-	-	-	-
026 AN/TPQ-36 FIRE FINDER RADAR UPGRADE	-	172	-	-	-	172
INTELLIGENCE SUPPORT EQUIPMENT	-	16,413	-	-	-	17,205
029 MOD KITS (INTEL)	-	5,824	-	-	-	5,824
030 ITEMS LESS THAN \$2M (INTELL)	-	631	-	-	-	631
031 REPAIR AND TEST EQUIPMENT (NON-TEL)	-	-	-	-	-	-
GENERAL PURPOSE MECHANICAL TMDE	-	2,179	-	-	-	2,179
032 OTHER COMMELEC EQUIPMENT (NON-TEL)	-	-	-	-	-	-
NIGHT VISION EQUIPMENT	-	-	-	-	-	-
033 ADP EQUIPMENT	-	-	-	-	-	-
OTHER SUPPORT (NON-TEL)	-	-	-	-	-	-
034 COMMAND POST SYSTEMS	-	13,923	-	-	-	13,923
035 MANEUVER C2 SYSTEMS	-	15,690	-	-	-	15,690
036 RADIO SYSTEMS	-	16,907	-	-	-	16,907
037 COMM SWITCHING & CONTROL SYSTEMS	-	44,741	-	-	-	44,741
038 COMM & ELEC INFRASTRUCTURE SUPPORT	-	41,809	-	-	-	84,409
039 MOD KITS MAGTF C41	-	22,974	-	-	-	22,974
040	-	-	-	-	-	-

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
041 ITEMS < \$2M MAGTF C41	-	371	-	-	-	371
042 MODIFICATION KITS (OTHER)	-	1,734	-	-	-	1,734
043 ITEMS < \$2M (OTHER)	-	3,018	-	-	-	3,018
044 AIR OPERATIONS C2 SYSTEMS	-	9,371	-	-	-	9,371
045 MARINE ENHANCEMENT PROGRAM	-	-	-	-	-	-
046 MODIFICATION KITS (NONTEL)	-	-	-	-	-	-
047 ITEMS LESS THAN \$2M (NONTEL)	-	-	-	-	-	-
TOTAL COMMUNICATIONS AND ELECTRONICS EQUIPMENT		217,020		43,392		260,412
SUPPORT VEHICLES						
ADMINISTRATIVE VEHICLES						
048 COMMERCIAL PASSENGER VEHICLES	40	1,276	-	-	40	1,276
049 COMMERCIAL CARGO VEHICLES	-	6,946	-	-	-	6,946
TACTICAL VEHICLES						
050 S4T TRUCK HMMWV (MYP)	-	696	-	-	-	696
051 MEDIUM TACTICAL VEHICLE REPLACEMENT	-	-	-	-	-	-
052 LOGISTICS VEHICLE SYSTEM REP	-	-	-	-	-	-
053 TRAILERS	-	-	-	-	-	-
OTHER SUPPORT						
054 MODIFICATION KITS	-	-	-	-	-	-
055 ITEMS LESS THAN \$2 MIL	-	594	-	-	-	594
TOTAL SUPPORT VEHICLES		9,512		-		9,512
ENGINEER AND OTHER EQUIPMENT						
ENGINEER AND OTHER EQUIPMENT						
056 ENVIRONMENTAL CONTROL EQUIP ASSORT	-	1,968	-	-	-	1,968
057 BULK LIQUID EQUIPMENT	-	7,913	-	-	-	7,913
058 ADVANCED DEMOLITION KITS	-	-	-	-	-	-
059 POWER EQUIPMENT ASSORTED	-	3,627	-	-	-	3,627
060 SHOP EQ CONTACT MAINTENANCE (SECM)	-	-	-	-	-	-
061 CANCELLED ACCOUNT ADJUSTMENT (87)	-	-	-	-	-	-
062 CANCELLED ACCOUNT ADJUSTMENTS (88)	-	-	-	-	-	-

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
MATERIALS HANDLING EQUIPMENT						
063 COMMAND SUPPORT EQUIPMENT	-	613	-	-	-	613
064 AMPHIBIOUS RAID EQUIPMENT	-	-	-	-	-	-
065 PHYSICAL SECURITY EQUIPMENT	-	1,514	-	-	-	1,514
066 GARRISON MOBILE ENGR EQUIP	-	2,998	-	-	-	2,998
067 TELEPHONE SYSTEM	-	-	-	-	-	-
068 WAREHOUSE MODERNIZATION	-	1,584	-	-	-	1,584
069 MATERIAL HANDLING EQUIP	-	5,241	-	-	-	5,241
070 FIRST DESTINATION TRANSPORTATION	-	1,396	-	-	-	1,396
GENERAL PROPERTY						
071 FIELD MEDICAL EQUIPMENT	-	1,081	-	-	-	1,081
072 TRAINING DEVICES	-	10,585	-	-	-	10,585
073 CONTAINER FAMILY	-	6,191	-	-	-	6,191
OTHER SUPPORT						
074 MODIFICATION KITS	-	1,215	-	-	-	1,215
075 ITEMS LESS THAN \$2 MIL	-	714	-	-	-	714
075a ABOVE-GROUND FUEL STORAGE TANKS	-	-	-	2,000	-	2,000
076 DRUG INTERDICTION	-	-	-	-	-	-
TOTAL ENGINEER AND OTHER EQUIPMENT		46,640		2,000		48,640
SPARES AND REPAIR PARTS						
077 SPARES AND REPAIR PARTS	-	24,915	-	-	-	24,915
TOTAL SPARES AND REPAIR PARTS		24,915				24,915
078 MARINE ENHANCEMENT PROGRAM				10,000		10,000
079 ADVISORY AND ASSISTANCE SERVICES				(3,891)		(3,891)
TOTAL PROCUREMENT, MARINE CORPS		374,306		68,501		442,807

Items of Special Interest

Communications and electronics infrastructure support

The budget request contained \$41.8 million for Communications and Electronics Infrastructure Support, of which \$17.5 million was included for upgrades to base telecommunications infrastructure.

The Commandant of the Marine Corps has designated communications upgrades for Marine bases as the number one unfunded priority for fiscal year 1998. These upgrades will vastly improve the telecommunications infrastructure at Marine Corps Air Stations (MCAS) Beaufort and Cherry Point, at Marine Corps Base (MCB) Quantico and Marine Corps Air Ground Combat Center (MCAGCC) Twenty Nine Palms with state-of-the-art fiber optic voice and data technology and ensure they are fully compatible with the digital Defense Messaging System. Additionally, the leased telephone system at MCAS Beaufort, which is presently at saturation level, will be replaced with a government-owned Integrated Services Digital Network-capable system. To support the Marine Corps' growing demands for modeling and simulation, telemedicine, optical disk imagery transmission and video teleconferencing, the committee recommends an increase of \$42.6 million to be allocated as follows:

	[In millions of dollars]	
MCAS Beaufort		5.4
MCAS Cherry Point		19.4
MCB Quantico		8.8
MCAGCC Twenty Nine Palms		9.0

Javelin

The budget request contained \$42.1 million for procurement of 194 Javelin antitank missiles and 140 command launch units.

The Javelin, which is jointly procured with the Army, is a man-portable, fire-and-forget, antitank weapon capable of defeating all known and projected armor threats. The committee believes that this improved warfighting capability is necessary for early entry Marine forces to achieve dominance on the battlefield and, therefore, recommends an increase of \$17.0 million for procurement of 186 additional missiles.

Marine enhancement program

The budget request did not contain funding for a Marine enhancement program.

The committee recommends \$10.0 million to be expended at the discretion of the Commandant of the Marine Corps for purposes of procuring emerging advanced technology equipment that would increase the warfighting effectiveness of the force or equipment that would eliminate identified deficiencies of currently-fielded items. The committee directs the Commandant to provide a report to the congressional defense committees not later than March 31, 1998, that details the expenditure of these funds

AIRCRAFT PROCUREMENT, AIR FORCE

Overview

The budget request contained \$5,817.8 million for Aircraft Procurement, Air Force in fiscal year 1998. The committee recommends authorization of \$6,770.9 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	REQUEST	REQUEST	RECOMMENDATION	COST
AIRCRAFT PROCUREMENT, AIR FORCE						
COMBAT AIRCRAFT						
STRATEGIC OFFENSIVE						
001 B-1B	-	10,851	-	-	-	10,851
002 B-2A	-	174,086	-	331,200	-	505,286
TACTICAL FORCES						
X 003 ADVANCED TACTICAL FIGHTER	-	-	-	-	-	-
003 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
004 ADVANCE PROCUREMENT (CY)	-	80,864	-	-	-	80,864
005 F-15A	3	159,000	-	-	3	159,000
005 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
006 ADVANCE PROCUREMENT (CY)	-	11,000	-	-	-	11,000
007 F-16 C/D (MYP)	-	-	3	66,000	3	66,000
TOTAL COMBAT AIRCRAFT		435,801		397,200		833,001
AIRLIFT AIRCRAFT						
X AIRLIFT AIRCRAFT						
X TACTICAL AIRLIFT						
008 C-17 (MYP)	9	2,169,111	-	-	9	2,169,111
008 LESS: ADVANCE PROCUREMENT (PY)	-	(245,800)	-	-	-	(245,800)
009 ADVANCE PROCUREMENT (CY)	-	278,200	-	-	-	278,200
010 EC-130J	-	-	1	49,900	1	49,900
X OTHER AIRLIFT						
011 C-130J	1	49,928	5	293,000	6	342,928
012 WC-130J	-	-	-	-	-	-
TOTAL AIRLIFT AIRCRAFT		2,251,439		342,900		2,594,339
TRAINER AIRCRAFT						
OPERATIONAL TRAINERS						
013 JPATS	18	65,415	4	12,200	22	77,615
014 TANKER, TRANSPORT, TRAINER SYSTEM	-	-	-	-	-	-
TOTAL TRAINER AIRCRAFT		65,415		12,200		77,615

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988		COMMITTEE		FY 1988	
	AUTHORIZATION ***** REQUEST *****	QUANTITY	CHANGE FROM ***** REQUEST *****	COMMITTEE RECOMMENDATION ---	QUANTITY	COST
OTHER AIRCRAFT						
HELICOPTERS						
015 HH-60G	-	-	-	-	-	-
MISSION SUPPORT AIRCRAFT						
016 CIVIL AIR PATROL A/C	27	2,645	-	27	2,645	
017 SMALL VCX (C-37)	-	-	-	-	-	-
018 LARGE VCX (C-32A)	2	190,116	-	2	190,116	
019 DRUG INTERDICTION	-	-	-	-	-	-
OTHER AIRCRAFT						
020 E-80	1	380,949	-	1	380,949	
020 LESS: ADVANCE PROCUREMENT (PY)	-	(66,958)	-	-	(66,958)	
021 ADVANCE PROCUREMENT (CY)	-	22,400	-	-	22,400	
022 PREDATOR UAV	15	116,506	-	15	146,506	
TOTAL OTHER AIRCRAFT		645,658			30,000	675,658
X MODIFICATION OF INSERVICE AIRCRAFT						
STRATEGIC AIRCRAFT						
023 B-2A MODS	-	13,853	-	-	13,853	
024 B-1B MODS	-	114,245	-	-	138,245	
025 B-52 MODS	-	28,907	24,000	-	28,907	
026 F-117 MODS	-	28,296	-	-	28,296	
TACTICAL AIRCRAFT						
027 A-10 MODS	-	24,971	-	-	24,971	
028 F1RF-4 MODS	-	-	-	-	-	-
029 F-15 MODS	-	169,568	-	-	169,568	
030 F-16 MODS	-	216,158	-	-	216,158	
030a F-16 DIGITAL TERRAIN SYSTEM	-	-	20,000	-	20,000	
031 EF-111 MODS	-	236	-	-	236	
032 T1AT-37 MODS	-	95	-	-	95	
X AIRLIFT AIRCRAFT						
033 C-5 MODS	-	83,036	-	-	83,036	

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	REQUEST	REQUEST	RECOMMENDATION	COST
034 C-9 MODS	-	16,323	-	-	-	16,323
035 C-17 MODS	-	59,053	-	-	-	59,053
036 C-21 MODS	-	6,911	-	-	-	6,911
037 C-22 MODS	-	276	-	-	-	276
038 C-STOL MODS	-	51	-	-	-	51
039 C-137 MODS	-	2,262	-	-	-	2,262
040 C-141 MODS	-	30,705	-	-	-	30,705
TRAINER AIRCRAFT						
041 T-1 MODS	-	6,974	-	-	-	6,974
042 T-3 MODS	-	100	-	-	-	100
043 T-38 MODS	-	14,806	-	-	-	14,806
044 T-41 MODS	-	100	-	-	-	100
045 T-43 MODS	-	10,256	-	-	-	10,256
OTHER AIRCRAFT						
046 KC-10 MODS	-	14,533	-	-	-	14,533
047 C-12 MODS	-	4,680	-	-	-	4,680
048 C-18 MODS	-	272	-	-	-	272
049 C-20 MODS	-	6,535	-	-	-	6,535
050 VC-25A MOD	-	10,760	-	-	-	10,760
051 C-130 MODS	-	94,511	-	-	-	94,511
052 C-135 MODS	-	137,861	-	-	-	137,861
053 E-3 MODS	-	134,659	-	-	-	134,659
054 E-4 MODS	-	11,385	-	-	-	11,385
055 E-8 MODS	-	-	-	-	-	-
056 H-1 MODS	-	2,778	-	-	-	2,778
057 H-60 MODS	-	16,852	-	-	-	16,852
058 OTHER AIRCRAFT MODS	-	33,065	-	-	-	33,065
OTHER MODIFICATIONS						
059 CLASSIFIED PROJECTS MODS	-	7,552	-	-	-	7,552
060 DARP MODS	-	67,136	-	-	-	67,136
060a GLOBAL AIR TRAFFIC MANAGEMENT	-	-	-	-	-	-
TOTAL MODIFICATION OF INSERVICE AIRCRAFT		1,369,761		184,500		1,554,261

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
AIRCRAFT SPARES AND REPAIR PARTS						
AIRCRAFT SPARES + REPAIR PARTS	-	350,010	-	-	-	350,010
SPARES AND REPAIR PARTS	-	-	-	-	-	-
TOTAL AIRCRAFT SPARES AND REPAIR PARTS		350,010				350,010
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
COMMON SUPPORT EQUIPMENT						
COMMON SUPPORT EQUIPMENT	-	151,238	-	-	-	151,238
POST PRODUCTION SUPPORT	-	-	-	-	-	-
063 .A-10 POST PROD SUPP	-	2,753	-	-	-	2,753
064 B-2A POST PROD SUPP	-	-	-	-	-	-
065 C-5 POST PROD SUPP	-	-	-	-	-	-
066 F-15 POST PROD SUPP	-	8,089	-	-	-	8,089
067 F-16 POST PROD SUPP	-	22,402	-	-	-	22,402
INDUSTRIAL PREPAREDNESS	-	-	-	-	-	-
068 INDUSTRIAL PREPAREDNESS	-	25,855	-	-	-	25,855
WAR CONSUMABLES	-	-	-	-	-	-
069 WAR CONSUMABLES	-	67,565	-	-	-	67,565
OTHER PRODUCTION CHARGES	-	-	-	-	-	-
070 MISC PRODUCTION CHARGES	-	275,804	-	-	-	275,804
071 CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-
COMMON ECM EQUIPMENT	-	-	-	-	-	-
072 COMMON ECM EQUIPMENT	-	4,564	-	-	-	4,564
DARP	-	-	-	-	-	-
073 DARP	-	141,493	-	-	-	146,493
TOTAL AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		699,763				704,763
074 ADVISORY AND ASSISTANCE SERVICES	-	-	-	5,000	-	146,493
				5,000		704,763
				(18,747)		(18,747)
TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		5,817,847		953,053		6,770,900

Items of Special Interest

B-1 modifications

The budget request contained \$114.2 million for B-1 modifications, but did not include funding to procure a digital data link for this aircraft.

The committee notes that the Air Force Chief of Staff's fiscal year 1998 unfunded priority list included as the fifth highest priority a request for funding to provide a limited capability and to develop tactics and concepts for employment of a digital data link on the B-1 fleet. Such a data link allows the fighter and bomber fleets—the “shooters”—to receive real-time, secure, and jam-resistant targeting information from aircraft such as the Airborne Warning and Control System or the Joint Surveillance and Target Attack Radar System—the “sensors.” This linked information improves an aircrew's situational awareness, operational coordination among shooter aircraft, and in-flight re-targeting of emerging higher priority targets. It also contributes to the positive identification of both airborne and ground forces, thereby contributing to the elimination of friendly fire. The committee endorses the requirement to include the B-1 on the Department's primary data link and recommends \$24.0 million to install a stand-alone Joint Tactical Information Distribution System terminal and display on up to six B-1 aircraft for this purpose.

B-2

The budget request contained \$174.1 million for the B-2 bomber. These funds are requested for costs associated with additional software investment, technical orders, interim contractor support, aircrew training devices, peculiar support equipment, program management administration, and non-recurring costs for curtailment of the B-2 production line.

Having held two hearings on the B-2 since the committee concluded its fiscal year 1997 authorization deliberations, the committee is convinced of the need to continue production of this bomber. No less than seven former secretaries of defense have recommended doing so, as have numerous other former senior leaders of the Air Force and the Congress. Likewise, current Air Force leaders privately acknowledge that they would welcome more B-2s in the bomber inventory, except that they are “unaffordable.” The committee rejects this “unaffordable” assertion and strongly believes the United States can afford additional B-2s.

Twenty-one B-2s does not constitute an adequate force level to deal with the many likely contingencies and crises over the next 30-40 years, and no other military systems in existence or on the drawing boards can adequately substitute for the capabilities the B-2 offers. As noted in testimony presented to the committee by the former air component commander in the Persian Gulf war, the B-2 is the only weapon system in the U.S. inventory free of range, survivability, and lethality limitations, and, as such, could well be the nation's only practical option for quickly projecting truly decisive power in future regional crises.

On April 1, 1997, the B-2 reached its initial operational capability milestone. According to a statement issued by the commander

of the Air Force's Air Combat Command, "This is a significant milestone in ensuring the future of national defense. The combination of low observability, large payload capacity, bombing accuracy, and long range gives America a unique, unprecedented military capability. This combination allows the B-2 to penetrate sophisticated defenses and threaten an enemy's war-making capability. It gives the United States the capability to project power to any part of the globe within a matter of hours and deliver combat power with precision in support of warfighting commands." The committee agrees that the B-2's combination of range, payload, precision weapons delivery, and stealth make it uniquely capable of independently responding quickly and decisively from secure U.S. bases to future contingencies anywhere in the world—and thus justify its continued production. Accordingly, the committee recommends an additional \$331.2 million for the B-2. This amount represents an increase of \$353.0 million to initiate the eventual procurement of an additional nine B-2s coupled with a decrease of \$21.8 million, which was requested for production curtailment costs. Of the \$353.0 million added, \$281.0 million is for reestablishment of those elements of the production line that have been previously laid away and \$52.0 million is for advance procurement.

C-130J

The budget request contained \$49.9 million for one C-130J aircraft. No funds were requested for advance procurement of C-130Js and no funds were requested for the Marine Corps tankers.

The committee recommends an increase of \$522.6 million for nine additional aircraft. Three of these are to be configured as tankers for the Marine Corps and six are for Air National Guard units, including one EC-130J variant.

F-16 digital terrain system (DTS)

The budget request did not contain funding for the F-16 DTS. The DTS provides ground collision avoidance information to pilots, thereby contributing to safer aircraft operations at night and in low visibility.

The committee understands that the DTS, which is currently in production to upgrade the F-16s owned by Norway, Denmark, the Netherlands, Belgium, and Taiwan has completed flight certification and been declared fully certified for use on Air Force F-16s. The committee further understands that the Air Force plans to purchase DTSs to equip its active, Guard, and Reserve F-16 fleets beginning in fiscal year 1999 and is in the process of modifying the F-16's operational flight program to accommodate the DTS integration. In order to initiate procurement of the F-16 DTS in fiscal year 1998, the committee recommends an additional \$20.0 million.

Global air traffic management (GATM)

The budget request contained \$20.6 million for the GATM upgrades.

The committee is aware that the world is experiencing a tremendous growth in air traffic that has necessitated a significant change in the manner by which both commercial and military aircraft will be controlled and managed in the future. To handle this expected

increase, a new management system, approved by the International Civil Aviation Organization (ICAO), is being designed to reduce the distance required between transiting aircraft and to allow pilots more freedom in selecting their routes and altitudes.

Implementation of this new system, however, requires new or upgraded equipment for communications, global navigation, flight management, and collision avoidance. The committee understands the Air Force has already undertaken steps to ensure that future aircraft will include this equipment. However, the problem lies with upgrading aircraft currently in the fleet, especially airlift and tanker aircraft. Since the specific ICAO requirements have only recently been published, the Air Force was unable to include funding in the fiscal year 1998 budget request for much of the equipment it needs to begin modifying existing aircraft to meet these requirements. In fact, the Air Force Chief of Staff has advised the committee that GATM equipment is the second highest priority for additional funding. Accordingly, the committee recommends an additional \$67.7 million to procure GATM equipment.

H-1 modifications

The budget request contained \$2.8 million for UH-1 modifications, but none of these funds were for inclusion of an oil debris detection system (ODDS) as part of an upgrade to the aircraft's engine diagnostic system.

As noted elsewhere in this report, the ODDS modification, which has been incorporated on all Army UH-1s, alerts aircrews of debris in engine and propeller gear boxes, thereby allowing flights to be terminated prior to a catastrophic engine failure. It also clears particles that routinely accumulate in engine oil and cause false impending engine failure alarms, resulting in unnecessary termination of aircraft missions as well as unnecessary and costly engine diagnostics. Consequently, the ODDS not only enhances aircrew safety and but also reduces operating and support costs. The committee is impressed by the results of the ODDS installation on Army UH-1s and recommends an increase of \$800,000 for the installation of this system on the Air Force UH-1 fleet.

Joint primary aircraft training system (JPATS)

The budget request contained \$65.4 million for JPATS, including 18 T-6A aircraft and associated ground-based training equipment.

The JPATS, consisting of both the T-6A aircraft and a ground-based training system, will be used by both the Air Force and the Navy for primary pilot training. The T-6A will replace both the Air Force's T-37B and the Navy's T-34C fleets, providing safer, more economical and more effective training for future student pilots.

The Air Force began procurement of the T-6A in fiscal year 1995, and the Navy plans to begin procurement in fiscal year 2000. The committee notes that the Air Force Chief of Staff included the acquisition of additional T-6As in his list of unfunded priorities for fiscal year 1998. Accordingly, the committee recommends an increase of \$12.2 million for four additional aircraft. The committee understands that this action will reduce the fiscal year 1998 unit cost by \$100,000 per aircraft and contribute to the accelerated reduction of Air Force primary pilot training direct operating costs,

since the T-6A is approximately 30 percent less expensive to operate than the T-37B.

Predator unmanned aerial vehicle (UAV)

The budget request contained \$116.5 million for 15 Predator UAVs.

The Predator was acquired as an advanced concept technology demonstration (ACTD) program in response to an urgent requirement identified by the Joint Chiefs of Staff (JCS) in 1993 and is the first ACTD to make the transition to a production program. The committee is aware of the success of the Predator in a number of continental United States exercises, as well as two operational deployments to Bosnia, and supports the full number of systems validated by the JCS. However, the committee notes that the request does not include funds needed for attrition aircraft or for spares and, therefore, recommends \$30.0 million for these purposes.

RC-135

The budget request did not contain funding for re-engining RC-135 reconnaissance aircraft.

The committee notes that \$145.0 million was authorized to re-engine six RC-135 aircraft in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-106). The committee remains convinced the RC-135 will continue to be the workhorse of the manned special reconnaissance fleet well into the 21st century and is disappointed that, despite previous assurances to the contrary, continuation of this effort remains unfunded in the fiscal year 1998 budget. Nevertheless, the committee is persuaded by the General Accounting Office's analysis of the re-engining program, which concluded that the Department can expect to realize savings of over \$1.5 billion with new engines compared to operating and maintaining the current TF-33 engines on these aircraft. Accordingly, the committee recommends an additional \$52.0 million to re-engine two RC-135 aircraft.

Senior Year Electro-Optical System (SYERS)

The budget request contained \$141.5 million for continued procurement of spares and repair parts for the U-2 aircraft and sensors. Because the U-2 SYERS imagery satisfies a large percentage of theater commanders' imagery requirements, the committee is committed to ensuring the availability of this aircraft and the viability of its sensors. The committee understands that the request does not adequately fund either upgrades to existing components of or required additional spare parts for SYERS. Accordingly, the committee recommends an increase of \$5.0 million for these purposes.

Congress initiated and sustained for several years an upgrade to the SYERS imaging sensor which among other things would allow it to be carried in the "Q-bay" of the U-2, such that a radar sensor and the SYERS electro-optical sensor could be flown simultaneously. This initiative appeared to Congress to be well worth the small investment in SYERS, since in wartime this dual capability could free another U-2 aircraft to fly other missions.

The committee has now learned that the aircraft fuselage may have to be modified in order to carry SYERS in the Q-bay. Specifically, a “canoe” would have to be added to allow the camera to image beyond 45 degrees. In view of this fact, the committee directs the Secretary of the Air Force to provide a report to the congressional defense and intelligence committees by March 15, 1998, on the need and the costs to design and procure the number of “canoes” necessary to allow SYERS and a radar sensor to flown simultaneously.

Theater Airborne Warning System (TAWS)

The budget request contained \$67.1 million for defense airborne reconnaissance program modifications, but did not contain funding for TAWS, a medium-wave infrared (MWIR) sensor system capable of detecting and calculating the launch points of tactical ballistic missiles. TAWS is currently deployed on the Cobra Ball RC-135 reconnaissance aircraft.

In the statement of the managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the conferees urged the Air Force to proceed with a program to install TAWS on the Rivet Joint RC-135 aircraft, which is available in greater numbers than the Cobra Ball. Such a program would provide an option for early deployment of TAWS in support of improved theater ballistic missile defenses. However, the Department has opted instead to install this capability on the Airborne Laser (ABL).

The committee understands that the ABL is not scheduled to reach initial operational capability until 2003. The long intervening period during which TAWS would remain only on the very few Cobra Ball aircraft would not meet the near-term need for a theater ballistic missile analysis and warning capability. Furthermore, the Air Force plans to acquire no more than seven ABL aircraft, a force structure too small to assure that TAWS would be available when and where needed.

The committee believes this important mission is best satisfied by a reconnaissance aircraft. Therefore, the committee recommends an increase of \$20.0 million to migrate the MWIR TAWS technology from the Cobra Ball RC-135 to the Rivet Joint RC-135 to enhance near-term deployment flexibility.

AMMUNITION PROCUREMENT, AIR FORCE

Overview

The budget request contained \$404.0 million for Ammunition Procurement, Air Force in fiscal year 1998. The committee recommends authorization of \$437.0 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	RECOMMENDATION	QUANTITY	COST
PROCUREMENT OF AMMUNITION, AIR FORCE						
ROCKETS						
001 2.75 INCH ROCKET MOTOR	23,718	8,856	-	-	23,718	8,856
002 2.75" ROCKET HEAD SIGNATURE	13,940	919	-	-	13,940	919
003 ITEMS LESS THAN \$2,000,000	-	50	-	-	-	50
CARTRIDGES						
004 5.56 MM	23,273	7,590	-	-	23,273	7,590
005 20MM TRAINING	-	-	-	-	-	-
005a 20MM PGU-28	-	-	-	7,000	-	7,000
006 30 MM TRAINING	3,278	27,447	-	-	3,278	27,447
007 CARTRIDGE CHAFF RR-180	845	12,088	-	-	845	12,088
008 CARTRIDGE CHAFF RR-188	-	-	-	-	-	-
009 SIGNAL MK-4 MOD 3	596	1,122	-	-	596	1,122
010 ITEMS LESS THAN \$2,000,000	-	4,097	-	-	-	4,097
BOMBS						
011 MK-82 INERT/BDU-50	30,672	22,218	-	-	30,672	22,218
012 TIMER ACTUATOR FIN FUZE	-	-	-	-	-	-
013 GBU-28 HARD TARGET PENETRATOR	-	-	-	-	-	-
014 BOMB PRACTICE 25 POUND	397,760	5,613	-	16,800	397,760	16,800
015 2000 LB HE BOMB MK-84	-	-	-	-	-	-
016 MK-84 BOMB-EMPTY	994	2,482	-	-	994	2,482
017 SENSOR FUZED WEAPON	556	153,861	-	-	556	153,861
018 CBU-87(COMBINED EFFECTS MUNITIONS)	-	-	-	9,200	-	9,200
019 TTU-373A DIGITAL TEST SET	-	-	-	-	-	-
020 JOINT DIRECT ATTACK MUNITION	2,673	61,307	-	-	2,673	61,307
021 WIND CORRECTED MUNITIONS DISPENSER	280	19,871	-	-	280	19,871
022 CBU-89 GATOR INERT	-	-	-	-	-	-
023 ITEMS LESS THAN \$2,000,000	-	167	-	-	-	167
ITEMS LESS THAN \$2,000,000						
024 FLARE, IR, MJU-7B	-	-	-	-	-	-
025 ASTE (INFRARED EXPENDABLE)	-	-	-	-	-	-

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	REQUEST	QUANTITY	RECOMMENDATION
026 FLARE, IR MJU-7B	662,280	14,698	-	-	662,280	14,698
027 PARACHUTE FLARE LUU-2 B/B	-	-	-	-	-	-
028 MJU-23 FLARE	-	-	-	-	-	-
029 MJU-10B	190,824	11,477	-	-	190,824	11,477
030 M-206 CARTRIDGE FLARE	1,099,600	17,507	-	-	1,099,600	17,507
031 CAD/PAD	-	12,821	-	-	-	12,821
032 INITIAL SPARES	-	-	-	-	-	-
033 REPLENISHMENT SPARES	-	979	-	-	-	979
034 MODIFICATIONS	-	149	-	-	-	149
035 ITEMS LESS THAN \$2,000,000	-	4,608	-	-	-	4,608
036 FUZES	-	-	-	-	-	-
036 JOINT PROGRAMMABLE FUZE(JPF)	1,170	5,880	-	-	1,170	5,880
037 HARD TARGET SMART FUZE	-	-	-	-	-	-
TOTAL AMMO, AIR FORCE		395,807		33,000		428,807
WEAPONS						
SMALL ARMS						
038 M-16 A2 RIFLE	-	6,009	-	-	-	6,009
039 9MM COMPACT PISTOL	260	183	-	-	260	183
040 M-9 PISTOL	2,265	1,127	-	-	2,265	1,127
041 ITEMS LESS THAN \$2M	-	858	-	-	-	858
TOTAL WEAPONS		8,177				8,177
TOTAL PROCUREMENT OF AMMUNITION, AIR FORCE		403,984		33,000		436,984

MISSILE PROCUREMENT, AIR FORCE

Overview

The budget request contained \$2,557.7 million for Missile Procurement, Air Force in fiscal Year 1998. The committee recommends authorization of \$2,389.2 million for fiscal year 1998.

The Committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
MISSILE PROCUREMENT, AIR FORCE						
BALLISTIC MISSILES						
MISSILE REPLACEMENT EQUIPMENT - BALLISTIC						
001 MISSILE REPLACEMENT EQ-BALLISTIC	-	27,604	-	-	-	27,604
TOTAL BALLISTIC MISSILES		27,604				27,604
OTHER MISSILES						
STRATEGIC						
HAVE NAP	-	-	50	39,000	50	39,000
003 ADVANCED CRUISE MISSILE	-	843	-	-	-	843
TACTICAL						
004 JOINT STANDOFF WEAPON	-	1,139	100	29,000	100	30,139
005 AMRAAM	173	117,768	-	-	173	117,768
006 AGM-130 POWERED GBU-15	-	1,539	100	41,000	100	42,539
X TARGET DRONES	-	-	-	-	-	-
007 TARGET DRONES	-	25,718	-	-	-	25,718
INDUSTRIAL FACILITIES						
MISSILE INDUSTRIAL FACILITIES	-	3,492	-	-	-	3,492
008 MISSILE INDUSTRIAL FACILITIES	-	3,492	-	-	-	3,492
MISSILE REPLACEMENT EQUIPMENT - OTHER						
009 MISSILE REPLACEMENT EQ-OTHER	-	-	-	-	-	-
TOTAL OTHER MISSILES		150,499		109,000		259,499
MODIFICATION OF INSERVICE MISSILES						
CLASS IV						
CONVENTIONAL ALCM	-	-	-	18,800	-	18,800
010 PEACEKEEPER(M-X)	-	5,250	-	-	-	5,250
012 AIM-9 SIDEWINDER	-	-	-	-	-	-
013 MM III MODIFICATIONS	-	106,899	-	-	-	106,899
014 AGM-86A HARM	-	-	-	-	-	-
015 MODIFICATIONS UNDER \$2.0M	-	199	-	-	-	199
015a AGM-65 MAVERICK	-	-	0	11,000	-	11,000

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	RECOMMENDATION	QUANTITY	COST
TOTAL MODIFICATION OF INSERVICE MISSILES		112,348			29,800	142,148
X SPARES AND REPAIR PARTS	-	-	-	-	-	-
MISSILE SPARES + REPAIR PARTS	-	28,808	-	-	-	28,808
016 SPARES AND REPAIR PARTS	-	28,808	-	-	-	28,808
TOTAL SPARES AND REPAIR PARTS		28,808				28,808
OTHER SUPPORT						
SPACE PROGRAMS						
017 SPACEBORNE EQUIP (COMSEC)	-	9,304	-	-	-	9,304
018 GLOBAL POSITIONING (MYP) SPACE	3	191,312	-	-	3	191,312
018 LESS: ADVANCE PROCUREMENT (PY)	-	(27,475)	-	-	-	(27,475)
019 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
020 NUDET DETECTION SYSTEM	-	1,194	-	-	-	1,194
020 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
021 INERTIAL UPPER STAGES SPACE	-	49,990	-	-	-	49,990
022 TITAN SPACE BOOSTERS SPACE	-	555,304	-	-	-	555,304
023 MEDIUM LAUNCH VEHICLE SPACE	4	205,983	-	-	4	205,983
023 LESS: ADVANCE PROCUREMENT (PY)	-	(40,200)	-	-	-	(40,200)
024 ADVANCE PROCUREMENT (CY)	-	52,715	-	-	-	52,715
025 DEF METEOROLOGICAL SAT PROG SPACE	-	35,243	-	-	-	35,243
026 DEFENSE SUPPORT PROGRAM (MYP) SPACE	-	113,708	-	-	-	113,708
027 DEFENSE SATELLITE COMM SYSTEM SPACE	-	89,930	-	-	-	89,930
027 LESS: ADVANCE PROCUREMENT (PY)	-	(13,496)	-	-	-	(13,496)
028 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
029 M-16 A2 RIFLE	-	-	-	-	-	-
X SPECIAL PROGRAMS	-	-	-	-	-	-
030 SPECIAL UPDATE PROGRAMS	-	241,570	-	-	-	241,570
031 SPECIAL PROGRAMS	-	773,400	-	-	-	773,400
TOTAL OTHER SUPPORT		2,238,482			(267,800)	1,970,682
032 ADVISORY AND ASSISTANCE SERVICES	-	(39,558)	-	-	-	(39,558)
TOTAL MISSILE PROCUREMENT, AIR FORCE		2,557,741			(168,558)	2,389,183

Items of Special Interest

AGM-65 maverick modifications

The budget request did not contain funding for AGM-65 modifications.

The committee understands that 12,000 early-generation models of this anti-tank weapon are approaching 20 years service life and require upgrading to further extend their longevity, particularly since the Maverick has been identified as a weapon to be employed by the Joint Strike Fighter. To alleviate this problem, the Air Force has completed the development of a reliability and maintainability upgrade to these missiles, but the committee further understands that funds to begin production of the upgrade are not anticipated until fiscal year 1999 or later. The committee is aware that the gap between the completion of testing and the beginning of production could significantly increase the cost of the upgrade, as well as unacceptably delay its fielding. Therefore, the committee recommends an increase of \$11.0 million to eliminate any such gap with low-rate production and to ensure a smooth transition to full-rate production, which the committee assumes will occur in fiscal year 1999.

AGM-130

The budget request contained \$1.5 million for AGM-130 management administration and contractor support, but did not include funding to procure additional AGM-130 missiles.

The AGM-130 is a precision-guided air-to-surface missile employed on the F-15E aircraft to strike targets from outside point defense ranges and is the F-15E's only 2,000-pound class weapon with this capability. The committee is aware that both the Department's Heavy Bomber Force Study and a separate study conducted by the Defense Science Board recommended that the Air Force retain 1,000 AGM-130 missiles in its inventory. In view of this fact, and to address the unfunded requirement identified by the Air Force Chief of Staff, the committee recommended an increase of \$95.0 million in fiscal year 1997 for an additional 250 missiles. Recognizing that the requirement for the AGM-130 still exceeds the number of missiles funded in prior years by over 200, the committee recommends an increase of \$41.0 million for an additional 100 missiles.

Medium launch vehicle (MLV)

The budget request contained \$165.8 million for the MLV program.

The Air Force has identified \$14.8 million in excess prior year funds in this program resulting from lower-than-expected cost growth and launch failure recovery activities that are no longer required. Of this total, \$5.0 million was recommended for rescission in H.R. 1469, the Fiscal Year 1997 Supplemental Appropriations Act. The committee notes that the remaining balance of these excess funds are available to meet fiscal year 1998 MLV requirements and, consequently, recommends \$156.0 million, a \$9.8 million reduction.

Titan space boosters

The budget request contained \$555.3 million for Titan IV boosters and related equipment and launch support activities.

The Air Force has identified \$204.0 million in excess prior year funds in the Titan program. Of this total, \$122.0 million was recommended for rescission in H.R. 1469, the Fiscal Year 1997 Emergency Supplemental Appropriations Act. The committee notes that the remaining balance of these excess funds are available to meet fiscal year 1998 Titan IV requirements. Consequently, the committee recommends \$473.3 million, a decrease of \$82.0 million.

OTHER PROCUREMENT, AIR FORCE

Overview

The budget request contained \$6,561.3 million for Other Procurement, Air Force in fiscal year 1998. The committee recommends authorization of \$6,574.1 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
OTHER PROCUREMENT, AIR FORCE						
VEHICULAR EQUIPMENT						
PASSENGER CARRYING VEHICLES						
001 SEDAN, 4 DR 4X2	88	1,520	-	-	88	1,520
002 STATION WAGON, 4X2	7	120	-	-	7	120
003 BUSES	17	929	-	-	17	929
004 AMBULANCES	3	247	-	-	3	247
005 LAW ENFORCEMENT VEHICLE	80	1,603	-	-	80	1,603
006 ARMORED SEDAN	1	232	-	-	1	232
CARGO + UTILITY VEHICLES						
007 TRUCK, CARGO-UTILITY, 3/4T, 4X4	154	4,414	-	-	154	4,414
008 TRUCK, CARGO-UTILITY, 1/2T, 4X2	106	2,575	-	-	106	2,575
009 TRUCK, PICKUP, 1/2T, 4X2	292	4,006	-	-	292	4,006
010 TRUCK, PICKUP, COMPACT	206	2,681	-	-	206	2,681
011 TRUCK MULTI-STOP 1 TON 4X2	301	8,219	-	-	301	8,219
012 TRUCK CARRYALL	150	3,548	-	-	150	3,548
013 COMMERCIAL UTILITY CARGO VEHICLE	43	1,451	-	-	43	1,451
014 TRUCK, CARGO, M-35, SLEP	-	-	-	-	-	-
015 MEDIUM TACTICAL VEHICLE	21	2,594	-	-	21	2,594
016 HIGH MOBILITY VEHICLE (MYP)	100	5,165	-	-	100	5,165
017 TRUCK TRACTOR, OVER 5T	27	1,916	-	-	27	1,916
018 CAP VEHICLES	-	746	-	-	-	746
019 ITEMS LESS THAN \$2,000,000	-	5,025	-	-	-	5,025
SPECIAL PURPOSE VEHICLES						
020 TRUCK TANK FUEL R-11	-	-	-	-	-	-
021 HMMWV, ARMORED	125	24,181	-	-	125	24,181
022 TRACTOR, TOW, FLIGHTLINE	124	3,837	-	-	124	3,837
023 ITEMS LESS THAN \$2,000,000	-	6,738	-	-	-	6,738
FIRE FIGHTING EQUIPMENT						
024 TRUCK CRASH P-19	7	2,048	-	-	7	2,048
025 TRUCK CRASH P-23	-	-	-	-	-	-
026 HEAVY RESCUE VEHICLE	-	-	-	-	-	-
027 ITEMS LESS THAN \$2,000,000	-	3,652	-	-	-	3,652

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
MATERIALS HANDLING EQUIPMENT						
028 TRUCK, F/L 10,000 LB	26	1,758	-	-	26	1,758
029 60K AC LOADER	60	83,143	-	-	60	83,143
030 NEXT GENERATION SMALL LOADER(NGSL)	-	-	-	-	-	-
031 ITEMS LESS THAN \$2,000,000	-	2,148	-	-	-	2,148
BASE MAINTENANCE SUPPORT						
032 TRUCK, DUMP 5CY	32	2,087	-	-	32	2,087
033 MODIFICATIONS	-	200	-	-	-	200
034 ITEMS LESS THAN \$2,000,000	-	3,833	-	-	-	3,833
035 CANCELLED ACCOUNT ADJUSTM	-	-	-	-	-	-
TOTAL VEHICULAR EQUIPMENT		180,616				180,616
ELECTRONICS AND TELECOMMUNICATIONS EQUIP						
COMM SECURITY EQUIPMENT(COMSEC)						
036 COMSEC EQUIPMENT	-	27,494	-	-	-	27,494
037 MODIFICATIONS (COMSEC)	-	476	-	-	-	476
INTELLIGENCE PROGRAMS						
038 INTELLIGENCE DATA HANDLING SYS	-	20,739	-	6,300	-	27,039
039 INTELLIGENCE TRAINING EQUIPMENT	-	2,473	-	-	-	2,473
040 INTELLIGENCE COMM EQUIP	-	7,644	-	-	-	7,644
041 ITEMS LESS THAN \$2,000,000	-	-	-	-	-	-
ELECTRONICS PROGRAMS						
042 NATIONAL AIRSPACE SYSTEM	-	16,615	-	-	-	16,615
043 THEATER AIR CONTROL SYS IMPROVEMENT	-	38,329	-	-	-	38,329
044 WEATHER OBSERV/FORECAST	-	18,013	-	4,000	-	22,013
045 STRATEGIC COMMAND AND CONTROL	-	20,505	-	-	-	20,505
046 CHEYENNE MOUNTAIN COMPLEX	-	737	-	-	-	737
047 TAC SIGINT SUPPORT	-	4,114	-	5,000	-	9,114
048 DRUG INTERDICTION PROGRAM	-	-	-	-	-	-
SPECIAL COMM-ELECTRONICS PROJECTS						
049 AUTOMATIC DATA PROCESSING EQUIP	-	36,105	-	-	-	36,105

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	REQUEST	REQUEST	RECOMMENDATION	COST
050 AF GLOBAL COMMAND & CONTROL SYS	-	7,319	-	-	-	7,319
051 MOBILITY COMMAND AND CONTROL	-	6,728	-	-	-	6,728
052 AIR FORCE PHYSICAL SECURITY SYSTEM	-	15,112	-	-	-	15,112
053 COMBAT TRAINING RANGES	-	13,272	-	-	-	13,272
054 MINIMUM ESSENTIAL EMERGENCY COMM NET	-	3,488	-	-	-	3,488
055 FORCE PROTECTION/ANTI-TERRORISM	-	54,439	-	-	-	54,439
056 C3 COUNTERMEASURES	-	14,904	-	-	-	14,904
057 JOINT SURVEILLANCE SYSTEM	-	-	-	-	-	-
058 BASE LEVEL DATA AUTO PROGRAM	-	46,778	-	-	-	46,778
059 THEATER BATTLE MGT C2 SYS	-	48,989	-	-	-	48,989
AIR FORCE COMMUNICATIONS						
060 INFORMATION TRANSMISSION SYSTEMS	-	10,889	-	-	-	10,889
061 BASE INFORMATION INFRASTRUCTURE	-	88,945	-	-	-	88,945
062 USCENTCOM	-	4,031	-	-	-	4,031
063 AUTOMATED TELECOMMUNICATIONS PRG	-	15,900	-	-	-	15,900
DISA PROGRAMS						
064 DEFENSE SUPPORT PROGRAM SPACE	-	-	-	-	-	-
065 NAVSTAR GPS SPACE	-	3,129	-	-	-	3,129
066 DEFENSE METEOROLOGICAL SAT PROG SPAC	-	11,886	-	-	-	11,886
067 NUDET DETECTION SYS (NDS) SPACE	-	7,995	-	-	-	7,995
068 AF SATELLITE CONTROL NETWORK SPACE	-	32,197	-	-	-	32,197
069 EASTERN/WESTERN RANGE I&M SPACE	-	81,957	-	-	-	81,957
070 MILSATCOM SPACE	-	20,353	-	-	-	20,353
071 SPACE MODS SPACE	-	18,932	-	-	-	18,932
ORGANIZATION AND BASE						
072 TACTICAL C-E EQUIPMENT	-	16,968	-	-	-	16,968
073 COMBAT SURVIVOR/EVADER LOCATER RADIO	-	5,731	-	-	-	5,731
074 RADIO EQUIPMENT	-	12,844	-	-	-	12,844
075 TV EQUIPMENT (AFRTV)	-	2,112	-	-	-	2,112
076 CCTV/AUDIOVISUAL EQUIPMENT	-	3,969	-	-	-	3,969
077 BASE COMM INFRASTRUCTURE	-	30,874	-	-	-	30,874
078 CAP COM & ELECT	-	387	-	-	-	387
079 ITEMS LESS THAN \$2,000,000	-	8,960	-	-	-	8,960

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST		COMMITTEE CHANGE FROM REQUEST		FY 1998 COMMITTEE RECOMMENDATION	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
MODIFICATIONS						
080 COMM ELECT MODS	-	53,260	-	-	-	53,260
TOTAL ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT		835,804		12,800		848,404
OTHER BASE MAINTENANCE AND SUPPORT EQUIP						
TEST EQUIPMENT						
081 BASE/ALC CALIBRATION PACKAGE	-	10,468	-	-	-	10,468
082 PRIMARY STANDARDS LABORATORY PACKAGE	-	1,665	-	-	-	1,665
083 ITEMS LESS THAN \$2,000,000	-	9,627	-	-	-	9,627
PERSONAL SAFETY AND RESCUE EQUIP						
084 NIGHT VISION GOGGLES	-	2,371	-	-	-	2,371
085 BREATHING APPARATUS TWO HOUR	-	-	-	-	-	-
086 UNIVERSAL WATER ACTIVATED REL SYS	-	-	-	-	-	-
087 ITEMS LESS THAN \$2,000,000	-	3,509	-	-	-	3,509
DEPOT PLANT + MATERIALS HANDLING EQ						
088 MECHANIZED MATERIAL HANDLING EQUIP	-	10,747	-	-	-	10,747
089 ITEMS LESS THAN \$2,000,000	-	3,980	-	-	-	3,980
ELECTRICAL EQUIPMENT						
090 GENERATORS-MOBILE ELECTRIC	-	3,692	-	-	-	3,692
091 FLOODLIGHTS SET TYPE NF2D	-	7,696	-	-	-	7,696
092 ITEMS LESS THAN \$2,000,000	-	3,968	-	-	-	3,968
BASE SUPPORT EQUIPMENT						
093 BASE PROCURED EQUIPMENT	-	6,855	-	-	-	6,855
094 MEDICAL/DENTAL EQUIPMENT	-	13,295	-	-	-	13,295
095 ENVIRONMENTAL PROJECTS	-	1,000	-	-	-	1,000
096 AIR BASE OPERABILITY	-	4,214	-	-	-	4,214
097 PALLET AIR CARGO	-	1,189	-	-	-	1,189
098 NET ASSEMBLY, 108"X88"	-	2,998	-	-	-	2,998
099 BLADDERS FUEL	-	2,749	-	-	-	2,749
099a ABOVE-GROUND FUEL STORAGE TANKS	-	-	-	-	-	-
100 AERIAL BULK FUEL DELIVERY SYSTEM	-	-	-	2,000	-	2,000
101 PHOTOGRAPHIC EQUIPMENT	-	2,097	-	-	-	2,097
	-	6,063	-	-	-	6,063

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
102 PRODUCTIVITY INVESTMENTS	-	5,980	-	-	-	5,980
103 MOBILITY EQUIPMENT	-	26,524	-	-	-	26,524
104 DEPLOYMENT/EMPLOYMENT CONTAINERS	-	2,013	-	-	-	2,013
105 SPATIAL DISORIENTATION DEMONSTRATOR	-	-	-	-	-	-
106 AIR CONDITIONERS	-	9,627	-	-	-	9,627
107 ITEMS LESS THAN \$2,000,000	-	9,731	-	-	-	9,731
SPECIAL SUPPORT PROJECTS						
108 INTELLIGENCE PRODUCTION ACTIVITY	-	60,572	-	5,000	-	65,572
109 TECH SURV COUNTERMEASURES EQ	-	1,998	-	-	-	1,998
110 DARP	-	-	-	-	-	-
111 DARP RC-135	-	12,778	-	35,000	-	47,778
112 DARP, MRIGS	-	66,279	-	-	-	66,279
113 SELECTED ACTIVITIES	-	5,003,960	-	(64,250)	-	4,939,710
114 SPECIAL UPDATE PROGRAM	-	174,830	-	-	-	174,830
115 INDUSTRIAL PREPAREDNESS	-	1,243	-	-	-	1,243
116 MODIFICATIONS	-	193	-	-	-	193
117 FIRST DESTINATION TRANSPORTATION	-	15,351	-	76,280	-	91,631
TOTAL OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT		5,489,262		54,030		5,543,292
SPARE AND REPAIR PARTS						
118 SPARES AND REPAIR PARTS	-	55,771	-	-	-	55,771
SPARES AND REPAIR PARTS	-	55,771	-	-	-	55,771
TOTAL SPARE AND REPAIR PARTS		55,771				55,771
119 ADVISORY AND ASSISTANCE SERVICES	-	-	-	(53,987)	-	(53,987)
TOTAL OTHER PROCUREMENT, AIR FORCE		6,561,253		12,843		6,574,096

Items of Special Interest

Air Force satellite control network (AFSCN)

The budget request contained \$32.2 million for the AFSCN.

The committee understands that \$9.0 million was authorized and appropriated in fiscal year 1997 for an AFSCN hardware purchase to support a classified program. The committee has been informed, however, that the Air Force canceled this hardware purchase because of a delay in the classified program and a resulting shift in plans to support it. The committee notes that the funds for this purchase are now available to meet fiscal year 1998 AFSCN requirements and recommends \$23.2 million, a reduction of \$9.0 million.

Automated surface observation system (ASOS)

The budget request contained \$18.0 million for weather observation/forecast equipment but did not include funding for ASOS. ASOS is the only federally-sanctioned automated weather observation system and is being procured by the Federal Aviation Administration, the National Weather Service, and all of the military services.

The committee understands that the Navy and Marine Corps have funded their planned systems but that there are unfunded requirements for a stand-alone ASOS at both Air Force and Army air combat training ranges. The committee believes that accurate and timely weather information is a matter of pilot safety and recommends an increase of \$4.0 million to purchase 20 ASOSs for these ranges. The committee further recommends that the Air Force, as executive agent for this system, identify the total remaining requirements for both services and fund these requirements in the future years defense program.

Joint situational awareness system (JSAS)

The budget request did not contain funding for the JSAS.

The committee is aware of the significant progress made by the Air Force in providing theater-wide situational awareness to joint task force commanders through the JSAS. The JSAS has proven to be a highly-effective, low-cost, real-time, user-friendly intelligence fusion system and represents a building block for greatly expanded capabilities. The committee believes the Air Force should pursue integrating the JSAS into the Global Command and Control System and recommends an additional \$6.3 million for this purpose.

Radio equipment

The budget request contained \$12.8 million to procure new and upgrade existing Air Force radio equipment, including \$12.2 million to replace and upgrade high frequency (HF) radio communications systems with commercial-off-the-shelf equipment at 14 locations worldwide, a program known as Scope Command.

The committee is pleased with the progress of the Scope Command program and notes that there is an opportunity to capitalize on this investment with the forthcoming implementation of the Global Air Traffic Management (GATM) system, discussed elsewhere in this report. The committee understands that GATM im-

plementation will place renewed emphasis on HF communications to satisfy requirements for maintaining beyond-line-of-sight contact with aircraft, and, therefore, recommends an increase of \$6.5 million to cost-effectively augment the ongoing Scope Command equipment upgrade to meet these requirements.

Tactical signals intelligence support

The budget request contained \$4.1 million for tactical signals intelligence support.

The committee fully supports the Department of Defense's efforts to coordinate intelligence data broadcasts to the warfighters and recommends an increase of \$5.0 million to accelerate the procurement of hardware and software to fully implement the Integrated Broadcast Service technical/operational architecture.

PROCUREMENT, DEFENSE-WIDE

Overview

The budget request contained \$1,695.1 million for Procurement, Defense-Wide in fiscal year 1998. The committee recommends authorization of \$1,837.0 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
PROCUREMENT, DEFENSE-WIDE						
MAJOR EQUIPMENT, OSD/WHHS						
001 MOTOR VEHICLES	-	-	-	-	-	-
002 MAJOR EQUIPMENT, OSD	-	104,601	-	-	-	104,601
003 MAJOR EQUIPMENT, WHS	-	18,956	-	-	-	18,956
004 ARMED FORCE INFORMATION SERVICE	-	8,037	-	-	-	8,037
005 DEPARTMENT OF DEFENSE EDUCATION ACTIVITY	-	1,609	-	-	-	1,609
006 DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	-	688	-	-	-	688
007 DARPA	-	97,452	-	-	-	97,452
008 CORPORATE INFORMATION MANAGEMENT	-	-	-	-	-	-
MAJOR EQUIPMENT, NSA						
010 DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	-	14,380	-	33,304	-	47,684
MAJOR EQUIPMENT, DSWA						
011 VEHICLES	-	218	-	-	-	218
012 OTHER MAJOR EQUIPMENT	-	17,199	-	-	-	17,199
MAJOR EQUIPMENT, DISA						
013 WWMCCS ADP SYSTEMS	-	3,748	-	-	-	3,748
014 MOBILE SATELLITE SYSTEM TECHNOLOGIES	-	9,990	-	-	-	9,990
015 INFORMATION SYSTEMS SECURITY	-	19,585	-	50,000	-	69,585
016 CONTINUITY OF OPERATIONS	-	4,637	-	-	-	4,637
017 JOINT C4ISR	-	-	-	-	-	-
018 DEFENSE MESSAGE SYSTEM	-	44,470	-	-	-	44,470
019 GLOBAL COMBAT SUPPORT SYSTEM	-	5,889	-	-	-	5,889
020 PLANS & PROGRAM ANALYSIS SUPPORT CENTER	-	3,900	-	-	-	3,900
021 ITEMS LESS THAN \$2 MILLION	-	7,461	-	-	-	7,461
022 DRUG INTERDICTION SUPPORT	-	-	-	-	-	-
MAJOR EQUIPMENT, DLA						
024 DEFENSE SUPPORT ACTIVITIES	-	21,814	-	-	-	21,814
024a AUTOMATED DOCUMENT CONVERSION SYSTEM	-	-	-	30,000	-	30,000
024b ALL-TORSO BODY ARMOR	-	-	-	30,000	-	30,000
MAJOR EQUIPMENT, DMA						
025 AUTOMATED INFORMATION SYSTEM EQUIPMENT	-	-	-	-	-	-

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	REQUEST	RECOMMENDATION	QUANTITY	COST
026 VEHICLES	-	-	-	-	-	-
027 OTHER CAPITAL EQUIPMENT	-	-	-	-	-	-
MAJOR EQUIPMENT, DIS	-	-	-	-	-	-
028 VEHICLES	258	3,100	-	-	258	3,100
029 OTHER CAPITAL EQUIPMENT	-	1,837	-	-	-	1,837
MAJOR EQUIPMENT, DCAA	-	-	-	-	-	-
030 ITEMS LESS THAN \$2 MILLION	-	3,786	-	-	-	3,786
MAJOR EQUIPMENT, DSPO	-	-	-	-	-	-
031 MAJOR EQUIPMENT, DSPO	-	19,334	-	(5,000)	-	14,334
MAJOR EQUIPMENT, TJS	-	-	-	-	-	-
032 MAJOR EQUIPMENT, TJS	-	46,847	-	-	-	46,847
ON-SITE INSPECTION AGENCY	-	-	-	-	-	-
033 VEHICLES	-	-	-	-	-	-
034 OTHER CAPITAL EQUIPMENT	-	112	-	-	-	112
BALLISTIC MISSILE DEFENSE ORGANIZATION	-	-	-	-	-	-
PATRIOT PAC-3	-	-	-	-	-	-
035 C-41	-	-	-	-	-	-
036 HAWK BN/C3 MODS	-	-	-	-	-	-
037 NAVY AREA TBDM PROGRAM	-	-	-	-	-	-
038 CENTRAL IMAGERY OFFICE	-	-	-	-	-	-
X NATIONAL IMAGERY AND MAPPING AGENCY	-	-	-	-	-	-
DEFENSE COMMISSARY AGENCY, DECA	-	-	-	-	-	-
041 EQUIPMENT	-	1,970	-	-	-	1,970
999 CLASSIFIED PROGRAMS	-	354,289	-	5,000	-	359,289
TOTAL MAJOR EQUIPMENT		815,909		143,304		959,213
SPECIAL OPERATIONS COMMAND						
AVIATION PROGRAMS						
042 RADIO FREQUENCY MOBILE ELECTRONIC TEST SET	-	-	-	-	-	-
043 SOF ROTARY WING UPGRADES	-	36,042	-	-	-	36,042
044 SOF TRAINING SYSTEMS	-	3,352	-	-	-	3,352
045 MC-130H COMBAT TALON II	-	34,656	-	-	-	34,656

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998		COMMITTEE		FY 1998	
	AUTHORIZATION REQUEST	COST	CHANGE FROM REQUEST	RECOMMENDATION	--- QUANTITY	COST
046 AC-130U GUNSHIP ACQUISITION	-	55,106	-	-	-	55,106
047 C-130 MODIFICATIONS	-	96,592	-	-	-	96,592
047 LESS: ADVANCE PROCUREMENT (PY)	-	-	-	-	-	-
048 OH-6 PROCUREMENT & MODIFICATIONS	-	7,997	-	-	-	7,997
049 AIRCRAFT SUPPORT	-	3,041	-	-	-	3,041
SHIPBUILDING						
050 PC-CYCLONE CLASS	-	-	-	-	-	-
051 ADVANCED SEAL DELIVERY SYSTEM (ASDS)	-	43,200	-	-	-	43,200
051 LESS: ADVANCE PROCUREMENT (PY)	-	(4,400)	-	-	-	(4,400)
052 ADVANCE PROCUREMENT (CY)	-	2,465	-	-	-	2,465
053 MK VIII MOD 1 - SEAL DELIVERY VEHICLE	3	2,229	-	-	3	2,229
054 SUBMARINE CONVERSION	-	20,043	-	-	-	20,043
054 LESS: ADVANCE PROCUREMENT (PY)	-	(2,886)	-	-	-	(2,886)
055 ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-
056 MK V SPECIAL OPERATIONS CRAFT (MK V SOC)	6	36,402	-	-	6	36,402
AMMUNITION PROGRAMS						
057 SOF ORDNANCE ACQUISITION	-	17,202	-	-	-	17,202
058 SOF ORDNANCE REPLENISHMENT	-	33,379	-	-	-	33,379
OTHER PROCUREMENT PROGRAMS						
059 LIGHT STRIKE VEHICLE	-	-	-	-	-	-
060 MARITIME EQUIPMENT MODIFICATIONS	-	9,807	-	-	-	9,807
061 NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT	-	18,121	-	-	-	18,121
062 SPARES AND REPAIR PARTS	-	42,538	-	-	-	42,538
063 COMM EQUIPMENT & ELECTRONICS	-	57,406	-	-	-	57,406
064 SOF INTELLIGENCE SYSTEMS	-	21,175	-	-	-	21,175
065 SOF SMALL ARMS & WEAPONS	-	10,269	-	-	-	10,269
066 SOF MARITIME EQUIPMENT	-	598	-	-	-	598
067 DRUG INTERDICTION	-	-	-	-	-	-
068 ANTI-TERRORISM/COUNTER-TERRORISM	-	-	-	-	-	-
069 MISCELLANEOUS EQUIPMENT	-	5,646	-	-	-	5,646
070 SOF PLANNING AND REHEARSAL SYSTEM (SOPPARS)	-	568	-	-	-	568
071 CLASSIFIED PROGRAMS	-	108,339	-	-	-	108,339
072 PSYOP EQUIPMENT	-	10,280	-	-	-	10,280

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
TOTAL SPECIAL OPERATIONS COMMAND		669,166				669,166
CHEMICAL/BIOLOGICAL DEFENSE						
073 CBDP						
074 PROTECTIVE MASK						
075 INDIVIDUAL PROTECTION		64,855				64,855
076 DECONTAMINATION		24				24
077 IMPROVED CHEM AGENT MONITOR (ICAM)						
078 NBC RECON SYS (NBCRS) MODS						
079 M17 DECON MODS						
080 POKET RADIAC AN/UDR - 13						
081 REMOTE CHEM AGT ALARM (RSCAAL)						
082 JOINT BIO DEFENSE PROGRAM		65,432				65,432
083 COLLECTIVE PROTECTION		17,316				17,316
084 CB PROTECTIVE SHELTER (CBPS)						
085 CONTAMINATION AVOIDANCE		62,383				62,383
086 JOINT BIO DEFENSE PRGM						
087 CHEM/BIO DEFENSE EQ (AF)						
087 CHEM WARFARE DETECTORS						
TOTAL CHEMICAL/BIOLOGICAL DEFENSE		210,010				210,010
DEFENSE-WIDE						
088 DEFENSE-WIDE PROGRAM						
TOTAL DEFENSE-WIDE					0	
089 ADVISORY AND ASSISTANCE SERVICES				(1,400)		(1,400)
TOTAL PROCUREMENT, DEFENSE-WIDE		1,695,085		141,904		1,836,989

Items of Special Interest

All-torso body armor

The committee notes that the extraordinary effectiveness of modern all-torso body armor was demonstrated during Operation Provide Hope in Somalia when a group of 98 all-torso body armor-equipped Army Rangers surrounded by a much larger number of Somali militiamen took extremely heavy fire for many hours, involving direct hits on 78 to 80 percent of its personnel, and yet withdrew as a thoroughly combat-capable unit. The committee understands that some Rangers took as many as three hits on their all-torso body armor yet remained combat-effective, although essentially all of these hits were subsequently judged to likely have been fatal or disabling had the armor not been worn. It is unlikely that few, if any, Rangers in this firefight would have survived, if a large fraction of them had not remained combat-capable due to the effectiveness of their body armor.

Subsequent Army studies and analyses indicate that more than 50 percent of all life-threatening wounds sustained in combat such as this firefight would be prevented by the use of such armor. Not unimportantly, these analyses indicate that the costs of procuring and employing such modern high-technology body armor are a small fraction of combat-related medical costs which would be avoided by use of this armor. Moreover, morale gains by infantrymen due to the combat effectiveness of body armor may also be expected to be a significant force-multiplier.

For the above reasons, the committee recommends an increase of \$30.0 million to procure state-of-the-art all-torso body armor of the quality to stop most shrapnel and small arms fire for Army, Marine Corps, and special forces infantrymen.

Automated document conversion system (ADCS)

The budget request did not contain funding for the ADCS.

The committee notes that for the past five years the Department has conducted extensive testing of an ADCS and concluded that significant cost savings can be achieved by, for example, converting hard copy complex engineering drawings to an electronic format. These tests have also proven the flexibility of this system for converting electrical system schematics and contour maps as well. The committee understands that the latest document conversion test disclosed that the average savings of ADCS compared to computer-aided redrawing is 50 percent and compared to hand-drawn work is 70 percent. Consequently, as it has for each of the past two fiscal years, the committee strongly supports the ADCS program and recommends \$30.0 million for continued purchase of ADCS software.

Information systems security

The budget request contained \$19.6 million for information systems security.

As a result of its hearing on information warfare, where for the first time all of the Department of Defense's corporate information officers were present in one forum, the committee was pleased to learn that the global threat of information warfare is an issue which the Department has taken extremely seriously. However, the

committee is concerned that the number of attempted intrusions into the Department's unclassified networks has been occurring with increasing frequency. While the Department is meeting the challenge with a well-organized system to protect against would-be intruders, detect those who attempt to intrude, and react to those that do intrude, the committee is convinced that much more needs to be done, especially at the worldwide locations of the theater Commanders-in-Chief (CINCs). Although the committee recognizes that there are plans to fully secure the CINCs' information links, it believes that these plans require expediting. Consequently, the committee recommends an increase of \$50.0 million to implement network intrusion devices, firewalls, multi-level security assurance guards and other equipment in order to ensure the secure operation of these links as soon as it is possible to do so.

NATIONAL GUARD AND RESERVE EQUIPMENT

Overview

The budget request did not contain funding for National Guard and Reserve Equipment for fiscal year 1998. The committee recommends authorization of \$700.4 million for fiscal year 1998.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
NATIONAL GUARD & RESERVE EQUIPMENT						
RESERVE EQUIPMENT						
001 ARMY RESERVE	-	-	-	-	-	-
CH-47D CARGO (CHINOOK)	-	-	-	38,600	-	38,600
HENMIT WRECKER M984A1	-	-	-	12,200	-	12,200
HENMIT FUEL TANKER CONVERSION KIT	-	-	-	1,600	-	1,600
ALL TERRAIN CRANE 20 TON	-	-	-	6,250	-	6,250
ATLAS 10K VARIABLE REACH FORKLIFT	-	-	-	6,000	-	6,000
BARGE DERRICK	-	-	-	15,700	-	15,700
ROWPU, 3K GPH	-	-	-	3,700	-	3,700
GENERATOR SET, 5KW TQG	-	-	-	3,150	-	3,150
MG, GRENADE, 40MM MK-19	-	-	-	3,200	-	3,200
002 NAVY RESERVE	-	-	-	-	-	-
F/A-18 MODS	-	-	-	25,000	-	25,000
C-9 REPLACEMENT	-	-	-	45,000	-	45,000
SH-60B	-	-	-	28,000	-	28,000
MIUW VAN SYSTEM UPGRADES	-	-	-	20,000	-	20,000
003 MARINE CORPS RESERVE	-	-	-	-	-	-
LVS MK 48 FRONT POWER UNIT	-	-	-	1,600	-	1,600
LVS REAR BODY UNITS	-	-	-	1,000	-	1,000
F/A-18+ MODS	-	-	-	32,000	-	32,000
CH-53E	-	-	-	64,000	-	64,000
004 AIR FORCE RESERVE	-	-	-	-	-	-
F-16 SITUATIONAL AWARENESS DATA LINK (SADL)	-	-	-	3,450	-	3,450
F-16 LASER DESIGNATOR/TARGETING PODS	-	-	-	12,000	-	12,000
A-10 SITUATIONAL AWARENESS DATA LINK (SADL)	-	-	-	4,800	-	4,800
A-10 ELECTRONIC WARFARE MANAGEMENT SYSTEM	-	-	-	3,000	-	3,000
F-16 UPGRADED DATA TRANSFER UNIT (UDTU)	-	-	-	1,650	-	1,650
HH-60 SELF PROTECTION SYSTEM	-	-	-	3,190	-	3,190
F-16 ELECTRONIC WARFARE MANAGEMENT SYSTEM	-	-	-	3,630	-	3,630

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	RECOMMENDATION	COST
NIGHT VISION DEVICES	-	-	-	1,930	-	1,930
ALO-131MUX BUS INTERFACE	-	-	-	630	-	630
C-130 INTEGRATED ELECTRONIC WARFARE (IEW)	-	-	-	1,500	-	1,500
ENHANCED FLIGHTLINE SECURITY SYSTEMS	-	-	-	3,710	-	3,710
COMBAT ARMS TRAINING EQUIPMENT	-	-	-	240	-	240
MOTOR VEHICLES FOR MEDICAL UTCs	-	-	-	850	-	850
C-5 SIMULATOR	-	-	-	27,000	-	27,000
KC-135R ENGINE KITS	-	-	-	100,000	-	100,000
005 COAST GUARD RESERVE	-	-	-	5,250	-	5,250
MISCELLANEOUS EQUIPMENT	-	-	-	-	-	-
TOTAL RESERVE EQUIPMENT				479,880		479,880
006 NATIONAL GUARD EQUIPMENT						
ARMY NATIONAL GUARD						
VIBRATION MANAGEMENT ENHANCEMENT PROGRAM	-	-	-	3,000	-	3,000
TRUCK 5 TON TRACTOR FMTV 1088	-	-	-	16,800	-	16,800
5 TON ESP	-	-	-	12,000	-	12,000
MANEUVER CONTROL SYSTEM	-	-	-	1,900	-	1,900
WATER PURIFICATION 3000GPH TM	-	-	-	6,000	-	6,000
NVGs AN/PVS-7B	-	-	-	18,400	-	18,400
FADEC CH-47D	-	-	-	7,200	-	7,200
FUEL CELLS CH-47D	-	-	-	4,900	-	4,900
TRUCK DUMP 20 TON M917	-	-	-	17,500	-	17,500
MOBILE BACKSCATTER TRUCK INSPECTION SYSTEM	-	-	-	15,000	-	15,000
007 AIR NATIONAL GUARD						
NVIS FOR F-16s	-	-	-	13,200	-	13,200
SADL FOR F-16s	-	-	-	6,900	-	6,900
SADL FOR A-10s	-	-	-	8,550	-	8,550
F-16 PRECISION WEAPONS CAPABILITY	-	-	-	10,125	-	10,125
NIGHT VISION GOGGLES	-	-	-	4,000	-	4,000

TITLE I - PROCUREMENT
(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1998 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
B-1 ENHANCEMENTS	-	-	-	12,000	-	12,000
F-16A-10 MEGA DTC	-	-	-	6,000	-	6,000
THEATER DEPLOYABLE COMMUNICATIONS	-	-	-	25,000	-	25,000
F-16 IMPROVED AVIONICS INTERMEDIATE SHOP	-	-	-	32,000	-	32,000
TOTAL NATIONAL GUARD EQUIPMENT				220,475		220,475
TOTAL NATIONAL GUARD & RESERVE EQUIPMENT				700,355		700,355

Items of Special Interest

AC-130 gunship

The committee has reviewed the Department of Defense's AC-130 gunship requirements study and believes the operational shortfalls identified are valid. The committee requests the Department provide a report to the congressional defense committees by March 31, 1998 on the potential cost effectiveness of using the Air National Guard to meet this shortfall.

Army force wide digitization

The committee notes that the recently-concluded Quadrennial Defense Review (QDR) findings included unqualified support for the Army's Force XXI digitization efforts and that the digital attack or armed scout helicopters will perform an important "quarterback" function in that battlefield scenario. The committee concurs with this analysis. Indeed, the committee recommends a total of \$715.3 million for both AH-64 Longbow Apache digital attack and OH-58D Kiowa Warrior armed scout helicopters elsewhere in this report.

Nevertheless, the committee is concerned that plans to replace AH-1 Cobras in the Army National Guard (ARNG) may not be adequately synchronized with Army-wide digitization plans. This may be due to the fact that the Army Aviation Plan has not been updated since the completion of the QDR.

Accordingly, the committee expects the Secretary of the Army and the Director of ARNG Bureau to review and align AH-1 Cobra replacement plans for the ARNG consistent with the QDR findings as they apply to the Army's digitized battlefield. The committee also expects the fiscal year 1999 budget request to reflect the results of this review as appropriate.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

Overview

The budget request contained \$620.7 million for Chemical Agents and Munitions Destruction, Defense for fiscal year 1998. The committee recommends authorization of \$610.7 million for fiscal year 1998.

The committee recommends approval of the request except for those programs adjusted in the following table. Unless otherwise specified, adjustments are without prejudice and based on affordability considerations.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1988 AUTHORIZATION		COMMITTEE CHANGE FROM		FY 1988 COMMITTEE	
	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
CHEM AGENTS & MUNITIONS DESTRUCTION, DEF						
CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E						
RESEARCH AND DEVELOPMENT						
001 CHEM DEMILITARIZATION - RDTE	-	66,300	-	(10,000)	-	56,300
CHEM AGENTS & MUNITIONS DESTRUCT-PROC						
PROCUREMENT						
002 CHEM DEMILITARIZATION - PROC	-	82,200	-	-	-	82,200
CHEM AGENTS & MUNITIONS DESTRUCT-O&M						
OPERATION AND MAINTENANCE						
003 CHEM DEMILITARIZATION - O&M	-	472,200	-	-	-	472,200
TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		620,700		(10,000)		610,700

Items of Special Interest

Chemical agents and munitions destruction

The budget request contained \$620.7 million for the defense chemical agents and munitions destruction program, including \$472.2 million for operations and maintenance, \$66.3 million for research and development, and \$82.2 million for procurement.

Section 152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), directed the Secretary of Defense to conduct an assessment of the chemical stockpile disposal program and to consider measures that could be taken to reduce program costs, while continuing to ensure maximum protection of the public and the environment. The results of the assessment were to be reported to the Congress with the submission of the fiscal year 1998 budget request. Section 142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) further required that the Secretary of Defense conduct an assessment of alternative demilitarization technologies (other than incineration) that could be used for destruction of the chemical stockpile and report the results of this assessment to the Congress by December 31, 1997. Section 8065 of the Omnibus Consolidated Appropriations Act for Fiscal Year 1997 (Public Law 104-208) directed that the Under Secretary of Defense (Acquisition and Technology) conduct a pilot program to identify and demonstrate not less than two alternatives to the baseline incineration process and appoint a program manager for these activities who would report directly to him.

Based upon the results of a hearing which addressed all of the aforementioned concerns, the committee affirms its previously-held views that the risks of continued storage of the chemical weapons stockpile exceed those associated with demilitarization operations. Therefore, the committee believes that the demilitarization program should proceed expeditiously with the current baseline incineration program until such time as the evaluation of alternative technologies for destruction of the stockpile is concluded. The committee also notes that continued delays in the program will lead to further cost increases.

However, the committee also agrees with the Department's decision to further develop chemical neutralization technologies for destruction of agents at the bulk-only chemical storage sites and with its plan for assessing the feasibility of alternative technologies for potential use at other chemical stockpile storage sites. The committee directs the Secretary of Defense to report to the Congress by December 31, 1997, the status of that assessment and its potential impact on the costs and schedule for completion of destruction operations at the Pueblo and Lexington-Blue Grass storage sites.

Of the \$63.3 million requested for research and development activities, \$40.8 million is for the non-stockpile chemical materiel project. The committee notes that the project is to be completed in the third quarter of fiscal year 2002, and believes that this represents too aggressive a schedule in view of the overall uncertainties surrounding the project. The committee expects that more time will be needed for the Army to prove that the proposed disposal systems will safely and effectively destroy all non-stockpile materiel and will be accepted by the affected states and communities.

Accordingly, the committee recommends a reduction of \$10.0 million for non-stockpile chemical materiel research and development.

DEFENSE EXPORT LOAN GUARANTEES

Overview

The budget request contained \$1.2 million for Defense Export Loan Guarantees, Defense for fiscal year 1998. The committee recommends authorization of \$1.2 million for fiscal year 1998.

TITLE I - PROCUREMENT

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		COMMITTEE		FY 1998	
	AUTHORIZATION	REQUEST	CHANGE FROM	COMMITTEE	RECOMMENDATION	COST
	QUANTITY	COST	QUANTITY	REQUEST	QUANTITY	COST
DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOUNT						
ADMINISTRATIVE EXPENSES						
DEF LOAN GUARANTEES, PROGRAM ACCOUNT						
001 MISC PROJECTS	-	1,231	-	-	-	1,231
TOTAL DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOUNT		1,231				1,231

LEGISLATIVE PROVISIONS

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Sections 101–108—Authorization of Appropriations

These sections would authorize the recommended fiscal year 1998 funding levels for all procurement accounts.

Section 121—Limitation on Obligation of Funds for the Seawolf Submarine Program

This section would prohibit the obligation of more than 50 percent of the funds authorized and appropriated for the Seawolf Submarine until the Secretary of the Navy certifies that he would fully fund in the future years defense program accompanying the fiscal year 1999 budget request 50 percent of the resources estimated to be required for incorporation into each of the first four New Attack Submarines of the technology “opportunities” available for those vessels, such “opportunities” being those presented to the committee in testimony by the Assistant Secretary of the Navy (Research, Development, and Acquisition).

Section 122—Report on Annual Budget Submission Regarding the Reserve Components

This section would require the Secretary of Defense to submit an annual report to Congress that describes the measures taken within the Department to ensure that the reserve components are appropriately funded and lists the major weapons and items of equipment provided for these components. The section would also require the Secretary of Defense to display in all future years defense program updates the amounts programmed for the procurement of equipment for the reserve components.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

OVERVIEW

The budget request contained \$35,934.5 million for research, development, test, and evaluation (RDT&E), representing a \$658.9 million decrease from the amount authorized for fiscal year 1997.

The committee recommends authorization of \$37,273.7 million, an increase of \$1,339.2 million from the fiscal year 1998 request.

The committee recommendations for the fiscal year 1998 RDT&E program are identified in the table below. Major issues are discussed following the table.

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

ACCOUNT TITLE	FY 1998	HNSC	FY 1998
	AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,510,843	242,070	4,752,913
RESEARCH AND DEVELOPMENT	3,403,450	191,170	3,594,620
ENGINEERING AND MANUFACTURING DEVELOPMENT	1,107,393	50,900	1,158,293
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL NAVY	7,611,022	335,974	7,946,996
RESEARCH AND DEVELOPMENT	5,525,254	304,969	5,830,223
ENGINEERING AND MANUFACTURING DEVELOPMENT	2,085,768	31,005	2,116,773
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF	14,451,379	208,357	14,659,736
RESEARCH AND DEVELOPMENT	10,002,122	193,357	10,195,479
ENGINEERING AND MANUFACTURING DEVELOPMENT	4,449,257	15,000	4,464,257
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL DEFENSE	9,069,680	541,333	9,611,013
RESEARCH AND DEVELOPMENT	8,158,357	473,475	8,631,832
ENGINEERING AND MANUFACTURING DEVELOPMENT	911,323	67,858	979,181
TOTAL, DIRECTOR OF TEST & EVAL DEFENSE	268,183	11,500	279,683
RESEARCH AND DEVELOPMENT	268,183	11,500	279,683
ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
TOTAL, DIRECTOR OF OPERATIONAL TEST & EVALUATION	23,384	0	23,384
RESEARCH AND DEVELOPMENT	23,384	0	23,384
ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL	35,934,491	1,339,234	37,273,725
RESEARCH AND DEVELOPMENT	27,380,750	1,174,471	28,555,221
ENGINEERING AND MANUFACTURING DEVELOPMENT	8,553,741	164,763	8,718,504

ARMY RDT&E

Overview

The budget request for fiscal year 1998 contained \$4,510.8 million for Army RDT&E. The committee recommends authorization of \$4,752.9 million, a increase of \$242.1 million.

The committee recommendations for the fiscal year 1998 Army RDT&E program are identified in the table below. Major changes to the Army request are discussed following the table.

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ACCOUNT					
0601101A	0	RESEARCH DEVELOPMENT TEST & EVAL ARMY	15,113	0	15,113
0601102A	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	138,165	0	138,165
0601104A	2	DEFENSE RESEARCH SCIENCES	46,576	1,900	47,476
	3	UNIVERSITY AND INDUSTRY RESEARCH CENTERS			[+1,900]
		ELECTROMECHANIC & HYPERVELOCITY RESEARCH			200,754
		TOTAL BASIC RESEARCH	198,854	1,900	200,754
		RESEARCH AND DEVELOPMENT	198,854	1,900	200,754
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0602104A	4	TRACTOR ROSE	0	0	0
0602105A	5	MATERIALS TECHNOLOGY	9,811	0	9,811
0602120A	6	SENSORS AND ELECTRONIC SURVIVABILITY	19,294	7,500	26,794
		PROJECTILE DETECTION AND CUEING			[+2,500]
		PASSIVE MMW CAMERA			[+5,000]
0602122A	7	TRACTOR HIP	7,242	0	7,242
0602211A	8	AVIATION TECHNOLOGY	27,282	0	27,282
0602270A	9	EW TECHNOLOGY	16,528	0	16,528
0602303A	10	MISSILE TECHNOLOGY	22,335	0	22,335
0602308A	11	MODELING AND SIMULATION TECHNOLOGY	21,059	0	21,059
0602601A	12	COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	33,112	11,000	44,112
		* TECHNOLOGY DEMO III			[+3,000]
		HOPE			[+1,000]
		ALTERNATIVE VEHICLE PROPULSION			[+7,000]
0602618A	13	BALLISTICS TECHNOLOGY	33,317	5,000	38,317
		LIQUID PROPELLANT TECHNOLOGY			[+5,000]
0602622A	14	CHEMICAL SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	4,739	0	4,739
0602623A	15	JOINT SERVICE SMALL ARMS PROGRAM	4,796	0	4,796
0602624A	16	WEAPONS AND MUNITIONS TECHNOLOGY	26,980	0	26,980
0602705A	17	ELECTRONICS AND ELECTRONIC DEVICES	20,192	8,000	28,192
		FIELD BATTERY RECHARGING CAPABILITY (TPV)			[+5,000]
		BATTERY MANUFACTURING TECHNOLOGY			[+3,000]
0602709A	18	NIGHT VISION TECHNOLOGY	17,304	0	17,304
0602712A	19	COUNTERMINE SYSTEMS	10,598	3,000	13,598
		COUNTERMINE TECHNOLOGY			[+3,000]
0602716A	20	HUMAN FACTORS ENGINEERING TECHNOLOGY	14,256	5,100	19,356

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998		FY 1998	
			AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
0602720A	21	MEDTEAMS ENVIRONMENTAL QUALITY TECHNOLOGY COMPUTER-BASED LAND MANAGEMENT MODEL BEST	17,519	17,600		[+5,100] 35,119
0602782A	22	PLASMA ENERGY PYROLYSIS SYSTEM (PEPS)	16,838	0		[+4,900] 16,838
0602783A	23	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	679	0		[+8,700] 679
0602784A	24	COMPUTER AND SOFTWARE TECHNOLOGY	36,422	0		36,422
0602785A	25	MILITARY ENGINEERING TECHNOLOGY	9,014	0		9,014
0602786A	26	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	17,689	0		17,689
0602787A	27	LOGISTICS TECHNOLOGY	74,684	5,500		80,184
0602789A	28	MEDICAL TECHNOLOGY LIFE SUPPORT FOR TRAUMA & TRANSPORT PERSIAN GULF ILLNESS CLINICAL TRIAL PROGRAM ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,255	0		[+1,000] [+4,500] 1,255
		TOTAL APPLIED RESEARCH	462,935	62,700		525,635
		RESEARCH AND DEVELOPMENT	462,935	62,700		525,635
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0		0
0603001A	29	LOGISTICS ADVANCED TECHNOLOGY	35,469	2,000		37,469
0603002A	30	INFRARED SUPPRESSION FABRICS	10,677	5,800		[+2,000] 16,477
		MEDICAL ADVANCED TECHNOLOGY TELEMEDICINE				[+2,300] [+3,500] 44,330
0603003A	31	AVIATION ADVANCED TECHNOLOGY SHORT RANGE UAV SCRAM JET DEV	31,330	13,000		[+5,000] [+8,000] 44,330
0603004A	32	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY ELECTROTHEOLOGICAL FLUIDS RECOIL FOR FUTURE ARTILLERY SYSTEMS	18,255	8,000		[+5,000] 26,255
0603005A	33	PLASTIC CASED AMMUNITION COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY CAV ATD COMPOSITES	32,685	3,000		[+3,000] 35,685
0603006A	34	CAV ATD ELECTRIC DRIVE COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	19,688	2,000		[+1,000] 21,688
0603007A	35	TACTICAL INTERNET COMMAND AND CONTROL PROTECTION MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,003	0		[+2,000] 3,003

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603009A	36	TRACTOR HIKE	14,350	0	14,350
0603013A	37	TRACTOR DIRT	3,393	0	3,393
0603017A	38	TRACTOR RED	5,572	0	5,572
0603020A	39	TRACTOR ROSE	9,204	0	9,204
0603105A	40	MILITARY HIV RESEARCH	2,713	0	2,713
0603238A	41	GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECHNOLOGY DEMO	11,664	0	11,664
0603270A	42	EW TECHNOLOGY	8,182	0	8,182
0603313A	43	MISSILE AND ROCKET ADVANCED TECHNOLOGY E FOG-M	117,139	(51,700)	65,439
		COMPOSITE MATERIALS AND STRUCTURES FOR MISSILES			(-57,700)
0603322A	44	TRACTOR CAGE	6,412	0	6,412
0603606A	45	LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY COUNTERMINE TECHNOLOGY DEVELOPMENT	19,332	5,000	24,332
0603607A	46	JOINT SERVICE SMALL ARMS PROGRAM OBJECTIVE INDIVIDUAL COMBAT WEAPON	4,754	7,000	11,754
		WARHEAD DEVELOPMENT (ALAWS TECHNOLOGY)			(-5,000)
0603654A	47	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	13,000	0	13,000
0603710A	48	NIGHT VISION ADVANCED TECHNOLOGY	19,299	0	19,299
0603734A	49	MILITARY ENGINEERING ADVANCED TECHNOLOGY	12,231	0	12,231
0603772A	50	ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY TOTAL ADVANCED TECHNOLOGY DEVELOPMENT	19,970	0	19,970
		RESEARCH AND DEVELOPMENT	418,322	(5,900)	412,422
		ENGINEERING AND MANUFACTURING DEVELOPMENT	418,322	(5,900)	412,422
0603018A	51	TRACTOR TREAD	0	0	0
0603308A	52	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEMVAL) MISSILE DEFENSE BATTLE INTEGRATION CTR	24,138	(2,500)	21,638
		TRANSFER THEL			(+14,000)
0603619A	53	LANDMINE WARFARE AND BARRIER - ADV DEV	18,882	3,000	21,882
0603627A	54	COUNTERMINE SYSTEM ADVANCED DEVELOPMENT			(-16,500)
0603639A	55	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV ARMAMENT ENHANCEMENT INITIATIVE	40,313	20,000	60,313
		TERM-KE			(+3,000)
0603640A	56	ARTILLERY PROPELLANT DEVELOPMENT	8,521	0	8,521
0603645A	57	ARMORED SYSTEM MODERNIZATION - ADV DEV	2,007	0	2,007

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1988 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1988 COMMITTEE RECOMMENDATION
0603849A	58	ENGINEER MOBILITY EQUIPMENT - ADVANCED DEVELOPMENT		0	
0603853A	59	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	8,982	0	8,982
0603713A	60	ARMY DATA DISTRIBUTION SYSTEM	21,214	0	21,214
0603745A	61	TACTICAL ELECTRONIC SUPPORT SYSTEMS - ADV DEV		0	
0603747A	62	SOLDIER SUPPORT AND SURVIVABILITY	7,557	0	7,557
0603766A	63	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV	20,920	0	20,920
0603774A	64	NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	2,939	0	2,939
0603790A	65	NATO RESEARCH AND DEVELOPMENT	13,168	0	13,168
0603801A	66	AVIATION - ADV DEV	7,132	5,000	12,132
0603802A	67	RETINAL DISPLAY TECHNOLOGY FOR AICH		0	[+5,000]
0603804A	68	WEAPONS AND MUNITIONS - ADV DEV		0	
0603805A	69	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	6,783	0	6,783
0603807A	70	COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION AND ANALYSIS	7,673	0	7,673
0603851A	71	MEDICAL SYSTEMS - ADV DEV	6,765	5,000	11,765
0603854A	72	LIFE SUPPORT FOR TRAUMA & TRANSPORT	1,948	0	1,948
0603856A	73	TRACTOR CAGE (DEMVAL)	324,380	0	324,380
0603889A	74	ARTILLERY SYSTEMS - DEMVAL	73	0	73
		SCAMP BLOCK II DEMVAL			
		COUNTERDRUG RDT&E PROJECTS			
		TOTAL DEMONSTRATION AND VALIDATION	523,395	30,500	553,895
		RESEARCH AND DEVELOPMENT	523,395	30,500	553,895
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0604201A	75	AIRCRAFT AVIONICS	21,669	0	21,669
0604220A	76	ARMED DEPLOYABLE OH-58D		0	
0604223A	77	COMANCHE	282,009	40,000	322,009
		COMANCHE			[+40,000]
0604270A	78	EW DEVELOPMENT	66,212	0	66,212
0604321A	79	ALL SOURCE ANALYSIS SYSTEM	24,045	3,500	27,545
		ASAS SOFTWARE UPGRADE PROGRAM			[+3,500]
0604325A	80	FOLLOW-ON TO TOW	13,949	0	13,949
0604328A	81	TRACTOR CAGE	11	0	11
0604604A	82	MEDIUM TACTICAL VEHICLES	3,729	0	3,729
0604609A	83	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	8,018	0	8,018
0604611A	84	JAVELIN		0	

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0604619A	85	LANDMINE WARFARE	19,800	0	19,800
0604622A	86	FAMILY OF HEAVY TACTICAL VEHICLES ENHANCED SAFETY PRODUCTS	1,300	1,300	1,300
0604633A	87	AIR TRAFFIC CONTROL	1,705	0	1,705
0604640A	88	ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)	8,867	0	8,867
0604641A	89	TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,687	0	2,687
0604642A	90	LIGHT TACTICAL WHEELED VEHICLES	9,909	0	9,909
0604645A	91	ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.	56,196	0	56,196
0604649A	92	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	33,456	0	33,456
0604710A	93	NIGHT VISION SYSTEMS - ENG DEV	55,964	0	55,964
0604713A	94	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	76,749	0	76,749
0604715A	95	NON-SYSTEM TRAINING DEVICES - ENG DEV	2,942	0	2,942
0604716A	96	TERRAIN INFORMATION - ENG DEV	1,946	0	1,946
0604726A	97	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	4,499	0	4,499
0604739A	98	INTEGRATED BROADCAST SERVICE	18,350	0	18,350
0604740A	99	TACTICAL SURVEILLANCE SYSTEM - ENG DEV	2,582	0	2,582
0604741A	100	AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	20,895	2,300	23,195
0604746A	101	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	19,113	(1,200)	17,913
0604760A	102	INTEGRATED FAMILY OF TEST EQUIPMENT	202,302	0	202,302
0604766A	103	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERING DEVELOPMENT	6,940	0	6,940
0604768A	104	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA) TENCAP	419	0	419
0604770A	105	BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	2,823	0	2,823
0604778A	106	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	5,109	0	5,109
0604780A	107	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	3,577	0	3,577
0604801A	108	COMBINED ARMS TACTICAL TRAINER (CATT)	28,039	0	28,039
0604802A	109	AVIATION - ENG DEV	11,052	0	11,052
0604804A	110	WEAPONS AND MUNITIONS - ENG DEV	4,483	0	4,483
0604805A	111	LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	22,605	0	22,605
0604807A	112	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	22,372	0	22,372
0604808A	113	FORCE XXI ARCHITECTURE	0	5,000	5,000
0604814A	114	MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT - ENG DEV	0	0	0
0604816A	115	LANDMINE WARFARE/BARRIER - ENG DEV	0	0	0
		SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	0	0	0
		LONGBOW - ENG DEV	0	0	0

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998		COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
			AUTHORIZATION REQUEST	COMMITTEE RECOMMENDATION		
0604817A	116	COMBAT IDENTIFICATION	19,784	0	0	19,784
0604818A	117	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	20,022	0	0	20,022
0604820A	118	RADAR DEVELOPMENT		0	0	
0604823A	119	FIREFINDER	2,564	0	0	2,564
0604854A	120	ARTILLERY SYSTEMS - EMD		0	0	
		TOTAL ENGINEERING AND MANUFACTURING DEVELOPMENT	1,107,393	50,900	50,900	1,158,293
		RESEARCH AND DEVELOPMENT	0	0	0	0
		ENGINEERING AND MANUFACTURING DEVELOPMENT	1,107,393	50,900	50,900	1,158,293
0604258A	121	THREAT SIMULATOR DEVELOPMENT	14,004	0	0	14,004
0604258A	122	TARGET SYSTEMS DEVELOPMENT	11,688	0	0	11,688
0604759A	123	MAJOR T&E INVESTMENT	40,449	0	0	40,449
0605103A	124	RAND ARROYO CENTER	17,376	0	0	17,376
0605301A	125	ARMY KWAJALEIN ATOLL	138,769	0	0	138,769
0605502A	126	SMALL BUSINESS INNOVATIVE RESEARCH		0	0	
0605801A	127	ARMY TEST RANGES AND FACILITIES	122,117	0	0	122,117
0605802A	128	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,184	0	0	33,184
0605604A	129	SURVIVABILITY/LETHALITY ANALYSIS	32,330	6,700	6,700	39,030
		INFORMATION OPERATIONS/AWARFARE SURVIVABILITY ANALYSIS		0	0	
0605605A	130	DOD HIGH ENERGY LASER TEST FACILITY	14,952	0	0	14,952
0605606A	131	AIRCRAFT CERTIFICATION	2,919	0	0	2,919
0605702A	132	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,434	0	0	6,434
0605706A	133	MATERIEL SYSTEMS ANALYSIS	29,707	0	0	29,707
0605709A	134	EXPLOITATION OF FOREIGN ITEMS	7,762	0	0	7,762
0605712A	135	SUPPORT OF OPERATIONAL TESTING	81,672	0	0	81,672
0605801A	136	PROGRAMMIDE ACTIVITIES	86,208	0	0	86,208
0605802A	137	INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT	1,581	0	0	1,581
0605803A	138	TECHNICAL INFORMATION ACTIVITIES	15,451	0	0	15,451
0605805A	139	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	6,317	0	0	6,317
0605853A	140	ENVIRONMENTAL CONSERVATION	1,778	0	0	1,778
0605854A	141	POLLUTION PREVENTION	5,353	0	0	5,353
0605856A	142	ENVIRONMENTAL COMPLIANCE	51,378	0	0	51,378
0605876A	143	MINOR CONSTRUCTION (RPM) - RDT&E	4,393	0	0	4,393
0605878A	144	MAINTENANCE AND REPAIR (RPM) - RDT&E	85,119	0	0	85,119
0605879A	145	REAL PROPERTY SERVICES (RPS) - RDT&E	88,945	0	0	88,945

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1988 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1988 COMMITTEE RECOMMENDATION
0605996A	146	BASE OPERATIONS - RDT&E	231,653	0	231,653
0605998A	147	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,837	0	4,837
0909999A	148	FINANCING FOR CANCELED ACCOUNT ADJUSTMENTS		0	
		TOTAL RDT&E MANAGEMENT SUPPORT	1,136,576	6,700	1,143,276
		RESEARCH AND DEVELOPMENT	1,136,576	0	1,143,276
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0603778A	149	MLRS PRODUCT IMPROVEMENT PROGRAM	26,678	0	26,678
0102419A	150	AEROSTAT JOINT PROJECT OFFICE	86,193	0	86,193
0203726A	151	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	39,039	12,000	51,039
		ADV FIELD ARTILLERY TACTICAL DATA SYSTEM			[+12,000]
0203735A	152	COMBAT VEHICLE IMPROVEMENT PROGRAMS	136,520	20,100	156,620
		AN/VVR-1 LASER DETECTOR			[+8,000]
		HTI FIELD EMISSION FLAT PANEL DISPLAY FOR ABRAMS			[+2,000]
		SLEW-TO-CUE			[+10,100]
0203740A	153	MANEUVER CONTROL SYSTEM	25,641	0	25,641
0203744A	154	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	2,609	20,000	22,609
		CH-47 IMPROVED CARGO HELICOPTER			[+20,000]
0203752A	155	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,940	0	2,940
0203758A	156	DIGITIZATION	196,960	0	196,960
0203801A	157	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	17,412	16,700	34,112
		STINGER BLOCK II			[+6,700]
		PATRIOT			[+10,000]
0203802A	158	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,255	3,200	4,455
		ATACMS			[+3,200]
0203806A	159	TRACTOR RIUT	2,111	0	2,111
0203808A	160	TRACTOR CARD	6,690	0	6,690
0208010A	161	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	8,983	0	8,983
0208053A	162	JOINT TACTICAL GROUND SYSTEM	3,195	0	3,195
0301359A	163	SPECIAL ARMY PROGRAM	5,547	4,170	9,717
0303140A	164	INFORMATION SYSTEMS SECURITY PROGRAM	9,647	2,500	12,147
		HEALTHCARE INFO PROTECTION DEMO			[+2,500]
0303142A	165	SATCOM GROUND ENVIRONMENT (SPACE)	57,827	0	57,827
0303150A	166	VMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	15,045	1,600	16,645
		EUROPEAN COMMAND GLOBAL COMMAND AND CONTROL SYSTEM			[+1,600]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0305114A	167	TRAFFIC CONTROL APPROACH AND LANDING SYSTEM-FY 1987 AND PRIOR (H)	750	0	750
0305128A	168	SECURITY AND INVESTIGATIVE ACTIVITIES	500	0	500
0708045A	169	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	44,326	15,000	59,326
		MUNITIONS MANUFACTURING TECHNOLOGY			[-15,000]
1001018A	170	NATO JOINT STARS	13,500	0	13,500
		TOTAL OPERATIONAL SYSTEMS DEVELOPMENT	663,368	95,270	758,638
		RESEARCH AND DEVELOPMENT	663,368	95,270	758,638
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,510,843	242,070	4,752,913
		RESEARCH AND DEVELOPMENT	3,403,450	191,170	3,594,620
		ENGINEERING AND MANUFACTURING DEVELOPMENT	1,107,393	50,900	1,158,293

Items of Special Interest

Advanced field artillery tactical data system

The budget request contained \$39.0 million for the advanced field artillery tactical data system (AFATDS). The committee supports this vital fire control automation to digitally integrate command and control of artillery fire support and understands that additional funding is needed to complete software development and prevent delay in fielding this system. The committee recommends an increase of \$12.0 million in PE 23726A.

All source analysis system

The budget request contained \$24.0 million for engineering development of the all source analysis system (ASAS). The committee notes that the ASAS is a critical Army tactical intelligence fusion effort essential to the success of the Army's Force XXI digitization initiative, and recommends an additional \$3.5 million in PE 64321A to support the software upgrade program for ASAS.

Armament enhancement initiative

The budget request contained \$40.3 million in PE 63639A for the armament enhancement initiative (AEI). The committee understands that the tank extended range munition-kinetic energy (TERM-KE) offers the potential of significantly improved offensive capability for the M-1 tank main armament system. The committee recommends \$60.3 million for AEI, an increase of \$20.0 million, to accelerate development of the TERM-KE.

Army tactical missile system

The budget request contained \$1.3 million in PE 23802A for other missile product improvement programs. While the Army tactical missile system (ATACMS) is identified as a high priority modernization program for precision strike capability, no funds were included in the request for missile improvements. However, due to recent program restructuring, additional funding is required to complete the ATACMS block upgrade program. The committee supports the ATACMS program and recommends \$3.2 million for ATACMS product improvement.

Aviation advanced technology

The budget request contained \$7.1 million in PE 63801A for aviation advanced technology. The committee understands that the Army is exploring retinal display technology, a new development which revolutionizes the manner in which aircraft cockpit displays can be presented to military aircraft crews. Specifically, retinal display technology uses the human retina as the focal plane for images beamed into the eye, creating a high fidelity, full color image directly on the human visual system. Utilization of this technology would enable major improvements in aircraft cockpit design. The committee recommends \$12.1 million, an increase of \$5.0 million for further development and integration of retinal display technology into the Army's aircrew integrated common helmet.

Aviation advanced technology development

The budget request contained \$6.6 million for aircraft demonstration engines in PE 63003A. The committee is informed of the potential benefits of scramjet technology for future advanced missiles and recommends an increase of \$8.0 million to develop this capability.

Ballistics technology

The budget request contained \$33.3 million for ballistics technology in PE 62618A. The committee understands that liquid propellant technology offers a significant increase in capability for future artillery systems, and that additional funding is needed to support completion of the liquid propellant armament technology maturation program. The committee is also aware that the Army has placed a high priority on development of electric armament technology for the future tank and supports efforts to resolve fundamental issues including power generation and switching.

The committee recommends \$38.3 million for PE 62618A, an increase of \$5.0 million for liquid propellant armament technology.

Battlefield Combat Identification System (BCIS)

The budget request contained \$14.8 million for combat identification development. The committee continues to support the development of a battlefield combat identification system as a means of preventing friendly fire casualties. Recent advanced warfighting experiments have demonstrated the benefits of and requirement for better battlefield situation awareness.

The committee supports the budget request of \$14.8 million and urges the Secretary of the Army to maintain the high priority placed on development and procurement of a battlefield combat identification system and to ensure requested BCIS funding is used only to support that initiative.

CH-47 improved cargo helicopter

The budget request contained \$2.6 million for aircraft modifications/product improvement programs in PE 23744A. The Chinook CH-47 helicopter is the Army's only heavy lift cargo helicopter. The committee notes that there is no program in the Army modernization plan for a new replacement helicopter and, therefore, strongly recommends that the Army continue the improved cargo helicopter (ICH) program which will provide essential upgrades and extend the Chinook service life by twenty years. The proposed modifications are projected to reduce Chinook operating and sustainment costs by more than 22 percent. The committee recommends an increase of \$20.0 million for the CH-47 ICH program.

Comanche

The budget request contained \$282.0 million in PE 64223A for continued development of the Comanche helicopter.

The committee notes that Comanche development began in 1982 with the first planned initial operational capability (IOC) scheduled for 1994. The Department's most recent selected acquisition report (SAR) indicates that the planned date to begin engineering manufacturing development has been delayed to the end of fiscal year

2001, with the soonest possible IOC being December, 2007. While Comanche is reported to be one of the Army's highest priority programs, it is currently identified by the Army Chief of Staff as under-funded, calling into question the actual importance of Comanche to Army modernization.

Results of recent warfighting experiments at the national training center strongly support the requirement for a modern armed reconnaissance helicopter in the digital battlefield. The committee supports the planned testing and engine development including production of a second Comanche prototype which will allow a robust demonstration and validation program and therefore recommends \$322.0 million, an increase of \$40.0 million to accelerate the second prototype Comanche.

Combat vehicle and automotive advanced technology

The budget request contained \$32.7 million for combat vehicle and automotive advanced technology. The committee is impressed by the advances reflected in the composite armored vehicle advanced technology demonstration and recommends an increase of \$3.0 million in PE 63005A, including \$2.0 million for the composite experience base program to strengthen materials initiatives, and \$1.0 million to support the electric drive for survivability initiative.

Combat vehicle and automotive technology

The budget request contained \$33.1 million in PE 62601A for combat vehicle and automotive technology. The committee understands that a number of combat vehicles are now carrying additional equipment weight which requires engines of greater horsepower density to maintain or improve combat performance. The high output diesel engine (HODE) would offer the potential of significant increases in horsepower for combat vehicles. The committee recommends an additional \$1.0 million to support HODE testing by the Army's National Automotive Center (NAC).

The budget request also contained \$12.4 million for advanced automotive technology within PE 62601A. The committee notes that the program funding for fiscal year 1998 was projected last year to be \$8.4 million, but was increased by \$4.0 million to fund the advanced automotive technology necessary to support the National Automotive Center's Technology Demonstration III. The committee also recommends an additional \$3.0 million to continue testing of commercial technologies critical to new vehicle development and vehicle upgrades, in the NAC's Technology Demonstration III program.

The committee understands that new alternatives to common vehicle propulsion technology are being developed by the public and private sector that offer significant benefits to the military, such as reduced pollution, lower operating cost, and noise reduction. The committee supports a unified effort to be administered by the NAC to assess and develop promising alternative vehicle propulsion technologies such as natural gas, fuel cell power plant, electric drive, and other propulsion innovations and improvements, and recommends an increase of \$7.0 million for a joint effort using academic, industry and government resources to develop alternative propulsion.

The committee recommends \$44.1 million for combat vehicle and automotive technology in PE 62601A, an increase of \$11.0 million.

Combat vehicle improvement programs

The budget request contained \$136.5 million for ground combat vehicles horizontal technology integration within PE 23735A. Field emission flat panel display technology is of increasing importance as the Army incorporates digitization technology into its fleet of vehicles. The committee strongly supports development of this important technology and recommends an additional \$2.0 million to integrate these displays into the Abrams tank. The committee also recommends an increase of \$8.0 million to continue development of the AN/VVR-1 Laser Warning Receiver.

The committee is aware of the successful development of Linebacker slew-to-cue technology and recommends an additional \$10.1 million to complete development and integration of this capability into the Bradley vehicle. The committee recommends \$156.6 million for combat vehicle improvement programs, an increase of \$20.1 million.

Countermining technology development and demonstration program

The budget request contained \$8.7 million in PE 62712A, \$10.6 million in PE 63606A, and \$15.1 million in PE 63619A for countermining technology.

The committee is pleased with the increased emphasis that the Department has placed on the countermining program and with the Department's response to direction from the committee contained in the committee report on H.R. 3230 (H. Rept. 104-563). The committee notes the Department's March 1997 report "Unexploded Ordnance Clearance: A Coordinated Approach to Requirements and Technology Development," and the Department's progress in establishing a requirements-driven research and development program for unexploded ordnance (UXO) clearance technology that is designed to coordinate and leverage technology advances in the areas of countermining, explosive ordnance disposal, humanitarian demining, active range clearance, and UXO environmental remediation. The Department's report addresses a total of \$174.6 million contained within the budget request for technology development to support UXO clearance, including \$141.7 million for development of countermining technology, \$7.5 million for explosive ordnance disposal, \$17.7 million for humanitarian demining, \$1.0 million for active range clearance, and \$4.3 million for environmental UXO remediation. This represents an increase of \$44.1 million above that provided for the countermining program in fiscal year 1997.

The committee is encouraged by measures the Department is taking to ensure focused oversight of operational requirements and coordination of the development of countermining and other UXO clearance technology and also notes the creation of the UXO Center of Excellence, a joint service activity which will coordinate technology activities in the five UXO clearance mission areas and provide a clearing house for UXO technology and information with industry, academia, other government agencies, and U.S. international partners.

The committee recognizes that there are many areas of commonality, but also significant differences among the UXO clearance mission areas. The committee also recognizes that no single "Silver Bullet" technology exists that is likely to solve the UXO clearance problem and that a UXO clearance "system of systems" which makes use of a range of technologies will be required. The committee strongly urges the Department to continue a robust countermine and other UXO clearance research and development program which investigates, demonstrates, and evaluates emerging technologies and continues the development and fielding of those that show promise for improving countermine and other UXO clearance capabilities. Accordingly, the committee recommends an increase of a total of \$11.0 million for the development of countermine technology, including \$3.0 million in PE 62712A, \$5.0 million in PE 63606A, and \$3.0 million in PE 63619A. The committee directs that the Secretary of Defense provide to the Congressional defense committees an updated report on the development and fielding of UXO clearance technology with the submission of the Fiscal Year 2000 budget request.

Electromechanics and hypervelocity physics

The budget request contained \$45.6 million in PE 61104A for Army university and industry research centers. The committee recommends an increase of \$1.9 million in the program for basic research in electromechanics and hypervelocity physics.

Electronics and electronics devices

The budget request contained \$20.2 million for electronics and electronic devices, of which \$2.2 million was for battery/individual power technologies within PE 62705A. Battery technology is increasingly important as the armed forces shift to digital technology. Continued innovation is necessary to provide more affordable power sources which will also be more portable, reusable and more efficient in order to meet the increasing power demands of new weapons systems and equipment. The committee strongly supports development of technologies such as advanced high-energy battery systems, low cost reusable and no-lead added alkaline cells and recommends that the Secretary of the Army continue these efforts.

Up to 50 percent of the backpack weight carried by forward-deployed Army and special forces troops is comprised of electrical batteries to power the increasing number of electronic weapons and communication systems. No lightweight field battery recharging capability presently exists to enable the reuse of power sources to minimize the amount of batteries that must be carried to the field. The resultant additional weight in batteries thereby limits other essentials for field operations, such as food, weapons, ammunition and supplies.

The committee is aware of research efforts sponsored by the Defense Advanced Research Projects Agency for the development of the PEP-100, a standard-combustion fuel-driven, man-portable thermophotovoltaic generator (TPV). TPV technology has demonstrated that it can provide up to 110 watts of power, and, if proven feasible, may supply a 12-man, 12-day patrol with a portable, quiet, low thermal signature electrical power generator.

The committee recommends an increase of \$5.0 million for further development and testing of a TPV generator to provide soldiers and special forces with a much-needed field battery recharging capability. The committee also recommends an additional \$3.0 million for development of improved manufacturing technology.

The committee recommends \$28.2 million, an increase of \$8.0 million.

Environmental quality technology

The budget request contained \$17.5 million for environmental quality technology within PE 62720A. The committee notes that no funding is specifically identified to continue the development of computer models to remediate training areas, or to continue support of the Radford Environmental Development and Management Program (REDMAP). The committee strongly supports these initiatives to enhance environmental quality and directs the Secretary of the Army to ensure that these efforts are adequately supported within the funding authorized for environmental quality technology research.

The committee also supports continuation of the joint effort of the U.S. Army Environmental Center and the U.S. Department of Agriculture to demonstrate the efficacy and cost effectiveness of agriculturally based bioremediation to restore contaminated military and civilian sites in geographically isolated Pacific island ecosystems. In particular, the committee supports demonstration of phytoremediation, composting, wetlands, and other agriculturally based technologies to restore lands and related resources and recommends that an increase of \$4.0 million to continue the existing Bioremediation Education Science and Technology program.

Additionally, the committee recommends an increase of \$4.9 million for the continued development of a computer-based land management model to reduce time and costs for training area recovery.

Family of heavy tactical vehicles

The budget request contained no funding for engineering and manufacturing development for the family of heavy tactical vehicles (HTV). The committee understands that safety systems are being developed to protect HTV crew members from accidents involving impacts and rollovers. The committee recommends \$1.3 million to develop enhanced safety products for HTVs.

Force XXI architecture

The budget request contained \$11.1 million for command, control, and communications systems engineering development in PE 64805A. The committee is aware of the Army emphasis on digitization for Force XXI and the high priority of its architecture development. The committee supports acceleration of the Army's highest priority unfunded requirement, and recommends an increase of \$5.0 million.

Healthcare information protection demonstration

The budget request contained \$9.6 million in PE 33140A for the Army's information systems security program.

The committee understands that the use of advanced information and communication technology, which provides the ability to transfer patient information and medical histories among military and civilian health care providers, raises significant issues relative to the need to maintain the security and privacy of healthcare data for military personnel who may receive treatment in civilian and military healthcare facilities. The committee believes there is a need to establish an integrated and focused program for the development and demonstration of healthcare information security systems which would address these issues. The committee recommends an increase of \$2.5 million in PE 33140A to initiate a demonstration program for military healthcare information protection that would be consistent with national healthcare and information protection initiatives. The committee directs the Secretary of the Army to report to the Congressional defense committees the program development plan, plan for evaluation of the demonstration, and funding requirements for the program with the submission of the fiscal year 1999 Defense budget request.

Human factors engineering technology

The budget request contained \$14.3 million for human factors engineering technology. The committee understands that the Army is exploring the potential of emergency medical team coordination (MedTeams) to provide enhanced battlefield medical support and recommends an increase of \$5.1 million in PE 62716A for development of the MedTeams capability.

Information systems technology, information superiority, and information security

The budget request contained approximately \$10.3 billion for Department of Defense information systems and information technology, including \$544.4 million for information systems and information technology research, development, test, and evaluation. Of that amount, \$306.0 million was for information security research, development, test, and evaluation.

The committee views with great interest the development of information systems technology and the increasing use of, and dependence on information systems in the Department of Defense and in the nation as a whole. Rapidly advancing information-based technologies and an increasingly competitive global environment have thrust information into center stage in society, government, and warfare. Increasingly, complex information systems are being integrated into traditional military operational disciplines such as mobility, logistics, command, control, communications, and intelligence, and increased emphasis is being placed on the use of the commercial information infrastructure.

The committee believes that the application of information and information technology in our military forces, combined with the supporting infrastructure in the Department of Defense, and our national life will offer greatly increased capabilities, but also will require that the Administration begin to treat information technology as a strategic resource vital to our national security. Inherent in these new capabilities, information technology also creates potentially serious vulnerabilities that could be exploited by an ad-

versary, as the military and other elements of national power become increasingly dependent upon information systems and information capabilities. The vulnerability of information infrastructures to attack and the linkage between information systems and the traditional critical infrastructures (such as the electrical power system) have increased the scope and potential of the information warfare threat.

The promise of information technology as a key “enabler” to achieve superiority on future battlefields, the vulnerabilities that information technology brings, and how the Department of Defense plans to protect against these vulnerabilities provided the focus for a committee hearing in March 1997. The committee also heard testimony on the findings and recommendations of the 1996 Defense Science Board Task Force on Information Warfare-Defense. The task force report cited a robust information infrastructure as critical to the future effectiveness of U.S. military forces and the need for extraordinary action to deal with the present and emerging challenges of defending against possible information warfare attacks on the United States.

The committee commends the efforts taken to develop and institutionalize the use of common information architectures within the Department of Defense, to improve policies and management practices, and to create a Department-wide environment that promotes interoperability and integration among the military services and defense agencies. The committee notes the efforts that are underway to protect and assure the integrity of the Defense and national information infrastructures. The committee also notes that the budget request for the information systems security program in PE 33140G includes an increase of \$56.6 million above the fiscal year 1997 funding level.

The committee supports the maintenance of a robust information systems security research and development program. Accordingly, the committee recommends the following increases to the budget request:

- (1) \$2.0 million in PE 63006A for tactical internet command and control protection;
- (2) \$6.7 million in PE 65604A for information operations/warfare survivability analysis of command, control, communications, and computers/information electronic warfare systems;
- (3) \$1.6 million in PE 33150A for development and application of information protection measures for the Army’s component of the global command and control systems for the U.S. European Command; and
- (4) \$2.7 million in PE 33140F for the Air Force information protection program.

The committee directs the Secretary of Defense to report to the Congressional defense committees with the submission of the fiscal year 1999 budget, an assessment of the progress in the Department’s information systems security program that addresses the current status of the program, specific actions being taken on the recommendations of the 1996 Defense Science Board Task Force on Information Warfare-Defense, and additional actions that should be taken to assure the increased security and integrity of the Defense

information infrastructure. The report shall also address measures necessary to assure the integrity of those elements of the national information infrastructure and critical national infrastructure on which the Defense information infrastructure depends, and identification of any additional resources and legislative authority which may be required.

Integrated family of test equipment

The budget request contained \$2.6 million in PE 64746A for automatic test equipment. The committee understands that additional funding is required to continue development and upgrading of the integrated family of test equipment (IFTE), including completion of the electro-optics test facility and software upgrades for the portable on-system repair tool. The committee recommends an increase of \$2.3 million to continue the IFTE program.

Joint service small arms program

The budget request contained \$4.8 million for the joint service small arms program within PE 63607A. The objective of this program is to demonstrate key technologies leading to more effective small arms weapons and munitions for all services, including such technology as the objective individual combat weapon (OICW). The committee supports this initiative and recommends an increase of \$5.5 million to expedite development of the OICW. The committee notes the relevance of the Advanced Lightweight Anti-armor Weapon System (ALAWS) warhead technology to the Objective Crew Served Weapons System. The Defense Science Board 1996 Summer Study Task Force on Tactics and Technology for the 21st Century stated that there is a need for man-portable weapons to be capable of engaging a range of targets, from adversary soldiers to adversary armor. Accordingly, the committee recommends an additional \$1.5 million for continued warhead development.

The committee recommends \$11.8 million for the joint service small arms program, an increase of \$7.0 million.

Life support for trauma and transport

The budget request contained \$18.4 million in PE 62712E for military medical and trauma care technologies, \$8.8 million in PE 62787A for combat casualty care technology, and \$6.8 million in PE 63807A for medical systems advanced development.

The Army's budget justification included \$3.3 million for continued evaluation and refinement of sensors, surgical and evacuation technology, including the life support for trauma and transport (LSTAT) Pod and the advanced surgical suite for trauma casualties (ASTECC). Developed under a Defense Advanced Research Projects Agency project, the LSTAT pod is a single-patient, intensive care and life support capability that would be used to maintain life support and stabilization of battlefield casualties during their evacuation from the front line for higher echelon medical treatment. Four of these units are expected to complete air-worthiness testing and achieve Food and Drug Administration approval during fiscal year 1997. The Army is leading the joint service test program. The committee believes that the LSTAT pod represents a major advance in battlefield medical care and strongly supports an expe-

dited development and evaluation process which would lead to early achievement of an initial operating capability and accelerated fielding of the system for battlefield use by all the services. Accordingly, the committee recommends an increase of \$1.0 million in PE 62787A and \$5.0 million in PE 63807A to accelerate the development program and the joint developmental and operational test of the LSTAT. The committee directs the Secretary of the Army to report to the Congressional defense committees the plan for completing the joint service test program and plans for fielding the LSTAT and other advanced battlefield life support and evacuation systems with the submission of the fiscal year 1999 Defense budget request.

Logistics advanced technology

The budget request contained \$35.5 million for logistics advanced technology. The committee is aware of the increasing importance of suppression of infrared (IR) signature on the battlefield. The committee recommends an increase of \$2.0 million in PE 63001A for further development of IR suppression fabrics for combat uniforms.

Missile/air defense product improvement

The budget request contained \$17.4 million for missile/air defense product improvement within PE 23801A. The Patriot system, which provided vital air defense during Operation Desert Storm, is being upgraded through enhanced communications and other system improvements to respond to the evolving air and cruise missile threat. The committee is also aware of efforts to develop block II modifications to the Stinger Missile to provide enhanced performance. The committee supports continuation of these initiatives and recommends \$34.1 million, an increase of \$10.0 million for Patriot PAC-3 missile upgrades and an increase of \$6.7 million for Stinger block II modifications. The Secretary of the Army may use existing PAC-3 missiles from inventory to support development of a cruise missile defense capability.

Missile and rocket advanced technology

The budget request contained \$117.1 million for missile and rocket advanced technology in PE 63313A.

The missile and rocket technology program included \$1.0 million for future missile technology. The committee is aware of potential cost and performance benefits for future missiles from the use of composite materials and structures and recommends an increase of \$6.0 million for this program.

The budget request included \$57.7 million for the enhanced fiber optic guided missile (EFOG-M) program. Development of this technology has been plagued since its inception by technical problems and changing priorities. To date, only aircraft mounted captive carry testing of the sensor has been performed, and only surrogate missiles are planned during the remainder of the Advanced Concept Technology Demonstrator (ACTD) before committing to procure 300 user operational evaluation missiles. The Army has continued to develop EFOG-M, which requires operator control from launch until impact, even though it now states requirements for smart, fire and forget weapons based on modern technology. The committee recommends no funds for EFOG-M and directs the Sec-

retary of the Army to restructure the ACTD program to require flight testing of prototype weapons before any missile production is approved.

The committee recommends authorization of \$65.4 million in PE 63313A, a decrease of \$51.7 million.

Missile defense battle integration center

The budget request contained \$5.0 million for the battle integration center (BIC). The Army is building a flexible distributed interactive simulation-based architecture which can operate in regimes of training, exercises and military operations, as well as providing support to advanced concept development. The committee understands that this effort has been identified as an Army priority, yet it is insufficiently funded. The committee recommends an increase of \$14.0 million in PE 63308A to continue development of the BIC as an integrated battlelab with the capability to provide high fidelity representation of the modern battlefield.

Munitions manufacturing technology

The budget request contained \$44.3 million in PE 78045A for the Army's manufacturing technology program. The current munitions research, development, and production base, which emphasizes the use of high volume, single purpose production lines and was built to fight the Cold War and needs to be reshaped to meet the requirements of the 21st Century. Achieving superiority on the 21st century battlefield within today's austere defense budget will require the development of munitions that are smart, light-weight, affordable, and capable of being produced in a reasonable time frame, at a reasonable cost, and in short production runs.

The committee recommends an increase of \$15.0 million for munitions manufacturing technology. This increase should be used to accelerate key munitions manufacturing technologies in composites, electronics, energetics, power supplies and metal parts that would reduce the cost of future munitions and permit both government and commercially owned munitions production facilities to produce research and development and production quantities of munitions concurrently, adapt design changes and product improvements quickly, and make short production runs feasible and cheaper. The committee encourages the Secretary of the Army to maintain the increased funding level for munitions manufacturing technology in the fiscal year 1999 budget request.

Passive millimeter wave camera

The budget request contained \$3.5 million for ground combat identification technology in PE 62120A. The committee is aware that the passive millimeter wave camera technology is reaching maturity, and recommends an increase of \$5.0 million.

Persian Gulf illness clinical trials program

The budget request included \$74.7 million in PE 62787A for medical technology.

The committee has been deeply concerned about the health problems experienced by veterans of the Persian Gulf War. The committee understands that although there are many ongoing studies in-

investigating risk factors which may be associated with these health problems, there have been no studies which examine health outcomes and the effectiveness of the treatment received by the veterans. Testimony presented in hearings on Persian Gulf War illness and the medical literature indicate there are therapies, such as cognitive behavioral therapy, which have been effective in treating patients with symptoms similar to those seen in many Persian Gulf veterans. The committee recommends an increase of \$4.5 million for the establishment of a program of multi-site cooperative clinical trials by the Department of Defense and the Department of Veterans Affairs to assess the effectiveness of protocols for treating veterans of the Persian Gulf War who suffer from ill-defined or undiagnosed conditions. Such protocols should include, but not be limited to, a multi-disciplinary treatment model, of which cognitive behavioral therapy is a component.

Plasma energy pyrolysis system

The budget request contained no funds for the plasma energy pyrolysis system (PEPS). The committee is aware that PEPS offers the potential to render hazardous waste, including medical and chemical, into an inert glass slag by-product. The committee recommends an increase of \$8.7 million in PE 62720A to complete development and construction of a mobile PEPS unit to deal with environmental hazards.

Projectile detection and cueing (PDCue)

The committee continues to support the projectile detection and cueing (PDCue) program for Army evaluation in PE 62120A. The committee is aware that the Army Research Laboratory (ARL) will receive prototypes this fiscal year and plans to incorporate mobile HMMWV capability and deliver the system for evaluation under the Military Operations in Urban Terrain (MOUT) Advanced Concept Technology Demonstration program. To accelerate the program the committee recommends an increase of \$2.5 million for PDCue within PE 62120A.

Short-range unmanned aerial vehicle

The budget request contained no funding for short-range unmanned aerial vehicles (UAV). The Department, based on lack of progress in the tactical unmanned aerial vehicle program, which is under close scrutiny for possible cancellation, has directed the Services to assess other solutions for UAV requirements. The Army has an unfulfilled, validated operational requirement for a short-range UAV. The committee directs the Secretary of Defense to initiate an Army acquisition program for the Department, to develop and procure a short-range UAV to fulfill the existing requirement. Performance specifications for a short-range UAV are to be as defined by the validated operational requirement. The UAV is to be equipped with the objective digital data link that is compatible with the Army's digital architecture for the future. The committee notes that historically, requirements changes and upgrading have been, in great part, the cause of many failed UAV programs. Therefore, the Department is directed to acquire a short-range UAV with minimum development to meet the existing validated operational

requirement. Subsequent to IOC, as appropriate, block changes may be used to implement a pre-planned product improvement program.

The committee notes that technology improvement since validation of the operational requirement may allow increased range beyond 100 kilometers. The committee directs that the range threshold be 100 kilometers with specified endurance, while the objective range shall be 200 kilometers.

The committee recommends \$5.0 million in PE 63003A to begin development of a short-range UAV for all services having the defined requirement. Such development should as much as practicable, use mature, existing air vehicle technology and include digitization of systems to be compatible with emerging digital force architecture.

Telemedicine

The budget request contained \$10.7 million for advanced medical technology within PE 63002A.

The committee endorses the Army's efforts to improve medical response and treatment of soldiers on the battlefield but notes, however, that no funds in the budget request were specifically identified under a separate project for telemedicine. The committee also recognizes the potential value of virtual reality emergency medical telemedicine (VREMT) efforts designed to improve diagnostics and treatment by combat medics. In addition to improving primary care on the battlefield, VREMT will also provide an exportable training capability. The committee recommends \$16.5 million in PE 63002A, an increase of \$2.3 million for telemedicine technology and \$3.5 million for VREMT.

Weapons and munitions advanced technology

The budget request contained \$18.3 million for weapons and munitions advanced technology in PE 63004A. The committee supports this initiative which includes demonstration of a precision guided mortar munition that will be evaluated along with other new tactics and technologies to provide early entry forces the capability to defeat armored forces. The committee is aware of the potential benefits of electro-rheological fluids recoil for future artillery systems and recommends an increase of \$5.0 million for associated research.

The committee is also aware that plastic cased ammunition for military use as a service round has been preliminarily developed for 5.56mm ammunition. The committee is aware that plastic cased ammunition offers potential cost and weight savings compared to existing munitions and, therefore, recommends an increase of \$3.0 million for development and certification of this innovative munitions technology.

The committee recommends \$26.3 million for weapons and munitions advanced technology, an increase of \$8.0 million.

NAVY RDT&E

Overview

The budget request contained \$7,611.0 million for Navy RDT&E. The committee recommends authorization of \$7,947.0 million, an increase of \$336.0 million.

The committee recommendations for the fiscal year 1998 Navy RDT&E program are identified in the table below. Major changes to the Navy request are discussed following the table.

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ACCOUNT	0	RESEARCH DEVELOPMENT TEST & EVAL NAVY		0	
0601152N	1	IN-HOUSE INDEPENDENT LABORATORY RESEARCH	15,834	0	15,834
0601153N	2	DEFENSE RESEARCH SCIENCES	366,283	10,500	376,783
		MARINE MAMMAL RESEARCH PROGRAM			(+500)
		MOLECULAR DESIGN			(+10,000)
		TOTAL BASIC RESEARCH	382,117	10,500	392,617
		RESEARCH AND DEVELOPMENT	382,117	10,500	392,617
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0602111N	3	SURFACE/AEROSPACE SURVEILLANCE AND WEAPONS TECHNOLOGY	32,273	10,000	42,273
		FREE ELECTRON LASER			(+9,000)
		INTEGRATED HIGH PERFORMANCE ROCKET TECHNOLOGY PROGRAM			(+1,000)
0602121N	4	SURFACE SHIP TECHNOLOGY	46,859	12,500	59,359
		POWER ELECTRONIC BUILDING BLOCKS			(+6,000)
		POWER NODE CONTROL CENTERS			(+1,500)
		MICROMECHANICAL SYSTEMS TECHNOLOGY FOR DAMAGE TOLERANT NETWORKS			(+5,000)
0602122N	5	AIRCRAFT TECHNOLOGY	23,590	0	23,590
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	13,043	0	13,043
0602232N	7	COMMAND, CONTROL, AND COMMUNICATIONS TECHNOLOGY	65,566	0	65,566
0602233N	8	READINESS, TRAINING, AND ENVIRONMENTAL QUALITY TECHNOLOGY	31,762	(1,449)	30,313
		GAO RECOMMENDED REDUCTION			(-1,449)
0602234N	9	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	76,653	5,000	81,653
		ADVANCED CARBON FIBER TECHNOLOGY			(+2,000)
		CRYOGENIC ELECTRONICS TECHNOLOGY			(+3,000)
0602270N	10	ELECTRONIC WARFARE TECHNOLOGY	22,810	0	22,810
0602314N	11	UNDERSEA SURVEILLANCE WEAPON TECHNOLOGY	51,033	0	51,033
0602315N	12	MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	42,737	3,000	45,737
		MINE COUNTERMEASURES AUTONOMOUS SYSTEM TECHNOLOGY			(+3,000)
0602435N	13	OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	48,211	28,000	77,211
		ARCTIC CLIMATE OBSERVATIONS			(+3,000)
		AUTONOMOUS UNDERWATER VEHICLE AND SONAR DEVELOPMENT			(+3,000)
		NATIONAL OCEANOGRAPHIC PARTNERSHIPS PROGRAM			(+10,000)
0602633N	14	UNDERSEA WARFARE WEAPONRY TECHNOLOGY	35,736	0	35,736
		TOTAL APPLIED RESEARCH	480,273	58,051	548,324
		RESEARCH AND DEVELOPMENT	480,273	58,051	548,324

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ENGINEERING AND MANUFACTURING DEVELOPMENT					
0603217N	15	AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	35,093	1,000	36,093
0603238N	16	INTEGRATED HIGH PAYOFF ROCKET PROPULSION TECHNOLOGY	43,320	0	[+1,000]
0603270N	17	PRECISION STRIKE AND AIR DEFENSE	18,144	0	18,144
0603508N	18	ADVANCED ELECTRONIC WARFARE TECHNOLOGY	39,737	5,000	44,737
0603640M	19	SHIP PROPULSION SYSTEM PROJECT "M"	34,178	24,800	[+5,000]
0603708N	20	MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	18,332	5,081	[+19,800]
0603707N	21	COMMANDANT'S WARFIGHTING LABORATORY	18,812	0	18,812
0603712N	22	LOW-COST CLOSE RANGE UNMANNED AERIAL VEHICLES	18,249	1,750	[+5,000]
0603747N	23	MEDICAL DEVELOPMENT	54,785	9,000	[+19,800]
0603782N	24	FREEZE DRIED BLOOD	41,602	750	42,352
0603792N	25	GAO RECOMMENDED REDUCTION	87,285	4,000	[+750]
0603794N	26	GAO RECOMMENDED REDUCTION	23,768	0	[+4,000]
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT			433,305	51,381	484,686
RESEARCH AND DEVELOPMENT			433,305	51,381	484,686
ENGINEERING AND MANUFACTURING DEVELOPMENT					
0603207N	27	AIR/OCEAN TACTICAL APPLICATIONS	16,017	0	16,017
0603208N	28	TRAINING SYSTEM AIRCRAFT	0	0	0
0603216N	29	AVIATION SURVIVABILITY	7,859	268	8,127
TOTAL, ENGINEERING AND MANUFACTURING DEVELOPMENT			7,859	268	[+1,500]
TOTAL, TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION			441,164	51,649	492,813

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603254N	30	ASW SYSTEMS DEVELOPMENT	22,869	3,800	26,669
0603261N	31	AIR-DEPLOYED LOW FREQUENCY PROJECTOR			[-3,800]
0603382N	32	TACTICAL AIRBORNE RECONNAISSANCE	10,607	0	10,607
0603451N	33	ADVANCED COMBAT SYSTEMS TECHNOLOGY	5,232	0	5,232
0603502N	34	TACTICAL SPACE OPERATIONS		0	
		SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	58,231	18,200	76,431
		INTEGRATED COMBAT WEAPON SYSTEM			[-10,300]
0603504N	35	REMOTE MINEHUNTING SYSTEM	61,122	1,300	[-7,900]
		ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT			62,422
		LIGHT WEIGHT WIDE APERTURE ARRAY			[-4,000]
0603506N	36	GAO RECOMMENDED REDUCTION			9,800
		SURFACE SHIP TORPEDO DEFENSE		9,800	[-2,700]
0603512N	37	CARRIER SYSTEMS DEVELOPMENT	98,587	(88,400)	9,800
		CV(X) CARRIER SYSTEM DEVELOPMENT			[-9,800]
0603513N	38	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	19,194	3,500	10,187
		CARBONATE FUEL CELLS			[-88,400]
0603514N	39	SHIP COMBAT SURVIVABILITY	7,050	0	7,050
0603525N	40	PILOT FISH	118,728	0	118,728
0603528N	41	NON-ACOUSTIC ANTI-SUBMARINE WARFARE (ASW)			0
0603536N	42	RETRACT JUNIPER	9,776	0	9,776
0603542N	43	RADIOLOGICAL CONTROL	3,030	0	3,030
0603553N	44	SURFACE ASW	5,704	0	5,704
0603561N	45	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	58,067	103,000	162,067
		ADVANCED SUBMARINE SYSTEM			[-103,000]
0603562N	46	SUBMARINE TACTICAL WARFARE SYSTEMS	4,931	0	4,931
0603563N	47	SHIP CONCEPT ADVANCED DESIGN	16,198	0	16,198
0603564N	48	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	38,682	0	38,682
0603570N	49	ADVANCED NUCLEAR POWER SYSTEMS	125,357	0	125,357
0603573N	50	ADVANCED SURFACE MACHINERY SYSTEMS	49,741	0	49,741
0603576N	51	CHALK EAGLE	137,442	0	137,442
0603582N	52	COMBAT SYSTEM INTEGRATION	7,739	0	7,739
0603609N	53	CONVENTIONAL MUNITIONS	34,190	8,000	42,190
		OPTICAL CORRELATOR			[-8,000]
0603610N	54	ADVANCED WARHEAD DEVELOPMENT (MK-50)	2,012	0	2,012

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603611M	55	MARINE CORPS ASSAULT VEHICLES	60,134	10,000	70,134 [+10,000]
0603612M	56	ADVANCED AMPHIBIOUS ASSAULT VEHICLES		0	40,064 [+3,600]
0603635M	57	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV	36,464	3,600	10,701 [+5,000]
0603654N	58	LIGHTWEIGHT 155MM HOWITZER	10,701	0	189,229 [+15,000]
0603658N	59	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	139,229	50,000	[+5,000]
		COOPERATIVE ENGAGEMENT			[+20,000]
		LOW COST COMMON EQUIPMENT SET			[+5,000]
		CEC AGENT TRANSFER			[+5,000]
		E-2C & P-3 CEC INTEGRATION			[+5,000]
		CEC-SSDS INTEGRATION			
		CEC-JOINT INTEGRATION			
0603711N	60	FLEET TACTICAL DEVELOPMENT		0	12,658
0603713N	61	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	12,658	0	52,401
0603721N	62	ENVIRONMENTAL PROTECTION	52,401	0	4,159
0603724N	63	NAVY ENERGY PROGRAM	4,159	0	4,720
0603725N	64	FACILITIES IMPROVEMENT	1,720	3,000	94,358 [+3,000]
0603734N	65	COMPOSITE ENGINEERED MATERIALS		0	120,033
0603746N	66	CHALK CORAL	94,358	0	29,433
0603748N	67	RETRACT MAPLE	120,033	0	21,822
0603751N	68	LINK PLUMERIA	29,433	0	9,961
0603755N	68	RETRACT ELM	21,822	0	11,706
0603755N	69	SHIP SELF DEFENSE - DEMVAL	9,961	0	81,439
0603785N	70	COMBAT SYSTEMS OCEANOGRAPHIC PERFORMANCE ASSESSMENT	11,706	0	13,330
0603787N	71	SPECIAL PROCESSES	81,439	0	77,909
0603790N	72	NATO RESEARCH AND DEVELOPMENT	13,330	0	[+15,100]
0603795N	73	LAND ATTACK TECHNOLOGY	37,809	40,100	[+20,000]
		EXTENDED RANGE GUIDED MUNITIONS			468,855 [+5,000]
		NAVY TACTICAL MISSILE SYSTEM			16,807 [+20,000]
0603800N	74	MICRO-ELECTRO-MECHANICAL SYSTEMS GUIDANCE AND CONTROL	448,855	20,000	16,807
		JSF			2,993
0603851M	75	NONLETHAL WEAPONS - DEMVAL	16,807	0	0
0603852N	76	ARSENAL SHIP		0	0
0603860N	77	JOINT PRECISION APPROACH AND LANDING SYSTEM - DEMVAL	2,993	0	2,993

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0604327N	78	HARDENED TARGET MUNITIONS	4,987	0	4,987
0604707N	79	SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINEERING SUP TOTAL DEMONSTRATION AND VALIDATION	4,705	0	4,705
		RESEARCH AND DEVELOPMENT	2,135,069	186,168	2,321,237
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0603208N	80	TRAINING SYSTEM AIRCRAFT	403	0	403
0603266N	81	AH-1T COMPOSITE ROTOR BLADE (H)		0	
0604212N	82	OTHER HELO DEVELOPMENT	73,354	15,000	88,354
0604214N	83	LIGHT AIRBORNE MULTIPURPOSE SYSTEM HELICOPTER PROGRAM		0	
0604215N	84	AV-8B AIRCRAFT - ENG DEV	11,034	4,000	15,034
0604217N	85	STANDARDS DEVELOPMENT	36,287	0	40,287
0604218N	86	GROUND PROXIMITY WARNING SYSTEM	4,735	0	4,735
0604221N	87	S-3 WEAPON SYSTEM IMPROVEMENT	6,129	0	6,129
		AIR/OCEAN EQUIPMENT ENGINEERING	3,191	12,000	15,191
		P-3 MODERNIZATION PROGRAM		0	
0604231N	88	P-3 MARITIME PATROL AIRCRAFT MODERNIZATION PROGRAM	31,518	10,000	41,518
0604245N	89	TACTICAL COMMAND SYSTEM	80,735	5,600	86,335
		JSTARS-JMCIS INTEGRATION		0	
0604261N	90	H-1 UPGRADES	16,947	4,000	20,947
		UH-1WAH-1W COCKPIT COMMONALITY		0	
0604262N	91	ACOUSTIC SEARCH SENSORS	529,495	0	529,495
0604264N	92	V-22A	12,111	0	12,111
0604270N	93	AIR CREW SYSTEMS DEVELOPMENT	101,803	17,800	119,603
		EW DEVELOPMENT		0	
		PRECISION TARGETING AND LOCATION SYSTEM		0	
0604307N	94	F/A-18C/D IDECM	87,934	(2,801)	85,133
0604310N	95	SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	102,994	(102,994)	0
		GAO RECOMMENDED REDUCTION		0	
0604311N	96	ARSENAL SHIP	471	0	471
0604312N	97	LPD-17 CLASS SYSTEMS INTEGRATION	9,644	0	9,644
0604366N	98	TRI-SERVICE STANDOFF ATTACK MISSILE STANDARD MISSILE IMPROVEMENTS	549	0	549

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1988 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1988 COMMITTEE RECOMMENDATION
0604373N	99	AIRBORNE MCM	16,503	0	16,503
0604503N	100	SSN-688 AND TRIDENT MODERNIZATION SUBMARINE COMBAT SYSTEM MULTIPURPOSE PROCESSOR	42,294	15,000	57,294 (+15,000)
0604504N	101	AIR CONTROL	9,298	0	9,298
0604507N	102	ENHANCED MODULAR SIGNAL PROCESSOR	3,462	0	3,462
0604512N	103	SHIPBOARD AVIATION SYSTEMS	9,225	0	9,225
0604516N	104	SHIP SURVIVABILITY	6,081	0	6,081
0604518N	105	COMBAT INFORMATION CENTER CONVERSION	11,325	0	11,325
0604524N	106	SUBMARINE COMBAT SYSTEM	23,701	0	23,701
0604558N	107	NEW DESIGN SSN	311,076	17,000	328,076 (+17,000)
0604561N	108	ADVANCED SUBMARINE TACTICAL ELECTRONIC COMBAT SYSTEM			
0604562N	109	SSN-21 DEVELOPMENTS	49,542	0	49,542
0604567N	110	SUBMARINE TACTICAL WARFARE SYSTEM SHIP CONTRACT DESIGN/LIVE FIRE T&E CVN-77 RESEARCH AND DEVELOPMENT	45,663 75,713	0 17,000	45,663 92,713 (+17,000)
0604574N	111	NAVY TACTICAL COMPUTER RESOURCES	4,794	0	4,794
0604601N	112	MINE DEVELOPMENT	2,815	0	2,815
0604603N	113	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	28,890	0	28,890
0604610N	114	LIGHTWEIGHT TORPEDO DEVELOPMENT	17,290	0	17,290
0604612M	115	MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	950	0	950
0604618N	116	JOINT DIRECT ATTACK MUNITION	12,714	0	12,714
0604654N	117	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	6,613	0	6,613
0604703N	118	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,022	0	1,022
0604719M	119	NAVY ENERGY PROGRAM	2,088	0	2,088
0604721N	120	MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS			
0604727N	121	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM JOINT STANDOFF WEAPON SYSTEMS	4,531 71,526	0 9,000	4,531 80,526 (+9,000)
0604755N	122	JSOW UNITARY WARHEAD ACCELERATION			
0604771N	123	SHIP SELF DEFENSE - EMD	132,270	0	132,270
0604771N	124	MEDICAL DEVELOPMENT	3,620	0	3,620
0604777N	125	NAVIGATION/D SYSTEM	50,370	0	50,370
0604784N	126	DISTRIBUTED SURVEILLANCE SYSTEM ADVANCED DEPLOYABLE SYSTEM	33,048	10,400	43,448 (+10,400)
TOTAL, ENGINEERING AND MANUFACTURING DEVELOPMENT RESEARCH AND DEVELOPMENT			2,085,768	31,005	2,116,773
			0	0	0

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ENGINEERING AND MANUFACTURING DEVELOPMENT					
			2,085,768	31,005	2,116,773
0604256N	127	THREAT SIMULATOR DEVELOPMENT	12,860	0	12,860
0604258N	128	TARGET SYSTEMS DEVELOPMENT	48,308	0	48,308
0604759N	129	MAJOR T&E INVESTMENT	33,236	11,600	44,836
		INTEGRATED SHIP SELF DEFENSE TEST SITE			[+8,600]
		VISUALIZATION ARCHITECTURE & TECHNOLOGY			[+3,000]
0605152N	130	STUDIES AND ANALYSIS SUPPORT - NAVY	8,755	0	8,755
0605154N	131	CENTER FOR NAVAL ANALYSES	43,476	0	43,476
0605155N	132	FLEET TACTICAL DEVELOPMENT	2,747	0	2,747
0605502N	133	SMALL BUSINESS INNOVATIVE RESEARCH	8,763	0	8,763
0605604N	134	TECHNICAL INFORMATION SERVICES	24,305	0	24,305
0605853N	135	MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	2,110	0	2,110
0605856N	136	STRATEGIC TECHNICAL SUPPORT	57,591	0	57,591
0605861N	137	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	8,546	0	8,546
0605862N	138	RDT&E INSTRUMENTATION MODERNIZATION	48,596	0	48,596
0605863N	139	RDT&E SHIP AND AIRCRAFT SUPPORT	263,934	2,000	265,934
0605864N	140	TEST AND EVALUATION SUPPORT			
		NAVY SAFETY AND SURVIVABILITY ENHANCEMENTS			[+2,000]
0605865N	141	OPERATIONAL TEST AND EVALUATION CAPABILITY	9,107	0	9,107
0605866N	142	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	2,783	0	2,783
0605867N	143	SEW SURVEILLANCE/RECONNAISSANCE SUPPORT	11,941	(1,022)	10,919
		TENCAP			[+1,022]
0605871M	144	MARINE CORPS TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES	8,207	0	8,207
0605873M	145	MARINE CORPS PROGRAM WIDE SUPPORT			
0908999N	146	FINANCING FOR CANCELED ACCOUNT ADJUSTMENTS			
		TOTAL, RDT&E MANAGEMENT SUPPORT	595,265	12,578	607,843
		RESEARCH AND DEVELOPMENT	595,265	12,578	607,843
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0101221N	147	STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	44,419	0	44,419
0101224N	148	SSBN SECURITY TECHNOLOGY PROGRAM	24,726	0	24,726
0101226N	149	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	6,058	8,000	14,058
		ANWLY-1 SUBMARINE REGIONAL WARFARE SYSTEM			
0101402N	150	NAVY STRATEGIC COMMUNICATIONS	0	0	[+8,000]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0204136N	151	F/A-18 SQUADRONS F/A-18E/F SUPER HORNET	316,976	(109,200)	207,776 [-114,200]
0204152N	152	E-2 SQUADRONS E-2 EIGHT-BLADE COMPOSITE PROPELLOR SYSTEM	64,852	10,000	74,852 [+5,000]
0204163N	153	FLEET TELECOMMUNICATIONS (TACTICAL)	19,336	0	19,336 [+10,000]
0204229N	154	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC) GAO RECOMMENDED REDUCTION	93,359	(1,859)	91,500 [+10,000]
0204311N	155	INTEGRATED SURVEILLANCE SYSTEM SURTASS LOW FREQUENCY ACTIVE	9,882	4,000	13,882 [-1,859]
0204413N	156	AMPHIBIOUS TACTICAL SUPPORT UNITS	672	0	672 [+4,000]
0204571N	157	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT BATTLE FORCE TACTICAL TRAINER SECURE INTERFACE	58,956	(22,500)	36,456 [+5,000]
0204575N	158	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT ELECTRONIC WARFARE (EW) READINESS SUPPORT	1,626	0	1,626 [-27,500]
0205601N	159	HARM IMPROVEMENT AARGM	6,169	35,000	41,169 [+35,000]
0205604N	160	TACTICAL DATA LINKS	41,375	0	41,375 [+35,000]
0205620N	161	SURFACE ASW COMBAT SYSTEM INTEGRATION	7,991	0	7,991 [+35,000]
0205632N	162	MK-48 ADCAP	10,786	0	10,786 [+35,000]
0205633N	163	AVIATION IMPROVEMENTS	60,025	0	60,025 [+35,000]
0205658N	164	NAVY SCIENCE ASSISTANCE PROGRAM	0	0	0 [+35,000]
0205667N	165	F-14 UPGRADE	11,704	0	11,704 [+35,000]
0205675N	166	OPERATIONAL NUCLEAR POWER SYSTEMS MARINE CORPS COMMUNICATIONS SYSTEMS	55,998	0	55,998 [+35,000]
0206313M	167	TACTICAL HAND HELD RADIO TACTICAL REMOTE SENSORS MARINE CORPS HARDWARE SUITE TACTICAL ELECTRONIC PROCESSOR & INTEL SYS TENCAP	38,236	9,900	48,136 [+35,000]
0206623M	168	CLOSE RANGE UAV DATA LINKS (HPSCI) MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS ANVAVR-1 LASER WARNING RECEIVER	12,568	4,950	17,518 [+35,000]
0206624M	169	MARINE CORPS COMBAT SERVICES SUPPORT	5,048	5,000	10,048 [+35,000]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
		LIGHT STRIKE VEHICLE			[+5,000]
0206625M	170	MARINE CORPS INTELLIGENCE/ELECTRONICS WARFARE SYSTEMS		0	0
0206626M	171	MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS		0	0
0207161N	172	TACTICAL AIM MISSILES	60,079	0	60,079
0207163N	173	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	5,700	0	5,700
0301303N	174	MARITIME INTELLIGENCE	[--]	[--]	[--]
0301327N	175	TECHNICAL RECONNAISSANCE AND SURVEILLANCE	[--]	[--]	[--]
0303108N	176	SATELLITE COMMUNICATIONS (SPACE)	17,026	0	17,026
0303140N	177	INFORMATION SYSTEMS SECURITY PROGRAM	20,291	0	20,291
0303150N	178	WWWCCS/GLOBAL COMMAND AND CONTROL SYSTEM	498	0	498
0304111N	179	SPECIAL ACTIVITIES	[--]	[--]	[--]
0305154N	180	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		0	
0305160N	181	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	3,165	0	3,165
0305192N	182	JOINT MILITARY INTELLIGENCE PROGRAMS	2,412	0	2,412
0305207N	183	MANNED RECONNAISSANCE SYSTEMS	344	0	344
0305889N	184	COUNTERDRUG INTELLIGENCE SUPPORT		0	
0305927N	185	NAVAL SPACE SURVEILLANCE	399	0	399
0708011N	186	INDUSTRIAL PREPAREDNESS		0	
		MANUFACTURING TECHNOLOGY PROGRAMS		0	
XXXXXXX	999	Classified Programs	488,489	43,000	531,489
		TOTAL, OPERATIONAL SYSTEMS DEVELOPMENT	1,489,225	(13,709)	1,475,516
		RESEARCH AND DEVELOPMENT	1,489,225	(13,709)	1,475,516
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL NAVY	7,611,022	335,974	7,946,996
		RESEARCH AND DEVELOPMENT	5,525,254	304,869	5,830,223
		ENGINEERING AND MANUFACTURING DEVELOPMENT	2,085,768	31,005	2,116,773

Items of Special Interest

Advanced anti-radiation guided missile

The budget request contained no funds to continue the advanced anti-radiation guided missile (AARGM) demonstration program.

AARGM is a Phase III Small Business Innovative Research (SBIR) program designed to develop and demonstrate an advanced dual-mode seeker on an existing high-speed anti-radiation missile (HARM) airframe. The committee has placed a high priority on the AARGM program, and believes that the technology demonstrated to date shows great promise for providing a significantly increased anti-radiation missile capability. The committee is concerned, however, that the high level of concurrency in the schedule for the AARGM development and demonstration results in increased risk to the program and that a more sequential development program may be warranted. Accordingly, the committee recommends an increase of \$35.0 million in PE 25601N to continue the AARGM program. The committee directs the Secretary of the Navy to conduct an independent assessment of the program plan, development and demonstration schedule, program execution, technical performance, and program risk, and report the results of the assessment to the Congressional defense committees by March 31, 1998. The report should also include the Secretary's recommendations on revisions to the program schedule and the funding required to complete the program.

Advanced deployable system

The budget request contained \$33.0 million in PE 64784N for continued development of the Advanced Deployable System (ADS), an element of the Integrated Undersea Surveillance System program. The request includes funds for the concept evaluation, program definition, and risk reduction phase of an ADS prototype and engineering and manufacturing development for production of the ADS.

To meet the requirement for providing reliable detection of quieter threat submarines operating in the noisy and shallow waters of the world's littoral regions, a significantly improved information processing and data fusion capability is needed for support of ADS operations. The committee finds the budget request to be insufficient for development of these capabilities and inadequate to support the conduct of at-sea testing to validate performance in challenging littoral environments. Accordingly, the committee recommends an increase of \$10.4 million for continued development and integration of automated detection and data fusion algorithms, rapid prototyping of information processing capabilities, and at-sea testing to validate the expected improvements in ADS performance.

Advanced ranging source

The budget request contained \$16.9 million in PE 64261N for engineering and manufacturing development of acoustic search sensors.

The committee recommends an increase of \$4.0 million to accelerate the development of alternative shallow water-capable sound sources in the advanced extended echo ranging (AEER) program

and ensure that unique acoustic technology is available for the advanced ranging source (ARS) and air deployed low frequency project (ADLFP) comparative program testing.

Advanced submarine tactical electronic combat system

The budget request contained \$311.1 million in PE 64558N to continue engineering and manufacturing development for the New Attack Submarine (NSSN), including \$95.8 million for NSSN combat system development.

An integral part of the NSSN combat system is the advanced submarine tactical electronic combat system (ASTECS) and the integrated electronic support measures mast (IEM). The IEM combines communication, radar intercept, and precision direction finding capabilities in a single, low observable mast. As the precision sensor for the ASTECS, the IEM allows the combined system to address the full spectrum of advanced, complex radar, communication, and navigation systems that may be deployed by adversaries. Both ASTECS and IEM are planned for the NSSN, and the IEM for back-fit on SSN-688 and SSN-21 class submarines. The committee understands that budgetary constraints have resulted in the deferral of several critical elements of the IEM and ASTECS program: full implementation of IEM precision radar band direction finding; specific emitter identification, interception of frequency-agile and cellular communications, and international maritime satellite (INMARSAT) emissions; development of systems software for automatic data correlation, onboard training, and situational awareness; and back-fit of IEW. The committee believes these capabilities are essential and should be reinstated in the NSSN program. Accordingly, the committee recommends an increase of \$17.0 million in PE 64558N to restore the deferred elements of the ASTECS/IEM program, including repackaging the non-development initiative precision radar direction finding receiver and reducing the production cost of the IEM antenna group.

Anti-submarine warfare systems development

The budget request contained \$22.9 million in PE 63254N for development of anti-submarine warfare systems.

The committee recommends an increase of \$3.8 million to complete demonstration/validation of sonobuoy geo-positioning system integration and transducer enhancements for improving the shallow water anti-submarine warfare effectiveness of the air deployed low frequency projector.

AN/WLY-1 submarine acoustic intercept receiver

The budget request contained \$6.1 million in PE 11226N for operational systems development of improvements in the effectiveness and survivability of all classes of U.S. submarines, including continued development and testing of the AN/WLY-1 submarine countermeasure detection and control set.

The AN/WLY-1 is the next generation of submarine acoustic intercept receivers and will significantly enhance a submarine's ability to respond to threat active sonar and acoustic homing torpedoes. Scheduled for initial fleet introduction in 2001, the AN/WLY-1 will be deployed on all new submarine classes (SSN-21 and

NSSN) and will replace the current AN/WLR-9 acoustic intercept receiver on existing SSN-688I submarines. The committee recommends an increase of \$8.0 million to accelerate the introduction of the AN/WLY-1 in the fleet and back-fit on the SSN-688I submarine.

Arctic oceanographic observation program

The budget request contained \$48.2 million in PE 62435N for applied research in oceanographic and atmospheric technologies.

The committee understands that additional funding is required to support the second year of a four-year, cooperative science and technology program for the utilization of underwater acoustic techniques to determine ocean climate and acoustic characteristics in a large ocean basin. The committee recommends an increase of \$3.0 million and encourages the Secretary of the Navy to include funds for completion of the program in the fiscal year 1999 Defense budget request.

Arsenal ship and surface combatant-21 (SC-21)

The budget request contained \$103.0 million in PE 64310N and \$47.2 million in PE 63763E for the Arsenal Ship program. The budget request also included \$55.0 million in PE 64567N for the Navy's next generation surface combatant, SC-21.

The Arsenal Ship is a joint Navy-Defense Advanced Research Projects Agency (DARPA) program to develop and demonstrate a "proof-of-principle prototype strike warfare ship" and a new paradigm for development and construction of Navy ships. The Arsenal Ship is envisioned as a stealthy, highly survivable, reduced manpower fire support ship, loaded with as many as 500 vertical launch cells. Up to five additional Arsenal Ships could be procured beginning in fiscal year 2004 should the evaluation of the Arsenal Ship demonstrator prove successful. The cost of the Arsenal Ship demonstration program is approximately \$520 million, and the Congressional Budget Office's estimate of the cost of a six Arsenal Ship program totals \$3 billion, plus an additional \$2 billion for the weapons load for the six ships. The committee understands that the Navy envisions the Arsenal Ship as a bridge to the SC-21 and intends to use the Arsenal Ship demonstrator to evaluate various technologies that might be incorporated in SC-21.

According to recent Navy briefings, the first variant of SC-21 will be a land attack destroyer, DD-21, a multi-mission ship with 128 vertical launch cells that places an overwhelming emphasis on fire support, small crew, reduced signature, and significantly reduced life cycle cost. Based on the results of the Navy's SC-21 cost and operational effectiveness analysis, DD-21 would represent the "best balance" of capability compared to other options considered. The cost for the SC-21 is estimated to be approximately \$750.0 million through fiscal year 2003, and the Navy indicates that the first potential DD-21 construction contract award could be in fiscal year 2004. According to the Navy, development of SC-21 is to capitalize on the investments made in Arsenal Ship and in the Navy's Smart Ship programs.

Both the House report (H. Rept. 104-563) and the statement of managers accompanying the conference report on H.R. 3230 (H.

Rept. 104-724) agree that Arsenal Ship would be a major defense acquisition program and would have to satisfy the major acquisition program management issues, such as operational requirements validation and cost and operational effectiveness analysis. Committee hearings on the Navy's budget request for naval ship construction and research and development raised issues regarding the Arsenal Ship concept, the development schedules for the Arsenal Ship and the SC-21 program, and the ability for the lessons learned in the Arsenal Ship demonstration to feed into the SC-21 program. These issues have not been resolved, despite recent announcements that Arsenal Ship is to be merged into the SC-21 program, and the committee understands that there has been no change in the Arsenal Ship program.

The committee believes that differences in ship size and mission capability between the Arsenal Ship and DD-21, as conceived, yield two separate development programs. The committee also believes that the overlapping schedules for the Arsenal Ship and the SC-21 program do not provide sufficient opportunity for the experience gained from the Arsenal Ship demonstrator to provide maximum benefit to design and construction of the DD-21. The committee further believes that the Navy's program, as outlined in the fiscal year 1998 budget request, would lead to two parallel, overlapping, and nearly simultaneous development programs for future surface combatants, each of which meets the criteria for a major defense acquisition program. The committee believes that two such programs are unaffordable, and that requirements for both programs have not yet been validated by the Department of Defense.

The committee therefore recommends no funding for the Arsenal Ship in PE 64310N and PE 63763E in fiscal year 1998. The committee directs the Under Secretary of Defense (Acquisition and Technology) and the Secretary of the Navy to review the acquisition strategy for the SC-21 program and to determine whether or not a prototyping strategy is appropriate for the new surface combatant. The results of the review and plans to incorporate such a strategy in the development of SC-21 shall be reported to the Congressional defense committees with the submission of the fiscal year 1999 budget request.

Automatic target recognition / optical correlation

The budget request contained \$34.2 million in PE 63609N for Navy conventional munitions development, \$26.2 million in PE 63601F for Air Force conventional weapons technology, and \$4.8 million in PE 63232D for automatic target recognition. The committee is aware progress is being made in the Director, Defense Research and Engineering (DDR&E) automatic target recognition (ATR) program and the development of ATR technologies for missiles, precision-guided weapons, and target cueing for surveillance systems. The DDR&E's January 1997 report to the Congressional defense committees on optical correlation technology describes the progress that has been made in the potential weaponization of optical correlation technology for these purposes. The committee also understands that the Air Force is investigating the use of optical correlators for missile applications in its Optical Processor Enhanced Ladar program.

The committee recommends an increase of \$8.0 million in PE 63609N for the development and demonstration of a miniature optical correlator for automatic target recognition and improved aimpoint selection for the Standard Missile, and an increase of \$3.5 million in PE 63601F for the development and demonstration of a miniature optical correlator for automatic target recognition and aimpoint selection for the AGM-130. The committee expects the Air Force and the Navy to capitalize on current programs for the development of ATR technology and the application of optical correlator technology and to coordinate their activities with the DDR&E's ATR program.

Autonomous underwater vehicle and sonar development

The budget request contained \$48.2 million in PE 62435N for oceanographic and atmospheric technologies, including \$17.5 million for applied research in environmental influences on mine countermeasures systems and littoral oceanography.

The committee recommends an increase of \$10.0 million to continue applied research and exploratory development in technologies for advanced sensors and unmanned underwater vehicles applicable to mine countermeasures and other littoral operations.

Battle force tactical trainer

The budget request contained \$59.0 million in PE 24571N for consolidated training systems development, including \$2.9 million for continued development of the battle force tactical training (BFTT) system.

The committee understands that the BFTT system provides opportunities for fleet personnel to achieve and maintain combat readiness through coordinated, realistic, stressful, combat system team training, and permits the ship's combat system team to train on their own equipment while located at pier-side. The committee also recognizes that electronic surveillance systems aboard naval combatants are integral parts of ship and battle force combat systems and the information architecture required to conduct naval combat operations successfully. To take full advantage of the training capability represented by the BFTT system and permit fleet personnel to train using all aspects of their operational systems (including those that generate classified data), the committee believes that these electronic surveillance systems should interface with the BFTT system. Accordingly, the committee recommends an increase of \$5.0 million for the integration of ship and battle force electronic surveillance systems into the BFTT system.

Beach and surf zone obstacle clearance

The budget request contained \$41.6 million in PE 63782N for advanced development and demonstration of technology for shallow water mine counter-measures.

The committee is aware of initial testing by the Air Force and the Navy that demonstrates the ability of GPU-5 gunpod, mounted on an air-cushion landing craft, to breach beach and surf zone obstacles safely, quickly, and decisively. The committee believes that the system, when proven by further testing, offers potential for a relatively low cost, highly effective obstacle clearance capability

that could be fielded quickly to improve the capability of U.S. naval and amphibious forces operating in the littoral. Accordingly, the committee recommends an increase of \$750,000 to complete the additional testing required to prove the capability.

Carbonate fuel cells

The budget request contained \$19.2 million in PE 63513N for development of shipboard systems non-propulsion machinery systems, components, and improvements for current and future surface fleet hull, mechanical, and electrical systems.

The request included funding to continue the program that was initiated in fiscal year 1997 for design of a full scale ships service molten carbonate fuel cell power plant and demonstration of a 500 kilowatt molten carbonate fuel cell. The molten carbonate fuel cell demonstration program supports the development of high efficiency, dispersed, and environmentally friendly power plants for the next generation of surface combatants (SC-21) and fleet support vessels. To accelerate system and key component development and demonstration and the scale-up of the 500 kilowatt demonstrator to a full scale ships service electric power plant that could be considered for use on the SC-21 future surface combatant, the committee recommends an increase of \$3.5 million. The committee encourages the Secretary of the Navy to include the additional funding required to maintain the accelerated schedule for development and demonstration of the full scale system in the Navy's budget request for fiscal year 1999.

Commandant's warfighting laboratory

The budget request contained \$34.2 million in PE 63640M for the Commandant's warfighting laboratory (CWL) advanced technology demonstration.

The Commandant and the Chairman, Joint Chiefs of Staff identified the CWL as a priority un-funded requirement to expand experimentation to meet future technologically advanced warfighting threats. These experiments and demonstrations focus on developing operational and warfighting concepts to enhance warfighting capabilities in the next century. Recent advanced warfighting experiments have, in particular, demonstrated the importance of information provided from relatively low cost unmanned aerial vehicles. The committee notes the early results from the CWL initiative, and recommends an increase of \$24.8 million for the CWL, including \$5.0 million specifically to investigate the utility of low-cost close range unmanned aerial vehicles as defined by the current operational requirement.

Composite engineered materials

The budget request contained \$1.7 million in PE 63725N for advanced development of materials, electronics and computer technologies.

The committee continues to support the Navy's development and use of new and improved materials to address the growing backlog and cost of naval shore facility maintenance and repair. The committee therefore recommends an increase of \$3.0 million to complete the shore facilities materials program in cost-shared research

on carbon fiber-reinforced, recycled thermoplastic engineered lumber.

Cooperative engagement capability

The budget request contained \$139.2 million in PE 63658N for the cooperative engagement capability (CEC).

As reflected in the House report (H. Rept. 104-563) on H.R. 3230 and the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the Congress has recognized the CEC program as among the highest priority programs in the Navy and the Department of Defense. In testimony during the defense posture hearing on the fiscal year 1997 budget request, the Secretary of Defense singled out the CEC as a program of high priority that he had chosen to accelerate because of its great potential for linking units from more than one service together and greatly increasing their warfighting capability. The Congressional defense committees agreed with the priority established by the Secretary and recommended significant increases to the CEC program to accelerate the fielding of the capability to the fleet and to accelerate and expand joint service integration efforts.

The committee notes that the Navy's fiscal year 1998 budget request for the CEC program is significantly less than projected in the fiscal year 1997 Future Years Defense Plan and budget justification, and results in a slip of over one year in the fielding of the capability to fleet units. The committee does not understand the Navy's failure to provide the funding required to maintain the accelerated fielding schedule for a program that has received such a high priority from the Secretary of Defense and from the Congress. The committee believes that the Navy has overemphasized programs for new naval "platforms", at the expense of the warfighting weapons systems that would make existing platforms more effective.

The committee recommends a total increase of \$50.0 million in PE 63658N for the CEC program: \$15.0 million to continue the accelerated development of the low cost common equipment set, \$5.0 million to support transfer of the CEC design and development agent to industry, \$20.0 million to accelerate integration of the CEC into Navy E-2C and P-3 aircraft, \$5.0 million to initiate development of an integrated capability between CEC and the ship self defense program, and \$5.0 million to accelerate joint service integration and demonstration of CEC with the Army's Patriot and the Marine Corps' Hawk air defense missile systems.

Cryogenic electronics technology

The budget request contained \$76.7 million in PE 62234N for advanced development of materials, electronics and computer technologies, including \$9.5 million for advanced multifunctional radio frequency system support technology, and \$9.2 million in PE 62712E for development of cryogenic technologies.

The committee understands that cryogenic electronics and high temperature superconductivity technology may offer the potential for achieving significant improvements in the ability of future radar systems to detect and track low-flying targets in clutter. The committee is aware that the Defense Advanced Research Projects

Agency and the Office of Naval Research are demonstrating notable performance gains through the use of cryogenic electronics and high temperature superconductivity technology in analog and digital electronic components. The committee is also informed that the application of these technologies may permit the development of advanced RF receiver/exciter subsystems that could be common to a wide range of radar applications and could result in significant reductions in the cost of future radar systems. Accordingly, the committee recommends an increase of \$3.0 million in PE 62234N to continue the development of superconducting waveform generator and analog-to-digital converter technology.

CVN-77 research and development

The budget request contained \$17.9 million in PE 64567N for aircraft carrier contract design for the CVN-77.

The Navy has stated that CVN-77 will provide a transition from the Nimitz-class nuclear aircraft carrier to the next-generation CV(X). As such, CVN-77 is a candidate for development, evaluation, and incorporation of a range of advanced technologies and acquisition reform initiatives which, not only could result in lower life cycle costs, but could also set the standard by which further improvements in the application of advanced technologies and acquisition initiatives to the design and construction of the CV(X) will be measured. Accordingly, the committee recommends an increase of \$17.0 million to accelerate the evaluation of maturing advanced technologies for potential incorporation in the design of CVN-77.

CV(X) carrier systems development

The budget request contained \$90.2 million in PE63512N for future aircraft carrier research and development.

The committee notes that this request represents an increase of \$84.5 million above the amount appropriated for fiscal year 1997 and \$88.4 million above that projected for fiscal year 1998 in the fiscal year 1997 Future Years Defense Plan. The increase is planned for advanced development of a range of advanced technologies for potential incorporation in the design and construction of the next-generation CV(X) aircraft carrier.

The committee notes that the Joint Requirements Oversight Council approved a mission needs statement (MNS) for a New Tactical Aviation Sea-Based Platform for the 21st Century, the CV(X), in March 1996. The committee understands that among the potential alternatives that may compete with CV(X) in meeting the operational requirements of the MNS are the Mobile Offshore Base (MOB) and the Arsenal Ship, as well as land-based aircraft. The committee further understands that MOB studies in support of the CV(X) cost and operational effectiveness analysis have just been initiated. The committee also notes that the budget request includes funding for an Arsenal Ship demonstration that could lead to procurement of up to five Arsenal Ships. The committee is concerned that the issues raised in the committee report on H.R. 3230 (H. Rept. 104-563) and the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724) relative to the need for validation of the Arsenal Ship operational requirement

and performance analysis have not yet been addressed by the Navy.

In view of the above, the committee believes that it is neither fiscally nor technically prudent to increase advanced carrier systems research and development for the CV(X) to the degree sought by the Navy. The committee believes that increased emphasis should be placed on the research and development program for the CNV-77, and elsewhere in this report, has recommended an increase to the research and development program for the CVN-77 aircraft carrier to provide a transition to the CV(X). The committee recommends that funding for carrier systems research and development for the CV(X) be held to the level originally projected for fiscal year 1998 and recommends a decrease of \$88.4 million

E-2 eight-blade composite propeller system

The budget request contained \$64.9 million in PE 24152N for operational systems development of preplanned product improvements in E-2C aircraft and weapon system capabilities, including \$39.4 million for E-2C mission system improvements.

The committee is aware that the Navy is seeking solutions to operational limitations encountered with the propeller system used on E-2C and C-2A aircraft. The current propeller system incorporates technology developed in the 1950's and the 1960's, is difficult and expensive to maintain, is no longer in production, and is a frequent cause of E-2C aircraft not being operationally ready. The committee is also aware of proposals to develop an eight-blade composite propeller for E-2C and C-2A aircraft that might also be retrofitted to Navy P-3 and C-130 aircraft. The committee understands that the cost of developing and producing the new propeller system could be recovered in four to five years as a result of reduced operation and support costs for the aircraft. Accordingly, the committee recommends an increase of \$10.0 million to initiate a 24 month program for development and demonstration of an eight-blade composite propeller system for the E-2C. The committee encourages the Secretary of the Navy to include the funds for completion of the development program in the fiscal year 1999 defense budget request.

Extended range guided munition

The budget request contained \$37.8 million in PE 63795N for land attack systems technology.

The committee strongly supports a naval surface fire support (NSFS) program which focuses on near term and far term improvements to naval fire support systems: development and demonstration of an extended range guided projectile (ERGM) which would incorporate advanced, low cost, global positioning system/inertial navigation system (GPS/INS) guidance technology; improvements in the existing Mk 45 5-inch naval gun; demonstration of the Army's tactical missile system (ATACMS) and other missile systems for NSFS applications; and development and demonstration of technologies to satisfy the Navy's long term requirements for advanced gun systems. The committee believes that the Navy must continue to place a high priority on the program and accelerate the fielding of near term capabilities to correct the existing shortfall in

naval surface fire support capabilities. Accordingly, the committee recommends an increase of \$15.1 million in PE 63795N to complete the development and commence integration of a fire control system to support the achievement of initial operational capability of the advanced 5"/62 caliber gun and the ERGM in DDG 81, planning and land-based testing of the 5"/62 gun, and risk reduction and testing of the ERGM projectile and propellant. Elsewhere in this report, the committee recommends increases to the NSFS program for a naval ATACMS, and advanced, miniaturized GPS/INS guidance and control.

F/A-18E/F super hornet

The budget request contained \$317.0 million in PE 24136N for the F/A-18 fleet. The committee understands that \$267.5 million of this amount is for the F/A-18E/F Super Hornet and that funding for this program has increased \$114.2 million over the amount forecast in the 1997 Future Years Defense Plan (FYDP).

The committee has expressed great concern, described in detail elsewhere in this report, over the unaffordable pace of tactical aviation (TACAIR) modernization being pursued by the Department. Of the three most costly TACAIR programs in the Department's request—the Air Force F-22 Raptor, the Navy F/A-18E/F Super Hornet, and the Joint Strike Fighter—the Super Hornet was recently approved by the Department to enter production, even prior to final recommendations by the Quadrennial Defense Review and National Defense Panel.

The committee is unaware of any justification to support such a large increase in this year's research and development request for the Super Hornet over the recently forecast funding level identified in the 1997 FYDP. Therefore, the committee recommends \$202.8 million for the F/A-18 fleet, a decrease of \$114.2 million for the F/A-18E/F.

F/A-18F Tactical Reconnaissance

The budget request contained no funding for developing the F-14 Tactical Air Reconnaissance Pod System (TARPS) Completely Digital (CD) capability.

The committee understands that the Navy plans to replace the F-14 Tactical Air Reconnaissance Pod System (TARPS) with an electro-optical podded system for the F/A-18F Super Hornet. The committee has closely monitored the technical issues and difficulties experienced by the Marine Corps with the internally mounted Advanced Tactical Reconnaissance System (ATARS) for the F/A-18D. These issues, combined with the expected costs and extent of modifications to the F/A-18F if an internally mounted sensor were chosen, point to a podded reconnaissance capability as a more cost-effective and flexible approach for Navy fighter aircraft.

Therefore, the committee supports the Navy's decision to develop a non-dedicated podded reconnaissance capability for the Super Hornet. The committee expects that the Navy will adhere to this decision and stresses that it will not favor any future request for development of an internally mounted F/A-18 reconnaissance capability. The committee believes that the Navy should, to the extent possible, ensure that the TARPS development be transferable to

the F/A-18F pod. To ensure that the latest technologies are provided to the user, the committee directs that the development and procurement of the F/A-18F podded system be awarded competitively.

The committee has followed the TARPS digital imagery (DI) electro-optical (EO) improvements and is pleased with the results of this interim, but limited, capability. However, the committee believes there is a need to move to a production EO capability with a larger format backplane that provides both better resolution and a larger target area field-of-view, and understands that the TARPS CD development would provide such a capability at significantly less cost than a Navy purchase of the Advanced Tactical Airborne Reconnaissance System (ATARS).

Based on the successful results from the interim DI efforts, the committee is convinced that CD will provide a cost effective EO tactical manned reconnaissance capability to replace the current film-based F-14 pods. Therefore, the committee recommends \$5.0 million in PE 24136N for TARPS CD non-recurring engineering. The committee directs the Navy to move to TARPS CD production as expeditiously as possible.

Free electron laser

The budget request contained \$32.3 million in PE 62111N for technologies applicable to surface and aerospace surveillance and weapons.

The committee has supported the Navy's technology program for design, fabrication, and activation of a one kilowatt average power free electron laser that operates in the infrared spectrum, and the evaluation of the technology for potential ship self-defense applications. The committee recommends an increase of \$9.0 million to continue the Navy's free electron laser program. The increase will support the next phase in the development of superconducting accelerator free electron laser technology to achieve higher power levels and to evaluate the utility of a high energy laser weapon for naval applications.

Freeze-dried blood

The budget request contained \$18.3 million in PE 63706N for advanced development and demonstration of medical technology for care and treatment of Navy and Marine Corps personnel in operational theaters, including \$3.6 million for advanced technology development related to blood and blood substitutes.

The committee supports the Navy's program for the development of technologies for freezing red blood cells, the development of freeze-dried red blood cell units having extended shelf-life, and the development and clinical trial of improved frozen and freeze-dried blood platelet products that have enhanced storage capabilities, and recommends an increase of \$2.5 million to accelerate these efforts.

Ground proximity warning system (GPWS)

The budget request contained \$36.3 million in PE 64215N for standards development, but did not include funding to continue the

integration of GPWS technology into Navy-Marine Corps helicopter fleets.

Congress provided an increase of \$2.0 million for fiscal year 1997 to continue development of the GPWS in anticipation of its fielding on Navy and Marine heavy lift helicopters. The committee notes that the Navy plans to use these funds to achieve production approval of the GPWS for the H-53 and H-46 series helicopters. To continue this development effort, the committee recommends an increase of \$4.0 million for integration of GPWS technology into the remaining Navy-Marine Corps helicopter fleet and urges the Navy to program the modification funding needed to complete the fleet-wide installation of this system.

H-1 series modifications

The budget request contained \$18.5 million in Navy procurement for modifications to the H-1 series helicopter of which \$18.3 million was planned for communications and navigation block upgrades. The budget request also contained \$80.7 million in PE 64245N for development of future H-1 upgrades.

Subsequent to the submission of the budget request, the Navy determined a need to restructure its communications and navigation block upgrades and research and development plans for the H-1 series helicopters. The restructured program, which requires transferring funds from the aircraft procurement account to the research and development account, would improve commonality between the UH-1N and AH-1W helicopters through a new plan to design a common cockpit architecture and to procure common parts and software. The committee supports this initiative and recommends a reduction of \$5.6 million in procurement for H-1 communications and navigation block upgrades and an increase of \$5.6 million in PE 64245N for design of a common cockpit architecture.

High frequency surface wave radar

The budget request contained \$87.3 million in PE 63792N in the Navy's advanced technology demonstration (ATD) program.

The ATD program demonstrates high-risk/high-payoff technologies that could significantly improve the warfighting capabilities of the fleet and joint forces and provides the opportunity to identify and move emerging technologies quickly and efficiently from the laboratory to the fleet. The committee understands that the high frequency surface wave radar (HFSWR) has the potential for significantly improving over-the-horizon detection of cruise missiles and is also applicable to other over-the-horizon surveillance missions. Fiscal year 1997 funding reductions forced the Navy to place the HFSWR ATD on hold after conducting two years of a three-year ATD, and no funds are included in the fiscal year 1998 budget request for completion of the demonstration. Because of the positive results achieved in the HFSWR ATD before it was halted and the potential increase in over-the-horizon surveillance capability that the technology would bring to the fleet, the committee recommends an increase of \$4.0 million to complete the HFSWR ATD.

Hull, mechanical, and electrical systems virtual laboratory initiative

The Navy is considering revolutionary changes to its 21st century naval vessel fleet, such as SC-21 and CVX, that includes stealth, automation, power electronics building blocks and electric drive. While these synergistically linked technologies are ideal candidates for cross-discipline system evaluation in a synthetic environment, the Navy has no formal plan or funding for such a capability. The committee recognizes the success achieved by the other services and industry in the employment of simulation-based design of innovative technologies and believes that this capability would contribute significantly to cost-effectiveness and innovation in the development of hull, mechanical and electrical ship systems. The committee believes that a virtual laboratory concept that includes integrated product and process development capability, electronically linking government, academic and industrial partners, is a way to incorporate timely innovation, optimized system design and control acquisition and total ownership costs. This concept would provide a virtual test bed for performance evaluation and interface development as well as virtual prototyping of systems, components and subassemblies under simulated conditions. The committee directs the Secretary of the Navy to provide an assessment to the Congressional defense committees of such a virtual laboratory for hull, mechanical and electrical systems and if warranted, an implementation plan for this concept by June 1, 1998. The committee encourages the Navy to seek technical input from industry and other services laboratory programs as part of the assessment process.

Integrated combat weapon system

The budget request contained \$18.3 million in PE 63502N for surface and shallow water mine countermeasures, including \$5.2 million for the Integrated Combat Weapon System (ICWS).

The ICWS is a series of major incremental block upgrades to current mine countermeasures combat systems to provide MCM- and MHC-class ships an affordable and fully integrated combat weapons system. The committee recommends an increase of \$10.3 million to accelerate the transition of ICWS to a commercial-off-the-shelf, open systems architecture with increased commonality among operator stations, development and demonstration of improvements in system navigation and command and control, and early deployment of the ICWS full implementation system to the fleet.

Integrated ship self defense test site

The budget request contained \$132.3 million in PE 64755N for the ship self defense program and \$33.2 million in PE 64759N, Major Test & Evaluation Investment. No funds were requested in either program element for the ship self defense set and support equipment required to activate the Navy's Integrated Ship Self Defense Engineering Center (ISDEC).

In 1991, the Navy received approval to construct a land-based test facility at Wallops Island to integrate and test the ship self defense system (SSDS) and its related equipment. The decision was

made after a comprehensive review of available test sites and their ability to support the engineering development, in-service engineering, training, testing, and other initiatives associated with the SSDS. Construction of the facility was completed in 1995. A December 1996 letter from the Office of the Chief of Naval Operations advised that “program reductions have resulted in delays of two or more years for the procurement and installation of systems intended for ships and insufficient funding to operate and maintain the Wallops Island facility.”

In view of the priority assigned to the cooperative engagement capability (CEC) and ship self defense programs, the committee does not understand the inability of the Department of the Navy to fund the installation of the required SSDS equipment set and related equipment required to activate the integrated SSDS test site. Such funding should have been an integral part of the program plan when approval for construction of the site was sought and given in 1991. The Navy’s inability to provide the required funding is even more incomprehensible in view of the fact that the ship self defense and CEC programs that will use the site have been among the Navy’s highest priority programs. These programs have been funded at an average funding level of approximately \$400.0 million annually since 1990, and have received significant annual funding increases from Congress. By failing to budget for the activation and operation of the ISDEC, the Navy has severely restricted its ability to perform testing and lifetime engineering support, in-service engineering, and engineering initiatives related to the CEC and SSDS systems.

Accordingly the committee recommends an increase of \$8.6 million in PE 64759N to purchase the SSDS and related equipment required to activate the integrated land based test site at Wallops Island. The Secretary of the Navy is also directed to provide from available funds the \$6.0 million that is required to refurbish and install an AN/SPS-48E air search radar at the site.

Inter-cooled recuperated engine

The budget request contained \$49.7 million in PE 63573N for the Navy’s advanced surface machinery program (ASMP), including \$32.3 million for the inter-cooled recuperated (ICR) gas turbine engine. The ICR engine program is a cooperative development program between the United States, the United Kingdom, and France to develop and demonstrate an advanced fuel efficient gas turbine engine that would be the prime power plant for future ship applications.

In the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the conferees directed the Secretary of the Navy to review the results of developmental testing of the ICR engine and to provide a report of the progress made in resolving the problems previously encountered during early stages of the ICR engine development testing. The committee also notes that significant progress has been made and that the development program is proceeding in accordance with a two-phased recovery plan. The committee also understands that testing of the engine has demonstrated the ability to operate from 1 percent to 110 percent of the design power range and the ability to achieve a 21

percent annual fuel savings based on a DDG-51 Class operating profile.

The committee is encouraged by the progress being made and by the indication that the ICR engine will be an advanced maritime power plant capable of the significant annual fuel savings and reduced operating costs that are the objective of the program, but notes that considerable development and testing must still be done to realize this goal. The committee also notes that the United States has borne the majority of the cost of the ICR engine program. The committee is aware of ongoing discussions between the Department of the Navy and its counterparts in the development program partnership regarding the conduct of land-based engine qualification testing, proposals for at-sea testing, and the funding required to support completion of the program. The committee believes that agreement on these issues will be key to ensuring the completion of the development program and the provision of an advanced, fuel-efficient power plant for future U.S. ships.

The committee directs the Secretary of the Navy to conduct an assessment of the progress in the ICR engine program, future plans for engine testing and qualification, and the status of agreements with the United Kingdom, France, and other countries that are participating in the development program. The results of the assessment shall be reported to the Congress with the submission of the fiscal year 1999 defense budget request.

Joint air to surface standoff missile/standoff land attack missile expanded response

The budget request contained \$9.6 million in PE 64312N and \$203.3 million in PE 27325F for the Air Force/Navy Joint Air to Surface Standoff Missile (JASSM) program and \$28.9 million in PE 64603N for the Navy's Standoff Land Attack Missile Expanded Response (SLAM ER) program.

The JASSM program was established in the fiscal year 1996 budget, following cancellation of the Tri-Service Stand-off Attack Missile (TSSAM), to develop a replacement for that system at the earliest possible date. In the statement of managers which accompanied the conference report on S. 1124 (H. Rept. 104-450), the conferees stressed the urgent need for the operational capability that would have been provided by the TSSAM and the expectation that the Secretary of Defense would establish a joint program in the Air Force and the Navy for development of a TSSAM replacement that would meet the requirements of both services.

The committee notes recent proposals by the Navy to replace the joint program for JASSM with the Navy's SLAM-ER, prior to completion of the current program definition and risk reduction phase for JASSM. The committee considers such a proposal to be premature and not in the best interests of the joint program. The proposal is, however, one of the program alternatives that could be considered at the Milestone II review for entry of the JASSM program into engineering and manufacturing development in July 1998, if properly based on the technical progress in the program and risk reduction phase, cost and operational effectiveness analysis, and other factors that must be taken into account in that review.

The committee has reviewed the Navy's SLAM-ER program and considers the development and procurement schedule excessively concurrent. The committee understands that on the basis of a single controlled flight test, the Navy has made a low rate initial production decision that will result in the procurement of approximately 19 percent of the total planned buy of SLAM-ER before the completion of development and operational testing. The committee further notes that flight test of a SLAM-ER with operational seeker will not be conducted until Development Test II. The committee believes that this decision is neither technically nor fiscally prudent. The committee directs the Secretary of the Navy to review the development and acquisition program for SLAM-ER and provide to the Congressional defense committees by December 31, 1997, and provide an assessment which addresses the concerns expressed by the committee.

Joint standoff weapon system

The budget request contained \$71.5 million in PE 64727N for the joint standoff weapon system (JSOW). JSOW is a modular design that is being developed in three variants: a submunition dispenser, an anti-armor submunition dispenser, and a unitary warhead variant which will incorporate an imaging infrared seeker, data link and 500 pound blast fragmentation warhead. The committee understands that the submunition variant has completed development and initial operational testing with a success rate of over 96 percent and has been approved for low rate initial production with initial deliveries to the Navy for use in the F/A-18 in 1998. Initial procurement of the anti-armor submunition variant is scheduled for fiscal year 1999, however, current program funding levels would delay fielding of the unitary warhead variant until 2002. The committee recommends an increase of \$9.0 million to accelerate the development and fielding of the unitary warhead variant.

Joint strike fighter

The budget request contained \$448.9 million in PE 63800N for Navy portion of the Joint Strike Fighter (JSF) program.

The committee is concerned that, although this request represents an increase of almost 100 percent in funding for Navy JSF participation over fiscal year 1997 levels, it is based on schedule, cost, and quantity objectives that no longer reflect the Department's plans for Navy tactical aircraft as outlined in the recently released Quadrennial Defense Review (QDR). The committee understands that the QDR proposes a major increase in Navy JSF aircraft quantities from the level anticipated in the 1997 Future Years Defense Plan (FYDP) and supports efforts to accelerate the Navy portion of JSF. The committee recommends an increase of \$20.0 million and directs the Secretary of Defense to use the increase in funding to ensure that JSF meets all Navy requirements and to enable this program to support a significantly increased quantity of Navy JSF aircraft.

The committee is also concerned that the 1997 FYDP does not reflect adequate funding within the JSF program to continue development of the alternative fighter engine (AFE) beyond the current demonstration/validation phase. The committee continues to believe

that a fully developed and flight tested AFE is essential to reduce risk to the JSF program and to provide credible competition necessary for controlling program cost. Therefore, the committee directs the Secretary of Defense to provide a report to the Congressional defense committees no later than February 15, 1998, detailing the level of funding within the JSF program that is identified to fund full development and flight test of the AFE.

Joint surveillance and target radar system integration

The budget request contained \$5.1 million in PE 64231N for the Joint Maritime Communications Information System (JMCIS)—Afloat. No funds were requested to include a capability within JMCIS to exploit the Joint Surveillance and Target Radar System (JSTARS) moving target indicator (MTI) data.

The committee believes that there are compelling reasons for the Navy to acquire the ability to use the JSTARS radar surveillance system. The Navy currently has no means to detect and track, and locate moving targets, on a large scale, to contribute meaningfully to operations ashore. The Navy and Marine Corps aviation forces, future variants of the Tomahawk missile, shore fire-support systems, and amphibious forces will all require highly capable moving target indicator (MTI) radar support for situation assessment and targeting.

Therefore, the committee recommends an increase of \$10.0 million to perform the tasks necessary to integrate JSTARS data into Navy and Marine ship and air platforms.

Joint tactical combat training system

The budget request contained \$59.0 million in PE 24571N for consolidated training systems development, including \$33.6 million for continued development of the joint tactical combat training system (JTCTS). The JTCTS is a Navy-led, joint Air Force/Navy program for the development of fixed, transportable, and mobile range instrumentation for shore-based tactical air crew training and for deployable, at-sea naval expeditionary force training.

The committee notes that the estimated cost of the program through fiscal year 1999 has grown over 70 percent in the last year, and that the budget request for fiscal year 1998 is \$27.5 million greater than proposed in the fiscal year 1997 Future Years Defense Plan. The committee understands that the increase results from inadequate estimates of development costs and program complexity, failure to clearly define the requirements of the development contract, and reductions in Air Force funding below that anticipated by the Navy. These factors have forced major contract restructure, economic inefficiencies in hardware and software development, and a significant extension in the development schedule. The committee believes that the JTCTS requirement and program must be reassessed and a new system and program baseline established to bring the program under control.

The committee directs the Secretary of the Navy, in coordination with the Secretary of the Air Force, to conduct an assessment of the JTCTS requirement and development program execution and to report the results of the assessment, revisions to the program baseline, and funding requirements and schedule for completion of the

program to the Congressional defense committees by December 31, 1997. The committee believes that until the assessment is completed, no increase to the program is warranted, and therefore recommends a decrease of \$27.5 million in PE 24571N.

Light airborne multi-purpose system helicopter program

The budget request contained \$73.4 million in PE 64212N for other helicopter development.

The Navy has embarked on a program to convert its existing fleet of LAMPS helicopters from the SH-60B configuration to the SH-60R configuration. The block II upgrade will enhance the anti-submarine warfare and anti-surface warfare capabilities of the LAMPS MK III in support of the naval battle group in littoral operations and in regional conflicts. The committee recommends an increase of \$15.0 million to maintain the schedule for the block II upgrade and support the insertion of ruggedized, scaleable, commercial-off-the-shelf (COTS) avionics technology into SH-60R avionics. The committee understands that use of COTS avionics technology will yield significant savings in production costs during the conversion program and reduce overall system life-cycle costs.

Light strike vehicle

The budget request contained no funds for the light strike vehicle (LSV). The committee understands that there is an approved operational requirements document (ORD) for lightweight, high performance all-terrain vehicles for a number of critical missions, such as special operations and forward reconnaissance in conventional operations.

The ORD requires an initial operational capability by fiscal year 2001. The committee is concerned that while the Commandant has emphasized the high priority of the V-22 Osprey to Marine combat capability, the Marine Corps currently has no viable ground vehicle that can be carried inside the Osprey. Current vehicles for these missions are reaching the end of their service life, are easily detected, and have limited mobility or are not internally transportable in the Osprey.

Accordingly, the committee recommends \$5.0 million in PE 26624M to begin the development of the LSV for both the Marine Corps and Special Operations Forces, and directs the Secretary of the Navy to report to the Congressional defense committees by November 30, 1997 the plan to field this critical warfighting asset.

Lightweight wide aperture array

The budget request contained \$61.1 million in PE 63504N for advanced submarine combat systems, including \$10.5 million to continue the development of advanced flank array technology.

The committee recommends an increase of \$4.0 million to accelerate the development and application of fiber optic technology to low cost, lightweight hull array systems for current and next generation submarines.

Littoral anti-submarine warfare technology demonstration

The budget request contained \$54.8 million in PE 63747N for undersea warfare advanced technology, including \$30.9 million for shallow water surveillance advanced technology.

The committee has expressed concerns about the potential threat of advanced diesel submarines operating in the shallower waters of the world's littoral regions and the challenge posed to U.S. surveillance and detection capabilities. In fiscal year 1996, Congress provided additional funds for the development and demonstration of advanced technologies for shallow water anti-submarine warfare (ASW). These funds were subsequently used for the development, testing, and calibration of components of a mobile, high power broadband acoustic surveillance source that is based upon the adaptation of commercial-off-the-shelf (COTS) air-gun technology. The committee understands that this effort has been successfully completed and shows promise for filling a significant niche in the U.S. ASW shallow water surveillance capability. The committee, therefore, recommends an increase of \$5.0 million for continued development, demonstration, and evaluation of the technology which, the committee understands, will permit decisions on proceeding further with the development of COTS air gun technology as an acoustic surveillance source.

Marine Corps assault vehicles

The budget request contained \$60.1 million for the advanced amphibious assault vehicle (AAAV) in PE 63611M.

The Marine Corps is developing the AAAV to be a high water speed, amphibious armored personnel carrier replacement for its current fleet of aging amphibious vehicles. The committee understands that additional funding is required for fabrication and testing of a second prototype which is needed to preserve the current schedule if any significant equipment failures occur. The committee strongly supports development of the AAAV and recommends an increase of \$10.0 million for a second AAAV prototype.

Marine Corps communications systems

The budget request contained \$38.3 million in PE 26313M for Marine Corps communications systems.

The committee notes that the Commandant of the Marine Corps has identified critical unfunded requirements for development of a tactical hand held radio, a tactical remote sensor system, a Marine common hardware suite, and the tactical electronic reconnaissance processing and evaluation system. The committee recommends an additional \$5.2 million for these programs.

Marine Corps ground combat/supporting arms system

The budget request contained \$12.6 million in PE 26623M for Marine Corps ground combat/supporting system development.

The committee recommends an increase of \$4.3 million to integrate and test the AN/VVR-1 Laser Warning Receiver into the M1A1 Abrams tank. The committee also recommends an increase of \$0.7 million as requested by the Commandant for the Marine enhancement program to support development of better clothing and other items for the individual Marine.

Marine Corps ground combat/support system

The budget request contained \$36.5 million for PE 63635M, including funding for continued development of the joint Army/Marine Corps lightweight 155mm howitzer.

The program has completed competitive selection of the prime contractor, and has entered the engineering and manufacturing development phase. The committee fully supports this program effort to field a much needed replacement for the aging and operationally deficient M198 howitzer and recommends an increase of \$3.6 million.

Marine mammal research program

The budget request contained \$366.3 million in PE 61153N for Navy Defense Research Sciences, including \$137.1 million to support basic research in ocean sciences.

The committee recommends an increase of \$500,000 to continue the Navy's cooperative marine mammal research program. The committee directs the Secretary of the Navy to submit to the Congressional defense committees by March 1, 1998, a report on the research being conducted in the marine mammal research program and the technological implications of this research to Navy sonar requirements.

Medical mobile monitor

The budget request contained \$18.3 million in PE 63706N for advanced development and demonstration of medical technology for care and treatment of Navy and Marine Corps personnel in operational theaters. No funds were requested to continue the program for advanced technology development and evaluation of the medical mobile monitor.

The committee continues to believe that the Department must place high priority on the fielding of state-of-the-art, cost effective, medical care for U.S. forces. The development and demonstration of miniaturized, lightweight, rugged emergency medicine and medical information technology tools for use in forward units should lead to advances in critical medical care for the military services that could also be adopted by other Federal and civilian medical organizations that are required to provide medical care in remote and austere environments. The committee recommends an increase of \$4.0 million to complete the program for development and demonstration of mobile medical monitor prototypes and to demonstrate the ability of the monitor to interface with existing military communications systems and medical information systems.

Micro-electromechanical systems guidance and control

The budget request contained \$37.8 million in PE 63795N for land attack systems technology for naval ship-to-shore fire support.

The committee has strongly supported a naval surface fire support (NSFS) program which focuses on near and long term improvements to naval fire support systems. The committee believes that advanced global positioning system/inertial navigation system (GPS/INS) guidance and control technology is essential to the NSFS program and to other precision guided munitions programs. The success of this program and the affordability and cost-effective-

ness of advanced precision guided munitions can be significantly enhanced by micro-electromechanical systems (MEMS) technology used in the guidance and control unit. MEMS technology has the potential to significantly reduce the cost of the GPS/INS guidance and control for the Navy's extended range guided projectile (ERGM), the Army's low cost competent munition (LCCM), and other Department programs. The committee is informed of a recent successful demonstration of a MEMS-based advanced guidance and control unit for the ERGM in gun-fired tests at Yuma Proving Ground that demonstrated the promise of MEMS-based GPS/INS technology. Accordingly, the committee recommends an increase of \$5.0 million in PE 63795N to continue the Navy's guidance and control risk reduction program, accelerate development and qualification of MEMS-based GPS/INS guidance and control, and ensure the early availability of the technology for ERGM program, LCCM, and other guided munitions, rocket and missile programs. The committee recommends that the Secretary of the Navy and the Secretary of the Army ensure that the development of MEMS-based GPS/INS guidance and control is coordinated closely between the two services.

Mine countermeasures autonomous system technology

The budget request contained \$42.7 million in PE 62315N for mine countermeasures, mining, and special warfare technology.

The committee understands that recent research, operational simulations, and evaluation of prototype hardware indicates that application of autonomous robotics surveillance and tactical oceanography system technologies could yield significant improvements in shallow water mine countermeasures. The committee believes that a partnership between academia, the Navy materiel development community, and the Navy operational community would be useful in evaluating the utility of such systems, developing tactics for their use, and then evaluating the operational results in at-sea tests of the systems and tactics. To support such a program, the committee recommends an increase of \$3.0 million for research and development in autonomous system technologies for shallow water mine countermeasures.

Molecular design material science

The budget request contained \$366.3 million in PE 61153N for Navy defense research sciences. The committee holds continuing interest in research in the synthesis and creation of new molecular structures at the atomic level and the potential that this research holds for developing new products for use in electronics, biomedical science, and many other military applications. The committee recommends an increase of \$10.0 million to continue the program of basic research in molecular design materials science that was initiated in fiscal year 1994. The committee directs the Secretary of the Navy to conduct an assessment of the goals, objectives, and progress of the program, and future directions and funding requirements for the program, and to report the results of the assessment to the Congressional defense committees by March 15, 1998.

National oceanographic partnerships program

The budget request contained \$48.2 million in PE 62435N for applied research in oceanographic and atmospheric technologies, including \$5.0 million to continue the National Oceanographic Partnership Program.

In the belief that a strong national oceanography program is essential to the long-term national security of the United States, and to other areas of U.S. national interest, the Congress established in section 282 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) the National Oceanographic Partnerships Program. The objective of the program is to coordinate and leverage all U.S. oceanographic efforts in the Navy, industry, and academia, and to encourage the sharing of resources, intellectual talent, and facilities in ocean science and education in order to ensure the superiority of the U.S. oceanography program. To maintain the momentum of the program and provide a bridge until additional funds for support of the program can be included in the budget requests of other participating agencies and departments, the committee recommends an increase of \$16.0 million in PE 62435N and \$7.5 million in Navy operations and maintenance, as reflected in Title III of this report, to continue to support the development of federal, academic and industry oceanographic research partnerships under the program.

The committee commends the Secretary of the Navy for his leadership of the National Ocean Research Leadership Council. The committee directs the Secretary of Defense to coordinate with the secretaries of Commerce, Energy, and Interior, the Director of the National Science Foundation, the Administrators of the National Aeronautics and Space Administration and the Environmental Protection Agency on funding levels required in future budget requests for continuation of the NOPP, and to provide a report to the Congressional defense committees by February 28, 1998 on the funding for the program in the fiscal year 1998 budget requests of these agencies and of the Department of Defense.

National test and training range center initiative

The committee understands that the Department of Defense has supported development of a capability in the Hampton Roads region for integration and transcontinental connectivity of military test and training ranges, which would result in a national test network architecture to support widely distributed combat systems integration and testing. The test center, under development by the Navy, would leverage resources from several existing government-sponsored high performance computing and high speed network programs, such as simulation-based design, synthetic theater of war, the National Science Foundation's partnership for advanced computing infrastructure, the high performance computing modernization program, and Defense Advanced Research Projects Agency distributed object computation test bed. The committee recognizes the potential of this technology in reducing the high cost of system acquisition, test, and training, while enhancing quality and stimulating advances in information technology and electronic commerce. The committee encourages enhanced support for the Navy's initiative.

Naval biodynamics laboratory data bank

The budget request contained no funding for the Naval Biodynamics Laboratory (NBDL).

For nearly thirty years, the NBDL focused on the intensive test, study, and analysis of the human body's response to the trauma of crashes, and developed a national data bank of collective human crash response information based on approximately 3,500 crash tests using live human subjects. In 1996, the NBDL ceased operations as a result of previous decisions to close the laboratory, but was not able to consolidate and safely store its research information in a consistent, useful data bank format. The committee believes that the effort spent in amassing the unique human response data by the NBDL should not be lost. Accordingly, the committee directs the Secretary of the Navy to develop a plan for establishing a national crash survival data bank that will safeguard the integrity of the data gathered by the NBDL and to submit a report on the plan and the funding required to establish the data bank with the fiscal year 1999 Defense budget request.

Navy tactical missile system (NTACMS)

The budget request contained \$37.8 million in PE 63795N for development, demonstration, and validation of land attack systems technology for naval ship-to-shore fire support.

The committee is aware of preliminary Navy studies indicating that the U.S. Army tactical missile system (ATACMS), when suitably marinized for employment by surface ships and submarines, would enhance the Navy's capability against many potential surface targets. The committee is further aware that a Navy version of ATACMS, called NTACMS, meets the requirement of the Naval Surface Fire Support Mission Need Statement (MNS) for a responsive and lethal fire support missile system. The committee is also aware of the successful demonstration in November 1996 at White Sands Missile Range of the firing of an ATACMS from a Navy Mark 41 Vertical Launch System launcher. The proposed NTACMS would adapt the ATACMS Block IA missile with the M74 submunition for naval use. In addition, the potential exists in the future to adapt other ATACMS warhead variants into NATAACMS, including the Brilliant Anti-Tank (BAT) anti-armor submunition and hard target penetrator weapons. The committee recommends an increase of \$20.0 million in PE 63795N for program definition and risk reduction activities to permit NTACMS to begin accelerated engineering and manufacturing development in fiscal year 1999.

The committee considers it appropriate that demonstration, validation, and risk reduction for NTACMS and the Land Attack Standard Missile (LASM) continue through fiscal year 1998. The committee is aware of competing claims regarding cost and effectiveness of the two systems that have been made by system proponents. The committee strongly believes, cautions, and expects that a thorough, objective, and independent cost and operational effectiveness analysis of competing system alternatives will be required before the Navy proceeds with any development milestone decision for a land attack missile.

P-3 maritime patrol aircraft modernization program

The budget request contained \$3.2 million in PE 64221N to continue upgrades to the P-3C aircraft system to enhance surface and surface tracking, classification, and attack capabilities.

The committee notes the continuing disparity between the operational requirements of the regional commanders-in-chief and the Navy's plans for modernization of the P-3C fleet, and believes that the Navy must increase the priority given to the P-3C modernization program.

The committee recommends an increase of \$12.0 million to continue acceleration of the integration of anti-surface warfare improvement program (AIP) sensors to reduce operator workload, modernize the operator-machine interface, provide additional sensor integration/enhancements, improve/automate tactical planning aids, and provide for multi-sensor data correlation and fusion.

Power electronic building blocks and power node control centers

The budget request contained \$46.9 million in PE 62121N for applied research in surface ship and submarine hull, mechanical, and electrical technology, logistics technology, and environmental protection for all Navy platforms and shore facilities. The request included \$6.0 million to continue the development of power electronic building block for the rapid switching and control of shipboard high power electrical systems.

The committee believes that this technology should be accelerated to provide the electric power system options for future shipboard designs that include electric drive and for meeting reduced manning goals through automation of ship systems. The committee also believes that the use of virtual prototyping for simulation and evaluation of advanced concept electrical systems should contribute to this effort. The committee recommends an increase of \$6.0 million to accelerate the development and demonstration of power electronic building blocks, and an increase of \$1.5 million to continue the development of power node control centers for advanced integrated electrical distribution system fault detection, switching, reconfiguration, and control of shipboard electrical systems.

Precision targeting and location system

The budget request contained no funds for global positioning system (GPS) interference precision targeting and location.

The committee is aware of the potential vulnerability of GPS signals to collateral interference and intentional jamming. In fiscal year 1997, Congress authorized and appropriated \$3.5 million in PE 64270N for demonstration of a flyable prototype of a currently available technology capable of rapid, precision location of sources of GPS interference in order to assess the technical feasibility and utility of such a targeting system incorporated on operational aircraft and unmanned aerial vehicles. The committee recommends an increase of \$2.8 million in PE 64270N to complete the demonstration.

Project "M"

The budget request contained \$39.7 million in PE 63508N for technologies for submarine and surface ship handling, machinery, and engineering systems.

The committee recommends an increase of \$5.0 million to continue the Navy's program for transition, development and demonstration of advanced quieting technology developed under the Defense Advanced Research Project Agency Project "M."

Proton exchange membrane fuel cells

The budget request contained \$18.2 million in PE 63712N for environmental quality and logistics advanced technology.

The committee understands that proton exchange membrane (PEM) fuel cell technology is rapidly maturing and has been successfully demonstrated in automotive and portable power applications. High power conversion efficiency, modularity, rugged operational characteristics and low environmental impact should make the PEM fuel cell well-suited for portable and on-site power generation. The committee believes that opportunities exist for the development and demonstration of PEM fuel cell technology for both military and civilian applications in a cost-shared, cooperative program involving government and industry that makes use of existing cooperative research and development agreements. The demonstration would permit the Department of the Navy and the civilian sector to gain experience with, and evaluate the power generation capability of a facility-level power plant that uses PEM fuel cell technology. Accordingly, the committee recommends an increase of \$1.8 million to establish a cooperative, cost-shared demonstration of PEM fuel cell technology.

Remote minehunting system

The budget request contained \$18.3 million in PE 63502N for surface and shallow water mine countermeasures, including \$6.9 million for the Remote Minehunting System (RMS) (V)3.

RMS is a remotely operated system for detection and classification of sea mines that operates from surface combatant ships and provides the fleet with an organic means of finding and avoiding mined waters. The RMS prototype was successfully demonstrated in Exercise Kernel Blitz in March 1995 and subsequently deployed in an overseas exercise in which the system again demonstrated great success in providing the force the ability to quickly assess and monitor the extent of the sea mine threat. The success of the demonstration has resulted in an accelerated program to deploy RMS to the fleet and the endorsement by the Chief of Naval Operations and the Chairman of the Joint Chiefs of Staff. The committee understands that an increase in funding would enable completion of a second engineering development model (EDM) of the RMS, including the over-the-horizon communication subsystem, and to support integration of the RMS in DDG-51 Flight IIA new ship construction and the AN/SQQ-89 undersea combat system. Development of the second EDM would permit the Navy to meet an aggressive program schedule and reduce program risk by allowing concurrent environmental and development testing. The committee

recommends an increase of \$7.9 million to accelerate the integration of the RMS capability on other ships of the fleet.

Safety and survivability enhancements

The budget request contained \$263.9 million in PE 65864N, including \$131.8 million for test and evaluation support at the Naval Air Warfare Center Weapons Division and \$85.7 million for test and evaluation support at the Naval Air Warfare Center Aircraft Division.

The committee believes that there is a high potential for the adaptation of commercial off-the-shelf non-developmental items (COTS NDI) that could improve operational safety and combat survivability in the Navy's operational commands. To that end, the committee has previously supported funding for the procurement, test, and evaluation by the Navy of COTS NDI that have high potential for contributing to safety of flight, fire fighting, damage control, emergency preparedness ashore, survival at sea, and chemical/biological warfare defense. The committee recommends an increase of \$2.0 million to continue ongoing evaluations and expand the program to assess COTS NDI that are new to the industrial marketplace. The committee recommends that the Secretary of the Navy consider establishing a separate program line item for this activity in future budget requests.

Second source qualification program for carbon fibers

The budget request contained \$76.7 million in PE 62234N for materials, electronics and computer technologies.

The committee continues to monitor the Navy's efforts in materials applied research and development in support of aviation platform affordability, supportability, and mission performance. The committee recommends an increase of \$2.0 million to continue the program established in fiscal year 1997 to address new materials processes such as resin transfer molding and to establish second source qualification procedures for carbon fibers for advanced composites used in several naval aircraft and for prepreg systems.

Shipboard condition-based maintenance and damage assessment

The budget request contained \$46.9 million in PE 62121N, including \$8.6 million for logistics and environmental quality technology.

An objective of the Navy's logistics technology program is the development of diagnostic technologies that will enable the implementation of condition-based maintenance, rather than the traditional philosophy of time-based maintenance. The committee believes that advanced micro-electromechanical systems (MEMS) employed in damage-tolerant sensor networks show promise for meeting the Navy's goals for shipboard condition-based maintenance and damage assessment. Accordingly, the committee recommends an increase of \$5.0 million in PE 62121N for the development of enabling MEMS and damage-tolerant sensor network technologies in preparation for the initiation of an advanced technology demonstration in fiscal year 1999.

Ship self defense program

The budget request contained \$132.3 million in PE 64755N for the Navy's ship self defense program, including \$14.1 million for development of an infrared mode upgrade to the Rolling Airframe Missile (RAM) and improvements in RAM's capability against low-elevation targets. No funds were requested to continue development of the Phalanx close-in weapon system (CIWS).

As a result of experience gained during tanker escort operations in the Persian Gulf that was confirmed during Operation Desert Storm, the Navy established an operational requirement for an advanced minor caliber gun system to provide close-in defense for surface ships against small surface craft, small low-flying aircraft, and helicopters. In May 1993, following extensive Congressional defense committee reviews, the Navy determined that adding a surface mode capability to CIWS would provide the most cost and operationally effective solution to address the operational requirement. In July 1993, the Navy announced that the RAM would replace Phalanx on major surface combatants, although development of the CIWS surface mode capability (Phalanx Block IB) would continue for use on other surface combatants and ships equipped with the CIWS. Currently, 369 CIWS systems are fielded on 222 U.S. Navy ships and 233 systems are fielded on foreign ships.

The committee understands that the Navy intends to end the Phalanx Block IB upgrade following the completion of testing and will not procure the upgrade for the fleet, but does intend to field a low altitude or surface mode upgrade for the RAM systems that will be deployed on major surface combatants. Navy officials cited the need to reallocate fiscal year 1998 funding to higher priority programs as the reason for the Phalanx Block IB decision. The committee believes that the Navy's action would leave the majority of the Navy's ships without the close-in defense capability that the Navy previously convinced the Defense authorizing committees was required and that this decision reflects the Navy's continuing disregard of the requirements to provide adequate self defense for U.S. fleet ships, other than major combatants, that have been the focus of the ship self defense program.

The committee directs the Secretary of the Navy to reassess the requirement for close-in defense of Navy surface ships and how the Navy will satisfy the requirements not only for major surface combatants, but also for other surface ships in the fleet. A report of the results of the assessment and the Navy's plan for meeting the requirement shall be submitted to the Congressional defense committees by February 28, 1998. No fiscal year 1998 funds may be obligated for the RAM upgrade program until thirty days after the Secretary's report is received by the committees.

Submarine anti-submarine warfare defensive weapons

The budget request contained \$54.8 million in PE 63747N for advanced technology.

The committee recommends an increase of \$4.0 million to mature the development of hydrodynamics and propulsion technologies for the 6.25" torpedo vehicle and expand guidance and control technologies. The additional funds would accelerate the development and demonstration of technologies applicable to quick reaction anti-

submarine weapons for close-range engagements and to defensive systems for protecting surface ships and submarines against torpedo attack.

Submarine combat system multi-purpose processor (MPP)

The budget request contained \$42.3 million in PE 64503N for SSN-688 and TRIDENT modernization, including \$33.5 million for submarine sonar improvement. However, the budget request did not contain funding for the MPP.

To facilitate rapid improvements in submarine acoustic data processing, the Navy selected the MPP as the cornerstone of sonar upgrades for the existing SSN-688, 688I and TRIDENT submarines. At one-half the cost of legacy systems, the MPP provides the Navy with vastly improved processing power and the ability to integrate advanced software to existing hardware using an open operating system architecture. For fiscal year 1997, the committee recommended an additional \$11.0 million and Congress appropriated \$7.0 million for advanced development and rapid introduction of the MPP into the U.S. submarine fleet. To continue this cost-effective initiative, the committee recommends an increase of \$15.0 million.

Surface ship torpedo defense system

The budget request contained no funds to continue the Navy's surface ship torpedo defense (SSTD) program.

In 1995, the Navy informed Congress that the SSTD program was being restructured to mitigate the risk and cost in development of an improved torpedo defense capability for Navy surface ships. The committee is encouraged by the recent successes in development of the launched expendable acoustic device (LEAD) and the multi-sensor torpedo recognition and alertment processor (MSTRAP) and the improvements in SSTD capability that these systems will provide when deployed to the fleet. However, the absence of funding for continuation of the SSTD program in fiscal year 1998 will halt further progress and will inhibit the ability of the Navy to capitalize on the results of the joint United States/United Kingdom demonstration/validation program. Accordingly, the committee recommends an increase of \$9.8 million in PE 63506N to continue the SSTD development program and further enhance detection, classification, and localization of threat torpedoes and integrated improved soft kill capabilities that are being tested in the joint United States/United Kingdom programs.

Surveillance towed array sensor system/low frequency active program

The budget request contained \$9.9 million in PE 24311N for the integrated surveillance system, including research and development support of the Surveillance Towed Array Sensor System (SURTASS) and for the integrated undersea surveillance system (IUSS).

The committee understands that the SURTASS is a proven mobile, long-range underwater passive acoustic sensor systems and that the addition of the low frequency active (LFA) capability provides a significant increase in the capability of the system to detect

quiet submarines operating in both deep ocean and shallow coastal littoral waters. In the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the conferees agreed to increased funding for the SURTASS program which would:

- (1) continue development and integration of SURTASS twin line arrays, reduce the size of transmit arrays, continue fiber optic array development, expand frequency processing capabilities, and conduct at-sea testing of resulting developments;
- (2) sustain the low frequency active program and development of more reliable low frequency active transmitters; and
- (3) adapt SURTASS software algorithms for submarine sonar systems.

The committee recommends an increase of \$4.0 million in PE 24311N to continue the development of fiber optic sensors for the SURTASS/LFA program.

Visualization architecture technology for aviation test and evaluation

The budget request contained \$33.2 million in PE 64759N for the Navy's Major Test & Evaluation Investment program.

The committee understands that increased funding is required for the visualization architecture and technology project to develop and improve data display technologies, provide enhanced situation awareness, and improve the ability of developmental and operational test personnel to assess complex, dynamic air combat testing and operations. The committee recommends an increase of \$3.0 million, and expects the project to focus initially on improving aviation development and test capabilities at the Navy's Air Combat Environment Test and Evaluation Facility.

AIR FORCE RDT&E

Overview

The budget request contained \$14,451.4 million for Air Force RDT&E. The committee recommends authorization of \$14,659.7 million, an increase of \$208.4 million.

The committee recommendations for the fiscal year 1998 Air Force RDT&E program are identified in the table below. Major changes to the Air Force request are discussed following the table and in the classified annex to this report.

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998		FY 1998	
			AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
ACCOUNT						
0601102F	0	RESEARCH DEVELOPMENT TEST & EVAL AF				
	1	DEFENSE RESEARCH SCIENCES	226,832	0	0	226,832
		TOTAL, BASIC RESEARCH	226,832	0	0	226,832
		RESEARCH AND DEVELOPMENT	226,832	0	0	226,832
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0	0
0602102F	2	MATERIALS	70,224	0	0	70,224
0602201F	3	AEROSPACE FLIGHT DYNAMICS	60,509	0	0	60,509
0602202F	4	ARMSTRONG LAB EXPLORATORY DEVELOPMENT	76,102	0	0	76,102
0602203F	5	AEROSPACE PROPULSION	69,303	0	0	69,303
0602204F	6	AEROSPACE AVIONICS	69,401	0	0	69,401
0602269F	7	HYPERSONIC TECHNOLOGY PROGRAM	9,840	0	0	9,840
0602601F	8	PHILLIPS LAB EXPLORATORY DEVELOPMENT	111,136	6,000	0	117,136
		IPHRT				[+6,000]
0602602F	9	CONVENTIONAL MUNITIONS	40,772	0	0	40,772
0602702F	10	COMMAND CONTROL AND COMMUNICATIONS	86,067	3,000	0	89,067
		PROTEIN-BASED ULTRA-HIGH DENSITY MEMORY				[+3,000]
		TOTAL, APPLIED RESEARCH	593,354	9,000	9,000	602,354
		RESEARCH AND DEVELOPMENT	593,354	9,000	9,000	602,354
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0	0
0603106F	11	LOGISTICS SYSTEMS TECHNOLOGY	15,338	0	0	15,338
0603108F	12	INTEGRATED DATA SYSTEMS	19,753	0	0	19,753
0603112F	13	ADVANCED MATERIALS FOR WEAPON SYSTEMS	20,596	0	0	20,596
0603202F	14	AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,564	0	0	30,564
0603203F	15	ADVANCED AVIONICS FOR AEROSPACE VEHICLES	28,507	0	0	28,507
0603205F	16	FLIGHT VEHICLE TECHNOLOGY	5,766	0	0	5,766
0603211F	17	AEROSPACE STRUCTURES	15,032	0	0	15,032
0603216F	18	AEROSPACE PROPULSION AND POWER TECHNOLOGY	37,014	0	0	37,014
0603227F	19	PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	6,147	0	0	6,147
0603231F	20	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	17,204	2,000	0	19,204
		EJECTION SEATS				[+2,000]
0603238F	21	GLOBAL SURVEILLANCE AND COMMUNICATION TECHNOLOGY	7,795	0	0	7,795
0603245F	22	FLIGHT VEHICLE TECHNOLOGY INTEGRATION	12,716	0	0	12,716
0603253F	23	ADVANCED AVIONICS INTEGRATION				

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603270F	24	ELECTRONIC COMBAT TECHNOLOGY	25,621	14,000	39,621
0603302F	25	ALR-69M RADAR WARNING RECEIVER			(+14,000)
		SPACE AND MISSILE ROCKET PROPULSION	16,247	31,500	47,747
		SPACE PLANE			(+15,000)
		SCORPIOUS			(+15,000)
		IPHRT			(+1,500)
0603311F	26	BALLISTIC MISSILE TECHNOLOGY	40,846	0	60,846
0603401F	27	ADVANCED SPACECRAFT TECHNOLOGY	3,151	20,000	(+20,000)
0603410F	28	SOLAR THERMIONICS ORBITAL TRANSFER VEHICLE	26,227	0	3,151
0603601F	29	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	41,238	3,500	29,727
		OPTICAL CORRELATOR			(+3,500)
0603605F	30	ADVANCED WEAPONS TECHNOLOGY	2,036	15,000	96,238
0603707F	31	AUTONOMOUS FREE-FLIGHT DISPENSER SYSTEM	4,084	0	(+15,000)
0603723F	32	WEATHER SYSTEMS TECHNOLOGY	9,922	0	2,036
0603728F	33	ENVIRONMENTAL ENGINEERING TECHNOLOGY	5,613	0	4,084
0603789F	34	C3I SUBSYSTEM INTEGRATION	12,897	0	9,922
0305176F	35	C3 ADVANCED COMPUTING TECHNOLOGY		0	5,613
	36	C3 ADVANCED DEVELOPMENT		0	12,897
		COMBAT SURVIVOR EVADER LOCATOR		0	
		TOTAL ADVANCED TECHNOLOGY DEVELOPMENT	402,314	86,000	488,314
		RESEARCH AND DEVELOPMENT	402,314	86,000	488,314
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0603260F	37	INTELLIGENCE ADVANCED DEVELOPMENT	4,738	0	4,738
0603319F	38	AIRBORNE LASER TECHNOLOGY	157,136	0	157,136
0603430F	39	ADVANCED MILSATCOM (SPACE)	41,448	0	41,448
0603432F	40	POLAR ADJUNCT (SPACE)	29,585	0	29,585
0603434F	41	NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYS (S	51,504	0	51,504
0603441F	42	SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEMVAL	222,401	0	222,401
0603617F	43	COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,650	0	7,650
0603742F	44	COMBAT IDENTIFICATION TECHNOLOGY	1,395	0	1,395
0603790F	45	NATO RESEARCH AND DEVELOPMENT	13,433	0	13,433
0603800F	46	JOINT STRIKE FIGHTER (JSF) - DEMVAL	458,052	(27,000)	431,052
		JSF			(-27,000)

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603851F	47	INTERCONTINENTAL BALLISTIC MISSILE - DEMVAL	32,837	16,500	49,337
0603852F		CONVENTIONAL BALLISTIC MISSILE			(+16,500)
0603853F	48	C-130J - DEMVAL	3,968	0	3,968
0603854F	49	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)- DEMVAL	63,260	0	63,260
0603855F	50	GLOBAL BROADCAST SERVICE	56,977	0	56,977
0604237F	51	SPACE ARCHITECT OFFICE	0	0	0
0604327F	52	VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT	0	0	0
0208030F	53	HARDENED TARGET MUNITIONS	4,981	0	4,981
	54	WAR RESERVE MATERIEL - AMMUNITION	0	0	0
		TOTAL DEMONSTRATION AND VALIDATION RESEARCH AND DEVELOPMENT ENGINEERING AND MANUFACTURING DEVELOPMENT	1,149,365	(10,500)	1,138,865
			1,144,384	(10,500)	1,133,884
			4,981	0	4,981
0604201F	55	INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	16,494	0	16,494
0604218F	56	ENGINE MODEL DERIVATIVE PROGRAM (EMDP)	741	0	741
0604222F	57	NUCLEAR WEAPONS SUPPORT	4,782	0	4,782
0604226F	58	B-1B	216,886	0	216,886
0604227F	59	TRAINING SYSTEMS DEVELOPMENT	4,305	0	4,305
0604231F	60	C-17 PROGRAM	80,238	0	80,238
0604233F	61	SPECIALIZED UNDERGRADUATE PILOT TRAINING	2,071,234	0	2,071,234
0604239F	62	F-22 EMD	355,750	0	355,750
0604240F	63	B-2 ADVANCED TECHNOLOGY BOMBER	4,534	0	4,534
0604249F	64	MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT	78,465	0	78,465
0604269F	65	NIGHT/PRECISION ATTACK	338,413	0	338,413
0604270F	66	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	676,690	0	676,690
0604321F	67	EW DEVELOPMENT	71,094	0	71,094
0604441F	68	COMBAT INTELLIGENCE SYSTEM -EMD	18,076	0	18,076
0604479F	69	SPACE BASED INFRARED ARCHITECTURE (SPACE) - EMD	1,597	0	1,597
0604480F	70	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	4,956	0	4,956
0604600F	71	GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	1,424	0	1,424
0604602F	72	MUNITIONS DISPENSER DEVELOPMENT	19,553	0	19,553
0604604F	73	ARMAMENT/ORDNANCE DEVELOPMENT	0	0	0
0604617F	74	SUBMUNITIONS	0	0	0
0604618F	75	AIR BASE OPERABILITY	0	0	0
	76	JOINT DIRECT ATTACK MUNITION	0	0	0

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0604703F	77	AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	4,354	0	4,354
0604704F	78	COMMON SUPPORT EQUIPMENT DEVELOPMENT		0	0
0604706F	79	LIFE SUPPORT SYSTEMS	3,726	0	3,726
0604708F	80	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,698	0	2,698
0604711F	81	SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)		0	0
0604727F	82	JOINT STANDOFF WEAPONS SYSTEMS	24,676	0	24,676
0604735F	83	COMBAT TRAINING RANGES	20,331	0	20,331
0604740F	84	COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	1,459	0	1,459
0604750F	85	INTELLIGENCE EQUIPMENT	1,287	0	1,287
0604754F	86	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	8,557	0	8,557
0604770F	87	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JTARS)	5,929	0	5,929
0604779F	88	JOINT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL SYSTEMS (JINT)	137,944	15,000	152,944
0604851F	89	INTERCONTINENTAL BALLISTIC MISSILE - EMD			[+15,000]
0604853F	90	MINUTEMAN SAFETY ENHANCED REENTRY VEHICLE			28,376
0207320F	91	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE) - EMD	28,376	0	28,376
0207325F	92	SENSOR FUSED WEAPONS	19,804	0	19,804
0207414F	93	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	203,321	0	203,321
0303606F	94	COMBAT INTELLIGENCE SYSTEM	12,267	0	12,267
0305176F	95	UHF SATELLITE COMMUNICATIONS		0	
		COMBAT SURVIVOR EVASION LOCATOR	4,315	0	4,315
		TOTAL ENGINEERING AND MANUFACTURING DEVELOPMENT	4,444,276	15,000	4,459,276
		RESEARCH AND DEVELOPMENT	0	0	0
		ENGINEERING AND MANUFACTURING DEVELOPMENT	4,444,276	15,000	4,459,276
0603402F	96	SPACE TEST PROGRAM (SPACE)	42,241	0	42,241
0604256F	97	THREAT SIMULATOR DEVELOPMENT	51,846	0	51,846
0604258F	98	TARGET SYSTEMS DEVELOPMENT	4,780	0	4,780
0604758F	99	MAJOR I&E INVESTMENT	47,336	14,800	62,136
		RANGE IMPROVEMENT PROGRAM			[+14,800]
0605101F	100	RAND PROJECT AIR FORCE	21,768	0	21,768
0605506F	101	RANCH HAND II EPIDEMIOLOGY STUDY	10,933	0	10,933
0605502F	102	SMALL BUSINESS INNOVATION RESEARCH		0	
0605704F	103	THEATER AIR DEFENSE BMC4I		0	
0605712F	104	INITIAL OPERATIONAL TEST & EVALUATION	28,319	0	28,319
0605807F	105	TEST AND EVALUATION SUPPORT	389,348	8,000	397,348

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
BOMBER TESTING					
0605808F	106	DEVELOPMENT PLANNING	6,049	0	[+8,000]
0605853F	107	ENVIRONMENTAL CONSERVATION	11,914	0	6,049
0605854F	108	POLLUTION PREVENTION	5,880	5,000	11,914
					10,880
0605866F	109	ENVIRONMENTAL COMPLIANCE	17,126	0	[+5,000]
0605860F	110	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	8,013	25,000	17,126
		ATMOSPHERIC INTERCEPT TECHNOLOGY			33,013
0605876F	111	MINOR CONSTRUCTION (RPM) - RDT&E	1,853	0	[+25,000]
0605878F	112	MAINTENANCE AND REPAIR (RPM) - RDT&E	55,200	0	1,853
0605879F	113	REAL PROPERTY SERVICES (RPS) - RDT&E	49,614	0	55,200
0605896F	114	BASE OPERATIONS - RDT&E	65,365	0	49,614
0909900F	115	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		0	65,365
1001004F	116	INTERNATIONAL ACTIVITIES	3,715	0	3,715
		TOTAL RDT&E MANAGEMENT SUPPORT	821,300	52,800	874,100
		RESEARCH AND DEVELOPMENT	821,300	52,800	874,100
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0603107F	117	TECHNICAL EVALUATION SYSTEM	[--]	[--]	[--]
0603110F	118	SPECIAL EVALUATION SYSTEM	[--]	[--]	[--]
0101113F	119	B-52 SQUADRONS	3,427	0	3,427
0101120F	120	ADVANCED CRUISE MISSILE	2,393	0	2,393
0102325F	121	JOINT SURVEILLANCE SYSTEM	2,020	0	2,020
0102326F	122	REGIONSECTOR OPERATION CONTROL CENTER MODERNIZATION PROGRAM	20,512	0	20,512
0102411F	123	NORTH ATLANTIC DEFENSE SYSTEM	1,442	0	1,442
0102412F	124	NORTH WARNING SYSTEM (NWS)		0	
0207129F	125	F-111 SQUADRONS		0	
0207131F	126	A-10 SQUADRONS		0	
0207133F	127	F-16 SQUADRONS	100,233	0	100,233
0207134F	128	F-15E SQUADRONS	137,638	0	137,638
0207136F	129	MANNED DESTRUCTIVE SUPPRESSION HARM	13,961	3,000	16,961
0207141F	130	F-117A SQUADRONS	9,520	0	9,520
0207161F	131	TACTICAL AIM MISSILES	53,171	0	53,171
0207163F	132	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	50,781	0	50,781
					[+3,000]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0207217F	133	PODDED RECONNAISSANCE SYSTEM	299	0	299
0207247F	134	AF TENCAP	15,251	(1,200)	14,051
		TENCAP			[-1,200]
0207248F	135	SPECIAL EVALUATION PROGRAM	73,107	0	73,107
0207268F	136	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	93,122	0	93,122
0207320F	137	SENSOR FUSED WEAPONS		0	
0207323F	138	AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM		0	
0207412F	139	THEATER AIR CONTROL SYSTEMS		0	
0207417F	140	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	393	0	393
0207419F	141	AIRBORNE COMMAND AND CONTROL SYSTEMS	46,807	0	46,807
0207423F	142	TACTICAL AIRBORNE COMMAND AND CONTROL SYSTEMS		0	
0207424F	143	ADVANCED COMMUNICATIONS SYSTEMS		0	
0207431F	144	EVALUATION AND ANALYSIS PROGRAM	2,966	0	2,966
0207433F	145	COMBAT AIR INTELLIGENCE SYSTEM ACTIVITIES	74,917	0	74,917
0207438F	146	ADVANCED PROGRAM TECHNOLOGY	95,056	0	95,056
0207579F	147	THEATER BATTLE MANAGEMENT (TBM) C4I	24,013	0	24,013
0207581F	148	ADVANCED SYSTEMS IMPROVEMENTS		0	
0207590F	149	JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JOINT STARS)	119,189	0	119,189
0207591F	150	SEEK EAGLE	17,716	0	17,716
0207601F	151	ADVANCED PROGRAM EVALUATION	214,011	0	214,011
0208006F	152	USAF MODELING AND SIMULATION	21,718	0	21,718
0208021F	153	MISSION PLANNING SYSTEMS	16,526	0	16,526
0208060F	154	INFORMATION WARFARE SUPPORT		0	
0208160F	155	THEATER MISSILE DEFENSES	[-]	[-]	[-]
0208161F	156	TECHNICAL EVALUATION SYSTEM	28,182	0	28,182
0301310F	157	SPECIAL EVALUATION SYSTEM	105,645	0	105,645
0301313F	158	FOREIGN TECHNOLOGY DIVISION	40,344	0	40,344
0301315F	159	DEFENSE DISSEMINATION PROGRAM		0	
0301324F	160	MISSILE AND SPACE TECHNICAL COLLECTION		0	
0301398F	161	FOREST GREEN	[-]	[-]	[-]
0303110F	162	MANAGEMENT HEADQUARTERS GDP	1,360	0	1,360
0303131F	163	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	10,547	0	10,547
0303140F	164	DEFENSE ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	34,409	0	34,409
		INFORMATION SYSTEMS SECURITY PROGRAM	5,298	5,000	10,298
		AIR FORCE INFORMATION PROTECTION PROGRAM			[-2,700]
		TRUSTED RUBIX			[-2,300]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0303141F	165	GLOBAL COMBAT SUPPORT SYSTEM	20,894	0	20,894
0303144F	166	ELECTROMAGNETIC COMPATIBILITY ANALYSIS CENTER (ECAC)	7,844	0	7,844
0303152F	167	WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEMS, INFORMATION SY	6,820	0	6,820
0303601F	168	MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	12,871	0	12,871
0304111F	169	SPECIAL ACTIVITIES	---	---	---
0304311F	170	SELECTED ACTIVITIES	3,000	0	3,000
0305110F	171	SATELLITE CONTROL NETWORK (SPACE)	80,011	0	80,011
0305111F	172	WEATHER SERVICE	9,057	0	9,057
0305114F	173	AIR TRAFFIC CONTROL APPROACH, AND LANDING SYSTEM (ATCAL)	6,571	0	6,571
0305119F	174	MEDIUM LAUNCH VEHICLES (SPACE)	5,719	0	5,719
0305128F	175	SECURITY AND INVESTIGATIVE ACTIVITIES	530	0	530
0305137F	176	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	12,830	0	12,830
0305138F	177	UPPER STAGE SPACE VEHICLES (SPACE)	3,337	0	3,337
0305142F	178	APPLIED TECHNOLOGY AND INTEGRATION	---	---	---
0305144F	179	TITAN SPACE LAUNCH VEHICLES (SPACE)	82,384	(15,000)	67,384
0305145F	180	STRAP-ON SOLID ROCKET MOTORS	---	---	---
0305145F	181	ARMS CONTROL IMPLEMENTATION	---	---	---
0305154F	182	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	14,990	0	14,990
0305158F	183	PREDATOR (HPSCI TRANSFER)	---	---	---
0305160F	184	TACTICAL TERMINAL	258	0	258
0305164F	185	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	14,076	0	14,076
0305166F	186	NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT) (SPACE)	46,300	0	46,300
0305172F	187	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL SEGMENTS)	26,685	0	26,685
0305182F	188	COMBINED ADVANCED APPLICATIONS	---	---	---
0305906F	189	EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	34,186	0	34,186
0305910F	190	NCMC - TWAA SYSTEM	7,362	0	7,362
0305911F	191	SPACETRACK (SPACE)	28,573	0	28,573
0305913F	192	DEFENSE SUPPORT PROGRAM (SPACE)	23,193	0	23,193
0305917F	193	NUDET DETECTION SYSTEM (SPACE)	14,145	0	14,145
0305953F	194	SPACE ARCHITECT	14,590	0	14,590
0308610F	195	EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)	---	---	---
0401119F	196	INFORMATION MANAGEMENT-AUTOMATION-PROGRAM 3	---	---	---
0401130F	197	C-5 AIRLIFT SQUADRONS	9,751	0	9,751
0401214F	198	AIR CARGO MATERIAL HANDLING (463-L) (NON-F)	113,605	0	113,605
			7,947	0	7,947

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0401218F	198	KC-135S	1,992	0	1,992
0404102F	199	AEROSPACE RESCUE AND RECOVERY		0	
0702207F	200	DEPOT MAINTENANCE (NON-F)	1,482	0	1,482
0708011F	201	INDUSTRIAL PREPAREDNESS	48,429	0	48,429
0708026F	202	PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN. PROG OFC (PRAMPO)	1,032	0	1,032
0708611F	203	SUPPORT SYSTEMS DEVELOPMENT	3,657	0	3,657
0804734F	204	CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING	1,427	0	1,427
0901218F	205	CIVILIAN COMPENSATION PROGRAM	6,497	0	6,497
1001004F	206	INTERNATIONAL ACTIVITIES		0	
1001018F	207	NATO JOINT STARS	36,061	0	36,061
XXXXXXXXXX	999	Classified Programs	4,684,348	49,267	4,733,615
		TOTAL, OPERATIONAL SYSTEMS DEVELOPMENT	6,813,938	56,057	6,869,995
		RESEARCH AND DEVELOPMENT	6,813,938	56,057	6,869,995
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF	14,451,379	208,357	14,659,736
		RESEARCH AND DEVELOPMENT	10,002,122	193,357	10,195,479
		ENGINEERING AND MANUFACTURING DEVELOPMENT	4,449,257	15,000	4,464,257

Items of Special Interest

ALR-69 radar warning receiver

The budget request contained \$25.6 million in PE 63270F for electronic combat technology. Included in this program are modernization efforts to improve the survivability of current technology combat aircraft in high radar threat environments.

The committee notes that while efforts to date have successfully improved radar warning equipment for aircraft employed by active forces, the Air Force Reserve, Air National Guard, and Special Operations Forces aircraft have not received adequate development support to integrate these same survivability improvements. The committee recommends an increase of \$14.0 million to accelerate these additional survivability improvement efforts.

Autonomous free-flight dispenser system

The budget request contained \$41.2 million in PE 63605F for advanced weapons technology.

The committee notes that the Department of Defense's increased emphasis in developing precision guided munitions (PGMs) with stand-off capability to enhance strike aircraft performance and survivability. Although the services are pursuing several PGM development programs to address specific requirements, the committee is aware of a previously tested glide-bomb PGM which, when modified with turbojet powered capability, could address a significant number of current precision weapon system requirements. The autonomous free flight dispenser-turbo (AFDS-T) has been successfully tested on U.S. strike aircraft in an unpowered configuration and a glide version is currently in production in Europe for allied aircraft. The committee believes that the AFDS-T offers both cost effective PGM capability as well as interoperability with allied forces and recommends an increase of \$15.0 million to conduct sufficient verification testing to evaluate the capability of this weapon system and its suitability for U.S. forces.

Bomber testing

The budget request contained \$389.3 million in PE 65807F for test and evaluation support of Air Force test ranges and facilities.

The committee is aware of ongoing efforts to improve B-2 bomber testing capability at the Bark Flight Test Facility and supports the expansion of this facility's capability to conduct testing of other Air Force bomber aircraft. The committee recommends an increase of \$8.0 million to add test capability to this existing facility for B-1B, B-52, and other bomber or strike aircraft.

Conventional ballistic missile

The budget request contained \$32.8 million in PE 63851F for intercontinental ballistic missile (ICBM) demonstration and validation activities.

The committee notes that a number of "rogue" nations have constructed hardened, deeply buried facilities. Some of these facilities represent command and control structures and sites at which weapons of mass destruction are developed and stored and are therefore of great military significance. The destruction of these

sites requires a weapon that can penetrate hardened structures or rock, while maintaining sufficient structural integrity to detonate. The committee further notes that the ability of the U.S. military to strike at these targets effectively without recourse to nuclear weapons is extremely limited.

The committee believes that a conventionally armed ICBM has the potential to hold these targets at risk, in the near term, and at modest cost. This proposed capability is based on a combination of very high ICBM warhead terminal velocities, technologies that allow precision delivery, long range, relative invulnerability to enemy defenses, and the maturity of current ICBM technology.

Therefore, the committee recommends \$49.3 million for ICBM demonstration and validation activities, an increase of \$16.5 million. The additional funding is for the purpose of establishing a conventional ballistic missile advanced concept technology demonstration program. The funding is to be used to modify an existing reentry vehicle, complete flight test plans, and procure long lead items to support a flight test.

Ejection seats

The budget request contained \$7.9 million in PE 63216N for aviation survivability and \$17.2 million in PE 63231F for crew systems and personnel protection technology.

The committee understands that improvements are needed in tactical aircraft ejection seat systems to provide adequate safety for air crews. The committee fully supports enhanced crew safety, and recommends an increase of \$1.5 million in PE 63216N and an increase of \$2.0 million in PE 63231F for continued development of improvements in aircrew ejection seats and evaluation of alternative technologies leading to an injury-free ejection seat design.

High speed anti-radiation missile

The budget request contained \$13.6 million for manned destructive suppression in PE 27136F.

The committee believes that the high speed anti-radiation (HARM) missile provides a significant capability for suppression of enemy air defenses. The committee supports the HARM development and recommends an increase of \$3.0 million to accelerate development of HARM F-16 interfaces and operational flight software.

Joint strike fighter

The budget request contained \$458.1 million in PE 63800F for the Air Force portion of the Joint Strike Fighter (JSF). As mentioned elsewhere in this report, the committee is extremely concerned that the current pace of the Department's tactical aviation programs is both unaffordable and not coordinated with the emerging Quadrennial Defense Review (QDR). The committee notes that this request represents an increase of \$27.0 million over the projected funding for JSF identified in the 1997 Future Years Defense Plan and recommends \$431.1 million, a decrease of \$27.0 million.

Minuteman safety enhanced reentry vehicle

The budget request contained \$137.9 million in PE 64851F for efforts to upgrade the Minuteman III intercontinental ballistic missile (ICBM) guidance and propulsion systems.

The Minuteman guidance replacement program (GRP) is replacing 1960's vintage electronics with modern supportable technology. The program is proceeding through engineering and manufacturing development and the first of the upgraded guidance systems is expected to be delivered in 1999. The GRP also preserves the option to incorporate the Mk-21 safety enhanced reentry vehicle on the Minuteman III ICBM if Peacemaker ICBMs, which are now equipped with the Mk-21, are retired.

The committee notes that the Mk-21 is the most modern, safest, and logistically supportable reentry vehicle in the Air Force inventory. It further notes that the Air Force is planning to replace the older Mk-12A reentry vehicle with the Mk-21 on 150 Minuteman III ICBMs. However, the actual design and development efforts for the hardware and software needed for the incorporation of the Mk-21 remain to be accomplished. Initial engineering tests will be accomplished with additional funding authorized and appropriated for fiscal year 1997. The committee believes that a continuation of this effort will reduce the risk of a potentially costly redesign and refit of the new guidance systems. To promote the timely completion of Mk-21 integration efforts, the committee recommends \$152.9 million for PE 64851F, an increase of \$15.0 million.

Pollution prevention

The budget request contained \$5.9 million for pollution prevention in PE 65854F.

The committee is aware of an automated monitoring network demonstration for in-ground, real-time monitoring of aquifers that allows the user to accurately determine if the contaminated area is stable or requires costly remediation. This smart monitoring system is designed to completely replace expensive, time consuming and potentially dangerous collection and transporting of soil and groundwater samples for analysis. The Air Force requires additional funding to further evaluate the system by continuing to monitor current wells and to expand the demonstration to monitor for contaminants in the aquifer throughout the base. The committee supports improvements in environmental monitoring on military installations and recommends an increase of \$5.0 million for this program.

Protein-based ultra-high density memory

The budget request contained \$86.1 million in PE 62702F for command, control, and communications research.

The committee understands that Air Force exploratory development in bioelectronics research has produced promising results that offer an alternative approach to data storage. Work to date has demonstrated that protein memory technology is feasible and potentially capable of enabling significant increases in memory storage capacity. The committee recommends an increase of \$3.0 million to continue protein-based memory research.

Range improvement program

The budget request contained \$47.3 million for major test and evaluation investment in PE 64759F.

The committee understands that the test range at Eglin Air Force Base is a national asset that provides important test and evaluation capabilities for the Department of Defense. It is also aware that the range needs improved instrumentation and other modernization to meet 21st century requirements. The committee supports improved test and evaluation and recommends an increase of \$14.8 million for range modernization.

Rocket propulsion research

The budget request contained \$48.1 million for rocket propulsion technology in the integrated high payoff rocket propulsion technology (IHRPT) initiative programs.

The IHRPT represents the Department of Defense's principal technology effort to dramatically improve the performance of rocket systems and is leveraged through coordination and cooperation with industry and the National Aeronautics and Space Administration. The committee believes that the Department's strong leadership and commitment to this effort is essential to achieving this leverage, and is concerned that the requested level of funding may be insufficient to sustain critical research in materials and propellants. Therefore, the committee recommends an increase of \$6.0 million to PE 62601F, \$1.5 million be added to PE 63302F, and an increase of \$1.0 million to each for PE 62111N and PE 63217N for IHRPT programs.

Rocket system launch program

The budget request contained \$8.0 million in PE 65860F for the rocket system launch program (RSLP). The RSLP provides research, development, test, and evaluation support to the Department of Defense and other government agencies using excess ballistic missile assets.

The committee continues to support the atmospheric interceptor technology (AIT) program, a primary technology base program within the Ballistic Missile Defense Office for advanced hit-to-kill interceptor technologies. Flight tests are needed in fiscal year 1998 for the AIT program to move ahead, but funding for these tests was not included in the AIT or RSLP budget requests. The committee understands that these flight tests may use experimental Advanced Solid Axial Stages boosters, the testing of which will help the RSLP program better meet future requirements. The committee recommends \$33.0 million for RSLP, an increase of \$25.0 million, to support AIT flight tests in fiscal year 1998.

Solar thermionics orbital transfer vehicle

The budget request contained \$40.8 million for advanced spacecraft technology in PE 63401F.

The committee is aware that space power and thermal management technology is important to the goal of making future space-based systems more affordable. The committee also understands that the Air Force has initiated an orbital transfer vehicle program that will use thermionics technology to provide both electrical

power and propulsion. The committee supports use of technological innovation to reduce the cost of space systems and recommends an increase of \$20.0 million to support the orbital transfer vehicle program.

Space and Missile Rocket Propulsion

The budget request contained \$16.2 million within PE 63302F for Space and Missile Rocket Propulsion.

The committee remains concerned that the nation's space launch system is too unreliable and expensive and believes that exploration of potentially revolutionary launch technologies is fully justified. Improving the efficiency and responsiveness of U.S. launch capabilities is important to a wide range of military activities and to reducing infrastructure costs.

The Scorpious space launch technology demonstration program embodies one promising approach to robust, inexpensive, scalable launch capabilities. It has been funded through seven small business innovative research awards by BMDO and Phillips Laboratory. The committee recommends an increase of \$15.0 million for continuation of the Scorpious program and that the funding for the Scorpious program be transferred from BMDO (PE 63173C) to the Air Force (PE 63302F).

The committee believes that military single-stage-to-orbit (SSTO) vehicles could also be important to future defense missions and could provide assured and very flexible access to space. The committee notes that the budget request contained no funding for the military spaceplane, however, the Air Force has expressed support for this program and indicates that it will be funded in fiscal year 1999. The committee recommends an increase of \$15.0 million in PE 63302F to continue this program.

Titan space launch vehicles

The budget request contained \$82.4 million in PE 35144F for research and development on Titan IVB boosters and related equipment.

The Titan IVB uses upgraded strap-on solid rocket motors (SRMUs) to enable the Titan booster to meet increasing performance requirements. The Air Force determined that the SRMU needed to be requalified for use on the Titan IVB, if the program were to continue beyond 37 launches. The process of making this determination resulted in a significant lag in the obligation and expenditure of funding that was authorized in fiscal year 1996. Therefore, the committee recommends \$67.4 million, a reduction of \$15.0 million to reflect this delay.

Trusted rubix

The budget request contained \$5.3 million for the information systems security program in PE 33140F.

The committee is aware that the advent of the information age has caused a greater reliance on computer-based systems and, accordingly supports the Department's efforts to improve computer security and to protect the defense information infrastructure from attack. The committee recommends an increase of \$2.3 million for

continued development of the Trusted Rubix multi-level security program.

DEFENSE AGENCIES RDT&E

Overview

The budget request contained \$9,361.2 million for Defense Agencies RDT&E. The committee recommends authorization of \$9,914.1 million, an increase of \$552.8 million.

The committee recommendations for the fiscal year 1998 Defense Agencies RDT&E program are identified in the table below. Major changes to the Defense Agencies request are discussed following the table.

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ACCOUNT	0	RESEARCH DEVELOPMENT TEST & EVAL DEFENSE		0	
0601101D	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,169	0	2,169
0601101E	2	DEFENSE RESEARCH SCIENCES	76,009	0	76,009
0601103D	3	UNIVERSITY RESEARCH INITIATIVES	237,788	(13,000)	224,788
		UNIVERSITY RESEARCH INITIATIVES DEPSOR			(-23,000)
					(+10,000)
0601110D	4	FOCUSED RESEARCH INITIATIVES		0	
0601111D	5	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH	14,713	0	14,713
0601384BP	6	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,190	0	25,190
		TOTAL BASIC RESEARCH	355,869	(13,000)	342,869
		RESEARCH AND DEVELOPMENT ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0602110E	7	NEXT GENERATION INTERNET	40,000	15,000	55,000
0602160D	8	NGI REVOLUTIONARY APPLICATIONS			(+15,000)
0602173C	9	COUNTERPROLIFERATION SUPPORT			
		SUPPORT TECHNOLOGIES - APPLIED RESEARCH	101,932	10,000	111,932
		WIDE BANDGAP SEMICONDUCTORS			(+10,000)
0602227D	10	MEDICAL FREE ELECTRON LASER	20,841	0	20,841
0602228D	11	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE AND EN	11,485	0	11,485
0602234D	12	LINCOLN LABORATORY RESEARCH PROGRAM	20,474	0	20,474
0602301E	13	COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	341,752	4,500	346,252
		REUSE TECHNOLOGY ADOPTION PROGRAM			(+4,500)
0602383E	14	BIOLOGICAL WARFARE DEFENSE	61,600	0	61,600
0602384BP	15	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM SAFEGUARD	60,023	10,800	70,823
0602702E	16	TACTICAL TECHNOLOGY			(+10,800)
0602708E	17	INTEGRATED COMMAND AND CONTROL TECHNOLOGY	157,329	(43,900)	113,429
		FLAT PANEL DISPLAY INITIATIVE	37,000	23,000	60,000
0602712E	18	MATERIALS AND ELECTRONICS TECHNOLOGY			(+23,000)
		3-D MICROELECTRONICS	192,192	7,500	199,692
0602715H	19	DEFENSE SPECIAL WEAPONS AGENCY	211,971	0	(+7,500)
		RADIATION EXPOSURE BIOASSAY			211,971
0602787D	20	MEDICAL TECHNOLOGY	8,987	0	(300)
0305108K	21	COMMAND AND CONTROL RESEARCH	1,937	0	8,987
					1,937

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
		TOTAL APPLIED RESEARCH RESEARCH AND DEVELOPMENT	1,267,523	26,900	1,294,423
		ENGINEERING AND MANUFACTURING DEVELOPMENT	1,267,523	26,900	1,294,423
			0	0	0
0603002D		22 MEDICAL ADVANCED TECHNOLOGY	2,778	0	2,778
0603104D		23 EXPLOSIVES DEMILITARIZATION TECHNOLOGY	12,259	3,000	15,259
0603105D		CONVENTIONAL MUNITIONS DEMILITARIZATION TECHNOLOGY			[-3,000]
0603120D		24 MILITARY HIV RESEARCH			
0603121D		25 DEMINING	7,663	0	7,663
0603122D		26 ALTERNATIVE TO LANDMINES	2,990	0	2,990
		27 COUNTERTERROR TECHNICAL SUPPORT	34,863	7,000	41,863
		SAFETY DEVICES			[-2,000]
		VISUAL RECOGNITION			[-5,000]
0603160D		28 COUNTERPROLIFERATION SUPPORT - ADV DEV	58,264	3,000	61,264
0603173C		29 COUNTERPROLIFERATION ANALYSIS & PLANNING SYSTEM	147,557	25,000	172,557
		SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT			[-3,000]
0603225D		30 ADVANCED INTERCEPTOR TECHNOLOGY	16,141	0	16,141
0603226E		31 JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT			[-25,000]
0603232D		32 EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES	4,789	0	4,789
0603384BP		33 AUTOMATIC TARGET RECOGNITION	41,223	1,593	42,816
		CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADVANCED DEVELOPMENT			[-1,593]
0603569E		34 VACCINE ADVANCED DEVELOPMENT			
0603570E		35 ADVANCED SUBMARINE TECHNOLOGY			
0603704D		36 DEFENSE REINVESTMENT			
		SPECIAL TECHNICAL SUPPORT			
0603711H		37 VERIFICATION TECHNOLOGY DEMONSTRATION	11,750	(2,000)	9,750
		NUCLEAR ARMS CONTROL			[-2,000]
0603712S		38 GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	83,370	(14,300)	69,070
0603716D		39 STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	17,267	0	17,267
		ENVIRONMENTALLY SAFE ENERGETIC MATERIALS	54,874	3,000	57,874
0603726D		40 JOINT TECHNOLOGY INSERTION PROGRAM			[-3,000]
0603727D		41 JOINT WARFIGHTING PROGRAM			
0603728D		42 AGILE PORT DEMONSTRATION	14,172	0	14,172
0603729D		43 ROCKET LAUNCH FACILITY UPGRADES			
					0

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0603730D	44	AIRFIELD SURFACE TRAFFIC MONITORING	0	0	0
0603738D	45	COOPERATIVE DODVA MEDICAL RESEARCH	0	0	298,044
0603739E	46	ADVANCED ELECTRONICS TECHNOLOGIES EUV LITHOGRAPHY X-RAY LITHOGRAPHY	277,044	21,000	[+6,000] [+15,000]
0603744E	47	ADVANCED SIMULATION	0	0	0
0603745E	48	SEMICONDUCTOR MANUFACTURING TECHNOLOGY	0	0	0
0603746E	49	MARITIME TECHNOLOGY MARITECH	37,408	4,000	41,408 [+4,000]
0603747E	50	ELECTRIC VEHICLES	0	0	0
0603750D	51	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	121,076	(30,000)	91,076 [-30,000]
0603752D	52	COMMERCIAL TECHNOLOGY INSERTION PROGRAM	47,889	(47,889)	0
0603753S	53	ELECTRONIC COMMERCE RESOURCE CENTERS	14,972	0	14,972
0603755D	54	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	126,211	0	126,211
0603760E	55	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	163,800	(16,000)	147,800
0603761E	56	COMMUNICATION AND SIMULATION TECHNOLOGY	75,938	0	75,938
0603762E	57	SENSOR AND GUIDANCE TECHNOLOGY	166,855	(25,000)	141,855
0603763E	58	MARINE TECHNOLOGY MARINE SHIP AND SURFACE COMBATANT-21 NEW START MINE CLEARING PROJECT SMALL UNATTENDED UNDERSEA SENSORS	68,143	(42,200)	26,943 [-47,200]
0603764E	59	ADVANCED SUBMARINE TECHNOLOGY LAND WARFARE TECHNOLOGY LAND WARFARE TECHNOLOGY ACTIVE STRUCTURAL THRUST DP-2 VECTORED THRUST	82,580	11,600	[+4,000] [+3,000] 94,180 [-9,000]
0603765E	60	CLASSIFIED DARPA PROGRAMS	134,977	0	134,977
0603800E	61	JOINT STRIKE FIGHTER (JSF) - DEMVAL	23,900	(23,900)	0
0603805E	62	DUAL USE APPLICATIONS PROGRAMS DUAL USE APPLICATIONS PROGRAMS	225,000	(225,000)	0
0603832D	63	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	71,338	(11,300)	[225,000] 60,038
0303132G	64	GLOBAL GRID COMMUNICATIONS	[]	[]	[]
0304211G	65	NATIONAL ACTIVITIES	[]	[]	[]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0305166G	66	SPECIAL DEVELOPMENT TOTAL ADVANCED TECHNOLOGY DEVELOPMENT RESEARCH AND DEVELOPMENT ENGINEERING AND MANUFACTURING DEVELOPMENT	2,148,091 2,148,091 0	(358,396) (358,396) 0	1,789,695 1,789,695 0
0603228D	67	PHYSICAL SECURITY EQUIPMENT	31,553	0	31,553
0603708D	68	INTEGRATED DIAGNOSTICS	6,514	0	6,514
0603709D	69	JOINT ROBOTICS PROGRAM VEHICLE TELEOPERATION CAPABILITY	23,196	10,000	33,196
0603714D	70	ADVANCED SENSOR APPLICATIONS PROGRAM	15,379	0	15,379
0603736D	71	CALS INITIATIVE	1,916	0	1,916
0603790D	72	NATO RESEARCH AND DEVELOPMENT	13,584	0	13,584
0603851D	73	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	15,164	0	15,164
0603861C	74	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEMVAL	294,647	0	294,647
0603863C	75	HAWK SYSTEM BM/C3 - DEMVAL		0	
0603864C	76	THEATER MISSILE DEFENSE BM/C3 - DEMVAL		0	
0603867C	77	NAVY AREA THEATER MISSILE DEFENSE - DEMVAL	194,898	150,000	344,898
0603868C	78	NAVY THEATER WIDE MISSILE DEFENSE - DEMVAL		0	(+150,000)
0603869C	79	MEADS CONCEPTS - DEMVAL	47,966	0	47,966
0603870C	80	BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISITION - DEMVAL	12,885	(12,885)	0
0603871C	81	NATIONAL MISSILE DEFENSE - DEMVAL	504,091	474,000	978,091
0603872C	82	JOINT THEATER MISSILE DEFENSE - DEMVAL TRANSFER TO COOPERATIVE TESTING PMRF IMPROVEMENT	542,619	(18,700)	(+474,000)
0603XXXC	82A	COOPERATIVE PROGRAMS		123,100	523,919
0603884BP	83	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEMVAL		5,000	(+38,700)
0603892D	84	EMERGENCY RESPONSE FORCE DEVELOPMENT	55,145	0	123,100
0208043J	85	ISLAND SUN TOTAL DEMONSTRATION AND VALIDATION RESEARCH AND DEVELOPMENT ENGINEERING AND MANUFACTURING DEVELOPMENT	1,759,547 1,759,547 0	730,515 730,515 0	2,490,062 2,490,062 0

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION

(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0604160D		86 COUNTERPROLIFERATION SUPPORT - EMD		0	
0604384BP		87 CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD VACCINE DEVELOPMENT	120,535	868	121,393 [+858]
0604771D		88 JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	55,429	0	55,429
0604861C		89 THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD THEATER HIGH-ALTITUDE AIR DEFENSE	261,480	45,000	306,480 [+45,000]
0604864C		90 THEATER MISSILE DEFENSE BMD/C3 - EMD	206,057	0	206,057
0604865C		91 PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD		0	
0604866C		92 PAC-3 RISK REDUCTION - EMD	267,822	22,000	289,822 [+22,000]
0604867C		93 NAVY AREA THEATER MISSILE DEFENSE - EMD			
0305106LC		94 CONSOLIDATED IMAGERY ACTIVITIES			
0305107LC		95 TACTICAL IMAGERY ACTIVITIES			
0305889D		96 COUNTERDRUG INTELLIGENCE SUPPORT TOTAL ENGINEERING AND MANUFACTURING DEVELOPMENT RESEARCH AND DEVELOPMENT			
		ENGINEERING AND MANUFACTURING DEVELOPMENT	911,323	67,858	979,181 0
			0	0	0
			911,323	67,858	979,181
0605104D		97 TECHNICAL STUDIES, SUPPORT AND ANALYSIS	38,376	0	38,376
0605110D		98 TECHNICAL SUPPORT TO US(D)(A)-CRITICAL TECHNOLOGY	2,690	0	2,690
0605114E		99 BLACK LIGHT	4,683	0	4,683
0605117D		100 FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	37,474	0	37,474
0605126J		101 JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	23,100	0	23,100
0605128D		102 CLASSIFIED PROGRAM USD(P)	5,979	0	5,979
0605160D		103 COUNTERPROLIFERATION SUPPORT FIRST RESPONDER TRAINING	7,047	12,000	19,047 [+12,000]
0605218C		104 BALLISTIC MISSILE DEFENSE RDT&E PROGRAM MANAGEMENT AND SUPPORT		0	
0605384BP		105 CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	18,730	0	18,730
0605502D		106 SMALL BUSINESS INNOVATIVE RESEARCH		0	
0605502E		107 SMALL BUSINESS INNOVATIVE RESEARCH		0	
0605710D		108 CLASSIFIED PROGRAMS - C3	357	0	357
0605790D		109 SMALL BUSINESS INNOVATIVE RESEARCH ADMINISTRATION	1,738	0	1,738
0605796S		110 DEFENSE SUPPORT ACTIVITIES	5,992	0	5,992
0605801S		111 DEFENSE TECHNICAL INFORMATION CENTER	46,930	0	46,930

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
0605803S	112	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,285	0	8,285
0605898E	113	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	39,193	0	39,193
		TOTAL RDT&E MANAGEMENT SUPPORT	240,574	12,000	252,574
		RESEARCH AND DEVELOPMENT	240,574	12,000	252,574
		ENGINEERING AND MANUFACTURING DEVELOPMENT	0	0	0
0208045K	114	C3 INTEROPERABILITY	25,670	0	25,670
0208052J	115	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	2,186	0	2,186
0301011G	116	CRYPTOLOGIC ACTIVITIES	[---]	[---]	[---]
0301301L	117	GENERAL DEFENSE INTELLIGENCE PROGRAM	2,064	0	2,064
0302016K	118	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	4,721	0	4,721
0302019K	119	JOINT/DEFENSE INFORMATION SYSTEMS ENGINEERING AND INTEGRATION	14,520	0	14,520
0303127K	120	LONG-HAUL COMMUNICATIONS (DCS)	4,552	0	4,552
0303127K	121	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,552	0	4,552
0303129K	122	DEFENSE MESSAGE SYSTEM	0	0	0
0303131K	123	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	2,381	0	2,381
0303140D	124	INFORMATION SYSTEMS SECURITY PROGRAM	0	0	0
0303140G	125	INFORMATION SYSTEMS SECURITY PROGRAM	258,593	0	258,593
0303149J	126	C4I FOR THE WARRIOR	5,554	0	5,554
0303149K	127	C4I FOR THE WARRIOR	0	0	0
0303153K	128	JOINT SPECTRUM CENTER	0	0	0
0304345BQ	129	NATIONAL IMAGERY AND MAPPING	[---]	[---]	[---]
0305102BQ	130	DEFENSE IMAGERY AND MAPPING PROGRAM SYNTHETIC APERTURE RADAR DATA ACCELERATE DPS MIGRATION	109,430	25,000	134,430 [+10,000] [+15,000]
0305127V	131	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	419	0	419
0305139B	132	DMA MAPPING, CHARTING, AND GEODESY (MC&G) PRODUCTION SYSTEM IMPROVEMENTS	0	0	0
0305154D	133	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	0	0	0
0305154G	134	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	[---]	[---]	[---]
0305159I	135	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE) TENCAP ASSOCIATED SPACE SPT	49,403	(8,400)	41,003 [3,500]
0305190D	136	C3I/INTELLIGENCE PROGRAMS	6,249	0	6,249
0305204D	137	TACTICAL UAVS OUTRIDER ACTD	122,004	(60,000)	62,004 [87,500]

TITLE II - RESEARCH, DEVELOPMENT, TEST AND EVALUATION
(Dollars in Thousands)

PROGRAM ELEMENT NUMBER	R-1 LINE	PROGRAM TITLE	FY 1988 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1988 COMMITTEE RECOMMENDATION
		TACTICAL CONTROL SYSTEM			[+11,500]
		VTOL COMBATION			[+10,000]
		MULTI-FUNCTION SELF-ALIGNED GATE ARRAY	216,712	(23,990)	[+6,000]
0305205D	138	PREDATOR			192,722
		CGS			[+14,990]
		AIRBORNE RECONNAISSANCE SYSTEMS			[9,000]
0305206D	139	AIRBORNE RECONNAISSANCE SYSTEMS	212,961	13,200	226,161
		AIRBORNE INFORMATION TRANSMISSION			[+3,000]
		AIRBORNE OVERHEAD INTEGRATED TASK FORCE			[+7,200]
		JOINT AIRBORNE RECONNAISSANCE ARCHITECTURE			[+3,000]
		HEAVY FUEL ENGINE			[+3,000]
		JOINT SIGINT AVIONICS FAMILY (USAF)			[+16,200]
		DIGITAL TERRAIN ELEVATION DATA			[+2,000]
		HIGH BAND SENSORS			[+1,800]
		JMTE ACTD			[+10,000]
		EO FRAMING TECHNOLOGY			[+15,000]
0305207D	140	MANNED RECONNAISSANCE SYSTEMS	27,784	24,000	51,784
		U-2 SENIOR GLASS			[+24,000]
0305208D	141	DISTRIBUTED COMMON GROUND SYSTEMS	37,653	0	37,653
0305209D	142	DARP MANAGEMENT SUPPORT	21,543	(14,000)	7,543
		DARP MANAGEMENT SUPPORT			[+14,000]
0305884L	143	INTELLIGENCE PLANNING AND REVIEW ACTIVITIES			[+]
0305885G	144	TACTICAL CRYPTOLOGIC ACTIVITIES			[+]
0305889G	145	COUNTERDRUG INTELLIGENCE SUPPORT	96,667		96,667
		INEXPENSIVE LONG DWELL OBSERVATION PLATFORM			[+2,500]
0305898L	146	MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)	1,926	0	1,926
0708011S	147	INDUSTRIAL PREPAREDNESS	8,720	0	8,720
0902298J	148	MANAGEMENT HEADQUARTERS (OJCS)	10,035	0	10,035
0902740J	149	JOINT SIMULATION SYSTEM	24,321	0	24,321
1001017J	150	PARTNERSHIP FOR PEACE ACTIVITIES	1,993	0	1,993
11602798B	151	SMALL BUSINESS INNOVATIVE RESEARCH/SMALL BUS TECH TRANSFER PILOT PROG	4,161	0	4,161
11604018B	152	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	6,009	0	6,009
11604028B	153	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	73,073	0	73,073
11604048B	154	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	4,914	0	4,914
11604058B	155	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT		8,000	12,914

Items of Special Interest

Active structural control

The budget request contained \$82.6 million in PE 63764E for land warfare technology, including \$29.0 million for technology for early entry forces.

The committee understands that the helicopter active noise and vibration control (HANVC) program is demonstrating in a helicopter rotor control system the active structural control technology that was developed in the Defense Advanced Research Projects Agency advanced submarine technology program. The technology has the potential for significantly reducing the radiated noise and vibration produced by helicopters. The reduction in radiated noise and vibration could increase the survivability of helicopters on the battlefield and could also significantly reduce maintenance costs as well as crew and passenger discomfort. The committee recommends an increase of \$6.6 million in PE 63764E for the HANVC program.

Advanced concept technology demonstrations

The budget request contained \$121.1 million in PE 63750D for Advanced Concept Technology Demonstrations (ACTD). The committee is concerned that this represents more than a hundred percent increase for the fiscal year 1997 appropriation of \$58.5 million. Although the Department has stated that ACTDs are used to apply mature technologies to meet urgent military requirements, the committee has found that ACTDs often use technology that is not mature and fail to address a validated urgent military requirement. Therefore, the committee questions the requirement for the requested funding increase and recommends \$91.1 million, a decrease of \$30.0 million in PE 63750D.

Advanced lithography program

The budget request contained \$32.0 million in PE 63739E for the Defense Advanced Research Projects Agency (DARPA) advanced lithography program.

The committee notes the critical role played by lithography in the development of advanced microchip technology and the role of the microchip as the engine of the information technology revolution that is the foundation of modern warfighting. The DARPA advanced lithography program was established in response to Section 216 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) as a goal-oriented program to ensure the development of lithographic processes that would lead to superior performance electronics systems for the Department of Defense. The goal of the DARPA program to provide early research in high risk, high payoff technologies for the pattern transfer of highly complex patterns at sub 0.1 micron resolution, and focuses on the areas of maskless writing, new imaging materials, metrology, and exploitation of recent developments such as proximal probes and quantum structures. DARPA investments are used to demonstrate proofs of concept, with planned early transition to the services and industry for development of the prototype stage; and the DARPA strategy puts responsibility for research and development investments within five or six years of production in the hands of indus-

try. The committee understands that DARPA is working with industry and the Navy to transition the DARPA program in x-ray lithography. To facilitate this transfer and ensure a smooth transition of the technology development program to industry and the Navy, the committee recommends an increase of \$15.0 million. The committee also recommends an increase of \$6.0 million for the support of ongoing long term nanofabrication and extreme ultraviolet lithography research aimed at the fabrication of nanoelectric structures.

Advanced submarine technology program

The budget request contained \$69.1 million in PE 63763E for the Defense Advanced Research Projects Agency marine technology program. No funds were included for joint U.S./Russian submarine research and development.

The committee recommends an increase of \$3.0 million to enable the Director of DARPA to establish a U.S.-Russian cooperative program for research and development relevant to nuclear submarines. This initiative will capitalize on the trust and confidence created under DARPA-sponsored initiatives with the Russian submarine design bureaus and institutes of the Russian Academies of Science. The cooperative program should apply to technology in the areas of nuclear submarine architecture, ship automation and damage control, submarine hydrodynamics and hydroacoustics. The technical direction and scope of these initiatives will be coordinated with the Department of the Navy.

Airborne information transmission

The budget request contained \$10.8 million in PE 35206D to continue testing and evaluation of the airborne information transmission (ABIT) system.

The committee believes that all major airborne reconnaissance systems should have the ability to communicate and cooperatively operate sensor systems using wide-bandwidth, high data rate communications. Such a capability would allow real-time database sharing, cooperative target location, a long haul "reach back" capability to national processing facilities, and use/control of collection systems from platform to platform. The committee supports the Department's Common Data Link (CDL) and ABIT efforts to pursue these capabilities. Accordingly, the committee directs the Secretary of Defense to conduct a study on the costs, requirements, and benefits of adding wide-bandwidth data links on all major airborne reconnaissance/surveillance aircraft. The study should also provide costs for developing and installing this capability on the various aircraft. The results of this study shall be provided to the Congressional defense and intelligence committees by October 1, 1998.

The committee notes the ongoing Air Force efforts to integrate ABIT capabilities on the RC-135 reconnaissance aircraft, and believes this effort should be the basis for all future manned reconnaissance interoperability efforts, including an ABIT capability on the joint surveillance target attack radar system aircraft. The committee recommends an increase of \$3.0 million for the Air Force to lead this effort.

Airborne overhead integrated task force (AOITF)

The Department of Defense and the Intelligence Community have formed an integrated task force to investigate the costs and benefits of correlating airborne and overhead signals intelligence data for improved target location capabilities. The task force has concluded the first phase of its work, unquestionably showing results that would provide high payoff for tactical forces at modest costs. Due to the timing of the task force's study, the administration could not address its findings and funding recommendations in the budget request.

Based on the potential importance of this initiative for dominant battlefield awareness in several primary mission areas, the committee recommends an increase of \$7.2 million in the PE 35206D, within Defense Airborne Reconnaissance Program for continuing AOITF investigations and developments. Additionally, the committee recommends an additional \$2.3 million in PE 31359A, within the General Defense Intelligence Program for required software improvements to the Joint Collection Management Tool program. Other actions are detailed in the classified annex to this report.

The committee applauds the work of the task force and the decision to sustain it and ultimately transform it into a joint office to oversee implementation. The committee also fully endorses the task force's plan to examine the costs and benefits of cooperative processing in other, closely related areas.

Airborne reconnaissance advanced development

The budget request contained \$4.5 million in PE 35206D for continued refinement of the joint airborne reconnaissance architecture standards. Included in this amount was funding for verifying compliance and interoperability of new upgrades and developments. The committee recommends \$1.5 million for this effort, a decrease of \$3.0 million.

The budget request for PE 35206D also contained \$3.0 million for initiating development of the heavy fuel engine (HFE) for the tactical UAV. Department of Defense documentation duplicates justification for requesting an HFE within PE 35204D. Additionally, the committee is aware that previous authorizations and appropriations for this effort have not been fully obligated or expended. Therefore, the committee recommends a decrease of \$3.0 million in this program element.

Airborne reconnaissance advanced development

The budget request contained \$9.6 million in PE 35206D for studies and advanced designs leading to possible future integration of the joint signals intelligence (SIGINT) avionics family (JSAF) collection systems on the Global Hawk unmanned aerial vehicle (UAV). It also contained \$6.6 million for beginning development of systems to incorporate the JSAF prime mission equipment. The committee understands that this funding will not build systems, but only provide the necessary studies and initial design efforts to do so.

The committee understands the Global Hawk is an advanced concept technology demonstration (ACTD) designed to validate the military utility of a high altitude, long endurance, wide area cov-

erage UAV. There is no stated goal for a SIGINT demonstration in the ACTD, and as stated by Department witnesses, there is no Joint Requirements Oversight Council approval for such requirement. Additionally, since the military utility demonstration phase of this ACTD is scheduled to be completed in fiscal year 2000, there has been no determination that this air vehicle will be continued beyond the ACTD.

Although the committee does not believe this vehicle will ever totally replace existing SIGINT systems, it does believe there may be a future utility for a focused Global Hawk SIGINT mission. However, the committee is not willing to authorize the expenditure of such large sums for studying such a future mission when the air vehicle has not yet flown, or proven its military utility and suitability for its primary imagery role. The committee is particularly sensitive to this issue when the Department is apparently willing to deny funding to upgrade critical operational SIGINT collection systems in order to fund demonstration systems. Accordingly, the Congress for fiscal year 1997 denied \$10.0 million funding request in the Global Hawk program element for SIGINT development. The committee, however, has recently learned that the Department has an additional \$4.0 million in fiscal year 1997 funds in the Defense Airborne Reconnaissance Program's advanced technology funding line for this same purpose.

Therefore, the committee recommends a decrease of \$16.2 million in this program element for the purpose of advanced design for a SIGINT capability on Global Hawk. The committee will be willing to address this issue as a product improvement to an imagery-capable and militarily suitable air vehicle that has been demonstrated, proven, and approved for acquisition. The committee believes the fiscal year 1997 funds are sufficient to study not implement development of a future SIGINT application and agrees the funds should be expended for that purpose.

Ballistic missile defense

The budget request contained \$2,589.1 million for research, development, test, and evaluation (RDT&E), procurement, and military construction of ballistic missile defense (BMD) systems within the Ballistic Missile Defense Organization (BMDO). The committee recommends changes to the request as summarized below:

[In millions of dollars]	
Support technologies(PE63173C)	\$25.0
Navy Theater Wide (PE63868C)	150.0
Navy Area Theater (PE64867C)	22.0
THAAD (PE64861C)	45.0
National Missile Defense (PE63871C)	474.0
Cooperative Programs (PE63XXC)	123.1
Joint Theater Missile Defense (PE63872C)	(18.7)
UAV BPI (PE63870C)	(12.9)
Theater Missile Defense procurement	384.6

A detailed explanation of the recommended changes are provided below.

Cooperative programs

The budget request did not contain a separate program element (PE) for cooperative ballistic missile defense (BMD) programs. The

committee continues to support cooperative ballistic missile defense programs with U.S. allies.

The budget request for cooperative BMD programs with Israel contained \$38.7 million for the Arrow Continuation Experiments/Arrow Deployability project (ACES/ADP) in PE 63872C, and \$12.9 million for the Unmanned Aerial Vehicle Boost Phase Intercept (UAV BPI) program in PE 63870C. The Israeli commitment to cooperative BMD development remains strong. The committee notes the accomplishments achieved to date by the U.S.-Israeli ACES/ADP project and recommends \$48.7 million for the program, an increase of \$10.0 million. The committee believes that additional funding will support efforts to deploy an Israeli ballistic missile defense capability while also providing valuable technological benefits to on-going U.S. TMD programs.

The budget request contained \$16.5 million within PE 63308A for the Tactical High Energy Laser (THEL) program. The committee is aware that the threat from tactical rockets and missiles is growing, as such systems proliferate world-wide. The U.S. and Israel are cooperating in an effort to respond to this threat by developing a high energy laser that can destroy tactical missiles in flight.

The committee recommends a legislative provision (sec. 236) that would transfer the THEL program from the Secretary of the Army to the director of BMDO, and would authorize a total of \$38.2 million for the THEL program. The committee directs the transfer of \$16.5 million from PE 63308A to PE 63XXXC, a new program element that would consolidate cooperative ballistic missile defense programs under BMDO management. The committee also recommends an increase of \$15.0 million to ensure completion of the first phase of the program to design, build, integrate and test the THEL advanced concept technology demonstrator and to begin developmental testing to validate THEL capabilities. The committee further directs the director of BMDO to provide the remaining \$6.7 million required for the THEL program from BMDO administrative accounts.

The budget request did not contain funding for two cooperative projects with Russia, the Russian-American Observation Satellite (RAMOS) and the Active Plasma Experiment (APEX). The committee recommends \$30.0 million for the RAMOS and APEX projects. Recent events indicate some Russian interest in exploring the possibility of greater cooperation in this area. For example, at the recent Helsinki summit, Presidents Clinton and Yeltsin declared that they are prepared to explore integrated cooperative defense efforts in the area of early warning support for TMD activities, technology cooperation in areas related to TMD, and expansion of the ongoing program of cooperation in TMD exercises.

The committee notes that expanded cooperation with Russia in the area of ballistic missile defense must be carefully considered and implemented only in a manner that does not jeopardize U.S. technological advantages or the development and deployment of U.S. BMD systems. The committee directs the Secretary of Defense to develop a plan for U.S.-Russian cooperative projects—identifying the costs and benefits associated with each project—and to submit

this plan to the Congressional defense committees no later than February 1, 1998.

The committee believes that the effective management of cooperative BMD programs requires their consolidation in a separate program element. Therefore, the committee recommends a legislative provision (Sec. 232) that would establish the "Cooperative Ballistic Missile Program" as a separate program element within BMDO to support technical and analytical cooperative missile defense efforts between the U.S. and other nations.

The committee recommends \$123.1 million to support the cooperative programs in the new PE63XXXC. This amount includes the transfers of \$38.7 million from PE 63872C, \$12.9 million from PE 63870C, \$16.5 million from PE 63308A, and an increase of \$55.0 million over the amounts requested.

Joint theater missile defense

The budget request contained \$542.6 million for the Joint Theater Missile Defense (JTMD) in PE 63872C.

The Pacific Missile Range Facility (PMRF) provides an essential test range capability for Navy and other TMD programs. PMRF enhancements are needed to ensure that the range can support the full scope of TMD testing required in the future. The committee recommends an increase of \$20.0 million for the purpose of upgrading the PMRF.

The committee also directs the transfer of \$38.7 million from PE 63872C to the new cooperative BMD PE 63XXXC to support the Israeli-U.S. effort to develop the Arrow ballistic missile defense system (project 2259). The details of this transfer are discussed elsewhere in this report.

The committee recommends \$523.9 million for the JTMD program.

Medium extended air defense system (MEADS)

The budget request contained \$47.9 million in PE 63869C for the Medium Extended Air Defense System (MEADS).

The Administration has identified the MEADS as a high priority Theater Missile Defense (TMD) initiative and as an important international cooperative development effort. While the committee supports MEADS, it does so with some reluctance since the Administration currently has no funding in fiscal year 1998 or the Future Years Defense Plan (FYDP) to continue MEADS development beyond the current project definition-validation phase. The Administration's apparent lack of long-term commitment to MEADS threatens both program stability and perceptions of U.S. reliability as a partner in current and future international cooperative programs. The committee's support for MEADS is dependent on the Administration's willingness to fund its continued development and the Secretary of Defense is urged to provide adequate funding for this development in the FYDP and to designate strongly MEADS as a core TMD program.

Multilateralization of the Anti-Ballistic Missile Treaty

The committee notes the Administration's decision to seek to expand beyond Russia the number of states party to the 1972 U.S.-

Soviet Anti-Ballistic Missile (ABM) Treaty to include three former republics of the Soviet Union.

The committee is concerned with the Administration's contention that multilateralizing the ABM Treaty is not a substantive change to the treaty's terms and, therefore, Congressional approval is not required. In a report to Congress in November 1996, the Administration asserted that "the resolution of succession questions has long been regarded as a function of the Executive Branch" and that the notion of Congressional approval of any succession agreement "would cast doubt on well-established principles of treaty succession."

The committee believes that the issue of whether or not multilateralization involves substantive changes to ABM Treaty has less to do with the question of which states are appropriate successors than with the rights accorded those states under the agreement reached. For example, the treaty allows the parties to deploy up to 100 ABM interceptors. However, the administration has stated that Russia will be granted exclusive rights to deploy the full complement of 100 interceptors on its side. In other words, although the former Soviet states of Ukraine, Belarus, and Kazakhstan might become parties to the treaty, they would not be allowed to deploy ABM interceptors on their national territory. In the committee's view, this represents a modification to the rights of the states party to the ABM Treaty, and, therefore a substantive change to the treaty.

Furthermore, the committee believes that the addition of multiple coequal parties to the ABM Treaty would substantively change the process by which treaty revisions might be negotiated. Four parties, each of equal legal standing but with varying rights accorded under the treaty, would presumably have to agree unanimously to amend the treaty if the U.S. pursues such amendments. Such a process is substantively different than negotiating with one equal party.

Deployment of an effective national missile defense capable of defending all fifty states, even against a limited ballistic missile threat, will likely require amendment of the treaty. With five parties where there were once only two, the treaty amendment process would be rendered much more difficult, and perhaps impossible. Thus, even while the Administration purports to be committed to an NMD deployment option, it simultaneously supports a change to the ABM Treaty that could render any such deployment option, short of abrogating the treaty, implausible.

The committee believes that multilateralization represents a substantive change to the ABM Treaty, and, as such, that the Administration is required to submit any such proposal to Congress for appropriate review and approval.

National missile defense

The budget request contained \$504.1 million for National Missile Defense (NMD) in PE 63871C, \$324.7 million less than appropriated for fiscal year 1997. The Secretary of Defense recently informed the committee that NMD funding in the Future Years Defense Plan (FYDP) is inadequate to support the program and iden-

tified a fiscal year 1998 shortfall of \$474.0 million, part of a total shortfall of at least \$2.3 billion over the FYDP.

The committee has consistently believed that proposed NMD budgets were inadequate to support the Administration's "three plus three" deployment readiness program. As early as 1994, the committee was informed by the BMDO that annual NMD funding of \$600 million was required for a viable technology readiness program. BMDO reported then that annual funding in the range of only \$450 million "could seriously damage our NMD readiness strategy and would likely permit projected third world threats to the homeland to materialize prior to any viable NMD deployment capability." In 1995, BMDO informed the committee that a "three plus three" deployment readiness program would require annual development funding of \$800 million to \$850 million. However, the Administration's annual funding requests have consistently fallen hundreds of millions of dollars short of the levels needed for a viable program. Even after the Administration provides additional outyear funding for NMD, the program schedule will be challenging and the committee is concerned that several factors may undermine the viability of even the Administration's option to deploy an NMD by 2003.

First, the previous Under Secretary for Acquisition and Technology testified to the committee that no long lead procurement funding for NMD had been budgeted anywhere in the FYDP because no deployment decision had been made. The committee remains concerned that unless appropriate funds for long lead procurement, military construction, and deployment planning are programmed in fiscal year 1999, the option to deploy an NMD by 2003 will be unavailable. Accordingly, the committee directs the Director of BMDO to provide a report to the Congressional defense committees by February 1, 1998, detailing long lead procurement, military construction, and deployment planning, and any other acquisition activity that must be funded prior to a decision to deploy an NMD in order to ensure that deployment by 2003 could be achieved; the cost of these activities; and how BMDO intends to preserve a 2003 deployment option if these activities are not funded in the fiscal year 1999 budget request.

Second, the committee is concerned with persistent NMD program organizational difficulties, particularly the delays in establishing the NMD joint program office and awarding the lead system integrator contracts. The committee urges the Secretary to ensure that all management and contract difficulties are identified and addressed in an expedited manner in an effort to provide some long overdue stability to the program.

Third, the committee notes that inadequate investments in test assets has increased technical and schedule risk for BMD programs, including NMD. A recent test failure, due to human error in the launch sequence of a NMD test vehicle, resulted in delays to the program because another booster and additional test targets were not available. The committee finds this kind of delay unacceptable for such a high priority program. Accordingly, the committee directs the Director of BMDO to report to the Congressional defense committees by February 1, 1998, on the specific steps that are being taken, and those that should be taken but are not, to

mitigate schedule risks and the potential for single point failures resulting from inadequate test assets.

Finally, the committee notes that NMD battle management/command, control, and communications (BM/C3) funding has declined dramatically in each of the last two fiscal years. Effective BM/C3 is of central importance to the success of all ballistic missile defense efforts. While the committee is encouraged that reuse of theater missile defense BM/C3 software is being emphasized by BMDO as a means of speeding development and reducing risk and cost, NMD software development remains a significant challenge. The committee believes that BM/C3 development and risk reduction efforts deserve priority attention and urges DOD to establish reuse of TMD BM/C3 as a significant evaluation criterion in future NMD system contract awards, consistent with system requirements.

The committee believes that deployment of a national missile defense remains a national priority and recommends \$978.1 million, an increase of \$474.0 million.

Navy area theater ballistic missile defense

The budget request contained \$267.8 million in PE 64867C for Navy Area Theater Ballistic Missile Defense (TBMD). The committee notes the program's recent missile intercept testing successes and supports Department efforts to accelerate this program. As with all current TMD programs, the committee believes that the Navy Area TBMD test program could be more effectively accelerated if sufficient threat representative missile targets and test component spares were available. Accordingly, the committee recommends \$289.8 million, an increase of \$22.0 million to provide additional test support.

Navy theater-wide missile defense

The budget request contained \$194.9 million in PE 63868C for the Navy theater-wide missile defense system. The unfunded requirements list from the Chief of Naval Operations and communications from other offices in the Navy indicate that the theater-wide program is inadequately funded to support an accelerated development test plan. Moreover, there is a growing concern that the Department still has not thoroughly assessed the feasibility of accelerating the currently planned Navy theater-wide missile defense deployment date of fiscal year 2008. Noting numerous Administration statements attaching high priority to TMD programs, the committee directs the Secretary of Defense to report to the Congressional defense committees no later than February 15, 1998, on the cost and technical feasibility of options for a more robust Navy theater-wide flight test program, the earliest technically feasible deployment date, and costs associated with such a deployment date. The committee recommends an increase of \$344.9 million, an increase of \$150.0 million, to support a more robust program schedule.

Support technologies

The budget request contained a total of \$147.6 million in PE 63173C for BMD support technologies.

The Atmospheric Interceptor Technology (AIT) program is an ongoing effort that addresses technological challenges common to several BMD programs, including THAAD, the Navy theater-wide program, and the national missile defense effort by examining advanced hit-to-kill warhead technologies. The budget request included only \$4.9 million for AIT, a reduction from \$43.0 million appropriated for fiscal year 1997. The committee supports AIT and recommends an increase of \$25.0 million to continue more robust AIT development.

The committee is concerned by a funding reduction of over \$100.0 million for BMD support technologies from the fiscal year 1997 level. Reductions of this magnitude slow the development of critical and innovative technologies and are inconsistent with the Administration's assertion that the budget request supports an acceleration of theater missile defense programs. They also undermine the comprehensive technology effort needed to stay ahead of the evolving ballistic missile threat.

The committee urges the Secretary of Defense to provide adequate funding for BMD support technologies and recommends \$172.6 million, an increase of \$25.0 million.

Theater high altitude air defense

The budget request contained \$556.1 million for demonstration/validation and engineering and manufacturing development for the Theater High Altitude Air Defense (THAAD) system.

The committee supports the THAAD program, believes it will provide U.S. military forces with critically needed protection against ballistic missile attack, and restates its support of THAAD as a core TMD system. Although the THAAD program has met numerous test objectives to date, the committee is concerned by recent test failures and supports the Department's prompt and comprehensive program reviews. However, the committee is disturbed by indications that the Department nonetheless plans to reduce prior year and fiscal year 1998 THAAD funding in order to use the funds for other purposes. Although identification of the causes of test failures is necessary before further testing, the committee believes that both the Administration's currently planned fielding date of 2006 may be indicative of a program constrained by funding and insufficient test opportunities.

Independent reviews of THAAD have reaffirmed the program's planned design, operational requirement, and the successful completion of 28 of the 30 THAAD program objectives to date. In addition to the on-going review of THAAD, the committee believes that the test program will benefit from additional funding to provide reserve interceptor, missile, and target assets, as well as other back-up resources. A more robust test program will help to lower the risk of delays and lost opportunities resulting for unexpected anomalies and single-point failures.

The committee recommends \$601.1 million, an increase of \$45.0 million in PE 64861C, to provide funds necessary for additional THAAD testing and to further mitigate risk in the flight test program. The committee strongly urges the Department not to reduce funding for THAAD in order to address shortfalls elsewhere in the FYDP and to use any prior or fiscal year 1998 THAAD funds

deemed unavailable for obligation for their original purpose for further risk reduction in the test program.

Theater missile defense demarcation

The committee notes that the presidents of the United States and Russia, at the recent Helsinki summit, signed a joint statement concerning the 1972 Anti-Ballistic Missile (ABM) Treaty and the relationship of TMD systems to that treaty. The joint statement outlined the agreement reached last year between both sides at the Standing Consultative Commission (SCC) regarding lower-velocity TMD systems, which Russia refused to sign, and established parameters to be used as the basis for further negotiations on higher-velocity TMD systems.

The committee is concerned with several elements of the joint Helsinki statement. First, it establishes limitations on TMD systems in the context of the ABM Treaty. The ABM Treaty, which prohibits a defense of U.S. national territory against strategic ballistic missiles, was never intended to apply to theater missile defense systems.

Second, the Administration asserts that it has sought to negotiate an agreement with Russia that would “clarify” the distinction between permitted and prohibited missile defense capabilities. The agreement fails to achieve this clarification.

The committee continues to accept the “demonstrated standard” identified in section 325 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106), which makes no reference to interceptor speeds. Specifically, this provision established the principle that TMD interceptors could not be tested against a ballistic missile traveling farther than 3,500 kilometers or with a velocity greater than five kilometers per second. Interceptors tested against ballistic targets exceeding these parameters would be considered ABM-capable. This “demonstrated standard” was the only criterion supported by Congress for judging whether TMD interceptors were captured by the ABM Treaty.

The U.S.-Russian Helsinki agreement would establish the “demonstrated standard” as the sole measure of treaty compliance for lower-velocity TMD systems, those with speeds of three kilometers a second or less. However, no agreement was reached on higher-velocity TMD systems. While the Administration has issued public assurances that no U.S. TMD systems now under development will be restricted by the Helsinki agreement, it has also committed to negotiate with Russia on the higher-velocity systems. The Russian perspective on these impending negotiations is that limits on interceptor speed must be introduced, the U.S. cannot unilaterally declare its higher-velocity TMD programs to be in compliance with the ABM Treaty, and that compliance can only be established through negotiation.

Far from clarifying the distinction between permitted and prohibited systems, the Administration has apparently accepted an artificial distinction between lower- and higher-velocity TMD and has agreed to negotiations that may limit the performance of U.S. TMD systems. The committee opposes restrictions on higher velocity U.S. TMD systems, as well as negotiations that would compel any deg-

radation of the capabilities embodied in U.S. TMD systems, present or future.

Third, the agreement reached in Helsinki went beyond even the Administration's stated objective of clarifying ambiguities in the ABM Treaty. For instance, the joint statement notes that TMD deployments should be limited in "number and geographic scope." Such a restriction could impose for the first time unacceptable restraints on where and how TMD systems might be deployed.

Fourth, the joint statement notes U.S.-Russian agreement that no TMD deployment will be directed against the other party. This prohibition could deny new NATO members an important defensive benefit under Article V of the North Atlantic Treaty. Under such a restriction, Russia may object to U.S. TMD systems deployed in Western Europe or Asia intended to protect U.S. forces and allies. Such a restriction is likely to make it more difficult to build an allied consensus on the need for TMD.

Finally, the language of the joint statement committing the sides to "exchange detailed information annually on TMD plans and programs" has the potential to provide Russia with sensitive information regarding U.S. TMD programs, as well as an opportunity to challenge U.S. TMD programs early in their development. Such exchanges must be carefully thought through and implemented only to the extent that they do not undermine U.S. national security objectives.

The committee notes the Administration has stated that the Helsinki agreement on theater missile defense demarcation represents a substantive change to the ABM Treaty and its intention to submit the agreement to the Senate for its advice and consent. The committee believes that a full and thorough debate over the implications of the TMD demarcation agreement for U.S. security is long overdue.

Theater missile defense of U.S. territories

The committee supports highly effective theater missile defenses for the territories of the United States and urges the Secretary of Defense to take all appropriate steps to ensure that U.S. ballistic missile defense planning continues to be responsive to evolving threats to these territories.

Chemical-biological defense program

The budget request included a total of \$530.9 million for the chemical-biological defense (CBD) program of the Department of Defense, including \$320.8 million in research, development, test, and evaluation and \$210.0 million in procurement.

The committee has been advised of problems in manufacture and qualification of new production M-40 protective masks and is concerned about the impacts of these problems on the ability to meet acquisition objectives for the mask. The committee directs the Secretary of the Army to review the M-40 mask procurement program and provide a report to the Congressional defense committees by October 30, 1997, which addresses the results of that review and the actions to be taken to correct any problems discovered.

The committee notes that the Counter Proliferation Review Committee's May 1997 Report states the Defense Advance Research

Projects Agency (DARPA) biological warfare defense program will no longer be incorporated into the CBD program management and oversight structure. The Committee directs the Secretary of Defense to ensure that the DARPA biological warfare defense program is coordinated and integrated under the program management and oversight of the Department's CBD program.

The committee understands that the Department's policies on anthrax vaccination of U.S. forces and support for Other than U.S. Forces are awaiting final approval, and that these decisions will impact total funding, vaccine production, and storage requirements. The committee also notes the impending award of a prime systems contract to develop new biological defense vaccines, pursue vaccine licensing, and produce stockpile vaccines to meet the Department's requirements.

To address funding shortfalls in the budget request for the CBD program, the committee recommends an increase of \$1.6 million in PE 63384BP for vaccine advanced development, an increase of \$858,000 in PE 64384BP for vaccine development and an increase of \$5.0 million in PE63884 to support on-going development efforts in detectors, decontamination equipment, and protective equipment for the Chemical-Biological Quick Reaction Force and its components.

The committee directs the Secretary of Defense to address the above issues as specific areas of interest in the next annual report to Congress on the NBC defense program.

Central test and evaluation investment plan

The budget request contained \$131.4 million for the central test and evaluation investment plan (CTEIP) in PE 64940D.

The committee notes the reduction in funding for CTEIP and supports Department initiatives to streamline and consolidate development test operations. However, the committee understands that additional funds are required to begin the preliminary design phase for the heavy vehicle test facility. An increase of \$10.0 million will accelerate the development, by a full year, of this capability offering significant cost and schedule benefits for future heavy vehicle development programs.

The committee is also concerned that anechoic research efforts of both the Air Force and Navy are insufficiently funded in the budget request. The committee recommends \$142.9 million, an increase of \$1.5 million for CTEIP for the heavy vehicle test facility and an increase of \$10.0 million to adequately support both service anechoic research programs.

Commercial technology insertion programs

The budget request contained \$47.9 million in PE 63752D for insertion of commercial technology in military systems.

The committee supports programs designed to reduce life cycle costs as well as enhance system reliability, maintainability and capability. However, the committee views this type of activity as integral to specific systems acquisition programs and not as a separate activity. The committee recommends no funds for PE 63752D and directs the Secretary of Defense to ensure that these initiatives are

incorporated within the Department's dual use applications program.

Conventional munitions demilitarization technology

The budget request contained \$12.3 million in PE 63104D to continue the program for development and demonstration of environmentally compliant technologies for the disposal and demilitarization of conventional munitions, explosives, and rockets.

The committee is pleased that the Department of Defense has developed a joint explosives demilitarization program in accordance with the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) and the direction contained in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), using an integrated management structure that follows the model of the large rocket motor demilitarization program. The committee notes that the Joint Demilitarization Program Report to the Congress, dated February 1997, reflects a six-year investment plan that is based on requirements from the Joint Ordnance Commander's Group and includes a range of competitively selected resource recovery and demilitarization technologies. The committee understands that the joint explosives demilitarization program would balance technology maturation with disposal needs that address the highest priority demilitarization requirements. The committee believes that the program should lead to the fielding of safe, efficient, and environmentally acceptable technologies for disposal and demilitarization of the nation's stockpile of obsolete munitions, explosives, and rockets. To maintain the program at the funding level established in the enabling legislation, the committee recommends an increase of \$3.0 million, which should permit the acceleration of promising technologies and the evaluation of additional alternative technologies.

Counter-proliferation analysis and planning system

The budget request contained \$58.3 million in PE 63160D for advanced development of counter-proliferation support technologies.

The committee has been made aware of the counter-proliferation analysis and planning system (CAPS) and is supportive of its demonstrated performance as a counter-proliferation analysis and planning tool for the intelligence community and regional commanders-in-chief. The committee recommends an increase of \$3.0 million in PE 63160D to accelerate the development of CAPS mission planning tools and develop the system architecture for mission-specific data bases and mission support.

DarkStar

The investigation of last year's crash of the first DarkStar unmanned aerial vehicle (UAV) and the experience of trying to field the Predator after its successful demonstration have revealed that reliability is an important issue for these advanced concept technology demonstrations (ACTDs). In principle, an ACTD is to demonstrate technology and should not expend much resources ensuring that the demonstrated system is ready for serial production. However, in practice, the Department of Defense has demonstrated a proclivity to move directly into production with ACTD configura-

tions immediately after successful demonstrations. Taking production issues into account in designing systems for ACTDs, therefore, would appear to be prudent, especially in cases (such as the endurance UAVs) where a unit price cap is a determining factor in the success of the program. The DarkStar program office is currently examining high-payoff reliability improvement measures for the system. The committee directs Department to provide the results of this review and any actions taken by February 15, 1998.

The committee also requests the Department to sponsor a study of the operational benefits of adding a moving target indicator (MTI) radar capability to the DarkStar, and the costs of doing so. This study should be coordinated with the program office of the Joint Mobile Target Engagement ACTD, assuming it gets underway in fiscal year 1998. The study should be submitted to the Congressional defense and intelligence committees by April 1, 1998.

Defense airborne reconnaissance office

The budget request included \$21.5 million in PE 35209D for operation of the defense airborne reconnaissance office (DARO).

The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) directed the creation of an organization to oversee and coordinate the activities of the military services with respect to the development of airborne reconnaissance systems. While the committee continues to support oversight of service developmental efforts to ensure system interoperability and preclude unnecessary duplication of efforts, it believes defense reconnaissance system oversight and guidance would be more effectively accomplished by the Director of Military Intelligence (DMI) than it has been thus far by the DARO. The committee further believes that development and acquisition of reconnaissance systems would be more properly controlled by the military services rather than centrally directed by the Office of the Secretary of Defense.

Therefore, the committee recommends a provision (sec. 907) that directs abolishment of the DARO, and transfer of required defense airborne reconnaissance program functions to the Director, Defense Intelligence Agency (DIA) under his authorities as Director of Military Intelligence (DMI) and Joint Military Intelligence Program (JMIP) Coordinator. The committee directs the Director, DIA to provide a transition plan, with a draft DMI DARP charter, to the Congressional defense and intelligence committees no later than the submission of the fiscal year 1999 President's budget.

The committee recommends no funding for the DARO, and \$7.5 million for continued DARP management, a decrease of \$14.0 million.

Digital terrain elevation data

The budget request contained no funds in PE 35206D for developing a digital terrain elevation data (DTED) collection capability for aircraft.

The stated requirements for DTED are very stringent and may cost the Department of Defense more than it can afford using current and planning collection methods. There are also indications that the Joint Warfare Capabilities Assessment for intelligence and reconnaissance casts doubt on the need for worldwide DTED at the

currently required levels (3, 4, and 5). Instead, the committee believes it may be sufficient to have the surge capability to collect such data only when needed with an airborne system. However, no such DTED collection capability currently exists.

Therefore, the committee, recommends \$2.0 million in this PE for the Department to conduct an analysis to determine design trades from which to choose an airborne platform to perform fine DTED data collection. This analysis should determine whether an embedded system or a “remove and replace” configuration that could be installed as necessary on an airframe of opportunity makes the most sense. The committee requests that the results of this analysis be provided to the defense and intelligence committees no later than April 1, 1998.

DP-2 thrust vectoring system

The budget request contained \$82.6 million in PE 63764E for land warfare technology. The committee recommends an increase of \$14.0 million to continue the DP-2 thrust vectoring system development and demonstration program.

Endurance unmanned aerial vehicles

The budget request contained \$216.7 million in PE 35205D for endurance unmanned aerial vehicles (EUAV). The request for high altitude EUAVs contained \$96.0 million for Global Hawk and \$54.6 million for DarkStar, while \$15.0 million was requested for the medium altitude UAV Predator.

The committee notes that the Department initiated Advanced Concept Technology Demonstrations (ACTD) to develop and demonstrate the two high altitude EUAVs in 1995 in order to permit the rapid and affordable evaluation of advanced capabilities. The EUAV ACTD also included the specific requirement that the two EUAV candidates must prove the ability to be procured at a unit cost of \$10.0 million or less before being selected to perform the EUAV mission. The committee understands that the Global Hawk is to provide continuous, all-weather, day/night, wide-area reconnaissance and surveillance in direct support of the joint forces commander. The DarkStar is intended to provide essentially the same capabilities, but is designed to employ stealth technology to operate in high threat environments.

While the committee supports the need for determining the military utility of long-dwell UAVs for broad area coverage, it remains concerned about the two high altitude EUAVs. The concern is heightened by the recent DOD Inspector General report that states a lack of clear military worth of the current high altitude EUAV efforts. Further, the committee is concerned that current efforts are pushing the technologies involved and not specifically demonstrating proven/existing technologies (a major issue raised in the DOD IG report). The committee is also aware of system reliability and maintainability concerns and is concerned that it appears as though there is an apparent rush to this unproved UAV solution. In fact, the Department's own documentation shows that roughly 39 percent of the airborne reconnaissance budget is going into proving UAVs—an extremely high percentage to demonstrate unproved capabilities that have marginally stated requirements.

The EUAV ACTD management plan states that the number of Global Hawk and DarkStar EUAVs produced may be changed based on program status or user input. The committee understands that an adequate test program can be conducted with four Global Hawk air vehicles, four DarkStar air vehicles and two ground control stations, and strongly recommends that the Department complete the ACTDs, and user evaluations of the EUAV's military worth, before authorizing a high altitude EUAV acquisition program.

The committee understands that the Department currently plans to suspend Global Hawk and DarkStar production after delivery of a total of five prototypes each in fiscal year 1997 until both UAVs have been proven airworthy. The committee endorses this decision and recommends that all Global Hawk and DarkStar UAV assets remaining after completion of ACTD testing be transferred to the Air Force Air Combat Command for continued evaluation and user operational testing.

The medium altitude EUAV, the Predator, was established as an ACTD in response to an urgent requirement identified by the Joint Chiefs of Staff (JCS) in 1993. The committee notes that while there have been some problems with this system, Predator is the first ACTD to complete transition to a production program. The success of the Predator in a number of continental United States exercises and two operational deployments to Bosnia has prompted the JCS to seek additional funding for Predator, including a number of pre-planned product improvement (P3I) upgrades to be included with production systems. Of the funds requested for fiscal year 1998, \$4.4 million are designated for beginning development and integration of P3I upgrades. The committee recommends elsewhere in this report that additional procurement funding be provided to accelerate these upgrades.

Facial recognition technology

The budget request contained \$29.1 million for the DOD counter-terror technical support (CTTS) program in PE 63122D.

The CTTS is an interagency program for development and demonstration of surveillance, physical security, and infrastructure protection technology. The committee fully supports use of advanced technology to control access to critical facilities, and recommends an increase of \$5.0 million for the development and demonstration of biometric access control technology, including the use of authentication software and the principal component method of facial recognition.

Flat panel display initiative

The budget request contained \$37.0 million in PE 62708E for the development of the technology and manufacturing capability for high definition displays.

In 1994, the President and the Department of Defense announced a five year Flat Panel Display Initiative and affirmed the commitment to establishing a viable domestic flat panel display industry. The objective of the program is to establish a domestic technical capability for development of advanced displays using multiple technological approaches, demonstrate the manufacturing ca-

pabilities required for high resolution military information display systems, and ensure the availability of advanced technology displays for use by defense agencies and the military services. The committee notes the success of the initiative in the development and demonstration of advanced technologies for high definition displays, in the increased level of participation in the program and funding provided by industry, and in the establishment of domestic capabilities for the manufacture of high definition displays. The ultimate success of the program will be a viable domestic flat panel display industry and proliferation of the application of flat panel display technology in the commercial sector and in the military services. The committee also notes, however, that the government's share of the program contained in the fiscal year 1998 budget request for the Defense Advanced Research Project Agency is significantly below that originally projected when the initiative was announced to Congress in 1994. The committee believes that a stable funding level should be sustained until the completion of the original five year program. Such stability in funding is necessary in order to capitalize on previous investments in the development of high definition display technology and domestic manufacturing capabilities and to meet the government's stated commitment to support the establishment of domestic capabilities for manufacturing of flat panel/high definition displays and display substrates. Accordingly, the committee recommends an increase of \$23.0 million to sustain the program at the fiscal year 1997 funding level. The committee also recommends that the program place increased emphasis on the demonstration of flat panel displays for various applications by the military services in order to facilitate the transition of the flat panel display program to the military services and their use of the technology for service applications.

High altitude endurance unmanned aerial vehicle common ground segment

The budget request contained \$51.1 million in PE 35205D for the high altitude endurance (HAE) unmanned aerial vehicle (UAV) common ground segment (CGS), \$9.0 million of which was for testing.

The committee understands that \$10.0 million of fiscal year 1997 funds were authorized and appropriated for this same testing. The committee also understands that such testing was not completed due to the delays in both HAE advanced concept technology demonstrations. Therefore, the committee recommends \$42.1 million, a decrease of \$9.0 million.

Joint robotics program

The budget request contained \$23.2 million in PE 63709D for the joint robotics program.

The committee notes that vehicle teleoperation capability (VTC) technology is becoming mature and recommends an increase of \$10.0 million to evaluate VTC technology.

Joint wargaming simulation management office

The budget request contained \$71.3 million in PE 63832D for the Defense Modeling and Simulation Office activities to coordinate

simulation policy within the Department of Defense, establish interoperability standards and protocols, promote the use of simulation within the military departments, and establish guidelines and objectives for coordination of simulation, wargaming, and training.

The committee recommends \$60.0 million, a reduction of \$11.3 million. The committee believes that aggressive, innovative use of advanced modeling and simulation will be necessary if the Department of Defense is to modernize and perform its mission in the most cost-effective and timely manner, and will require that simulations be interoperable and reusable to the maximum extent possible. The committee understands that this is a key goal of the Department's Modeling and Simulation Master Plan. The committee also understands that the Department has successfully developed and demonstrated a high level architecture (HLA) for advanced modeling and simulation, which provides a necessary technical foundation for interoperability and reuse, and that the Department has a policy which requires HLA-compliance for all its simulations. The committee agrees with this initiative and intends to support only those investments in simulations which are HLA-compliant.

Joint strike fighter

The budget request contained \$23.9 million in PE 63800E for continued development of the Joint Strike Fighter. The committee understands that defense-wide funding for this program has been transferred to the Navy and Air Force research and development accounts, and, therefore, recommends no funds be authorized in defense-wide research and development accounts for this program.

Maritime technology program

The budget request contained \$37.4 million in PE 63746E to continue the maritime technology (MARITECH) program.

This program is a five-year Defense Advanced Research Projects Agency (DARPA) initiative to preserve the U.S. shipbuilding industrial base by improvements in the industry's commercial competitiveness through the application of advanced technology. The committee notes the success of the MARITECH program to date. The program's two-phased acquisition strategy, which focuses in the near term on the development of internationally competitive commercial ship designs and construction strategies and in the long term on the development of advanced product and process technologies, has resulted in a significant increase in the level of activity and competitiveness of the U.S. shipbuilding industry. The committee recommends an increase of \$4.0 million to support transition of the technologies developed under the program to the military services and to expand the opportunities for participation in the MARITECH program by the smaller, technologically innovative companies, that have participated in the DARPA program for development of advanced information technologies (such as simulation based design, virtual prototyping, and ship systems automation).

Multi-function self-aligned gate array

The budget request contained \$122.0 million in PE 35204D for tactical unmanned aerial vehicles (UAV), including \$34.5 million for tactical control systems.

The committee recommends an increase of \$6.0 million to complete the UAV multi-function self-aligned gate array technology development and demonstration program.

Next generation internet revolutionary applications

The budget request contained \$40.0 million in PE 62110E for the Defense Advanced Research Projects Agency (DARPA) component of the Next Generation Internet (NGI) program.

NGI involves DARPA, the National Science Foundation (NSF), Department of Energy (DOE), National Institute of Science and Technology (NIST), and National Aeronautics and Space Administration (NASA) in a three-year, \$100.0 million per year program to develop and demonstrate the technologies, protocols, and standards for a very high speed, broad bandwidth NGI that will offer reliable, affordable, secure information delivery at rates thousands of times faster than today. The program has three goals: (1) develop the next generation network and connect universities and Federal research institutions with high speed networks that are 100 to 1000 times faster than today's Internet; (2) promote experimentation with the next generation of networking technologies; and (3) demonstrate new applications that meet important national goals and missions.

A fundamental objective for the NGI is to demonstrate a wide variety of nationally important applications that cannot be achieved over the current Internet infrastructure. Ideally, these applications will include federal agency mission, university and other public, and private sector applications. Potential application areas for the NGI include the following: health care (telemedicine, digital patient records, and emergency medical response team support), education (distance education, shared learning, and digital archives and libraries), scientific research (energy, earth systems, climate, and biomedical research), national security (high performance global communications and advanced information dissemination), environment (monitoring, prediction, warning, and response), government (delivery of government services and information to citizens and businesses), emergencies (disaster response and crisis management), design and manufacture (manufacturing engineering and virtual design), and information security (active and passive protection of defense and commercial information networks and information data bases). Many of these areas are of particular federal interest since they represent federal mission-critical applications that require advanced networking services and capabilities.

The committee strongly endorses the NGI initiative. The committee supports the concept of the NGI initiative working with the applications communities—federal agencies, the public sector, academia, and private companies—to incorporate new and existing networking technologies and capabilities developed under the NGI into applications of importance to each community and which the community cannot achieve over the current Internet infrastructure, and the formation of cooperative ventures with regional consortia

established for this purpose among federal agencies, local governmental authorities, industry, and academic institutions. The committee expects that such initiatives would leverage the application specific funding, knowledge, skills, and methods brought to the venture by the members of the regional consortium. Accordingly, the committee recommends an increase of \$15.0 million to fund specific connectivity, functionality, services and software among the applications communities and regional consortia that will maximize the value of the infrastructure connectivity and services deployed by the NGL. The committee directs that competitive procedures shall be used for awarding all partnership grants and entering into all partnership contracts, cooperative agreements, and other transactions under the program, and encourages the establishment of cost-shared relationships where feasible.

Pulsed fast neutron analysis technology demonstration

The budget request contained no funds for continuation of a program for demonstration of the application of pulsed fast neutron analysis (PFNA) technology to the inspection of cargo and baggage at ports-of-entry for the presence of drugs, explosives, nuclear and chemical agents, and weapons of mass destruction.

Proposals have been made for the development and operational field demonstration of a relocatable PFNA cargo inspection system, which would be based upon Defense Advanced Research Projects Agency (DARPA)'s completed demonstration of a fixed-site PFNA system; and a total of \$11.2 million was appropriated for this purpose in fiscal years 1996 and 1997. In March 1997, the Technical Support Working Group initiated a contract for modification of the fixed-site PFNA demonstrator to a relocatable system for testing in a controlled operational environment. The committee understands, based on a recent General Accounting Office report, that PFNA system technology has not been adopted by the U.S. Customs Service because of concerns about cost, size, operations, and safety issues. The committee also understands that the fixed site system has not yet demonstrated the ability to detect chemical agents or special nuclear materials, that an additional \$10.0 million will be required to complete system modification and the operational testing program, and that the Customs' Service has not indicated any funding support for the program or intent to field the system should operational testing be successful.

The committee believes that the ability of fixed-site PFNA system to detect chemical agents and special nuclear materials must be demonstrated before the program proceeds to the design and engineering phase for a relocatable PFNA system, and recommends no additional funding for the PFNA program in fiscal year 1998. The committee directs the Secretary of Defense and the Secretary of the Treasury to conduct a joint assessment of the PFNA program which addresses Department of Defense and Department of the Treasury operational requirements for a PFNA cargo inspection system, demonstrated technical performance of the fixed-site PFNA inspection system, the ability of a relocatable PFNA inspection system to meet the operational requirements, the intention of each Department regarding the fielding of the PFNA inspection system, and recommendations and funding requirements for the completion

of the testing program and fielding the system. The results of the assessment shall be provided to the Congress by December 31, 1997. Should the Secretary of Defense and the Secretary of the Treasury jointly recommend continuation of the program, the committee would encourage the reprogramming of fiscal year 1998 funds for that purpose.

Response to threats of terrorist use of weapons of mass destruction

The budget request contained \$49.5 million to improve emergency response preparedness and coordination with state and local agencies through First Responder training, interagency exercises and technical assistance.

The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) directed the President to take immediate actions to enhance the capability of the Federal government to prevent and respond to terrorist incidents involving weapons of mass destruction, to provide enhanced support to improve the capabilities of state and local emergency response agencies to prevent and respond to such incidents at both the national and local level. The committee has reviewed the President's January 1997 report to the Congress, which provided his assessment of those capabilities, and the Counterproliferation Program Review Committee's May 1997 report that provides the details of the Department of Defense role.

The committee notes the actions taken to date by the Department of Defense to enhance emergency domestic preparedness and response to terrorist nuclear, biological, or chemical attacks under the counterproliferation support program and the CBD program. The committee notes the initial progress that has been made and that much remains to be done to extend the program to additional metropolitan areas and local jurisdictions.

Chemical-biological response team

Public Law 104–201 required the Secretary of Defense to establish and maintain at least one chemical-biological domestic terrorism rapid response team. The committee understands that the Department is establishing a Chemical-Biological Quick Reaction Force (CBQRF) and directs the Secretary of the Army, as executive agent for the domestic emergency response program, to ensure that the plans, programs, and budget of the CBQRF and its components are reviewed to ensure full coordination and integration of all DOD assets. The committee also directs the Assistant to the Secretary of Defense (Nuclear, Chemical, and Biological Defense Program) to ensure that all research, development, and acquisition efforts in support of the CBQRF and its components are fully integrated and coordinated within the Department's chemical and biological defense program.

The committee understands that the Department of Defense is examining a new mission for the National Guard which would involve countering chemical and biological terrorism in the United States. The committee notes that the Army National Guard and the Army Reserve include a number of chemical defense units which could be employed in response to a chemical emergency and also notes that trained chemical incident response forces are present at the Army's chemical munitions storage sites. The com-

mittee believes that the availability of the National Guard chemical defense units to State authorities would make them particularly useful in response to a chemical or biological incident.

The committee recommends an increase of \$2.0 million in PE 63122D to accelerate the development and evaluation of protective masks for emergency response forces that could be used in the evacuation of casualties and other personnel from a contaminated area.

Elsewhere in this report the committee recommends an increase of \$5.0 million to the Department's chemical and biological defense program to support on-going development efforts in detectors, decontamination equipment, and protective equipment for the CBQRF and its components.

First responder training

The committee understands that an interagency training strategy is being developed which would initially focus training under the domestic emergency response preparedness program on professional emergency response organizations in the 27 cities and metropolitan areas identified by the Federal Bureau of Investigation as being at particularly high risk and that the DOD Office of Domestic Preparedness (collocated with the Army's Chemical-Biological Defense Command) has been assigned responsibility for development of the first responder training program. The program objective is to complete first responder training for 126 major metropolitan areas and cities within three years. The committee recommends that emphasis also be placed on training of local volunteer emergency first response organizations. The training program and priorities must be coordinated with State emergency management directors. The committee believes that support of the first responder training program would be an appropriate mission for the National Guard and should be considered by the Secretary of Defense and the involved governors. The committee also believes that in addition to the "train the trainer" approach being used in the existing program, an exportable training package should be developed that is oriented toward the training of volunteer emergency first responders. The committee recommends an increase of \$7.0 million in PE 65160D to support the further development of the first responder training strategy and the development of an exportable training package suitable for use by volunteer emergency first response organizations.

Exercise program

During the committee's review of the budget request, several proposals were made for the establishment of major exercise and training facilities at the national or regional level. The committee endorses the use of training exercises to test and improve consequence management response capabilities, but believes that the exercise site requirements should be based on the training and exercise needs of the agencies to be exercised, site capabilities, frequency of use, and proximity to participating agencies. These considerations imply the need for an overall coordinated training exercise strategy similar to that developed for training by the Senior Interagency Group. The committee recommends an increase of \$5.0

million in PE 65160D to support the development of a training exercise strategy for domestic emergency response preparedness and support of pilot training exercises in accordance with that strategy.

The committee directs the Secretary of Defense, in coordination with the Director of the Federal Emergency Management Agency and the Director of the Federal Bureau of Investigation, to provide an annual assessment of progress in the domestic emergency response preparedness program. The report should be submitted to the Congressional defense committees beginning with the fiscal year 1999 budget request and extending through fiscal year 2001.

Reuse technology adoption program

The budget request contained \$105.5 million in PE 62301E for the Defense Advanced Research Projects Agency (DARPA) project for development of new information processing technology concepts that may lead to fundamentally new software and intelligent systems capabilities. No funds were requested to continue the Reuse Technology Adoption Program (RTAP).

The committee notes the initial progress that has been made through the RTAP program in developing the software technology that would enable the use of software components, which were developed for a specific weapon system or applications, in other weapons systems and applications. If successful, development of this technology would result in increased productivity and reduced costs in the development of software-intensive systems by the military services and defense agencies. The committee recommends an increase of \$4.5 million to continue the RTAP initiative. The committee directs the Secretary of Defense to make an assessment of the goals and objectives of the RTAP initiative, results of the program to date, and plans and funding requirements for the future, and to submit a report on the results of the assessment to the Congress by March 1, 1998.

Safeguard

The budget request contained \$60.0 million in PE 62384BP for exploratory development of advanced technologies for chemical and biological defense in the areas of detection, identification and warning, contamination avoidance, individual and collective protection and decontamination.

The committee recommends an increase of \$10.8 million to continue the program, initiated by the Defense Advanced Research Projects Agency, for proof-of-concept demonstration and prototype development of multi-spectral sensors for detection of chemical agent precursors and agents from medium and high altitude platforms. The committee believes that the results of the program to date indicate the potential the technology has for stand-off detection and identification of chemical agents on the battlefield and for detection of the production of chemical agents and their precursor chemicals.

Smart unattended undersea sensors

The budget request contained \$69.1 million in PE 63763E for the Defense Advanced Research Projects Agency marine technology program, including \$21.9 million for development of sensor and

sonar technologies, advanced ship mechanical systems, and advanced maritime platforms.

The committee is aware that the proliferation of quiet diesel-electric submarines in the fleets of potentially hostile nations represents a significant threat to U.S. Naval forces operating in the shallower waters of the world's littoral regions, where environmental factors of acoustic propagation, reverberation and ambient noise degrade the capabilities of existing acoustic detection systems. While improvements are being made in active and passive acoustic sensors systems for surface ships and submarines, the committee believes that the development of smart unattended undersea sensors capable of detecting, classifying, and reporting the presence of threat submarines to a remote monitoring center could significantly improve the capability of the anti-submarine warfare system of systems. The committee understands that such sensors could be capable of both passive listening and active echo reception, and could exploit recent advances in computer chip technology, information processing, global positioning system navigation, and cellular communications. The committee recommends an increase of \$4.0 million in PE 63763E for development and demonstration of the technology for smart unattended undersea sensors.

Special operations intelligence systems development

The committee is aware of the significant importance of mission familiarization for the special operation forces and the technology investments being made by joint Department of Defense activities.

The Department, through its development of the Virtual Light Table, has displayed a highly effective, user friendly environment that is being adapted by the special operations forces for mission familiarization. This effort is intended to serve as a model for infusion of commercial technology into the DOD training environment. The committee views the Mission Familiarization Virtual Reality Project (MFVRP) as a cornerstone for greatly expanded mission familiarization and a new intelligence dissemination methodology. The committee recommends that the Special Operations Command pursue development of the MFVRP virtual reality technology and recommends an increase of \$3.0 million in PE 1160405BB for this effort.

Special technology support

The budget request contained \$11.8 million in PE 63704D, for various Deputy Assistant Secretary of Defense (Intelligence and Security) quick reaction intelligence support projects.

The committee fully supports funding for the Department's efforts to quickly respond to unforeseen theater and unified command technical requirements. However, the committee believes the justifications provided for fiscal year 1998 indicate that much of the activities in this program do not fall within this category and ought to be pursued, if at all, by the services or other DOD technology development agencies.

Therefore, the committee recommends an authorization of \$9.8 million for this project, a decrease of \$2.0 million.

Strategic environmental research and development program (SERDP)

The budget request contained \$54.9 million in PE 63716D for Strategic Environmental Research and Development (SERDP).

The Department has stated that the objective of SERDP is to improve DOD mission readiness by providing new knowledge, cost effective technologies, and demonstrations in the areas of environmental cleanup, compliance, conservation and pollution prevention. In times of increasingly constrained defense budgets, it is imperative that DOD efforts are focused on high priority, mission-relevant, defense unique, environmental needs that are not duplicated by the military services, other government agencies, or the private sector.

The committee notes with particular interest that the fiscal year 1998 SERDP program includes projects whose objectives are the elimination of toxic materials and solvents from explosives and other energetic materials and the development of new insensitive materials which meet increasingly stringent environmental compliance regulations. The committee understands that these projects could lead to propellants and explosives that utilize environmentally compliant energetic materials for undersea, surface, and other weapon systems, and could result not only in higher weapon systems performance, but also in significant savings in overall life cycle costs. The committee recommends an increase of \$3.0 million to accelerate these activities under the SERDP.

Tactical unmanned aerial vehicle

The budget request contained \$122.0 million for Tactical Unmanned Aerial Vehicles (TUAV) in PE 35204D, including \$87.5 million for the Outrider Advanced Concept Technology Demonstration (ACTD) program.

The committee understands that the purpose of the Outrider ACTD is to assemble and demonstrate a significant new tactical reconnaissance military capability based on mature advanced technology. The Defense Airborne Reconnaissance Office (DARO) established the Joint Tactical Unmanned Aerial Vehicle (JTUAV) program from two previously unsuccessful programs, the close range and the maneuver UAVs. The DARO conducted a competitive selection which evaluated nine candidates and awarded a twenty-four month contract for the Outrider JTUAV in May 1996. The "best value" selection was based on the ability to successfully develop and deliver six ACTD systems, each consisting of four air vehicles and a ground control station with associated equipment, within the 24 months schedule, and, in part on the winning contractor's successful flight demonstration of the Hellfox air vehicle. The committee is informed that Outrider ACTD is well behind schedule and experiencing serious performance problems. Its first flight, scheduled for November 1996, did not occur until March 1997.

The committee supports efforts to streamline the current acquisition process and enable demonstrated capability to transition quickly to production. However, the committee is extremely concerned that the Outrider ACTD appears to have circumvented important acquisition criteria and milestones, including the need for the program to address a validated military requirement. The Joint

Chiefs of Staff Joint Requirements Oversight Council (JROC) has failed to formally validate a joint operational requirement for the JTUAV, which contradicts the Department's own guidance that ACTDs must address user requirements clearly enough to firmly establish operational utility and system integrity.

The committee is fully aware of the technical problems that have plagued development of the Outrider UAV. Outrider is experiencing serious shortcomings that indicate that the program is not based on mature technology. The committee understands that the program is under special review by the Under Secretary of Defense for Acquisition and Technology, and is being considered for cancellation by the Department. The technical problems with the Outrider UAV, and recent observations/statements by the Director, DARO that the Department was "going to cut its losses" on the program appear to lend creditability to this notion. The committee recommends a decrease of \$87.5 million, resulting in no funding for the outrider ACTD. To address urgent service requirements for tactical UAVs, the committee recommends an increase \$10.0 million to support a vertical takeoff and landing UAV competition that was recently initiated by the DARO. In addition, the committee recommends an increase of \$11.5 million of the funds authorized be made available to provide a dedicated Predator UAV system and associated equipment, including at least two aircraft equipped with synthetic aperture radar and Ku-band link, for operational experimentation and testing of the common UAV Tactical Control System (TCS).

To ensure a viable transition from the Outrider ACTD, elsewhere in the report the committee recommends an additional \$10.0 million in operations and maintenance, Army, for operating currently owned Hunter UAVs. Finally, the committee believes there are a number of existing UAVs, including Hellfox (from which the Outrider was derived), the Prowler, and others that could satisfy the Army's tactical short range UAV requirement. Therefore, the committee recommends \$20.0 million in aircraft procurement, Army, for acquiring an "off-the-shelf" tactical UAV with minimum development. The UAV selected is to be equipped with a digital data link that is compatible with the Army digital architecture for the future.

In summary, the committee recommends a decrease of \$66.0 million for tactical UAVs. The committee directs the Secretary of the Army to provide a report to the Congressional defense committees outlining the short range UAV acquisition strategy no later than February 1, 1998. None of these funds may be obligated prior to submission of this report

Three-dimensional microelectronics technology

The budget request contained \$192.2 million in PE 62712E for materials and electronics technology, including \$56.8 million for microelectronics device technologies.

The committee understands that the development of micro-chip integrated circuit technology and the reduction of the size of the individual circuit elements on the micro-chip are progressing to the point that the length and density of the interconnects between the elements of the integrated circuits are becoming the limiting factor

in processing speed and circuit density. Development of a three-dimensional electronics architecture with high lateral and vertical off-chip wiring densities could lead to further reductions in chip size, significantly increased performance, and reduced micro-chip costs. To achieve these goals, advances are required in the development of three-dimensional integrated circuit system architectures, advanced substrate materials, computer-aided design tools, and packaging technologies. The committee recommends an increase of \$7.5 million in PE 62712E to accelerate the development of three-dimensional microelectronics technology and demonstration of three-dimensional microelectronics systems.

Transfer of cooperative engagement capability operating frequency band

Title VI of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66) requires the federal government to provide a span of radio frequencies aggregating not less than 200 Mhz for allocation to the public. To minimize negative impact on the federal government, the act requires that the spectrum to be reallocated must not be “required for the present or identifiable future needs of the Federal Government” and should not result in costs to the federal government that exceed the benefits gained. In February 1995, the National Telecommunications and Information Administration, U.S. Department of Commerce, recommended reallocation of 50 MHz from within the operating frequency band of the Navy’s cooperative engagement capability (CEC) system. In the statement of managers accompanying the conference report on H.R. 3230 (H. Rept. 104-724), the conferees directed the Secretary of the Navy to prepare a detailed report on: (1) progress being made to resolve spectrum interference that would result from the reallocation of the CEC operating band, and (2) steps being taken to resolve interference between CEC and other fleet weapon systems and data links.

According to the Department of Defense (DOD) and the General Accounting Office (GAO), this transfer could result in the loss of a total of 200 MHz (one-third of the CEC’s usable operating frequencies) and could severely affect the operational capability of the CEC. DOD officials have also indicated to the GAO that current and future spectrum reallocations could significantly degrade the capabilities of many major weapons systems in addition to the CEC and could cost the Department hundreds of millions of dollars to modify systems and/or rent frequencies from the private sector or foreign governments. The committee is informed, however, that the full implications of the 1993 act are not yet known and that the Department is conducting a comprehensive analysis of spectrum requirements for critical systems in order to determine the extent that operational effectiveness of these systems could be affected by loss of the frequency spectrum. The committee also understands that a recent DOD study indicates that the Department’s top level spectrum management for planning, policy, and oversight is diffused and weak and that there is no single high-level DOD point of contact for spectrum management.

In response to H. Rept. 104-724, the Secretary of the Navy has reported that the Navy is working with the Federal Communica-

tions Commission (FCC) to minimize interference with civilian applications in the reallocated frequency band and the effect of the reallocation on CEC performance. The Secretary's report also states that the Navy's preferred technical option for resolution of interference between CEC and the LAMPS Mk III data link is moving the LAMPS data link to the Ku-band. Should the Navy choose this option for resolution of the problem, the committee expects that the funding required for the transfer will be included in the fiscal year 1999 defense budget request.

The committee concurs with the steps taken by the Navy to address the issues raised in the House report, but believes that the problem should be addressed in a more comprehensive manner by the Secretary of Defense. The committee encourages the Secretary to assign responsibility for overall radio frequency spectrum management to a specific organization within the Department. The committee directs the Secretary to prepare a report to the Congress, in coordination with the Chairman of the FCC and the Secretary of Commerce, which addresses: (1) agreements on measures being taken to resolve the impact of the transfer of 50 Mhz from the radio frequency operating band of the cooperative engagement capability (CEC); (2) the impact of transfers of the federal radio frequency spectrum on other critical military systems; (3) how the DOD plans to modify the CEC and other critical systems, including estimated costs and schedule, to compensate for any operational degradation that might be caused by losses of the radio frequency spectrum due to such transfers; and (4) any unresolved issues in joint frequency spectrum management and impediments to the resolutions of these issues. The report shall be submitted to the Congress by March 31, 1998.

United States imagery and geospatial system improvements

The budget request contained \$109.4 million in PE 35102BQ, for the national imagery and mapping agency's (NIMA) development, procurement and integration of an end-to-end imagery production capability for geospatial information.

The Director of NIMA has officially embraced the Defense Science Board's (DSB) direction to move NIMA from production of products to the maintenance of geospatial information, a move the committee supports. One of the DSB's recommendation included trading off production of lower priority products and less critical functions in order to fund NIMA's more pressing technical needs, thereby allowing the agency to move more rapidly in implementing future technical capabilities. However, judging from the budget request, the committee does not believe NIMA's technology investment is sufficient to efficiently and effectively transition to these capabilities.

Therefore, the committee recommends \$124.4 million, an increase of \$15.0 million for developing and fielding the modern imagery and mapping technologies.

University research initiative (URI)

The budget request contained \$237.8 million in PE 61103D for the University Research Initiative. However, the committee understands that overall funding fiscal year 1998 URI has increased by

\$23.0 million above the amount forecast just months ago in the 1997 Future Years Defense Plan. Requested funding for URI includes \$10.0 million for the defense experimental program to stimulate competitive research (DEPSCoR). The committee supports continuation of the DEPSCoR program to strengthen the infrastructure, enhance research, and develop human resources to assist the DEPSCoR states to become more competitive for regular research and training grants. Therefore, the committee recommends \$20.0 million for DEPSCoR within URI funding. Although supportive of URI, the committee believes that the overall funding increase is unjustified in light of other critical underfunded priorities and recommends \$224.8 million, a decrease of \$13.0 million.

Verification technology demonstration

The budget request contained \$83.4 million in PE 63711H for verification technology demonstration.

The committee understands that the requested funding increase of \$54.3 million is to initiate a new program for monitoring associated with the comprehensive test ban treaty (CTBT), and that this program was previously administered by the Air Force, with anticipated expenditures for fiscal year 1998 of \$29.0 million. The committee finds that the capability to conduct such activities, with regard to seismic events within the United States and its territories already exists within the U.S. Geological Survey (USGS), an agency of the Department of the Interior. Therefore, CTBT functions and obligations associated with seismic events occurring within the United States should be performed by the USGS, and a redundant technical capability should not be created within the Department of Defense. The committee recommends no funds for use by the Department of Defense for the purpose of establishing an independent capability to monitor, analyze, and report on domestic seismic events, as part of the CTBT functions or obligations.

The committee, therefore, recommends \$69.1 million, a decrease of \$14.3 million in PE 63711H. Of the amount authorized, \$11.0 million is recommended to be solely for seismic research and technology development. Additionally, of the amount authorized, the committee directs that not more than \$20.0 million may be obligated until memoranda of agreement are signed between the Department of Defense and the U.S. Geological Survey delineating relationships associated with seismic sensing and CTBT monitoring.

Wide bandgap semiconductors

The budget request contained \$101.9 million in PE 62173C for applied research for ballistic missile defense programs.

The committee recognizes the potential of wide bandgap semiconductors that operate at higher power, higher frequency and higher temperature and have the ability to operate in high radiation environments. The committee recommends an increase of \$10.0 million in PE 62173C to continue the wide bandgap semiconductor program for which funds were authorized and appropriated for fiscal year 1997. The committee directs that the program continue to involve industry and academia in applied research in gallium nitride and silicon carbide material growth, characterization, surface behavior and device development.

LEGISLATIVE PROVISIONS

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Section 201—Authorization Of Appropriations

This section would authorize Research, Development, Testing and Evaluation (RDT&E) funding for fiscal year 1998.

Section 202—Amount For Basic And Applied Research

This section would specify the amount authorized for fiscal year 1998 for technology base programs.

Section 203—Dual Use Technology Programs

The budget request contained \$225.0 million for continuation of the Dual Use Application Program (DUAP).

The committee understands that the Department is attempting to structure the DUAP initiative to comply with the guidance provided in section 203 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201). The committee remains concerned that this program establishes and enforces Department guidelines that control the expenditure of valuable development funds without linkage to service priorities, during a period when Department research and development funding is already inadequate to meet critical service requirements. While \$185.0 million was made available for DUAP for fiscal year 1997, the committee understands that none of these funds have been obligated to date. The committee, therefore, recommends no funds for DUAP. This provision would direct the Secretary of Defense to fund the DUAP initiative in the service research and development accounts.

SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

Section 211—Manufacturing Technology Program

This section would amend section 2525 of title 10, United States Code, through fiscal year 2000, to establish a funding requirement for the manufacturing technology program of 0.25 percent of the amount available for demonstration and validation, engineering and manufacturing development, operational systems development, and procurement programs of the Army, the Navy, the Air Force, and Defense Agencies, or the amount authorized by law for manufacturing technology projects of the military departments and defense agencies, whichever amount is greater. To ensure efficient implementation of the manufacturing technology program, the provision would provide the Secretary of Defense with the authority to transfer any of the funds made available to another military department or defense agency. The provision would require an annual report to the Congress through fiscal year 2000 which specifies the investment strategy for the manufacturing technology program and provides an assessment of program effectiveness; and would also require in the fiscal year 2000 report an assessment of the formula by which funding for the program is determined and

any changes recommended in the formula, and recommendations for extension of the funding authority.

The Department of Defense manufacturing technology program provides “seed funding” for the development of moderate to high risk materials, process, and equipment technology to enable production of advanced, high quality weapons systems with shorter lead times and reduced acquisition costs. The committee strongly supports the manufacturing technology program in the areas of electro-optics, advanced composites, electronics, metalworking, maritime applications, joining, advanced manufacturing, energetics, technology transfer, best manufacturing practices, advanced gear manufacturing, and others. To maintain the Department of Defense manufacturing technology program at the funding level needed to assure the availability of advanced manufacturing technology and processes for use in Defense acquisition programs, the Congress has provided annual increases to the budget request each year for the past several years. The funding authority that would be established by this provision is intended to stabilize the funding level and eliminate the uncertainty in annual funding that has reduced the effectiveness and efficiency of the program. The provision would also tie the funding level and advanced manufacturing technologies and processes being developed in the program to the manufacturing technology and process requirements of the various Defense acquisition programs in accordance with the purpose of the manufacturing technology program as stated in subsection 2525(b). In meeting the funding level needed to support the development of the manufacturing technologies required by the acquisition programs, the Department would have the alternatives of budgeting for the manufacturing technology development programs in the appropriate military departments and defense agency, or of funding the manufacturing technology program by a small percentage tax on the acquisition programs that will benefit from the technology.

In recommending this provision, the committee reemphasizes the requirements of section 2525(d) of title 10, United States Code, for competitive procedures and cost-sharing in the awarding of grants and entering into contracts, cooperative agreements, and other transactions under the program.

Section 212—Strategic Environmental Research and Development Program

This section would direct the Secretary of Defense to submit a report by February 28, 1998 specifying (1) the defense-unique and mission-relevant aspect of each SERDP initiative, and (2) certifying that each initiative is not duplicative of environmentally related research, development and demonstration activities of other departments and agencies of the Federal, state and local governments, or of other organizations engaged in such activities.

Section 213—Tactical Unmanned Aerial Vehicles

This section would direct that: (1) no funds be made available for the Outrider advanced concept technology demonstration program, (2) that \$10.0 million be made available to carry out a competition

for an unmanned aerial vehicle (UAV) capable of vertical takeoff and landing, and (3) that \$11.5 million be made available to provide a Predator UAV system to facilitate development of a common tactical control system.

Section 214—Revisions to Membership of and Appointment
Authority for National Ocean Research Leadership Council

This section would amend section 7902 of title 10, United States Code to provide that the President shall appoint members of the National Ocean Research Council who are not already government officers, to represent the views of the ocean industries, state governments, and academia, and such other views as the President considers appropriate. The section would also provide that the President may delegate the appointment authority to the head of a department.

Section 215—Maintenance and Repair of Real Property at Air
Force Installations

This section would amend chapter 949 of title 10, United States Code by adding a new provision to permit the use of both research, development, test, and evaluation funds and operations and maintenance funds for maintenance and repair of real property at Air Force installations.

Section 216—Expansion of Eligibility for the Defense Experimental
Program to Stimulate Competitive Research

This section would make a technical correction to section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) and would reauthorize the eligibility of the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands to participate in the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR). It would also expand the definition of “State” to include the territories of American Samoa and the Commonwealth of the Northern Marianas Islands for purposes of the DEPSCoR.

Section 217—Limitation on the Use of Funds for Adaptation of In-
tegrated Defensive Electronic Countermeasures (IDECM) Pro-
gram to F/A-18E/F Aircraft and AV-8B Aircraft

This section would limit the Secretary of the Navy to obligating no more than 50 percent of the amount authorized to be appropriated for development of the IDECM program for adaptation to the F/A-18E/F and AV-8B aircraft until the amount authorized to be appropriated for development of the IDECM program for adaptation to the F/A-18C/D aircraft is completely obligated.

Section 218—Bioassay Testing of Veterans Exposed to Ionizing
Radiation During Military Service

This section would direct the Defense Special Weapons Agency to make \$300,000 available for the Nuclear Test Personnel Review Program, which conducts bioassay testing of veterans exposed to ionizing radiation during military service.

SUBTITLE C—BALLISTIC MISSILE DEFENSE PROGRAMS

Section 231—Budgetary Treatment of Amount Requested for Procurement for Ballistic Missile Defense Programs

The budget request incorporated a major change in funding policy for BMD programs by transferring all procurement for TMD programs from the centralized BMD account to the separate service procurement accounts. The committee is convinced that the Department, through this action, has placed its professed highest priority missile defense initiatives at risk by forcing them to compete with underfunded modernization programs of higher priority for each individual service. Additionally, in transferring fiscal year 1998 TMD procurement funding to the services, the Department did not issue any specific guidance that outyear funding for these programs was to be sustained or that TMD programs were to be considered as a service priority. Without such guidance, the committee believes that TMD procurement would suffer the same fate as other service modernization programs which continue to be restructured and have their schedules stretched due to funding shortfalls. Finally, despite testimony from the Department on the importance of TMD programs, the committee is disappointed to note that funding for all TMD programs is significantly reduced from the levels provided in fiscal year 1997.

The committee is opposed to the proposed change in the TMD funding policy. This provision would direct the Secretary of Defense to transfer all fiscal year 1998 TMD program procurement funds back to the BMD procurement account. The provision would also require that all National Missile Defense program procurement funds be included in the BMDO procurement account. The committee considers procurement and fielding of TMD systems to be a priority congressional interest item and directs the Secretary to retain procurement for these programs within BMDO.

Section 232—Cooperative Ballistic Missile Defense Programs

This section would establish the “Cooperative Ballistic Missile Defense Program” within the Ballistic Missile Defense Organization, to support on-going and future technical and analytical cooperative efforts between the U.S. and other nations that contribute to U.S. missile defense capabilities.

Section 233—Deployment Dates for Core Theater Missile Defense Programs

The committee is disappointed by the Administration’s lack of commitment to the timely deployment of theater missile defenses. While the Administration concedes that theater ballistic missiles constitute a clear and present danger to U.S. forces deployed abroad, Congressional efforts on behalf of the rapid development and deployment of TMD systems to meet this threat have been slowed by both Administration action and inaction.

In the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106), Congress established first unit equipped (FUE) dates of fiscal year 2000 for Theater High Altitude Area Defense system (THAAD), fiscal year 2001 for the Navy Theater Wide

system, fiscal year 1998 for Patriot Advanced Capability Configuration 3 (PAC-3), and fiscal year 1999 for the Navy Area Defense system. These dates were based on Congressional support for the early deployment of a TMD capability, but they were also based on the assumption of aggressive and streamlined management as well as robust funding.

However, within weeks of the dates being approved by Congress and signed into law by the President, the Administration took budgetary and programmatic actions that had the effect of delaying each of these programs and their deployment dates. Compared to the legally directed dates, the Administration's plan delayed the THAAD deployment date by six years, the Navy Theater Wide system date by at least four years, PAC-3 by one year, and the Navy Area Defense system by two years.

In presenting the fiscal year 1998 funding request earlier this year, the Department asserted that all TMD programs had been accelerated. Yet in the case of each of these TMD systems, the fiscal year 1998 request is lower than the amount Congress appropriated for fiscal year 1997. Despite the requirements of Public Law 106-104, the Administration target FUE dates for PAC-3 and Navy Area Defense remained fiscal year 1999 and 2001, respectively, the dates the Administration unilaterally established in 1996 contrary to the law. As noted elsewhere in this report, the Department has still not reviewed the Navy Theater Wide program to determine if accelerating the program from its currently anticipated deployment date of 2008 is feasible. And while Department of Defense announced in January that the THAAD FUE would be accelerated to 2004, the program's FUE was immediately slipped back to 2006 following a test failure.

The committee continues to believe that a THAAD user operational evaluation system (UOES) can and should be deployed by fiscal year 2000 and FUE achieved by fiscal year 2004 at an acceptable risk given the high-value payoff associated with deployment of an operational THAAD capability. The committee also understands that BMDO is considering steps that could provide a more robust THAAD UOES capability, thus providing greater capability in the field at an earlier date, and strongly supports any such initiatives. Accordingly, this provision would require the Secretary of Defense to structure the THAAD program to achieve a THAAD UOES capability by fiscal year 2000 and FUE by fiscal year 2004.

The committee reiterates its concern that the Department still has not defined the Navy Theater Wide program nor established a program schedule. The committee finds this lack of focus and commitment unacceptable and elsewhere in this report has directed the Secretary of Defense to report to the Congressional defense committees on the earliest feasible Navy Theater Wide deployment date. The committee reminds the Secretary of Defense of his obligation under current law and urges that the Navy Theater Wide program be structured to come as close as possible to achieving a UOES capability in fiscal year 1999 and FUE in fiscal year 2001.

Congressional funding increases have helped to accelerate the Navy Area Defense system into engineering and manufacturing development and the PAC-3 program into procurement. The committee also notes the budget request does not propose to slip the de-

ployment dates of these two systems further into the future. Given both programs' advanced state of development and the increasing likelihood that the currently programmed deployment dates will be met, this section would also repeal the dates specified in section 234 of the Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) for PAC-3 and the Navy Area Defense System.

The committee remains committed to fielding effective TMD systems at the earliest feasible date and once again urges the Administration to support full funding and aggressive goal-oriented management for all of these critical systems.

Section 234—Annual Report on Threat Posed to the United States by Weapons of Mass Destruction, Ballistic Missiles, and Cruise Missiles

The committee believes that awareness of information and assessments concerning evolving threats to U.S. national security is essential to informed congressional debate and decision-making. To that end, the committee believes that a comprehensive description and assessment of the threats posed by weapons of mass destruction (WMD) and ballistic and cruise missiles to the U.S. and its allies would be an essential informational for Congress and the public.

Therefore, this provision would direct the Secretary of Defense, in consultation with the Director of Central Intelligence, to prepare and submit to Congress by January 30, 1998, and January 30 of each subsequent year, a report on threats posed to the U.S. and its allies by cruise missiles, ballistic missiles, and weapons of mass destruction, and the proliferation of such technologies. The report should be prepared in classified and unclassified form, to assure the most complete information and widest distribution possible.

Section 235—Director of Ballistic Missile Defense Organization (BMDO)

The committee believes that without appropriate senior leadership and a streamlined reporting chain, BMDO's ability to efficiently develop and deploy BMD systems is at risk. Therefore, this provision would require that the position of director of BMDO be filled by an officer of the armed forces of the United States with a rank of at least Lieutenant General or Vice Admiral. The committee believes that three star rank is essential to provide the BMDO director the stature within the Department of Defense commensurate with the job's responsibilities. The committee notes that the current director of BMDO is a Lieutenant General, and expects that the requirement established by this section will continue to be filled from within existing statutory authorizations for general and flag officers.

The committee also recommends establishing a requirement that the director of BMDO report directly to the Secretary of Defense concerning all matters pertaining to the management of BMDO programs. Such streamlining will help overcome bureaucratic obstacles and allow issues to be promptly and definitively resolved.

Section 236—Tactical High Energy Laser Program (THEL)

This section would transfer the THEL program from PE 63308A to an new PE 63XXXC that would consolidate cooperative ballistic missile defense programs under Ballistic Missile Defense Organization management and would authorize \$38.2 million for THEL.

TITLE III—OPERATION AND MAINTENANCE

OVERVIEW

FUNDING PRIORITIES

The Administration's fiscal year 1998 defense budget request provides the illusion that funding for readiness of the armed forces was increased over past year levels. The Administration's rationale for this operation and maintenance (O&M) funding increase is that the preservation of readiness is a major priority. However, a significant portion of the growth in the O&M budget results from inflationary adjustments, additional funding for contingency operations, and in working capital funds adjustments (mostly to cover prior year expenses). When these factors are taken into account, the net effect is that the President's budget request would not increase military readiness or increase the resources necessary to arrest the shortfalls that are beginning to impact on battlefield effectiveness and safety.

In response, the committee's recommendations for fiscal year 1998 extend a significant priority to sustaining an acceptable level of readiness for our military forces and continuing reforms of the administration and infrastructure of the Department of Defense (DOD). Each of these areas is extensively discussed elsewhere in this report.

The committee is convinced that reforming the business operations of the DOD is critical since only 36 percent of the O&M budget relates directly to force readiness. Although a portion of the remaining 64 percent contributes indirectly to mobilization capabilities, the majority is directly related to the overhead needed to maintain a large and somewhat inefficient defense bureaucracy. The committee believes that too much of the current defense budget finances an overly large defense infrastructure at the expense of resources necessary to maintain a ready and capable force. The table below shows a breakdown of the readiness related expenditures contained in the budget request:

[In millions of dollars]	
Land Forces	\$3,523.2
Air Operations	21,306.3
Ship Operations	7,431.0
Special Operations	1,169.4
Drug Interdiction	652.6
<hr/>	
Total	34,082.5

The remaining \$59.5 billion contained in the O&M budget request has been identified for activities other than training and operating military forces. Therefore, the committee believes there is ample room for effecting significant further efficiencies in the oper-

ations of the Department. The committee’s recommendations in this area are detailed below.

READINESS

Over the past few years, the committee has closely monitored the state of military readiness of our nation’s armed forces. Two years ago, the committee found that the military services were in the early stages of a long-term systemic readiness problem. In response, the Congress added additional funding to the Administration’s budget requests to improve force readiness.

In an effort to assess readiness improvements, the committee conducted an intensive scrutiny of U.S military units around the world that revealed, in fact, military readiness is not improving, and may be declining. This investigation included numerous interviews and committee hearings with all ranks; from major military commands to individual military units, non-commissioned officers, and family members. A consistent theme voiced by service members was that they could only maintain their readiness levels by sacrificing other critical areas such as procurement, modernization, and quality of life. A recurring statement by many interviewed was that they are doing more with less, and working harder and longer just to keep up with peacetime mission requirements. The committee believes that U.S. military members should not have to choose between readiness and maintenance of equipment, facilities and quality of life initiatives.

The committee is concerned that as readiness levels decline, the quality of military life will erode to the point at which talented and dedicated Americans will question the desirability of a career in uniform. As an example, all of the military services may soon be facing a critical shortage of experienced mid-level pilots due to increased separations to go work for a commercial airline industry that is now hiring.

The committee strongly believes that readiness is a perishable commodity. The committee understands that making the necessary changes to return U.S. military readiness to an acceptable level will be difficult, particularly as fewer and fewer resources are made available. The committee recommendations contained in this report reflect a concerted effort to pursue a number of targeted readiness initiatives to ensure that America maintains the best-trained, best-equipped, and most effective military in the world. Some of the readiness enhancements recommended by the committee are as follows:

[Dollars in millions]	
Depot-Level Maintenance and Repair	\$515.0
Maintenance and Repair of Real Property	200.0
Recruiting and Advertising	22.9
National Training Center	60.2
Force Protection Enhancements	25.8
Mobility Enhancement	25.0

In addition to addressing the underfunding of key readiness accounts, the committee recommendations includes several legislative provisions intended to provide Congress with the necessary information to allow effective oversight of the readiness programs of the DOD. These initiatives include several provisions to increase timely

and current information on the management of readiness funding; provisions to enhance and protect training, particularly combat training; and a provision to improve readiness reporting by the DOD to address the disconnect between official readiness reports and the reality in the field.

REFORM

After a series of hearings and in-depth reviews, the committee believes the DOD continues to support outmoded business practices which divert funding from underfunded higher priorities. The committee recommendations redirect funding from elements in the operation and maintenance budget associated with inefficient procedures, administrative overhead and excess infrastructure in order to support quality of life and readiness priorities.

FUNDING OVERVIEW

The budget request contained \$95,439.0 million for Operations and Maintenance and working Capital Funds, representing an increase of \$3.5 billion from the amount authorized for Fiscal Year 1997.

The committee recommended \$94,849.8 million. The committee recommends approval of the request unless specified otherwise in the following table.

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

ACCOUNT TITLE	FY 1998	FY 1998	FY 1998
	AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
OPERATION AND MAINTENANCE	17,215,484	(30,450)	17,185,034
OPERATION AND MAINTENANCE, ARMY	21,581,130	(208,431)	21,372,699
OPERATION AND MAINTENANCE, NAVY	2,305,345	75,900	2,381,245
OPERATION AND MAINTENANCE, MARINE CORPS	18,910,785	(164,800)	18,745,985
OPERATION AND MAINTENANCE, AIR FORCE	10,403,938	(373,881)	10,030,057
OPERATION AND MAINTENANCE, DEFENSE-WIDE	1,192,891	10,000	1,202,891
OPERATION AND MAINTENANCE, ARMY RESERVE	834,711	15,000	849,711
OPERATION AND MAINTENANCE, NAVY RESERVE	110,366	-	110,366
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE	1,624,420	4,700	1,629,120
OPERATION AND MAINTENANCE, AIR FORCE RESERVE	2,258,932	7,500	2,266,432
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD	2,991,219	(5,250)	2,985,969
OPERATIONS AND MAINTENANCE, AIR NATIONAL GUARD	136,580	-	136,580
OFFICE OF THE INSPECTOR GENERAL	6,952	-	6,952
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES	-	-	-
DD SUPPORT TO INTERNATIONAL ATHLETIC EVENTS	-	-	-
ENVIRONMENTAL RESTORATION, DEFENSE	377,337	-	377,337
ENVIRONMENTAL RESTORATION, ARMY	277,500	-	277,500
ENVIRONMENTAL RESTORATION, NAVY	378,900	-	378,900
ENVIRONMENTAL RESTORATION, AIR FORCE	27,900	-	27,900
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	202,300	-	202,300
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	80,130	(30,130)	50,000
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES	682,582	9,089	691,671
PAYMENT TO KAHOLAWE ISLAND	10,000	-	10,000
DEFENSE HEALTH PROGRAM	9,766,582	208,800	9,975,382
FORMER SOVIET UNION THREAT REDUCTION	382,200	(97,500)	284,700
OVERSEAS CONTINGENCIES	1,467,500	-	1,467,500
TOTAL OPERATION & MAINTENANCE	83,195,684	(579,453)	82,616,231
REVOLVING AND MANAGEMENT FUNDS			
Military Commissary Revolving Fund	938,552	(938,552)	-
DoD Working Capital Funds	33,400	938,552	971,952
National Defense Sealift Fund	1,191,426	(9,800)	1,181,626
Armed Forces Retirement Home	79,977	-	79,977
TOTAL REVOLVING AND MANAGEMENT FUNDS	2,243,355	(9,800)	2,233,555

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BTA/AGISAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
OPERATION AND MAINTENANCE, ARMY				
BUDGET ACTIVITY 1: OPERATING FORCES				
	LAND FORCES			
	DIVISIONS			
10	National Training Center	2,994,535	60,200	3,054,735
		1,221,794		1,281,994
20	CORPS COMBAT FORCES		60,200	
30	CORPS SUPPORT FORCES	350,942		350,942
40	ECHOLON ABOVE CORPS FORCES	323,190		323,190
50	LAND FORCES OPERATIONS SUPPORT	440,542		440,542
		658,067		658,067
	LAND FORCES READINESS			
60	FORCE READINESS OPERATIONS SUPPORT	1,882,051	182,000	2,044,051
70	LAND FORCES SYSTEMS READINESS	898,356		898,356
80	LAND FORCES DEPOT MAINTENANCE	346,651		346,651
		637,044	162,000	799,044
	LAND FORCES READINESS SUPPORT			
90	BASE SUPPORT	3,491,536	0	3,491,536
95	MAINTENANCE OF REAL PROPERTY	2,417,712		2,417,712
100	MANAGEMENT AND OPERATIONAL HEADQUARTERS	693,328		693,328
105	UNIFIED COMMANDS	130,012		130,012
108	MISCELLANEOUS ACTIVITIES	70,620		70,620
		179,864		179,864
	TOTAL, BUDGET ACTIVITY 1:	8,368,122	222,200	8,590,322

TITLE III - OPERATION AND MAINTENANCE
(Dollars In Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
BUDGET ACTIVITY 2: MOBILIZATION				
MOBILITY OPERATIONS				
110	POMCUS	566,444	0	566,444
120	STRATEGIC MOBILIZATION	0		0
130	WAR RESERVE ACTIVITIES	317,241		317,241
140	INDUSTRIAL PREPAREDNESS	171,100		171,100
		78,103		78,103
	TOTAL, BUDGET ACTIVITY 2:	566,444	0	566,444
BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
ACCESSION TRAINING				
150	OFFICER ACQUISITION	305,056	0	305,056
160	RECRUIT TRAINING	63,992		63,992
170	ONE STATION UNIT TRAINING	12,620		12,620
180	RESERVE OFFICER TRAINING CORPS (ROTC)	14,723		14,723
190	BASE SUPPORT (ACADEMY ONLY)	113,128		113,128
195	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	72,470		72,470
		28,123		28,123
	BASIC SKILL/ ADVANCE TRAINING	2,203,708	14,000	2,217,708
200	SPECIALIZED SKILL TRAINING	217,202		217,202
210	FLIGHT TRAINING	213,906	14,000	227,906
220	PROFESSIONAL DEVELOPMENT EDUCATION	69,594		69,594
230	TRAINING SUPPORT	484,484		484,484
240	BASE SUPPORT (OTHER TRAINING)	897,433		897,433
245	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	321,089		321,089

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

LINE	ACCOUNT/BAL/AG/SAG	FY 1998		FY 1998	
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
	RECRUITING/OTHER TRAINING	<u>710,834</u>	<u>7,000</u>	<u>717,834</u>	
250	RECRUITING AND ADVERTISING	222,718	7,000	229,718	
260	EXAMINING	75,922		75,922	
270	OFF-DUTY AND VOLUNTARY EDUCATION	94,364		94,364	
280	CIVILIAN EDUCATION AND TRAINING	81,481		81,481	
290	JUNIOR ROTC	73,439		73,439	
300	BASE SUPPORT (RECRUITING LEASES)	163,010		163,010	
	TOTAL, BUDGET ACTIVITY 3:	3,219,698	21,000	3,240,698	
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
	SECURITY PROGRAMS	<u>366,085</u>	<u>0</u>	<u>366,085</u>	
310	SECURITY PROGRAMS	366,085	0	366,085	
	LOGISTICS OPERATIONS	<u>1,559,242</u>	<u>11,700</u>	<u>1,570,942</u>	
320	SERVICEWIDE TRANSPORTATION	531,326		531,326	
330	CENTRAL SUPPLY ACTIVITIES	405,371		405,371	
340	LOGISTIC SUPPORT ACTIVITIES	253,138		253,138	
350	AMMUNITION MANAGEMENT Ammunition Tracking Technology	369,407	11,700	381,107	
	SERVICEWIDE SUPPORT	<u>2,830,912</u>	<u>0</u>	<u>2,830,912</u>	
360	ADMINISTRATION	294,972	0	294,972	
370	SERVICEWIDE COMMUNICATIONS	620,825		620,825	
380	MANPOWER MANAGEMENT	152,437		152,437	
390	OTHER PERSONNEL SUPPORT	155,307		155,307	
400	OTHER SERVICE SUPPORT	593,446		593,446	
410	ARMY CLAIMS ACTIVITIES	151,092		151,092	

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
420	REAL ESTATE MANAGEMENT	63,526		63,526
430	BASE SUPPORT	667,779		667,779
431	MAINTENANCE OF REAL PROPERTY	131,528		131,528
432	CLOSED ACCOUNT	0		0
433	ENVIRONMENTAL RESTORATION	0		0
SUPPORT OF OTHER NATIONS				
440	INTERNATIONAL MILITARY HEADQUARTERS	304,981	0	304,981
440	MISC SUPPORT OF OTHER NATIONS	270,413		270,413
		34,568		34,568
	TOTAL, BUDGET ACTIVITY 4:	5,061,220	11,700	5,072,920
UNDISTRIBUTED				
	MAINTENANCE OF REAL PROPERTY		50,000	50,000
	CLASSIFIED PROGRAM		17,550	17,550
	CIVILIAN UNDEREXECUTION		(33,300)	(33,300)
	BULK FUEL		(8,600)	(8,600)
	CONSULTANTS		(50,000)	(50,000)
	NON-BRAC CARETAKER FUNDS		(51,000)	(51,000)
	LIMITATION ON BA 4 PROGRAM GROWTH		(210,000)	(210,000)
	TOTAL, UNDISTRIBUTED		(285,350)	(285,350)
	TOTAL, OPERATION AND MAINTENANCE, ARMY	17,215,484	(30,450)	17,185,034

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAJAG/SAG	FY 1998		COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST	COMMITTEE REQUEST		
OPERATION AND MAINTENANCE, NAVY					
BUDGET ACTIVITY 1: OPERATING FORCES					
AIR OPERATIONS					
10	MISSION AND OTHER FLIGHT OPERATIONS	<u>4,690,089</u>		<u>155,000</u>	<u>4,845,089</u>
20	FLEET AIR TRAINING	2,101,423			2,101,423
30	INTERMEDIATE MAINTENANCE	667,112			667,112
40	AIR OPERATIONS AND SAFETY SUPPORT	58,087			58,087
50	AIRCRAFT DEPOT MAINTENANCE	73,248			73,248
60	AIRCRAFT DEPOT OPERATIONS SUPPORT	716,300		155,000	871,300
70	BASE SUPPORT	21,575			21,575
75	MAINTENANCE OF REAL PROPERTY	789,892			789,892
		262,452			262,452
SHIP OPERATIONS					
80	MISSION AND OTHER SHIP OPERATIONS	<u>7,290,682</u>		<u>125,000</u>	<u>7,415,682</u>
90	SHIP OPERATIONAL SUPPORT AND TRAINING	2,130,636			2,130,636
100	INTERMEDIATE MAINTENANCE	735,660			735,660
110	SHIP DEPOT MAINTENANCE	511,125			511,125
120	SHIP DEPOT OPERATIONS SUPPORT	2,040,690		125,000	2,165,690
130	BASE SUPPORT	786,021			786,021
135	MAINTENANCE OF REAL PROPERTY	840,646			840,646
		245,904			245,904
COMBAT OPERATIONS/SUPPORT					
140	COMBAT COMMUNICATIONS	<u>1,613,064</u>		<u>7,500</u>	<u>1,620,564</u>
150	ELECTRONIC WARFARE	210,776			210,776
160	SPACE SYSTEMS AND SURVEILLANCE	7,763			7,763
170	WARFARE TACTICS	136,869			136,869
180	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	125,892			125,892
190	COMBAT SUPPORT FORCES	209,188		7,500	216,688
		383,830			383,830

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

LINE	ACCOUNT/BAJ/ISAG	FY 1998		FY 1998
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	
200	EQUIPMENT MAINTENANCE	177,708		177,708
210	DEPOT OPERATIONS SUPPORT	908		908
220	BASE SUPPORT	317,266		317,266
225	MAINTENANCE OF REAL PROPERTY	42,864		42,864
	WEAPONS SUPPORT	1,458,733	0	1,458,733
230	CRUISE MISSILE	92,482		92,482
240	FLEET BALLISTIC MISSILE	811,451		811,451
250	IN-SERVICE WEAPONS SYSTEMS SUPPORT	54,927		54,927
260	WEAPONS MAINTENANCE	400,817		400,817
270	BASE SUPPORT	71,540		71,540
275	MAINTENANCE OF REAL PROPERTY	27,516		27,516
	DBOF SUPPORT	0	0	0
276	DBOF SUPPORT			
	TOTAL, BUDGET ACTIVITY 1:	15,052,568	287,500	15,340,068
	BUDGET ACTIVITY 2: MOBILIZATION			
	READY RESERVE AND PREPOSITIONING FORCES			
280	SHIP PREPOSITIONING AND SURGE	455,030	0	455,030
		455,030		455,030
	ACTIVATIONS/INACTIVATIONS			
290	AIRCRAFT ACTIVATIONS/INACTIVATIONS	704,664	(115,000)	589,664
300	SHIP ACTIVATIONS/INACTIVATIONS	3,081		3,081
		701,563	(115,000)	586,563
	MOBILIZATION PREPAREDNESS			
310	FLEET HOSPITAL PROGRAM	67,373	0	67,373
		19,814		19,814

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		FY 1998	
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
320	INDUSTRIAL READINESS		29,196		29,196
330	COAST GUARD SUPPORT		18,363		18,363
	TOTAL, BUDGET ACTIVITY 2:		1,227,067	(115,000)	1,112,067
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
	ACCESSION TRAINING				
340	OFFICER ACQUISITION		273,535	(31,500)	242,035
350	RECRUIT TRAINING		69,274		69,274
360	RESERVE OFFICERS TRAINING CORPS (ROTC)		4,646		4,646
370	BASE SUPPORT		67,795		67,795
375	MAINTENANCE OF REAL PROPERTY		57,605		57,605
			74,215	(31,500)	42,715
	BASIC SKILLS AND ADVANCED TRAINING				
380	SPECIALIZED SKILL TRAINING		1,190,600	0	1,190,600
390	FLIGHT TRAINING		236,487		236,487
400	PROFESSIONAL DEVELOPMENT EDUCATION		314,790		314,790
410	TRAINING SUPPORT		69,044		69,044
420	BASE SUPPORT		135,051		135,051
425	MAINTENANCE OF REAL PROPERTY		339,627		339,627
			95,601		95,601
	RECRUITING, AND OTHER TRAINING AND EDUCATION				
430	RECRUITING AND ADVERTISING		245,296	7,000	252,296
440	OFF-DUTY AND VOLUNTARY EDUCATION		122,454	7,000	129,454
450	CIVILIAN EDUCATION AND TRAINING		69,495		69,495
460	JUNIOR ROTC		29,198		29,198
470	BASE SUPPORT		23,642		23,642
475	MAINTENANCE OF REAL PROPERTY		445		445
			62		62

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST	CHANGE FROM REQUEST	
TOTAL, BUDGET ACTIVITY 3:				
		1,709,431	(24,500)	1,684,931
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
<u>SERVICEWIDE SUPPORT</u>				
480	ADMINISTRATION	1,538,055	0	1,538,055
490	EXTERNAL RELATIONS	574,305		574,305
500	CIVILIAN MANPOWER AND PERSON MANAGEMENT	24,141		24,141
510	MILITARY MANPOWER AND PERSON MANAGEMENT	118,544		118,544
520	OTHER PERSONNEL SUPPORT	124,403		124,403
530	SERVICEWIDE COMMUNICATIONS	199,446		199,446
540	BASE SUPPORT	260,056		260,056
542	MEDICAL ACTIVITIES	197,537		197,537
544	MAINTENANCE OF REAL PROPERTY	0		0
		39,623		39,623
<u>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</u>				
550	SERVICEWIDE TRANSPORTATION	1,502,477	0	1,502,477
560	PLANNING, ENGINEERING AND DESIGN	149,675		149,675
570	ACQUISITION AND PROGRAM MANAGEMENT	258,779		258,779
580	AIR SYSTEMS SUPPORT	491,003		491,003
590	HULL, MECHANICAL AND ELECTRICAL SUPPORT	271,149		271,149
600	COMBAT/WEAPONS SYSTEMS	46,904		46,904
610	SPACE AND ELECTRONIC WARFARE SYSTEMS	41,547		41,547
620	BASE SUPPORT	70,344		70,344
625	MAINTENANCE OF REAL PROPERTY	152,606		152,606
		20,470		20,470
<u>SECURITY PROGRAMS</u>				
630	SECURITY PROGRAMS	545,097	0	545,097
		536,691		536,691

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		FY 1998	
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
640	BASE SUPPORT	6,886		6,886	
645	MAINTENANCE OF REAL PROPERTY	1,520		1,520	
	SUPPORT OF OTHER NATIONS	6,435	0	6,435	6,435
650	INTERNATIONAL HEADQUARTERS AND AGENCIES	6,435		6,435	
	CANCELLED ACCOUNTS				
	PROBLEM DISBURSEMENTS				
	TOTAL, BUDGET ACTIVITY 4:	3,592,064	0	3,592,064	3,592,064
	UNDISTRIBUTED				
	MAINTENANCE OF REAL PROPERTY		50,000	50,000	50,000
	CLASSIFIED PROGRAM		17,369	17,369	17,369
	CIVILIAN UNDEREXECUTION		(108,300)	(108,300)	(108,300)
	BULK FUEL		(42,500)	(42,500)	(42,500)
	CONSULTANTS		(50,000)	(50,000)	(50,000)
	AN/SPS-48E REFURBISHMENT		6,000	6,000	6,000
	NAVY POW-MIA CENTER		1,000	1,000	1,000
	LIMITATION ON BA 4 PROGRAM GROWTH		(230,000)	(230,000)	(230,000)
	TOTAL, UNDISTRICTED		(356,431)	(356,431)	(356,431)
	TOTAL, OPERATION AND MAINTENANCE, NAVY	21,581,130	(208,431)	21,372,699	21,372,699

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		FY 1998
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, MARINE CORPS				
BUDGET ACTIVITY 1: OPERATING FORCES				
EXPEDITIONARY FORCES				
10	OPERATIONAL FORCES	<u>1,553,164</u>	<u>45,000</u>	<u>1,598,164</u>
	Personal Equipment/Initial Issue	345,077		365,077
20	FIELD LOGISTICS	183,660	20,000	183,660
30	DEPOT MAINTENANCE	121,339		146,339
40	BASE SUPPORT	639,495	25,000	639,495
45	MAINTENANCE OF REAL PROPERTY	263,593		263,593
USMC PREPOSITIONING				
50	MARITIME PREPOSITIONING	<u>80,983</u>	<u>0</u>	<u>80,983</u>
60	NORWAY PREPOSITIONING	77,380		77,380
		3,603		3,603
	TOTAL, BUDGET ACTIVITY 1:	1,634,147	45,000	1,679,147
BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
ACCESSION TRAINING				
70	RECRUIT TRAINING	<u>78,761</u>	<u>0</u>	<u>78,761</u>
80	OFFICER ACQUISITION	9,098		9,098
90	BASE SUPPORT	282		282
95	MAINTENANCE OF REAL PROPERTY	51,266		51,266
		18,115		18,115
BASIC SKILLS AND ADVANCED TRAINING				
100	SPECIALIZED SKILLS TRAINING	<u>192,963</u>	<u>0</u>	<u>192,963</u>
110	FLIGHT TRAINING	28,647		28,647
120	PROFESSIONAL DEVELOPMENT EDUCATION	156		156
		5,803		5,803

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAIAG/SAG	FY 1998		COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	
130	TRAINING SUPPORT	78,749		78,749
140	BASE SUPPORT	54,557		54,557
145	MAINTENANCE OF REAL PROPERTY	25,051		25,051
	RECRUITING AND OTHER TRAINING EDUCATION	<u>109,058</u>	<u>4,400</u>	<u>113,458</u>
150	RECRUITING AND ADVERTISING	74,442	4,400	78,842
160	OFF-DUTY AND VOLUNTARY EDUCATION	15,063		15,063
170	JUNIOR ROTC	9,006		9,006
180	BASE SUPPORT	8,100		8,100
185	MAINTENANCE OF REAL PROPERTY	2,447		2,447
	TOTAL, BUDGET ACTIVITY 3:	380,782	4,400	385,182
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
	SERVICEWIDE SUPPORT	<u>290,416</u>	<u>0</u>	<u>290,416</u>
190	LOGISTICS SUPPORT	0		0
200	SPECIAL SUPPORT	219,312		219,312
210	SERVICEWIDE TRANSPORTATION	30,617		30,617
220	ADMINISTRATION	26,105		26,105
230	BASE SUPPORT	12,370		12,370
235	MAINTENANCE OF REAL PROPERTY	2,012		2,012
	TOTAL, BUDGET ACTIVITY 4:	290,416	0	290,416
	UNDISTRIBUTED			
	MAINTENANCE OF REAL PROPERTY		25,000	25,000
	CHEM-BIO RESPONSE FORCE		4,500	4,500
	CONSULTANTS		(3,000)	(3,000)

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
TOTAL, UNDISTRIBUTED				
		2,305,345	26,500	2,381,245
TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS				
OPERATION AND MAINTENANCE, AIR FORCE				
BUDGET ACTIVITY 1: OPERATING FORCES				
AIR OPERATIONS				
10	PRIMARY COMBAT FORCES	<u>7,364,973</u>	0	<u>7,364,973</u>
20	PRIMARY COMBAT WEAPONS	2,719,301		2,719,301
30	COMBAT ENHANCEMENT FORCES	457,939		457,939
40	AIR OPERATIONS TRAINING	253,099		253,099
50	COMBAT COMMUNICATIONS	617,828		617,828
60	BASE SUPPORT	981,936		981,936
65	MAINTENANCE OF REAL PROPERTY	1,758,461		1,758,461
		576,409		576,409
COMBAT RELATED OPERATIONS				
70	GLOBAL C3I AND EARLY WARNING	<u>1,440,090</u>	0	<u>1,440,090</u>
80	NAVIGATION/WEATHER SUPPORT	712,916		712,916
90	OTHER COMBAT OPS SUPPORT PROGRAMS	131,608		131,608
100	JCS EXERCISES	205,449		205,449
110	MANAGEMENT/OPERATIONAL HEADQUARTERS	45,306		45,306
120	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	113,400		113,400
		231,411		231,411
SPACE OPERATIONS				
130	LAUNCH FACILITIES	<u>1,169,575</u>	0	<u>1,169,575</u>
140	LAUNCH VEHICLES	226,956		226,956
		103,576		103,576

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
150	SPACE CONTROL SYSTEMS	283,597		283,597
160	SATELLITE SYSTEMS	42,235		42,235
170	OTHER SPACE OPERATIONS	82,972		82,972
180	BASE SUPPORT	310,370		310,370
185	MAINT OF REAL PROPERTY	119,869		119,869
	TOTAL, BUDGET ACTIVITY 1:	9,974,638	0	9,974,638
	BUDGET ACTIVITY 2: MOBILIZATION			
	MOBILITY OPERATIONS	3,049,348	0	3,049,348
190	AIRLIFT OPERATIONS	1,793,506		1,793,506
200	AIRLIFT OPERATIONS C3I	16,267		16,267
210	MOBILIZATION PREPAREDNESS	145,868		145,868
220	PAYMENTS TO TRANSPORTATION BUSINESS AREA	514,000		514,000
230	BASE SUPPORT	427,865		427,865
235	MAINTENANCE OF REAL PROPERTY	151,842		151,842
	TOTAL, BUDGET ACTIVITY 2:	3,049,348	0	3,049,348
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
	ACCESSION TRAINING	211,111	0	211,111
240	OFFICER ACQUISITION	51,605		51,605
250	RECRUIT TRAINING	3,971		3,971
260	RESERVE OFFICER TRAINING CORPS (ROTC)	47,611		47,611
270	BASE SUPPORT (ACADEMIES ONLY)	57,262		57,262
275	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	50,662		50,662

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST	CHANGE FROM REQUEST	
	BASIC SKILLS AND ADVANCED TRAINING	<u>1,200,541</u>	<u>(20,000)</u>	<u>1,180,541</u>
280	SPECIALIZED SKILL TRAINING	196,980		196,980
290	FLIGHT TRAINING	394,075		394,075
300	PROFESSIONAL DEVELOPMENT EDUCATION	88,682	(5,000)	83,682
	Graduate Education		(15,000)	
310	TRAINING SUPPORT	63,296		63,296
320	BASE SUPPORT (OTHER TRAINING)	370,436		370,436
325	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	87,072		87,072
	RECRUITING, AND OTHER TRAINING AND EDUCATION	<u>236,095</u>	<u>4,500</u>	<u>240,595</u>
330	RECRUITING AND ADVERTISING	55,039	4,500	59,539
340	EXAMINING	2,212		2,212
350	OFF DUTY AND VOLUNTARY EDUCATION	85,609		85,609
360	CIVILIAN EDUCATION AND TRAINING	67,183		67,183
370	JUNIOR ROTC	26,052		26,052
	TOTAL, BUDGET ACTIVITY 3:	1,647,747	(15,500)	1,632,247
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
	LOGISTICS OPERATIONS	<u>2,363,385</u>	<u>25,000</u>	<u>2,388,385</u>
380	LOGISTICS OPERATIONS	788,680		788,680
	KC-135 Depot Maintenance		25,000	
390	TECHNICAL SUPPORT ACTIVITIES	390,267		390,267
400	SERVICEWIDE TRANSPORTATION	236,372		236,372
410	BASE SUPPORT	753,449		753,449
415	MAINTENANCE OF REAL PROPERTY	194,617		194,617
	SERVICEWIDE ACTIVITIES	<u>1,352,361</u>	<u>25,800</u>	<u>1,378,161</u>
420	ADMINISTRATION	126,642		126,642

TITLE III - OPERATION AND MAINTENANCE
(Dollars in Thousands)

LINE	ACCOUNT/BAL/AG/SAG	FY 1998		FY 1998 COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	
430	SERVICEWIDE COMMUNICATIONS	297,316		297,316
440	PERSONNEL PROGRAMS	100,343		100,343
450	RESCUE AND RECOVERY SERVICES	55,881		55,881
460	SUBSISTENCE-IN-KIND	0		0
470	ARMS CONTROL	29,565		29,565
480	OTHER SERVICEWIDE ACTIVITIES	524,545		524,545
490	OTHER PERSONNEL SUPPORT	33,623		33,623
500	CIVIL AIR PATROL CORPORATION	17,927		17,927
510	BASE SUPPORT	155,791		155,791
515	MAINTENANCE OF REAL PROPERTY FORCE PROTECTION INITIATIVE	10,728	25,800	10,728
	SECURITY PROGRAMS	<u>510,046</u>	0	<u>510,046</u>
520	SECURITY PROGRAMS	510,046		510,046
	SUPPORT TO OTHER NATIONS	<u>13,260</u>	0	<u>13,260</u>
530	INTERNATIONAL SUPPORT	13,260		13,260
	TOTAL, BUDGET ACTIVITY 4:	4,239,052	50,800	4,289,852
	UNDISTRIBUTED			
	MAINTENANCE OF REAL PROPERTY		50,000	50,000
	CLASSIFIED PROGRAM		14,400	14,400
	CIVILIAN UNDEREXECUTION		(70,000)	(70,000)
	BULK FUEL		(44,500)	(44,500)
	CONSULTANTS		(50,000)	(50,000)
	LIMITATION ON BA 4 PROGRAM GROWTH		(100,000)	(100,000)
	TOTAL, UNDISTRIBUTED		(200,100)	(200,100)
	TOTAL, O&M, AIR FORCE	18,910,785	(164,800)	18,745,985

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/ISAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE				
BUDGET ACTIVITY 1: OPERATING FORCES				
10	JOINT CHIEFS OF STAFF			
	Joint Chiefs of Staff Mobility Enhancements	541,169		566,169
20	SPECIAL OPERATIONS COMMAND		25,000	
	GORTEx-NOMEX Flight Suits	1,085,927		1,115,227
	Special Operations Command OPTEMPO Sustainment		3,300	
			26,000	
	TOTAL, BUDGET ACTIVITY 1:	1,627,096	54,300	1,681,396
BUDGET ACTIVITY 2: MOBILIZATION				
30	DEFENSE LOGISTICS AGENCY	27,260		27,260
	TOTAL, BUDGET ACTIVITY 2:	27,260	0	27,260
BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
50	DEFENSE ACQUISITION UNIVERSITY			
55	AMERICAN FORCES INFORMATION SERVICE	99,964		99,964
60	DEFENSE HUMAN RESOURCES FIELD ACTIVITY	11,586		11,586
65	DEFENSE SPECIAL WEAPONS AGENCY	14,200		14,200
70	SPECIAL OPERATIONS COMMAND	475		475
	LIMITATION ON BA 3 PROGRAM GROWTH	37,930	(5,000)	37,930 (5,000)
	TOTAL, BUDGET ACTIVITY 3:	164,155	(5,000)	159,155
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
75	AMERICAN FORCES INFORMATION SERVICE	94,956		94,956
80	CLASSIFIED AND INTELLIGENCE	3,490,397	(80,186)	3,410,211

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAJ/ISAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
85	CORPORATE INFORMATION MANAGEMENT	0		0
90	DEFENSE CONTRACT AUDIT AGENCY	329,264		329,264
95	DEFENSE FINANCE AND ACCOUNTING SERVICE	91,654		46,654
	Renovation of DFAS Facility		(45,000)	
100	DEFENSE HUMAN RESOURCES FIELD ACTIVITY	124,735		124,735
105	DEFENSE INFORMATION SYSTEMS AGENCY	725,858		716,913
	Whitehouse Communications Agency		(8,945)	
110	DEFENSE INVESTIGATIVE SERVICE	186,661		186,661
115	DEFENSE LEGAL SERVICES AGENCY	8,839		8,839
120	DEFENSE LOGISTICS AGENCY	1,086,443		1,111,443
	Automatic Document Conversion Technology		10,000	
	PTAC/ECRC Realignment		15,000	
125	DEFENSE MAPPING AGENCY	0		0
130	DEFENSE POW/MIA OFFICE	14,195		14,195
135	DEFENSE SPECIAL WEAPONS AGENCY	87,837		87,837
140	DEFENSE SUPPORT ACTIVITIES	69,270		69,270
145	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	10,545		10,545
150	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,321,196		1,321,196
155	FEDERAL ENERGY MANAGEMENT PROGRAM	0		0
160	JOINT CHIEFS OF STAFF	128,561		73,561
	JCS Exercise Program		(50,000)	
165	OFFICE OF ECONOMIC ADJUSTMENT	40,217		40,217
170	OFFICE OF THE SECRETARY OF DEFENSE	406,894		341,794
	National Guard - Challenge		(81,400)	
	Youth Opportunities - Starbase		30,000	
	Youth Opportunities - Youth Conservation Corps		(2,000)	
	Reserve Component Support to CINCs		(1,700)	
	Innovative Readiness Training		(2,000)	
175	OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	0		0

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
180	ON SITE INSPECTION AGENCY	109,226	(11,200)	98,026
185	SPECIAL OPERATIONS COMMAND Special Operations Command Bulk Fuel	45,532	(2,700)	42,832
190	WASHINGTON HEADQUARTERS SERVICE Washington Headquarters Service Travel Project	213,147	(42,600) (1,000)	169,547
	TOTAL, BUDGET ACTIVITY 4:	8,585,427	(286,731)	8,298,696
	UNDISTRIBUTED			
	CIVILIAN UNDEREXECUTION		(33,900)	(33,900)
	TRAVEL		(5,000)	(5,000)
	CONSULTANTS		(50,000)	(50,000)
	DEFENSE AUTOMATED PRINTING SERVICE		(15,000)	(15,000)
	FOREIGN STUDENTS AT SERVICE ACADEMIES		(4,200)	(4,200)
	QUADRENNIAL DEFENSE REVIEW SAVINGS		(168,350)	(168,350)
	CIVILIAN BUYOUT PROGRAM		100,000	100,000
	CENTER FOR THE STUDY OF THE CHINESE MILITARY		5,000	5,000
	EDUCATIONAL IMPACT AID		35,000	35,000
	TOTAL, UNDISTRIBUTED		(136,450)	(136,450)
	TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,403,938	(373,881)	10,030,057
	OPERATION AND MAINTENANCE, ARMY RESERVE			
	BUDGET ACTIVITY 1: OPERATING FORCES			
	MISSION OPERATIONS	1,056,894	5,000	1,061,894
10	BASE SUPPORT	309,446		309,446

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	FY 1998 COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
15	MAINTENANCE OF REAL PROPERTY	85,255		85,255
20	DEPOT MAINTENANCE	41,366		46,366
30	RECRUITING AND ADVERTISING	0	5,000	0
40	TRAINING OPERATIONS	620,827		620,827
	TOTAL, BUDGET ACTIVITY 1:	1,056,894	5,000	1,061,894
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
50	INFORMATION MANAGEMENT	135,997	0	135,997
60	PUBLIC AFFAIRS	20,033		20,033
70	PERSONNEL ADMINISTRATION	489		489
80	STAFF MANAGEMENT	50,196		50,196
90	RECRUITING AND ADVERTISING	27,405		27,405
		37,874		37,874
	TOTAL, BUDGET ACTIVITY 4:	135,997	0	135,997
	UNDISTRIBUTED			
	MAINTENANCE OF REAL PROPERTY		5,000	5,000
	TOTAL, UNDISTRIBUTED		5,000	5,000
	TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,192,891	10,000	1,202,891
	OPERATION AND MAINTENANCE, NAVY RESERVE			
	BUDGET ACTIVITY 1: OPERATING FORCES			
	RESERVE AIR OPERATIONS	505,776		515,776
10	MISSION AND OTHER FLIGHT OPERATIONS	302,531	10,000	302,531

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAI/AG/SAG	FY 1998		FY 1998	
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
20	FLEET AIR TRAINING	200			200
30	INTERMEDIATE MAINTENANCE	17,528			17,528
40	AIR OPERATION AND SAFETY SUPPORT	3,074			3,074
50	AIRCRAFT DEPOT MAINTENANCE	58,053			58,053
60	AIRCRAFT DEPOT OPS SUPPORT	315	10,000		315
70	BASE SUPPORT	99,563			99,563
75	MAINTENANCE OF REAL PROPERTY	24,512			24,512
	RESERVE SHIP OPERATIONS	140,284	0		140,284
80	MISSION AND OTHER SHIP OPERATIONS	59,509			59,509
90	SHIP OPERATIONAL SUPPORT AND TRAINING	638			638
100	INTERMEDIATE MAINTENANCE	10,326			10,326
110	SHIP DEPOT MAINTENANCE	68,324			68,324
120	SHIP DEPOT OPERATIONS SUPPORT	1,487			1,487
	RESERVE COMBAT OPERATIONS SUPPORT	73,355	0		73,355
130	COMBAT COMMUNICATIONS	0			0
140	COMBAT SUPPORT FORCES	25,632			25,632
150	BASE SUPPORT	38,503			38,503
155	MAINTENANCE OF REAL PROPERTY	9,220			9,220
	RESERVE WEAPONS SUPPORT	4,136	0		4,136
160	WEAPONS MAINTENANCE	4,136			4,136
	TOTAL, BUDGET ACTIVITY 1:	723,851	10,000		733,851
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	108,455	0		108,455
170	ADMINISTRATION	6,209			6,209
180	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	2,012			2,012

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAL/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
190	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	32,102		32,102
200	OTHER PERSONNEL SUPPORT	0		0
210	SERVICEWIDE COMMUNICATIONS	33,155		33,155
220	BASE SUPPORT	26,692		26,692
225	MAINTENANCE OF REAL PROPERTY	2,723		2,723
230	COMBAT/WEAPONS SYSTEMS	511		511
240	GENERAL DEFENSE INTELLIGENCE PROGRAM	5,051		5,051
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	2,705	0	2,705
		<u>2,705</u>		<u>2,705</u>
	PROBLEM DISBURSEMENTS			
	TOTAL, BUDGET ACTIVITY 4:	111,160	0	111,160
	UNDISTRIBUTED			
	MAINTENANCE OF REAL PROPERTY		5,000	5,000
	TOTAL, UNDISTRICTED		5,000	5,000
	TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	834,711	15,000	849,711
	OPERATION AND MAINTENANCE, MARINE CORPS RESERVE			
	BUDGET ACTIVITY 1: OPERATING FORCES			
	MISSION FORCES			
10	TRAINING	70,495	0	70,495
20	OPERATING FORCES	30,174		30,174
30	BASE SUPPORT	2,555		2,555
		<u>16,309</u>		<u>16,309</u>

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998		FY 1998	
		AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	AUTHORIZATION REQUEST	COMMITTEE RECOMMENDATION
35	MAINTENANCE OF REAL PROPERTY	14,559		14,559	14,559
40	DEPOT MAINTENANCE	6,898		6,898	6,898
	TOTAL, BUDGET ACTIVITY 1:	70,495	0	70,495	70,495
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
	<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>				
50	RECRUITING AND ADVERTISING	39,871	0	39,871	39,871
60	SPECIAL SUPPORT	11,199		11,199	11,199
70	SERVICEWIDE TRANSPORTATION	5,161		5,161	5,161
80	ADMINISTRATION	7,039		7,039	7,039
90	BASE SUPPORT	8,746		8,746	8,746
100	MAINTENANCE OF REAL PROPERTY	7,726		7,726	7,726
	PROBLEM DISBURSEMENTS				
	TOTAL, BUDGET ACTIVITY 4:	39,871	0	39,871	39,871
	TOTAL, O&M, MARINE CORPS RESERVE	110,366	0	110,366	110,366
	OPERATION AND MAINTENANCE, AIR FORCE RESERVE				
	BUDGET ACTIVITY 1: OPERATING FORCES				
	<u>AIR OPERATIONS</u>				
10	AIRCRAFT OPERATIONS	1,543,978	5,000	1,548,978	1,548,978
20	MISSION SUPPORT OPERATIONS	1,227,609		1,227,609	1,227,609
30	BASE SUPPORT	39,482		39,482	39,482
		216,573		216,573	216,573

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BALANCE/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
35	MAINTENANCE OF REAL PROPERTY	60,314		65,314
37	DEPOT MAINTENANCE	0	5,000	0
	TOTAL, BUDGET ACTIVITY 1:	1,543,978	5,000	1,548,978
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
40	ADMINISTRATION	80,442	0	80,442
50	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	46,363		46,363
60	RECRUITING AND ADVERTISING	19,262		19,262
70	OTHER PERSONNEL SUPPORT	7,966		7,966
80	AUDIOVISUAL	6,310		6,310
		541		541
	TOTAL, BUDGET ACTIVITY 4:	80,442	0	80,442
	UNDISTRIBUTED CONSULTANTS			
			(300)	(300)
	TOTAL, UNDISTRIBUTED		(300)	(300)
	TOTAL, O&M, AIR FORCE RESERVE	1,624,420	4,700	1,629,120
	OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD			
	BUDGET ACTIVITY 1: OPERATING FORCES			
	MISSION OPERATIONS	2,086,093	15,000	2,101,093
10	TRAINING OPERATIONS	1,704,250		1,704,250

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TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AG/SAG	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
20	RECRUITING AND RETENTION	0		0
30	MEDICAL SUPPORT	26,701		26,701
40	DEPOT MAINTENANCE	53,824	5,000	58,824
50	BASE SUPPORT	250,700		250,700
55	MAINTENANCE OF REAL PROPERTY	50,618	10,000	60,618
	TOTAL, BUDGET ACTIVITY 1:	2,086,093	15,000	2,101,093
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
60	INFORMATION MANAGEMENT	172,839	0	172,839
70	PUBLIC AFFAIRS	32,376		32,376
80	PERSONNEL ADMINISTRATION	62,082		62,082
90	STAFF MANAGEMENT	45,190		45,190
95	RECRUITING AND ADVERTISING	33,191		33,191
	TOTAL, BUDGET ACTIVITY 4:	172,839	0	172,839
	UNDISTRIBUTED			
	UNDISTRIBUTED REDUCTION TO FUND CHALLENGE PROGRAM		(7,500)	(7,500)
	TOTAL, UNDISTRIBUTED		(7,500)	(7,500)
	TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	2,258,932	7,500	2,266,432

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BAIAGISAG	FY 1998 AUTHORIZATION REQUEST	FY 1998 COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATING FORCES				
<u>AIR OPERATIONS</u>				
10	AIRCRAFT OPERATIONS	2,981,947	3,000	2,984,947
20	MISSION SUPPORT OPERATIONS	2,243,510		2,243,510
30	BASE SUPPORT	334,314		334,314
35	MAINTENANCE OF REAL PROPERTY	296,196		296,196
40	DEPOT MAINTENANCE	77,879		77,879
		30,048	3,000	33,048
	TOTAL, BUDGET ACTIVITY 1:	2,981,947	3,000	2,984,947
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
<u>SERVICEWIDE ACTIVITIES</u>				
50	ADMINISTRATION	9,272	0	9,272
60	RECRUITING AND ADVERTISING	3,073		3,073
		6,199		6,199
	TOTAL, BUDGET ACTIVITY 4:	9,272	0	9,272
<u>UNDISTRIBUTED</u>				
	CONSULTANTS		(750)	(750)
	UNDISTRIBUTED REDUCTION TO FUND CHALLENGE PROGRAM		(7,500)	(7,500)
	TOTAL, UNDISTRICTED		(8,250)	(8,250)
	TOTAL, O&M, AIR NATIONAL GUARD	2,991,219	(5,250)	2,985,969

TITLE III - OPERATION AND MAINTENANCE

(Dollars in Thousands)

LINE	ACCOUNT/BA/AGISAG	FY 1998		COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
		AUTHORIZATION REQUEST			
MISCELLANEOUS					
10	INSPECTOR GENERAL		136,580		136,580
10	COURT OF MILITARY APPEALS		6,952		6,952
10	SUMMER OLYMPICS				0
10	INTERNATIONAL SPORTING EVENTS				0
10	ENVIRONMENTAL RESTORATION, ARMY		377,337		377,337
10	ENVIRONMENTAL RESTORATION, NAVY		277,500		277,500
10	ENVIRONMENTAL RESTORATION, AIR FORCE		378,900		378,900
10	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE		27,900		27,900
10	ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES		202,300		202,300
10	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS		80,130	(30,130)	50,000
10	DRUG INTERDICTION		652,582	9,089	661,671
10	PAYMENT TO KAHO'OLAWA ISLAND		10,000		10,000
10	DEFENSE HEALTH PROGRAM		9,766,582	274,000	9,975,382
	Bulk Fuel Savings			(1,000)	
	Overseas Dental Benefits			2,600	
	Consistent CHAMPUS-MEDICARE Rates			4,000	
	Health Scholarship Tax Liability			(70,800)	
10	FORMER SOVIET UNION THREAT REDUCTION		382,200	(97,500)	284,700
10	QUALITY OF LIFE ENHANCEMENTS				0
10	OVERSEAS CONTINGENCIES		1,467,500		1,467,500
10	OPPLAN 34A-35				0
10	WEAPONS OF MASS DESTRUCTION				0
TOTAL, O&M, MISCELLANEOUS			13,766,463	90,259	13,856,722
TOTAL OPERATION AND MAINTENANCE			93,195,684	(579,453)	92,616,231

ITEMS OF SPECIAL INTEREST

BUDGET REQUEST REDUCTIONS

Administration and Support Accounts

Due to the necessity to address the shortfalls created by the revised budgetary scoring of the President's request, persistent underfunding of key operating accounts, and to ensure adequate funding of critical readiness accounts, the committee recommendation includes reductions in program growth in the administration and support accounts (Budget Activity 4) of the military departments as follows:

[In millions of dollars]	
Army	\$210.0
Navy	230.0
Air Force	100.0

In addition, the committee believes that the support structure of the Department of Defense and the various Defense Agencies is disproportionate to needs of the military services. The report of the Quadrennial Defense Review (QDR) proposes a six percent reduction in this area by November 30, 1997. Therefore, the committee recommends reductions in administration and management funding for these accounts as follows:

[In millions of dollars]	
Office, Secretary of Defense	\$81.4
Washington Headquarters Service	42.6
QDR savings	168.4

The committee is convinced these recommended reductions will not directly affect the readiness capabilities of our combat forces. The committee is mindful, however, that headquarters and other administrative support for the forces is important, but must be appropriately sized to be economically effective.

Bulk Fuel

The committee is concerned that the military departments have been overestimating their needs for bulk fuel. The General Accounting Office (GAO) estimated that in fiscal year 1996, fuel purchases by the services was \$440 million below what was requested in the budget request, and in fiscal year 1997, GAO estimates the overestimation will total \$183 million. The budget request for fiscal year 1998 includes funding to purchase 111 million barrels of bulk fuel. Of this total, the services plan to buy 109.5 million barrels from the Defense Fuel Supply Center (DFSC) and the remainder from commercial sources and from foreign governments. Based on actual DFSC sales data, the GAO estimates that DFSC will sell about 104.2 million barrels to the services in fiscal year 1998, a difference of 5.3 million barrels of bulk fuel, or \$201.5 million. Because the over budgeting for bulk fuel seems to be a recurring practice, the committee recommends the following reductions:

[In millions of dollars]	
Army	\$8.6
Navy	42.5
Air Force	44.5

Advisory and Assistance Services

The committee continues to be concerned with the increasing use of Advisory and Assistance Services (AAS) by the Department of Defense, which includes contracted experts and consultants, studies and evaluations, management support and technical services. The fiscal year 1998 budget request contains a total of \$2,951.0 million for AAS, a 248 percent increase since 1992. In addition, the various service operation and maintenance accounts show significant growth from 1997 to 1998 for these services as follows: Department of the Army, 5.5 percent; Department of the Navy, 8.4 percent; the Marine Corps, 14.4 percent; Department of the Air Force, 13 percent; and Defense Agencies, 15 percent.

The committee believes that during this period of significant downsizing, the current level of funding and increases for these services are not justified. Therefore, the committee recommends the following reductions:

[In millions of dollars]	
Army	\$50.0
Navy	50.0
Marine Corps	3.0
Air Force	50.0
Air Force Reserve	0.3
Air National Guard	0.8
Defense Agencies	50.0

The committee directs the Secretary of Defense to ensure that, beginning with the budget request for fiscal year 1999, the Department provide in the justification materials provided to Congress a discussion on AAS that includes an identification of each of the military department's requirements for AAS, the previous two fiscal years' data on AAS expenditures for each military service and the Defense Agencies, and specific justification for any proposed increases.

DEFENSE SUPPORT SERVICES REFORM

Overview

Reform is not a new issue for the Department of Defense (DOD). The Quadrennial Defense Review (QDR) is the latest of several studies, including the Defense Science Board, Commission on Roles and Missions, and the Bottom Up Review, that have attempted to address improving the efficiency of the DOD. Despite these studies, the committee is dissatisfied with the progress being made to challenge the inertia of "business as usual." The committee believes that in this thirteenth year of declining defense budgets, combined with an environment of balanced budget agreements, and funding shortfalls in modernization, readiness and quality of life programs, DOD can no longer afford to further study reform.

The committee notes that since 1990, DOD has eliminated eight Army divisions, 14 Air Force and Navy air wings, 216 Navy ships, and over 600,000 military personnel. Efforts to reduce the defense infrastructure supporting the remaining forces lags far behind. Despite the QDR's focus on shrinking the current annual infrastructure costs of \$146 billion, little detail has been provided on how the Department intends to implement the QDR's recommended infra-

structure reductions. These details are crucial, since failure to reduce operations and support infrastructure will have significantly adverse impacts on funding national defense priorities in the near future.

Furthermore, the committee believes that the management and delivery of a number of support services remain outmoded and inefficient in comparison to equivalent activities in the private sector. For example, DOD's supply system is roughly twice as expensive to administer than comparable private sector systems. As a further example, the military departments often pay the DOD transportation command upwards of 200 percent more than the commercial carriers charged DOD to provide similar transportation services. For these compelling reasons, the committee recommendation directs a number of reforms within DOD.

Contracting Out Firefighter and Security Activities at Military Installations

The General Accounting Office, Defense Science Board, and Department of Defense (DOD) have stated that section 2465 of title 10, United States Code, which prohibits the consideration of Department of Defense firefighter and security guard functions from outsourcing to the private sector, is an impediment to providing efficient and cost-effective fire fighting and security support at defense installations and have called for its repeal. However, the committee is concerned that absent a clear definition of what fire fighting functions, security guard functions, and the related personnel are essential to providing a safe and secure environment for our military service members, a repeal of this section could negatively impact national security.

Therefore, the committee directs the Secretary of Defense to provide a plan to the House Committee on National Security and the Senate Committee on Armed Services by December 31, 1997 that includes the following:

- (1) A listing of both the fire fighting and security guard functions that are considered inherently governmental and the reasons why, and
- (2) An implementation plan for outsourcing fire fighting and security guard functions, should section 2465 of title 10, United States Code be repealed.

Criminal Investigations and Board on Audits

The committee commends the Department of Defense (DOD) criminal investigative services on their efforts to increase coordination and reduce duplication of resources through the Board on Investigations and Regional Fraud Working Groups. The committee believes that DOD should create a Board on Audits that would allow DOD to more effectively handle the increasing workload from the Chief Financial Officers Act and the changing accounting systems, and reduce duplication of effort through improved sharing of knowledge and resources among the service department's audit agencies. Therefore, the committee directs the Secretary of Defense to finalize the working guidance for the operation of both boards no later than December 31, 1997. The committee believes that

DOD is best served by a productive and coordinated effort between the military departments and the DOD Office of Inspector General.

Defense Reutilization and Marketing Service Improvements

The committee is concerned that items in the Department of Defense (DOD) inventory are not assigned the proper demilitarization when purchased or provided to the Defense Reutilization and Marketing Service (DRMS) for disposal. An April 1997 report by the DOD Inspector General (Coding Munitions List Items Report No. 97-130) revealed that 52 percent of items sampled were assigned improper demilitarization codes when they were purchased. In addition, a Congressionally mandated study on consolidating DOD's supply centers, submitted in November 1996, also highlighted coding inconsistencies. This report recommended improving the coding system by establishing a standard code to use when an item is purchased and when it is sent to DRMS.

Improper coding can lead to unnecessary costs due to excessive levels of demilitarization and a loss in DRMS sales. More importantly, improper coding can result in the sale of sensitive military hardware that should have been demilitarized. As a result, these coding problems are not only costly but present a threat to national security. The committee believes that DOD's reluctance to develop an automated system for demilitarization codes will seriously delay correction of this problem. Therefore, the committee directs the Secretary of Defense to provide a report, by December 31, 1997, to the House Committee on National Security and the Senate Committee on Armed Services on efforts to:

- (1) Identify and correct miscoded inventory items;
- (2) Develop an automated system that standardizes the demilitarization codes across DOD, from the purchase to surplus of an item;
- (3) Dedicate funding for an automated system during the five year defense plan; and
- (4) Implement an automated system during the five year defense plan.

Defense Supply and Logistics Management

The current costs of the Department of Defense (DOD) supply system are significantly greater than the private sector, even after taking into account the need to maintain a wartime capacity. The committee believes that DOD's supply management and work processes are ideal business re-engineering candidates, given the extensive commercial market for these services and the recent improvements in private sector practices. In doing so, the committee encourages DOD to revise the way it provides supply services by making extensive use of such commercial options as consolidation, outsourcing, particularly prime vendor and virtual prime vendor deliveries for most repairable and consumable items. The use of prime and virtual prime vendors provide the benefit of lowering distribution, warehousing, and inventory costs, which reduces the customer rates in the supply and distribution business areas of the working capital funds.

The committee understands that savings, estimated from DOD's current initiatives (i.e., "lean logistics" and "velocity logistics") to reduce the number of inventoried spare parts and associated storage costs, have been included in the military services' Operation and Maintenance (O&M) budgets. Therefore, the committee directs the Secretary of Defense to report to the House Committee on National Security and the Senate Committee on Armed Services by March 1, 1998, on the savings achieved due to reforms in spare parts inventories and logistic operations the savings estimated in fiscal years 1998–2003 from these reforms and an assessment of the risks to readiness associated with relying on projected savings.

Definition of Mission Essential Support Services

The committee continues to be frustrated by the lack of a clear definition of the support services and functions that are essential to the strategic mission of the Department of Defense (DOD), otherwise known as inherently governmental functions. The committee is particularly concerned that the military departments appear to have different definitions and a different, and often changing, understanding of the relationship between inherently governmental and commercial activities. For example, between fiscal years 1994 and 1996, the Department of the Air Force, without changing their role or mission, redefined roughly 194,000 personnel from the commercial activities to inherently governmental categories.

The committee directs the Secretary of Defense, in consultation with the secretaries of the military departments, to provide by March 1, 1998, a report to the House Committee on National Security and the Senate Committee on Armed Services containing the following information:

- (1) A Department of Defense-wide definition for each of following categories; inherently governmental; core; national defense-exempted; and exempted from outsourcing for other reasons;
- (2) A listing of all functions and activities that are considered inherently governmental and the reasons why;
- (3) A listing of all commercial activities, indicating whether the activity is core or non-core including a justification for core activities;
- (4) A listing of all support services, functions and activities that have both a core and a non-core element; and
- (5) A listing of all commercial activities that are exempted for other reasons and the reasons why.

In addition, the committee directs the Secretary of the Air Force to provide a report to the House Committee on National Security and the Senate Committee on Armed Services, by March 1, 1998, providing an explanation for the shift of personnel, between fiscal years 1994 and 1996, in the Air Force commercial activities to the inherently governmental category, a listing of the specific functions that were changed to inherently governmental and an explanation why.

Extensively Studied Functions

The committee is aware that within the military services, there is little consistency for outsourcing non-inherently governmental base operations functions and services. Specifically, the military services conduct A-76 studies on activities that are similar, if not exactly the same, as extensively studied and outsourced functions in their own service or in the other military services. This practice not only unnecessarily duplicates effort, it is costly. The committee believes that by developing standard “templates” based on previous A-76 studies of similar functional areas, the military services would save time and resources in outsourcing these functions. The following chart illustrates the percentage of base operations support activities that were outsourced in fiscal year 1996, an average of 50 percent or more within the military services.

[In percent]

Base Operating Activity	Air Force	Army	Marine Corps ¹	Navy
Laundry and Dry Cleaning	100	85	81	94
Custodial Services	100	88	82	86
Refuse Collection & Disposal Services	96	84	67	81
Food Services	88	88	42	39
Office Equipment Maintenance and Repair	100	75	18	100
Contractor-Operated Parts Stores & Civil Engineering Supply Stores	100	71	100	²

¹ Marine Corps figures are as of July 1996; all others are as of the end of fiscal year 1996.

² Not reported.

Note.—Percentages represent the portion of the workforce that is outsourced for a given function.

Source: GAO analysis of services' commercial activities inventory databases.

Multi-Service Contracting of Base Operations Functions

The National Performance Review and the 1995 report of the Commission on Roles and Missions indicated that expanding the Department of Defense (DOD) efforts in contracting out multiple services under a single contract (multi-service contracts) would achieve significantly greater savings than single contracts. Since 1977 DOD has entered into only a handful of such contracts, primarily for base operation support services. However, little information exists on how these contracts work, what services are best delivered under such a program, and what are the actual savings to the military installation. For example, the Army recently determined that the multi-service contract at Fort Irwin, California was too cumbersome to administer.

The committee directs that the General Accounting Office review the opportunities and problems with multi-service contracts and provide a report of its findings to the Congressional defense committees by March 1, 1998. The review should identify the characteristics of selected multi-service contracts, what are the lessons learned from past and current DOD multi-service contracts, what are the cost and efficiency gains achieved in multi-service contracts in contrast to a single service contract, what are the implications for small-business, and what DOD functions are best suited for multi-service contracts.

Oversight of Outsourced Functions

The committee is aware that the Department of Defense (DOD) has increased efforts to maximize efficiencies and improve services by planning to study for outsourcing, more than 100,000 civilian positions between fiscal years 1998 and 2003. The committee has several concerns regarding these efforts.

DOD is pursuing opportunities to outsource services and functions currently provided by military personnel. The committee questions the savings estimates from such outsourcing since the military personnel performing these services will be retained and contractor costs will be incurred. In addition, the committee is concerned that services and functions that are currently used to train military personnel will be outsourced.

A recent report by the General Accounting Office indicates that DOD does not have the adequate personnel or resources to conduct or manage new contracts for the planned outsourcing efforts. For example, the United States Army Forces Command had about thirty staff dedicated to administering the commercial activities program during the 1980s. By mid-1996, this staff had dropped to three.

Furthermore, the committee is concerned that recent outsourcing efforts do not include studies on whether it would be more cost effective to return currently outsourced functions and services to the public sector. Without this review, DOD cannot ensure that it is receiving the best service for the taxpayer.

Therefore, the committee directs the Secretary of Defense to review the planned outsourcing efforts and report his findings to the Congressional defense committees by March 1, 1998. The report should address the following questions:

- (1) What function and services performed by military personnel has DOD planned to study for outsourcing between fiscal years 1998 and 2003?
- (2) What is the methodology used in determining the public costs when reviewing the outsourcing of a function or service performed by military personnel?
- (3) What is the adequate level of staff support required for ongoing and future outsourcing studies?
- (4) What is the adequate staff support necessary to monitor the resulting contracts?
- (5) What are the opportunities for centralizing the personnel and resources into one office that will provide defense-wide outsourcing support?
- (6) What are the competitive costs and savings from the planned outsourcing studies?
- (7) What studies are planned to review the return of outsourced services and functions to the public sector?

Procurement and Electronic Commerce Technical Assistance Program

Over the past few years, the acquisition community has instituted several reforms aimed at streamlining and removing barriers to the federal acquisition process. The passage of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-335) and the

Federal Acquisition Reform Act of 1996 (Division D of Public Law 104–106), along with administrative actions taken by the Executive Branch to streamline the acquisition process have helped to fundamentally change the federal acquisition system. However, despite these reforms, little has changed for the DOD programs that support small business, particularly the Electronic Commerce Resource Centers (ECRC) and the Procurement Technical Assistance Centers (PTAC).

Recent findings by the DOD Office of Inspector General (OIG) (Electronic Commerce Resource Centers, Report No. 97–090 and Department of Defense Procurement Technical Assistance Cooperative Agreement Program, report No. 97–007) argue that the ECRC “has not been efficient or cost effective in promoting” the use of electronic commerce or electronic data interchange technologies between small businesses and government organizations. The DOD-OIG also states that PTAC is not complying with its authorizing language in section 2415 of title 10, United States Code, regarding the requirement to award grants based on the comparative ranking of applicants and equitably distribute grants across the Defense Contract Administration Service regions. Finally, the OIG concluded that both ECRC and PTAC functions overlap with services provided elsewhere in the government. For these reasons, the committee believes the programs should be consolidated to improve service delivery and ensure the future of the program is consistent with the fundamental changes sweeping the Federal acquisition system.

United States Transportation Command

Despite the creation of USTRANSCOM, numerous studies, including those by USTRANSCOM, have reported that traffic management processes within the Department of Defense (DOD) remain fragmented, duplicative, and inefficient, primarily due to the lack of integrated and standard business practices. Personnel in each transportation component continue to perform similar and duplicative functions, resulting in different component staff separately negotiating rates and processing claims often related to the same shipment.

The committee is aware that USTRANSCOM is reviewing options to improve the management of customer requirements and billing through contracted studies and the Joint Mobility Control Group. The committee believes that the current transportation management issues require more aggressive solutions and encourages the use of standardized business practices that utilize leading edge technologies. In doing so, the committee believes that USTRANSCOM services will improve, transportation and financing systems will be easier to understand, and scarce resources will be used more efficiently throughout USTRANSCOM. As a result, the committee directs the Secretary of Defense to reduce the workyears in USTRANSCOM to 66,238, or 1,000 workers below the current fiscal year 1997 levels.

The committee is also aware that DOD transportation costs are significantly higher than the private sector. According to a 1996 General Accounting Office (GAO) study, USTRANSCOM charged its customers as much as 200 percent more than the private con-

tractor billed for its services. In the GAO study, DOD explained that this difference was largely due to the cost of maintaining an additional mobilization or readiness infrastructure. Separating the mobilization from the peacetime transportation costs would improve visibility over the true cost of providing peacetime transportation, and facilitate DOD efforts to maximize the most efficient business practices, whether public or private. Therefore, the committee directs the Secretary of Defense to provide the House Committee on National Security and the Senate Committee on Armed Services a report, by March 1, 1998, containing the following:

(1) A description of the charges and services provided through the working-capital funds to satisfy transportation requirements in support of war, national emergency, or contingency operations; and

(2) A description of the changes and services provided through the working capital funds in support of peacetime transportation requirements.

ENVIRONMENTAL ISSUES

Air Force Plant #3, TULSA, OKLAHOMA

The committee is aware of the desirability of expediting the environmental cleanup of Air Force Plant #3, located in Tulsa, Oklahoma, so that the land on which the plant is located may be expeditiously conveyed and subsequent re-use and redevelopment accelerated. In view of recently identified increased funding requirements for the cleanup of environmental contamination at this site, the committee directs the Secretary of the Air Force to expedite cleanup of this site to the maximum extent practicable. In addition, the Secretary of the Air Force is directed to submit a revised obligation and cleanup schedule for the facility no later than November 15, 1997.

Compliance Funding

The committee remains concerned about the expenditure of funding for environmental compliance activities. Theoretically, such funds are supposed to be used exclusively for those environmental activities necessary to ensure that the Department of Defense complies with all applicable environmental laws and regulations. However, anecdotal evidence, as well as preliminary assessments made by the General Accounting Office, suggest that there is considerable migration of funding into and out of compliance accounts once such funds are appropriated and obligated as operations and maintenance funding at the installation level. A recent study by the General Accounting Office suggests that the Department of Defense and the Environmental Protection Agency both lack the necessary data relative to environmental compliance activities to conduct appropriate oversight. In recognition of this deficiency, in 1994 the Under Secretary of Defense (Comptroller) established a working group to revise the manner in which the department budgets for and reports execution of environmental quality programs, including compliance, conservation and pollution prevention programs. In 1996, the Deputy Under Secretary of Defense (Environmental Secu-

riety) established new policies for classifying compliance projects and obtaining data.

Nevertheless, Department of Defense officials concede that they are unable to provide budget execution data breakdowns by project and environmental area (such as compliance or pollution prevention) and that, even where such data does exist, it is not sufficiently standardized or accurate enough to permit meaningful cross-service or aggregate comparisons. Therefore, the Secretary of Defense is directed to develop a standardized data accumulation system for environmental compliance activities of the Department of Defense. This all inclusive system should be designed to yield contract, project and installation specific data for all environmental compliance activities, including those under \$300,000 in value. Data accumulated pursuant to such a system should be standardized among the military departments, should employ standardized, common accounting procedures, and should yield data that will permit the tracking of compliance funding from budget request to authorization and appropriation to obligation and expenditure. The aim is to develop an easily accessible data base by which complete and accurate compliance information may be assembled and analyzed. The committee directs the Secretary of Defense to submit to Congress a report by no later than December 31, 1997, on the development and implementation of this compliance data system.

Environmental Cleanup at the Washington Navy Yard

Demolition, construction and renovation activities conducted at Department of Defense facilities are potentially subject to a variety of environmental strictures, depending on conditions at contaminated sites. Environmental cleanup of contaminants found and military installations is regulated under a variety of laws, including the Solid Waste Disposal Act, the Toxic Substances Control Act, the National Environmental Policy Act, and the Comprehensive Environmental Response, Compensation and Liability Act.

The committee is concerned with the Navy's plan to relocate the Naval Sea Systems Command to the Washington Navy Yard. Since the preliminary assessment of environmental contamination at the yard may not adequately take into account the nature and extent of pollutants. The Navy Yard has been used for most of its long history as an industrial weapons production facility, and the installation has been heavily contaminated with heavy metals, polychlorinated biphenyls, and other hazardous substances. The contamination at the Navy Yard is such that the installation was assigned a hazard ranking score by the Environmental Protection Agency of 52. A score of 28.5 is all that is required for designation as a Superfund site, and the Environmental Protection Agency anticipates making a decision whether to propose the installation for inclusion on the National Priorities List as a Superfund site in the fall of 1998.

In recognition of these circumstances, the committee urges the Department of the Navy to be prudent in undertaking demolition, construction and renovation of facilities at the Navy Yard in anticipation of the relocation of the Naval Sea Systems Command. The committee directs the Navy to comply with all pertinent environmental laws and ensure the full protection of human health and

the environment for construction workers and military and civilian personnel as it conducts relocation-related activities at the Navy Yard. The committee is not opposed to the relocation of the Naval Sea Systems Command but does not want to have money obligated for that purpose until the Secretary of the Navy provides assurance that funds for that purpose will not be wasted.

Exploring Options to Reduce Environmental Cleanup Costs

The committee is concerned about the growing costs associated with environmental remediation of active and former military installations and believes that the Department of Defense (DOD) should explore the development of policies which will help minimize costs while accomplishing cleanup objectives. The committee also believes that the DOD should undertake an initiative involving policy makers with scientific, industry and community leaders involved in the remediation field, to identify opportunities for more efficient cleanup and to consider the use of risk-management and risk-based corrective action approaches to create more environmentally acceptable endpoints and greater incentives for innovation in environmental cleanups. The committee is particularly interested in expediting remediations, successful land transfer and recycling on closed bases and encourages the DOD to pursue development of a policy product incorporating the input of scientific, industry and community leaders that facilitates increased land transfer and acceleration of the overall cleanup process.

Performance Based Contracting

One of the approaches to environmental cleanup of Department of Defense installations that has the potential to generate considerable cost savings concerns performance-based contracts. In contrast to traditional "cost-plus" contracts, performance-based contracts involve measuring contractor performance for the purpose of determining the award or fee in terms of the attainment of performance milestones, such as the demolition of contaminated buildings or the installation of a pump and treat system. In effect, contractor performance is measured against the achievement of a prescribed, outcome-oriented result, but the methodology by which those results are to be attained is left to the contractor. The appeal in such an approach is that it encourages contractors to use smart business practices in contract performance and alleviates often cumbersome requirements related to the manner of performance. In some cases, however, results-oriented performance milestones may be unacceptable to regulators, who desire to prescribe the manner in which work under the contract must be done. Performance-based environmental contracts employed by the Department of Energy have shown promise in terms of cost savings and accelerating the time it takes to cleanup sites, and the committee believes they have the same potential for the Department of Defense.

Although the Department states that it presently uses performance-based contracts in its environmental cleanup activities, it is difficult to assess the extent to which performance-based contracting is now being employed. There is no commonly accepted definition of what constitutes a performance-based contract, despite some

guidance from the Office of Federal Procurement Policy. Further, there is no readily available data concerning the number, kind and dollar value of environmental cleanup contracts that might be characterized as performance-based, so it is difficult to meaningfully gauge the present and future value of such contracts as a more cost effective means of cleaning up contaminated sites. Therefore, the Secretary of Defense is directed to submit to the House Committee on National Security and the Senate Committee on Armed Services a report, no later than December 31, 1997, including the following matters:

(1) A uniform definition of what constitutes a performance-based contract for environmental cleanup activities, and how that definition differs from traditional "cost-plus" contracts;

(2) The number of performance-based environmental cleanup contracts in excess of the simplified acquisition threshold now being employed in each of the military departments;

(3) The kinds of cleanup activities covered by such contracts and whether there are certain kinds of risks and site characteristics that are favorably or ill suited to the use of such contracts;

(4) An assessment of the extent to which such performance-based contracts have the potential to generate cost savings in the cleanup of contaminated sites if employed on a broader scale than is the case currently; and

(5) An assessment of the effectiveness of joint Department of Defense-Environmental Protection Agency efforts to identify and reduce or eliminate regulatory barriers to the use of performance-based contracts or other outcome-oriented approaches to environmental cleanup.

The committee anticipates that the results of this report will permit a determination about the true potential of performance-based contracts to become a widely employed technique by which cleanup of contaminated sites may be accelerated at lower cost to the government than present contracting practices permit.

INTELLIGENCE MATTERS

Budget Justification Materials

The Congressional Budget Justification Books (CBJBs) for the National Foreign Intelligence Program (NFIP) and the Congressional Justification Books (CJBs), for the Joint Military Intelligence Program (JMIP) and Tactical Intelligence and Related Activities (TIARA) represent the official documentation provided yearly by the intelligence Community Management Staff (CMS) and the Department of Defense to the Congress on the President's intelligence budget request. These documents provide the official budget numbers, by program, with which Congress evaluates the President's proposed intelligence program and renders decisions on individual programs and policy matters.

However, the committee is concerned that the current budget documents lack several critical components necessary for the Congress to ensure the proper alignment of funding within the funding appropriations categories. Clear identification of each project; its specific budget request numbers; the appropriation category (e.g.

Other Procurement, Defense-wide; RDT&E, Navy; etc.); the budget request line number, and, if a research and development project, the Program Element number is essential to this task. Further, the committee requires a detailed accounting of all program reprogramming and reallocation actions, where unallocated cuts were taken, identification of total program costs (such as aircraft or spacecraft and associated ground station costs, including system engineering and systems integration costs and operations support). Therefore, the committee directs the CMS and the Department to provide this specific data in all future budget justification documents.

Finally, the committee is also concerned that past and current budget justification documents have not consistently shown all direct and associated funds requests for intelligence programs. Research and development costs in the Defense Cryptologic Program, for example, are not identified specifically with the programs that are the direct beneficiaries. Also, operations and maintenance costs are often carried in a service's total obligation authority and not specifically identified in the CJBs. The committee cannot fully understand the magnitude of budgetary actions without fully and clearly understanding all the costs of a program.

Therefore, the committee directs that in future CJBs and CJBs all direct and associated costs, in each budgetary category (e.g. procurement, research and development, operations and maintenance, military construction, etc.), be clearly and completely provided in each program request.

Command and Control, Communications, Computers and Intelligence Integrated Architecture Plan

The budget request contained \$3.6 million for the Command and Control, Communications, Computers and Intelligence (C4I) Integrated Architecture Plan (CIAP).

CIAP provides the Commanders in Chief (CINCs) in-depth analysis of region-centric intelligence issues resulting in regional intelligence support plans, resource programming and operational architecture designs. The committee has been very supportive of this effort, and is concerned that it is once again underfunded jeopardizing the completion of CIAP plans for several of the regional CINCs. The committee believes these plans provide a unique analytical basis for future intelligence decisions, and that intelligence funding will be most effectively programmed and expended with such analysis.

Therefore, the committee recommends a total of \$9.3 million for the CIAP efforts, an increase of \$5.7 million.

Defense Space Reconnaissance Program (DSRP)

The committee believes there is no longer a need to maintain the (DSRP), a program within the Joint Military Intelligence Program (JMIP). The Defense Support Program Office (DSPO), operated by DSRP funds, was established to provide an overt coordination mechanism for providing National Reconnaissance Office (NRO) system capabilities to military users. Since the NRO is now declassified, the committee believes that there is no longer a need to maintain this special DSRP liaison function.

Therefore, the committee directs that, effective October 1, 1998, the DSRP be abolished, and all funds properly apportioned to the services, defense agencies and the NRO. The committee further directs that, no later than February 1, 1998, the Assistant Secretary of Defense (Command & Control, Communications, Computers, and Intelligence) and the Director, NRO provide the defense and intelligence authorizing committees a joint plan, including the transfer of funding, for transitioning the functions of the DSPO and the DSRP.

Foreign Instrumentation Intelligence

The budget request contained no funding or personnel billets in the Joint Military Intelligence Program (JMIP) for Foreign Instrumentation Intelligence (FISINT) analysis.

The committee is concerned about the significant reduction in the number of weapons-specific FISINT analysts. While some decline in this capability may have been justified following a decline in Russian missile test activities, it is not consistent with the corresponding increase in missile developments and testing by other nations. Numerous countries that did not retain such weapons capabilities during the bi-polar Cold War era are now able to obtain or indigenously develop high technology missiles and components. Many of these weapons could be used to threaten U.S. and allied forces. The committee is convinced that weapons FISINT analyst levels have dropped too far as important analysis of weapons systems have been postponed, and gaps in U.S. understanding of new weapon systems are widening.

Therefore, the committee recommends that of the positions realized as result of the abolishment of the Defense Airborne Reconnaissance Office elsewhere in this report, ten military personnel and five civilian personnel should be made available to the Director, Defense Intelligence Agency, under his authorities as the Defense General Intelligence Applications Program Coordinator, to rebuild weapons FISINT analysis capabilities. The Director, DIA will allocate these billets to the National Security Agency, the National Aerospace Intelligence Center, the Missiles and Space Intelligence Center, and the Office of Naval Intelligence as required.

Imagery and Geospatial System Production

The budget request contained \$541.8 million for continued operations of National Imagery and Mapping Agency's (NIMA) Geospatial System Production and Customer support.

The Director of NIMA has officially stated that, because of the large operations and maintenance cost of older production equipment, the Agency will completely phase out the legacy Digital Production System (DPS) by the year 2000. Although the overall NIMA operations and maintenance budget decreases slightly in fiscal year 1998, very little of this decrease is due to a reduction in legacy system funding. The committee notes that migration away from DPS began in fiscal year 1997, and a more significant decline in funding should result in fiscal year 1998.

Therefore, the Committee recommends \$501.4 million for this activity, a decrease of \$40.0 million.

Intelligence System Interoperability

The budget request contained \$196.6 million for Command and Control, Communications, Computer Intelligence (C4I) support system development and interoperability, and for establishing a virtual intelligence analysis environment. The systems identified within this request are contained within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP) and the Tactical Intelligence and Related Activities (TIARA) aggregation, and include the following programs:

- (1) Joint Intelligence Virtual Architecture;
- (2) Joint Deployable Intelligence Support System (JDISS)
- (3) All Source Analysis System (ASAS);
- (4) Joint Maritime Communications Information System (JMCIS);
- (5) Combat Intelligence System (CIS);
- (6) Analysis System (IAS); and
- (7) JDISS-Special Operations Command Research, Analysis, and Threat Evaluation System (SOCRATES).

The committee supports the Department's efforts to provide an interoperable intelligence dissemination architecture and a "virtual" analytical environment with which analysts world-wide can collaborate. However, the committee believes the various projects reflected in the President's request do not have the necessary direction and control to require the sharing of developments and to ensure that duplication of effort is minimized, as demonstrated by a review of the budget justification documents.

Further, the committee believes that the systems stated above can be broken down into the basic components of 1) a high powered workstation with communications; 2) an operating environment that, by direction of the Assistant Secretary of Defense (C3I) must be Defense Intelligence Infrastructure (FII) and Common Operating Environment (COE) compliant; and 3) a set of applications software. While the common stated goal of the above systems is to provide support to analysts and operators, the program managers of these systems rarely, if ever, work together to achieve common goals by sharing ideas and developments.

Therefore, the committee is convinced of the need to establish a management focal point within the Department that would involve includes representation from each of the service and agency system program offices. The mission for this organization would be to provide oversight, integration, and development of collaborative applications for the associated C4I systems. The function of this organization should not be to dictate specific service or agency hardware solutions or unique software applications, but to provide for the development of common applications, act as a conduit for sharing analytical ideas and processes, and to ensure world-wide interoperability via standards. The committee does not support the concept of centralizing funding for these efforts, since these systems are the responsibilities of the various services and agencies.

Therefore, the committee directs that no more than 50 percent of the funds authorized for the above systems be obligated or expended, until the Assistant Secretary of Defense (C3I) provides the defense and intelligence authorizing committees with a plan for

creating a management focal point within the Department with a charter encompassing the goals outlined.

Interferometric Synthetic Aperture Radar

The budget request contained \$23.2 million to continue development of the Interferometric Synthetic Aperture Radar (IFSAR) mission to collect Digital Terrain Elevation Data (DTED) level 2 information. The IFSAR mission is scheduled to fly on the Space Shuttle in the 2000 timeframe. The IFSAR mission itself will cost \$163.3 million, with \$98.4 million for follow-on analysis.

The committee continues to believe that there are other, more cost-effective alternatives to the IFSAR mission for collecting DTED level 2 data. One such alternative appears to be an algorithm developed by commercial industry that allows DTED level 2 data to be derived from the European Resource Satellites (ERS-1 and -2). The Canadian RADARSAT also appears to be able to satisfy this requirement. Additionally, new processes for aircraft with SAR capabilities hold great potential. Therefore, the committee recommends cancellation of the IFSAR mission and a corresponding reduction of \$23.2 million in the National Imagery and Mapping Agency budget.

Joint Planning and Program Review

The budget request contained \$6.6 million for Defense Intelligence Agency (DIA) general support to the defense community. This request included funding for moving DIA elements within the Pentagon and to leased space due to anti-terrorism and force protection direction from the Office of the Secretary of Defense.

The committee supports new DIA efforts, within this project, to provide intelligence assessments, intelligence inputs to Defense Planning Guidance, and other intelligence support functions. The committee hopes that these efforts are indeed having an impact on defense planning and programming. The committee further notes that the budget justification materials assert that these DIA assessments have "determined shortfalls in current high-cost reconnaissance and surveillance programs and identified/prioritized specific near-term solutions, which resulted in great savings across Future Year Defense Plan (FYDP)." Therefore, the committee requests that the Director of DIA provide the defense and intelligence committees a report on these assessments before the fiscal year 1998 conference.

Further, the Committee does not believe there is adequate justification in the request for a 35 percent increase in funding for moving personnel. Therefore, the committee recommends a limitation on the obligation of \$2.0 million of the request until the Department provides the committee with a detailed explanation and rationale for the increased costs incurred by the DIA for these forced moves.

National Imagery and Mapping Agency Civilian Personnel

The budget request contained \$680.3 million for running the National Imagery and Mapping Agency's (NIMA) mapping and

geospatial information operations, including funding for 6,389 civilian personnel positions.

The Director of NIMA has stated that NIMA's Digital Production System (DPS) will no longer be operational by the year 2000, and that NIMA's primary role in mapping will evolve to that of maintaining information databases instead of producing imagery and other intelligence products. If realized, this approach should result in a greater decline in required personnel over the current mandatory downsizing reductions, since the majority of NIMA personnel currently support the development of intelligence products. The committee supports the effort to move away from DPS, however, the committee believes that NIMA has failed to properly take into account the effect this plan will have on personnel levels. Therefore, the committee recommends a decrease of \$15.0 million in civilian personnel funds to accelerate the downsizing of NIMA's personnel consistent with the DPS phase out.

Further, personnel costs account for more than half of NIMA's operations and maintenance request and consequently, more than half of its budget. The committee believes that NIMA must drastically reduce its workforce and become more efficient if it is to be able to fulfill its mission in the information age. Therefore, the committee directs the Director of NIMA to submit a personnel plan to the Congressional defense and intelligence committees containing a forecast of the required personnel levels over the Future Years Defense Program given NIMA's new direction in the geospatial arena. This plan should include an assessment of the types of skills required in the future versus what NIMA now possesses, a breakdown per year of the types of personnel positions that shows how NIMA's demographics will change as the agency moves to its required skill mix, an assessment of whether cartographer personnel slots can be transformed into imagery analyst slots and the potential for retraining cartographers into imagery analysts, and an assessment of the challenges and obstacles facing the agency in achieving the necessary personnel reductions, including suggested remedies for such obstacles. The committee requests that an interim plan be submitted by August 1, 1997, with a final plan to be provided by December 1, 1997.

National Imagery and Mapping Agency Mission Support

The budget request contained \$147.6 million for National Imagery and Mapping Agency (NIMA) facilities management.

As NIMA consolidates facilities, the committee expects to see a marked decline in mission support costs. Such a decline is not apparent in the budget request justification materials. Therefore, the committee recommends a decrease of \$10.0 million. Further, the committee requests that the Director of NIMA submit a facilities plan that lays out locations and functions of all current facilities, and describes NIMA's strategy to consolidate and reduce its facility holdings. The committee requests that an interim plan be submitted by August 1, 1997, with a final plan to be provided by December 1, 1997.

Tactical Unmanned Aerial Vehicle (UAV)

The budget request contained \$2.2 million in the Army Operations and Maintenance account for continued operation of one-to-two Hunter UAV systems currently owned by the U.S. Army. This request was not, however, reflected in the Army's Tactical Intelligence and Related Activities (TIARA) request.

The committee understands that the Army is operating at least 2 full Hunter systems and has recently sent a partial system to the Navy. The remaining systems are in storage. With the cancellation of Hunter procurement, the cancellation of the Maneuver UAV, and the delay in the Outrider Advanced Concept Technology Demonstration, the committee is concerned with the need to satisfy near-term Army tactical UAV requirements. The committee believes the best short-term solution is for the Army to operate the systems it currently owns. Therefore, the committee recommends an additional \$10 million in the Army's Tactical Intelligence and Related Applications aggregation for operation of additional Hunter UAVs to satisfy Army tactical reconnaissance requirements and to refine tactical UAV operational procedures. The committee does not authorize additional or attrition Hunter air vehicle purchases, nor does it authorize technical improvements to the air vehicle or its electronic systems. Finally the committee notes that this is a Congressional interest item and directs that the Army receive prior defense and intelligence committee approval before redistributing these funds for any purpose other than that authorized above.

Tactical Information Program

The budget request contained \$5.2 million in Operations and Maintenance, Air Force, partly for operation of the Integrated Broadcast Service (IBS) executive agency by the Air Intelligence Agency (AIA).

The committee believes the budget request does not adequately fund the increased operational demands levied on AIA as a result of the decision by the Assistant Secretary of Defense (C3I) to direct the Air Force to manage the development of the IBS data broadcast program. Therefore, the committee recommends an increase of \$4.0 million for this purpose. Elsewhere in this report, the committee recommends a reduction of \$3.0 million from PE 0304111F, R-169 and \$1 million from Other Procurement, Air Force, line 113, as an offset for this increase.

Tactical Support

The budget request contained \$9.9 for continued support to the Tactical Exploitation of National Capabilities (TENCAP) programs, to provide management support to intelligence processes, and for funding contingency operations for Operation Southern Watch.

Elsewhere in this report, the committee has recommended reductions to the TENCAP programs, as it believes the utilization of space has become more commonplace, and therefore requires less specialized management support. Additionally, the committee does not believe a funding increase for Operation Southern Watch is justified.

Therefore, the committee recommends \$8.7 million for this effort, a reduction of \$1.2 million.

MORALE, WELFARE, AND RECREATION ISSUES

Deferred Payment Programs of Military Exchanges

Section 337 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) required the Secretary of Defense to seek to enter into an agreement with a commercial banking institution under which such institution would finance and operate the deferred payment programs of the Army and Air Force Exchange Service (AAFES) and the Navy Exchange Command (NEXCOM). That section further required the use of competitive procedures in the awarding of a contract for the financing and operation of these deferred payment programs. To date, no request for proposals has been published in the Commerce Business Daily or otherwise been made public, due in large part to the complexities of combining the debt and servicing aspects of two separate deferred payment programs into requirements for a single solicitation. Therefore, the committee directs the Secretary of Defense to consider entering into separate agreements with commercial financial institutions for the existing AAFES and NEXCOM deferred payment programs. If no request for proposals for the financing and operation of AAFES' and NEXCOM's combined deferred payment programs is issued by July 1, 1997, the Secretary is directed to issue a separate requests for proposals for the financing and operation of AAFES' and NEXCOM's separate deferred payment programs. The Secretary of Defense is further directed to submit a report to the congressional defense committees, no later than December 31, 1997, on the status of the request(s) for proposals, including the anticipated date for award of the contract(s) and an assessment of the cost savings to the government or increased revenues likely to be generated for the military exchange systems as a result of commercial financing and operation of deferred payment programs.

MWR Reimbursement from Closure of Foreign Military Installations

The 1988 Base Realignment and Closure Act (title II of the Defense Authorization Amendments and Base Closure and Realignment Act, Public Law 100-526) and the 1990 Base Realignment and Closure Act (title XXIX of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510) contemplate the transfer of formerly used American military installations overseas back to the host country once the need for our use of such bases has ceased. In cases where these installations are closed and transferred to the host country for reuse, the Department of Defense frequently receives reimbursement from the host foreign country for improvements made to the installation. Current law requires that that portion of the proceeds paid to the Department of Defense attributable to improvements to the installation made with commissary funds or nonappropriated funds must be deposited into a Treasury account established for the purpose of acquiring, con-

structuring and improving commissaries and facilities for nonappropriated fund instrumentalities.

Recent testimony before the committee suggests that, despite the requirements of the law, funds paid to the Department of Defense upon the closure and transfer to the host country of foreign military installations are not being deposited into the Treasury account or are otherwise not being made available for use by commissaries and nonappropriated fund instrumentalities. Therefore, the committee directs the Secretary of Defense to submit a report to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, no later than December 31, 1997, explaining in detail the following:

(1) The number of foreign installations closed within the last five calendar years (1992 to the present) in which the United States Government and/or the Department of Defense received financial or in kind payment from the host country for or in connection with improvements made to the property by the United States;

(2) The total dollar value of payments made to the United States and/or the Department of Defense, and the fair market value of any in kind contributions from foreign countries to the United States and/or the Department of Defense, for or in connection with improvements made to military installations transferred back to the host country;

(3) The total amount equal to the depreciated value of the investment made on such military installations with commissary and nonappropriated funds;

(4) The total amount deposited annually for the last five calendar years into the Treasury account established for the benefit of commissaries and nonappropriated fund activities; and

(5) The total amount of funds spent from that account for commissary and nonappropriated fund instrumentality projects, and a description of the projects for which such funds were expended.

The committee anticipates that the data provided in this report will establish whether remedial legislation is required in order to secure full compliance with the law.

Pentagon Concessions Committee Activities

The committee is concerned that there are nonappropriated fund activities of the Department of Defense that operate without adequate congressional oversight and coordination. In particular, certain of the nonappropriated fund activities conducted at the Pentagon Reservation pursuant to authorization from the Department of Defense's Concessions Committee appear to be at odds with congressional guidance issued in the past. Although the activities conducted under the auspices of the Concessions Committee began in 1943 with a \$325,000 start-up loan from the Army Exchange Service (now the Army and Air Force Exchange Service (AAFES)), these activities generated sales in excess of \$27 million in fiscal year 1996. Evidence received by the committee suggests that oversight of these activities by the Director, Administration and Management, Office of the Secretary of Defense, has not been sufficient to ensure consonance with congressional resale policy guidance.

Given the annual sales volume of these activities, better management oversight may have the potential to yield increased dividends to MWR programs and an enhanced MWR benefit for service members. Therefore, the committee directs the Comptroller General to perform a comprehensive review of all Concessions Committee operations. The review should include a detailed financial and management audit, including an assessment of procurement practices and policies. In addition, a breakout of the source and amount of appropriated funds provided in support of these activities should be included. The review should also include an evaluation of the relationship between sales, revenues, and the size of the dividend to morale, welfare and recreation activities from Concession Committee activities. An assessment also should be made of whether Pentagon Reservation concession activities should be included within the Department's on-going exchange integration study and whether Concession Committee activities should be formally subsumed within and subordinated to AAFES or one of the other exchange systems. The Comptroller General is directed to provide a report resulting from the foregoing review to the congressional defense committees no later than March 1, 1998.

Report on Black Marketing of Beer in Korea

The committee is aware that black marketing of American made products sold at commissaries, exchanges and other resale facilities in Korea remains a serious problem. Military commanders have a duty to try to eliminate illegal activity, and the committee strongly supports such efforts. However, at the same time, command efforts to restrict opportunities for black marketing by reducing the number of points of sale for products like beer that have been the subject of black marketing have the effect of reducing earnings generated by resale activities. Reduced earnings in turn result in a smaller dividend paid in support of local morale, welfare and recreation (MWR) programs. Therefore, the committee directs the Secretary of the Army to submit a report to Congress, no later than December 31, 1997, explaining specifically what action has been taken to limit black marketing of beer at Army installations in Korea and the reasons therefor, and how the Army intends to ensure funding continuity for MWR programs in Korea despite a decreased MWR program dividend because of reduced local beer sales. The report should include an explanation of changes in the amount of appropriated and nonappropriated fund support in order to ensure provision of the same level of benefit for MWR programs in Korea.

Report on Tobacco Sales at Commissaries

In November 1996, the Department of Defense required the Defense Commissary Agency (DECA) to sell tobacco products at commissaries at the same price charged at military exchanges. The committee is concerned that the Department of Defense's strategy to generate revenue through the sale of tobacco products at increased prices at commissaries may not be working as planned. Preliminary data suggest that tobacco product sales at commissaries are down significantly for the first four months of fiscal

year 1997. Moreover, grocery volume and total sales at commissaries are down, although not as much, for the same period.

Therefore, the committee directs the Secretary of Defense to submit a report to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate detailing the effect upon tobacco sales volume and revenue from the decision to raise prices at commissaries. The report should include a comparative analysis of tobacco sales from the time tobacco prices were raised through the end of fiscal year 1997 with tobacco sales figures from the two preceding fiscal years. The report should also include a detailed explanation of the use to which the revenue from tobacco sales at commissaries is being put. This explanation should indicate how much revenue is being allocated as increased dividends for MWR activities and what use has been made of the remaining revenue, as well as the amount of any handling charge allocated to DECA. Finally, the report should include a recommendation whether DECA should receive some percentage of the proceeds from tobacco sales at commissaries as a way to improve DECA's financial situation. The report should be submitted no later than February 1, 1998.

Uniform Health Benefit Program for Nonappropriated Fund Employees

Section 349 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) required the Department of Defense, by not later than October 1, 1995, to take such steps as necessary to provide a uniform health benefits program for its nonappropriated fund employees. By letter dated April 2, 1997, the Department notified Congress of its preliminary determination to adopt the health benefits plan currently provided by the Army and Air Force Exchange Service (AAFES) as the uniform health benefit plan for all nonappropriated fund employees. The committee is concerned, however, that the Department does not intend to subject the initial contract for the uniform plan to a competitive bidding process. Although the AAFES plan is fully funded and the most generous of the health benefit plans presently being offered by nonappropriated fund instrumentalities within the Department of Defense, companies other than the one administering the AAFES plan may be able to provide the same level of benefit at a lower cost than is charged for coverage under the AAFES plan. Therefore, the committee directs the Secretary of Defense to initiate a competitive bidding process for the contract to provide uniform health benefits for nonappropriated fund employees.

Defense Commissary Agency Produce Purchasing

The Defense Commissary Agency (DECA) has historically purchased its produce for sale in commissaries, as well as for installation mess halls and other dining facilities, from local produce growers. However, a recent study conducted by the Hay Group for DECA suggests that DECA could achieve considerable annual savings in its produce purchasing by buying produce from a "prime vendor" or single, large produce seller that has the facilities and capability to sell DECA produce and service all installations within

a given region. The committee is concerned that a decision by DECA to purchase its produce from a large regional produce vendor might have undesirable consequences. Service members might not receive the freshest, locally grown produce. Produce is a perishable commodity, and produce that must be shipped distances to localities may begin to decay. Moreover, large produce vendors may not have the same quality standards or service ethic as local produce growers. In short, produce quality, freshness and variety may decline under a prime vendor arrangement. Therefore, the committee directs the Secretary of Defense to submit a report to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate explaining the financial considerations associated with a decision to undertake a prime vendor contract for the purchase of produce, and the advantages and disadvantages in terms of delivery logistics, produce quality, freshness and selection associated with such a change in practice. The report should also detail the effect of the change to a prime vendor arrangement upon small, local produce growers and businesses and should explain how DECA intends to take into account the interests of these concerns should it go forward with a prime vendor contract. The report should be submitted no later than October 31, 1997, and DECA may not award any so called "prime vendor" contract for the purchase of produce for commissaries and installation dining facilities until at least 90 days after the report has been submitted to Congress.

OTHER ISSUES

Army After Next

The committee notes with interest the success of the initial efforts of the Army's "Army After Next" program. With the support of the committee in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), the Army was able to conduct several highly productive wargaming exercises aimed at determining the future strategic environment for the employment of land forces and the technologies, operational concepts and military organizations that may be required. The committee welcomes the support for this important and cost-effective program that has been expressed by the Secretary of Defense and Chief of Staff of the Army, and encourages the other military services to undertake similar efforts.

At the same time, the committee remains concerned about the direction of the Army's future modernization and innovation efforts, which at the least remain hamstrung by inadequate budgets. The process of fielding the next-generation "Force XXI" Army will not be complete within the active Army until well after the year 2020. And one lesson apparent from the successful Force XXI exercises at the National Training Center is the need to move more rapidly not merely to digitize current land systems but to develop more lethal, mobile and deployable systems for the future.

Therefore, the committee directs that, of the amounts authorized for Operations and Maintenance, Army, Force-Related Training, Special Activities under Budget Activity 3, \$7.0 million be made available to conduct further analysis for the "Army After Next" pro-

gram. The committee also recommends that the Army establish a stable funding profile for the program. In addition to allowing United States Army Training and Doctrine Command to investigate the possibilities of more radical change, both in strategic and operational requirements for land combat, than envisioned under the Force XXI, the program provides an important hedge should Force XXI funding be reduced due to overall defense budget shortfalls. The committee continues to consider the small amount of funding required to conduct "Army After Next" analysis as a wise investment to ensure the Army's modernization program is responsive to future threats.

Army Aviation Training

The committee is concerned that currently, there are approximately 700 Army aviation pilots that were given initial pilot training on the Army's older aircraft systems and have now been assigned to units that operate only updated aircraft systems. As these pilots are not trained on the new aircraft systems, and the receiving units do not have the training funds to upgrade these individuals, the Army is unable to fully utilize these personnel. Therefore, the committee recommends an increase of \$14.0 million to the Army's operation and maintenance account to support the Army's training plan to alleviate the excess number of "non-modernized aviators." This funding will greatly increase combat readiness by providing the Army highly trained aviators in the newer modernized aircraft systems.

Army Civilian Personnel Management

A recent General Accounting Office (GAO) report entitled "Army Force Structure" (NSIAD-97-66), determined that the Army is unable to ensure that its personnel are being used efficiently or even assess what risks would be assumed by eliminating civilian positions due to the weakness in its institutional force requirements process. This weakness has also been identified by the Army Audit Agency. GAO considers this problem to be sufficiently significant that it has recommended its designation as a "material weakness" under the Federal Manager's Financial Integrity Act, which would require the Army to develop a corrective action plan with milestones for completion.

The committee is similarly concerned that current Army downsizing and reductions-in-force are not based upon prioritized workload based staffing requirements. Therefore, the committee directs the Secretary of the Army to provide a report to the House Committee on National Security and the Senate Committee on Armed Services not later than March 31, 1998, on efforts to correct the Army's weakness in its force requirements determination process. The committee also recommends that the Army Materiel Command automated workload management system demonstration project be completed by January 1, 1998 and the results included in the above report.

Army Depot Maintenance Funding

The committee is alarmed by the declining trend in funding for depot-level maintenance and repair within the Department of the Army. The Army funded 79 percent of total depot maintenance and repair requirements in fiscal year 1996, 65 percent in fiscal year 1997, and the budget request for fiscal year 1998 allows for only 58 percent of requirements. The committee believes this declining trend is unacceptable, and if continued, could seriously affect the readiness of the Army's combat weapons systems.

Therefore, the committee directs the Secretary of the Army to provide to the Congressional defense committees by December 1, 1997, a report explaining how the Army plans to reverse the declining trend in funding for depot-level maintenance and repair, and an assessment of the readiness implications of funding this account at less than 80 percent of requirements.

Automatic Document Conversion Technology

The committee believes that there is the potential for significant savings from automatic document conversion software for use in weapons systems engineering drawing digitization, and that the department should increase its efforts to digitize all weapons engineering drawings by the year 2000. Therefore, the committee recommends the addition of \$10.0 million for engineering drawings and document storage and retrieval to be directly managed by the Defense Logistics Agency. The committee directs that not less than one half of these funds must be used toward development of a systems solution for document conversion, studies, analysis and integration.

Budget Justification Materials

The committee continues to be concerned with receiving the Department of Defense budget justification materials being received in a timely or useful manner to support Congressional oversight and decision-making. The justification materials, particularly for the operation and maintenance accounts, are currently provided to the Congress late in the committee's review process, often precluding the ability to conduct thorough and in depth analysis of the President's budget request. Although an extensive amount of material is eventually provided, much of it is in formats that conflict between the individual services making it difficult to assess trends in similar functions. As an example, the data concerning depot maintenance for the Air Force is located in a different budget activity than found in the Army or the Navy. The complexity of the multiple displays of budget information also makes locating information on a specific subject difficult and time consuming. In particular, details on the allocation of outsourcing and efficiency savings are either not provided or scattered throughout several tables.

Therefore, the committee directs the Secretary of Defense to convene a working group, consisting of representatives of the military departments and the appropriate defense agencies, to develop a single Department of Defensewide standard formulation for the display of budget justification materials provided to Congress. The committee urges this working group to consider eliminating repet-

itive and redundant budget displays and directs that budget justification materials provided to support the fiscal year 1999 budget request confirm to the maximum extent practicable with a new department-wide standardized format.

Computer Crimes and Information Technology Security

Although highlighted in the Quadrennial Defense Review, the committee is concerned by the modest support from the Department of Defense (DOD) leadership for improving information security for non-classified systems. The committee is aware that in response to concerns raised in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), several computer investigations training, computer forensics laboratory, and hardware and software improvement programs are under development. To ensure consistency of such training and system improvements throughout DOD and build on the efforts of the Air Force and Navy, the committee directs the Secretary of Defense to establish a standard training program, open to participation by members of all relevant programs in the military departments and defense agencies. This standard program should provide the necessary training, forensic laboratory, and hardware and software support to strengthen DOD's capabilities to identify, respond, and protect information system vulnerabilities. The committee recommends that of the funds authorized for Operations and Maintenance for fiscal year 1998, \$9.8 million should be made available to support these programs.

Contractor Operated Civil Engineering Supply Stores

The committee continues to be concerned with actions taken by the Department of the Air Force concerning the operation of Contractor Operated Civil Engineering Supply Stores (COCESS). As mentioned in the committee report on H.R. 3230, the Fiscal Year 1997 Defense Authorization bill (H. Rep. 104-563), the committee believes that COCESS is an important centralized supply store function located on military installations to provide off-the-shelf parts and supplies, similar to the commercial equivalent of a hardware store. At a time when there is a great emphasis on outsourcing the supply and service functions that are not inherently governmental, the committee supports current efforts to consider the desirability of contracting out base engineering supply stores.

The committee is aware of recent efforts to change the existing COCESS contracts on several Air Force installations that would include the COCESS functions in larger, multi-service, installation-wide service contracts. The committee believes that such efforts to combine existing functions that are already performed by the private sector (such as COCESS) may not be in the best interest of the government and could result in the exclusion of small businesses in these areas.

Therefore, the committee directs the Secretary of the Air Force to not combine COCESS functions with other service functions when considering multi-function service contracts until a thorough analysis is conducted, including an economic analysis, assessing

the merits of combining these services to increase efficiencies at Air Force installations. Further, the committee directs the Secretary of the Air Force to not change the current operation of any COCESS, or to permit any combinations of supply and services functions in upcoming procurements, that would violate or circumvent the tenants of any current COCESS contractual agreement.

Department of Defense Next Generation Weather Radar-Doppler

The committee believes that the Department of Defense (DOD) Next Generation Weather Radar-Doppler (NEXRAD) weather radars are an integral part of the National Weather Service (NWS) weather radar coverage system, and that steps need to be taken to ensure that DOD NEXRADs function as fully committed elements of the national weather radar network at the same standards, quality, and availability as NWS operated NEXRADs. The committee recognizes the importance of fully operational NEXRADs for NWS forecasters to accurately monitor, forecast, and issue severe weather warnings.

Therefore, the committee urges the Secretary of Defense to consider increasing local stocks of NEXRAD spare parts to correspond with both the types and quantity of NWS spare part requirements provide additional common support equipment to be used during maintenance processes to test and repair NEXRAD systems provide additional operator training to correspond to NWS training requirements and establish a NEXRAD mobile maintenance system. In addition, the committee recommends that the Secretary of Defense, in consultation with the Administrator of the National Oceanic and Atmospheric Administration, consider the relocation of radar product generators for all NEXRADs from the field locations to the locations of the unit control positions. The committee believes that these recommendations will provide the same operational standards for DOD NEXRADs as the NWS operated NEXRADs.

In addition, the committee recommends that the Secretary of Defense enlist the National Research Council of the National Academy of Sciences to conduct a comprehensive study of DOD NEXRADs to compare availability and performance as compared to NWS NEXRADs, and to include the feasibility and benefits of transferring all DOD NEXRADs to the Department of Commerce.

Emergency Communications Services for Members of the Armed Forces and Their Families

The committee notes that, as of the end of fiscal year 1997, the Department of Defense (DOD) will no longer provide direct financial assistance to the American Red Cross for the delivery of emergency communications services. The committee believes that the emergency communications services provided to the DOD by the American Red Cross are very important to military readiness and to the quality of life for military service members and their families. Therefore, the committee urges the DOD to make every effort in maintaining its long standing, close relationship with the American Red Cross and is pleased that DOD and the American Red Cross are currently engaged in discussions that are intended to

lead to the continued delivery of emergency communications services for the armed forces.

Flying Hour Shortfalls

The committee is alarmed by recent reports of significant shortfalls in the Navy and Air Force flying hour programs. The committee has learned that during fiscal year 1997, the Navy is reporting a funding deficit of \$107.0 million and the Air Force reports a deficit of \$171.0 million in their flying hour programs. Compounding this problem, and adding to the committee's concerns, is that fact that the Secretary of Defense recently informed the committee that the budget request for fiscal year 1998 underfunds the Navy flying hour program by \$350.0 million and the Air Force program by \$200.0 million. The committee finds these trends unacceptable and believes they raise serious questions about the validity of the services budget formulation process for these programs.

The military services have explained to the committee that a significant portion of the shortfalls result from unanticipated higher costs for aircraft parts, failures in revised repair initiatives, and errors in the calculation of their requirements. As an example, the Navy estimate for aircraft repair parts in the fiscal year 1997 budget request was 25 percent below the actual costs experienced to date. The Air Force reported that F-15C/D aircraft are experiencing a 50 percent increase in engine changes. In addition, when the Air Force changed the source of repair for F-15E engines, they failed to include relevant costs in their fiscal year 1997 budget request. Both of the services report that repair parts usage is greatly exceeding program expectations due to aging of their aircraft. The committee believes that anticipating aging aircraft repair parts requirements and providing the necessary internal management for one of the services' most important combat programs should be a top priority for the Secretary of the Navy and the Secretary of the Air Force.

As mentioned elsewhere in this report, the committee understands that the services, and particularly fighter aviation units, are working harder than ever before. This is not a new phenomenon, as these units have been stressed for the last several years. From interviews with aviation personnel and testimony before the committee, the committee understands that flying units are extensively using "work arounds" to solve the problems of aircraft breakdowns and parts shortages. The committee has also heard reports of maintenance personnel working long hours to take parts from one aircraft to place on another just to meet operational requirements. The committee does not understand how the service budgeting systems did not recognize and compensate for the impact of the extremely high aircraft operational rates in the past two years.

As these budgeting errors have only recently come to light, and at a time when overall funding is being strictly rationed to identified needs, the committee fears that any funds provided to overcome these shortfalls may not address the true underlying problem. Therefore, the committee directs the Secretary of the Navy and the Secretary of the Air Force to conduct a comprehensive review of its current and future years active and reserve component flying hour programs and provide to the Congressional defense committees by

December 1, 1997, a report outlining actions taken to correct these budgeting errors.

Impending Change in Air Force Supply Management Activity Group

The committee understands that the Air Force is planning to combine its three wholesale supply support divisions into one division and implement a new way of computing the surcharge associated with the purchase, warehousing, handling, and management of repair parts. A major impact of this change will be to revise the manner in which parts surcharges are computed and applied. The new procedures provide that condemnations and the associated replenishment spare purchases will be charged to the items within the appropriate commodity group rather than being spread over all items. The committee is concerned that while this change may better align costs with end items, no preplanning has occurred with the depot maintenance business activity group and that items having high condemnations, such as engines, will have a significant cost growth. While the cost impact of this change is not known at this time, sales prices have already been set for fiscal year 1998 with the depot maintenance customers. Any increases in costs will result in losses to the depot maintenance activity group. Those losses will drive outyear price increases to recoup the loss. The committee believes this change should be postponed until fiscal year 1999 to allow time for determining the appropriate cost impact and adjusting the sales prices to recover the costs of this change.

Logistics Augmentation Programs

The Department of the Army's Logistics Civil Augmentation Program (LOGCAP) uses a civilian contractor to provide logistics and engineering services to deployed forces. LOGCAP is used to provide much of the support to U.S. troops deployed in support of the Bosnia peacekeeping mission and was also used extensively to support operations in Somalia, Rwanda, Haiti, Saudi Arabia, Kuwait, and Italy. The General Accounting Office (GAO) in a report issued this year entitled, *Contingency Operations, Opportunities to Improve Use of Contractor Support Services (GAO/NSIAD-97-63)*, stated that both the Air Force and the Navy have previously relied on the Army's LOGCAP for support during deployment operations.

Notwithstanding their successful prior use of the Army's program, the Air Force and the Navy have developed similar contingency support programs. In August 1995, the Navy awarded a contract for a similar program called the Navy Emergency Construction Capabilities Program, and in early 1997, the Air Force awarded a contract for a program called the Air Force Contract Augmentation Program. The committee is concerned about the need for more than one contract for these type of services, particularly as it relates to the potential for duplication of effort and unnecessary expense of separate individual contingency support programs.

In order to determine whether the Department of Defense's need for civilian augmentation support during operations is met most effectively and efficiently through individual programs or some other

means such as one service acting as a single manager for the others, the committee directs the Secretary of Defense to provide a report to the Congressional defense committees by March 1, 1998, that studies the need for individual service contingency support programs. The study should address the cost effectiveness and the command and control implications of having multiple support contractors in a joint command environment, and should specify the reasons, if any, why a single service manager program would be unworkable.

Military Affiliate Radio System

Last year, the committee expressed its support for “the continuation and expanded use by all services” of the Military Affiliate Radio System (MARS). MARS is a low-cost Department of Defense (DOD) sponsored program that provides DOD and the armed forces with an auxiliary and emergency communications capability as an adjunct to normal communications. It also relies on thousands of highly-trained, volunteer radio communications personnel to relay morale and quasi-official communications traffic for the armed forces and U.S. government civilian personnel stationed abroad. The committee reiterates its support for a robust MARS program and notes with concern a decline in the use of the system resulting from the development of advanced communications modes (e.g., satellites). The committee notes that advanced modes of communication may not always be available or cost-effective, and that failing to exploit MARS resources more aggressively could result in the loss of this relatively inexpensive auxiliary communications capability.

In the past, MARS has demonstrated its ability to provide limited emergency communication support to non-DOD federal entities. The committee supports the continuation of such efforts as a way of helping to ensure that a trained and qualified reserve of MARS operators remains available to DOD in the event of a national emergency. To this end, the committee directs the Secretary of Defense to submit a report by December 31, 1997 identifying how DOD is utilizing the MARS system and recommending ways in which it can be expanded. Specifically, the report should:

- (1) Explain DOD oversight of the program, identify how the individual service programs are currently organized and configured, and discuss possible mission expansion, contraction, or adjustments;
- (2) Identify ways to improve the reliability of the MARS system;
- (3) Recommend ways to integrate MARS resources in support of other government agencies, identifying options for interfacing and linking MARS with regular DOD communications resources and with other emergency communications resources and systems;
- (4) Propose ways to better organize, train, and utilize MARS personnel resources;
- (5) Identify necessary adjustments and realignments to the structure, staffing, and grade levels throughout the MARS program;

(6) Provide an estimate of the costs to DOD of obtaining MARS-type services commercially or “in-house” using other active DOD personnel and identify the cost savings to the Department through the use of MARS; and

(7) Identify the level of funding that will be required to institute each of the recommendations.

Mobility Infrastructure Enhancement

To improve deployment and mobility of military forces and supplies through continued investments in en-route infrastructure, the committee recommends an additional \$25.0 million within Operation and Maintenance, Defense-wide, for improvement projects including ammunition loading areas, cargo staging areas, pier and port facilities, rail-heads, aerial port facilities, fuel systems repairs, and identification technology to improve intransit visibility. The committee directs the Secretary of Defense to provide to the Congressional defense committees, prior to the allocation of these funds, a report listing the proposed enhancement projects. The committee urges the Secretary of Defense to seek the views of the Commander in Chief, U.S. Transportation Command, in determining how these funds should be applied.

Non-BRAC Caretaker Costs

The committee notes that the Army’s budget request contained a new program called Non-BRAC (Base Realignment and Closure) Caretaker funding. The committee understands that this program is designed to reduce the maintenance and repair costs for buildings no longer used and are scheduled for demolition. The Army requested \$102.0 million for this program with the intention of using these funds to make safe and “board up” these unneeded buildings. The committee commends the Army for attempting to reduce the cost of unused facilities, but questions the method by which funding for this program was calculated. By using a raw square footage of unused floor space times an amount estimated per foot for the cost of closing up and securing buildings, the committee believes this program to be over funded. Therefore, the committee recommends a reduction of \$51.0 million.

Repair and Maintenance Projects

It has come to the committee’s attention that the military departments are proposing large individual renovation projects to be accomplished with real property maintenance and repair funds. For example, in the fiscal years 1998 and 1999 budget requests, the Navy proposes large, comprehensive renovations of two buildings at the United States Naval Academy at \$31.5 million and \$35.2 million respectively. The committee is concerned that renovation projects of this size unfairly compete with what the committee considers the norm for repair and maintenance projects. In addition, the budget justification materials for these proposals do not provide the level of detail that should be provided for high value, complex projects. The committee does not specifically question the validity of these projects, but feels that projects of this size and complexity should be in the military construction budget request. The commit-

tee also understands that there is a question concerning the definition of a repair and maintenance project versus a military construction project and addresses this issue elsewhere in the report. Therefore the committee recommends, without prejudice, no funds for these two projects and recommends that they be re-submitted in a future military construction budget request.

Renovation of Building for Defense Accounting Service Center

Section 373 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) authorized the Secretary of Defense to transfer operation and maintenance funds to the General Services Administration (GSA) for the renovation of Building One, Fort Benjamin Harrison, Indiana, which is owned by GSA, and is in use by the Defense Finance and Accounting Service. Section 373 also requires that the transfer of funds is contingent on an agreement between the Department of Defense (DOD) and the GSA that provides for the full reimbursement by GSA to DOD for any funds transferred. The committee notes that for fiscal year 1997, \$9.0 million was authorized for this project and the budget request for fiscal year 1998, contained \$45.0 million. The committee is concerned that, to date, an agreement has not been reached between DOD and GSA. In addition, the committee questions whether high value, complex, multi-phase renovation projects should be included in the operation and maintenance budget request and believes that these types of renovations should more properly be included in the military construction budget.

Therefore, absent the required agreement between DOD and GSA, and because of the committee's concerns for using operation and maintenance funding for large, complex renovation projects, the committee recommends, without prejudice, no funds for this renovation project and recommends that after the agreement is finalized, it be re-submitted in a future military construction budget request.

Shatter Resistant Window Film

The committee notes that the majority of the more than 200 serious injuries resulting from the bombing of the Khobar Towers complex in Dhahran, Saudi Arabia on June 25, 1996 were caused by shattered window glass. Many of these injuries could have been avoided if the Air Force had acted on a recommendation of a vulnerability assessment of this complex completed in January of 1996, which recommended that a shatter resistant window film coating be applied to all glass facing the perimeter of the complex.

The committee believes that the Department of Defense should make every effort to complete the application of shatter resistant window film at all appropriate installations to lessen the chances of serious injuries resulting from shattered glass due to hostile actions or from weather related incidents.

Travel Reengineering

The committee has several concerns regarding the Department of Defense (DOD) travel re-engineering study. First, DOD has not complied with section 356 of the National Defense Authorization

Act for Fiscal Year 1996 (Public Law 104–106). Under section 356, the Secretary of Defense was directed to:

- (1) establish pilot studies to evaluate options to improve the DOD travel process at not more than six military installations, and
- (2) one year after the studies begin provide Congress a report on the implementation of and the evaluation criteria used for the pilot studies.

Although the Department conducted travel re-engineering pilot studies, these studies did not comply with section 356. DOD has also not provided a report on the implementation of these pilots. Instead, without providing Congress the opportunity to review the options for re-engineering the Defense travel process, DOD is planning to issue a request for proposal (RFP) for a re-engineered travel system.

The committee is also concerned that the planned RFP links the software development of an automated travel system to travel agent services. This arrangement combines requirements and expertise that are not related or linked in the commercial sector. In addition, this combination potentially prejudices the contracting system against medium-size and small travel agencies, creating a process that restricts fair competition in the travel industry.

Therefore, the committee directs the Secretary of Defense to cease all action on the planned RFP until 30 days after DOD provides to the House Committee on National Security and the Senate Committee on Armed Services:

- (1) The report requested in section 356 of National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106); and
- (2) A report demonstrating that there are no adverse effects from the RFP on small and medium-size travel agencies.

LEGISLATIVE PROVISIONS

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Section 301—Operation and Maintenance Funding

This section would authorize \$92.6 billion in operations and maintenance funding for the Armed Forces and other activities and agencies of the Department of Defense.

Section 302—Working Capital Funds

This section would authorize \$2.3 billion for Working Capital Funds of the Department of Defense.

Section 303—Armed Forces Retirement Home

This section would authorize \$80.0 million from the Armed Forces Retirement Trust Fund for the operation of the Armed Forces Retirement Home, including the U.S. Soldiers' and Airman's Home and the Naval Home.

Section 304—Transfer From National Defense Stockpile Transaction Fund

This section would authorize the Secretary of Defense to transfer not more than \$150.0 million from the amounts received from sales in the National Defense Stockpile Transaction Fund to the operation and maintenance accounts of the military services.

Section 305—Refurbishment and Installation of Air Search Radar

This section would authorize \$6.0 million for the refurbishment and installation of the AN/SPS-48E air search radar for the Ship Self Defense Systems at the Integrated Ship Defense Systems Engineering Center, Walllops Island, Virginia.

Section 306—Refurbishment of M1A1 Tanks

This section would authorize \$35.0 million for the refurbishment of M1A1 tanks at the Anniston Army Depot under the Department of the Army's Abrams Integrated Management XXI (AIM XXI) program if the Secretary of Defense determines that the program is cost effective. The Department of the Army is currently validating the cost effectiveness of the AIM XXI program at the National Training Center, Fort Irwin, California. If this program is successfully validated, the committee expects the Army to provide adequate funding in fiscal year 1999 and beyond to continue the AIM XXI program.

Section 307—Procurement and Electronic Commerce Technical Assistance Program

This section would authorize \$15.0 million for a single program that consolidates the Procurement and Technical Assistance Centers and the Electronic Commerce Resource Centers. The committee recommendation would provide \$15.0 million in addition to the \$18.0 million in prior-year unobligated balances remaining in the ECRC program, for a total of \$33.0 million in available fiscal year 1998 funding.

Section 308—Availability of Funds for Separation Pay for Defense Acquisition Personnel

This section would authorize \$100.0 million to fund separation pay incentives for defense acquisition personnel in the event that a targeted buyout authority is provided to the Secretary of Defense. The committee expects the Secretary of Defense to make these funds available to the military departments, Defense Agencies, and responsible for offering the separation pay incentives.

SUBTITLE B—MILITARY READINESS ISSUES

Overview

Based on testimony provided to the committee and in field interviews with hundreds of military personnel of all ranks and in all services, it is clear to the committee that today's operating motto of "doing more with less" is incompatible with maintaining a highly-motivated, well-trained, quality military force able to execute the

demands of the National Military Strategy. This reality is the result of declining defense budgets, a smaller force structure, fewer personnel and aging equipment laboring under a higher pace of operations.

The committee is concerned about the extent to which the military services must strip people, parts, equipment and funds from non-deployed units to fill shortfalls in deploying units. This shell game leaves non-deployed units ill-prepared to maintain combat skills and increases the burden on those left behind who must work longer and harder to maintain operations at home station.

The committee is very disturbed about the loss of combat proficiency being reported from the military services' training centers. Degraded combat training, driven in large part by funding shortfalls and inadequate time to accomplish needed training at home station due to deployments in support of contingency operations, strikes at our military forces' ability to fight and win high-intensity wars quickly, decisively and with minimum casualties.

Exacerbating the committee's concerns are efforts underway by some of the military services which appear to erode training standards and requirements, as a means to address resource shortfalls and the need to free up funds for modernization priorities. For example, starting in fiscal year 1998, the Army plans to require units scheduled for training at the National Training Center (NTC) to pay for this training out of funds budgeted for home station training. The committee believes that this proposal would result in less home station training for these units which, as noted above, has been identified by the services' training centers as a significant cause of degraded combat proficiency. Further, the Army, in briefings to the committee on this matter, has conceded that starting in fiscal year 1998, units scheduled for training at the NTC will not be as well prepared as in the past. The committee finds this troubling, particularly in light of a statement by Army Chief of Staff, General Dennis Reimer, in a characterization of the NTC as ". . . a cornerstone of our training program, and a cornerstone of our readiness program." Additionally, the NTC has recently begun to reduce NTC live fire exercises by one-third—from three to two. The committee believes that such actions are short-sighted and short-change critical high intensity combat training and diminish the ability of combat units to take full advantage of training at the NTC.

As another example, the committee understands the Marine Corps is currently revising its aviation training program. While the committee recognizes the importance of periodically reviewing training standards and requirements in light of operational considerations, it is concerned that this review may also be driven by the realities of under manning, spare parts shortages and aging aircraft which cannot support the current level of training. The committee believes that when training requirements and standards are changed, the risks associated with such changes should be fully understood and the military services should not redefine or rationalize training standards and requirements as a means of addressing resource shortfalls. The committee urges the Secretary of Defense and secretaries of the military departments to ensure that units

are afforded the resources and time at home station to accomplish critical combat training.

The committee commends efforts to maintain warfighting skills for units deployed to operations other than war, such as the Army's establishment of gunnery ranges in Hungary for units stationed in Bosnia. Notwithstanding the limitations of such efforts, the committee strongly encourages the Department and the military services to maximize combat training opportunities for units deployed in support of operations other than war to minimize the degradation of combat skills and time needed upon redeployment to regain combat proficiency.

The committee continues to be concerned over the disconnect which exists between official readiness reports and the readiness reality in the field. While senior military and civilian leaders assert that the readiness of military forces is as good as it ever has been, reports from military personnel in the field depict a much different picture. This disconnect exists partly because the existing reporting system fails to capture many indicators which would allow for a more comprehensive readiness assessment. The committee finds it particularly frustrating, however, that as early as 1994, the General Accounting Office in its October report entitled, "Military Readiness: DOD Needs to Develop a More Comprehensive Measurement System" (GAO/NSIAD-95-29) identified additional readiness indicators that would provide a comprehensive assessment. Unfortunately, the Department of Defense (DOD) has yet to integrate these indicators into the formal readiness reporting system.

The committee notes that in June 1994, the Defense Science Board (DSB) issued a report which stated that the DSB Task Force on Readiness ". . . will continue to meet quarterly, or on call of the Secretary of Defense, to review the status of the recommendations and/or address other readiness issues as directed." It is the committee's understanding that this has not occurred. While the committee recognizes the increased focus on readiness issues by the Department with the establishment of the Senior Readiness Oversight Council (SROC), the SROC is, nevertheless, an internal mechanism to track readiness. Given the disconnect between official readiness reports and the reality out in the field, the committee believes that a standing senior group of outside advisors charged with providing independent assessments of readiness issues is warranted. The committee urges the Secretary of Defense to resurrect the DSB Task Force on Readiness or similar senior body of outside advisors to be available to the Secretary and the Congress to review readiness issues that arise.

Finally, severely constrained defense budgets are leading to the underfunding of many defense accounts resulting in the movement of funds from readiness related accounts to fill funding shortfalls. While movements of funds between budget appropriations accounts are subject to reprogramming actions, transfers within budget activities are rarely visible in a timely manner. The committee has had a long-standing concern over the extent to which funds provided for training, maintenance and other key readiness accounts are being diverted to cover shortfalls elsewhere. For instance, according to the DOD, in fiscal year 1996, the Army shifted \$144.8 million from depot maintenance to cover costs of operations in

Bosnia. The Navy shifted \$208.5 million from ship depot maintenance to fund a range of activities including contingency operations, ship supplies and underfunded flying hour requirements.

Therefore, the committee's recommendation addresses several of these concerns and are detailed below.

Section 311—Expansion of Scope of Quarterly Readiness Reports

This section would expand the Quarterly Readiness Report required by section 361 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) to include data and analysis on additional readiness indicators which would provide a more comprehensive readiness assessment. The committee is concerned with what it views as a growing disconnect between the readiness picture presented by "official" readiness reports and reality out in the field. In visits to military installations across the country and in recent hearings before the committee, personnel from all military services and from all ranks expressed significant concern over many issues affecting readiness, including operating tempo, increased deployments, the effects of under manning, an eroding quality of life, morale, the impact of peacekeeping operations, and the increasing use of training funds for other purposes. None of these factors are measured by the Status of Resources and Training System (SORTS)—the foundation for senior level readiness assessments.

More than three years ago, the committee identified the need to develop a comprehensive readiness assessment system. At the request of this committee, the General Accounting Office (GAO) conducted a review of the adequacy of the current readiness reporting system to provide a comprehensive readiness assessment as well as to provide predictive indicators of change. As a result of that review, the GAO provided to the Department of Defense (DOD) specific indicators cited by military commanders as being critical to readiness assessments but not included in SORTS. The Department agreed that it needed a more comprehensive readiness measurement system and contracted with the Logistics Management Institute (LMI) to assess the GAO's indicators to determine which of the 29 recommended by the GAO have the greatest potential value for DOD decision makers charged with maintaining high readiness. The LMI assessment, completed in October 1994, concluded that 19 of the 29 indicators offered high or medium value for readiness assessments. That is, those indicators could allow DOD to measure factors that cause changes in readiness, provide early notice of any adverse changes, provide the opportunity to improve readiness, and detect trends that may affect future readiness.

While the committee recognizes that efforts are being made by DOD to enhance readiness assessments through the Joint Monthly Readiness Reviews, the Senior Readiness Oversight Council, and more recently with efforts aimed at developing a Readiness Baseline, it is concerned by the lack of progress the DOD has made to integrate the GAO and LMI recommended indicators into official readiness reports.

Given recent reports of declining "unofficial" readiness indicators, the committee believes that immediate steps must be taken to ensure that DOD and the military services have a comprehensive

readiness assessment system. This section would compel the DOD to act expeditiously to integrate these important indicators into readiness reports, providing comprehensive, and thereby, more accurate information, to decision makers on the true current state of readiness.

Section 312—Limitation on Reallocation of Funds Within Operation and Maintenance Appropriations

This section would require the Secretary of Defense to notify the Congressional defense committees prior to reallocating operation and maintenance funds above a certain threshold and to follow procedures currently used when transferring funds between appropriations accounts.

Section 313—Operation of Prepositioned Fleet, National Training Center, Fort Irwin, California

This section would provide funding associated with the operation of the preposition fleet of equipment used by Army units during training rotations at the National Training Center (NTC). The committee is very concerned with the Department of the Army's decision to change the way unit rotations to the NTC are funded. Currently, the Army provides funding to the National Training Center from a central account to defray the costs associated with units' use of pre-positioned equipment at the NTC. Under a new Army proposal, starting in fiscal year 1998, units scheduled to go to the NTC would have to pay for the use of the pre-positioned equipment out of the funds provided for home station training.

The NTC is the only U.S.-based training facility where Army maneuver units can train against a dedicated opposing force in an environment which most closely approximates high intensity combat. It is the premier training event for Army armored and mechanized units. The committee is troubled by reports that a lack of training resources and time for home station training is resulting in units arriving at the NTC less prepared than they used to be and, consequently, unable to achieve the same level of proficiency by the time they leave. The committee is concerned that this policy change will exacerbate this problem by putting a further strain on the resources available for units to accomplish home station training.

The committee believes that the Army policy change relating to NTC rotations funding will have the result of diminishing home station training, would adversely impact the ability of units to reach needed levels of proficiency, and degrade the NTC training experience—the best training currently available for high intensity combat. The committee recommendation would also provide additional funding to ensure that the Army has sufficient funding for NTC rotations as it has in the past. The committee expects the Army to continue funding unit rotations at the NTC as it has previously.

Section 314—Prohibition of Implementation of Tiered Readiness System

This section would prohibit the implementation of any tiered readiness system which would change military service-specific

methods of determining the priority for allocating funding, personnel, equipment, equipment maintenance, and training resources to military units—and the associated level of readiness of those units that result from those priorities—as they existed on October 1, 1996. Should the Secretary of Defense determine that a tiered readiness system would be in the national interest of the United States, this section would require the Secretary to provide a report on the rationale for that determination, and a request for enactment of legislation to implement such a system.

Tiered readiness concepts call for maintaining certain portions of U.S. military forces at lower levels of readiness based on their likelihood of being called to respond to a military crisis and deployment timelines. Units identified to be maintained in lower tiers of readiness would be manned, equipped, and trained to a level sufficient only to achieve that lower level of readiness.

From testimony before the committee and from interviews with service members of many military units, the committee understands that currently, in order to meet deployment standards and a high operations tempo, military units have had to strip non-deploying units of key officers, non-commissioned officers, and maintenance personnel due to shortages in key military occupational specialties. Under a tiered readiness concept, personnel would be eliminated from the force in order to achieve cost savings exacerbating the personnel management problems and creating higher personnel tempo for those remaining active duty personnel. The committee is deeply concerned that, at some point, such a readiness system would lead to an untenable situation from the standpoint of maintaining a quality, highly motivated all-volunteer force.

During the Quadrennial Defense Review (QDR), an assessment was made to determine whether “tiering” of the force would meet strategy requirements and result in savings. The conclusion of the assessment was that such tiering would increase the risk to national security at the gain of only modest savings, and would limit the flexibility required to execute current war plans.

The committee strongly believes that the military services have, over time, developed readiness systems that are specifically tailored to their individual requirements. These existing systems already represent a form of tiering in that resources are allocated on a priority basis to military units that are expected to enter into combat first. The committee believes that any further tiering of readiness must be carefully assessed to insure that United States military strategy can be accomplished at all times. The tiering of military forces solely for fiscal gains would be a short sighted strategy that largely ignores the demanding reality of the need to maintain ready military forces able to fight and win decisively and with minimal casualties in any future contingency.

Section 315—Reports on Transfers From High Priority Readiness Appropriations

This section would extend through November 1, 2000, the requirement for the Secretary of Defense to report semi-annually on transfers from high-priority readiness accounts in compliance with section 362 of the National Defense Authorization Act for Fiscal

Year 1996 (Public Law 104–106). This provision would also expand the number of readiness accounts to be considered in the report.

Section 316—Report on Chairman, Joint Chiefs of Staff Exercise Program and Partnership for Peace Program

This section would require the Secretary of Defense to report by January 15, 1998, on both past and planned joint training exercises sponsored by the Chairman, Joint Chiefs of Staff (CJCS) Exercise Program and the Partnership for Peace (PFP) program. The report would include the type, description, duration, objectives, the percentage of service-unique training accomplished, and an assessment of the training value of each CJCS and PFP exercise.

In spite of a significant reduction in force structure and personnel since 1989, the October 1995 Defense Science Board Task Force on Quality of Life report pointed out that the number and scope of joint level exercises has continued to increase. In June 1995, the General Accounting Office (GAO) issued a report entitled “Military Capabilities: Stronger Joint Staff Role Needed To Enhance Joint Military Training” (GAO/NSIAD–95–109) that noted a large number of the joint exercises conducted in 1995 had little training value, with nearly 75 percent conducted for reasons other than training, such as a show of military presence in a region or to foster relationships with other nations. In testimony before the committee, witnesses pointed to the continued growth in the number and scope of CJCS sponsored military exercises as a significant contributor to increased operation and personnel tempos.

The committee is concerned that the number of exercises under the CJCS Exercise Program and the military service’s participation in the PFP program is exceeding the ability of the services to meet these requirements in what is already a high paced operational environment. Admiral Paul Reason, Commander of U.S. Atlantic Fleet, noted in testimony before the committee, “Too many unified CINCs are competing for the same scarce assets.” That many of these exercises may have little or no joint training value compounds the committee’s concerns. Therefore, to address operation and personnel tempo concerns and reduce the number of joint exercises, the committee also recommends a reduction of \$xx in funding for the CJCS Exercise Program.

Section 317—Quarterly Reports on Execution of Operation and Maintenance Appropriations

This section would require the Secretary of Defense to report quarterly on the execution of the operation and maintenance budget.

SUBTITLE C—CIVILIAN PERSONNEL

Section 321—Pay Practices When Overseas Teachers Transfer to General Schedule Positions

This section would provide the Secretary of Defense authority to adjust a Department of Defense Dependents Schools educator’s salary up to 20 percent when that person is moved from a position under the Teaching Position (TP) pay system to a position under

the General Schedule (GS) pay system. Currently, when an overseas educator moves from a TP position to a GS position, that individual's salary is increased 20 percent based on a GS work year being roughly 20 percent longer in actual work days than a TP work year. However, some TP educators, such as principals and assistant principals, work a longer school year than teachers. When these individuals are moved to a GS position, a 20 percent salary adjustment is excessive given that the increase in actual work days may be significantly less than 20 percent.

Section 322—Use of Approved Fire-Safe Accommodations by
Government Employees on Official Business

This section would require that each government agency ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency be booked at approved accommodations. This provision would also require that each government agency establish explicit procedures to meet this requirement.

SUBTITLE D—DEPOT-LEVEL ACTIVITIES

Section 331—Extension of Authority for Aviation Depots and Naval
Shipyards to Engage in Defense Related Production and Services

This section would extend through fiscal year 1999, the authority provided by section 1425 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101—510) for naval shipyards and aviation depots of all the services to bid on defense-related production and services.

Section 332—Exclusion of Certain Large Maintenance and Repair
Projects From Percentage Limitation on Contracting for Depot-
Level Maintenance

This section would exclude from the restrictions contained in section 2466 title 10, United States Code, an aircraft carrier or a submarine repair or overhaul project that represents five percent or more of the total amount made available to the Department of the Navy for depot-level maintenance and repair. When there is a large single maintenance project, such as the complex overhaul of a nuclear aircraft carrier or a submarine, the size of the project alone can cause an unintended imbalance in the mix of workload between the public and private sector. Under current law, not more than 40 percent of the total funds allocated to a military service for depot-level repair and maintenance may be expended for work in the private sector. The committee is concerned that a large single project should not cause inadvertent disruptions in the mandated percentages.

Section 333—Restrictions on Contracts for Performance of Depot-
Level Maintenance and Repair at Certain Facilities

This section would establish a definition of depot-level maintenance and repair that would require the inclusion of all interim contractor support (ICS) and contractor logistics support (CLS) to be included in determining the restrictions as set forth in section 2466 of title 10, United States Code, also known as the "60/40

rule.” The committee understands that including ICS and CLS would have no effect on current contracts for depot level maintenance. The provision would also restrict the Secretary of Defense, or the secretary of a military department, from entering into a contract for the performance of depot-level maintenance and repair at any facility that was approved in 1995 for closure under the Defense Base Closure and Realignment Act (BRAC) of 1990 (part A of title XXIX, Public Law 101-510), unless the following requirements are met:

- (1) The secretary concerned certifies to Congress that all of the other maintenance and repair facilities of that service are at 80 percent capacity as defined by the BRAC commission in 1995;
- (2) The secretary concerned certifies to Congress that the total cost of the proposed contract would be less than if the depot-level maintenance or repair were accomplished in facilities owned and operated by the Department of Defense;
- (3) All of the data which is used to determine the total costs are available for examination; and
- (4) None of the depot-level maintenance and repair work proposed under the contract was considered to be a core logistics capability of the military department concerned prior to July 1, 1995.

The committee believes that to fully comply with the recommendations of the 1995 BRAC to close several depot facilities and to consolidate core depot-level maintenance to the remaining government-owned facilities or to the private sector, these restrictions are necessary. The Committee fully supports the BRAC recommendations and believes that elimination of excess capacity permits significantly improved utilization of the remaining DOD depots and reduces DOD operating costs.

Section 334—Core Logistics Functions of Department of Defense

This section would amend section 2464 of title 10, United States Code, to clarify that it is essential for national defense that the Department of Defense (DOD) maintain a core logistics capability that is government-owned and government-operated. This section would require the Secretary of Defense to identify those logistics activities necessary to maintain a core logistics capability that would include the capability, facilities, and equipment to maintain and repair those weapons systems necessary to meet the requirements of the National Military Strategy. This section would also require the maintenance and repair of all new weapons systems purchased by the DOD, that are identified as requiring a core logistics capability, in government-owned and government-operated facilities within four years of initial operational capability.

Section 335—Centers of Industrial and Technical Excellence

This section would direct the Secretary of Defense to establish Centers of Industrial and Technical Excellence at existing Department of Defense (DOD) maintenance and repair depots to encourage the reengineering of industrial processes, the adoption of best

business practices, and to enable public-private partnerships for the performance of depot-level maintenance and repair.

Section 336—Personnel Reductions, Army Depots Participating in Army Workload and Performance System

This section would prohibit any reduction in force of any civilian employees at the five Army maintenance depots participating in the demonstration and testing of the Army Workload and Performance System (AWAPS), until a report is provided by the Secretary of the Army certifying that the AWAPS is fully operational and the manpower audits being performed by the General Accounting Office, the Army Audit Agency, and the Army Inspector General have been completed.

SUBTITLE E—ENVIRONMENTAL PROVISIONS

Section 341—Revision of Membership Terms for Strategic Environmental Research and Development Program Scientific Advisory Board

This section would amend section 2904(b)(4) of title 10, United States Code, to provide that appointments for members of the Strategic Environmental Research and Development Program (SERDP) Scientific Advisory Board be for terms of not less than two nor more than four years. The provision would effectively allow the staggering of terms for board members to permit greater continuity of service among members in the event unexpected vacancies arise.

Section 342—Amendments to Authority to Enter Into Agreements With Other Agencies in Support of Environmental Technology Certification

This section would expand the authority conferred upon the Secretary of Defense by section 327 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to enter into cooperative agreements with state and local governmental agencies for the purpose of certifying promising environmental technologies by authorizing the Secretary to enter into agreements with Indian tribes. This expanded authority would be useful to the Department of Defense in those cases in which environmental activities occur on land where Indian tribes have jurisdictional authority. The provision would also remove the restriction in current law that the technologies being evaluated for certification be limited to those with applicability to environmental restoration. Thus, technologies with application for pollution prevention, environmental compliance, and safety and occupational health could be evaluated.

Section 343—Authorization to Pay Negotiated Settlement for Environmental Cleanup at Former Department of Defense Sites in Canada

This section would authorize the Secretary of Defense to pay the Government of Canada up to \$100 million in annual payments over a ten year period. These payments would be pursuant to a bilateral agreement between the United States and Canada in which the United States agreed to pay cleanup costs associated with the oper-

ation by the United States of various military installations in Canada.

Section 344—Modifications of Authority to Store and Dispose of
Non-Defense Toxic and Hazardous Materials

Currently, section 2692 of title 10, United States Code, prohibits the Department of Defense from storing or disposing any toxic or hazardous material, including munitions and hazardous materials used in conjunction with space launch programs, that is not owned by the Department of Defense. With the increasing frequency of multinational military training operations, and because the Department of Defense operates certain sites in connection with other federal agencies that employ hazardous materials, there are occasions in which it is in the interest of the Department of Defense and the nation to temporarily store toxic or hazardous materials on military installations, despite the fact that such materials are not owned by the Department of Defense. This section would permit the storage or disposal of toxic and hazardous materials not owned by the Department of Defense when those materials are used in connection with an activity of the Department, in connection with a service performed for the benefit of the Department, in order to assist law enforcement agencies, or in connection with the use of a defense facility. Nothing in the changes made by this section is intended to affect the authorities and requirements regarding the storage, treatment and disposal of hazardous materials under the Comprehensive Environmental Response, Liability and Compensation Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act or the Federal Water Pollution Control Act.

Section 345—Revision of Report Requirement for Navy Program to
Monitor Ecological Effects of Organotin

This section would amend section 333 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) to delay and alter the reporting requirements established in that section. Since enactment of the law, the Navy and the Environmental Protection Agency have determined that a program to monitor organotin concentration in certain estuaries and near-coastal waters of the United States is not required, obviating the reporting requirements related to monitoring programs. Instead, the Navy would be required to include in its report an assessment of the present and future requirement for the use of organotin in antifouling paints on Navy ships. In recognition of this additional requirement, the date for submission of the report pursuant to section 333 would be delayed until October 30, 1997.

Section 346—Partnerships for Investment in Innovative
Environmental Technologies

This section would authorize the Secretary of Defense to enter into partnerships with private sector entities in order to demonstrate and validate innovative environmental technologies. The secretary would be authorized to enter into partnerships only if the secretary determines that the technology has the clear potential to be of significant value to the Department of Defense in carrying out

its environmental activities. Information about such partnerships would be included in the Department's annual report to Congress, and the authority provided by this section would expire three years from the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

Section 347—Pilot Program to Test Alternative Technology for Eliminating Solid and Liquid Waste Emissions During Ship Operations

This section would authorize the Secretary of the Navy to establish a pilot program to demonstrate "plasma arc" technology for treating solid and liquid waste aboard Navy ships. The technology would consist of a compact, stationary, high alumina refractory hearth, plasma arc melter system that would incinerate solid and hazardous wastes generated during ship operations. The secretary would be required to determine, in advance of establishment of the pilot program, that plasma arc technology has the potential to be of significant benefit to the Navy in reducing or eliminating waste disposal problems aboard Navy vessels. The pilot program, which would operate for one year, would seek to demonstrate whether the technology is valid, cost effective, and capable of complying with environmental laws and regulations. Upon completion of the pilot program, the Secretary of the Navy would be required to submit a report to Congress detailing the findings of the program and recommending whether plasma arc technology should be implemented on a larger scale on naval vessels and at naval port facilities.

SUBTITLE F—COMMISSARIES AND NONAPPROPRIATED FUND INSTRUMENTALITIES

Section 361—Reorganization of Laws Regarding Commissaries, Exchanges, and other Morale, Welfare, and Recreation Activities

This section would reorganize chapter 147 of title 10, United States Code, so that the chapter deals exclusively with provisions of law relating to commissaries, exchanges, and other morale, welfare and recreation activities. Certain sections of the current chapter 147 not addressing this subject would be transferred to other chapters of title 10, and other sections now found in chapter 147 that do concern commissaries, exchanges, and other morale, welfare and recreation activities would be redesignated to provide a logical organization of the chapter.

Section 362—Merchandise and Pricing Requirements for Commissary Stores

This section would amend section 2486 of title 10, United States Code, to restrict the categories of merchandise that may be sold in commissaries. Section 2486 currently limits the categories of merchandise sold in commissaries to those enumerated in the statute, and this section would permanently limit the categories of items to those now listed in the statute, unless new categories are prescribed by the Secretary of Defense, following advance notice to Congress and a waiting period of 90 legislative days. In addition, this section would require that no change in the current com-

missary surcharge could occur without a prior authorization in law. Finally, this section would provide that the Secretary of Defense may not make any change in pricing policies without advance notice to Congress and a waiting period of 90 legislative days. This section would thus prevent consignment sales of exchange items in commissaries without prior notice to Congress and would prevent variable pricing based on surcharge adjustments. A report to Congress detailing merchandise categories now sold on consignment would be required within 30 days of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

Section 363—Limitation on Noncompetitive Procurement of Brand-Name Commercial Items for Resale in Commissary Stores

This section would amend section 2486(e) of title 10, United States Code, to make more rigorous the standard for determining brand name commercial items that may be sold by commissaries. In order to qualify as a brand name commercial item which commissaries may procure noncompetitively for resale, current law requires that the item be regularly sold outside of commissary stores under the same brand name by which the commercial items will be sold in commissary stores. This section would establish that, in determining whether a brand name commercial item is regularly sold outside of commissary stores, the Secretary of Defense shall consider only sales of the item on a regional or national basis by multi-store commercial grocery or retail chains. So called "discount brands" that frequently are not sold by major commercial grocery or retail store chains would not qualify as brand name commercial items under the standard that would be established by this section.

Section 364—Transfer of Jurisdiction over Exchange, Commissary, and Morale, Welfare and Recreation Activities to Under Secretary of Defense (Comptroller)

This section would amend section 135 of title 10, United States Code, to transfer administrative responsibility within the Department of Defense for the areas of exchange, commissary, and non-appropriated fund instrumentalities regarding morale, welfare and recreation activities from the Under Secretary of Defense for Personnel and Readiness to the Under Secretary of Defense (Comptroller). Many of the responsibilities associated with the management and operation of exchanges, commissaries and the nonappropriated fund instrumentalities of the morale, welfare and recreation system involve first and foremost, financial management decisions. For this reason, transferring administrative responsibility for these programs to the Under Secretary of Defense (Comptroller) is appropriate.

Section 365—Public and Private Partnerships to Benefit Morale, Welfare and Recreation Activities

This section would permit the Secretary of Defense to authorize nonappropriated fund instrumentalities to enter into leases, licensing agreements, concession agreements and other contracts with private persons and state or local governments involving real and personal property under the control of such nonappropriated fund

instrumentalities in order to facilitate the provision of facilities, goods, or services to authorized patrons. In order to enter into leases or contracts, nonappropriated fund instrumentalities would be required to determine that the use of the property subject to the lease or contract would contribute to the provision of goods, services or facilities for a morale, welfare and recreation activity and that the lease or contract would not be inconsistent with or adversely affect the mission of the Department of Defense or the nonappropriated fund instrumentality concerned. Use of the facilities, goods or services provided under this section would be restricted to authorized patrons of the nonappropriated fund instrumentality that is a party to the lease or contract. Funds generated by money rentals would be restricted to use at the installation at which the property covered by the lease or contract is located.

Section 366—Treatment of Certain Amounts Received by Defense Commissary Agency

This section would provide that amounts received by the Defense Commissary Agency (DECA) from certain sources be deposited in the surcharge account. The surcharge account is used by DECA for capital construction and other improvements to commissaries. Amounts received by DECA that would be deposited in the surcharge account would include funds from the sale of recyclables, the disposal of excess property, license fees, royalties, incentive allowances, management and other fees, and funds received from nonappropriated fund instrumentalities. The authorization concerning funds received from nonappropriated fund instrumentalities would permit proceeds from the sale of exchange-owned tobacco products at commissaries to be deposited into the surcharge account.

Section 367—Authorized Use of Appropriated Funds for Relocation of Navy Exchange Service Command

This section would provide that the Navy Exchange Service Command (NEXCOM) shall not be required to reimburse the United States for appropriated funds allotted to NEXCOM during fiscal years 1994, 1995, and 1996 for costs incurred in connection with the relocation of NEXCOM headquarters to Virginia Beach, Virginia and for the lease of headquarters space.

SUBTITLE G—OTHER MATTERS

Section 371—Assistance to Local Educational Agencies That Benefit Dependents of Members of the Armed Forces and Department of Defense Civilian Employees

This section would authorize \$35.0 million for educational assistance to local education agencies where the standard for the minimum level of education within the state could not be maintained because of the large number of military connected students or the effects of base realignments and closures. The Department of Education impact aid program provides supplementary funds to eligible school districts nationwide. The committee believes that the Department of Education bears the principal responsibility for provid-

ing support for the education needs of the nation's children, and, therefore, does not support additional assistance beyond what is authorized in this section.

Section 372—Continuation of Operation Mongoose

This section would authorize the continuation of Operation Mongoose through fiscal year 2003. Operation Mongoose is a program that coordinates the identification, prevention, and prosecution of fraudulent actions within Department of Defense (DOD). The section would also establish the Undersecretary of Defense (Comptroller) as the executive agent for this program and would require a report on the activities of the operation.

The committee commends the Department's efforts to improve the integrity of its financial management systems while reducing waste, fraud, and abuse. However, the committee believes that these efforts can be improved. First, the committee supports the acceleration of transportation and vendor pay reviews. To further this effort, the committee directs the Secretary of Defense and the secretaries of the military departments to provide all data requested by Operation Mongoose on an expedited basis. In addition, the program should expand its use of the Board of Investigations and its Regional Working Groups for investigating crimes identified through Operation Mongoose.

In addition, the committee directs the Secretary of Defense to provide a report to the House Committee on National Security and the Senate Committee on Armed Services by December 31, 1997, on the activities reviewed by Operation Mongoose, the savings or costs avoidance identified by activity, the number of cases referred for investigation, and the number of cases investigated by the investigating agency.

Section 373—Inclusion of Air Force Depot Maintenance as Operation and Maintenance Budget Activity Group

This section would require the Secretary of the Air Force, beginning in fiscal year 1999, to identify funding for depot maintenance in a discreet subactivity group.

Section 374—Programs to Commemorate 50th Anniversary of Marshall Plan and Korean Conflict

This section would authorize the Secretary of Defense, to begin to plan, coordinate, and execute a program to commemorate the 50th anniversary of the Marshall Plan and the Korean Conflict.

The Marshall Plan's goal was to create lasting peace in Europe through broad acceptance of democratic values, the achievement of prosperity through free markets and cooperation and interdependence among nations. This provision would allow for the Department of Defense to commemorate the Marshall Plan by the observance of the 50th anniversary of the Senate's approval on March 13, 1948, the House's approval on March 31, 1948, and President Truman's April 3, 1948 signing of the Economic Cooperation Act.

The committee recognizes the success of the efforts by the Department of Defense to commemorate World War II and expects the Department to make preparations for an appropriate com-

memoration of the Korean Conflict. A criticism of the preparation for the commemoration of World War II was that preparation started late which made it extremely difficult to properly coordinate key events with all interested parties. This meant that some deserving veterans organizations were excluded or were notified with such little notice that participation was limited. This provision would provide the long lead time necessary to properly plan and coordinate major activity with the Korean Conflict allies, interested federal, state and local governments and public officials, veteran groups, private citizens and other interested parties. The committee believes this provision would help ensure that our nation properly honors the sacrifices of men and women who fought in the Korean Conflict, as well as the sacrifices and contributions made by their families.

**Sec 375—Prohibition on Use of Special Operations Command
Budget for Base Operation Support**

This section would amend section 167(f) of title 10, United States Code to prohibit the use of funds provided for the Special Operations Command for base operations support expenses incurred at military installations. The committee notes that Congress established the Special Operations Command, including a separate major force budget program (MFP-11), to correct serious deficiencies in special operations capabilities and to ensure special operations combat readiness. The committee believes that using MFP-11 funds for base operations support is in conflict with the original intent for these funds.

**Section 376—Continuation and Extension of Demonstration
Program to Identify Overpayments Made to Vendors**

This section would reauthorize, through fiscal year 1998, section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) which provides for a demonstration program to identify overpayments made to vendors. Preliminary data from this demonstration project indicates there are a significant number of Department of Defense overpayments made to vendors with a potentially high cost to the taxpayers. The committee believes that based on these initial findings, the program should be continued for another fiscal year to develop a better understanding of the magnitude of this problem.

**Section 377—Applicability of Federal Printing Requirements to
Defense Automated Printing Service**

This section would clarify that the Defense Automated Printing Service (DAPS) shall comply with chapter 5 of title 44, United States Code regarding printing services. The committee has learned that DAPS, formerly known as the Defense Printing Service, is violating section 501 of title 44, United States Code. According to this statute, all government printing has to be procured by or through the Government Printing Office. Although DAPS provides printing services to the military departments and defense agencies, there is no statute that allows DAPS to provide printing services to non-Department of Defense federal agencies.

The committee has learned, however, that DAPS has recently solicited other agencies to provide printing and duplication services, and the DAPS world wide web page specifically solicits intra-government printing services. Furthermore, notifications have been sent to federal agencies indicating that DAPS and General Services Administration will be merging their printing and duplication services. All of these actions violate title 44, United States Code. The committee directs the Secretary of Defense to cease all such activity and fully comply with current statute.

Section 378—Base Operations Support for Military Installations on Guam

This section would prohibit the use of nonimmigrant aliens (as defined in section 101(a)(15)(H)(ii) of title 8, United States Code) for any base operations support contract to be performed on Guam.

MILITARY PERSONNEL OVERVIEW

Based on extensive hearing testimony from military personnel holding the rank of general through sergeant and from military spouses, as well as committee staff visits to more than 50 major units and commands, at more than 30 installations in the United States and Europe, combined with feedback from officer, non-commissioned officer, and military spouse focus groups, the committee believes that significant personnel and quality of life problems exist across the force. Moreover, the committee believes that the President's fiscal year 1998 defense budget request fails to adequately address those problems, and contains initiatives, such as continued reductions in active end strength, that will exacerbate the difficult conditions under which most of the military personnel in the armed forces already labor. Those conditions place military people under immense stress because of a pervasive requirement to "do more with less" in the face of record operational tempo levels, and because of significant personal financial challenges brought on by the continuing inadequacy of pay and allowances for a military force that is now 65 percent married.

The message the committee has heard from commanders, sergeants and military spouses was very clear: People are overworked and, absent any relief from the financial stress or operations tempo, it is only a matter of time before significant retention and recruiting problems will occur. The message troubles the committee, not only because it was repeated with remarkable consistency across the force, but also because it warns that the quality of military life is perceived to have eroded over a wide range of programs.

After close examination, the committee believes that the President's military personnel budget request, at best, is inadequate to provide the forces needed to achieve the current national military strategy, support the current operations tempo of the force, and preserve the quality of the people so important to the future of a smaller force. Nor is the committee reassured by the preliminary findings of the Quadrennial Defense Review (QDR) that conclude the future military missions of the nation can be accomplished with 155,000 fewer uniformed personnel. Until the committee fully un-

derstands that the QDR outcomes were strategy and mission based, not budget based, it will continue to be highly skeptical of any proposals by the Department of Defense that have the effect of requiring fewer personnel to continue doing more missions with reduced resources. For this reason, the personnel initiatives proposed in the budget request, as well as those projected by the QDR, would seem to make worse or ignore the already significant “people” problems. For example, despite assurances from senior Department of Defense officials that the drawdown was just about over, the President’s budget request proposes Navy and Air Force manpower levels a total of 13,400 personnel below the end-strength floors required by law. Even worse, future years’ defense budgets—based on a suspect rationale that the services have found economies and efficiencies that can be achieved without hurting readiness—project additional personnel reductions.

As in past years when the defense budget request underfunded recruiting and Congress had to step in to add over \$100.0 million, the President’s fiscal year 1998 budget request again contains significant shortfalls in recruiting funding—more than \$160.0 million according to the chiefs of the military services. This funding shortfall only heightens the committee’s deep concerns that the military services are already on a slippery slope of eroding recruit quality in order to meet increasingly difficult accession requirements. For example, the Army, faced with a potential shortfall of 14,000 recruits from its fiscal year 1997 accession requirement and a drop in recruit quality to 88 percent high school diploma graduates, seven percent below its objective, took several extraordinary measures to meet the crisis, including reducing its goal for high school diploma graduates to 90 percent from 95 percent. Since traditionally Army recruiting difficulties have been the precursor of problems in the other services, the committee fears that the inadequate action proposed by the defense budget request to address recruiting problems will jeopardize the quality of the force and put at risk future combat capability.

The budget request also largely ignored the distressing financial needs being experienced by the men and women of the armed forces. An enduring picture of these needs emerged during committee staff visits to the field last fall and was emphatically reinforced during committee hearings. Senior enlisted witnesses and spouses of military members provided compelling testimony that a pay increase was the highest priority need for all members, but particularly for the enlisted force. Despite the clear evidence of the financial pain among military personnel, and unlike an election-year effort to provide a pay raise greater than the minimum prescribed by law, the President’s fiscal year 1998 budget reverted to the “by-law” formula by requesting a 2.8 percent increase. This “by-law” formula—one-half of a percent below the Employment Cost Index (ECI)—insures that the gap between military and civilian pay will continue to grow from 13.5 percent in fiscal year 1998 to over 15 percent in 2001. The budget request justified the pay raise decrease by citing the legal nexus that limits military pay increases to the increase allowed for federal civilian employees. The committee does not believe that it is healthy to allow the pay gap to systematically increase year after year.

The committee also believes that while reforms to both the basic allowance for subsistence (BAS) and basic allowance for quarters (BAQ) proposed in the budget request were well intentioned, the Department's inability to commit sufficient funding to the reforms compelled an implementation strategy that not only failed to protect income levels of military members, but also pitted portions of the armed forces against one another. For example, the proposed BAS reform called for reducing military family incomes to fund additional BAS to unmarried enlisted members. Moreover, the BAS reform did nothing to correct long standing inequities and unfairness in the compensation of military personnel deployed to austere locations and on ships at sea during contingencies and when training. The loss of income to families resulting from such deployments was a major theme of military members and their families in communications with and testimony before the committee. Additionally, the proposed BAQ reform did nothing to reduce out-of-pocket housing costs for service members, thereby renegeing for the second year in a row on a three-year old commitment that the Secretary of Defense launched as a highly publicized, top priority, six-year initiative. During fiscal year 1997, Congress had to step in to ensure that the Department kept its commitment by increasing BAQ by 4.6 percent, 1.6 percent above the increase proposed by the President.

To the detriment of more than 120,000 federal employees who also have volunteered to serve as members of the reserve components, the President's budget request sought so-called savings by eliminating the military income of most Federal employees who performed military duty during required annual training. In an environment when the nation is increasing its reliance on the reserve components in order to offset the increasing operations tempo of the active forces, and when the Department of Defense ought to be seeking ways to provide incentives to reservists, this apparent effort to reinvent government seems peculiarly counterproductive and shortsighted. Moreover, rather than setting an example of how an employer should support the National Guard and Reserve, this Presidential initiative sends the message that reservists do not deserve any special consideration. For these reasons, the committee believes this budget proposal has serious negative implications for combat readiness in the reserves and private sector employer co-operation programs.

Finally, the committee finds that for the second year in a row, the President's budget request significantly under-funded the Defense Health Program (DHP). The General Accounting Office (GAO) estimated the shortfall to be between \$424.0 million and \$471.0 million. In response to Congressional concerns over this serious shortfall, the Administration plans to submit a budget amendment to add \$274.0 million to the DHP. The committee is concerned that the proposed budget amendment still leaves considerable gaps in the funding level of the Defense Health Program that could result in a considerable degradation of this important quality of life program.

Given a continuing commitment to curbing the erosion of quality of life for military members and their families, the committee has acted to reverse the major shortfalls in the Administration's fiscal

year 1998 military personnel budget request. To that end the committee initiatives would:

(1) Mandate that future military pay raises be based on the full Economic Cost Index (ECI) and not on ECI minus 0.5 percent;

(2) Require the Secretary of Defense to implement a system of pay and allowances that would prevent the loss of income for military personnel when they are deployed or serving under field conditions at home station and would authorize \$50.0 million to facilitate the initiative. The requirement is supported by a restructured deployment pay system including a new hardship duty pay, an increased family separation pay, and more flexible rules for payment of Basic Allowance for Subsistence;

(3) Initiate a major reform of the housing allowances that would increase allowances in high cost areas and ensure that military personnel experience the same amount of out-of-pocket costs regardless of location;

(4) Continue reducing "out of pocket" housing costs toward the goal of having military personnel absorb no more than 15 percent of the cost of adequate housing;

(5) Reaffirm that the defense budget request must provide sufficient numbers of personnel to conduct current national military missions by retaining the statutory floors on active end strength;

(6) Direct a series of reforms to improve recruiter performance and reduce recruit attrition and increase the funding for recruiting advertising by \$22.9 million over the amount requested in the budget;

(7) Retain military leave for Federal civilians in the selected reserve and restore the \$85.0 million cut from reserve component budgets by the President in the name of savings; and

(8) Restore \$274.0 million to the Defense Health Program, direct a plan for expanding the TRICARE Prime (HMO) option and propose improvements to the TRICARE program designed to ensure beneficiary access to quality health care providers.

(9) Direct the Secretary of Defense to report to Congress on the feasibility of extending a mail-order pharmacy program to all Medicare eligible beneficiaries who do not live near a military medical treatment facility.

The committee believes that funding these initiatives is essential to protecting the quality of life of those service members and their families who continue to serve. Given the many priority programs competing for funding within a limited budget, the committee is electing to suspend the authority for early retirement during fiscal year 1998 to provide \$185.0 million to offset the increases cited above. The committee believes that a one-year suspension of the early retirement program is appropriate given:

(1) The committee's continuing commitment to preserve the active duty end-strength floors needed to support two major regional contingencies;

(2) That the QDR reductions are proposed for the post-2003 time frame; and

(3) Congress never intended early retirement to be a permanent authority.

In addition, the committee believes that action is required to address issues which have emerged as a result of the committee's ongoing examination of sexual misconduct in the military. Specifically, the committee directs a review of the ability of the military criminal investigative services to investigate crimes of sexual misconduct, and mandate a series of reforms to drill sergeant selection and training.

The committee also directs the establishment of an independent panel to assess reforms to military basic training. The need for such reform comes from mid-level military leaders who report that many graduates from basic training do not possess the physical fitness, skill in basic military tasks, discipline and acculturation to service values needed for the actual job and readiness requirements of operational units. Included in the review would be a determination of the merits of gender-integrated or gender-segregated basic training as a method to attain the basic training objectives established by each service.

**TITLE IV—MILITARY PERSONNEL
AUTHORIZATIONS**

LEGISLATIVE PROVISIONS

SUBTITLE A—ACTIVE FORCES

Section 401—End Strengths for Active Forces

This section would authorize end strengths for the active forces as indicated in the table below:

FY 98 END STRENGTH—ACTIVE FORCES

Service	Fiscal year 1997		Fiscal year 1998		Change from fiscal year	
	Authorized	Program	Request	Recommendation	1998 request	1997 program
Army	495,000	495,000	495,000	495,000	0	0
Navy	406,900	402,013	390,802	395,000	4,198	(7,013)
Marine Corps	174,000	174,000	174,000	174,000	0	0
Air Force	381,100	381,087	371,577	381,000	9,423	(87)
Total	1,457,000	1,452,100	1,431,379	1,445,000	13,621	(7,100)

The authorized end strengths for fiscal year 1998 are those prescribed by law as the minimum necessary to support two major regional contingencies. By taking this action, the committee rejects the President's budget request which sought to reduce end strengths in the Navy by 4,200, and in the Air Force by 9,400, below the statutory minimum manpower levels. Furthermore, the committee recommends an increase over the budget request of \$5.0 million in the Navy's active military personnel account and \$32.5 million in the Air Force's active military personnel account to offset the cost of maintaining end strength in accordance with Congressional mandates on end strength floors.

The committee's rationale for continuing to maintain the end-strength floors is founded on the following:

(1) As long as the national military strategy calls for this nation to fight and win two nearly simultaneous major regional contingencies (MRC), and until the committee is convinced that the national military strategy can be carried out with fewer personnel than authorized here, the committee believes that significant manpower reductions should not be undertaken;

(2) The Department of Defense has an extremely poor record in predicting actual manpower requirements. For example, neither the manpower requirements for, nor the intensity, duration, frequency and numbers of operations other than war were accurately forecast by the Bottom Up Review. As a result, the readiness of the armed forces to train and maintain themselves

to successfully fight high intensity warfare has suffered. In addition, the men and women in uniform and their families are being required to pay an increasingly higher price because an undermanned force is repeatedly asked to do more with less. There is no reason to believe that the manpower requirements emerging from the Quadrennial Defense Review will be any more accurate about assessing the manpower implications of operations other than war. Until the committee is convinced that such requirements have been factored into the manpower equations, or until there is a reduction in manpower-intensive operations other than war, the committee believes that reducing military manpower only would serve to exacerbate already serious readiness and personnel shortfalls;

(3) The committee believes that the President's budget request for fiscal year 1998 is a budget-driven attempt to "jump start" the manpower cuts presaged by the QDR. Those cuts are not insignificant—90,000 active duty military, 65,000 reservists, and 160,000 civilians. So far the principal rationale provided by the Department for reducing manpower has been that it seeks economies, efficiencies and savings. The committee believes that without a change in strategy or operational requirements such "green-eye shade" logic is insufficient rationale for cutting people. If the Department of Defense wishes to reduce people to achieve savings, the civilian and military leadership must be able to articulate clearly and explicitly the reasons why such reductions make sense from a strategy and operations tempo perspective; and

(4) Despite a specific legal requirement to fully fund the mandated end strength floors until Congress authorized the Department of Defense to drop below them, the President's budget request ignored the requirement, presumed that Congress would lift the end strength floors, and took the associated personnel "savings" for use in other parts of the budget.

SUBTITLE B—RESERVE FORCES

Section 411—End Strengths for Selected Reserve

This section would authorize end strengths for the selected reserve as indicated in the table below:

FY 98 END STRENGTH—SELECTED RESERVE

Service	Fiscal year 1997		Fiscal year 1998		Change from fiscal year	
	Authorized	Program	Request	Recommendation	1998 request	1997 program
ARNG	366,758	366,758	366,516	366,516	0	(242)
USAR	215,179	215,254	208,000	208,000	0	(7,254)
USNR	96,304	95,898	94,294	94,294	0	(1,604)
USMCR	42,000	42,000	42,000	42,000	0	0
ANG	109,178	109,178	107,377	107,377	0	(1,801)
USAFR	73,311	73,311	73,431	73,431	0	120
Coast Guard	8,000	8,000	8,000	8,000	0	0
Total	910,730	910,399	899,618	899,618	0	(10,781)

Section 412—End Strengths for Reserves on Active Duty in Support of the Reserves

This section would authorize the end strengths of the reserves on active duty in support of the reserves as indicated in the table below. These end strengths are included within the total end strengths authorized for the selected reserve above.

FY 98 END STRENGTH—RESERVES ON ACTIVE DUTY IN SUPPORT OF RESERVES (AGR/TAR)

Service	Fiscal year 1997		Fiscal year 1998		Change from fiscal year	
	Authorized	Program	Request	Recommendation	1998 Request	1997 Program
ARNG	22,798	22,798	22,310	22,310	0	(488)
USAR	11,729	11,804	11,500	11,500	0	(304)
USNR	16,603	16,626	16,136	16,136	0	(490)
USMCR	2,559	2,559	2,559	2,559	0	0
ANG	10,403	10,403	10,616	10,616	0	213
USAFR	655	655	963	748	(215)	93
Total	64,747	64,845	64,084	63,869	(215)	(976)

Section 413—End Strengths for Military Technicians (Dual Status)

This section would authorize military technician end strength as indicated in the table below and would require future defense budget requests to include a legislative provision specifically detailing the end strength of the dual-status military technicians to be authorized.

FY 98 END STRENGTH—MILITARY TECHNICIANS (DUAL STATUS)

Service	Fiscal year 97 program (DS)	Fiscal year 98 request (DS)	Fiscal year 98 recommendation (DS)	Change from fiscal year	
				1998 request	1997 program
ARNG	23,125	22,991	23,125	134	0
USAR	5,503	5,205	5,503	298	0
ANG	22,853	22,574	22,853	279	0
USAFR	9,802	9,622	9,802	180	0
Total	61,283	60,392	61,283	891	0

The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) provided that dual-status military technicians would be authorized and accounted for as a separate category of Department of Defense civilian employee; and further provided that reductions in military technician end strength must be directly related to force structure reductions.

In consonance with the changes made in fiscal year 1997, the end strengths authorized above provide only for dual-status military technicians. The authorizations do not include or provide for non-dual status technicians who the committee believes should be funded in the same manner as other federal civilian employees who are not military technicians. The committee notes that the President's budget request provides funding for the following numbers of non-dual status technicians: Army National Guard, 2259; Army Reserve, 1296; Air National Guard, 394; Air Force Reserve, none. Furthermore, the committee notes that the President's budget request sought reductions in military technician end strength but did not

provide the required details about corresponding force structure reductions as required by law. Therefore, the end strengths authorized would establish military technician end strengths at fiscal year 1997 levels.

Section 414—Increase in Number of Members in Certain Grades
Authorized to Serve on Active Duty in Support of the Reserves

This section would authorize increases in the grades of reserve members authorized to serve on active duty or on full-time national guard duty for the administration of the reserves or the national guard. The provision would authorize 30 additional majors, 5 additional E-9s, and 10 additional E-8s in the Air Force. The provision would also authorize 16 additional colonels and 15 additional E-9s in the Army National Guard, and nine additional colonels and six additional E-9s in the Army Reserve.

SUBTITLE C—AUTHORIZATION OF APPROPRIATIONS

Section 421—Authorization of Appropriations for Military
Personnel

This section would authorize \$69,539,862,000 to be appropriated for military personnel, an increase of \$66.1 million from the budget request.

TITLE V—MILITARY PERSONNEL POLICY

ITEMS OF SPECIAL INTEREST

Family Life Assistance Programs

The committee believes that military families face growing challenges in an environment where high operations tempo, frequent deployments and long separations create unusual stress. This stress too frequently manifests itself adversely in such actions as child abuse. The committee believes that the military services should continually be seeking better ways to reduce child abuse and its related ill effects. The committee has learned of efforts being made by a nationwide consortium of educational organizations focused on the needs of children and families to demonstrate and evaluate, in connection with the Army Chaplain's School, an assistance program for families affected by child abuse. The program is designed to be facilitated by military chaplains, but depends heavily on parent-leadership and mutual support assistance for its effectiveness. The committee urges the Department of Defense and the Department of the Army to review this program for possible testing at military installations.

Increased Support for Military Recruiting

Recruiting sufficient numbers of high quality people to serve in the armed services remains one of the most difficult challenges facing the Department of Defense. The committee views with alarm the Army's inability to meet its recruiting goals and the resulting Army decision to reduce the accession goal for new recruits with a high-school degree to 90 percent of those enlisted from the current 95 percent. The committee is also concerned that this reduction in the quality standards for Army recruits presages similar trends in the other services. The committee, therefore, recommends an increase in funding for recruiting advertising of \$22.9 million over the amount requested in the budget. The additional advertising funding would be apportioned: Army: \$7.0 million; Navy: \$7.0 million; Air Force: \$4.5 million; Marine Corps: \$4.4 million.

Investigation of the Deaths of Military Personnel by Self-inflicted Causes

In response to concerns about how the services handled the investigations of the deaths of military personnel from self-inflicted causes, Congress, in the National Defense Authorization Act for Fiscal Year 1994, (Public Law 103-160), mandated several actions, including a Department of Defense review of the procedures used by the military departments for investigating such deaths. That review by the Department of Defense Inspector General reported in

February 1996 a range of investigative shortcomings, as well as recommendations for improvements in investigative training, policy and procedures. In addition, the then-House Armed Service Committee found in March 1994, as part of its investigation into alleged suicides by military personnel, that some of the military services were inept in their dealings with families of the deceased and needlessly uncooperative in releasing information requested by the families of the deceased. Finally, the Department's Advisory Board on the Investigative Capability of the Department of Defense reported in 1995 that to the extent it found problems in investigations avoiding self-critical analysis, it found them in non-criminal investigations; and also that commander-directed investigations were the most common but least protected from improper command influence.

Notwithstanding these previous findings and recommendations, the committee remains concerned that the military services may not have adequately implemented the recommended corrective actions. In particular, the committee has heard concerns about the services' ability to carry out self-critical, impartial, unbiased, complete death investigations in cases where service leadership may have been involved in the circumstances leading to a death from self-inflicted causes. In addition, the committee continues to hear reports of family members of the deceased having to go to extraordinary lengths to obtain a full report of the circumstances surrounding the death.

For these reasons, and to ensure that past recommendations for corrective action are being implemented, the committee urges the Department of Defense to undertake an independent review of the current military service procedures for investigating the deaths of military personnel from self-inflicted causes.

Joint Recruiting Information Support System

The committee is concerned that, despite the high priority that the Department of Defense attached to effective military recruiting, the Department is more than 18 months behind schedule in fielding the Joint Recruiting Information Support System (JRISS) which promises to greatly assist a frequently overextended recruiting force. The committee believes that such a delay is in part due to the fact that JRISS funding has been decentralized to the training and recruiting accounts of each of the military services and that services have repeatedly used these accounts as reprogramming sources to support contingency operations. In addition, the committee notes that the President's fiscal year 1998 budget request underfunded this important program by as much as \$57.0 million in the procurement and operations and maintenance accounts. For these reasons, the committee believes that increased Department commitment is essential to put this program back on track. Therefore, the committee directs the Secretary of Defense to consolidate budgeting and funding execution of the JRISS system at the Department level, and to provide the House Committee on National Security and the Senate Committee on Armed Services a report by June 30, 1998, detailing its plan and funding program to ensure the full, expeditious fielding of the JRISS.

Military Identification Cards

The committee is aware that the identification cards issued active component service members are a different color from the cards issued to reserve component service members. The committee notes that reserve component members have expressed concern that the color coded identification cards have resulted in prejudicial treatment of reservists that is not in keeping with good order and discipline. The committee recommends that the Secretary of Defense develop a universal identification card that includes a non-visual identifier, such as a bar code. Such a card would identify the benefits and privileges authorized to the card holder while protecting reserve component members from prejudicial treatment.

Military Occupational Specialties (MOS) Consolidations

The committee is concerned about the elimination and consolidation of military occupational specialties (MOS) which have occurred in at least two of the military services. These actions, used as a management tool to accomplish personnel downsizing and generate savings, have resulted in skill shortages and imbalances, particularly in the maintenance fields. The committee learned through visits to military installations and interviews with service members that MOS consolidations have negatively impacted the ability of units to maintain equipment to standard. The committee directs the Secretary of Defense to report to the House Committee on National Security and the Senate Committee on Armed Services, no later than March 1, 1998, on the extent to which such eliminations and consolidations have occurred, the impact of these eliminations and consolidations on readiness, and any recommendations or actions being implemented to address the concerns identified above.

Retention of Military Leave for Federal Civilian Employees Who Perform Reserve Duty

The committee is disturbed to learn that the President's budget request proposed to terminate a long-standing recruiting, retention and readiness incentive for the reserve components—the ability of 120,000 federal civilian employees who are members of the reserve components to take military leave from their federal civilian jobs without penalty to train during the required annual military training period. Even more disturbing to the committee is the fact that without apparent consultation with the military leadership and without analysis of the potential implications, the Department's reserve component military personnel accounts were reduced by \$85.0 million on the presumption that Congress would agree with the proposed amendment.

Such presumption is misplaced. The committee believes for a number of reasons that this budget proposal is misguided, will not achieve any real savings, and will cause reductions in readiness and retention. First, despite repeated Administration claims of the importance of reserve personnel to the military, the President's initiative would penalize a federal workforce that not only ably serves government in a day-to-day capacity, but also has volunteered to go beyond what most citizens are willing to do by serving the nation as well in a uniformed capacity. Second, the initiative would

single out and penalize 60,000 military technicians. These full-time employees, required to be members of the reserve components as a condition of their employment, have been deemed by both the Department of Defense and the Congress to be critical to reserve component unit readiness and to providing active units relief from high operations tempo. Third, rather than setting an example of how an employer should support the National Guard and Reserve, this proposal would send an unequivocal message to the employers of America that reservists do not deserve special consideration.

For these reasons, the committee rejects the President's proposal and restores \$85.0 million to the military personnel accounts of the reserve components, as follows: Army National Guard, \$33.2 million; Army Reserve, \$20.4 million; Air National Guard, \$11.0 million; Air Force Reserve, \$8.2 million; U.S. Naval Reserve, \$8.5 million; U.S. Marine Corps Reserve, \$3.7 million. As a partial source for the restoration, the committee recommends a reduction in operations and maintenance funding for the Youth Conservation Corps (\$1.7 million), Starbase (\$2.0 million), Civil-Military Innovative Readiness Training (\$8.0 million) and reserve support to the commanders-in-chief of the combatant commands (\$2.0 million), as well as a \$13.0 million reduction in personnel funding for the Department directed reserve component support to the total force program.

Sexual Misconduct in the Armed Services

The committee understands and appreciates the fact that the vast majority of members of the armed forces of the United States serve with distinction, dedication and integrity, often under arduous circumstances. As a result, the committee is very concerned that recent allegations of serious abuses of authority and criminal sexual misconduct by some individuals at U.S. military training facilities and installations around the world impugn the hard work and honor of the devoted men and women who proudly serve our country. Such misconduct and abuse by even a few individuals is unacceptable in our military; it undermines the esprit d'corps, morale and readiness necessary for the United States to field an effective fighting force prepared to defend its interests around the world.

In light of the recent allegations of sexual misconduct and their adverse impact on the reputation and morale of our dedicated service members, the committee strongly urges the Secretary of Defense to take all appropriate steps necessary to ensure that allegations of abuse of authority or sexual misconduct are promptly and thoroughly investigated by each military service. Furthermore, the committee urges the Secretary to ensure that effective reporting mechanisms and adequate training methods are identified, implemented and fully enforced to prevent such abuses of authority and sexual misconduct, and that proven allegations are addressed promptly in an appropriate and equitable manner. The men and women who serve in our armed forces deserve to be treated with the utmost respect and dignity, and they deserve a work environment that is free from criminal misconduct and abusive practices.

LEGISLATIVE PROVISIONS

SUBTITLE A—OFFICER PERSONNEL POLICY

Section 501—Limitation on Number of General and Flag Officers Who May Serve in Positions Outside Their Own Service

Five Department of Defense studies between 1988 and 1996 consistently validated a requirement for no more than 233 general and flag officer positions in joint headquarters and organizations external to the military services—about 16 percent of all general and flag officer positions validated by those studies. With seeming disregard for the study results, the actual number of general and flag officers assigned to joint and external positions during those same years always exceeded 240, grew to as many as 280, and consistently required 26 to 27 percent of the total general and flag officers authorized to be on active duty. Given the tight statutory constraints on the total number of general and flag officers who may be on active duty and notwithstanding the continuing emphasis on jointness, the committee believes that it is ultimately detrimental to the military services for the Department of Defense and the Joint Staff to assign to external positions both numbers and percentages of general and flag officers that are greatly in excess of validated requirements. To the extent that the unconstrained tasking and assignment of general and flag officers to fill external positions continue, the military services will feel compelled to seek increases in the statutory limits on general and flag officers. For example, the dominant rationale provided by the Marine Corps in its most recent effort to secure additional general officers was the need for general officers to fill a growing number of joint positions. Additionally, in order to fill adequately both the external requirements and internal service requirements, the military services recently considered seeking an increase of as many as 54 general officers over the current statutory limit of 944. Again, increased external requirements was a significant driver of the proposed increase.

The committee believes that the number of general and flag officers serving on active duty in external positions must be tightly controlled and tied directly to the number of general and flag officers available to fill both external and internal requirements. Therefore, the committee recommends a provision (Section 501) that would limit the number of general and flag officers serving in external assignments to no more than 24.5 percent of the total number of such officers authorized by Congress.

The committee recognizes that a 24.5 percent limit, while based on the Department's historical assignment practices, is a number that could be adjusted as a result of the outcomes of the Quadrennial Defense Review (QDR). Given the committee's desire for tight controls on general and flag officers, the committee expects that the Department would make recommendations for the adjustment of that 24.5 percent limit when the Department submits its anticipated post-QDR general and flag officer study, and that the Department would explain its strategy for review and validation of additional external general and flag officer requirements prior to the services being required to fill them.

Section 502—Exclusion of Certain Retired Officers from Limitation on Period of Recall to Active Duty

This section would exclude retired military chaplains, health care professionals and officers serving on the American Battle Monuments Commission from counting against the statutory limits on the period of time that recalled retirees may serve on active duty.

Section 503—Clarification of Officers Eligible for Consideration by Selection Boards

This section would clarify that officers serving on active duty and in the reserve components may be excluded from consideration from promotion to the next higher grade if they are on a promotion board report, even if that report had not yet been approved by the President.

Section 504—Authority to Defer Mandatory Retirement for Age of Officers Serving As Chaplains

This section would permit service secretaries to defer the retirement of officers serving as chaplains until age 68 if, during the period of deferment, the chaplains served in direct support of units and installations, and, in rare cases, beyond age 68 for the needs of the service, as determined by a service secretary. In addition, the section would permit the chief or deputy chief of chaplains of each service to serve until age 68, but not beyond. Under current law, retirement of all chaplains is required at age 62. The section would also authorize the Navy's chief and deputy chief of chaplains to be selected from among officers on the retired list.

SUBTITLE B—RESERVE COMPONENT MATTERS

Section 511—Individual Ready Reserve Activation Authority

Under current law, the President may involuntarily recall to active duty, at times other than during war or national emergency, up to 200,000 reservists for up to 270 days from units of the Selected Reserve. This authority is known as the Presidential Selective Reserve Call-up (PSRC). However, under PSRC, individuals who are members of the Individual Ready Reserve (IRR) cannot be recalled to active duty.

During Operation Desert Storm, the lack of authority to recall members of the IRR as part of the PSRC compelled the mobilization of portions of late-deploying selected reserve units in order to fill manpower shortfalls in early deploying units. This strategy had two major disadvantages. First, unit cohesion of the later deploying units was damaged. Second, the military services, particularly the Army, faced the significant challenge of having to rebuild the late deploying units upon their mobilization.

This section would build on the lessons learned from Operation Desert Storm by authorizing the President, under PSRC, to recall up to 30,000 members of a new category of the IRR that would be created by this section. The new category of the IRR would consist of those personnel, in the military skills designated by the Secretary of Defense, who had volunteered prior to leaving active duty

to become part of this new IRR category. Such volunteers could remain in the new IRR category for no longer than 24 months and could be provided such benefits (less pay and training) as the Secretary of Defense deemed appropriate.

Section 512—Termination of Mobilization Income Insurance Program

Operations Desert Shield and Desert Storm involved the largest activation and deployment of reserve component forces since the Korean War with more than 246,000 national guardsmen and reservists from all the armed forces serving on active duty. Post war surveys indicated that 45 percent of the officers and 55 percent of the enlisted personnel reported income losses while activated. Following an extended examination of the issues and a survey suggesting that reservists would participate in a premium-based voluntary income insurance program, the Secretary of Defense proposed a program for the ready reserve that was included in section 512 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106).

Two problems were encountered during implementation. First, adverse selection occurred when the insurance enrollment period coincided with the notification of units that were subject to activation in support of operations in Bosnia. Second, a three percent participation rate by reservists was inadequate to maintain program solvency. As a result, the program was immediately bankrupted and left with an unfunded liability of \$72.0 million.

In post-implementation reviews designed to understand what went wrong, the Department of Defense Inspector General and the United States General Accounting Office concluded during a coordinated review that the structure of the current program was actuarially unsound. In addition, they determined that the Department of Defense Board of Actuaries had warned the Secretary of Defense in an August 9, 1996 memorandum that an extension of the mission in Bosnia may endanger the fiscal solvency of the program right away. The committee is severely disappointed that the Assistant Secretary of Defense for Reserve Affairs was aware of the warning and failed to inform the Congress of the consequences of continuing to implement the program as originally planned.

The committee does not believe it is practical to modify the current program to make it actuarially sound. Accordingly, this section would terminate the ready reserve mobilization income insurance program. The provision would also specify that all benefit payments that are due will be paid in full.

The committee recognizes that many reservists experience financial hardships when they are involuntarily called to active duty. The committee remains receptive to new proposals from the Secretary of Defense to provide protection against the loss of income by activated reservists. If the Secretary desires to submit a new legislative proposal, the committee recommends that the proposal be accompanied by analysis of alternative plans to allow comparison with the Secretary's recommended plan. The alternative plans should include a mixture of voluntary and mandatory programs with varying premium levels.

Section 513—Correction of Inequities in Medical and Dental Care and Death and Disability Benefits for Reserve Members Who Incur or Aggravate an Illness in the Line of Duty

Section 702 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) authorized for reservists the same death and disability benefits as active duty members when the reservist's death or disability occurred in an off-duty period between successive inactive duty training periods performed at locations outside the reasonable commuting distance from the member's residence. This section would authorize the same coverage for a reservist required to remain overnight prior to the commencement of inactive duty training.

Section 514—Time-in-Grade Requirements for Reserve Commissioned Officers Retired During the Drawdown Period

This section would authorize the secretaries of the military departments to reduce the required time in grade for a reserve officer to retire in the highest grade held from three to not less than two years. The provision would limit the number of officers in a grade approved for retirement to two percent of the active status reserve strength for that armed force in that grade. The provision would expire on September 30, 1999.

Section 515—Authority to Permit Non-Unit Assigned Officers to be Considered by Vacancy Promotion Board to General Officer Grades

This section would authorize the Secretary of the Army to consider officers not assigned to units of the selected reserve to compete for promotion to brigadier general and major general within the same promotion board process.

Section 516—Grade Requirement for Officers Eligible to Serve on Involuntary Separation Boards

This section would reduce the grade required for officer separation board members in the reserve components from 0–6 and above to 0–5 and above.

Section 517—Limitation on Use of Air Force Reserve AGR Personnel for Air Force Base Security Functions

The committee has learned that the Secretary of the Air Force sought in the fiscal year 1998 budget request an increase of 215 in the end strength of the reserves on active duty in support of the reserves (AGRs). The increase was to provide base security at four Air Force Reserve bases in the United States. Use of the AGRs for this security mission would have replaced 72 Air Reserve technicians and 136 Department of Defense civilians now providing the base security at those four bases. The committee does not understand the Secretary's rationale for seeking additional AGRs for U.S. base security purposes. First, the use of AGR's is more costly than continued use of a mixed civilian and technician security force. The average AGR costs at least \$7,000 to \$10,000 more than the average civilian employed in the security force at the four bases. Second, although it acknowledged to the General Accounting

Office that it has 6,900 fewer security police than are needed to meet its active duty wartime requirements, the Air Force has decided not to fill those requirements because these personnel would not be deployed and would only be required to provide security at fixed bases in the United States. Such a shortfall, the Air Force told the General Accounting Office, could be compensated for in a number of ways, including hiring civilian security guards. This latter reasoning seems to directly contradict the Air Force Reserve proposal to add AGRs—full time, uniformed military personnel—to provide security at bases in the United States. For these reasons, this section would prohibit the Secretary of the Air Force from utilizing AGRs for base security at United States bases until six months after the Secretary has provided a report to the House Committee on National Security and the Senate Committee on Armed Services. The provision would require the report to address the rationale and cost effectiveness of such utilization of AGRs compared to the use of Department of Defense civilians or contractor personnel, as well as a plan for the re-employment, conversion to AGR status, or retirement of the current non-AGR workforce. The restrictions proposed to be established by this section on the use of AGR's for base security in the United States would not prohibit the proposed use of 13 AGR's as part of the deployable force protection unit being established by the Air Force.

SUBTITLE C—MILITARY TECHNICIANS

Section 521—Authority to Retain on the Reserve Active-Status List Until Age 60 Military Technicians in the Grade of Brigadier General

This section would restore the authority that existed prior to the enactment of the Reserve Officer Personnel Management Act (ROPMA) that permitted the Secretaries of the Army and Air Force to retain brigadier general military technicians on the active-status list up to age 60.

Section 522—Military Technicians (Dual Status)

The National Defense Appropriations Act for Fiscal Year 1996 (Public Law 104–61) and the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) enacted provisions defining the term “military technician” which were not completely consistent with one another. This section would remove the inconsistencies by defining a military technician (dual status) as a federal civilian employee who is hired in accord with titles 5 or 32, United States Code, and who, as a condition of federal civilian employment, must maintain military membership in the selected reserve, and who also must be assigned to a position as a technician in the administration and training of the selected reserve, or to a position in the maintenance and repair of supplies or equipment issued to the selective reserve or armed forces. The section would also require that, unless exempted by law, all military technicians hired on or after December 1, 1995, (the date of enactment of Public Law 104–61) would be required to maintain military membership in the selected reserve unit by which they are employed as a

military technician, or in a unit they are employed as a military technician to support. Finally, the section would require the Secretary of Defense, in coordination with the Director of the Office of Personnel Management, to develop a legislative proposal for the National Defense Authorization Act for Fiscal Year 1999 that would establish or clarify statutory guidelines in title 5, United States Code, for the hiring, management, separation, and retirement of Army and Air Force Reserve military technicians (dual status).

Section 523—Non-Dual Status Military Technicians

In recognition of the important direct readiness contributions being made by military technicians (dual status), the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) established special rules and protections that set military technicians (dual status) apart from other federal civilian employees in the Department of Defense. In addition, the act established hiring restrictions that were designed, in part, to reduce the numbers of military technicians who never were members of the selected reserve, or for one reason or another after being hired subsequently became disqualified from selected reserve membership. The committee understands that at present there are approximately 3,800 such so-called non-dual status technicians, many of whom are performing clerical and administrative functions. In addition, the committee is disturbed to learn that contrary to the reductions in non-dual status technicians contemplated by the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), the number of non-dual status technicians in the Army Reserve has grown from almost 800 in fiscal year 1996 to nearly 1,300 in fiscal year 1997. This section would address that growth by capping the numbers of non-dual status technicians permitted in each of the reserve components in fiscal year 1998, and require the service secretaries in future years to reduce the number of non-dual status technicians by at least 10 percent per year. Furthermore, the section would require the Secretary of Defense to submit, by March 31, 1998, a plan for eliminating non-dual status technicians. In developing the plan, the Secretary would be required to consider elimination or consolidation of functions or positions, contracting out of functions, conversion of technicians and technician positions to non-technician competitive federal positions or employees, and the use of incentives to facilitate the directed reductions.

SUBTITLE D—MEASURES TO IMPROVE RECRUIT QUALITY AND REDUCE RECRUIT ATTRITION

Section 531—Reform of Military Recruiting Systems

This section would require the Secretary of Defense to undertake a series of department-wide reforms to:

- (1) Improve data collection and analysis of the reasons for new recruit attrition as part of an effort to undertake targeted measures to control that attrition;
- (2) Create incentives for recruiters to improve the qualification screening of prospective recruits;

(3) Assess the trends in the use of waivers to permit the enlistment of persons with otherwise disqualifying conditions; and

(4) Ensure the prompt separation from the military services of new recruits who are unable to complete basic training.

Section 532—Improvements in Medical Prescreening of Applicants for Military Service

A General Accounting Office review of matters related to the 30 percent attrition of all military personnel during first terms of enlistment concluded that attrition could be reduced through better medical prescreening of applicants for military service. The committee strongly concurs with the findings of the review. Therefore, this section would direct the Secretary of Defense to undertake a number of reforms, to include:

(1) Requiring each applicant for military service to provide the name of the applicant's medical insurer, the names of past medical providers, and a release to obtain the applicant's medical records;

(2) Revising the questions asked of applicants to tie the questions more directly to conditions that most frequently result in medical separations;

(3) Assigning to a contractor or agency other than the Military Entrance Processing Command (MEPCOM) the responsibility for evaluating medical conditions of recruits that are missed during MEPCOM's accession processing; and

(4) Requiring all applicants for military service be tested for use of illegal drugs at the MEPCOM station.

Section 533—Improvements in Physical Fitness of Recruits

This section would direct the Secretary of Defense to undertake a range of measures to improve the level of physical fitness of new recruits prior to the start of basic training, including the use of incentives, monetary and otherwise, for new recruits in the delayed entry program to voluntarily participate in supervised conditioning activities. This section would permit the use of Department of Defense military fitness facilities for this purpose, as well as the use of military medical facilities if the new recruit is injured during the supervised conditioning activities.

SUBTITLE E—MILITARY EDUCATION AND TRAINING

Section 541—Independent Panel to Review Military Basic Training

This section would require the establishment of a panel to review the basic training programs of the Army, Navy, Air Force and Marine Corps and to make recommendations for improvements to these programs.

The committee believes that such reform is necessary based on what it has heard in recent visits to military installations as well as on the strong, unequivocal statements of non-commissioned officers and field commanders of all services in most of the field locations visited by the committee staff last fall. These mid-level military leaders expressed concern that graduates of the services' basic

training programs were emerging without the physical fitness, skill in basic military tasks, discipline, and acculturation to service values needed for the actual job and readiness requirements of an operational unit. In the minds of many who shared their views, such insufficiently prepared basic training graduates represented significant burdens, not assets, to units already overburdened by high operations tempo and constrained resources.

Therefore, this section directs the panel on military basic training to review the course objectives, structure, and length of each of the military services' basic training programs. With regard to the review of the basic training programs, the panel should focus on two key questions:

(1) Do the services' basic training programs produce graduates who are adequately trained to ensure that they report to operational units with an appropriate level of skills, physical conditioning and military socialization to meet unit requirements and operational readiness?

(2) Given the demographics, education and background of new recruits, are the basic training systems and objectives most efficiently and effectively structured and conducted to produce graduates who meet service needs?

This section also would require the panel to review the basic training policies for each of the military services with regard to the issue of gender-integrated basic training. As part of this review, the panel should focus on the historical as well as the current rationales for integrating or segregating basic training, particularly with regard to the relevance of the rationales and their consideration of the impact on readiness. In focusing on the historical rationale, the panel should determine and evaluate the reasons the Air Force and Navy chose to integrate basic training, as well as the Army's rationale for implementing an integrated basic training initiative in 1976, then abruptly disestablishing this initiative in 1982. The panel should also assess the degree to which different standards have been established or implemented, and determine whether basic training performance standards are based on military readiness. Additionally, the panel should compare the attrition rates and readiness and morale of gender-integrated basic training units with gender-segregated basic training units.

This section would require the panel to submit its completed evaluation of the gender-integrated and gender-segregated basic training programs, along with recommendations for changing or improving the current programs, within one year of the panel's establishment. It also would require Congress, based on the panel's recommendations, to consider whether to require by law that the military services conduct gender-segregated basic training.

Section 542—Reform of Army Drill Sergeant Selection and Training Process

The committee believes that because drill sergeants perform one of the most crucial, as well as one of the most difficult missions in the Army, standards for entrance into and graduation from training must be rigorous. As a part of a review of the initial entry training system in the Army, committee members heard first-hand a range of recommendations from drill sergeants, drill-sergeant in-

structors, and drill-sergeant trainees about needed reforms to improve the selection and training processes of drill sergeants. Building on those recommendations, this section would require the Secretary of the Army to institute a number of reforms, including:

- (1) Chain-of-command assessments of the suitability and qualifications of all drill sergeant candidates;
- (2) Psychological screening of all drill sergeant candidates;
- (3) Revision of the drill-sergeant trainee evaluation system to expand assessments of qualifications and suitability to include “whole-person” evaluations; such revisions could include the use of drill sergeant trainee peer evaluations and subjective evaluations from instructors in the drill sergeant course;
- (4) Providing all drill sergeant trainees prior to graduation with opportunities to work with actual new recruits in initial entry training; and
- (5) Revision of the military personnel records system to permit certain persons, under conditions prescribed by the Secretary, to leave drill sergeant training without penalty or stigma on the person’s future military career.

This last reform stems from the committee’s view that it takes more than being a good soldier—professionally competent, well motivated, and dedicated to the task at hand—to be a good drill sergeant, and that an inability to meet all the higher standards required of a drill sergeant should not prevent good soldiers from continuing to make professional contributions to the Army. The section would also require the Secretary of the Army to provide the House Committee on National Security and the Senate Armed Services Committee a report by March 31, 1998 of the reforms initiated, or the Secretary’s rationale for not undertaking the prescribed measure.

Section 543—Requirement for Candidates for Admission to United States Naval Academy to Take Oath of Allegiance

This section would codify what now is implemented by policy—that persons seeking admission to the United States Naval Academy take and subscribe to an oath of allegiance to the United States as a requirement for admission. The change would make the requirement for an oath consistent in law for all three service academies.

Section 544—Reimbursement of Expenses Incurred for Instruction at Service Academies of Persons from Foreign Countries

The committee believes that the Secretary of Defense has forgotten his responsibility for sound fiscal stewardship in connection with the attendance of international students at the U.S. service academies. Current law authorizes up to 40 international students at any one time to attend full-time each of the respective service academies and requires that the foreign country sponsoring a student reimburse the U.S. government for the cost of the instruction, as well as any pay, allowances and emoluments the U.S. provides to the student. The reimbursement requirement can be waived in whole or in part by the Secretary of Defense. The committee is shocked to learn that of the 115 international students from 39

countries who are enrolled in 1997 at the service academies, the Secretary of Defense has waived the full cost of attendance for 106 students. This extravagant use of waivers requires the Department of Defense to expend \$7.2 million annually, including \$4.2 million in operations and maintenance funding and \$3.0 million in military personnel funding. The committee believes this disregard for sound fiscal practice must be ended and that foreign governments must share a larger burden of sending their citizens to the service academies. Therefore, the committee directs the Secretary of Defense to re-negotiate current agreements with the nations who have students in attendance at the service academies. As an incentive to those negotiations, the committee recommends a reduction in fiscal year 1998 of \$4.2 million in Defense-wide Operations and Maintenance accounts and a \$1.0 million reduction in the amounts authorized for military personnel in the Army, Navy and Air Force. In addition, this section would constrain the Secretary of Defense's waiver authority for international students entering the service academies after the date of enactment to no more than 25 percent of the per-person cost of attendance by an international student, but would permit the Secretary, in exceptional cases, to waive more than 25 per cent of the cost for up to five international students at each of the service academies. Furthermore, the committee directs the Secretary of Defense to provide a report no later than April 30, 1998, to the House Committee on National Security and the Senate Committee on Armed Services detailing the results of the required negotiations. If there is not substantial improvement in the reimbursement rates for international students at the service academies, the committee will consider further constraints on the program.

Section 545—United States Naval Postgraduate School

This section would amend the current authority governing admittance of civilians to the Naval Postgraduate School and create new authority to admit enlisted personnel to the school. Thus, the section would authorize the Secretary of the Navy to admit civilians on a space available basis, with reimbursement being required either on an in-kind basis or on a cost-reimbursable basis. In addition, the section would authorize enlisted members to attend courses on a space available basis.

Section 546—Air Force Academy Cadet Foreign Exchange Program

The President's budget request sought authority for the Secretary of the Air Force to establish an exchange program at the Air Force Academy whereby up to 24 academy cadets could receive up to a semester of instruction at foreign military academies. In turn, on a one-for-one-basis, the Air Force Academy would accept students from the foreign military academy for up to a semester of instruction. This section would authorize the exchange program but would limit the program to more than 10 exchanges per year and the academy's annual expenditure on the program to \$50,000. The limitations reflect committee concerns that the Secretary of Defense has liberally waived the reimbursement requirements for international students attending each of the service academies. The

result is that the Department of Defense has borne most of the costs of international student attendance. While the committee agrees with the intent of this new Air Force Academy exchange program, the committee believes that this new program should first demonstrate an ability to operate on a basis of foreign governments providing comparable levels of support as are provided by the Air Force.

Section 547—Training in Human Relations Matters for Army Drill Sergeant Trainees

This section would require the Secretary of the Army to expand the human relations instruction now provided to drill sergeant trainees to at least two days of instruction. This instruction could include such topics as instructor-trainee relationships, leadership styles, professional conduct, lawful and unlawful discrimination, sexual harassment and misconduct, team building and counseling. In developing this instruction, the committee directs that the Secretary use the capabilities and expertise of the Defense Equal Opportunity Management Institute, and also recommends the Secretary review the human relations training program used by the Air Force in training its Military Training Instructors.

Section 548—Study of Feasibility of Gender-Segregated Basic Training

This section would require each of the military service secretaries to submit a report to the Senate Committee on Armed Services and the House Committee on National Security, within 180 days after the date of enactment, on gender-segregated basic training. The report should address the feasibility, implications and cost of conducting segregated basic training and for requiring drill sergeants of basic training units to be the same sex as the recruits in those units.

SUBTITLE F—MILITARY DECORATIONS AND AWARDS

Section 551—Study of New Decorations for Injury or Death in Line of Duty

This section would require the Secretary of Defense, in cooperation with the secretaries of the military departments and the Secretary of the Treasury with regard to the Coast Guard, to determine the appropriate name, policy, award criteria, and design for two new decorations. The new decorations would recognize the services of members of the armed forces who are killed or wounded under non-combat conditions and United States civilian nationals who are killed or wounded while serving in an official capacity with a United States armed force. The provision would require the Secretary to submit a legislative proposal to establish the two decorations and a recommendation concerning the need for the new decorations to the House Committee on National Security and the Senate Committee on Armed Services not later than July 31, 1998.

Section 552—Purple Heart to be Awarded Only to Members of the Armed Forces

This section would limit eligibility for the award of the Purple Heart to members of the armed services. The provision would become effective after the end of the 180-day period beginning on the date of enactment.

Section 553—Eligibility for Armed Forces Expeditionary Medal for Participation in Operation Joint Endeavor or Operation Joint Guard

This section would require the Secretary of Defense to designate participation by service members in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina as sufficient to meet the requirements for award of the Armed Forces Expeditionary Medal.

Section 554—Waiver of Time Limitations for Award of Certain Decorations to Specified Persons

This section would waive the statutory time limitations for the award of military decorations to provide for the award of those decorations to individuals who have been recommended for award of the decorations by the secretaries of the military departments.

SUBTITLE G—OTHER MATTERS

Section 561—Suspension of Temporary Early Retirement Authority

The committee believes that the pace of the drawdown has sufficiently slowed to allow a one-year suspension of the authority to retire service members under the temporary early retirement authority. The committee recognizes that future use of the authority may be required to shape the force structure and facilitate additional possible reductions in manpower levels resulting from the Quadrennial Defense Review. Additionally, the committee believes that funding within military personnel accounts should be allocated to directly address the urgent quality of life concerns expressed by the service members who will continue to serve. Accordingly, this section would suspend the authorization for the early retirement program during fiscal year 1998.

Section 562—Treatment of Educational Accomplishments of National Guard ChalleNGe Program Participants

The committee notes that the services restrict the accession of individuals who possess general education development (GED) certificates, to include participants in National Guard ChalleNGe programs. The committee believes that participants in the National Guard ChalleNGe program who achieved GED certificates as a result of the program have demonstrated the necessary commitment and discipline to serve successfully on active duty in the armed services.

Accordingly, this section would deem a GED certificate achieved as a result of the individual's participation in a National Guard ChalleNGe program the same as a high school diploma for the pur-

pose of determining the eligibility of the person for enlistment in the armed forces.

Section 563—Authority for Personnel to Participate in Management of Certain Non-Federal Entities

This section would authorize service secretaries to approve on a case-by-case basis the limited service of military and civilian personnel in their official capacities as directors, trustees, or officers of a military welfare society, such as Army Emergency Relief, or other designated entities. Such entities include bodies that regulate international athletic competition and the athletic programs of the service academies, educational accreditation organizations that evaluate the service academies and other schools of the armed forces, and organizations that regulate and support military health care. Compensation for such service would be prohibited, as would involvement in the day-to-day operations of the entities.

Section 564—Crew Requirements of WC-130J Aircraft

This section would require the Secretary of the Air Force to study the manpower requirements for the WC-130J aircraft engaged in aerial weather reconnaissance and eyewall penetration of tropical cyclones. The provision would require a report to the House Committee on National Security and the Senate Committee on Armed Services upon completion of the study. The provision also would preclude navigator and other manpower requirements of units engaged in eyewall penetration of tropical cyclones from being reduced below the requirements established as of October 1, 1997 until the end of a six-month period after the submission of the report.

Section 565 and Section 566—Civil-Military Programs

The National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) terminated the authority of the Department of Defense to conduct civil-military cooperative action programs, an authority that had been enacted in October 1992. Congress took the action based on a belief that many of the programs being conducted under the civil-military cooperative action program had minimal military readiness or training value. In recognition of the fact that some military mission training undertaken to accomplish valid unit training objectives could have an incidental benefit to non-Department of Defense entities, the Congress created a limited authority in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) to permit military units, under certain strict criteria, to conduct valid training that would have an incidental benefit to non-department entities. The committee, therefore, was chagrined to learn that many of the programs formerly conducted under the civil-military cooperative program were still being funded by the Department of Defense under a slightly revised name: The Department of Defense Civil-Military Innovative Readiness Training Programs. Even more disturbing to the committee was the directive issued by one service headquarters that civil-military and community support programs would be the number one operational and training priority for that service's reserve compo-

ment at all times other than mobilization. To ensure support for the directive and service objectives, officers appearing before command selection boards were being asked to submit a resume of their personal community support and civil-military program involvement. Although that service directive was canceled following committee questions about it, the committee believes that a review of the Department and service civil-military and community support programs is needed. Therefore, section 565 would require the Comptroller General to conduct such a review. In ordering this Comptroller General review, the committee's intent is not to quell or deter projects which meet the criteria established by Public Law 104-106. Rather, the committee's intent is that current and future training efforts that meet the criteria established in law should continue apace. In addition, section 566 would prohibit promotion and selection boards from using involvement in civil-military and community support programs as a special criteria to evaluate the fitness of members of the armed forces for promotion, command or other competitive selection. Finally, the committee recommends a reduction of \$8.0 million in the funding requested for the Department of Defense Civil-Military Innovative Readiness Training.

Section 567—Continuation of Support to Senior Military Colleges

The section would require that the Secretary of Defense continue support to the senior military colleges (Texas A&M University, Norwich University, The Virginia Military Institute, The Citadel, Virginia Polytechnic Institute and State University, and North Georgia College and State University) in three principal ways: 1) Retention of the long-standing commitment by the Army to provide active duty service for all graduates of the colleges who desire it and who are recommended for it by their respective professors of military science; 2) Participation by the active duty personnel assigned to the Reserve Officers' Training Corps (ROTC) detachments at each college in the leadership, academic and military development of the corps of cadets, beyond ROTC programs; and 3) Continued operation of the ROTC program at each of the colleges.

Section 568—Restoration of Missing Persons Authorities Applicable to Department of Defense as in Effect Before Enactment of National Defense Authorization Act For Fiscal Year 1997

This section would restore provisions pertaining to U.S. prisoners of war, those missing in action, and unaccounted for persons that were enacted in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) and subsequently repealed by the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201). Specifically, the section would expand the scope of current law by:

- (1) Making it applicable to Department of Defense civilians and contractors accompanying armed forces in the field;
- (2) Establish a 48-hour suspense for the commander's initial report of a missing person's status;
- (3) Require the theater component commander's involvement in the initial assessment of a missing person's status;

(4) Require the status of persons who were last known alive to be reviewed every 3 years for 30 years following initial report;

(5) Re-establish criminal penalties for the knowing and willful withholding of information from a missing person's file;

(6) Restore the requirement that a status review board (when making determinations of death) must provide a description of the location of body, if recovered, and, if body not identifiable, a certification by "a practitioner of an appropriate forensic science that the body recovered is that of the missing person;" and

(7) Restore the ability of certain persons to request status reviews of a limited number of Korean War cases.

Section 569—Establishment of Sentence of Confinement for Life Without Eligibility for Parole

This section would add a new article to the Uniform Code of Military Justice. The new article would establish a court-martial punishment of confinement for life without parole. This new punishment could be adjudged for any offense for which confinement for life is now an authorized punishment. Under current law, any accused who receives a punishment of confinement for life may be considered for parole. The section would also provide that a sentence of life without parole may only be set aside or modified by the action of the convening authority, secretary concerned, or other person authorized to act under normal post-trial review procedures, by court decision during appellate review, or by presidential pardon. Punishment of confinement for life without parole would apply to offenses committed after the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

Section 570—Limitation on Appeal of Denial of Parole for Offenders Serving Life Sentence

This section would amend section 952 of title 10, United States Code, to reflect a change in parole procedures for individuals convicted by court-martial who receive a punishment of confinement for life. In the case of a person serving a sentence of confinement for life who is denied parole, only the President or the Secretary concerned would be empowered to grant parole on appeal of that denial. This authority would not be delegable to subordinate officials.

Section 571—Establishment of Public Affairs Branch in the Army

This section would establish Public Affairs as a special branch of the Army. The committee expects that as a special branch, the Army will access, promote, manage, and assign officers and enlisted personnel of the branch in the same ways that it does for the other special branches like the Corps of the Army Medical Department, the Judge Advocate General's Corps, and Chaplains.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

ITEMS OF SPECIAL INTEREST

Armed Forces Health Professions Scholarship Program (AFHPSP)

The President's request contained two provisions that would allocate \$96.4 million to the AFHPSP during fiscal year 1998 to offset the potential expense to individual scholarship recipients caused by an Internal Revenue Service (IRS) ruling that the scholarships are taxable as personal income.

The committee is troubled that an IRS ruling can have the effect of diminishing the effectiveness of a federal program that must subsequently be revitalized by spending additional tax revenue. The committee notes that section 747 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) expressed the Sense of the Congress that the Secretary of Defense and the Secretary of the Treasury should work together to find a solution that results in the continued exclusion of AFHPSP scholarships from gross income. The committee is disappointed that an agreement could not be reached, and further, that there is no evidence that the Secretary of the Defense and the Secretary of the Treasury personally engaged on this matter when it became clear that an agreement could not be reached between officials at a lower management level.

Accordingly, the committee recommends rejection of the two provisions included in the President's request. The committee is opposed to the use of tax revenue to reverse the affect of an IRS ruling in this matter. Before alternative solutions are considered, the committee requires a joint statement by the Secretary of Defense and the Secretary of the Treasury explaining why AFHPSP scholarships must be considered taxable.

Communication of Retirement Benefits to New Accessions

The committee is distressed about recent disclosures that recruiting materials have for decades failed to provide specific information about the total spectrum of retirement benefits, or worse, misrepresented the level of benefit that was authorized. The committee appreciates the anger felt by many retirees who viewed the commitments made by recruiters when they entered active duty as promises; promises that the retirees now know will not be kept.

The committee considers this an intolerable situation that must be corrected. The committee is aware of initiatives within the Department of Defense to improve the documents used to communicate future retirement benefits to recruits. Accordingly, the committee directs the Secretary of Defense to report to the House Com-

mittee on National Security and the Senate Committee on Armed Services, not later than January 9, 1998, the full extent of the review of these matters conducted by the Secretary, a detailed account of the actions taken and anticipated, a projection as to when all actions will be complete, and an assessment as to why the Secretary believes that his plan will provide a lasting solution to the problem.

Additionally, the committee believes that an option should be considered to guarantee benefits by including the retirement benefits explanation document as part of the enlistment contract. Accordingly, the Committee directs the Secretary to include his assessment of such an option within the report.

Study of Certain Compensation Issues

The committee is concerned about the effectiveness and efficiency of bonus and pay programs for aviation service, nuclear trained service members, and sea duty.

The Navy, Marine Corps, and the Air Force have experienced decreasing retention among aviators as the airline industry has increased hiring. Since the cost of training a fully qualified experienced fighter pilot is estimated to exceed \$6.0 million, the committee believes that an effective bonus is essential to protecting this valuable resource. The committee is aware of discontent about the structure of compensation for flying duties among enlisted and non-aviator crew members. A long term retention problem also exists with nuclear qualified service members in the Navy. The Navy has operated a series of retention bonuses to attract and retain the highly skilled officers and enlisted members needed to safely and effectively operate the Navy's nuclear power plants. The President's budget request included a provision to increase the maximum legislated amounts for the full range of bonuses and pay for nuclear trained service members. Finally, the committee is aware of discontent with the level of sea pay and interest within the Department of the Navy to restructure the program to give greater incentives for service members to volunteer for sea duty.

In each case, inflation and changing retention conditions and attitudes have eroded the effectiveness of these three compensation programs. Accordingly, the committee directs the Secretary of Defense, in coordination with the secretaries of the military departments, to study the effectiveness of the compensation systems used to recruit and retain officers and enlisted members in aviation service, Navy nuclear duties, and sea duty. The Secretary should submit a report with the findings and recommendations resulting from this study to include three comprehensive legislative proposals to address the long-term compensation needs within each area of concern to the House Committee on National Security and the Senate Committee on Armed Services not later than March 31, 1998.

Tax Deferred Savings Plan

The committee notes that the military services are considering a proposal to augment the current military retirement system by permitting military members on active duty to elect to participate in

a tax deferred savings plan. The plan being considered would limit member contributions to a maximum of five percent of the member's basic pay and would not include matching payments by the government. The committee encourages the Secretary of Defense to report to the Congressional defense committees his assessment of the program structure he recommends for adoption and any alternative plans that were considered in the review process, the potential for implementation, the contribution of the program to sustaining the value of the military retirement benefit, and the merits of the proposal as a tool for shaping and managing the force.

LEGISLATIVE PROVISIONS

SUBTITLE A—PAY AND ALLOWANCES

Section 601—Increase in Basic Pay for Fiscal Year 1998

This section would provide a 2.8 percent military pay raise as proposed in the President's budget request. Following an encouraging fiscal year 1997 budget request that for the first time in four years included a pay raise that kept pace with inflation, the committee is disappointed that the President's budget request for fiscal year 1998 reverted back to the "by law" model for military pay raises. The 2.8 percent pay raise is one half of one percent below the rate of pay increases in the private sector as measured by the Employment Cost Index (ECI).

Section 602—Annual Adjustment of Basic Pay and Protection of Member's Total Compensation While Performing Certain Duty

The committee is concerned that the "by law" model employed by the Department of Defense to set military pay raises systematically fails to provide the protection against inflation needed to retain the quality people that serve in the military today. The decrease to military pay raises described in the discussion of section 601 results from the legislative link between military and federal civilian pay increases.

The committee is also concerned that service members are routinely subjected to reductions in income when they participate in training exercises. The committee is recommending provisions in this bill to respond to that concern. These provisions would authorize additional management flexibility in the payment of Basic Allowance for Subsistence, establish a new authority for hardship duty pay, and increase family separation pay. The committee believes that these provisions would provide commanders the tools necessary to pay deployed service members more efficiently and achieve savings that can be used to protect the level of income of service members participating in training exercises.

Accordingly, this section would repeal the legislative link between military and federal civilian pay raises and would require military pay raises to be independently calculated using the Employment Cost Index. The provision would also mandate that a service member's total compensation not be reduced while assigned to duty away from the member's permanent duty station or while assigned to duty under field conditions while at the member's permanent duty station. The provision would authorize an exception

to allow total compensation to be reduced during periods of such duty when the reductions were unrelated to the duty being performed. The committee is committed to ending the financial hardships imposed on members and their families when the basic allowance for subsistence (BAS) is terminated during training conducted under field conditions. Accordingly, the committee authorizes \$50.0 million to pay BAS during training under field conditions and directs the Secretary of Defense to distribute the funds to the services according to the priorities established by the Secretary.

Section 603—Use of Food Cost Information to Determine Basic Allowance for Subsistence

The committee is concerned that the termination of Basic Allowance for Subsistence (BAS) during deployment under field conditions or assignment to sea duty results in financial hardship for enlisted service members. The committee believes that service members should not suffer a lower level of income when deployed than when they are serving at their home station. Accordingly, this section provides the Secretary of Defense greater flexibility to continue to pay BAS when rations in kind are available. The provision would also index the annual growth in subsistence allowance to increases in the cost of the moderate food plan of the U.S. Department of Agriculture and repeal the current process of increasing the Basic Allowance for Subsistence at the same rate as the military pay raise.

The committee believes that the additional flexibility for paying BAS that would be provided by this section would allow the Secretary of Defense to maintain income levels for deployed service members, restore equity in compensation between different groups of deployed forces, and manage compensation programs for deployed forces more efficiently.

The committee does not intend that this reform of the BAS be interpreted as an opportunity to reconsider the tax treatment of the allowance. The committee firmly believes that the BAS must remain non-taxable.

Section 604—Consolidation of Basic Allowance for Quarters, Variable Housing Allowance, and Overseas Housing Allowances

The committee is concerned that the current housing allowance system comprised of the Basic Allowance for Quarters and the Variable Housing Allowance, and based on service member expenditures, is inefficient and rife with inequities. The committee is also disappointed that the President's budget request did not include increases in housing allowances above the level of the pay raise. This is the second year that the budget request failed to keep the Secretary of Defense's promise to continue a six year program included in the fiscal year 1996 budget request to reduce the out-of-pocket housing costs to the Congressionally established standard of 15 percent for military members and their families.

Accordingly, this section would consolidate the Basic Allowance for Quarters and the Variable Housing Allowance and would authorize \$35.0 million to reduce out-of-pocket housing costs. The new allowance would be based on the cost of adequate housing for civil-

ians with comparable income levels residing in the same area as military personnel. The section would index the annual growth in housing allowances to increases in the national average monthly cost of housing and repeal the current process of increasing the Basic Allowance for Quarters at the same rate as the military pay raise. The provision would also incorporate the authorities for overseas station housing allowance and family separation housing allowance and would protect service members from reductions in the rate of overseas station allowance not attributable to fluctuations in foreign currency rates, so long as the member's housing costs have not been reduced.

The committee does not intend that this reform of housing allowances be interpreted as an opportunity to reconsider the tax treatment of military housing allowances. The committee firmly believes that the housing allowances must remain non-taxable. The committee does intend that the portion of the new Basic Allowance for Housing which represents the amount previously characterized as the Basic Allowance for Quarters will continue to be reported as earned income for earned income tax credit purposes.

SUBTITLE B—BONUSES AND SPECIAL AND INCENTIVE PAYS

Section 611—One-Year Extension of Certain Bonuses and Special Pay Authorities for Reserve Forces

This section would extend the authority for the selected reserve reenlistment bonus, the selected reserve enlistment bonus, the selected reserve affiliation bonus, the ready reserve enlistment and reenlistment bonus, and the prior service enlistment bonus until September 30, 1999.

Section 612—One-Year Extension of Certain Bonuses and Special Pay Authorities for Nurse Officer Candidates, Registered Nurses, and Nurse Anesthetists

This section would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, and the incentive special pay for nurse anesthetists until September 30, 1999.

Section 613—One-Year Extension of Authorities Relating to Payment of Other Bonuses and Special Pays

This section would extend the authority for the aviation officer retention bonus, special pay for health care professionals who serve in the selected reserve in critically short wartime specialties, reenlistment bonus for active members, enlistment bonuses for critical skills, special pay for enlisted members of the selected reserve assigned to certain high priority units, special pay for nuclear qualified officers extending the period of active service, and nuclear career accession bonus to September 30, 1999. The provision would also extend the authority for repayment of educational loans for certain health professionals who serve in the selected reserve and the nuclear career annual incentive bonus until October 1, 1999.

Section 614—Increase in Minimum Monthly Rate of Hazardous
Duty Incentive Pay for Certain Members

This section would increase the amount paid to service members engaged in certain hazardous duties to \$150 a month. This section would also increase the minimum amount paid to service members engaged in non-aviator aircrew duties and air weapons controller aircrew duties to \$150 a month, and would increase the amount paid to service members engaged in free fall parachute jumping to \$225 a month. To provide for the increases, the committee recommends an increase of \$33.6 million in the services' military personnel accounts over the amount in the budget request.

Section 615—Availability of Multiyear Retention Bonus for Dental
Officers

This section would amend section 301d of title 37, United States Code, to give the Secretary of Defense discretionary authority to provide multi-year contracts to dental officers, particularly critical specialists. These contracts would obligate dentists for up to four years and would enhance retention and management of the dental corps. The provision would require that dentists with a specialty in oral and maxillofacial surgery with at least eight years of service be automatically eligible for these contracts.

Section 616—Increase in Variable and Additional Special Pays for
Certain Dental Officers

This section would amend section 302b(a) of title 37, United States Code, to increase special pay for dental officers with eight or more years of service. Retention of dental officers remains a readiness concern for the military services. Retention of dentists is decreasing for every dental officer year group. Aggregate retention is 26 percent at 10 years of service and 13 percent at 20 years, compared to the Army's ideal force profile which calls for 40–50 percent retention at 10 years and 30–35 percent retention at 20 years. In addition, the expected length of service was 7.4 years in 1996, down from 11.8 years in 1982.

Section 617—Special Pay for Duty at Designated Hardship Duty
Locations

The committee is concerned about inequities in the compensation of service members when serving in locations that present quality of life hardships. Furthermore, the committee believes that service members should not suffer a lower level of income when deployed or permanently assigned to hardship locations. Accordingly, this section would establish a hardship duty pay for service members serving in locations that present quality of life hardships up to a maximum of \$300 a month. The committee intends that this hardship pay be varied, at the discretion of the Secretary of Defense, by location, grade, years of service, or other factors to recognize the level of hardships at different locations and the frequency and duration of hardships experienced by individual service members over the course of a military career.

The committee believes that the payment of hardship duty pay in coordination with the flexibility authorized in this bill to pay the Basic Allowance for Subsistence when deployed, would give the Secretary the compensation tools needed to ensure that deployed service members are compensated in a fair and equitable manner.

Section 618—Selected Reserve Reenlistment Bonus

This section would restructure the payment options available to the secretaries of the military departments for the selected reserve reenlistment bonus and would extend the period of eligibility for the bonus from members with less than 10 years total military service to members with less than 14 years service.

Section 619—Selected Reserve Enlistment Bonus for Former Enlisted Members

This section would restructure the payment options available to the secretaries of the military departments for the selected reserve enlistment bonus for former enlisted members and would extend the period of eligibility for the bonus from members with less than 10 years total military service to those with less than 14 years service.

Section 620—Special Pay or Bonuses for Enlisted Members Extending Tours of Duty Overseas

This section would authorize the payment of a bonus as an alternative to a monthly special pay to enlisted members who extend their tours of duty overseas.

Section 621—Increase in Amount of Family Separation Allowance

This section would increase the amount of family separation allowance paid to service members to \$100 a month. To provide for the increase, the committee recommends an increase of \$25.4 million in the services' military personnel accounts over the amount in the budget request.

Section 622—Change in Requirements for Ready Reserve Muster Duty Allowance

This section would authorize the payment of the muster duty allowance not later than 30 days after the service member performs the duty.

SUBTITLE C—TRAVEL AND TRANSPORTATION ALLOWANCES

Section 631—Travel and Transportation Allowances for Dependents of Member Sentenced by Court-Martial

This section would remove the restrictions on authorizing travel and transportation allowances to a dependent of a service member who receives certain court-martial sentences.

Section 632—Dislocation Allowance

This section would establish grade-based rates for dislocation allowances and would index the annual growth of dislocation allowances to increases in the national average monthly cost of housing.

SUBTITLE D—RETIRED PAY, SURVIVOR BENEFITS, AND RELATED MATTERS

Section 641—Time in Which Certain Changes in Beneficiary Under Survivor Benefit Plan May Be Made

This section would remove the requirement that service members may change the beneficiary for the Survivor Benefit Plan from a former spouse to a spouse within one year of the date of remarriage. The committee notes that this provision does not change any of the other requirements with which the service member must comply before such a change of beneficiary could be selected.

SUBTITLE E—OTHER MATTERS

Section 651—Definition of Sea Duty for Purposes of Career Sea Pay

This section would authorize duty on a ship-based staff to be designated as sea duty for the purpose of qualifying for career sea pay.

Section 652—Loan Repayment Program for Commissioned Officers in Certain Health Professions

This section would amend chapter 109 of title 10, United States Code, to establish an education loan repayment program for specific health professions. The program would allow the military departments to repay health professionals' education loans in return for active-duty service obligations. The program would serve as an incentive for improving the direct accession of fully-trained health care specialists needed in chronically understaffed specialties.

Section 653—Conformance of NOAA Commissioned Officers Separation Pay to Separation Pay for Members of Other Uniformed Services

This section would remove the limitations on the amount of separation pay that may be paid to commissioned officers of the National Oceanic and Atmospheric Administration (NOAA) and would exclude that portion of separation pay withheld for income taxes from the amount that must be repaid before becoming eligible for disability payments from the Department of Veterans Affairs. This section would conform the separation pay authority for NOAA commissioned officers with the separation pay authority for members of the armed services.

Section 654—Reimbursement of Public Health Service Officers for Adoption Expenses

This section would authorize officers of the Commissioned Corps of the Public Health Service to receive reimbursement for adoption expenses in the same manner as members of the armed forces.

Section 655—Payment of Back Quarters and Subsistence Allowances to World War II Veterans Who Served as Guerrilla Fighters in the Philippines

The committee believes that World War II veterans who were captured by Japanese forces in the territory of the Philippines, escaped from captivity, and served as guerilla fighters in the Philippines are deserving of special consideration regarding the payment of quarters and subsistence allowances during the period when they served as guerilla fighters. Accordingly, this section would authorize the payment of quarters and subsistence allowances to qualified individuals who served as guerilla fighters during the period from January 1942 through February 1945.

Section 656—Space Available Travel for Members of Selected Reserve

This section would provide authority for members of the Selected Reserve and their accompanying dependents to receive transportation on Department of Defense aircraft on a space available basis under the same terms and conditions that apply to active duty members of the armed forces and their dependents.

Section 657—Study on Military Personnel At, Near, or Below the Poverty Line

This section would direct the Secretary of Defense to conduct a study of members of the armed forces and their dependents who subsist at, near, or below the poverty line. The Secretary would be required to submit the findings of the study to the Congress not later than 180 days after the date of enactment of this act.

Section 658—Implementation of Department of Defense Supplemental Food Program for Military Personnel Outside the United States

Section 653 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) authorized a supplemental food program for military members and civilian employees of the armed services and their families assigned to overseas locations. The provision specified that the Secretary of Agriculture would provide the funding to support the program and the Secretary of Defense would administer the program. The committee notes that the program has never operated as intended because funding has never been provided.

The committee urges the Secretary of Defense, in cooperation with the Secretary of Agriculture, to resolve the funding problem. In the interim, this section would authorize the Secretary of Defense to use funds appropriated to the Department of Defense to carry out the supplemental food program pending receipt of funding from the Secretary of Agriculture. Additionally, the section would, not later than 90 days from the date of enactment of this act, require the Secretary of Defense to submit to the Congress a plan for implementing the program.

TITLE VII—HEALTH CARE PROVISIONS

OVERVIEW

The committee is concerned that for the second consecutive year the President's budget request did not provide adequate funding for the Defense Health Program (DHP). The General Accounting Office (GAO) estimated the shortfall for fiscal year 1998 to be between \$424.0 million and \$471.0 million. More disturbing is the fact that GAO estimated that the health program costs for fiscal years 1998 to 2003 could be \$8.4 billion greater than estimated by the Department of Defense.

In response to Congressional concern that the DHP was once again used as a funding source for under-funded defense programs, the committee understands that the Administration plans to submit a budget amendment to increase the DHP by \$274.0 million. The committee is very concerned that the proposed budget amendment, which has not yet been received by Congress, still would not provide for full funding of the Defense Health Program.

The committee understands that the funding shortfall in the proposed budget amendment is due in part because the Department does not provide a cost-growth factor for technology and intensity of treatment. According to the GAO, the Health Care Financing Administration and the Institute for Defense Analysis consider that a cost growth factor of about one or two percent for technology and intensity of treatment is a reasonable factor for the Department to apply in estimating the Defense Health Program budget.

The committee further understands that the President's budget request contained a \$98.0 million reduction in the DHP, an assumed level of savings from the application of utilization management techniques. The committee is concerned that a reduction of this magnitude is not adequately justified. The GAO concluded that the Department "did not have managed care program performance data to permit a more reliable estimate and, in the absence of such data, did not derive the utilization management savings assumption from a formal methodology or analysis." The GAO also explained that the introduction of utilization management generally can be expected to generate one-time savings, not continuous additional savings as assumed in the future year defense plan.

In addition to using faulty assumptions to generate "savings" in the Defense Health Program, the President's budget request leaves gaps in the DHP budget by not fully funding certain programs required by law, such as the Uniformed Services University of the Health Science.

The consistent under-funding of the Defense Health Program reflects a serious lack of commitment by the Department to a key quality of life issue which service members consistently rank as a top concern. The DHP provides crucial health care services to mil-

lions of men and women who honorably serve or have served our country. The committee again strongly urges the Secretary of Defense to ensure that the DHP is fully funded in fiscal year 1999 and the future year defense plan.

ITEMS OF SPECIAL INTEREST

CHAMPUS as a Second-Payer to Other Health Insurance

The committee is concerned over the Department's recent policy change in the way the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) provides reimbursement for health care services after third-party insurers have paid their share of the service coverage. The committee understands that CHAMPUS has decided to apply its 115 percent billing limit policy to payments made by other health insurance. Since many other health insurers reimburse providers at levels in excess of 115 percent of the CHAMPUS maximum allowable charge (CMAC), CHAMPUS now rarely pays any remaining cost to the beneficiary not covered by the other health insurance. This change is unfair to beneficiaries who have other health insurance and is seen as a further erosion in benefits promised to members who made a commitment to serve their country.

While the committee understands that the new policy is consistent with Medicare policy, the committee also understands that the Department of Defense does not have the same ability to enforce its requirement that health care providers charge CHAMPUS beneficiaries no more than 115 percent of the CMAC rate. While Medicare can impose significant fines on providers who violate the Medicare laws, the Department has no similar authority. Therefore, the committee strongly urges the Secretary of Defense to establish mechanisms for enforcing the requirement that health care providers charge CHAMPUS beneficiaries no more than 115 percent of the CMAC rate, or that it continue to pay for health care services when paying as a second payer to other health insurance under the Department's previous policy.

Pacific Medical Network

The committee authorizes \$5.0 million in procurement to extend the Pacific Medical Network (PACMEDNET) prototype capability from Hawaii to the Korean peninsula and other remote Pacific areas to enhance military readiness and improve the quality of health care in the Pacific theater. This effort will ensure that military members and their families stationed in the Pacific will have access to state-of-the-art medical expertise and information no matter where in the world medical experts are physically located.

TRICARE Program

The committee is concerned about several aspects of the Department of Defense's TRICARE managed health care program. The committee is most concerned that substantial changes are being made to the TRICARE program without benefit of a comprehensive evaluation of the program, as was directed by section 717 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106). Moreover, the committee is concerned by a General

Accounting Office finding that the Department does not have a full understanding of the cost implications of the numerous program changes. Such frequent, significant and potentially costly changes to this complex program makes it very difficult to gain a full understanding of the effectiveness of the program—to accurately measure its successes, failures and need for modification.

While the committee is pleased with many of the preliminary findings of a survey of enrollees of TRICARE Prime, the HMO option—that enrollees are most satisfied with the quality of medical care they receive through TRICARE Prime, their access to care through Prime and the convenience of the plan—the committee believes it is critical for a full evaluation of the program to be conducted, particularly before significant programmatic changes are made. Therefore, the committee recommends that the Department hold the program stable while it conducts a thorough, independent evaluation of the program's ability to improve beneficiary access to quality health care in a cost-effective manner.

Stabilizing the program for the period of time needed to conduct an extensive evaluation would permit the Department to focus on internal programmatic improvements such as the portability of enrollment, computer systems support and the transfer of patient record information to ensure more appropriate continuity of care and service for beneficiaries. Additionally, such an evaluation could address concerns being raised by many health care providers that the TRICARE program imposes too many administrative burdens on providers, and that TRICARE reimbursement rates are not adequate in some areas to attract quality providers. The committee believes that holding the program stable for the duration of this evaluation would permit full analysis of these issues so that valid recommendations for major design changes to improve the program could then be incorporated into any new or existing contract.

While the committee lauds the Department's effort to implement capitated budgeting, the committee is concerned that this effort has not been fully evaluated on a limited basis to determine whether this concept would result in measurable improvements to the program. The committee believes that a key to successful use of capitated budgeting is the strict enforcement of access standards to ensure that access to care is not hampered. Without strict enforcement measures, military treatment facilities may be inclined to enroll more beneficiaries into TRICARE Prime at the military facility than the facility can effectively accommodate. As a result, the primary objective of the TRICARE program—improving access to care—may be difficult, if not impossible, to meet. Therefore, while the committee believes that the concept of alternative or revised financing appears to have merit, the committee continues to believe that efforts to introduce such financing mechanisms should be sufficiently tested in only one or two TRICARE regions prior to full implementation.

Vietnam Repatriated Prisoner of War Program

The committee recommends an increase of \$1.0 million in the Defense Health Program authorization to support the Vietnam Repatriated Prisoner of War Program (RPOW) at the Center of Prisoner of War Studies at the Naval Operational Medicine Institute in Pen-

sacola, Florida. The committee understands that the RPOW program, a longitudinal study that has been ongoing for 24 years, is the only repository for prisoner of war case studies available in the United States and, as such, has provided a tremendous collection health data on former Navy, Marine Corps and Air Force prisoners of war (POWs). Furthermore, the program provides annual physical examinations to former Navy and Marine Corps POWs who are not eligible for medical care through the military health services system. The committee applauds the Naval Operational Medicine Institute for its efforts in this very worthwhile program.

LEGISLATIVE PROVISIONS

SUBTITLE A—HEALTH CARE SERVICES

Section 701—Expansion of Retiree Dental Insurance Plan to Include Surviving Spouse and Child Dependents of Certain Deceased Members

This section would amend section 1076c(b)(4) of title 10, United States Code, to allow the survivors of members who died while on active duty to participate in the Retiree Dental Insurance Plan.

Section 702—Provision of Prosthetic Devices to Covered Beneficiaries

This section would amend section 1077(a) of title 10, United States Code, to allow for prosthetic devices to be provided to CHAMPUS beneficiaries for significant conditions, as determined by the Secretary of Defense.

SUBTITLE B—TRICARE PROGRAM

Section 711—Addition of Definition of TRICARE Program to Title 10

This section would amend section 1072 of title 10, United States Code, to include a definition of the TRICARE Program.

Section 712—Plan for Expansion of Managed Care Option of TRICARE Program

This section would require the Secretary of Defense to prepare a plan for expanding the managed care option of TRICARE—TRICARE Prime—into areas located outside the catchment areas of military treatment facilities where the Department determines it is cost effective to do so.

The committee understands that there are certain rural areas where it would be difficult to establish a provider network to support TRICARE Prime. However, certain locations outside catchment areas may be ideal for this option due to the size of the beneficiary population at the location, as well as the existence of sufficient civilian health care provider networks.

This section also would require the Secretary of Defense to evaluate the feasibility and cost-effectiveness of providing a health care stipend or a reduction in CHAMPUS cost-sharing requirements to active-duty members stationed in areas where it is not cost-effective or feasible to establish a managed-care option because there are few or no civilian health care provider networks in existence.

SUBTITLE C—UNIFORMED SERVICES TREATMENT FACILITIES

Section 721—Implementation of Designated Provider Agreements
for Uniformed Services Treatment Facilities

This section would amend section 722(c) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to clarify the implementation date of the designated provider program of the Uniformed Services Treatment Facilities (USTFs). This provision would allow for the USTFs to begin delivery of health care services as a designated provider within six months of signing the new designated provider agreement with the Department of Defense, or upon implementation of TRICARE in the USTF's region, whichever date is later.

Section 722—Limitation on Total Payments

This section would clarify the limitation on total program payments established in section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

Section 723—Continued Acquisition of Reduced-Cost Drugs

This provision would allow the Uniform Services Treatment Facilities to continue to purchase pharmaceuticals under the preferred pricing levels applicable to government agency purchases.

SUBTITLE D—OTHER CHANGES TO EXISTING LAWS REGARDING
HEALTH CARE MANAGEMENT

Section 731—Waiver or Reduction of Copayments Under Overseas
Dental Program

This section would amend section 1076a(h) of title 10, United States Code, to waive the dental copayment requirements for family members of active-duty members stationed overseas when they receive host-nation dental care under the Overseas Dental Program. The waiving of the cost-sharing requirements will afford family members the same level of dental benefit overseas that is available when they are stationed stateside. Additionally, this provision would eliminate a difficult administrative requirement to apply and track the application of cost shares. As a result, host-nation providers would be more likely to treat beneficiaries since they would no longer be required to perform these cumbersome administrative procedures.

Section 732—Premium Collection Requirements for Medical and
Dental Insurance Programs

This section would amend section 1076b(b) and 1076c(c) of title 10, United States Code, to change the premium method prescribed for the Selected Reserve Dental Program and the Retiree Dental Program. Title 10 currently directs the Secretary of Defense to deduct and withhold the premium for coverage by the dental plan from the basic pay of a reservist or the retired pay of a retired member.

The Defense Finance and Accounting Service (DFAS) does not currently have the capability to deduct premium costs from the basic pay of selected reservists or the retired pay of retirees and

indicates that that capability will not be available for two years. As a result, in order for the Department of Defense to meet the October 1, 1997 prescribed start date for these programs, the premium collection procedures need to be amended.

The committee is concerned that DFAS does not yet have the capability to collect the premiums for these programs as directed by the current law. When the Selected Reserve Dental Program was established in the National Defense Authorization Act for Fiscal Year 1996, (Public Law 104–106) the committee understood that DFAS was in the process of preparing to implement this capability based on the congressional directive that premiums be withheld from the basic pay of the reserve member, as well as a requirement for the Department to establish procedures for retired service members to pay the annual enrollment fee for TRICARE Prime by allotment. However, the committee understands that DFAS still has no mechanism in place for withholding program premiums from either the basic pay of reserve members or the retired pay of military retirees, or for allowing retirees to pay their TRICARE enrollment fees by allotment. As a result, this provision also would require the Secretary of Defense to submit a plan for the timely implementation of the necessary capabilities within the DFAS.

Section 733—Consistency Between CHAMPUS and Medicare in Payment Rates for Services

This section would amend section 1079(h) of title 10, United States Code, to provide for greater consistency between CHAMPUS reimbursement rates for health care services and Medicare reimbursement rates.

The committee has learned that in some cases CHAMPUS rates are below Medicare reimbursement rates, and that providers often are reluctant to serve CHAMPUS beneficiaries in these cases. This provision would require the CHAMPUS rates to be consistent with Medicare, except in those cases where the Secretary of Defense determines that higher CHAMPUS reimbursement rates are needed to ensure access to care. Also, with the consent of the health care provider, this section would allow the Secretary to authorize payments below the Medicare rate.

Section 734—Use of Personal Services Contracts for Provision of Health Care Services and Legal Protection for Providers

A recent opinion by the Department of Justice has determined that fee-basis physicians—part-time employees who provide medical qualification examinations to military-service applicants at Military Entrance Processing Command stations—are not covered by the government malpractice liability coverage that covers civil service employees. This section would clarify that personal services contract employees providing health care services, including fee-basis physicians, are covered by the same malpractice litigation rules as other Department of Defense health care providers. The section would also enable the Secretary of Defense the authority to provide for reasonable attorney's fees in any litigation in which government attorneys do not provide representation.

Section 735—Portability of State Licenses for Department of
Defense Health Care Professionals

This section would amend section 1094 of title 10, United States Code, to authorize members of the armed forces licensed to practice medicine and other health professions to practice such professions in any state, the District of Columbia, or a territory or possession of the United States while performing authorized duties for the Department of Defense.

All military health professionals are required to maintain current professional licenses that authorize them to provide health services independently as health professionals. The licenses allow them to provide health care in military treatment facilities in any state, but they will not allow them to provide health services outside military treatment facilities for any purpose, not even for rendering services to military beneficiaries. This provision would remove the licensing obstacle that prevents military health professionals from practicing outside military facilities, consistent with the Public Health Service Act (section 254f(e) of title 42, United States Code), that allows Public Health Service members licenses in one state to provide professional services in any state.

Section 736—Standard Form and Requirements Regarding Claims
for Payment for Services

This section would amend section 1106 of title 10, United States Code, to eliminate the requirement for non-participating providers who provide services to Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) beneficiaries to submit claims for payment for services on behalf of the beneficiary. This requirement has had the unintended effect of impeding access to care for military beneficiaries.

Section 737—Medical Personnel Conscience Clause

This section would require the Secretary of Defense to establish a uniform policy with regard to a conscience clause for abortion and family planning services. Under this policy, medical personnel who, for moral, ethical, or religious reasons, object to performing an abortion or to providing family planning services will not be required to perform such procedures unless their refusal to do so poses life-threatening risks to the patient.

SUBTITLE E—OTHER MATTERS

Section 741—Continued Admission of Civilians as Students in Physician Assistant Training Program of Army Medical Department

This section would amend chapter 407 of title 10, United States Code, to permanently continue a demonstration program established by the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) that authorized the Secretary of the Army to allow students from civilian accredited institutions of higher education to attend physician assistant training at the Academy of Health Sciences at Fort Sam Houston, Texas, in return for the provision of certain academic services from the civilian institution.

The demonstration program, which has helped improve health care services to medically under-served areas of Texas, was initiated by the late Representative Frank Tejeda. The continuation of this worthwhile program is dedicated in his honor.

Section 742—Emergency Health Care in Connection with Overseas Activities of On-Site Inspection Agency of the Department of Defense

This section would amend chapter 152 of title 10, United States Code, to authorize the Secretary of Defense to pay for emergency health care services obtained by a military member, civilian employee, or contractor employee of the On-Site Inspection Agency while on permanent or temporary duty in a former Soviet Union or former Warsaw Pact state.

Section 743—Comptroller General Study of Adequacy and Effect of Maximum Allowable Charges for Physicians under CHAMPUS

This section would require the Comptroller General of the United States to study the adequacy of the CHAMPUS reimbursement rates and the effect of these rates on the participation of physicians in CHAMPUS.

The committee has received numerous complaints from beneficiaries and providers that physicians are no longer serving CHAMPUS beneficiaries because providers are not being reimbursed in a timely manner, and they are not receiving adequate reimbursement to tolerate such delays. The committee is concerned that beneficiary access to care not be denied because of slow reimbursement procedures or low reimbursement rates. This study is intended to identify possible remedies for improving access to care.

Section 744—Comptroller General Study of Department of Defense Pharmacy Programs

This section would require the Comptroller General of the United States to evaluate the pharmacy programs of the Department of Defense. The study would examine the merits and feasibility of establishing a uniform formulary for military treatment facility pharmacies and civilian contractor pharmacies.

The committee has received complaints from beneficiaries about being unable to receive certain prescribed medications at certain military pharmacies. The committee is concerned that many military facilities are severely reducing pharmacy formularies as a cost-saving measure. In some cases, these efforts may simply result in the shifting of costs from the individual facility to the Defense Health Program since beneficiaries may be forced to use TRICARE contractor pharmacies at an increased cost to both the Department of Defense and the beneficiary. This study is intended to identify solutions for providing for more uniform, cost-effective pharmacy programs.

Section 745—Comptroller General Study of Navy Graduate Medical Education Program

This section would require the Comptroller General of the United States to evaluate recommendations made by the Medical Education Policy Council of the Navy Bureau of Medicine and Surgery

to restructure the Navy's graduate medical education program. The provision would prohibit the Navy from making any changes to its graduate medical education program until the evaluation is completed and a report on the findings of the evaluation is submitted to Congress. The provision requires the report to be submitted by March 1, 1998.

Section 746—Study of Expansion of Pharmaceuticals by Mail Program to Include Additional Medicare-Eligible Covered Beneficiaries

This section would require the Secretary of Defense to provide a report to Congress, within six months of enactment of this act, on the feasibility, advisability and cost of extending the current mail-order pharmacy program for Medicare-eligible beneficiaries operating in areas affected by base closures to all Medicare-eligible beneficiaries who do not reside near a military medical treatment facility.

Medicare-eligible retirees who live near a military medical facility may obtain prescription drugs from that facility. However, a large percentage of these beneficiaries reside outside of the 40-mile catchment area of a military medical facility. These beneficiaries either must drive long distances to receive their prescription drugs or pay full retail prices to fill their prescriptions. The committee received testimony from the General Accounting Office that a mail-order pharmacy program for Medicare-eligible retirees and their families who do not live near a military medical treatment facility would fill a significant gap in the medical coverage of military Medicare-eligible beneficiaries since Medicare generally does not provide a pharmacy benefit.

The Department of Defense and Congress currently are evaluating various options for ensuring the continued, full medical coverage of Medicare-eligible military beneficiaries. The committee has long supported efforts to enact legislation that would require the Health Care Financing Administration, the agency that manages the Medicare program, to reimburse the Department of Defense for health care services provided to Medicare-eligible military beneficiaries (a concept known as "Medicare subvention"). Currently, the committee is participating in a joint House and Senate task force effort to enact a Medicare subvention demonstration program. The Medicare subvention proposal under discussion, which if enacted would be part of legislation other than the National Defense Authorization Act, would require the Department to provide certain "in-kind" services, such as a pharmacy benefit. Therefore, in light of this requirement, and while efforts to evaluate other benefit options are ongoing, the committee believes the Department should fully evaluate the feasibility and desirability of establishing a mail-order pharmacy program to ensure that all Medicare-eligible military beneficiaries have access to inexpensive prescription drugs.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

ITEMS OF SPECIAL INTEREST

Cost Accounting Standards Board

On June 25, 1996, the chairmen of the committees on National Security and Government Reform and Oversight directed the General Accounting Office (GAO) to conduct a study analyzing and assessing the mission of the Cost Accounting Standards Board in light of acquisition reform. The study was due at the end of calendar year 1996.

To date, the study has not been initiated or submitted to the committees. Therefore, the committee reiterates its interest in the GAO proceeding with the study, as prescribed in the June 25, 1996 correspondence, and submitting recommendations to the committees on National Security and Government Reform and Oversight no later than the end of this calendar year or as soon as practicable thereafter.

Management Responsibility for Acquisition Policy

In the report on H.R. 1530, the fiscal year 1996 Defense authorization bill (H. Rept. 104–131), the committee noted that the Department's current organizational structure may have unnecessarily bifurcated the functional responsibility for development and implementation of acquisition policy. The committee remains concerned that this arrangement has led to confusion over who within the Department is charged with determining the scope, pace and overall direction of acquisition reform policy. The committee is further concerned over recent efforts to diminish the role and responsibility of the Deputy Under Secretary of Defense (Acquisition Reform) position, which remains vacant. The committee understands that the responsibility for entire functions, such as electronic commerce, have been proposed for transfer to other organizations, diluting the focus and effectiveness of this office.

The committee remains convinced that acquisition reform still needs an internal advocate within the Department to advance, both internally and externally, the recent reform initiatives and to continue to move forward with other reforms where appropriate. Such an advocate should be afforded the necessary functional responsibility, bureaucratic clout, access to senior decision makers and staff resources to continue to guide the Department down the path of aggressive reforms in the acquisition system. The committee remains concerned that recent steps by the Under Secretary of Defense for Acquisition and Technology may be undermining this goal and strongly urges the Secretary to take immediate action to en-

sure that the acquisition reform function remains an effective component of the Office of the Secretary of Defense.

Training and Education of the Acquisition Workforce

In 1990, the committee conducted a thorough assessment on the quality and professionalism, as well as the education and training, of the defense acquisition workforce. The committee's year long review resulted in the Defense Acquisition Workforce Improvement Act (DAWIA), enacted as part of the Fiscal Year 1991 National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). This landmark legislation was aimed at creating a professional acquisition corps within each military service-an issue of concern to this day.

In the past, inadequate training of program management and procurement personnel frequently contributed to the systemic deficiencies in the defense acquisition system. Today, such training is essential to the prompt and effective implementation of recent acquisition reform legislation and administrative directives. The breadth and depth of these efforts are dependent upon ensuring that those involved in the process are fully trained and educated and have incorporated this knowledge in their day-to-day activities. Indeed, new procedures and authorities are dependent on the ability of the workforce to master new skills such as market research, capital planning and budgeting, and commercial item acquisition.

The committee recognizes that a number of initiatives aimed at improving the education and training of the acquisition workforce already have been undertaken. These initiatives include: the establishment of the Defense Acquisition University's Acquisition Reform Communications Council, utilization of the Federal Acquisition Institute, the creation of the DOD Deskbook, the establishment of a Commercial Advocates Forum, and the development of the National Council of Acquisition Professionalism. Most of these new resources are non-traditional methods of education and training-allowing for increased distance learning and improved real time access to new materials. The committee encourages the continued, and expanded, use of such new and innovative methods of training the workforce-methods that go beyond the traditional classroom training (e.g. at specified locations which often requires extensive travel and time away from the job).

Furthermore, the committee believes that a number of other steps could be taken to enhance the education and training of the workforce. For example, greater involvement in curriculum development by the private sector, in coordination with the Defense Acquisition University, would add useful and important perspectives to the development of education and training materials provided to the workforce. In addition, limited training and education opportunities are often cited as an important obstacle to the goal of ensuring that both the government and industry acquisition personnel are fully informed of the continuing changes in acquisition policy. Greater use of innovative and non-traditional educational tools available in the private sector has the potential to be of great assistance to the Department in addressing this problem.

Finally, given the significant reductions in the overall size of the acquisition workforce endorsed by the committee, it is even more

critical that acquisition reform changes be fully integrated throughout the Department. The sweeping procedural changes inherent to these reforms should invariably lead to process, organizational and structural reforms, many of which should lead to the elimination of existing acquisition positions. Therefore, in allocating limited acquisition workforce education and training resources, the committee strongly urges the Department to ensure that such resources are focused on positions that will continue to remain relevant following the mandated reductions and restructuring.

LEGISLATIVE PROVISIONS

SUBTITLE A—ACQUISITION POLICY

Section 801—Case-by-Case Waivers of Domestic Source Limitations

Section 810 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) extended the Secretary of Defense the authority to waive application of the domestic source limitations of section 2534 of title 10, United States Code, if he determines that such limitations “would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items that is entered into under section 2531” and also determines that that country does not discriminate against U.S.-produced defense products.

Shortly following enactment of this law, the committee requested clarification from the Department as to how this expanded waiver authority would be implemented. The committee received a written response from the Director of Defense Procurement stating that “We plan to implement the McCain amendment by permitting case-by-case waivers based on written determinations by the Military Departments.” The response also transmitted the planned changes to the Defense Federal Acquisition Regulations Supplement implementing this policy.

Therefore, the committee was surprised and offended in receiving word that the Under Secretary of Defense for Acquisition and Technology, a few weeks before his scheduled departure from that office, issued a determination dated April 7, 1997 invoking a blanket waiver of all limitations under section 2534 for all countries with which the United States has memoranda of understanding. This action stands in direct contradiction and violation of the position communicated to the committee on how the Department intended to implement the expanded waiver authority.

Accordingly, the committee recommends a provision (sec. 801) that would amend section 2534 of title 10, United States Code, to ensure that the waiver authority contained within this section can only be exercised on a case-by-case basis and not in a blanket manner. The committee specifically intends and directs that this provision render null and void the “Determination and Waiver” signed by the Under Secretary of Defense for Acquisition and Technology and dated April 7, 1997.

Finally, the committee is concerned that this episode may place in doubt its ability to consider future provisions of law affording the Secretary of Defense discretion in exercising waivers and other mechanisms of legal convenience. Without some assurance that the Department’s representations to the committee can be trusted and

that deviations to such representations require, at minimum, an obligation on behalf of the Department to extend the committee prior notice or consultation, the committee will be hard pressed but to pursue the most restrictive course of action in considering future legislation.

Section 802—Expansion of Authority To Enter Into Contracts Crossing Fiscal Years to All Severable Services Contracts Not Exceeding a Year

This section would expand the authority of the Secretary of Defense or the Secretary of a military department to enter into severable service contracts which begin in one fiscal year and end in the next fiscal year.

Section 803—Clarification of Vestiture of Title Under Contracts

This section would establish in statute the title vesting provisions currently used by the Department of Defense in contractual agreements involving certain forms of contract financing.

Section 804—Exclusion of Disaster Relief, Humanitarian, and Peacekeeping Operations From Restrictions on Use of Undefined Contract Actions

This section would amend section 2326 of title 10, United States Code to add disaster relief, humanitarian, and peacekeeping operations to the types of operations for which the head of an agency may waive the limits on the use of undefined contracts.

Section 805—Limitation and Report on Payment of Restructuring Costs Under Defense Contracts

This section would codify in title 10, United States Code, the policy restrictions contained in section 8115 of the Omnibus Appropriations Act for Fiscal Year 1997 (Public Law 104-208) relating to the allowability of restructuring costs under defense contracts and requiring a determination by the Secretary of Defense that the proposed business combination will lead to savings that are at least twice the amount of the costs allowed. This section would also consolidate the requirements of section 818 of the National Defense Authorization Act for Fiscal Year 1995 into a new title 10, United States Code, provision.

Section 806—Authority Relating to Purchase of Certain Vehicles

This section would amend section 2253 of title 10, United States Code by increasing the limit on the cost of purchase of right hand drive vehicles from \$15,000 to \$30,000.

Section 807—Multiyear Procurement Contracts

This section would require that no future multiyear procurement contract may be entered into by the Secretary of Defense unless such contract is specifically authorized by law in an act other than an appropriations act. This section would also codify various requirements that the Secretary of Defense must meet in order to either enter into or terminate a multiyear procurement contract.

Section 808—Domestic Source Limitation Amendments

This section would amend section 2534 of title 10, United States Code, to add shipboard work stations to the list of naval vessel components required to be procured from domestic sources. This section would also make permanent the expired requirement to procure certain valves and machine tools from domestic sources.

Section 809—Repeal of Expiration of Domestic Source Limitation for Certain Naval Vessel Propellers

This section would amend section 2534 of title 10, United States Code, to make the existing limitation on the procurement of naval vessel propellers permanent.

SUBTITLE B—OTHER MATTERS

Section 821—Repeal of Certain Acquisition Reports and Requirements

This section would repeal a number of miscellaneous acquisition related reporting requirements.

Section 822—Extension of Authority for use of Test and Evaluation Installations by Commercial Entities

This section would amend section 2681 of title 10, United States Code, to extend the expiration of existing authority allowing Department of Defense test and evaluation facilities to make excess capacity available to the commercial sector.

Section 823—Requirement to Develop and Maintain List of Firms Not Eligible for Defense Contracts

This provision would require the Secretary of Defense to develop and maintain a list of firms that have been designated ineligible for Department of Defense (DOD) contracts because they are owned or controlled by governments of countries that support terrorism. This required list would be used to prevent firms on the list from performing as subcontractors on DOD contracts. The Department of Defense would provide a copy of the list to each firm that submits a bid in response to a DOD solicitation. Such firms responding to DOD solicitations would not use a firm on the list for equipment, parts, or services in the performance of a DOD contract.

Under section 2327(a) of title 10, United States Code, a firm responding to a DOD solicitation must disclose if it is owned or controlled by the government of a foreign country that the Secretary of State has determined to repeatedly support acts of international terrorism. Under section 2327(b), the Department of Defense cannot award a contract to such a firm. However, this provision only applies to prime contractors. If a subcontractor of a firm performing on a DOD contract is owned by a foreign country that supports international terrorism, section 2327 does not prohibit their performance as a subcontractor.

The committee notes that such treatment of subcontractors owned by governments that support terrorism is inconsistent with the spirit of section 2327 of title 10. The committee believes that foreign governments that support international terrorism must in no way stand to benefit from Department of Defense contracts.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

ITEMS OF SPECIAL INTEREST

Armed Services Patent Advisory Board

The committee is aware that the Armed Services Patent Advisory Board is responsible for coordinating security reviews of patent applications to determine if they contain sensitive technical information, the public release of which would be detrimental to national security. In performing this function, the Board fulfills the role assigned to the Department of Defense under chapter 17 of title 35, United States Code. The Patent Advisory Board is an unfunded program and as such, is staffed with personnel from the legal offices of the military departments.

However, the committee notes that the Defense Technology Security Administration (DTSA) carries out near the same technology security review function when reviewing export license applications to determine if the technologies involved would harm national security if exported to foreign entities. In fact, the Defense Technology Security Administration and the Patent Advisory Board confer with many of the same technical experts at field activities of the military departments. The DTSA staff possesses technical knowledge that enable it to prescreen items before resorting to military field activities for analyses. A DTSA review can therefore be more expeditious than reviews coordinated by the Patent Advisory Board, since Board personnel are primarily legal staff members with limited knowledge of defense technologies.

Therefore, the committee directs the Secretary of Defense to terminate the Armed Services Patent Advisory Board and transfer its functions to the Defense Technology Security Administration. While the committee recognizes that as an unfunded program the Board's termination would not necessarily result in cost savings, the committee believes that transfer of the security review function to the Defense Technology Security Administration would result in more expeditious and thorough reviews.

Defense Acquisition Workforce

In the 104th Congress, the committee addressed specific concerns with the size and number of acquisition organizations and positions relative to the declining Department of Defense (DOD) budget and modernization program. Many of the acquisition reforms initiated by the committee were intended to ultimately reduce costs both to the private sector as well as the federal government. Full implementation of acquisition reforms can, and should, also result in fundamental changes and reductions in the structure of the Department's acquisition organizations. Specifically, it was the intent of the committee in relieving the Department from the burden of administering various antiquated and restrictive federal procure-

ment laws that substantially fewer acquisition personnel would be required.

In seeking to establish a balance between the Department's diminished modernization program and the Department's acquisition bureaucracy, the committee supported moderate reductions in acquisition personnel in section 906 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) and section 902 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201). The committee understands that in implementing these reductions, the Department exceeded the Congressional mandates in fiscal year 1996 and plans to do so again in fiscal year 1997.

In addition to seeking overall reductions in personnel, the committee sought to engage the Department in determining the appropriate structure and organization of its future acquisition system. Section 906 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) required the Department to examine consolidation and reorganization options and report to Congress on its recommendations. Unfortunately, the report provided by the Department demonstrated no real effort to consider the various organizational and management options identified by the law and, not surprisingly, failed to propose any significant alterations to the current acquisition structure.

The committee notes the 1995 Commission on Roles and Missions (CORM) sharply criticized the Department's acquisition organizations for maintaining redundant staffs and facilities for many types of common acquisition support activities. Therefore, the committee rejects the Department's conclusion in its report to Congress pursuant to section 906 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) that it has adequately assessed and implemented options for restructuring its acquisition organizations for the purposes of improved efficiency.

The committee strongly disagrees with the Department's assertion that increased downsizing of the workforce would place at risk the ability of the Department to equip combat forces and modernize against future threats. Rather, the committee regards the disproportionate size of the defense acquisition personnel workforce and infrastructure relative to the dramatically reduced procurement accounts as a serious drain upon current and future resources. The committee believes that the Department's continued refusal to restructure and streamline acquisition infrastructure will result in the squandering of resources urgently needed to offset modernization, readiness and quality of life shortfalls.

Defense Boards and Commissions

The committee is aware the Department of Defense (DOD) has, in response to Presidential Executive Order 12838, "Termination and Limitation of Federal Advisory Committees," reduced discretionary boards and commissions by almost one-third since 1993. In compliance with section 1054 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), the Department of Defense submitted a report to Congress on the merits of remaining DOD boards and commissions. The Department failed, however, to propose any significant further elimination of its advisory committees. The committee notes the current 53 discretionary

and statutorily established boards and commissions, to include the Advisory Group on Electron Devices, Armed Forces Epidemiological Board, and Inland Waterways Users Board, will cost an estimated \$16.2 million in fiscal year 1997. The committee is concerned that many of the Department's statutory and discretionary boards and commissions may have outlived their original purpose.

Defense Reorganization

The post Cold War global security environment has witnessed dramatic reductions in the size and capability of the U.S. military force structure while the organizational composition of the Department of Defense, especially at the management level, has remained largely unchanged. Since 1987, the Army has lost eight active divisions, the Navy has decommissioned three carriers and over 200 ships, and the Air Force has cut 12 active and five reserve tactical wings. Notably, 1997 active duty personnel levels are equivalent to 1950 pre-Korean War levels. Meanwhile, from 1985 to 1996, the Office of the Secretary increased its staff 40 percent, military department headquarters continue to maintain redundant staffs, and, in spite of a 70 percent drop in procurement accounts since 1985, the Department's acquisition infrastructure has remained largely static.

The committee maintains that the Department currently has sufficient authority to reorganize and restructure itself but has demonstrated little willingness to pursue such reforms. Not since the passage of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433) has the defense establishment undergone significant scrutiny and reform.

To address these disturbing trends, the committee undertook a number of initiatives during the 104th Congress to encourage and compel the Department to focus on these matters and arrive at its own options and solutions. The committee deliberately chose not to legislate specific prescriptive remedies on the belief that the Department was better suited to develop such detail on its own. Therefore, the committee provided the Department with broad guidance and, where possible, relief from existing statutory limitations and dictates on organizational matters. To the committee's continuing disappointment, the Department's response to these efforts has ranged from passive resistance to outright defiance of statutory direction. After two years of attempting a preferred approach of cooperation and collaboration, the committee finds itself no further along in effecting the necessary change in the Department's management and organizational structure.

The committee reaffirms its commitment to pursuing meaningful management reform of the Department of Defense and intends to make this goal a principal focus of its oversight and legislative activities for the remainder of this Congress.

Management Headquarters and Headquarters Support Personnel

The committee continues to be concerned with the size and cost of the Department's management headquarters and headquarters support activities. The committee believes the Department needs to further examine the structure and size of its management headquarters and headquarters support activities to eliminate unneces-

sary duplication, outdated modes of organization, and wasteful inefficiencies.

The committee notes with concern that the Department has yet to submit the report and recommendations required by section 904 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201). While the Quadrennial Defense Review (QDR) has cited reducing and streamlining management headquarters and headquarters support activities as a priority, it has postponed implementation of reductions until another internal study reviews the issue and makes recommendations to the Secretary of Defense by August 29, 1997.

The committee is encouraged with the QDR's assertion that the reduction of layers of oversight at headquarters and operational commands and elimination of management and support personnel will yield 10,000 military and 14,000 civilian positions. The committee concurs with the need to drawdown unnecessary infrastructure and supports the Department in this regard.

The committee is aware of several organizations that have not been reported by DOD as management headquarters or headquarters support, but appear to be performing those functions. These organizations include the Air Force Studies and Analyses Agency, U.S. Army's Forces Command Field Support Activity, Air Combat Command's Studies and Analyses Squadron, and the U.S. Atlantic Command's Information Systems Support Group. Furthermore, the committee understands only a portion of the headquarters staffs of the DOD Inspector General and some Defense Agencies are reported by DOD as being management headquarters or headquarters support. For example, none of the headquarters of the numbered air forces are currently reported (although they were in the past), and the Navy's Program Executive Offices apparently have not been reported in spite of the DOD directive requiring their inclusion.

The committee understands the Department will address the inadequacies of the current definition of management headquarters and headquarters support activities in its August 29, 1997 report to the Secretary. Accordingly, the committee expects the aforementioned inconsistencies will be addressed in the August report.

LEGISLATIVE PROVISIONS

Section 901—Limitation on Operation and Support Funds for the Office of the Secretary of Defense

The committee in the 104th Congress passed a series of measures designed to improve the organization of the Office of the Secretary of Defense (OSD). The basis of the committee's action was concern with the expanding and evolving scope of OSD staff responsibilities at the expense of the primary role of enhancing the Secretary's decision making ability. While active duty forces were cut 33 percent over the last ten years and have been required to adapt innovative resource management techniques, OSD increased its size by 40 percent. The committee continues to be concerned with OSD's unwillingness to modify its excessive management structure in spite of the overwhelming fiscal pressures facing the rest of the Department. The committee believes OSD has delib-

erately avoided any downsizing effort and has elected not to lead the Department by example.

The committee notes with concern the Department's non-compliance with section 901 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) requiring a report on specific plans for improving organizational efficiency and effectiveness of the Office of the Secretary. The committee was disappointed to learn the Quadrennial Defense Review (QDR) postponed consideration of OSD reorganization pending an internal review panel. The committee believes the Department has been provided ample time to comply with section 901 and fails to support the rationale behind delaying these important issues. Specifically, the QDR states the Task Force on Reform will commence its examination of OSD in the spring of 1997 and will report its findings by November 30, 1997, almost two years after the law required.

The committee strongly believes OSD should reduce its size and report to Congress pursuant to section 901 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106). The committee recognizes OSD is not implementing personnel reductions at a rate sufficient to achieve the statutory requirement by October 1, 1997, as specified in section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201). Accordingly, the committee recommends a provision (sec. 901) that would reduce the funding associated with the operation and support activities of the Office of the Secretary of Defense by 20 percent, as reflected within section 301 of this bill, and would restrict the obligation of 10 percent of authorized funding until the Department conforms to the statutory requirement to provide reports as required by section 901 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) and section 904 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201).

Section 902—Components of National Defense University

This section would modify the definition of the National Defense University by adding the Information Resources Management College, and would also clarify the authority of the Secretary of Defense to hire professors, lecturers and instructors for the Information Resources Management College.

Section 903—Authorization for the Marine Corps University to Employ Civilian Professors

This section would authorize the Secretary of the Navy to employ civilian professors at any of the seven colleges within the Marine Corps University whose principal course of instruction is 10-months or more long.

Section 904—Center for the Study of Chinese Military Affairs

Section 904 would mandate the establishment of a Center for the Study of Chinese Military Affairs at the National Defense University. This center would provide a focus for academic study to develop understanding of Chinese political, security and military strategy; military operational art; tactical and organizational doctrine; and similar and related subjects. The center is intended to provide senior Department of Defense officials and the broader policy-making community with independent analysis of these issues.

The committee emphasizes that the success of the center in fulfilling its mandate would be dependent upon the quality of its leadership and scholarship and its ability to operate in a manner removed from political influence of any kind. The center's director must be a distinguished scholar and possess the management skills necessary to shape the center's research toward a cohesive end. The director also must serve as a strong advocate for the center's academic independence.

The center's prime mission would be to provide detailed analysis of Chinese military affairs. However, the center also should balance this requirement with the requirement to place military affairs in context. Consequently, the committee urges that the center take a comprehensive "net assessment" approach to its research. The committee also directs that the center publish a report summarizing its research and the conclusions of that research not later than December 31, 1998 and following on an annual basis in succeeding years. This report should also provide a summary analysis of current and projected Chinese military capabilities and their relationship to Chinese strategic goals.

The committee believes a key strategic question for the United States in the coming century will be the role played by an increasingly powerful China in military and security affairs. The committee regards the center as an important tool for developing a deeper understanding of the factors shaping the answer to that question. Therefore, the committee directs that, of the amounts available to the Secretary of Defense for Defense-wide operation and maintenance, excluding funds otherwise available for the operations of the National Defense University and with no offsetting reduction in funds available to the National Defense University, the Secretary shall make \$5.0 million available for the center.

Section 905—White House Communications Agency

This section would limit funding for the White House Communications Agency (WHCA) to an amount slightly below fiscal year 1997 levels. The committee has been concerned that WHCA's functions and activities have been greatly expanded beyond its initial mission of providing telecommunications support to the President.

The limitations proposed by this section are intended to ensure compliance with the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) which requires the Secretary of Defense, starting in fiscal year 1998, to ensure that support services provided on a nonreimbursable basis by the White House Communications Agency be limited to the provision of telecommunications support to the President, Vice President, and related elements. The act also requires the Secretary of Defense to report to Congress at the end of each quarter of fiscal year 1997 on the non-telecommunication support services that were provided by the White House Communications Agency to the President during the preceding quarter. The Secretary of Defense provided the first of these statutorily required reports on May 13, 1997. The report indicates the total cost of non-telecommunications support services provided by the White House Communications Agency during the first quarter of fiscal year 1997 was approximately \$2.2 million.

This section would limit WHCA operation and maintenance funds to \$55.0 million for fiscal year 1998. The budget justification

documents provided to the committee inadequately support an increase over the fiscal year 1997 level. Further, limiting WHCA operation and maintenance to \$55.0 million represents a reduction from the fiscal year 1997 level by an amount equivalent to the cost of non-telecommunication support services. The committee notes that the White House can still continue to receive non-telecommunication support services from WHCA as needed on a reimbursable basis.

The committee further believes there is no justification for non-telecommunication support services to be provided to the President by military personnel assigned to the White House Communications Agency, as non-telecommunication support services can be just as effectively provided by civilian personnel. Therefore, the committee directs the Secretary of Defense to conduct a review of the services and functions of the White House Communications Agency to determine which of those services and functions must be conducted by military, instead of civilian, personnel for national security reasons. The committee further directs the Secretary to provide a report to the congressional defense committees no later than December 31, 1997 incorporating the results of the review and incorporating a plan to use civilian personnel to provide those WHCA services and functions that do not require performance by members of the armed services.

Section 906—Revision to Required Frequency for Provision of
Policy Guidance for Contingency Plans

This section would amend section 113(g)(2) of title 10, United States Code, to permit policy guidance for contingency plans to be given every two years or more frequently as needed, rather than annually.

Section 907—Termination of the Defense Airborne Reconnaissance
Office

This section would abolish the Defense Airborne Reconnaissance Office (DARO), and transfer specified management responsibilities for the defense airborne reconnaissance program to the Director, Defense Intelligence Agency (DIA) under his authorities as Director of Military Intelligence (DMI) and Joint Military Intelligence Program (JMIP) Coordinator. The Director, DIA would be further required to provide a transition plan, with a draft DMI DARP charter, to the Congressional defense and intelligence committees no later than the submission of the fiscal year 1999 President's budget.

Since creation, the DARO has failed to successfully develop new unmanned aerial vehicles, except for Predator, which was under development prior to formation of the DARO. DARO-managed UAV acquisition programs have been marred with program delays, cost escalation, technical problems and in general, failure to provide the services with this critical new capability. Therefore, this provision is intended to return UAV system acquisition responsibility to the appropriate military services, while retaining overall airborne reconnaissance coordination and oversight responsibility within the Department of Defense.

TITLE X—GENERAL PROVISIONS

COUNTERDRUG ACTIVITIES

Overview

The budget request for Department of Defense Fiscal Year 1998 drug interdiction and counterdrug activities contained \$652.6 million, plus \$156.0 for operational tempo which is included within the operating budgets of the military services. This represents a net decrease of \$154.4 million from the fiscal year 1997 appropriated level of \$807.0, and an increase of \$5.6 million for operational tempo from the fiscal year 1997 appropriated level of \$150.4.

The committee recommends an authorization for fiscal year 1998 defense counterdrug activities as follows:

[In thousands of dollars]	
FY98 Drug Interdiction & Counterdrug Request	\$652,582
Dismantling Cartels	54,306
Source Nation Support	166,763
Detection and Monitoring	124,686
Law Enforcement Agency Support	223,589
Demand Reduction	83,238
Recommended Decreases:	
National Imagery & Mapping Agency (Project #1401)	800
Non-Intrusive Inspection Systems (Project #1403)	4,611
Recommended Increases:	
Gulf States Counterdrug Initiative (Project #7406)	4,000
Multi-Jurisdictional Task Force (Project #7408)	1,000
Optionally Piloted Air Vehicle (PE #305889D)	2,500
Southwest Border Fence Project	7,000
Recommendation	661,671

Items of Special Interest

C-26 aircraft photo reconnaissance upgrade

The budget request does not contain funding for the Common Airborne Imagery Processing System (CAIPS) and electro optical (EO) sensors for the Air National Guard C-26 aircraft.

The committee understands that the procurement of EO sensors and CAIPS would allow the National Guard to upgrade the current chemical-based imagery capability to a digital system which could provide near-real time photo-quality imagery to requesting law enforcement agencies. Accordingly, the committee urges the Department to evaluate this reconnaissance capability and consider funding the C-26 upgrade from within the fiscal year 1998 National Guard program.

Gulf states counterdrug initiative

The committee continues to support the Gulf States Counterdrug Initiative (GSCI) and is concerned that the budget request of \$1.1 million does not adequately support the funding requirements of

this program. The committee understands that this funding level does not include sufficient system training costs or the sustainment of command, control, communications and computer (C4) capabilities for the states of Alabama, Georgia, Louisiana and Mississippi.

Therefore, the committee recommends an authorization of \$5.1 million, an increase of \$4.0 million over the requested amount to support these program improvements. The committee maintains that none of these funds should be utilized for construction or other infrastructure-related costs; rather, funds authorized for this program should continue to be used in support of training, on-site support and maintenance of the C4 network and software system. Further, the committee encourages the designation of non-Department of Defense (DOD) funds for additional operations and maintenance (O&M) and procurement costs identified by law enforcement agencies to sustain the GSCI information system.

Mapping, charting and geodesy

The budget request contained \$8.4 million for continued National Imagery and Mapping Agency (NIMA) support to the Defense Intelligence Counterdrug Program's (DICP) mapping, charting and geodesy (MC&G) requirements.

The committee has taken action elsewhere in this report intended to modernize and streamline NIMA MC&G operations. This action would encourage NIMA to move more rapidly toward privatization and use of geospatial data maintenance rather than developing paper map products.

Therefore, the committee recommends an authorization of \$7.6 million for this effort, a decrease of \$0.8 million.

Mexican, Caribbean and South American initiative

The committee continues to support the essential role of the Department of Defense (DOD) in reducing the flow of illegal drugs into the United States. To accomplish this mission, Congress has charged the DOD to act as the single lead federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States. In addition, DOD is to integrate appropriate command, control, communications, and technical assets of the federal government into an effective communications network. According to the DOD Counterdrug Program, the Department supports foreign law enforcement agencies and military governments by providing initial detection and monitoring, intelligence, operational planning assistance, training in tactical procedures and equipment maintenance, infrastructure improvements, and logistics/communications support. In this capacity, Congress granted authority to DOD through section 1004 of the National Defense Authorization Act for Fiscal Year 1991, as amended (Public Law 101-510) and sections 517 and 506(a)(2)(A) of the Foreign Assistance Act of 1961, as amended.

Section 1031 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) expanded DOD authority to provide equipment and maintenance for the Government of Mexico to aid in its counterdrug activities. This support was granted conditionally as a short-term, limited means of enhancing Mexico's counterdrug capabilities and was not intended to replace or cir-

cumvent the established foreign assistance authorities or resources of the Department of State. However, the committee is aware of a provision included in the Administration's legislative proposal that would expand current DOD authority to include support for not only Mexico, but Colombia, Peru and selected Caribbean countries; would increase the amount of support to \$150.0 million over five years; and would expand the nature of support to include lethal equipment to enhance the interdiction capability of the recipient nations.

The committee acknowledges the recent success achieved by participating nations in their combined efforts to stem the production and transfer of illegal drugs. Specifically, U.S. and regional forces under Operation Laser Strike successfully interfered with narcotrafficking along air routes in the Andean region and have caused the price of coca to plummet. Analysis suggests that the narcotraffickers may have adjusted to this initiative and have begun to transit cocaine along the rivers of the Andean region and the Amazon basin, particularly in Peru. Based upon this presumption, the Administration's proposal outlined above is focused on an enhanced riverine interdiction plan. While the committee supports the Administration's strategy to pursue a program which capitalizes upon the achievements of Operation Laser Strike, the current proposal is inappropriately resourced and uncoordinated among the U.S. and regional governments and militaries.

The committee is also concerned with the proposed expansion of DOD authority to provide funds for a foreign assistance program from within the Department's counterdrug account. Although the committee continues to support the mission established by the DOD Counterdrug Program, it believes that the direct provision of material and assistance to foreign nations is not a proper utilization of the unique capabilities offered by DOD. Rather, the Administration's initiative should be authorized and resourced more appropriately as a part of the International Narcotics Control Program of the Department of State. While the proposed legislation advocates a coordinated management effort between the Departments of Defense and State, the lack of coordination thus far between the two agencies has manifested itself in a major disconnect over strategic planning between U.S. Southern Command (SOUTHCOM) and the relevant U.S. embassies. Given the absence of overall integration in planning among those responsible for the implementation of the program, the committee questions the Administration's long-term commitment to this ambitious riverine strategy.

The committee also notes with concern the assumptions made by the Administration in developing the enhanced riverine interdiction plan. Although it seems plausible, there has been no threat assessment to confirm that narcotraffickers have in fact shifted their transit routes to the rivers in a magnitude that would justify such an expansion of DOD authorities and resources. The relevant U.S. embassies and SOUTHCOM have not contributed to the proposal a coordinated lessons-learned evaluation of problems encountered and solutions developed as a result of previous riverine operations in the region, nor does the plan include an outcome-based reporting system to measure the program's success. Further, the committee

understands that the Administration's proposal is based upon the presumed existence of clear roles and missions within the respective nations' institutions. On the contrary, long-standing rivalries are certain to hamper the efforts of the host country military and national police forces without the establishment of direct counterdrug authorities to foster interagency cooperation.

In addition, the committee is aware of concerns raised by the General Accounting Office (GAO) in a February 1997 report entitled "Drug Control: Long-Standing Problems Hinder U.S. International Efforts" (GAO/NSIAD-97-75). The report concluded that despite legislation mandating end-use monitoring, past history has shown that the United States has been unable to ensure that equipment given to Mexico, Colombia and Peru has been used by the host nations as intended upon delivery. The committee is concerned with the transfer of equipment, especially lethal equipment, to unstable governments struggling against "narcoguerrillas" and other insurgent factions. Also, given the pervasive influence of powerful drug lords over all levels of government in the proposed participating countries, the threat of corruption affecting the use of counterdrug equipment needs to be more fully addressed by the Administration. The committee notes the existence of corruption exhibited most recently in Mexico with the arrest of General Jesus Gutierrez Rebollo, the former Mexican "drug czar," and by testimony implicating the involvement in drug trafficking of several other high-ranking Mexican military leaders.

In light of these concerns, the committee strongly urges the Administration to reevaluate its enhanced interdiction plan. Should a threat assessment justify the need for an ambitious riverine effort, coordination between the Departments of Defense and State needs to preempt any planning at the SOUTHCOM/U.S. embassy country team level.

Non-Intrusive Inspection Systems

The budget request contained \$4.6 million for continued development of non-intrusive inspection systems, technologies that enhance the capability to detect narcotics in cargo container and trucks at U.S. ports of entry.

The committee remains concerned that the agencies involved with the development of narcotics detection technologies disagree on the types of systems which need to be developed and ultimately deployed. According to an April 1997 study by the General Accounting Office entitled "Terrorism and Drug Trafficking: Responsibilities for Developing Explosives and Narcotics Detection Technologies" (GAO/NSIAD-97-95), a detailed procurement methodology has yet to be determined despite near completion of narcotics detection technology development. The Office of National Drug Control Policy (ONDCP), responsible for the coordination and recommendation of counterdrug technology programs; the U.S. Customs Service, required to deploy the systems developed by the Department of Defense (DOD); and the Office of Management and Budget (OMB), involved in the oversight of Customs' technology plans, are all currently working to resolve differences in technology development and deployment. At the request of ONDCP, these agencies are preparing a five-year technology plan for the development of non-in-

trusive inspection systems and currently estimate a January 1998 completion date of this report.

Since December of 1994, DOD has spent about \$30.0 million to develop technologies which have not been deployed as a result of concerns with the operational suitability of the systems. Based upon this experience, the committee recommends limiting DOD's development efforts until better funding priorities have been established by the relevant federal agencies. Therefore, the committee denies the \$4.6 million funding request for non-intrusive inspection system research and development.

Optionally piloted air vehicle

The budget request contained no funding for the "Owl" Optionally Piloted Air Vehicle (OPV).

The committee believes development of this multi-functional aircraft will provide a unique, low-profile, airborne observation platform, providing an inexpensive, long-dwell reconnaissance capability for counterdrug and law enforcement agencies. The committee understands that funding for this aircraft would be provided by a federal/private industry partnership. The majority of funding is to be provided by the private industry partners.

Therefore, pending the commitment of private industry funds, the committee recommends \$2.5 million for this project in program element 0305889D.

Southwest border fence project

The committee continues to support the Southwest border road, fence and lighting project in East San Diego County, California. The committee notes the need for a reinforced fence along the fourteen miles of international border east of the Pacific Ocean, and the construction of second and third fences, with roads between the fences, to improve border security in this designated high intensity drug trafficking area (HIDTA). The committee commends the efforts of the California National Guard and the Joint Task Force Six (JTF-6) in allocating sufficient resources for this national priority from within their respective counterdrug budgets. While the construction of a triple fence is currently funded from within the immigration control budget, the committee wishes to ensure the efficient execution of this project.

Therefore, the committee recommends an increase of \$7.0 million to facilitate completion of the Southwest border fence project from within the law enforcement agencies support component of the Department of Defense Counterdrug Plan.

Tracker aircraft

The budget request contained \$10.0 million for operation of five specially configured tracker aircraft.

The committee believes the tracker aircraft mission is more properly aligned with similar missions funded within the Defense Intelligence Counterdrug Program (DICP) of the Joint Military Intelligence Program (JMIP).

Therefore, the committee recommends the funding request for project code 7410, but directs that this amount be transferred to O&M, Air Force, within the DICP. Further, the committee directs

that future funding requests for this program be properly identified within the DICP.

OTHER MATTERS

Implementation of Whistleblower Protections

The committee is aware of existing concerns over unintended consequences resulting from the implementation of section 1034 of title 10, United States Code, providing for the protection of individuals who engage in whistleblower communications with Members of Congress, the Department of Defense Inspector General, and any Department of Defense audit, inspection, investigation, law enforcement organizations, or chain of command communications. Of particular concern are indications that the definition of protected communication in the statute may be overly broad and result in the extension of protections in a manner that needlessly dilutes available investigative and other resources. Therefore, the committee directs the Department of Defense Inspector General to provide the House National Security Committee and the Senate Armed Services Committee with a report by March 1, 1998 that examines the current statutory framework governing the protection of whistleblower activity, assesses the effectiveness of the implementation of these provisions and makes any recommendations for modifications that the Inspector General finds appropriate.

Intelligence Shortcomings During Persian Gulf War

The Director of Central Intelligence (DCI) has acknowledged that both during and after the Persian Gulf war:

- (1) The intelligence community failed to adequately alert U.S. military forces to the presence of Iraqi chemical weapons at the Khamisiyah storage facility;
- (2) This failure was the result of avoidable errors and oversights in processing and analyzing information;
- (3) The demolition of Khamisiyah in the aftermath of the Persian Gulf war on March 4, 1991, by U.S. forces who were unaware of the presence of Iraqi chemical weapons stored at the facility, may have inadvertently exposed U.S. troops to chemical agents.

Furthermore, a study released by the Director of Central Intelligence on April 9, 1997, acknowledges "that intelligence support associated with Operations Desert Shield and Desert Storm—particularly in the areas of information distribution and analysis—should have been better. Key issues include problems with multiple databases; limited sharing of 'sensitive' but vital information; and incomplete searches of files while preparing lists of known or suspect CW facilities." The study makes a number of general recommendations for avoiding similar intelligence failures in the future such as ensuring that intelligence analysts remain increasingly careful to avoid "tunnel vision" in crafting their judgments.

The committee agrees that these shortcomings in intelligence analysis and distribution must be corrected so that similar intelligence failures do not occur in the future. To that end, the committee directs the Secretary of Defense and the Director of Central In-

telligence to submit a report, not later than March 1, 1997, to the House Committee on National Security, the Senate Committee on Armed Services, the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence describing the actions to be taken to implement the study's recommendations for avoiding future situations like those surrounding the Khamisiyah issue. The report should identify the specific steps planned for training analysts, reorganizing data bases, and sharing sensitive information on a broader basis. It also should outline other steps that will be taken to improve intelligence analysis and distribution, explain how broadly these improvements are being made across functional and regional issue areas, and indicate when these steps will be implemented.

Resolution of Commercial Disputes in Saudi Arabia

The committee notes that during the 1980's a number of commercial disputes arose from contracting activity between American companies, and ministries and agencies of the Saudi Arabian government. The companies in question claimed they were due tens of millions of dollars for work performed for the Saudis. After years of unsuccessful attempts by these companies to resolve the claims, the Fiscal Year 1994 Department of Defense Appropriations Act (Public Law 103-139) established a process by which the Department of Defense was to monitor progress toward the resolution of these disputes and report to Congress on their status. The committee understands that as of April 1997, a number of these claims remained unresolved. Therefore, the committee directs the Secretary of Defense, after consultation with the Secretary of State and the Secretary of Commerce, to conduct a review updating information concerning resolution of commercial disputes between U.S. companies and entities of the Saudi Arabian government. The committee further directs the Secretary to provide a report to the congressional defense committees no later than December 31, 1997 incorporating the results of the review and including a comprehensive listing of claims that were identified as yet unresolved. The report shall also identify the circumstances as to why these claims have not been resolved.

LEGISLATIVE PROVISIONS

SUBTITLE A—FINANCIAL MATTERS

Section 1001—Transfer Authority

This section would permit the transfer of amounts of authorizations made available in Division A of the bill for any fiscal year to any other authorization made available in Division A upon determination by the Secretary of Defense that such a transfer would be in the national interest.

Section 1002—Incorporation of Classified Annex

This section would incorporate the classified annex prepared by the Committee on National Security into the National Defense Authorization Act for Fiscal Year 1998.

Section 1003—Authority for Obligation of Unauthorized Fiscal Year
1997 Defense Appropriations

This section would authorize certain fiscal year 1997 programs that received appropriations but no authorization.

Section 1004—Authorization of Supplemental Appropriations for
Fiscal Year 1997

This section would extend authorization to those items appropriated by the fiscal year 1997 emergency supplemental appropriations legislation.

Section 1005—Increase in Fiscal Year 1996 Transfer Authority

This section would increase transfer authority for fiscal year 1996 to \$3.1 billion to facilitate transfers of authorization necessary to support contingency operations.

Section 1006—Fisher House Trust Fund

This section would authorize the expenditure of funds from the Fisher House trust fund.

Section 1007—Flexibility in Financing Closure of Certain
Outstanding Contracts for Which a Small Final Payment is Due

This section would permit the Secretary of Defense to establish an account to transfer funds into for the purpose of making small final payments on certain outstanding contracts for which funds appropriated for that purpose have expired.

SUBTITLE B—NAVAL VESSELS AND SHIPYARDS

Section 1021—Relationship of Certain Laws to Disposal of Vessels
for Export from the Naval Vessel Register and the National De-
fense Reserve Fleet

This section would amend three separate titles of the United States Code in order to permit the sale of obsolete vessels that are presently contaminated with polychlorinated biphenyl compounds (PCBs).

Under current law, the Toxic Substances Control Act (section 2601 of title 15, United States Code, et. seq.) prohibits the manufacture, processing, distribution in commerce or use of any non-totally enclosed PCB after January 1, 1977. Obsolete Navy vessels, as well as those in the National Defense Reserve Fleet which is administered by the Maritime Administration (MARAD), contain PCBs in their wiring system that meet the definition of being non-totally enclosed. In order to facilitate the sale and scrapping of such vessels as targets by the Navy, this section would first amend section 7305 of title 10, United States Code, so that the sale of a vessel no longer qualifies as a restricted export for disposal purposes under the Toxic Substances Control Act. Second, this section would amend section 7306 of title 10, United States Code, to provide that the sinking of a vessel for military purposes does not qualify as a prohibited export or disposal of that vessel under the Toxic Substances Control Act. Third, and in order to allow MARAD

to resume the practice of selling vessels in approved foreign markets, this section would amend section 510 of the Merchant Marine Act, 1936 (codified at section 1160 of title 46 App., United States Code), to provide that the sale of a vessel from the National Defense Reserve Fleet for export does not qualify as a distribution in commerce or an export for disposal under the Toxic Substances Control Act. Before an obsolete vessel could be sold or otherwise disposed, PCBs contained in transformers, capacitors, or in hydraulic or heat transfer fluids would have to be removed. Finally, this section would amend the National Maritime Heritage Act (section 5405 of title 16, United States Code) to make certain technical corrections and to extend by two years (until 2001) the deadline for the disposal of obsolete vessels from the National Defense Reserve Fleet. This deadline extension will permit the expeditious scrapping of obsolete vessels without flooding the international scrap market.

Section 1022—Authority to Enter into a Long-Term Charter for a Vessel in Support of the Surveillance Towed Array Sensor (SURTASS) Program

This section would authorize the Secretary of the Navy to enter into a contract in accordance with section 2401 of title 10, United States Code, for the charter of the vessel RV CORY CHOUEST through fiscal year 2003 in support of the SURTASS program.

Section 1023—Transfer of Two Specified Obsolete Tugboats of the Army

This section would allow the Secretary of the Army to transfer two obsolete tugboats to the Brownsville Navigation District, Brownsville, Texas.

Section 1024—Naming of a DDG-51 Class Destroyer the U.S.S. Thomas F. Connolly

This section would express the sense of Congress that the Secretary of the Navy should name one of the ships of the DDG-51 class of destroyers the U.S.S. Thomas F. Connolly in honor of Vice Admiral Connolly, an architect of the modern United States Navy. Cited for bravery during World War II, Vice Admiral Connolly also guided the construction of today's nuclear aircraft carriers and advocated the development of the F-14 fleet defense aircraft.

Section 1025—Congressional Review Period with Respect to Transfer of the Ex-U.S.S. Midway (CV-41)

This section would allow for a 30 calendar day congressional review period with respect to the transfer of the decommissioned aircraft carrier ex-U.S.S. Midway (CV-41).

SUBTITLE C—COUNTER-DRUG ACTIVITIES

Section 1031—Prohibition on Use of National Guard for Civil-Military Activities Under State Drug Interdiction and Counterdrug Activities Plan

This section would amend section 112 of title 32, United States Code, to further clarify authority for federal support of national guard drug interdiction and counterdrug activities. While the committee continues to recognize the valuable contributions of the national guard to the Department of Defense (DOD) counterdrug program, the committee notes with concern that community outreach programs, in direct contravention of congressional direction, have been funded as a component of the annual national guard state drug interdiction and counterdrug activities plans.

The committee stands by the decision to repeal the authority for civilian outreach programs as intended in section 571 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106). This section specifically terminated DOD authority for programs currently funded within the fiscal year 1997 National Guard State Plans, such as Sports Clinics, Just Say No Puppet Show, AmeriCorps, Kids 'N Kops Day, Adopt a School, DARE, Jr. Police Cadets, Operation Snowball, The Parent Project, Teen Spirit Youth Camp, Big Brothers & Sisters, MADD, Leadership Development Camps, Hooked on Fishing and Fitness for Life. While these programs are of continuing importance in the fight against substance abuse, they are significantly removed from the national security mission of the Department of Defense and, therefore, inappropriate to fund from within the defense budget. The committee encourages the development of appropriate non-DOD sources of funding for these outreach programs. Therefore, the committee directs that funds for these community-based activities, estimated at \$8.0 million for fiscal year 1998, be reprioritized to meet more critical demand reduction needs of the national guard within the Governor's State Plans for fiscal year 1998.

The committee endorses the Department's demand reduction strategy involving active duty and reserve forces, DOD civilian employees and National Guard members—one of the most effective elements of the DOD Counterdrug Program. The drug deterrence and testing program; coupled with the drug education, training and awareness support, continue to increase military readiness by successfully reducing drug use in the armed forces and the DOD civilian community. Further, the committee notes that drug demand reduction programs established prior to the authorization of the various civil-military programs in the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484), including the Young Marines Programs and other priority programs of DOD and the military services, should continue operations as proposed in the fiscal year 1998 budget request.

SUBTITLE D—MISCELLANEOUS REPORT REQUIREMENTS AND
REPEALS

Section 1041—Repeal of Miscellaneous Obsolete Reports Required
by Prior Defense Authorization Acts

This section would repeal miscellaneous provisions of law that have expired or are obsolete.

Section 1042—Repeal of Annual Report Requirement Relating to
Training of Special Operations Forces with Friendly Foreign Forces

This section would amend section 2011 of title 10, United States Code, to repeal the requirement that the Department of Defense prepare an annual report relating to training of United States Special Operations Forces with the forces of friendly foreign governments.

SUBTITLE E—OTHER MATTERS

Section 1051—Authority for Special Agents of the Defense Criminal
Investigative Service to Execute Warrants and Make Arrests

This section would provide the Secretary of Defense with the authority to authorize special agents of the Defense Criminal Investigative Service (DCIS) to execute and serve warrants and other process issued under the authority of the United States. The section also would permit the Secretary of Defense to authorize DCIS special agents to make warrantless arrests in cases in which an offense against the United States is committed in the presence of special agents and in the case of felonies cognizable under the laws for which such special agents have sufficient probable cause. The authority of a DCIS agent under this section could only be exercised in accordance with guidelines approved by the Attorney General of the United States.

Section 1052—Study of Investigative Practices of Military Criminal
Investigative Organizations Relating to Sex Crimes

This section would require the Secretary of Defense to provide for an independent review of the military criminal investigative organizations and their ability to effectively investigate allegations of criminal sexual misconduct in the armed services. The review would address several specific issues:

- (1) The need for greater organizational independence from the military department chains of command;
- (2) The adequacy of agent training relating to the investigation of sex crimes, including training on the proper conduct of subject and witness interviews;
- (3) The screening, recruitment and hiring of agents;
- (4) The number of allegations of agent misconduct in the investigation of sex crimes;
- (5) The procedures for administrative identification (known as “titling”) of individuals suspected of committing sex crimes; and
- (6) The accuracy and timeliness of reporting sex crimes to the Department of Justice’s National Crime Information Cen-

ter. A report to Congress would be due upon completion of the review.

In light of the numerous allegations of sexual misconduct in the military services, the committee believes it is important for the military criminal investigative organizations to ensure that agents are properly trained for conducting investigations into these most personal crimes in a responsible and appropriate manner. Further, the committee is concerned over allegations by some of the recent victims and subjects that investigators used coercive or inappropriate tactics during the investigative interview process. The review directed by this provision would help determine how well prepared the military criminal investigative organizations are with regard to investigating sexual misconduct. It also should identify areas for improvement to ensure these personal cases are handled in the most professional and appropriate manner.

Section 1053—Technical and Clerical Amendments

This section would make a number of technical and clerical amendments.

Section 1054—Display of POW/MIA Flag

This section would expand the dates on which the POW/MIA flag must be flown, as well as the locations where it must be flown on the prescribed dates. In addition, the section would repeal existing law that terminates the requirement to display the POW/MIA flag upon the President's determination that the fullest possible accounting has been made of all members of the Armed Forces and civilian employees of the United States who have been identified as prisoner of war or missing in action in Southeast Asia.

The committee recommends this action because thousands of Americans remain missing or unaccounted for as a result of all conflicts that the U.S. has fought in, not just the one in Southeast Asia. Furthermore, the committee believes that not only is it fitting to signify the Nation's continuing commitment to fully account for all the missing and unaccounted for from past U.S. wars, but it is also proper to signify a permanent national commitment to fully account for those Americans who in future wars may be captured, unaccounted for, or listed as missing.

Section 1055—Certification Required Before Observance of Moratorium on Use by Armed Forces of Antipersonnel Landmines

This section would require that, before proceeding with the implementation of a ban on the military use of antipersonnel landmines, the Secretary of Defense must provide Congress with a certification that such implementation would not adversely impact U.S. military combat capabilities.

Section 1056—Protection of Safety-Related Information Voluntarily Provided by Air Carriers

This provision would authorize the Secretary of Defense to withhold from public release voluntarily-provided air carrier safety-related information if the Secretary determines that release of that

information would inhibit the provision of such information, and that such information aids in fulfilling the Secretary's safety oversight responsibilities under section 2640 of title 10, United States Code. Section 2640 of title 10, United States Code prohibits the Secretary of Defense from entering into a contract with an air carrier for the transportation of members of the armed forces unless that carrier meets certain requirements. Included are requirements that the carrier meet government safety standards and pass DOD technical inspections to become and remain eligible for DOD business.

The committee is aware that access to a carrier's internal records, information, and data is essential to determining whether the carrier meets DOD safety and quality standards. In that regard, carriers must have confidence that company information is protected from public release. The Department of Defense reports that carriers have been increasingly reluctant to provide information beyond the minimum required for regulatory compliance for fear that such information would be subject to public release when requested by a third party under the Freedom of Information Act. Similar information held by the Federal Aviation Administration and the National Transportation Safety Board previously received statutory protection from public release. This provision would provide the same level of protection for information that was voluntarily provided to the Department of Defense.

Section 1057—National Guard ChalleNGe Program to Create Opportunities for Civilian Youth

This section would provide the Secretary of Defense, acting through the Chief of the National Guard Bureau, authority to conduct a program known as the National Guard ChalleNGe Program. ChalleNGe is a 22-week, quasi-military, residential program for drug-free, 16- to 18-year old high school dropouts who are unemployed and not currently involved with the legal system. ChalleNGe, which operates in separate state programs, seeks to improve the life skills and potential for employment or military service of its participants through military-based training, supervised work experience, and post graduation mentoring. This section would authorize the Department of Defense to provide up to \$50.0 million in funding to support the program. The section would also limit the Department of Defense share of the costs of operating a program in each state to 75 percent in fiscal year 1998—with that share decreasing by five percent a year, to 60 percent in fiscal year 2001. Finally, the section would increase by \$30.0 million the \$20.0 million requested in the Department of Defense budget request. To pay for the increase, the committee reallocates to the ChalleNGe program the \$15.0 million that it had intended to add to the Army National Guard military personnel accounts for initial entry and military skill training. In addition, the committee recommends a reduction in the amounts requested in the budget for Army and Air National Guard operations and maintenance funding by \$7.5 million each.

Section 1058—Lease of Non-Excess Personal Property of the
Military Departments

This section would require the military departments to compete any lease in excess of one year for personal property valued over \$100,000 and notify the Congress 45 days prior to entering into such a lease. The committee is aware that military department non-excess assets have been leased sole source for extended periods of time apparently below market value. While the committee recognizes the need for the military departments to manage their own equipment inventories, the committee is concerned that lease arrangements should fully appreciate the public interest to recoup defense dollars where possible.

Section 1059—Commendation of Members of the Armed Forces and
Government Civilian Personnel Who Served During the Cold War

This section would commend the members of the armed forces and government civilian employees who served the nation during the Cold War, and would express the gratitude of the Congress for their service and sacrifices that contributed to the victory in the Cold War.

TITLE XI—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

OVERVIEW

The budget request contained \$382.2 million for cooperative threat reduction (CTR) activities, representing an increase of \$31.3 million over the amounts appropriated for fiscal year 1997. The request includes \$63.0 million for core conversion and chemical weapons production facility elimination in Russia, and expanded defense and military contact programs throughout the former Soviet states. Funding for these programs was not included in last year's CTR budget request, but was authorized separately in Title XIV of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

The Administration is also seeking \$210.0 million within the request for destruction and dismantlement, \$100.7 million for fissile materials and nuclear weapons safety and storage, \$41.0 million for reactor core conversion in Russia, and \$30.5 million for other program support, which includes expanded defense and military-to-military contacts.

The committee recommends a total of \$284.7 million for CTR activities in fiscal year 1998, a reduction of \$97.5 million from the budget request. The committee recommends the request of \$77.9 million for strategic offensive arms elimination activities in Russia; \$76.7 million for strategic nuclear arms elimination in Ukraine; \$7.0 million for fissile materials storage containers in Russia; and \$57.7 million for a fissile material storage facility in Russia. The committee recommends the following reductions to the budget request: chemical weapons destruction (\$41.0 million); reactor core conversion (\$41.0 million); nuclear weapons storage security (\$12.5 million); defense and military contacts (\$1.0 million); and other program support (\$2.0 million). The discussion below provides additional rationale for these reductions as well as other matters of interest and concern to the committee.

ITEMS OF SPECIAL INTEREST

Arms Elimination Projects in Russia

The budget request contained \$77.9 million for strategic offensive arms elimination projects in Russia representing a significant increase from the fiscal year 1997 appropriated amount of \$52.0 million.

The committee reiterates its support for the accelerated dismantlement and destruction of strategic offensive weapons in Russia under the terms of the START I Treaty. To this end, the committee notes that the Department intends to obligate 115 percent

of the appropriated fiscal year 1997 amount for strategic offensive arms elimination programs in Russia in accordance with section 1502 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

The request includes \$50.0 million for new commitments made last October by former Secretary of Defense Perry, who pledged additional assistance to Russia as part of the Administration's effort to encourage Russian ratification of the START II Treaty. The new commitments pledged by Secretary Perry and identified by the Department to the committee would be directed toward accelerating Russian strategic offensive force reductions to START II levels. While the committee is supportive of CTR efforts that would directly assist Russia in the elimination of its strategic offensive forces, the committee believes that Russia should share in the cost of these reductions. However, the Russian Duma has not yet given its support to START II ratification and is unlikely to do so anytime soon. In addition, at the recent Helsinki summit, the United States agreed to postpone for several years the 2003 START II deadline for elimination of treaty-covered strategic systems in another attempt to encourage Russian ratification and to ease the near-term fiscal requirements on Russia for eliminating strategic systems. The Russians have asserted that they lack the fiscal resources to meet START II's reduction timelines. However, Russia continues to invest resources in the production of additional land-based and sea-based strategic offensive arms. For these reasons, the committee recommends a provision (sec. 1105) that would prohibit the obligation or expenditure of these funds for START II-related elimination activities until 30 days after the President certifies to Congress that these expenditures are in the national security interest and that the Russians have agreed to share the cost of such elimination activities. Moreover, the committee directs the Secretary of Defense to submit to the Congressional defense committees, within 15 days of the date of the above certification, a report on the specific cost-sharing arrangements that have been agreed to with Russia.

Arms Elimination Projects in Ukraine

The budget request contained \$76.7 million for strategic nuclear arms elimination projects in Ukraine, a 63 percent increase over the fiscal year 1997 appropriated level.

This increase would fund a new project to eliminate additional land-based intercontinental ballistic missiles, associated silos and launch control centers, and supporting infrastructure. The committee supports these additional efforts and approves the requested amount for strategic nuclear arms elimination in Ukraine.

Auditing of CTR Assistance

Under section 1206 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106), the Department of Defense is required to submit to Congress an annual report on CTR assistance. The committee notes that the most recent report reflected an improvement in how the Department tracks the provision of CTR assistance, although the report was submitted almost one year late.

The committee welcomes the increased number of annual audits and examinations conducted by the Department and expects that this level of effort will continue.

The committee also notes that recent press reports indicate Russian officials have been imposing duties and "taxes" on the provision of U.S. assistance, some of which has reportedly been used to "pay off" local officials and to cover various "overhead" costs. In particular, the committee is concerned by reports that equipment deliveries are being taxed and that the CTR program has been a source of funding for inappropriate Russian activities. In light of these reports, the committee recommends a provision (sec. 1109) that would require the Secretary of Defense to submit a report to Congress by September 31, 1997 providing a detailed explanation of whether and how the CTR program has been used to support such activities and what actions the Department has taken and is prepared to take to ensure that CTR assistance is not "taxed" or misused by Russia.

Chemical Weapons Destruction

The budget request contained \$55.4 million for chemical weapon destruction activities, including \$20.0 million for the dismantlement and conversion of a chemical weapons production facility, at Volgograd, to non-weapons use.

Last year, the committee denied the request for \$2.2 million in funding to initiate dismantlement of the facility at Volgograd. In so doing, the committee noted its concern about establishing a precedent for a new U.S. commitment and program regarding the destruction of Russia's declared chemical weapons stockpile despite Russia's ability to destroy such facilities on its own. The budget request reflects a substantial increase in funding. However, formal cost estimates of the dismantlement work at Volgograd have not yet been accomplished. Moreover, the Department has indicated that the \$20.0 million requested for this activity may be used for other "Volgograd-like projects" involving chemical or biological weapons production facilities elsewhere in Russia.

In addition, the committee notes that the Congress has previously disapproved the use of CTR funds for defense conversion purposes such as envisioned in the Volgograd project. Such activities are currently funded through the Department of State.

Because of continuing concerns over U.S. involvement in this project and the uncertainty over the eventual cost and scope of this activity, the committee reiterates its belief that Russia should proceed with the destruction of chemical weapons production facilities on its own. Consequently, the committee denies the request for this project.

The budget request also contained \$35.4 million for the design and construction of a chemical weapons destruction facility to be built in Russia. Most of the technology development for the chemical weapons destruction process is expected to be completed by the end of fiscal year 1997. Accordingly, the budget request for this purpose is significantly less than the fiscal year 1997 appropriated level and is directed toward the design of the destruction facility. However, because no specific site has yet been chosen for the facility, actual design costs have not been reliably determined.

In addition, the committee has a number of other concerns regarding this project. First, the ultimate cost of the facility may be as high as \$800.0 million, a cost which the committee views as prohibitive. A more accurate cost estimate based on a one-third completed design is still unavailable and is not anticipated by the Department to be available until January 1999. The General Accounting Office (GAO) has reported that the U.S. share of these costs remains undefined and potentially large, and the United States has not agreed to cap its financial contribution. Indeed, the budget request for fiscal year 1999 for chemical weapons destruction projects in Russia is approximately \$150.0 million, an increase of 270 percent over the fiscal year 1998 request. Although detailed cost and program information is supposed to be contained in the Department's long-term program plan, which is required to be submitted to Congress annually at the same time as the President's budget request, the latest plan has only just been received. Consequently, the committee is unable to fully evaluate the long-term fiscal implications of this project.

Second, the committee is concerned over Russia's ability to fulfill whatever financial commitment it makes to this project. Although Russia has committed the equivalent of \$24.0 million for chemical weapons destruction in fiscal year 1997, none of these funds have been expended. Russia's chemical weapons destruction plan was rejected by the Federation Council—Russia's upper house of parliament—in January of this year. In April 1997, the State Duma—Russia's lower house of parliament—refused to ratify the Chemical Weapons Convention (CWC), only one day after the U.S. Senate had approved it. The Chairman of the Duma's Foreign Affairs Committee, Vladimir Lukin, explained the refusal by stating, "It's simple: There's a lack of cash." Foreign financing to date for this project is extremely limited. While the United States has said it will finance a share of the costs of building the facility only, the Russians insist that associated infrastructure must be financed and built as well. Without an agreement on this matter, it is unlikely that construction can proceed.

Third, the facility is designed to destroy only 14 percent of Russia's declared chemical weapons stockpile and will take more than 10 years to accomplish even this modest task. It has been estimated that Russia would need to construct six additional sites to meet the time frames required by the CWC for the destruction of the rest of its declared chemical weapons stockpile.

Fourth, the committee disagrees with the United States' retreat from its prior insistence that the facility be used to destroy air munitions—the types of chemical munitions that are more threatening to U.S. interests—and has agreed to Russian demands that nerve agent contained in artillery shells be destroyed first. Because of their deteriorating condition, these artillery munitions are more of a Russian environmental concern than a U.S. or allied security concern.

Finally, the committee is concerned by unclassified reports that Russia is continuing to develop chemical weapons, including three new and particularly lethal nerve agents. Such activity is clearly at variance with the commitments Russia assumed when it signed the CWC and suggests that U.S. assistance to dismantle older

chemical weapons while Russia continues to produce newer ones amounts to a subsidy of a lethal Russian chemical weapons modernization program.

The committee believes there are higher priority CTR programs with potentially greater benefits to U.S. security. The Department apparently shares this view, as it notified the Congress that it would transfer \$7.8 million of fiscal year 1997 funds obligated for this project to strategic offensive arms elimination programs. The committee also notes that as of May 1997, more than \$70.0 million in previously appropriated funds for this project remained unobligated, almost twice the amount actually disbursed. Consequently, the committee recommends a reduction of \$21.0 million for this project and does not endorse proceeding with actual construction of the facility. The committee also recommends a provision (sec. 1106) that would prohibit the obligation or expenditure of fiscal year 1998 funds for chemical weapons facility planning and design until the Secretary notifies the Congress that the following conditions have been met:

- (1) that Russia has approved a chemical weapons destruction plan that commits it to sharing the financial costs of this program;
- (2) that the United States has agreed to cap its financial contribution;
- (3) that an agreement has been reached resolving the issue of who will pay for construction of infrastructure and facilities associated with the destruction facility and required by Russia; and
- (4) that a specific site has been chosen for construction of the facility.

Fissile Material Storage Facility

The budget request contained \$57.7 million for fissile material storage activities in Russia. In particular, the funds requested are to be used to support the design and construction of a storage facility at Mayak to house materials from dismantled strategic nuclear weapons. The committee continues to support efforts to ensure the safe and secure storage of fissile materials in Russia.

However, the committee notes that significant uncertainties remain regarding the Mayak facility. The project is approximately two years behind schedule and further delays are possible in light of Russia's uncertain commitment to funding its share of the costs. Although the United States has informed Russia that the U.S. share of Mayak costs will be capped at \$275.0 million, the projected budget request for fiscal year 1999 reflects a significant increase in funding, including funds for preliminary work on a second fissile material storage facility in Russia, although the requirement for another such facility is unclear. Significantly, a recent GAO report ("Weapons of Mass Destruction: Status of the Cooperative Threat Reduction Program," GAO/NSIAD-96-222, September 1996) notes, "The draft CTR multiyear plan acknowledges that the program cannot measure the impact of CTR fissile material storage projects—such as Mayak—on CTR program objectives" because the Department lacks the necessary information to make such a determination. Due to the Department's delay in submitting the latest

annual CTR program plan as required, the committee cannot fully evaluate the long-term fiscal implications of this project.

The most significant uncertainty is the lack of any transparency agreements that would allow the United States to verify the quantity and type of fissile materials stored at Mayak and the irreversibility of the dismantlements. The committee believes such agreements are essential to ensuring that the facility is being used for its intended purpose and that materials stored there are not capable of being used in the construction of additional weapons. Prior efforts to negotiate transparency arrangements with Russia have been unsuccessful. To date, Russia has not declared the specific type and quantity of fissile material that will be stored at Mayak. As the previously-cited GAO report noted, "Until a detailed transparency arrangement is agreed upon, the United States does not know exactly how it will be able to insure that Mayak is being used as intended. A failure to reach such an agreement in the future would force the United States to choose between curtailing support for the facility—after investing many tens of millions of dollars—and compromising on its access rights."

Negotiations are expected to resume later this year, and the Department has notified the committee of Russia's declared commitment to agree to transparency measures. However, the committee believes that continuing to fund this activity in advance of a formal agreement that clarifies and codifies U.S. rights weakens the U.S. negotiating position.

Based on the above concerns, the committee conditions its approval of the budget request for this project on the conclusion of a written agreement with Russia acknowledging that the U.S. share of the ultimate cost of the Mayak facility will be capped at \$275.0 million. Moreover, the committee recommends a provision (sec. 1107) that would prohibit the obligation of fiscal year 1998 funds for Mayak until a transparency agreement with Russia is signed. Finally, the committee directs that unobligated prior-year funds not be obligated or expended on this project until 15 days after the Secretary provides the Congressional defense committees with a status report on the issues and uncertainties noted above.

Nuclear Reactor Core Conversion

The budget request included \$41.0 million for nuclear reactor core conversion projects in Russia to support the elimination of Russian plutonium production by 2000, an important U.S. non-proliferation objective. The requested amount is more than four times the amount appropriated for fiscal year 1997 and is intended to begin preparations for conversion work. However, to date no implementing agreement has been negotiated with Russia's Ministry of Energy (Minatom) to allow this work to proceed. Consequently, the \$10.0 million appropriated in fiscal year 1997—which Congress authorized be transferred to the Secretary of Energy—is unable to be obligated until such an agreement is concluded. Reiterating its support for the goal of eliminating Russian plutonium production, the committee believes responsibility for this core conversion project more properly resides within the Department of Energy (DOE), which initially began this effort in fiscal year 1996 as a pilot project. For these reasons, the committee denies the request for fis-

cal year 1998 Department of Defense funds to pursue this project, but has added \$10.0 million for core conversion to the appropriate DOE account.

Nuclear Weapons Storage Security In Russia

The budget request contained \$36.0 million for projects designed to ensure the safe storage of nuclear weapons and materials from dismantled strategic nuclear systems. However, in March 1997 the Department informed Congress that the Russian Ministry of Defense has reevaluated its requirement for supercontainers to enhance the security of Russian nuclear weapons during transit. As a result, the Department proposes to reallocate \$12.5 million in fiscal year 1996 CTR funds for other "higher priority" weapons storage security projects. Because these previously appropriated funds are now available to augment other weapons storage security activities, the committee recommends a reduction in the fiscal year 1998 budget request of \$12.5 million.

The committee reiterates its support for efforts to ensure the safe and secure storage of fissile materials and recommends this reduction without prejudice. However, the committee is concerned over Russia's unwillingness to allow the United States access to certain storage sites. This raises questions about the U.S. ability to ensure that equipment provided is used solely for its stated purpose.

In its March 1997 notification to Congress of intent to obligate fiscal year 1997 funds, the Department noted that "DOD will not be able to perform audits and examinations of some portions of the assistance provided under these agreements," but intends to impose other restrictions to ensure that the assistance "remains under the control of the Russian Government." The committee is concerned that these arrangements may be insufficient to guard against the improper use of CTR assistance. Accordingly, the committee recommends a provision (sec. 1108) that would limit the obligation and expenditure of fiscal year 1998 funds until a formal agreement is reached with Russia on a mutually-acceptable arrangement for conducting audits and examinations; that agreement is provided by the Secretary to the Congressional defense committees; and 15 days have elapsed from the date the agreement is received.

Other Support Programs

The budget request contained \$1.0 million for defense and military contacts with Belarus. In light of the recent Presidential decertification of Belarus as eligible for CTR funds on the basis of human rights violations, the committee denies this request. In addition, the committee notes that, as of May 1997, the Department had obligated only \$80.3 million of the \$117.3 million in prior-year funds notified to Congress for CTR projects in Belarus. The committee expects that the Department will not obligate the remaining \$37.0 million for projects in Belarus as long as Belarus remains ineligible for additional CTR assistance.

Program Overhead

The budget request contained \$20.5 million for management and administrative costs, project development, and audits and examinations. In light of the reductions in various CTR programs noted above, and the logical reduction in associated administrative costs, the committee recommends a reduction of \$2.0 million for these activities. The committee notes that the Department unilaterally reduced the appropriated level of fiscal year 1997 program support by more than \$300,000 to cover the costs of other higher priorities.

Prohibition of Specified Activities

The committee reiterates its belief that funding for CTR activities should be directed toward facilitating the safe transportation, storage, and elimination of weapons of mass destruction, their delivery vehicles, and components, and for programs and activities designed to prevent proliferation. The committee does not support CTR funding for activities outside these basic purposes. For this reason, the committee recommends a provision (sec. 1103) that would maintain a prohibition on the use of CTR funds for peacekeeping-related activities, housing, environmental restoration, job retraining, and defense conversion.

LEGISLATIVE PROVISIONS

Section 1101—Specification of Cooperative Threat Reduction Programs

This section would specify the kinds of programs to be funded under this title.

Section 1102—Fiscal Year 1998 Funding Allocations

This section would allocate fiscal year 1998 funding for various CTR purposes and activities.

Section 1103—Prohibition on Use of Funds for Specified Purposes

This section would prohibit the use of CTR funds for specified activities, including peacekeeping-related, housing, environmental restoration, job retraining, and defense conversion purposes.

Section 1104—Prohibition on Use of Funds Until Specified Reports are Submitted

This section would prohibit obligation or expenditure of fiscal year 1998 CTR funds until 15 days after various reports are submitted to Congress.

Section 1105—Limitation on Use of Funds Until Submission of Certification

This section would prohibit the obligation or expenditure of fiscal year 1998 CTR funds for certain START II-related strategic offensive arms elimination programs until the President certifies that such expenditures are in the national security interest and the Russians have agreed to share the cost of these activities. It would

also direct the Secretary of Defense of submit a report on the specific cost-sharing arrangements.

Section 1106—Use of Funds for Chemical Weapons Destruction Facility

This section would prohibit the obligation or expenditure of funds for chemical weapons destruction purposes until the Secretary of Defense notifies Congress that certain cost-sharing and site agreements have been reached with Russia.

Section 1107—Limitation on Use of Funds for Storage Facility for Russian Fissile Material

This section would prohibit the obligation or expenditure of funds for a storage facility for Russian fissile material until the Secretary of Defense notifies Congress that certain cost-sharing and transparency agreements have been reached with Russia.

Section 1108—Limitation on Use of Funds for Weapons Storage Security

This section would prohibit the obligation or expenditure of funds for weapons storage security in Russia until the Secretary of Defense notifies Congress that an agreement has been reached with Russia regarding audits and examinations.

Section 1109—Report to Congress on Issues Regarding Payment of Taxes or Duties on Assistance Provided to Russia Under Cooperative Threat Reduction Programs

This section would require the Secretary of Defense to submit a report to Congress on attempts by Russia to tax assistance provided under the CTR program.

Section 1110—Limitation on Obligation of Funds for a Specified Period

This section would amend title 10, United States Code to limit the use of all appropriated funds for CTR purposes to a period of three years.

Section 1111—Availability of Funds

This section would make fiscal year 1998 CTR funds available for obligation for three years.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

OVERVIEW

Through investigations, hearings, analysis and careful study, the committee has concluded that there is a lack of connectivity between defense commitments as an element of the foreign policy of the United States and the military forces and resources required to execute these policies in an effective manner. The effects of inconsistency in policy, exacerbated by an insufficient and overtaxed military establishment, diminish the position of the United States as a geopolitical leader in a chaotic and dangerous world. The committee is concerned that the increasing number and scope of deployments of U.S. forces in support of U.S. policies abroad, combined with declining defense budgets, will erode rather than enhance the security of the United States.

African Center for Security Studies

The committee report on H.R. 1530, the fiscal year 1996 Defense Authorization bill (H. Rept. 104–131), directed the Secretary of Defense to develop an African Center for Security Studies patterned after the George C. Marshall Center for European Security Studies located in Germany. This center would provide a capability to offer advanced study and training in civil-military relations, the building of democratic institutions, and related courses to members of the United States military and to the militaries and defense civilian personnel of African nations. The committee directed the secretary to provide the Congressional defense committees with an implementation plan by December 1, 1995. In March 26, 1996 correspondence to the committee, the Department advised that the development of the required plan was underway but was not complete and that the plan should be completed and forwarded to the Congressional defense committees by mid summer of 1996. The plan has not yet been received. The committee fails to understand why the Secretary has not yet responded to the committee's direction. The Committee remains interested in monitoring the implementation of U.S. foreign policy and security interests in Africa and fully expects the directed plan to be received no later than November 1, 1997. Of the funds authorized for Operations and Maintenance for fiscal year 1998, \$5.0 million should be made available to support implementation of the plan.

Arms Control Implementation

The fiscal year 1998 budget request contained \$315.1 million for arms control implementation programs, representing a 12 percent

increase over the fiscal year 1997 budget request and a 27 percent increase over the fiscal year 1997 appropriated level.

The budget request is based in large part on planning assumptions regarding when various arms control treaties will enter into force. These assumptions have changed repeatedly, as the entry into force of several treaties—including the Open Skies Treaty, START II, and the Comprehensive Test Ban Treaty (CTBT)—has been delayed.

The committee notes that the Chemical Weapons Convention (CWC), which was recently ratified by the United States but has not been ratified by Russia, entered into force on April 29, 1997. This treaty places additional inspection obligations on the United States requiring an increase in funding for CWC activities. However, some of the requested increase in funding is directed toward support for the 1990 Bilateral Destruction Agreement (BDA) with Russia that is separate from the CWC. Because the Russians have refused to implement this agreement, the committee recommends a reduction of \$4.1 million for BDA-related activities.

As has been the case in the past, delays in the entry into force of other treaties will likely allow some reduction in the amount of funding authorized for these arms control implementation programs. For example, the committee believes that planning assumptions regarding the entry into force of the Open Skies Treaty are overly optimistic. Accordingly, the committee recommends a reduction of \$1.7 million for Open Skies treaty implementation activities.

In addition, the budget request would almost double the amount of funding for research and development (R&D) activities related to monitoring, implementation, compliance, and technical support for the CTBT over the fiscal year 1997 appropriated level. The committee is not convinced that such a significant increase is warranted given that the treaty has not yet been submitted to the Senate for its advice and consent and that U.S. ratification is not assured. Moreover, current DOD planning assumes that the treaty will not enter into force until late 1999. In addition, some of the specific projects supported by the R&D request appear to involve the procurement of items and are not strictly “research and development” activities. Finally, the committee has concerns over proposed DOD operation of seismic monitoring stations currently operated by the U.S. Geological Survey. Although the Department has expressed its intention to conclude agreements that delineate the obligations of each party responsible for a treaty station, no such agreements have yet been negotiated. Consequently, the committee directs elsewhere in this report that \$13.3 million of the R&D budget request be fenced until 15 days after the Secretary of Defense notifies the Congressional defense committees that the necessary agreements have been concluded. Moreover, the committee directs the Secretary to provide the House National Security Committee and Senate Armed Services Committee with a detailed report no later than September 31, 1997 on how the Department intends to use these CTBT-related research and development funds.

Finally, the committee notes that Russia has yet to ratify the START II Treaty. To encourage Russian ratification, the Administration agreed at the March 1997 Helsinki summit to postpone the START II deadline for elimination of certain strategic offensive

arms from 2003 to 2007. The committee understands this step constitutes a substantive amendment to the START II Treaty and that the administration intends to submit such changes to the Congress for approval. However, the committee notes that members of Russia's lower house of parliament, or Duma, have indicated subsequent to the Helsinki summit that Russian ratification of the treaty has been deferred indefinitely. As a result of the agreed slippage in START II elimination deadlines and the unlikely prospect for ratification in the near-term, the committee recommends a reduction to the budget request of \$5.4 million, for a total authorization of \$303.9 million.

Defense Logistics Cooperation with the People's Republic of China

The committee is aware that the Department of Defense is engaged in a broad range of activities to promote and enhance U.S. military relations with the Chinese People's Liberation Army (PLA) through a policy of comprehensive engagement. Some of the Department's activities with the Chinese government and the PLA have included frequent and regular exchanges on the topics of U.S. military strategy, regional security issues and the transfer of U.S. high-technology to China. In particular, the committee is concerned that the Department has chosen to advance U.S.-Chinese military relations by engaging the PLA in detailed discussions and briefings about advanced defense logistics techniques, infrastructure, and battlefield employment concepts. The committee's concern arises from the fact that China's long-term strategic ambitions remain unclear to U.S. policymakers and to the governments of the Asia-Pacific region. The committee also observes that the PLA's force modernization priorities suggest an intent to create a force capable of projecting and sustaining military power beyond China's borders.

Therefore, the committee urges the Department to reconsider U.S. military-to military activities with the PLA that could further enhance the ability of the PLA to project and sustain military power beyond China's borders. The committee also expects to be kept fully informed of all future meetings, exchanges other DOD contacts with Chinese defense entities and PLA officials for the purpose of discussion on defense logistics or other military support subjects.

The Khobar Towers Bombing and Force Protection in Southwest Asia

In the wake of the Khobar Towers bombing in Saudi Arabia in June 1996, the committee notes that several issues related to force protection remain unresolved. Specifically, questions regarding the overall authority and responsibility for force protection issues prior to the terrorist attack remain unanswered. Moreover, although the Administration has elevated its emphasis on force protection, it is unclear whether the proper balance has been struck between mission and risk. In fact, concerns have been expressed, including within the military chain of command, that force protection is being overemphasized to the detriment of mission readiness and that the requirements of greater force protection may impede the

“freedom of movement” in theater necessary for U.S. forces deployed abroad to fulfill their missions.

The committee welcomes the increased attention being given to force protection issues. Although no level of force protection is likely to be completely effective in deterring attack from dedicated terrorists, it is appropriate continually to reassess the effectiveness of force protection measures and the balance between mission and risk. The committee is encouraged by the Department’s establishment of a directorate for force protection issues (J34) and notes that teams from the services and the Defense Special Weapons Agency are conducting a series of on-site vulnerability assessments at facilities where U.S. forces are deployed abroad. Notwithstanding these initiatives, the committee is concerned by reports that critical vulnerabilities at several sites in the Persian Gulf region persist.

With regard to the Khobar Towers bombing, the committee is concerned that so much of the Department’s focus has revolved around the question of personal culpability for the tragedy. In spite of continued requests, the committee has not yet been briefed on the findings of the report prepared by Air Force Lieutenant General James Record (ret.) on this issue. Neither has the Department informed the committee about the results of the reassessment of the Record report’s conclusions undertaken by Air Force officials, reportedly at the insistence of the Office of the Secretary of Defense.

While the issue of personal accountability is important, the committee believes that significant organizational, operational, and intelligence shortcomings contributed to the lack of preparedness for the bombing. As the committee’s August 1996 report on the bombing concluded, and the report of the Downing Task Force subsequently confirmed, these shortcomings included the lack of timely and accurate tactical intelligence, short rotation tours for senior personnel including key security officers, and the implications of treating a long-term operation (Operation Southern Watch) as a “temporary” contingency mission.

The committee believes that providing effective force protection to U.S. forces deployed abroad also requires an ability to work cooperatively with host countries to ensure that necessary force protection actions are taken in a timely manner. The issue of host country sensibilities and how to work with host governments to provide adequate levels of force protection for U.S. forces is assuming greater importance in light of the expanding nature of U.S. foreign deployments and the increased threat of terrorist attacks. In the Khobar Towers tragedy, it is unclear whether specific guidance was provided from senior level military and civilian officials to theater commanders regarding coordination and cooperation with Saudi government officials on force protection issues. The committee is still looking for answers to the questions of whether such guidance was provided, who provided it (and to whom), and whether the guidance was revised in the wake of the November 1995 Riyadh bombing.

In order to better understand what happened at Khobar Towers and to prevent similar tragedies from occurring in the future, the committee directs that the Secretary of Defense provide a classified

report to the House National Security Committee and the Senate Armed Services Committee outlining the following:

(1) The guidance that was provided to theater commanders prior to the Riyadh bombing regarding how to approach force protection issues with the Saudis, including what specific guidance was provided, by and to whom, and when;

(2) Whether the guidance was revised in the wake of the Riyadh bombing and, if so, how; and

(3) A detailed explanation of the roles of the Air Force, U.S. Central Command (USCENTCOM), the Joint Chiefs of Staff, and the Office of the Secretary of Defense in providing guidance and support for the force protection mission to all deployed U.S. forces abroad—with special attention to the forces deployed in the USCENTCOM area of responsibility—and how their respective responsibilities have changed since the Khobar Towers bombing.

The above report should be provided no later than September 31, 1997.

Strategic Force Reductions

The committee notes that the Quadrennial Defense Review (QDR) endorsed maintaining U.S. strategic nuclear forces at Strategic Arms Reduction Treaty I (START I) levels until Russia ratifies the START II Treaty. Despite the QDR's confirmation of current policy, the National Defense Panel has advocated unilateral U.S. nuclear force reductions to the levels specified in the START II Treaty. Moreover, and contrary to the QDR, Department of Defense officials also recently expressed interest in steps that could result in unilateral U.S. reductions.

The committee believes that strategic nuclear forces remain central to U.S. national security, and any proposal to alter the nation's nuclear force structure must be considered on its own merits. The committee certainly does not believe that unilateral reductions to nuclear forces should be considered simply to generate savings for the military services to use to address program shortfalls, no matter how acute.

Moreover, the committee believes that unilaterally reducing nuclear force structure below START I levels, prior to Russia's ratification of START II, would be counterproductive from an arms control standpoint. Because mutual obligation is the basis of all arms control agreements, unilateral reductions could undermine standing agreements and future negotiations. Unilateral U.S. nuclear force reductions would reduce Russian incentives to approve the START II Treaty by sending an unambiguous signal that U.S. reductions will occur with or without reciprocal Russian action. The committee continues to believe that any reductions to U.S. nuclear forces should be based on calculations of national security interest and implemented only in a mutual and balanced manner with Russia.

LEGISLATIVE PROVISIONS

Section 1201—Reports to Congress Relating to United States Forces in Bosnia

The committee notes with concern the Administration's unilateral decision to extend the participation of U.S. ground forces in the Bosnia peacekeeping mission. This extension was made without appropriate prior consultation with the Congress and in contravention of the President's stated pledge to end U.S. participation in the peace implementation force (IFOR) mission after one year. The extended U.S. military presence is part of a follow-on international "Stabilization Force" (SFOR) that is expected to remain in Bosnia until June 1998.

The committee is concerned with the Administration's stated reasons for extending the U.S. military ground presence and questions whether the declared intention to withdraw in June 1998 is realistic or credible. The committee is also troubled with the escalating costs of the Bosnia operation—which now exceed \$6.0 billion; the increased requirements Operation Joint Guard places on the U.S. armed forces in a time of declining defense budgets and resources; and the effect of the prolonged deployment to Bosnia on overall military readiness.

The committee commends the professionalism demonstrated by U.S. forces in Bosnia in helping to enforce the military provisions of the Dayton peace agreement. As a result of their efforts, the military tasks required by the Dayton accord—i.e., the separation of the warring parties, the cantonment or destruction of heavy weapons, and the transfer of territories—have been completed. What remains to be accomplished is the civilian and humanitarian rebuilding of Bosnia, a task that SFOR is supposed to facilitate. Unfortunately, this task is much more difficult, especially when, in the words of former Secretary of Defense William Perry last November, "the conditions for peace still do not exist in Bosnia."

The Administration's contention that U.S. forces can be withdrawn in June 1998 is based on an assessment that the conditions for a stable peace in Bosnia will have taken hold by then. The committee finds this assumption overly optimistic in light of recent events, including the fourth postponement of municipal elections originally scheduled for September 1996; the heightened incidences of ethnic tension and violence between Bosnia's ethnically divided communities; and the deferment for one year of a final decision on the status of Brcko—located in the hotly-disputed corridor connecting the eastern and western halves of the Republica Srpska.

Because the current SFOR mission focuses on ensuring the conditions for an effective rebuilding and rehabilitation of Bosnia's civilian infrastructure, the prospects for "mission creep" loom large. In particular, the tasks of keeping civil order, ensuring freedom of movement, supporting the war crimes tribunal, and providing security for municipal elections all carry the potential for mission creep. This potential has been substantially enlarged as a consequence of the difficulties noted above. The committee is concerned over the potential for mission creep and notes that there has been no accurate or timely information provided to the Congress regarding the

types of civilian humanitarian and rebuilding activities that U.S. troops participating in the Bosnia SFOR are conducting.

In addition, the committee is concerned that the Administration's fiscal year 1998 budget estimate for Bosnia operations is based on expectations of near-term political stability that are unlikely to be met. The Administration has planned and budgeted for a smaller and lighter "Deterrence Force" (DFOR) to replace SFOR approximately at the start of the fiscal year and the lower operating costs resulting from this transition. However, under more realistic political projections, the planned reduction of the U.S. ground component from 8,500 soldiers to approximately 5,000 soldiers appears unlikely and, in the committee's judgment, unwise if U.S. forces are exposed to undue and increased risk. In fact, additional tanks have been added to the current SFOR in response to increased tensions. The committee also notes that NATO and U.S. Army Europe are reportedly preparing contingency plans to maintain the SFOR well past the date previously forecast for the transition to the DFOR.

The apparent military response to deteriorating conditions in Bosnia suggests that the Administration's plans and funding for the operation of U.S. ground forces in Bosnia are unrealistic, and make the likelihood of a supplemental funding request for fiscal year 1998 very probable. Based upon past history, the committee is concerned that readiness funding for U.S. forces will again be jeopardized.

Because of the above concerns, the committee recommends a provision (sec. 1201) that would require the Secretary of Defense to submit to the Congressional defense committees two reports identifying all tasks carried out by U.S. SFOR troops in Bosnia during the previous quarter that are more appropriately conducted by civilian organizations, the reasons why U.S. troops were used to conduct the activities, and the justification for relying on military forces rather than civilian organizations or infrastructure to execute these tasks. The reports should also identify the numbers of troops involved in each of the activities and whether other SFOR troops participated. The first report is to be transmitted to Congress no later than December 1, 1997. The second report is to be transmitted no later than March 1, 1998.

In addition, the provision would prohibit the expenditure of more than 60 percent of funds authorized to be appropriated for the operations of U.S. ground forces in Bosnia until the President transmits a report to Congress on the political and military conditions in Bosnia and the costs associated with a continued U.S. military presence. The report is to be submitted no later than December 31, 1997. The committee strongly believes that the report should be submitted in a timely fashion in order to avoid the need to consider any supplemental appropriations request under an imminent threat of curtailed and canceled regular training programs. The committee also believes that the Administration should speak frankly to the Congress and the American people regarding the political and military situation in Bosnia and the Administration's plans regarding any continued role for U.S. ground forces there.

Section 1202—One-Year Extension of Counterproliferation
Authorities

This section would extend the authority through fiscal year 1998 for the Department of Defense to provide support to the UN Special Commission on Iraq (UNSCOM) under the Weapons of Mass Destruction Control Act of 1992.

Section 1203—Report on Future Military Capabilities and Strategy
of the People's Republic of China

This section would require that the Secretary of Defense prepare a report on the future pattern of military modernization of the People's Republic of China. The report is similar to one directed in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), but expands the scope of research and the time period to be considered.

Section 1204—Temporary Use of General Purpose Vehicles and
Nonlethal Military Equipment under Acquisition and Cross Servicing
Agreements

This section would amend section 2350(1) of title 10, United States Code, to permit the Department of Defense utilize general purpose vehicles and other nonlethal military equipment under acquisition and cross servicing agreements. Such authority should facilitate United States contingency military operations by clarifying the conditions under which the Department may enter into an acquisition and cross servicing agreement and more precisely defining the provisions of the United States Munitions List that should apply under such conditions.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

PURPOSE

The purpose of Division B is to provide military construction authorizations and related authority in support of the military departments during fiscal year 1998. As approved by the committee, Division B would authorize appropriations in the amount of \$9,123,748,000 for construction in support of the active forces, reserve components, defense agencies for fiscal year 1998.

MILITARY CONSTRUCTION OVERVIEW

The military construction authorization request for fiscal year 1998 was introduced by request as H.R. 909 on March 4, 1997.

The Department of Defense requested authorization of appropriations of \$4,705,338,000 for fiscal year 1998 for military construction, including \$2,060,854,000 for activities associated with base closure and realignment, and \$3,668,410,000 for family housing construction and support. The committee recommends \$5,187,875,000 for military construction, including \$2,060,854,000 for activities associated with base closure and realignment, and \$3,935,873,000 for family housing construction and support for fiscal year 1998.

The committee remains concerned about the condition of the Nation's military installations and is particularly troubled by the continuing underinvestment by the Administration in military facilities and infrastructure. The budget request for fiscal year 1998 and the preliminary submission of the budget request for fiscal year 1999 indicate a continuing pattern of significant deterioration in the funding programmed by the Administration for military construction despite the evident requirement. In constant dollars, the budget request is 25 percent less than the Administration sought for fiscal year 1996 and 28 percent lower than the program authorized by Congress for that fiscal year.

The committee noted one year ago the findings of the Defense Science Board Task Force on Quality of Life which reported that 62 percent of barracks and dormitories are unsuitable and 64 percent of military family housing units are in a similar condition. The typical military family housing unit was built 38 years ago and the typical barracks was constructed in the early 1950s. Yet, the Administration's budget request proposes, from current spending levels, a 20 percent reduction for the construction of troop housing and a 32 percent reduction in funds available for the development and construction of military family housing.

Former Secretary of Defense William J. Perry, in his March 1996 Annual Report to the President and the Congress, indicated that

“deteriorated facilities undermine readiness.” At the onset of the defense build-up in the early 1980s, the majority of military facilities were over 25 years old. Currently, the average age of U.S. military facilities is 45 years. The rate of facilities recapitalization and modernization for the military services averages nearly 70 years, far below the standards established by private industry or other segments of the public sector, such as public universities.

To alleviate some of the facilities shortfall, the committee recommends an increase in new budget authority for these programs of \$750,000,000. Approximately 64 percent of that amount is dedicated to the continuing emphasis of the committee upon improvements to military housing and enhancements to other facilities that support the quality of life for military personnel and their families. The committee recommends an additional \$472,263,000 for military construction that directly supports improvements in the quality of life for military personnel. Included in that amount is \$269,763,000 for the construction, replacement, or improvement of military family housing, \$116,700,000 for troop housing construction, \$21,430,000 for child development centers, and \$74,600,000 for other quality-of-life facilities, such as physical fitness centers and education facilities.

A tabular summary of the authorizations provided in Division B for fiscal year 1998 follows:

TITLES XXI THROUGH XXVI -- MILITARY CONSTRUCTION AND FAMILY HOUSING

(Dollars in Thousands)

ACCOUNT TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
Military Construction, Army	595,277	110,750	706,027	
Military Construction, Navy	530,606	145,200	675,806	
Military Construction, Air Force	495,782	142,665	638,447	
Military Construction, Defense-Wide	673,633	(60,400)	613,233	
NATO Security Investment Program	176,300	(10,000)	166,300	
BRAC II	116,754	0	116,754	
BRAC III	768,702	0	768,702	
BRAC IV	1,175,398	0	1,175,398	
Military Construction, Army National Guard	45,098	0	45,098	
Military Construction, Air National Guard	60,225	77,050	137,275	
Military Construction, Army Reserves	39,112	30,719	69,831	
Military Construction, Navy Reserves	13,921	26,640	40,561	
Military Construction, Air Force Reserves	14,530	19,913	34,443	
TOTAL MILITARY CONSTRUCTION	4,705,338	482,537	5,187,875	
Family Housing Construction, Army	143,000	57,400	200,400	
Family Housing Support, Army	1,148,937	0	1,148,937	
Family Housing Construction, Navy	278,933	121,782	400,715	
Family Housing Support, Navy	976,504	0	976,504	
Family Housing Construction, Air Force	253,128	88,281	341,409	
Family Housing Support, Air Force	830,234	0	830,234	
Family Housing Construction, Defense-Wide	4,950	0	4,950	
Family Housing Support, Defense-Wide	32,724	0	32,724	
TOTAL MILITARY FAMILY HOUSING	3,668,410	267,463	3,935,873	
TOTAL MILITARY CONSTRUCTION & FAMILY HOUSING	8,373,748	750,000	9,123,748	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1998		COMMITTEE		FY 1998
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION	
1	Alabama	Air Force	Maxwell AFB	OTS Physical Fitness Center	1,095	0	0	1,095	
2	Alabama	Air Force	Maxwell AFB	OTS Academic Facility	4,479	0	0	4,479	
3	Alabama	Air Force	Maxwell AFB	Software Development and Maintenance Facility	0	9,300	9,300	9,300	
4	Alabama	Defense Intelligence Agency	Redstone Arsenal	Missile and Space Intelligence Center Facility	32,700	0	0	32,700	
5	Alabama	Chemical Demilitarization	Amniston Chemical Activity	Ammunition Demilitarization Facility	9,900	0	0	9,900	
6	Alaska	Air Force	Clear AFS	Ballistic Missile Early Warning System Facility	46,784	0	0	46,784	
7	Alaska	Air Force	Clear AFS	Alter Dornitories	20,285	0	0	20,285	
8	Alaska	Air Force	Eielson AFB	A-10 Squadron Operations/Aircraft Maintenance Unit	7,764	0	0	7,764	
9	Alaska	Air Force	Indian Mountain AFS	Upgrade Petroleum, Oil, and Lubricant System	1,991	0	0	1,991	
10	Alaska	Defense Logistics Agency	Eimendorf AFB	Replace Fuel Tankage	21,700	0	0	21,700	
11	Arizona	Army	Fort Huachuca	Whole Barracks Complex Renewal	20,000	0	0	20,000	
12	Arizona	Navy	Detachment	Magazine Mods (Phase II)	11,426	0	0	11,426	
13	Arizona	Navy	MCAS Yuma	Bachelor Enlisted Quarters	0	12,250	12,250	12,250	
14	Arizona	Air Force	Little Rock AFB	Land Acquisition, Goldwater Range	0	10,000	10,000	10,000	
15	Arkansas	Air Force	Little Rock AFB	Control Tower	0	3,400	3,400	3,400	
16	Arkansas	Army National Guard	Hazen	Organizational Maintenance Shop	1,345	0	0	1,345	
17	Arkansas	Army National Guard	Hazen	Readiness Center	2,261	0	0	2,261	
18	Arkansas	Chemical Demilitarization	Pine Bluff Chemical Activity	Ammunition Demilitarization Facility	44,000	(44,000)	0	0	
19	California	Army	Fort Irwin	Live Fire Command and Control Facility	0	8,500	8,500	8,500	
20	California	Army	Fort Irwin	Rotational Wash Point	0	0	0	0	
21	California	Army	NWS Concord	Ordnance Support Facility	23,000	0	0	23,000	
22	California	Navy	MCAGCC Twentynine Palms	Facility	3,810	0	0	3,810	
23	California	Navy	MCAS Camp Pendleton	Aircraft Maintenance Training Facility	4,300	0	0	4,300	
24	California	Navy	MCAS Camp Pendleton	Aviation Training Area	0	10,130	10,130	10,130	
25	California	Navy	MCAS Camp Pendleton	Highbay Warehouse	6,880	0	0	6,880	
26	California	Navy	MCAS Camp Pendleton	Emergency Spill Control	2,840	0	0	2,840	
27	California	Navy	MCAS Miramar	Enlisted Dining Facility	8,700	0	0	8,700	
28	California	Navy	MCB Camp Pendleton	Bachelor Enlisted Quarters	0	16,120	16,120	16,120	
29	California	Navy	MCB Camp Pendleton	Bridge Replacement	12,000	0	0	12,000	
30	California	Navy	MCB Camp Pendleton	Child Development Center	5,600	0	0	5,600	
31	California	Navy	MCB Camp Pendleton	River Flood Control (San Margarita)	0	4,480	4,480	4,480	
32	California	Navy	NAB Coronado	Waterfront Operations Building	21,869	0	0	21,869	
33	California	Navy	NAF El Centro	Ordnance Facilities	0	10,100	10,100	10,100	
34	California	Navy	NAS North Island	Maintenance Support Facilities	11,000	0	0	11,000	
35	California	Navy	NAS North Island	Visual System Trainer Building Addition	15,300	0	0	15,300	
36	California	Navy	NAS North Island	Seawall Upgrade	1,400	0	0	1,400	
37	California	Navy	NAS North Island	Stormwater Runoff Improvements	2,900	0	0	2,900	
38	California	Navy	NCBC Port Huene	Stormwater Runoff Improvements	0	3,200	3,200	3,200	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988	
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
39	California	Air Force	Edwards AFB	Add/Alter Sewer Line	1,384	0	1,384	
40	California	Air Force	Edwards AFB	Upgrade Wastewater Treat Plant	1,493	0	1,493	
41	California	Air Force	Vandenberg AFB	Launch Operations Control Center	26,876	0	26,876	
42	California	Defense Medical Facilities Office	NAVSTA San Diego	Add/Alter Environmental Preventative Medical Unit	2,100	0	2,100	
43	California	Special Operations Command	NAS North Island	Waterfront Operations Support Facility	7,400	0	7,400	
44	California	Army Reserve	Sacramento	USARC/OMS/AMSA	13,072	7,900	20,972	
45	California	Navy Reserve	NWS Point Mugu	Marine Corps Reserve Training Center	6,104	0	6,104	
46	Colorado	Air National Guard	Fresno Air Terminal	Base Supply Complex	0	7,000	7,000	
47	Colorado	Army	Fort Carson	Close Combat Tactical Trainer Building	7,300	0	7,300	
48	Colorado	Army	Fort Carson	Rail Yard Expansion (Phase I)	0	16,000	16,000	
49	Colorado	Air Force	Air Force Academy	Upgrade Academic Facility	9,854	0	9,854	
50	Colorado	Air Force	Air Force Academy	Add/Alter Fitness Center	5,375	0	5,375	
51	Colorado	Air Force	Buckley ANGB	Add to Security Police Facility	348	0	348	
52	Colorado	Air Force	Buckley ANGB	Administration Facility	6,370	0	6,370	
53	Colorado	Air Force	Falcon AFS	Defense Access Road	4,081	0	4,081	
54	Colorado	Air Force	Peterson AFB	Add/Alter Dormitory	10,551	0	10,551	
55	Colorado	Air National Guard	Buckley ANGB	Upgrade Base Infrastructure Systems	12,800	0	12,800	
56	Colorado	Air National Guard	Greeley ANGS	Mobile Grounds Station Maintenance Complex	0	4,700	4,700	
57	Connecticut	Navy	NSB New London	Controlled Industrial Facility	18,300	0	18,300	
58	Connecticut	Defense Medical Facilities Office	NSB New London	Add/Alter Naval Undersea Med Institute	2,300	0	2,300	
59	District of Columbia	Defense Intelligence Agency	Bolling AFB	Reconfigure DIAC	7,000	0	7,000	
60	District of Columbia	Navy Reserve	NAS Jacksonville	Bachelor Enlisted Quarters	4,640	0	4,640	
61	Florida	Navy	NAS Jacksonville	Ordnance Loading Apron	1,330	0	1,330	
62	Florida	Navy	NAS Jacksonville	Tactical Support Center	2,150	0	2,150	
63	Florida	Navy	NAS Whiting Field	Runway Upgrades	0	1,300	1,300	
64	Florida	Navy	NS Mayport	Pier Improvements	6,470	0	6,470	
65	Florida	Navy	(Huribert Field)	Dormitory	0	3,350	3,350	
66	Florida	Air Force	MacDill AFB	Child Development Center	0	4,750	4,750	
67	Florida	Air Force	MacDill AFB	Education Center and Library	1,543	0	1,543	
68	Florida	Air Force	MacDill AFB	Remediate Small Arms Range	9,800	0	9,800	
69	Florida	Air Force	MacDill AFB	Replace Fuel Storage	2,750	0	2,750	
70	Florida	Defense Logistics Agency	NAS Jacksonville	Medical Clinic Addition (Nim)	6,100	0	6,100	
71	Florida	Defense Medical Facilities Office	NAS Pensacola	Squadron Operations/AMU AC-130	2,450	0	2,450	
72	Florida	Special Operations Command	(Huribert Field)	Security Improvements	0	7,300	7,300	
73	Florida	Special Operations Command	(Huribert Field)	Visiting Airman's Quarters	22,000	0	22,000	
74	Florida	Air Force Reserve	Fort Gordon	Whole Barracks Complex Renewal	0	17,500	17,500	
75	Georgia	Army	Field	Dormitories	0	9,100	9,100	
76	Georgia	Air Force	Moody AFB	Dormitories	0	0	0	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1998		FY 1998	
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
77	Georgia	Air Force	Robins AFB	JSTARS-Add/Alter Supply Warehouse	2,538	0	2,538	
78	Georgia	Air Force	Robins AFB	JSTARS- Add/Alter Wing Command Post	468	0	468	
79	Georgia	Air Force	Robins AFB	JSTARS- Age Storage/Shop Facility	5,972	0	5,972	
80	Georgia	Air Force	Robins AFB	JSTARS- Aircraft Maintenance Hangar	7,764	0	7,764	
81	Georgia	Air Force	Robins AFB	JSTARS- Add/Alter Utilities	1,891	0	1,891	
82	Georgia	Air Force	Robins AFB	Physical Fitness Center	0	9,100	9,100	
83	Georgia	Defense Medical Facilities Office	Robins AFB	Add/Alter Ambulatory Health Care Center	19,000	0	19,000	
84	Georgia	Special Operations Command	Fort Benning	Company Operations Facility	2,500	0	2,500	
85	Georgia	Special Operations Command	Fort Benning	Battalion and Company Operations Facility	9,814	0	9,814	
86	Georgia	Air National Guard	Robins AFB	B-1 Composite Squadron Operations Complex	5,300	0	5,300	
87	Georgia	Air National Guard	Robins AFB	B-1 Aircraft Organizational Maintenance Shops	520	0	520	
88	Georgia	Air National Guard	Robins AFB	B-1 Power Check Pad and Sound Suppressor	1,000	0	1,000	
89	Hawaii	Army	Schofield Barracks	Whole Barracks Complex Renewal	44,000	0	44,000	
90	Hawaii	Navy	Station	Bachelor Enlisted Quarters	19,000	0	19,000	
91	Hawaii	Navy	Wahiaua	Fitness Center Addition and Renovation	3,900	0	3,900	
92	Hawaii	Navy	Pearl Harbor Naval Station	City Waste Collection Treatment System	25,000	0	25,000	
93	Hawaii	Army National Guard	(Wahiaua)	Aviation, Fixed Wing Hangar	2,100	0	2,100	
94	Hawaii	Service	Pearl Harbor (Ford Island)	DFAS-Regional Finance Center	10,000	0	10,000	
95	Idaho	Air Force	Mountain Home AFB	B-1B Dormitory	8,959	0	8,959	
96	Idaho	Air Force	Mountain Home AFB	B-1B Armament Shop	2,688	0	2,688	
97	Idaho	Air Force	Mountain Home AFB	B-1B Squadron Operations/Aircraft Maintenance Unit	6,072	0	6,072	
98	Idaho	Air National Guard	Field)	C-130 Composite Hangar and Maintenance Shops	12,000	0	12,000	
99	Illinois	Navy	Great Lakes Naval Hospital	Bachelor Enlisted Quarters (Phase II)	5,200	0	5,200	
100	Illinois	Navy	NTC Great Lakes	Fire Station	2,600	0	2,600	
101	Illinois	Navy	NTC Great Lakes	Combat Training Pool	9,930	0	9,930	
102	Illinois	Navy	NTC Great Lakes	Recreation Center	2,000	0	2,000	
103	Illinois	Navy	NTC Great Lakes	Bachelor Enlisted Quarters	26,690	0	26,690	
104	Indiana	Army	Activity	Ammunition Contamination Complex (Phase I)	7,700	0	7,700	
105	Indiana	Army National Guard	NSWC Crane	Chem-Bio Warfare Detection Center	0	4,120	4,120	
106	Indiana	Army National Guard	Camp Allertury	Multi-purpose Training Range (MPTR)	10,229	0	10,229	
107	Indiana	Air Force Reserve	Grissom AFB	Base Civil Engineer Complex	0	8,913	8,913	
108	Iowa	Army National Guard	Camp Dodge (Johnston)	Battalion Complex (Phase IV)	4,529	0	4,529	
109	Iowa	Army National Guard	Des Moines JAP	Replace Security Police Operations Facility	0	3,900	3,900	
110	Kansas	Army	Fort Leavenworth	US Disciplinary Barracks	63,000	(43,000)	20,000	
111	Kansas	Army	Fort Riley	Whole Barracks Complex Renewal	18,500	0	18,500	
112	Kansas	Army	Fort Riley	Close Combat Tactical Trainer Building	7,300	0	7,300	
113	Kansas	Army	McConnell AFB	Child Development Center	0	5,000	5,000	
114	Kansas	Air Force	McConnell AFB	KC-135 Squadron Operations/Aircraft Maintenance Unit	6,669	0	6,669	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1998		FY 1998	
					AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION
115	Kansas	Army National Guard	Iola	Add/Alter Readiness Center	1,454	0	1,454	1,454
116	Kansas	Air National Guard	McConnell AFB	Aller Base Civil Engineer Maintenance Shop	0	2,000	0	2,000
117	Kentucky	Army	Fort Campbell	Education Center (Phase II)	0	6,700	0	6,700
118	Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal	37,000	0	37,000	37,000
119	Kentucky	Army	Fort Knox	Qualification Training Range	0	7,200	0	7,200
120	Kentucky	Army	Fort Knox	Whole Barracks Complex Renewal	22,000	0	22,000	22,000
121	Kentucky	Defense Medical Facilities Office	Fort Campbell	Consolidated Troop Medical/Dental Clinic	13,600	0	13,600	13,600
122	Louisiana	Air Force	Barksdale AFB	CALCM Integrated Maintenance Complex	11,148	0	11,148	11,148
123	Louisiana	Air Force	Barksdale AFB	CALCM Storage Igloos	8,262	0	8,262	8,262
124	Louisiana	Army National Guard	Orleans	Organizational Maintenance Shop	1,515	0	1,515	1,515
125	Louisiana	Air National Guard	NAS New Orleans	Base Civil Engineer & Communications Complex	0	5,900	0	5,900
126	Louisiana	Navy Reserve	NAS New Orleans	Bachelor Enlisted Quarters (Phase II)	0	4,520	0	4,520
127	Louisiana	Navy Reserve	NAS New Orleans	Physical Fitness Facility	0	3,550	0	3,550
128	Maryland	Navy	NAVELEX St. Inigoes	Maintenance Hangar	0	2,610	0	2,610
129	Maryland	Navy	Aircraft Div	Advance System Integrated Facility (Phase V)	9,000	0	9,000	9,000
130	Maryland	National Security Agency	Fort Meade	FANX III Purchase	25,200	0	25,200	25,200
131	Maryland	National Security Agency	Fort Meade	Visitor Control Center	600	0	600	600
132	Maryland	National Security Agency	Fort Meade	Vehicle and Cargo Inspection Facility	4,000	0	4,000	4,000
133	Maryland	National Security Agency	Fort Meade	Health/Dental Clinic	4,650	0	4,650	4,650
134	Maryland	Defense Medical Facilities Office	Fort Detrick	Army Institute of Research (Phase V)	20,000	0	20,000	20,000
135	Massachusetts	Defense Medical Facilities Office	WRAR Forest Glen	Jet Fuel Storage Complex	4,700	0	4,700	4,700
136	Massachusetts	Defense Logistics Agency	Westover ARB	Replace Dining Hall	0	3,050	0	3,050
137	Massachusetts	Air National Guard	Barnes ANGB	Building Renovation	0	4,090	0	4,090
138	Massachusetts	Navy Reserve	Westover ARB	Fire Training Facility	1,800	0	1,800	1,800
139	Michigan	Air Force Reserve	Westover ARB	ACTS Range Support and Radar Approach Control Facility	5,000	0	5,000	5,000
140	Minnesota	Air National Guard	Alpena County RA	Replace Base Civil Engineer Maintenance Complex	0	4,600	0	4,600
141	Minnesota	Air National Guard	Minneapolis St. Paul IAP	Vehicle Wash Facility	360	0	360	360
142	Minnesota	Air National Guard	Minneapolis St. Paul IAP	Add/Alter Corrosion Control Facility	1,550	0	1,550	1,550
143	Minnesota	Air Force Reserve	Minneapolis St. Paul IAP	Renovate Three Bachelor Enlisted Quarters	30,655	0	30,655	30,655
144	Mississippi	Navy	NAS Meridian	Student Dormitories	900	0	900	900
145	Mississippi	Air Force	Keesler AFB	Regional Fire Training Facility	0	9,500	0	9,500
146	Mississippi	Air National Guard	Gulftort-Biloxi RA	Replace Troop Training Quarters/Dining Hall	0	2,000	0	2,000
147	Mississippi	Air National Guard	Key Field	Regional KC-135 Simulation Training Facility	0	3,200	0	3,200
148	Mississippi	Air National Guard	Key Field	Replace Dining Hall	0	3,200	0	3,200
149	Missouri	Army	Fort Leonard Wood	Fire Station	17,419	0	17,419	17,419
150	Missouri	Air Force	Whiteman AFB	B-2 Aircraft Maintenance Docks	0	12,000	0	12,000
151	Missouri	Air Force	Whiteman AFB	B-2 Low Observability Restoration Facility (Phase I)	0	2,050	0	2,050
152	New Jersey	Army	Fort Monmouth	Fire Station	0	0	0	0

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988		COMMITTEE RECOMMENDATION
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	AUTHORIZATION REQUEST	CHANGE FROM REQUEST	
153	New Jersey	Air Force	McGuire AFB	Air Mobility Group (AMOG) Warehouse	9,954	0	9,954	0	9,954
154	New Jersey	Air Force	McGuire AFB	Large Fire Station	0	8,800	0	8,800	8,800
155	New Jersey	Defense Medical Facilities Office	Fort Dix	Ambulatory Health Care Center Replacement	35,217	0	35,217	0	35,217
156	New Jersey	Army Reserve	Fort Dix	Ammunition Supply Facility	0	9,031	0	9,031	9,031
157	New Mexico	Army	White Sands Missile Range	Launch Complex Revitalization	0	6,900	0	6,900	6,900
158	New Mexico	Army	White Sands Missile Range	National Range Control Center (Phase II)	18,000	0	18,000	0	18,000
159	New Mexico	Defense Medical Facilities Office	Holloman AFB	Dental Clinic Replacement	3,000	0	3,000	0	3,000
160	New York	Army	Fort Drum	Aerial Gunnery Range	0	17,500	0	17,500	17,500
161	New York	Army	Fort Drum	Military Training and Education Center	0	6,900	0	6,900	6,900
162	New York	Air National Guard	Schenectady County AP	Fuel Cell And Corrosion Control Hangar	5,700	0	5,700	0	5,700
163	New York	Air National Guard	Stratton ANGB (Schenectady)	Composite Support Complex	0	7,500	0	7,500	7,500
164	Nevada	Air Force	Neils AFB	Munitions Maintenance Facility	0	1,950	0	1,950	1,950
165	North Carolina	Army	Fort Bragg	MOUT Training Complex	0	7,900	0	7,900	7,900
166	North Carolina	Army	Fort Bragg	Whole Barracks Complex, Renewal (Phase I)	0	9,800	0	9,800	9,800
167	North Carolina	Navy	MCAS Cherry Point	Operations and Maintenance Facilities	8,800	0	8,800	0	8,800
168	North Carolina	Navy	MCAS New River	Tactical Support Van Pads	2,700	0	2,700	0	2,700
169	North Carolina	Navy	MCAS New River	Bachelor Enlisted Quarters	10,600	0	10,600	0	10,600
170	North Carolina	Navy	MCAS New River	Aviation Maintenance Training Facility	6,600	0	6,600	0	6,600
171	North Carolina	Air Force	Pope AFB	Dormitories	8,356	0	8,356	0	8,356
172	North Carolina	Air Force	Pope AFB	Dormitories	0	9,700	0	9,700	9,700
173	North Carolina	Air Force	Pope AFB	Family Services Center	0	2,600	0	2,600	2,600
174	North Carolina	Special Operations Command	Fort Bragg	Security Upgrades	500	0	500	0	500
175	North Carolina	Special Operations Command	Fort Bragg	Electronics Maintenance Facility	1,000	0	1,000	0	1,000
176	North Carolina	Air National Guard	Fort Bragg	Facility	2,550	0	2,550	0	2,550
177	North Dakota	Air Force	Charlottesville/Douglas IAP	KC-135 Add/Alter Flight Simulator Facility	1,493	0	1,493	0	1,493
178	North Dakota	Air Force	Grand Forks AFB	Fire/Crash Rescue Station	7,067	0	7,067	0	7,067
179	North Dakota	Air Force	Grand Forks AFB	Fire/Crash Rescue Station	0	5,200	0	5,200	5,200
180	Ohio	Air Force	Minot AFB	Child Development Center	8,600	0	8,600	0	8,600
181	Ohio	Air Force	Wright-Patterson AFB	Renovate Acquisition Support Facility	10,750	0	10,750	0	10,750
182	Ohio	Air Force	Wright-Patterson AFB	Alter Composite Medical Facility	2,750	0	2,750	0	2,750
183	Ohio	Defense Medical Facilities Office	Rickenbacker ANGB	Fuel Cell and Corrosion Control Facility	0	5,500	0	5,500	5,500
184	Ohio	Air National Guard	Rickenbacker ANGB	Base Supply Complex	0	4,350	0	4,350	4,350
185	Ohio	Air Force Reserve	Springfield ANGB	Add/Alter Miscellaneous Maintenance Facility	1,000	0	1,000	0	1,000
186	Ohio	Air Force Reserve	Youngstown ARS	Add/Alter Base Supply	2,800	0	2,800	0	2,800
187	Ohio	Air Force Reserve	Youngstown ARS	Add/Alter Squadron Operations Facility	1,400	0	1,400	0	1,400
188	Ohio	Air Force Reserve	Youngstown ARS	DFAS-Regional Finance Center	23,922	0	23,922	0	23,922
189	Oklahoma	Service	Columbus Center	Whole Barracks Complex Renewal	0	8,000	0	8,000	8,000
190	Oklahoma	Army	Fort Sill	B-2 Add/Alter Software Maintenance Facility	9,655	0	9,655	0	9,655

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988		COMMITTEE RECOMMENDATION
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	AUTHORIZATION REQUEST	COMMITTEE RECOMMENDATION	
191	Oklahoma	Air Force	Vance AFB	Base Engineering Complex	0	6,700	6,700	6,700	
192	Oregon	Air National Guard	Klamath Falls IAP	Vehicle Refueling Shop and Paint Bay	520	0	520	520	
193	Oregon	Chemical Demilitarization	Umatilla Chemical Depot	Ammunition Demilitarization Facility (Phase III)	57,427	0	57,427	57,427	
194	Pennsylvania	Defense Logistics Agency	Cumberland	Add to Distribution Center	15,500	0	15,500	15,500	
195	Pennsylvania	Navy Reserve	Johnstown	Reserve Hangar and Training Center	0	13,980	13,980	13,980	
196	Rhode Island	Navy	NUWC Newport	Underwater Weapon System Laboratory Facility	8,900	0	8,900	8,900	
197	Rhode Island	Air National Guard	Kingston	Emergency Services Center	355	0	355	355	
198	South Carolina	Army	Fort Jackson	Army Strategic Maintenance Complex (Phase III)	7,700	0	7,700	7,700	
199	South Carolina	Army	NWS Charleston	Bachelor Enlisted Quarters	0	15,330	15,330	15,330	
200	South Carolina	Navy	MCAS Beaufort	Combat Vehicle Maintenance Shop	0	2,400	2,400	2,400	
201	South Carolina	Navy	MCAS Beaufort	Indoor Simulator Mark Training Facility	3,200	0	3,200	3,200	
202	South Carolina	Navy	MCRD Parris Island	Information Warfare Squadron Operations Facility	6,072	0	6,072	6,072	
203	South Carolina	Air Force	Shaw AFB	Add/Alter Fuel Cell and Corrosion Control Facility	1,500	0	1,500	1,500	
204	South Carolina	Air National Guard	McEntire ANGB	Fire/Crash Rescue Station	0	6,600	6,600	6,600	
205	South Dakota	Air Force	Ellsworth AFB	Atmospheric Air Dryer Facility	0	9,900	9,900	9,900	
206	Tennessee	Air Force	Arnold AFB	Wastewater Treatment Facility	10,750	0	10,750	10,750	
207	Tennessee	Air Force	Arnold AFB	DFAS-Regional Finance Center	6,906	0	6,906	6,906	
208	Tennessee	Service	NAS Millington	Replace Base Civil Engineer Maint Complex	0	3,350	3,350	3,350	
209	Tennessee	Air National Guard	Nashville Metro AP	USARC/OMS/MSA	0	8,291	8,291	8,291	
210	Tennessee	Army Reserve	Knoxville	Ammunition Supply Point Expansion (Phase II)	0	7,700	7,700	7,700	
211	Texas	Army	Fort Bliss	Force XXI Soldier Development School (Phase I)	0	12,800	12,800	12,800	
212	Texas	Army	Fort Hood	Whole Barracks Complex Renewal	16,000	0	16,000	16,000	
213	Texas	Army	Fort Sam Houston	Boiler Plant Replacement	0	800	800	800	
214	Texas	Navy	NAS Corpus Christi	B-1 Squadron Operations/Aircraft Maintenance Unit	0	10,000	10,000	10,000	
215	Texas	Air Force	Dyess AFB	Corrosion Control Facility	0	4,800	4,800	4,800	
216	Texas	Air Force	Laughlin AFB	JPATS - Add/Alter Various Facilities	2,488	0	2,488	2,488	
217	Texas	Air Force	Randolph AFB	Blood Donor Center	3,000	0	3,000	3,000	
218	Texas	Defense Medical Facilities Office	Lackland AFB	Organizational Maintenance Shop	2,475	0	2,475	2,475	
219	Texas	Army National Guard	San Antonio	Peacekeeper Storage Facilities	6,470	0	6,470	6,470	
220	Utah	Air Force	Hill AFB	Clinic Addition	3,100	0	3,100	3,100	
221	Utah	Defense Medical Facilities Office	Hill AFB	Readiness Center	5,746	0	5,746	5,746	
222	Utah	Defense Medical Facilities Office	Hill AFB	Organizational Maintenance Shop	1,045	0	1,045	1,045	
223	Utah	Army National Guard	Orem	Vehicle Washing and Corrosion Control Facility	460	0	460	460	
224	Utah	Army National Guard	Richfield	USARC and OMS	0	12,714	12,714	12,714	
225	Utah	Air National Guard	Salt Lake City IAP	National Ground Intelligence Center Planning and Design	3,100	(3,100)	0	0	
226	Virginia	Army Reserve	Fort Douglas	Whole Barracks Complex Renewal	5,400	0	5,400	5,400	
227	Virginia	Army	Charlottesville		8,200	0	8,200	8,200	
228	Virginia	Army	Fort Myer		0	0	0	0	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1986	
					AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	AUTHORIZATION REQUEST	COMMITTEE RECOMMENDATION
229	Virginia	Army	Fort Story	Post Chapel	0	2,050	2,050	
230	Virginia	Navy	NSWC Dahlgren	AEGIS Combat System Support Facility	6,600	0	6,600	
231	Virginia	Navy	FCTC Dam Neck	Bachelor Enlisted Quarters Renovation	7,000	0	7,000	
232	Virginia	Navy	NAB Little Creek	Landing Craft Air Cushion Complex (Phase IV)	8,685	0	8,685	
233	Virginia	Navy	NAS Norfolk	Air Operations Building	0	4,000	4,000	
234	Virginia	Navy	NAS Norfolk	Air Passenger Terminal	14,240	0	14,240	
235	Virginia	Navy	NAS Oceana	Bachelor Enlisted Quarters Replacement	20,900	0	20,900	
236	Virginia	Navy	NAS Oceana	Aircraft Acoustical Enclosure (Phase I)	0	6,000	6,000	
237	Virginia	Navy	NAS Oceana	Jet Engine Test Cell	5,000	0	5,000	
238	Virginia	Navy	NAS Oceana	Air Operations Control Tower	2,100	0	2,100	
239	Virginia	Navy	NAVSTA Norfolk	Consolidated Support Center	6,100	0	6,100	
240	Virginia	Navy	NAVSTA Norfolk	Dorming Piers	12,750	0	12,750	
241	Virginia	Navy	NSWC Dahlgren	Elec Warfare Integrated Facility Addition	7,320	0	7,320	
242	Virginia	Navy	NSWC Dahlgren	Operations and Maintenance Training Facility	6,560	0	6,560	
243	Virginia	Navy	NSW Norfolk	Only Waste Collection System	9,500	0	9,500	
244	Virginia	Navy	NSW Norfolk	Waterfront Improvements	0	19,910	19,910	
245	Virginia	Navy	NWS Yorktown	Gymnasium	5,400	0	5,400	
246	Virginia	Navy	NWS Yorktown	Tomahawk Magazine	0	3,290	3,290	
247	Virginia	Navy	NWS Yorktown	Torpedo Magazine	5,857	0	5,857	
248	Virginia	Air Force	Langley AFB	Fire Station (Phase II)	4,031	0	4,031	
249	Virginia	Defense Logistics Agency	Det Dist Depot Norfolk	Replace General Purpose Warehouse	16,656	0	16,656	
250	Virginia	Defense Logistics Agency	DFSP Cranes Island	Replace Fuel Tankage	22,100	0	22,100	
251	Virginia	Defense Logistics Agency	DGSC Richmond	Gas Cylinder Facility	3,100	0	3,100	
252	Virginia	Defense Logistics Agency	DGSC Richmond	Child Development Center	2,100	0	2,100	
253	Virginia	Defense Medical Facilities Office	MCB Quantico	Medical/Dental Clinic Replacement	19,000	0	19,000	
254	Virginia	Service	CINCLANTFLT Norfolk	DFAS-Regional Finance Center	12,800	0	12,800	
255	Virginia	Army	Fort Lee	Adj/Alter Administration Building	9,300	0	9,300	
256	Washington	Defense Commissary Agency	Fort Lewis	Whole Barracks Complex Renewal	31,000	0	31,000	
257	Washington	Army	Fort Lewis	Tank Trail Erosion Mitigation-Yakima (Phase III)	2,000	0	2,000	
258	Washington	Army	NAS Whidbey Island	Electronic Warfare Training Facility	1,100	0	1,100	
259	Washington	Navy	NSY Bremerton Puget Sound	Child Development Center	4,400	0	4,400	
260	Washington	Air Force	Fairchild AFB	Fac	7,366	0	7,366	
261	Washington	Air Force	McChord AFB	C-17 Alter Maintenance Hangars	6,470	0	6,470	
262	Washington	Air Force	McChord AFB	C-17 Engine Test Cell Facility	3,185	(3,185)	0	
263	Washington	Defense Medical Facilities Office	Fort Lewis	Troop Medical Clinic	0	5,000	5,000	
264	Washington	Defense Medical Facilities Office	NAVSTA Everett	Medical/Dental Clinic	7,500	0	7,500	
265	Washington	Air National Guard	Fairchild AFB	Upgrade KC-135 Flightline Facility	0	9,500	9,500	
266	Washington	Air Force Reserve	McChord AFB	Consolidated Medical Training Facility	0	3,100	3,100	

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988	
					AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION
267	Wisconsin	Defense Logistics Agency	Truxav Field (Madison)	Jet Fuel Storage Complex	4,500	0	4,500	4,500
268	Wisconsin	Army National Guard	Hayward	Organizational Maintenance Shop	2,900	0	2,900	2,900
269	Wisconsin	Army Reserve	Fort McCoy (Sparta)	Combat Pistol Range	1,500	0	1,500	1,500
270	Wisconsin	Army Reserve	Fort McCoy (Sparta)	Modified Record Fire Range	1,973	0	1,973	1,973
271	Wisconsin	Army Reserve	Fort McCoy (Sparta)	Electric Power to Ranges	2,611	0	2,611	2,611
272	Wisconsin	Army Reserve	Fort McCoy (Sparta)	Army Reserve Readiness Training Center (Phase II)	14,856	0	14,856	14,856
273	CONUS Classified	Army	Classified Locations	Classified Project	6,500	0	6,500	6,500
274	CONUS Classified	Air Force	Classified Locations	Visitor Control Center And Security Upgrade	4,300	0	4,300	4,300
275	CONUS Classified	Air Force	Classified Locations	Special Tactical Unit Detachment Facility	1,875	0	1,875	1,875
276	Worldwide Various	Defense Logistics Agency	Worldwide Various	Conforming Storage Facilities	11,275	0	11,275	11,275
277	Bahrain	Navy	ASU Bahrain	Utilities Upgrade	5,100	0	5,100	5,100
278	Bahrain	Navy	ASU Bahrain	Bachelor Enlisted Quarters	25,000	0	25,000	25,000
279	Germany	Army	Ansbach	Whole Barracks Complex Renewal	22,000	0	22,000	22,000
280	Germany	Army	Heidelberg	Whole Barracks Complex Renewal	8,800	0	8,800	8,800
281	Germany	Army	Kaiserslautern	Whole Barracks Complex Renewal	6,000	0	6,000	6,000
282	Germany	Army	Mannheim	Whole Barracks Complex Renewal	6,200	0	6,200	6,200
283	Germany	Air Force	Mannheim	Whole Barracks Complex Renewal	6,200	0	6,200	6,200
284	Guam	Navy	Spangdahlem AB	Dormitories	18,500	0	18,500	18,500
285	Guam	Navy	NAVCOMS WESTPAC, Guam	Fire Protection System Improvements	4,050	0	4,050	4,050
286	Italy	Defense Logistics Agency	Andersen AFB	Replace Fuel Pipeline	16,000	0	16,000	16,000
287	Italy	Navy	NAS Sigonella	Bachelor Enlisted Quarters Replacement	21,440	0	21,440	21,440
288	Italy	Navy	NSA Naples	Air Passenger Terminal	8,200	0	8,200	8,200
289	Italy	Air Force	Aviano AB	Waste Water Disposal System Areas	7,900	0	7,900	7,900
290	Korea	Air Force	Aviano AB	Roads/Utilities System	7,320	0	7,320	7,320
291	Korea	Army	Camp Casey	Whole Barracks Complex Renewal	5,100	0	5,100	5,100
292	Korea	Army	Camp Castle	Whole Barracks Complex Renewal	8,400	0	8,400	8,400
293	Korea	Army	Camp Humphrys	Whole Barracks Complex Renewal	32,000	0	32,000	32,000
294	Korea	Army	Camp Red Cloud	Whole Barracks Complex Renewal	23,600	0	23,600	23,600
295	Korea	Army	Camp Stanley	Whole Barracks Complex Renewal	7,000	0	7,000	7,000
296	Korea	Air Force	Kunsan AB	Dormitory	8,325	0	8,325	8,325
297	Korea	Air Force	Kunsan AB	Fire Training Facility	2,000	0	2,000	2,000
298	Korea	Air Force	Osan AB	Dormitory	11,100	0	11,100	11,100
299	Kwajalein	Organization	PMR Kwajalein	Add/Alter THAAD Test Facilities	4,565	0	4,565	4,565
300	Portugal	Air Force	Lajes Field (Azores)	Water Treatment Plant	4,800	0	4,800	4,800
301	Puerto Rico	Navy	NAVSTA Roosevelt Roads	Bachelor Enlisted Quarters	14,600	0	14,600	14,600
302	United Kingdom	Defense Logistics Agency	Mocon AB	Replace Hydrant Fuel System (Phase II)	14,400	0	14,400	14,400
303	United Kingdom	Navy	RAF Lakenheath	Religious Education Facility	2,330	0	2,330	2,330
304	Overseas Classified	Air Force	Classified - Overseas	Dormitories	11,400	0	11,400	11,400
				SBIRS - Relay Ground Station	6,400	0	6,400	6,400

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1998		FY 1998	
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION
305	Overseas Classified	Air Force	Classified - Overseas	SBIRS - Relay Ground Station	7,600	0	7,600	2,000
306	Overseas Classified	Air Force	Overseas Classified	War Readiness Material Warehouse	2,000	0	2,000	0
307	Overseas Classified	Air Force	Overseas Classified	Operational Building Expansion	12,200	0	12,200	12,200
308	Overseas Classified	Air Force	Overseas Classified	WRM Comm Maintenance Ship/Management Facility	1,100	0	1,100	1,100
309	Overseas Classified	Air Force	Overseas Classified	In-Town Warehouse	1,800	0	1,800	1,800
310	Overseas Various	Army	Overseas Various	Strategic Logistical Prepositioning Complex (Phase III)	37,000	0	37,000	37,000
311	Worldwide Unspecified Army		Unspecified Worldwide	Planning and Design	43,477	8,100	51,577	51,577
312	Worldwide Unspecified Army		Unspecified Worldwide	Unspecified Minor Construction	6,000	0	6,000	6,000
313	Worldwide Unspecified Army		Unspecified Worldwide	Host Nation Support	20,000	0	20,000	20,000
314	Worldwide Unspecified Navy		Unspecified Worldwide	Planning and Design	42,489	4,170	46,659	46,659
315	Worldwide Unspecified Navy		Unspecified Worldwide	Unspecified Minor Construction	9,960	0	9,960	9,960
316	Worldwide Unspecified Air Force		Unspecified Worldwide	Planning and Design	40,880	5,000	45,880	45,880
317	Worldwide Unspecified Air Force		Unspecified Worldwide	Unspecified Minor Construction	8,545	0	8,545	8,545
318	Worldwide Unspecified Air Force		Unspecified Worldwide	Reduction for Prior Year Savings	(23,858)	23,858	0	0
319	Worldwide Unspecified Air Force		Unspecified Worldwide	General Reduction	0	(23,858)	(23,858)	(23,858)
320	Worldwide Unspecified Office Secretary of Defense		Unspecified Worldwide	Energy Conservation Improvement Program	25,000	0	25,000	25,000
321	Worldwide Unspecified Office Secretary of Defense		Unspecified Worldwide	Planning and Design	30,300	0	30,300	9,000
322	Worldwide Unspecified Office Secretary of Defense		Unspecified Worldwide	Contingency Construction	9,844	0	9,844	9,844
323	Worldwide Unspecified Office Secretary of Defense		Unspecified Worldwide	Defense Level Activities	3,000	0	3,000	3,000
324	Worldwide Unspecified National Security Agency		Unspecified Worldwide	General Reduction	0	(100)	(100)	(100)
325	Worldwide Unspecified Defense Medical Facilities Office		Unspecified Worldwide	Defense Medical Support Activities	7,958	0	7,958	7,958
326	Worldwide Unspecified Defense Medical Facilities Office		Unspecified Worldwide	Defense Medical Support Activities	10,500	0	10,500	10,500
327	Worldwide Unspecified DoD Dependents Schools		Unspecified Worldwide	DoD Dependent Schools	2,000	0	2,000	2,000
328	Worldwide Unspecified Special Operations Command		Unspecified Worldwide	Special Operations Command	4,100	0	4,100	4,100
329	Worldwide Unspecified Special Operations Command		Unspecified Worldwide	Special Operations Command	3,710	0	3,710	3,710
330	Worldwide Unspecified Organization		Unspecified Worldwide	Ballistic Missile Defense Organization	1,965	0	1,965	1,965
331	Worldwide Unspecified Organization		Unspecified Worldwide	Ballistic Missile Defense Organization	540	0	540	540
332	Worldwide Unspecified NATO Security Investment Program		Unspecified Worldwide	NATO Infrastructure	176,300	(10,000)	166,300	166,300
333	Worldwide Unspecified Army National Guard		Unspecified Worldwide	Planning and Design	2,800	0	2,800	2,800
334	Worldwide Unspecified Army National Guard		Unspecified Worldwide	Unspecified Minor Construction	6,698	0	6,698	6,698
335	Worldwide Unspecified Air National Guard		Unspecified Worldwide	Unspecified Minor Construction	4,231	0	4,231	4,231
336	Worldwide Unspecified Air National Guard		Unspecified Worldwide	Planning and Design	7,029	1,000	8,029	8,029
337	Worldwide Unspecified Army Reserve		Unspecified Worldwide	Planning and Design	5,100	683	5,783	5,783
338	Worldwide Unspecified Army Reserve		Unspecified Worldwide	General Reduction	0	(7,900)	(7,900)	(7,900)
339	Worldwide Unspecified Navy Reserve		Unspecified Worldwide	Planning and Design	2,527	500	3,027	3,027
340	Worldwide Unspecified Navy Reserve		Unspecified Worldwide	Unspecified Minor Construction	650	0	650	650
341	Worldwide Unspecified Air Force Reserve		Unspecified Worldwide	Planning and Design	1,516	600	2,116	2,116
342	Worldwide Unspecified Air Force Reserve		Unspecified Worldwide	Unspecified Minor Construction	4,464	0	4,464	4,464

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1988 COMMITTEE RECOMMENDATION
343	Worldwide	Unspecified Chemical Demilitarization	Unspecified Worldwide	Planning and Design	9,200	0	9,200
344	Worldwide	Unspecified Service	BRAC II	Defense Finance and Accounting Service	1,400	0	1,400
345	Worldwide	Unspecified Base Closure II	BRAC III	Base Realignment and Closure Account, Part II	116,754	0	116,754
346	Worldwide	Unspecified Base Closure III	BRAC IV	Base Realignment and Closure Account, Part III	768,702	0	768,702
347	Worldwide	Unspecified Base Closure IV	Unspecified Worldwide	Base Realignment and Closure Account, Part IV	1,175,398	0	1,175,398
348	Worldwide	Unspecified Joint Chiefs of Staff	Fort Huachuca	Joint Chiefs of Staff	6,234	0	6,234
349	Arizona	Army	Fort Huachuca	Replace Family Housing (65 units)	0	8,000	8,000
350	Arizona	Air Force	Davis-Monthan AFB	Replace Family Housing (70 units)	0	9,800	9,800
351	California	Navy	MCRGCCC Twentynine Palms	Replace Family Housing (132 units)	23,891	0	23,891
352	California	Navy	MCAS Miramar	Construct Family Housing (166 units)	28,881	0	28,881
353	California	Navy	MCB Camp Pendleton	Construct Family Housing (171 units)	22,518	0	22,518
354	California	Navy	NAS Lemoore	Replace Family Housing (128 units)	14,763	8,463	23,226
355	California	Navy	NC San Diego	Replace Family Housing (94 units)	0	13,500	13,500
356	California	Air Force	Edwards AFB	Replace Family Housing, Phase III (51 units)	8,500	0	8,500
357	California	Air Force	Edwards AFB	Replace Family Housing (44 units)	0	8,300	8,300
358	California	Air Force	Travis AFB	Replace Family Housing (70 units)	9,714	0	9,714
359	California	Air Force	Vandenberg AFB	Replace Family Housing, Phase V (108 units)	17,100	0	17,100
360	Delaware	Air Force	Dover AFB	Replace Maintenance Facility	831	0	831
361	District of Columbia	Air Force	Bolling AFB	Replace Family Housing, Phase IV (46 units)	5,100	0	5,100
362	Florida	Army	Miami	Family Housing Acquisition (8 units)	2,300	(2,300)	0
363	Florida	Air Force	MacDill AFB	Replace Family Housing (58 units)	10,000	0	10,000
364	Florida	Air Force	Tyndall AFB	Replace Family Housing (32 units)	4,200	0	4,200
365	Georgia	Air Force	Robins AFB	Replace Family Housing, Phase IV (60 units)	6,800	0	6,800
366	Hawaii	Army	Schofield Barracks	Replace Family Housing (132 units)	26,600	0	26,600
367	Hawaii	Navy	NC Pearl Harbor	Replace Family Housing (64 units)	0	17,900	17,900
368	Idaho	Air Force	Mountain Home AFB	Replace Family Housing, Phase II (60 units)	11,032	0	11,032
369	Kansas	Air Force	McConnell AFB	Family Housing Management Office	0	561	561
370	Kansas	Air Force	McConnell AFB	Replace Family Housing (19 units)	2,951	0	2,951
371	Louisiana	Navy	NC New Orleans	Replace Family Housing (100 units)	0	11,930	11,930
372	Maryland	Army	Fort Meade	Replace Family Housing (65 units)	7,900	0	7,900
373	Mississippi	Air Force	Columbus AFB	Replace Family Housing, Phase I (50 units)	6,200	0	6,200
374	Mississippi	Air Force	Keesler AFB	Replace Family Housing (40 units)	5,000	0	5,000
375	Montana	Air Force	Minstrom AFB	Replace Family Housing, Phase II (28 units)	4,842	0	4,842
376	New Jersey	Army	Picatinny Arsenal	Replace Family Housing (55 units)	0	7,300	7,300
377	New Mexico	Air Force	Kirtland AFB	Replace Family Housing, Phase IV (180 units)	20,900	0	20,900
378	North Carolina	Army	Fort Bragg	Replace Family Housing (32 units)	3,350	0	3,350
379	North Carolina	Army	Fort Bragg	Replace Family Housing (142 units)	16,800	0	16,800
380	North Dakota	Air Force	Grand Forks AFB	Replace Family Housing (42 units)	7,936	0	7,936

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988	
					AUTHORIZATION REQUEST	COMMITTEE REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
381	Texas	Army	Fort Bliss	Replace Family Housing (91 units)	12,900	0	12,900	0
382	Texas	Army	Fort Hood	Replace Family Housing (130)	18,800	0	18,800	0
383	Texas	Navy	NC Kingsville/Corpus Christi	Replace Family Housing (212 units)	0	22,250	22,250	0
384	Texas	Air Force	Dyess AFB	Construct Family Housing, Phase I (70 units)	10,503	0	10,503	0
385	Texas	Air Force	Goodfellow AFB	Replace Family Housing (3 units)	500	0	500	0
386	Texas	Air Force	Lackland AFB	Replace Family Housing (50 units)	0	7,400	7,400	0
387	Texas	Air Force	Sheppard AFB	Replace Family Housing (40 units)	0	7,400	7,400	0
388	Washington	Navy	NC Bangor	Replace Family Housing (118 units)	0	15,700	15,700	0
389	Wyoming	Air Force	F. E. Warren AFB	Replace Family Housing, Phase III (52 units)	6,853	0	6,853	0
390	Worldwide	Unspecified Army	Unspecified Worldwide	Miscellaneous Account	327	0	327	0
391	Worldwide	Unspecified Army	Unspecified Worldwide	Management Account	80,089	0	80,089	0
392	Worldwide	Unspecified Army	Unspecified Worldwide	Interest Payments	3	0	3	0
393	Worldwide	Unspecified Army	Unspecified Worldwide	Maintenance of Real Property	468,393	0	468,393	0
394	Worldwide	Unspecified Army	Unspecified Worldwide	Construction Improvements	44,800	44,400	89,200	44,400
395	Worldwide	Unspecified Army	Unspecified Worldwide	Furnishings Account	47,404	0	47,404	0
396	Worldwide	Unspecified Army	Unspecified Worldwide	Planning and Design	9,550	0	9,550	0
397	Worldwide	Unspecified Army	Unspecified Worldwide	Leasing	234,053	0	234,053	0
398	Worldwide	Unspecified Army	Unspecified Worldwide	Utilities Account	265,732	0	265,732	0
399	Worldwide	Unspecified Army	Unspecified Worldwide	Services Account	52,936	0	52,936	0
400	Worldwide	Unspecified Navy	Unspecified Worldwide	Leasing	124,507	0	124,507	0
401	Worldwide	Unspecified Navy	Unspecified Worldwide	Management Account	87,731	0	87,731	0
402	Worldwide	Unspecified Navy	Unspecified Worldwide	Construction Improvements	173,780	0	173,780	0
403	Worldwide	Unspecified Navy	Unspecified Worldwide	Planning and Design	15,100	0	15,100	0
404	Worldwide	Unspecified Navy	Unspecified Worldwide	Utilities Account	199,776	0	199,776	0
405	Worldwide	Unspecified Navy	Unspecified Worldwide	Miscellaneous Account	806	0	806	0
406	Worldwide	Unspecified Navy	Unspecified Worldwide	Maintenance of Real Property	462,427	0	462,427	0
407	Worldwide	Unspecified Navy	Unspecified Worldwide	Mortgage Insurance Premiums	78	0	78	0
408	Worldwide	Unspecified Navy	Unspecified Worldwide	Services Account	66,968	0	66,968	0
409	Worldwide	Unspecified Navy	Unspecified Worldwide	Furnishings Account	34,211	0	34,211	0
410	Worldwide	Unspecified Navy	Unspecified Worldwide	General Reduction	0	(8,463)	(8,463)	0
411	Worldwide	Unspecified Air Force	Unspecified Worldwide	Planning and Design	11,971	0	11,971	0
412	Worldwide	Unspecified Air Force	Unspecified Worldwide	Mortgage Insurance Premiums	31	0	31	0
413	Worldwide	Unspecified Air Force	Unspecified Worldwide	Leasing	116,716	0	116,716	0
414	Worldwide	Unspecified Air Force	Unspecified Worldwide	Miscellaneous Account	5,861	0	5,861	0
415	Worldwide	Unspecified Air Force	Unspecified Worldwide	Construction Improvements	102,195	54,800	196,995	54,800
416	Worldwide	Unspecified Air Force	Unspecified Worldwide	Utilities Account	154,556	0	154,556	0
417	Worldwide	Unspecified Air Force	Unspecified Worldwide	Management Account	48,712	0	48,712	0
418	Worldwide	Unspecified Air Force	Unspecified Worldwide	Services Account	35,849	0	35,849	0

TITLES XXI THROUGH XXVI - MILITARY CONSTRUCTION AND FAMILY HOUSING AUTHORIZATION OF APPROPRIATIONS
(Dollars in Thousands)

LINE NO.	LOCATION	SERVICE/AGENCY/PROGRAM	INSTALLATION	PROJECT TITLE	FY 1988		FY 1988	
					AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
419	Worldwide	Unspecified Air Force	Unspecified Worldwide	Maintenance of Real Property	432,282	0	432,282	0
420	Worldwide	Unspecified Air Force	Unspecified Worldwide	Furnishings Account	36,427	0	36,427	0
421	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Utilities Account	118	0	118	0
422	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Management Account	318	0	318	0
423	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Construction Improvements	235	0	235	0
424	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Planning and Design	4,850	0	4,850	0
425	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Maintenance of Real Property	50	0	50	0
426	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Services Account	485	0	485	0
427	Worldwide	Unspecified Defense Logistics Agency	Unspecified Worldwide	Leasing	66	0	66	0
428	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Leasing	11,169	0	11,169	0
429	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Construction Improvements	50	0	50	0
430	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Management Account	70	0	70	0
431	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Services Account	355	0	355	0
432	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Utilities Account	425	0	425	0
433	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Miscellaneous Account	35	0	35	0
434	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Maintenance of Real Property	490	0	490	0
435	Worldwide	Unspecified National Security Agency	Unspecified Worldwide	Furnishings Account	126	0	126	0
436	Worldwide	Unspecified Defense Intelligence Agency	Unspecified Worldwide	Furnishings Account	2,328	0	2,328	0
437	Worldwide	Unspecified Defense Intelligence Agency	Unspecified Worldwide	Leasing	16,504	0	16,504	0

A tabular summary of the military construction projects included with the authorization of appropriations for fiscal year 1998 for the BRAC II , BRAC III, and BRAC IV accounts follows:

FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS

(Dollars in Thousands)

Army: BRAC III Construction, Fiscal Year 1998

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
Texas	Fort Bliss	Repair Aircraft Hanger	3,650
		Total Army-BRAC III	3,650

Army: BRAC IV Construction, Fiscal Year 1998

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
Alaska	Fort Wainwright	Missile Test Facility	600
California	Camp Parks	Army Reserve Center Facility	9,500
	Sierra Army Depot	Consolidated Security	900
	Travis Air Force Base	Administrative Facility	2,250
Colorado	Fitzsimons Army Medical Center	Sanitary Sewer	2,100
	Fort Carson	Readiness Group Admin Facility	2,500
District of Columbia	Walter Reed AMC	Nurse Training Facility	1,500
Maryland	Fort Detrick	Health Clinic	650
	Fort Meade	Administrative Facility	6,300
Michigan	Detroit Arsenal	Storage Facility	5,900
Missouri	Fort Leonard Wood	Range Modifications	17,500
	Fort Leonard Wood	Military Operations in Urbanized Terrain Facility	6,900
New York	Fort Totten	Storage Facility	1,900
Nevada	Hawthorn Army Ammo Plant	Warehouse	1,550
	Nellis Air Force Base	Administrative Facility	3,850
South Carolina	Fort Jackson	DOD Polygraph Instructional Facility	4,600
Virginia	Fort Pickett	Reserve Center Building	3,100
Washington	Fort Lewis	CHPPM Center for Health Promotion	3,150
Various Locations		Program Management	3,750
		Total Army-BRAC IV	78,500

FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS

(Dollars in Thousands)

Navy: BRAC III Construction, Fiscal Year 1998

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
California	Naval Air Station, Lemoore	Administrative Office	2,586
	Marine Corps Air Station, Miramar	Support Facilities	48,773
	Pacific Fleet Antisubmarine Warfare Training Center, San Diego	Gym	3,501
	Naval Submarine Base, San Diego	Pier Renovation	891
	Public Works Center, San Diego	Public Works Shop	1,821
Florida	Naval Aviation Depot, Jacksonville	Administrative Building	5,074
	Naval Air Station, Jacksonville	Aviation Physiology Training Building	3,383
	Naval Training Center, Orlando	Facility Modifications	2,686
Georgia	Naval Air Station, Atlanta	Marine Reserve Training Facility	9,053
Hawaii	Pacific Missile Range Facility, Barking Sands	Ordnance Facilities	612
	Marine Corps Air Station, Kaneohe Bay	Aviation Supply Facilities	1,491
	Marine Corps Air Station, Kaneohe Bay	Utilities Upgrade	2,168
	Marine Corps Air Station, Kaneohe Bay	Ordnance Facilities	1,160
	Naval Station, Pearl Harbor	Fleet Imaging Center	1,005
	Public Works Center, Pearl Harbor	Utility System Modifications	1,492
Virginia	Naval Station, Norfolk	Administrative Facility	995
Washington	Naval Hospital, Bremerton	Outpatient Clinic	10,409
Wisconsin	Fort McCoy	Equipment Maintenance Facility	2,295
		Total Navy-BRAC III	99,395

Navy: BRAC IV Construction, Fiscal Year 1998

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
California	Marine Corps Air Station, Miramar	Administrative/Training Station	1,403
	Naval Air Station, North Island	Operational Facility and Parking	28,750
	Naval Air Station, North Island	Intermediate Maintenance Facility	1,273
District of Columbia	Commandant, Naval District Washington	Naval Sea Systems Command HQ Relocation	86,045

FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS
(Dollars in Thousands)

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
Florida	Naval Air Station, Jacksonville	Medical/Dental Additions	2,985
	Naval Air Station, Jacksonville	S-3 Naval Maintenance Training Group Modifications	1,329
Guam	Naval Activities	Building Renovation	597
Pennsylvania	Naval Surface Warfare Center, Philadelphia	Acoustics R&D Facility	6,151
Virginia	Naval Air Station Oceana	Flight Simulation Building Addition	8,998
	Naval Air Station Oceana	Corrosion Control Hanger	4,775
	Naval Air Station Oceana	Hanger Utilities Improvements	1,244
	Naval Air Station Oceana	F/A 18 Aviation Training Facility	2,686
	Naval Air Station Oceana	Renovation/Addition Training Facility	5,671
	Fleet Industrial Supply Center, Williamsburg	Building Renovation	2,437
		Cargo Staging Area	1,443
		Total Navy-BRAC IV	155,787
	Air Force: BRAC III Construction, Fiscal Year 1998		
<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
California	Travis Air Force Base	Land Purchase	2,055
		Total Air Force-BRAC III	2,055
	Air Force: BRAC III Family Housing, Fiscal Year 1998		
<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
California	Travis Air Force Base	Improve Family Housing	46,010
		Total Air Force-BRAC III Family Housing	46,010
	Air Force: BRAC IV Construction, Fiscal Year 1998		
<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
California	Beale Air Force Base	Dining Facility	2,100

FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS

(Dollars in Thousands)

Air Force: BRAC IV Construction, Fiscal Year 1998 (continued)

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
	Beale Air Force Base	938 Engineering Installation Squadron	8,100
	Beale Air Force Base	Enlisted Dormitory	9,000
	Beale Air Force Base	Add to Child Development Center	2,100
	Beale Air Force Base	Vehicle Maintenance Facility	1,450
	Beale Air Force Base	Air Force Reserve KC-135 Flight Simulator	1,700
	Palmdale Plant 42	Add/Alter QLA Secure Warehouse	580
	Falcon Air Force Base	Satellite Control Facility	16,000
	Falcon Air Force Base	Add to Dining Facility	500
	Falcon Air Force Base	Technical Support Facility	6,400
	Falcon Air Force Base	Alter Operations Support Facility	760
	Falcon Air Force Base	Add to Fitness Center	300
	Peterson Air Force Base	Enlisted Dormitory	1,200
	Fort Drum	Vehicle OPS Heated Parking	1,700
	Fort Drum	Add to Fire Station	300
	Wright-Patterson Air Force Base	Renovate QLA Support Facility	2,500
	Vance Air Force Base	Add to Child Development Center	330
	Brooks	Add/Alter YAD/textile Laboratory	3,900
	Kelly Air Force Base	Communications Infrastructure Support	2,500
	Lackland Air Force Base	838th Engineer Installation Squadron	5,600
	Lackland Air Force Base	Child Development Center	480
	Lackland Air Force Base	Add to Hobby Shop	1,100
	Laughlin Air Force Base	Engine Staging Facility	2,950
		Planning and Design	4,157
		Total Air Force-BRAC IV	75,707

FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS
(Dollars in Thousands)

Air Force: BRAC IV Family Housing, Fiscal Year 1998

451

<u>State</u>	<u>Installation or Location</u>	<u>Description</u>	<u>Amount</u>
Texas	Lackland Air Force Base	General Officers Quarters	790
		Total Air Force-BRAC IV Family Housing	790

TITLE XXI—ARMY

SUMMARY

The budget request contained \$595,277,000 for Army military construction and \$1,291,937,000 for family housing for fiscal year 1998. The committee recommends authorization of \$706,027,000 for military construction and \$1,349,337,000 for family housing for fiscal year 1998.

ITEMS OF SPECIAL INTEREST

Improvements of Military Family Housing

The committee recommends that, within authorized amounts for improvements of military family housing and facilities, the Secretary of the Army execute the following projects: \$8,300,000 for Whole Neighborhood Revitalization (32 units) at Fort Wainwright, Alaska; \$14,200,000 for Whole Neighborhood Revitalization (214 units) at Fort Riley, Kansas; \$8,500,000 for Whole Neighborhood Revitalization, Phase IV (86 units) at Fort Campbell, Kentucky; \$5,400,000 for Whole Neighborhood Revitalization (56 units) at the United States Military Academy, New York; and \$8,000,000 for Whole Neighborhood Revitalization (98 units) at Fort Belvoir, Virginia.

Planning and Design

The committee directs that, within authorized amounts for planning and design, \$3,100,000 be used by the Secretary of the Army to conduct planning and design activities for the construction of the National Ground Intelligence Center, Charlottesville, Virginia.

LEGISLATIVE PROVISIONS

Section 2101—Authorized Army Construction and Land Acquisition Projects

This section contains the list of authorized Army construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Section 2102—Family Housing

This section would authorize new construction and planning and design of family housing units for the Army for fiscal year 1998.

Section 2103—Improvements to Military Family Housing Units

This section would authorize improvements to existing units of family housing for fiscal year 1998.

Section 2104—Authorization of Appropriations, Army

This section would authorize specific appropriations for each line item contained in the Army's budget for fiscal year 1998. This section also provides an overall limit on the amount the Army may spend on military construction projects.

Section 2105—Correction In Authorized Uses of Funds, Fort Irwin, California

This section would correct the authorized use of funds authorized for appropriation in prior years for a military construction project at Fort Irwin, California. The provision would permit the use of previously authorized funds to construct a heliport at Fort Irwin to support the National Training Center.

TITLE XXII—NAVY

SUMMARY

The budget request contained \$530,606,000 for Navy military construction and \$1,255,437,000 for family housing for fiscal year 1998. The committee recommends authorization of \$675,806,000 for military construction and \$1,377,219,000 for family housing for fiscal year 1998.

ITEMS OF SPECIAL INTEREST

Co-Composting Facility, Naval Education and Training Center, Newport, Rhode Island

The committee notes the proposal by local municipalities in the vicinity of the Naval Education and Training Center, Newport, Rhode Island, to construct and operate a co-composting facility for joint use with the Department of the Navy on unimproved real property which would be conveyed to a local municipality by the Department for this purpose. The committee directs the Secretary of the Navy to conduct a study of the feasibility of joint use of such a facility, including an assessment of the economic benefit to the Department of the Navy and environmental considerations. The Secretary shall submit a report on the Department's findings, including any recommendations, to the congressional defense committees no later than January 1, 1998.

Improvements to Military Family Housing

The committee recommends that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Navy execute the following projects: \$4,193,000 for Whole House Revitalization (120 units) at Naval Air Warfare Center China Lake, California; \$7,700,000 for Whole House Revitalization (64 units) at Public Works Center Great Lakes, Illinois; \$12,390,000 for Whole House Revitalization (123 units) at Naval Air Warfare Center Patuxent River, Maryland; \$11,300,000 for Whole House Revitalization (155 units) at Marine Corps Air Station Cherry Point, North Carolina; and \$4,919,000 for Whole House Revitalization (100 units) at Naval Shipyard Bremerton, Washington.

Repositioned Equipment Maintenance Facilities, Blount Island, Jacksonville, Florida

The committee is aware of the completion of the study required by section 317 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) on the cost and operational effectiveness of co-locating afloat prepositioning maintenance facilities

for the Department of the Army and the Marine Corps. The committee notes the conclusion of the analysis that the Army and the Marine Corps should maintain and operate separate, but complementary, prepositioning facilities in Charleston, South Carolina, and Blount Island, Jacksonville, Florida, respectively. The committee further notes that the facilities maintained by the Marine Corps at Blount Island are leased and acknowledges the estimates provided to the committee that ownership of those facilities could save the Department of the Navy between six and seven million dollars annually. The committee recognizes that the Secretary of Defense, upon the recommendation of the Secretary of the Navy, has provided a waiver of the current moratorium on land acquisition to permit the Navy to determine the costs of ownership, to conduct an environmental assessment, and to make other related studies. The committee notes its support for the decision of the Secretary of Defense.

LEGISLATIVE PROVISIONS

Section 2201—Authorized Navy Construction and Land Acquisition Projects

This section contains the list of authorized Navy construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Section 2202—Family Housing

This section would authorize new construction and planning and design of family housing units for the Navy for fiscal year 1998.

Section 2203—Improvements to Military Family Housing Units

This section would authorize improvements to existing units of family housing for fiscal year 1998.

Section 2204—Authorization of Appropriations, Navy

This section would authorize specific appropriations for each line item in the Navy's budget for fiscal year 1998. This section also provides an overall limit on the amount the Navy may spend on military construction projects.

Section 2205—Authorization of Military Construction Project at Naval Air Station, Pascagoula, Mississippi, for Which Funds Have Been Appropriated

This section would authorize \$4,900,000 to extend the west quaywall at Naval Air Station, Pascagoula, Mississippi, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act, 1997 (Public Law 104-196).

TITLE XXIII—AIR FORCE

SUMMARY

The budget request contained \$495,782,000 for Air Force military construction and \$1,083,362,000 for family housing for fiscal year 1998. The committee recommends authorization of \$638,447,000 for military construction and \$1,171,643,000 for family housing for fiscal year 1998.

ITEMS OF SPECIAL INTEREST

Disposal of Real Property, Hancock Field, Syracuse, New York

The committee notes the pending disposal by the Department of the Air Force to the General Services Administration of a parcel of real property consisting of 14.9 acres, with improvements, at Hancock Field, Syracuse, New York, which is no longer required for use by the 152nd Air Control Group of the New York Air National Guard. The committee understands that no federal agency holds a potential interest in the property. The committee encourages the Secretary of the Air Force to work in cooperation with the Administrator of General Services to include the condition of the improvements to real property and demolition as a part of the assessment of the appraisal and valuation of the property for sale, if available, to the County of Onondaga, New York.

Improvements to Military Family Housing

The committee recommends that, within authorized amounts for improvements of military family housing and facilities, the Secretary of the Air Force execute the following projects: \$10,500,000 for family housing improvements (147 units) at Travis Air Force Base, California; \$5,100,000 for family housing improvements (50 units) at Dover Air Force Base, Delaware; \$9,700,000 for family housing improvements, phase IX (64 units) at Andersen Air Force Base, Guam; \$8,900,000 for family housing improvements (147 units) at Cannon Air Force Base, New Mexico; \$4,600,000 for family housing improvements (60 units) at Tinker Air Force Base, Oklahoma; \$10,500,000 for family housing improvements (98 units) at Shaw Air Force Base, South Carolina; and \$5,500,000 for family housing improvements (42 units) at Fairchild Air Force Base, Washington.

Inter-Departmental Land Transfer, Bellows Air Force Station, Hawaii

The committee notes the proposed transfer of certain lands at Bellows Air Force Station, Hawaii, from the administrative jurisdiction of the Department of the Air Force to the jurisdiction of the

Department of the Navy for use by the Marine Corps for training activities. The committee understands that both military departments are currently assessing the costs and liabilities expected to accrue to both the Air Force and the Navy in the operation of the training area. The committee urges the military departments to expedite this transfer. The committee directs the Secretary of the Air Force and the Secretary of the Navy to report jointly to the congressional defense committees on issues relating to the proposed transfer including, but not limited to, an assessment of the costs and liabilities of each of the military departments in the management and operation of the training area, environmental effects of the proposed use of the lands for training purposes, and a proposed date for the transfer of jurisdiction from the Air Force to the Navy. The secretaries shall submit their report to the congressional defense committees no later than November 15, 1997.

LEGISLATIVE PROVISIONS

Section 2301—Authorized Air Force Construction and Land Acquisition Projects

This section contains the list of authorized Air Force construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Section 2302—Family Housing

This section would authorize new construction and planning and design of family housing units for the Air Force for fiscal year 1998.

Section 2303—Improvements to Military Family Housing Units

This section would authorize improvements to existing units of family housing for fiscal year 1998.

Section 2304—Authorization of Appropriations, Air Force

This section would authorize specific appropriations for each line item in the Air Force's budget for fiscal year 1998. This section also would provide an overall limit on the amount the Air Force may spend on military construction projects.

Section 2305—Authorization of Military Construction Project at McConnell Air Force Base, Kansas, for Which Funds Have Been Appropriated

This section would authorize \$6,700,000 for a consolidated education center at McConnell Air Force Base, Kansas, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act, 1997 (Public Law 104-196).

TITLE XIV—DEFENSE AGENCIES

SUMMARY

The budget request contained \$673,633,000 for defense agencies military construction and \$37,674,000 for family housing for fiscal year 1998. The committee recommends authorization of \$613,233,000 for military construction and \$37,674,000 for family housing.

LEGISLATIVE PROVISIONS

Section 2401—Authorized Defense Agencies Construction and Land Acquisition Projects

This section contains the list of authorized defense agencies construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Section 2402—Military Housing Planning and Design

This section would authorize the Secretary of Defense to carry out planning and design activities with respect to the construction or improvement of military family housing units in the amount of \$50,000.

Section 2403—Improvements to Military Family Housing Units

This section would authorize the Secretary of Defense to make improvements to existing units of family housing for fiscal year 1998 in an amount not to exceed \$50,000,000.

Section 2404—Energy Conservation Projects

This section would authorize the Secretary of Defense to carry out energy conservation projects.

Section 2405—Authorization of Appropriations, Defense Agencies

This section would authorize specific appropriations for each line item in the Defense Agencies' budget for fiscal year 1998. This section also would provide an overall limit on the amount the Defense Agencies may spend on military construction projects.

Section 2406—Correction in Authorized Use of Funds, McClellan Air Force Base, California

This section would correct the authorized use of funds authorized for appropriation in prior years for a military construction project at McClellan Air Force Base, California. The provision would per-

mit the use of previously authorized funds to construct an aeromedical clinic addition at Andersen Air Force Base, Guam, and an occupational health clinic facility at Tinker Air Force Base, Oklahoma.

Section 2407—Modification of Authority to carry out Fiscal Year
1995 Projects

This section would amend the table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337) to provide for full authorization of military construction projects to support chemical weapons and munitions destruction at Pine Bluff Arsenal, Arkansas, and Umatilla Army Depot, Oregon.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SUMMARY

The budget request contained \$176,300,000 for the NATO infrastructure fund (NATO Security Investment Program) for fiscal year 1998. The committee recommends \$166,300,000.

LEGISLATIVE PROVISIONS

Section 2501—Authorized NATO Construction and Land Acquisition Projects

This section would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization security investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of this bill and the amount of recoupment due to the United States for construction previously financed by the United States.

Section 2502—Authorization of Appropriations, NATO

This section would authorize appropriations of \$166,300,000 as the U.S. contribution to the NATO security investment program.

**TITLE XXVI—GUARD AND RESERVE FORCES
FACILITIES**

SUMMARY

The budget request contained \$172,886,000 for fiscal year 1998 for guard and reserve facilities. The committee recommends authorization for fiscal year 1998 of \$327,208,000 to be distributed as follows:

Army National Guard	\$45,098,000
Air National Guard	137,275,000
Army Reserve	69,831,000
Air Force Reserve	40,561,000
Naval and Marine Corps Reserve	34,443,000
Total	327,208,000

ITEMS OF SPECIAL INTERESTS

Budget Process to Support the Validation of Military Construction Requirements for the Army National Guard

The committee notes the increase in the requested level of funding for military construction for the support of the Army National Guard (ARNG) contained in the budget request for fiscal year 1998. The committee recognizes and remains concerned about the often unsafe, undersized, deteriorating, and inefficient facilities which do not adequately support the operational, training, and maintenance requirements meeting the federal mission of the Army National Guard. The committee, however, is deeply concerned about the budget and planning process utilized by the Department of the Army to assess and prioritize facilities requirements for the Army National Guard.

The committee has reviewed the report on ARNG infrastructure requirements submitted by the Secretary of the Army as directed by House Report 104-563, the report to accompany the National Defense Authorization Act for Fiscal Year 1997, as well as recent trends in the long-term planning for ARNG military construction program. While the committee is pleased to note that the Future Years Defense Program (FYDP) for fiscal year 1998 through fiscal year 2003 contains a 119 percent increase in funding programmed for ARNG military construction, the committee also notes with serious concern that 60 percent of the military construction projects in the previous FYDP, which the Congress did not authorize for fiscal year 1997, no longer are in the immediate budget plans of the Army National Guard.

The committee is concerned about the significant instability in the ARNG budget and planning process. The committee strongly urges the Secretary of the Army to undertake a comprehensive re-

view of the budget and planning process of the Department of the Army as it concerns the validation and funding of military construction requirements for the federal mission of the Army National Guard and to take the necessary measures to ensure that the Army National Guard adheres to an integrated department-wide budget and planning process that defines critical installation shortfalls and facilities requirements.

The committee authorizes the budget request of \$45,098,000 for military construction for the ARNG.

LEGISLATIVE PROVISIONS

Section 2601—Authorized Guard and Reserve Construction and Land Acquisition Projects

This section would authorize appropriations for military construction for the guard and reserve by service component for fiscal year 1998. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Section 2602—Authorization of Military Construction Projects for Which Funds Have Been Appropriated

This section would authorize \$5,900,000 for the Army National Guard for additions and alterations to an aviation support facility at Hilo, Hawaii, and \$4,800,000 for the Naval Reserve for a bachelor enlisted quarters at Naval Air Station, New Orleans, Louisiana, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act, 1997 (Public Law 104-196).

Section 2603—Army Reserve Construction Project, Salt Lake City, Utah

This section would authorize the Secretary of the Army to accept financial or in-kind contributions from the State of Utah for land acquisition, site preparation, relocation, and other costs in connection with the construction of a reserve center and organization maintenance shop in Salt Lake City, Utah.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

LEGISLATIVE PROVISIONS

Section 2701—Expiration of Authorizations and Amounts Required To Be Specified by Law

This section would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization infrastructure program, and guard and reserve projects will expire on October 1, 2000 or the date of enactment of an Act authorizing funds for military construction for fiscal year 2001, whichever is later. This expiration would not apply to authorizations for which appropriated funds have been obligated before October 1, 2000 or the date of enactment of an Act authorizing funds for these projects, whichever is later.

Section 2702—Extensions of Authorizations of Certain Fiscal Year 1995 Projects

This section would provide for selected extension of certain fiscal year 1995 military construction authorizations until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

Section 2703—Extension of Authorizations of Certain Fiscal Year 1994 Projects

This section would provide for selected extension of certain fiscal year 1994 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

Section 2704—Extension of Authorizations of Certain Fiscal Year 1993 Projects

This section would provide for selected extension of certain fiscal year 1993 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

Section 2705—Extension of Authorizations of Certain Fiscal Year 1992 Projects

This section would provide for selected extension of certain fiscal year 1992 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

Section 2706—Extension of Availability of Funds for Construction
of Over-the-Horizon Radar in Puerto Rico

This section would provide for an extension of authority to construct a relocatable over-the-horizon radar at Naval Station Roosevelt Roads, Puerto Rico authorized by the Defense Appropriations Act, 1995 (Public Law 103-335) until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

Section 2707—Effective Date

This section would provide that Titles XXI, XXII, XXIII, XXIV, and XXVI of this bill shall take effect on October 1, 1997, or the date of the enactment of this Act, whichever is later.

TITLE XXVIII—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

Force Protection for Overseas Facilities From Chemical and Biological Weapons

The committee is concerned about the adequacy of force protection for military installations and facilities abroad and is particularly concerned about the condition and ability of overseas facilities to contribute effectively to the protection of military personnel in the event of contingencies involving the use of chemical or biological munitions. The committee directs the Secretary of Defense to conduct a study of overseas military installations and facilities, with a particular emphasis on facilities in the Republic of Korea, and the capacity of those facilities to respond effectively to an attack in which chemical or biological munitions are used. The study should include an assessment of the military construction required to enhance and improve overseas facilities for the protection of military personnel from chemical and biological attack. The Secretary shall submit a report on the Department's findings, including any recommendations, to the congressional defense committees by March 1, 1998.

Military Construction in the Republic of Korea and Burdensharing Support for United States Forces, Korea

The committee recognizes the critical facilities shortfalls at United States military installations in the Republic of Korea, particularly those that affect readiness and the living conditions for military personnel. The committee fully supports the \$97,525,000 contained in the budget request for overseas military construction in the Republic of Korea. The committee provides authorization for military construction projects for the Department of the Army at Camp Casey, Camp Castle, Camp Humphreys, Camp Red Cloud, and Camp Stanley and for the Department of the Air Force at Kunsan Air Base and Osan Air Base. The committee is satisfied that these military construction projects begin to address significant shortfalls at installations which are central to current U.S. and Korean defense planning. The committee further notes, however, that these investments are tied to stationing requirements that may not be indicative of a long-term, post-reunification U.S. military presence on the Korean peninsula.

The committee also recognizes the progress made by the United States in recent years to improve bilateral burdensharing arrangements with the Korean government. However, the committee believes that the current level of burdensharing provided is insufficient given the conditions of facilities in Korea and the importance of those facilities to the mutual defense effort. The committee notes

the expiration in 1998 of the Special Measures Agreement (SMA), the framework for current burdensharing arrangements with the Republic of Korea. The committee urges the Secretary of Defense to work cooperatively with the Secretary of State to improve the level of burdensharing in the follow-on agreement to the current SMA. Within the context of negotiations with the Government of Korea, the committee encourages the Secretary of State to ensure that any future negotiated agreement provide for adequate and reasonable residual value payments for military facilities and installations returned to the Republic of Korea. The committee expects that such residual value would include the cost of investment by the United States in such facilities and installations.

Withdrawals of Public Lands for Military Purposes

The committee stresses the importance to military training and readiness of adequate ranges and maneuver areas. The committee notes the requirement in the Military Lands Withdrawal Act of 1986 (Public Law 99-606) that mandates the preparation by November 6, 1998 of draft environmental impact statements and applications for the continued withdrawal from the public domain of the lands comprising the ranges, maneuver areas, and other training areas covered by that Act for which the appropriate secretary of a military department intends to seek continued or renewed withdrawal of those lands. The committee urges the appropriate military departments to complete by that date the requirements for Bravo-20 Bombing Range, Nevada; Nellis Air Force Range, Nevada; Barry M. Goldwater Air Force Range, Arizona; McGregor Range, New Mexico; Fort Greely Maneuver Area and Fort Greely Air Drop Zone, Alaska; and the Fort Wainwright Maneuver Area, Alaska, so that continued or renewed withdrawal of those lands for military purposes may be considered by Congress in a timely and expeditious manner without potential disruption of training activities at those sites.

LEGISLATIVE PROVISIONS

SUBTITLE A—MILITARY CONSTRUCTION PROGRAM AND MILITARY FAMILY HOUSING CHANGES

Section 2801—Use of Mobility Enhancement Funds for Unspecified Minor Construction

This section would authorize the use of funds made available for mobility enhancement for unspecified minor construction. Under the provision, mobility enhancement funds could not be used for unspecified minor construction if the cost of the construction project would exceed \$1,500,000.

Section 2802—Limitation on the Use of Operation and Maintenance Funds for Facility Repair Projects

This section would clarify the definition of repair of facilities using operations and maintenance funds.

Section 2803—Leasing of Military Family Housing, United States
Southern Command, Miami, Florida

This section would amend section 2828 of title 10, United States Code, to authorize the Secretary of the Army to lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel, as determined by the Secretary, for which the annual rental of such units would exceed the expenditure limitations established by law. This section would establish certain new expenditure limitations relating to such housing units.

Section 2804—Use of Financial Incentives Provided as Part of
Energy Savings and Water Conservation Activities

This section would clarify the ability of the military departments to accept financial incentives or rebates for specific energy and water conservation activities.

Section 2805—Congressional Notification Requirements Regarding
Use of Department of Defense Housing Funds for Investments in
Nongovernmental Entities

This section would provide for a 30-day notice-and-wait requirement on requests to use funds appropriated or otherwise made available under the authority of subchapter IV of chapter 169 of title 10, United States Code, as a cash contribution by the Department of Defense toward the investment cost in any project entered into under those authorities.

SUBTITLE B—REAL PROPERTY AND FACILITIES ADMINISTRATION

Section 2811—Increase in Ceiling for Minor Land Acquisition
Projects

This section would increase the maximum limit for minor land acquisitions from \$200,000 to \$500,000.

Section 2812—Administrative Expenses for Certain Real Property
Transactions

This section would authorize the secretary of a military department to accept reimbursement from non-federal entities for the cost of certain real estate services and transactions, including real estate exchanges, grants, and licenses, done at the request of, and for the benefit of, those entities.

Section 2813—Disposition of the Proceeds From the Sale of Air
Force Plant 78, Brigham City, Utah

This section would provide that the proceeds from the sale of Air Force Plant 78, Brigham City, Utah, by the Administrator of General Services shall be available to the Secretary of the Air Force for facility maintenance, repair, or environmental restoration at other industrial plants of the Department of the Air Force.

SUBTITLE C—DEFENSE BASE CLOSURE AND REALIGNMENT

Section 2821—Consideration of Military Installations as Sites for New Federal Facilities

This section would require the head of a federal agency to consult with the Secretary of Defense on the availability of federal property or facilities at a military installations to be closed or realigned prior to acquiring non-federal real property for a new or replacement federal facility of any type.

Section 2822—Prohibition against Conveyance of Property at Military Installations to State-Owned Shipping Companies

This section would prohibit the Secretary of Defense from conveying, by sale, lease, or other method, any portion of real property to be disposed under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510) to a state-owned shipping company. The section would also require the Secretary, as a condition on each conveyance of real property, that the property may not be subsequently conveyed to a state-owned shipping company. The section would provide for a reversionary interest of the United States in such property in the event of a conveyance to, or use by, a state-owned shipping company.

SUBTITLE D—LAND CONVEYANCES GENERALLY

Part I—Army Conveyances

Section 2831—Land Conveyance, James T. Roker Army Reserve Center, Durant, Oklahoma

This section would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Durant, Oklahoma to Big Five Community Services, Incorporated. The property is to be used for educational purposes. The cost of any surveys necessary for the conveyance shall be borne by Big Five Community Services, Incorporated.

Section 2832—Land Conveyance, Fort A.P. Hill, Virginia

This section would authorize the Secretary of the Army to convey, without consideration, a parcel of unimproved real property at Fort A.P. Hill, Virginia, to Caroline County, Virginia. The property is to be used for a waste transfer station. The costs of any surveys necessary for the conveyance shall be borne by the County.

Section 2833—Expansion of Land Conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana

This section would amend section 2858 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106) to provide for the additional conveyance of 500 acres of real property to the State of Indiana.

Section 2834—Modification of Land Conveyance, Lompoc,
California

This section would modify the purpose of the conveyance authorized by section 834(b)(1) of the Military Construction Authorization Act, 1985 (Public Law 98–407). The modification would permit the real property to be conveyed by the Secretary of the Army to the City of Lompoc, California, to be used for educational or recreation purposes.

Section 2835—Modification of Land Conveyance, Rocky Mountain
Arsenal, Colorado

This section would permit the Administrator of General Services to enter into a negotiated sale of 815 acres of real property at Rocky Mountain Arsenal, Colorado, to Commerce City, Colorado.

Section 2836—Correction of Land Conveyance Authority, Army
Reserve Center, Anderson, South Carolina

This section would correct the name of the conveyee in the conveyance authorized by section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201). The correction would permit the conveyance to be made by the Secretary of the Army to the Board of Education, Anderson County, South Carolina.

Section 2837—Land Conveyance, Fort Bragg, North Carolina

This section would authorize the Secretary of the Army to convey, without consideration, a parcel of unimproved real property at Fort Bragg, North Carolina, to the Town of Spring Lake, North Carolina. The property is to be used for improved access to a waste treatment facility and to permit economic development. The cost of any surveys necessary for the conveyance shall be borne by the Town.

Section 2838—Land Conveyance, Gibson Army Reserve Center,
Chicago, Illinois

This section would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Chicago, Illinois, to the Lawndale Business and Local Development Corporation. The cost of any surveys necessary for the conveyance shall be borne by the Lawndale Business and Local Development.

Section 2839—Land Conveyance, Fort Dix, New Jersey

This section would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements at Fort Dix, New Jersey, to the Borough of Wrightstown, New Jersey. The property is to be used for educational and economic purposes. The cost of any surveys necessary for the conveyance shall be borne by the Borough.

Part II—Navy Conveyances

Section 2851—Correction of Lease Authority, Naval Air Station,
Meridian, Mississippi

This section would correct the name of the conveyee in the conveyance authorized by section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201). The correction would permit the conveyance to be made by the Secretary of the Navy to the County of Lauderdale, Mississippi.

Part III—Air Force Conveyances

Section 2861—Land Transfer, Eglin Air Force Base, Florida

This section would authorize the Secretary of Transportation to transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Air Force a parcel of real property with improvements at Cape San Blas, Gulf County, Florida, previously withdrawn for use as the location of a lighthouse. The Secretary of the Air Force would incorporate the property as part of Eglin Air Force Base, Florida.

Section 2862—Study of Land Exchange Options, Shaw Air Force
Base, South Carolina

This section would amend section 2874 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106) to require the Secretary of the Air Force to conduct a study to identify real property suitable for exchange to affect the land exchange at Shaw Air Force Base, South Carolina, authorized pursuant to that law.

Section 2863—Land Conveyance, March Air Force Base, California

This section would authorize the Secretary of the Air Force to convey a parcel of real property at March Air Force Base, California, to Air Force Village West, Incorporated, of Riverside, California. As consideration for the parcel to be conveyed the Corporation shall pay to the United States an amount equal to the fair market value of the real property as determined by the Secretary. The section would also make technical modifications to section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407).

SUBTITLE E—OTHER MATTERS

Section 2881—Repeal of Requirement to Operate Naval Academy
Dairy Farm

This section would amend/repeal section 810 of the Military Construction Authorization Act of 1968 (Public Law 90–110) which prohibits the Department of the Navy from taking any action to close, dispose, or phase out the operation of the Naval Academy Dairy Farm.

Section 2882—Long-Term Lease of Property, Naples, Italy

This section would permit the Secretary of the Navy to enter into a long-term lease, not to exceed twenty years, for structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvements Initiative.

Section 2883—Designation of Military Family Housing at Lackland Air Force Base, Texas, in Honor of Frank Tejada, a Former Member of the House of Representatives

This section would authorize the Secretary of the Air Force to designate military family housing developments to be constructed at Lackland Air Force Base, Texas, in honor of the late Frank Tejada, a Representative in Congress from the State of Texas.

TITLE XXIX—SIKES ACT IMPROVEMENT AMENDMENTS

LEGISLATIVE PROVISIONS

Section 2902—Definition of Sikes Act for Purposes of Amendments

This section would clarify references to the Sikes Act.

Section 2903—Codification of Short Title of Act

This section would codify the short title of the Sikes Act.

Section 2904—Integrated Natural Resource Management Plans

This section would amend the Sikes Act to require the Secretary of Defense to prepare and implement integrated natural resource management plans on all appropriate military installations, including installations of the guard and reserve forces.

Section 2905—Review for Preparation of Integrated Natural Resource Management Plans

This section would direct the Secretary of each military department to review, within nine months of the date of enactment of this title, each military installation under the jurisdiction of the Secretary concerned to determine the applicability and appropriateness of integrated natural resources management plans to those installations. The section would require the Secretary of Defense to report to Congress on the findings of the Secretaries of the military departments. The section also would provide for a schedule to initiate implement integrated natural resource management plans on military installations where appropriate.

Section 2906—Annual Reviews and Reports

This section would require the Secretary of Defense and the Secretary of the Interior to submit annual reports to Congress regarding the implementation of integrated natural resource management plans.

Section 2907—Transfer of Wildlife Conservation Fees from Closed Military Installations

This section would permit fees charged for the purpose of wildlife conservation at military installations scheduled to be closed to be transferred to another military installation to be used for the same purpose.

Section 2908—Federal Enforcement of Integrated Natural Resource Management Plans and Enforcement of Other Laws

This section would clarify the responsibility of the Secretary of Defense for enforcement, on military installations, of federal law relating to the conservation of natural resources. This section would not affect the enforcement authorities of the Secretary of the Interior for the same purpose.

Section 2909—Natural Resource Management Services

This section would require the Secretary of Defense to provide a sufficient number of professionally trained natural resource management and law enforcement personnel to perform the duties required by this title.

Section 2910—Definitions

This section would define terms used in this title.

Section 2911—Cooperative Agreements

This section would clarify that cooperative agreements between and among the Department of Defense, the various States, local governments, non-governmental organizations, or other private parties, which are entered into to implement an integrated natural resource management plan, shall be funded on a cost-sharing basis.

Section 2912—Repeal of Superseded Provision

This section would repeal certain reporting requirements and definitions of terms which would be superseded by enactment of this title.

Section 2913—Clerical Amendments

This section would make various technical and clerical changes to the Sikes Act.

Section 2914—Authorizations of Appropriations

This section would authorize appropriations for programs on public lands related to the implementation of this title for fiscal year 1998 through fiscal year 2000.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

PURPOSE

Title XXXI would authorize appropriations for the national security programs of the Department of Energy (DOE) for fiscal year 1998, including management and operations of programs for research, development, and production in support of the armed forces, the production of strategic and critical materials for the armed forces, the protection of critical materials, materials and information necessary for national defense, management of defense radioactive wastes, environmental management, naval nuclear propulsion, and other military applications of nuclear energy.

OVERVIEW

The fiscal year 1998 budget request for DOE national security programs totaled \$13.6 billion. Of the total amount requested, \$3.6 billion was for weapons activities, \$5.0 billion for environmental restoration and waste management, \$2.2 billion for defense fixed asset acquisition, \$1.0 billion for environmental management privatization, \$1.6 billion for other defense activities, and \$190.0 million for defense nuclear waste disposal. The committee recommends \$11.0 billion, a decrease of \$2.6 billion. The following table summarizes the request and the committee recommendations:

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS
(Dollars in Thousands)

ACCOUNT TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
Weapons Activities	3,576,255	389,795	3,966,050	3,966,050
Defense Environmental Restoration and Waste Management	5,052,499	230,771	5,283,270	5,283,270
Defense Environmental Management Privatization	1,006,000	(1,006,000)	0	0
Defense Nuclear Waste Disposal	190,000	0	190,000	190,000
Other Defense Activities	1,605,981	(93,430)	1,512,551	1,512,551
Defense Asset Acquisition	2,166,859	(2,166,859)	0	0
Total DoE National Security Programs	13,597,594	(2,645,723)	10,951,871	10,951,871

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
ATOMIC ENERGY DEFENSE ACTIVITIES			
WEAPONS ACTIVITIES			
Stockpile stewardship:			
Core stockpile stewardship	1,158,290	0	1,158,290
Operation and maintenance			
Construction:			
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	0	46,300	46,300
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	0	19,810	19,810
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	0	13,400	13,400
96-D-105 Contained firing facility addition, LLNL, Livermore, CA	0	19,300	19,300
Total, Construction	0	98,810	98,810
Total, Core Stockpile Stewardship	1,158,290	98,810	1,257,100
Inertial fusion			
Operation and maintenance	217,000	0	217,000

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		COMMITTEE RECOMMENDATION
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	
Construction:			
96-D-111 National ignition facility Site, TBD.	0	197,800	197,800
Total, Inertial fusion	217,000	197,800	414,800
Technology transfer/education			
Technology transfer	60,000	(7,500)	52,500
Education	9,000	0	9,000
Total, Technology transfer/education	69,000	(7,500)	61,500
Total, Stockpile stewardship	1,444,290	289,110	1,733,400
Stockpile management			
Operation and maintenance	1,828,465	39,800	1,868,265
Construction:			
98-D-123 Stockpile mgmt. restructuring init. Tritium factory modernization and consolidation, Savannah River, SR	0	11,000	11,000
98-D-124 Stockpile mgmt. restructuring init. Y-12 consolidation, Oak Ridge, TN	0	6,450	6,450
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM	0	9,200	9,200

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
97-D-124 Steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, TN.	0	1,900	1,900	1,900
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	0	6,900	6,900	6,900
96-D-123 Retrofit HVAC and chillers for ozone protection, Y-12 plant, Oak Ridge, TN.	0	2,700	2,700	2,700
95-D-122 Sanitary sewer upgrade, Y-12 plant, Oak Ridge, TN	0	12,600	12,600	12,600
94-D-124 Hydrogen fluoride supply system, Y-12 plant, Oak Ridge, TN	0	1,400	1,400	1,400
94-D-125 Upgrade life safety, Kansas City plant, Kansas City, MO	0	2,000	2,000	2,000
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	0	2,100	2,100	2,100
92-D-126 replace emergency notification system, VL	0	3,200	3,200	3,200
88-D-122 Facilities capability assurance program (FCAP), various locations	0	18,920	18,920	18,920
Total, Core stockpile management construction	0	78,370	78,370	78,370
98-D-125 Tritium extraction facility, SR	0	9,650	9,650	9,650
98-D-126 Accelerator production of tritium, VL	0	67,865	67,865	67,865

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
Total, Tritium source construction	0	77,515	77,515
Total, stockpile management construction	0	155,885	155,885
Total, Stockpile management	1,828,465	195,685	2,024,150
Program direction	303,500	(95,000)	208,500
TOTAL, WEAPONS ACTIVITIES	3,576,255	389,795	3,966,050
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.			
Environmental restoration			
Operating expenses	1,744,573	(743,600)	1,000,973
Closure projects	15,000	890,800	905,800
Waste management			
Operation and maintenance	1,455,576	0	1,455,576
Construction:			
98-D-401 H-tank farm storm water systems upgrade, Savannah River, SC	0	1,000	1,000
97-D-402 Tank farm restoration and safe operations, Richland, WA	0	13,961	13,961
96-D-408 Waste management upgrades, various			

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION	COMMITTEE RECOMMENDATION
locations	0	8,200		8,200
95-D-402 Install permanent electrical service, WIPP, AL	0	176		176
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant, Oak Ridge, TN	0	3,800		3,800
95-D-407 219-S Secondary containment upgrade, Richland, WA	0	2,500		2,500
94-D-404 Melton Valley storage tank capacity increase, ORNL	0	1,219		1,219
94-D-407 Initial tank retrieval systems, Richland, WA	0	15,100		15,100
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	0	17,520		17,520
92-D-172 Hazardous waste treatment and processing facility, Pantex Plant	0	5,000		5,000
89-D-174 Replacement high level waste evaporator Savannah River, SC	0	1,042		1,042
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	0	11,250		11,250
Total, Construction	0	80,768		80,768
Total, Waste management	1,455,576	80,768		1,536,344

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998 AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
Technology development			
Operation and maintenance	257,881	(75,000)	182,881
Nuclear material and facility stabilization			
Operation and maintenance	1,118,114	41,000	1,159,114
Construction:			
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	0	8,136	8,136
98-D-700 INEL road rehabilitation, INEL, ID	0	500	500
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	0	18,000	18,000
97-D-451 B-Plant safety class ventilation upgrades, Richland, WA	0	2,000	2,000
97-D-470 Environmental monitoring laboratory, Savannah River Site, Aiken, SC	0	5,600	5,600
97-D-473 Health physics site support facility, Savannah River, Aiken, SC	0	4,200	4,200
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	0	16,744	16,744
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID	0	2,927	2,927

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998	
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE REQUEST	COMMITTEE RECOMMENDATION
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID	0	14,985	14,985	14,985
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	0	8,500	8,500	8,500
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina	0	2,713	2,713	2,713
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, ID	0	602	602	602
Total, Construction	0	84,907	84,907	84,907
Total, Nuclear material and facility stabilization	1,118,114	125,907	1,244,021	1,244,021
Program direction	388,251	(100,000)	288,251	288,251
Policy and management	23,104	(3,104)	20,000	20,000
Environmental science program	50,000	5,000	55,000	55,000
Hanford Tank waste vitrification project	0	70,000	70,000	70,000
Subtotal, Defense environmental management	5,052,499	250,771	5,303,270	5,303,270
Savannah river pension refund	0	0	0	0
Use of prior year balances	0	0	0	0
General Reduction for Non-Safety Related				

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998
	AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
Contractor Training Expenses	0	(20,000)	(20,000)
TOTAL, DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT	5,052,499	230,771	5,283,270
OTHER DEFENSE ACTIVITIES			
Nonproliferation and national security			
Verification and control technology			
Nonproliferation and verification R&D			
Operation and maintenance	210,000	(20,000)	190,000
Arms control	234,600	(29,600)	205,000
Intelligence	33,600	0	33,600
Total, Verification and control technology	478,200	(49,600)	428,600
Nuclear safeguards and security	47,200	0	47,200
Security investigations	20,000	5,000	25,000
Emergency management	27,700	(10,700)	17,000
Program direction - NN	94,900	(26,000)	68,900
Total, Nonproliferation and national security	668,000	(81,300)	586,700

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		COMMITTEE CHANGE FROM REQUEST	FY 1998 COMMITTEE RECOMMENDATION
	AUTHORIZATION REQUEST	REQUEST		
Worker and community transition				
Worker and community transition	65,800	(45,800)		20,000
Program direction - WT	4,700	(2,700)		2,000
Total, Worker and community transition	70,500	(48,500)		22,000
Fissile materials control and disposition				
Operation and maintenance	99,451	0		99,451
Program direction - MD	4,345	(345)		4,000
Total, Fissile materials control and disposition	103,796	(345)		103,451
Environment, safety & health				
Office of environment, safety and health (defense)	54,000	9,000		63,000
Program direction - EH	0	10,000		10,000
Total, Environment, safety and health	54,000	19,000		73,000
Office of hearings and appeals				
Office	2,685	(785)		1,900
Nuclear Energy				
Nuclear technology research and development	25,000	(13,000)		12,000
International nuclear safety	50,000	(25,000)		25,000
Nuclear security	4,000	(4,000)		0

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998	COMMITTEE	FY 1998
	AUTHORIZATION REQUEST	CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
Chornobyl shutdown initiative	2,000	(2,000)	0
Plutonium reactor core conversion	0	10,000	10,000
Total, Nuclear Energy	81,000	(34,000)	47,000
Naval reactors			
Naval reactors development	605,920	43,000	648,920
Operation and maintenance...			
Construction:			
98-D-200 Site laboratory/facility upgrade, various locations	0	1,200	1,200
97-D-201 Advanced test reactor secondary coolant system refurbishment, INEL, ID	0	4,100	4,100
95-D-200 Laboratory systems and hot cell upgrades, various locations	0	1,100	1,100
90-N-102 Expedited core facility dry cell project, Naval Reactors Facility, ID	0	3,100	3,100
Total, Construction	0	9,500	9,500
Total, Naval reactors development	605,920	52,500	658,420
Program direction	20,080	0	20,080

TITLE XXXI - DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

(Dollars in Thousands)

PROGRAM TITLE	FY 1998		FY 1998
	AUTHORIZATION REQUEST	COMMITTEE CHANGE FROM REQUEST	COMMITTEE RECOMMENDATION
Total, Naval reactors	626,000	52,500	678,500
Subtotal, Other defense	1,605,981	(93,430)	1,512,551
Total, Adjustments	0	0	0
TOTAL, OTHER DEFENSE ACTIVITIES	1,605,981	(93,430)	1,512,551
DEFENSE NUCLEAR WASTE DISPOSAL			
Defense nuclear waste disposal	190,000	0	190,000
DEFENSE ASSETS ACQUISITION	2,166,859	(2,166,859)	0
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,591,594	(1,639,723)	10,951,871
EM PRIVATIZATION			
Def. EM privatization init.(Fixed asset acquisition)	1,006,000	(1,006,000)	0
TOTAL, DOE DEFENSE ACTIVITIES	13,597,594	(2,645,723)	10,951,871

ITEMS OF SPECIAL INTEREST

Accelerated Strategic Computing Initiative and Control of
Supercomputer Technology

The budget request contained \$204.8 million for the Accelerated Strategic Computing Initiative (ASCI) and \$151.5 million for stockpile computations and modeling. The committee recommends funding these two programs within the stockpile stewardship program at the requested level. While the committee believes that the continued viability of these two programs is critical to the Department of Energy's ability to certify the reliability of our nation's nuclear stockpile, it is disturbed by reports that U.S. manufactured supercomputers have been transferred to the premier Russian nuclear weapons laboratories without the required government export licenses. In fact, a company that recently admitted transferring supercomputers without an export license to a Russian nuclear weapons laboratory is a DOE contractor on the accelerated strategic computing initiative.

Supercomputers can be used to enhance and maintain a nuclear device by processing complex computer simulations to determine the effect of modifications of the device. The U.S. government requires exporters to apply for licenses to export supercomputers to such Russian nuclear facilities so the government can review the prospective transfer and determine the appropriateness of the computer in question for its stated end-use, the history of the facility in question, and the risk the computer would be diverted to prohibited end-uses. It is the stated policy of the U.S. government to deny such exports for use in proliferation-related activities such as research on, or development, design, manufacture, construction, testing, or maintenance of any nuclear explosive device or components and subsystems of such a device. The use of U.S. supplied supercomputers in such proliferation-related activities could have detrimental effects on U.S. national security. The committee expects the Department of Energy to take a more assertive role in the export control of sensitive technologies that have nuclear proliferation implications. The Department of Energy should take the lead in the preventing hazardous transfers of nuclear technologies to countries and end-users of proliferation concern. Therefore, the committee directs the Secretary of Energy to implement the necessary policy and programmatic changes to ensure that the Department is able to effectively track and assess the flow of specific technologies with nuclear applications to countries of proliferation concern. The committee recommends elsewhere in this title additional reporting requirements for the Department and the ASCI contractors to ensure the protection of this program.

Chemistry and Metallurgy Research Facility at the Los Alamos
National Laboratory

The budget request contained \$15.7 million for the incremental component of the construction upgrades at the Chemistry and Metallurgy Research Facility at Los Alamos National Laboratory. The total project cost has been estimated at \$174.0 million. The committee has been advised by the Department that construction has

been suspended as the result of a preliminary review indicating that work was being performed outside the authorized scope and that an investigation has been initiated. The committee is further concerned with reports of high cost and apparent overruns during the first phase of this project. Because of the uncertainty and the likely need for substantial revisions in the estimates of the total project cost, the committee does not recommend funding of the incremental request. The committee adopts this position, without prejudice, and upon receipt of additional information and the results of the investigation will reevaluate the budget request for incremental funding for this project in this fiscal year.

Defense Asset Acquisition

The budget request contained \$2.2 billion for defense asset acquisition. The committee rejects the recommendation of Department to establish a new defense asset acquisition account. This proposal would have consolidated construction projects for all DOE national security programs into one account. The committee believes that this proposal would unnecessarily complicate its ability to ascertain appropriate funding levels from year to year in what are clearly distinctly different programs. The committee also rejects the Department's proposal to fully fund construction projects in the year they are first requested. Not only does the Department's proposal request full funding for projects which are being requested for the first time in this fiscal year but also for projects which have been authorized in prior years. The Department's proposal would require an additional fiscal year 1998 authorization of \$1.5 billion above the funds requested in fiscal year 1997 for this purpose. The committee recommends authorization of the fiscal year 1998 incremental funding component for each of the authorized construction projects in weapons activities, environmental management, and other defense activities accounts.

Defense Environmental Restoration and Waste Management

The budget request contained \$5.0 billion for the activities of the Office of Environmental Restoration and Waste Management. The committee recommends an authorization of \$5.3 billion.

The committee also recommends transferring \$743.6 million from the subaccount entitled "environmental restoration" to the closure fund for the purpose of accelerating the closure of the Rocky Flats Environmental Site and the Fernald Environmental Management Project. This action would allow the consolidation of management and funding activities for these sites into one account at the level requested in the budget. The committee recommends transferring \$45.2 million from the operations and maintenance account within the stockpile management program to the closure fund. This transfer of \$45.2 million represents the costs associated with the provision of security at the Rocky Flats Site and the Fernald site. The committee believes that this consolidation of all activities and the costs associated with those activities will provide greater control and accountability. The committee is further designating these sites as "closure sites" pursuant to the provisions of section 3143 of the National Defense Authorization Act for Fiscal Year 1997

(Public Law 104–201). The committee believes that the Department should consider, as part of its fiscal year 1999 budget request, the continued consolidation of all national security funding for these two sites into the closure fund. The committee is disappointed that the Department chose to include only \$15.0 million in the closure fund in fiscal year 1998.

The committee further recommends an increase of \$102.0 million for the closure account. Of this amount, the committee recommends allocating \$69.9 million to the Rocky Flats site and \$32.1 million to the Fernald site. The committee strongly supports the efforts of the adjacent communities to close these two sites within the next ten years. The committee intends to assure through appropriate funding levels that this goal is achieved. The committee is persuaded that the overall savings to the Department by accelerating the clean up at these sites will be measured in the billions of dollars.

The committee also recommends that of the funds authorized within the subaccount entitled “waste management”, an additional \$40.0 million be allocated to the Savannah River site to allow the consolidated incineration facility to operate at full capacity, as originally intended, to assure that the Defense Waste Processing Facility operates at its designed capacity, and that the site has sufficient funds to accelerate the disposal of transuranic waste. At the funding level requested, only periodic burning and treatment of benzene produced in support of the high level waste vitrification effort is possible. These additional funds will allow the full time incineration of other low and mixed radioactive wastes, meet the site treatment plan commitment, and mitigate the use of the E-Area low level waste vault. Finally, the committee urges the Department to assess the cost savings that may be available if it is able to successfully develop a spent fuel or high level waste storage cask system using high density concrete. Of the funds authorized in section 3102 of this title, no more than \$3.0 million may be made available for this demonstration project.

The committee recommends reducing the budget request for the subaccount entitled “program direction” by \$100.0 million. The committee recommends reducing support service contractors, training and other related expenses by \$60.0 million and federal employment expenses, including salaries and travel, by 15 percent or \$40.0 million. Despite reductions to this account in each of the last two fiscal years, the Department has failed to significantly reduce federal employment levels as directed by this committee, particularly at DOE headquarters. Instead, the Office of Environmental Restoration and Waste Management has chosen to transfer federal employees and their headquarters function to the field and to detail individuals to the Environmental Protection Agency. This action occurred despite protestations from site managers who were not requesting additional employees.

With respect to the detailing of employees to the Environmental Protection Agency, the committee is concerned that scarce DOE funds are being spent on activities which are unrelated or only tangentially related to the Department’s core remediation effort. The committee notes that the Office of Environmental Restoration and Waste Management currently has staffing levels that are almost 20

percent above the levels recommended by the Department as part of its own Strategic Alignment Initiative.

Finally, the committee recommends reducing the budget request for the subaccount entitled "technology development" by \$75.0 million. The committee does not support the Department's proposal to create a new technology deployment initiative office. Based on the supporting documentation provided to the committee, it appears that this program is really not a program to deploy innovative technology, but rather an effort to accelerate remediation efforts by using existing commercially available technology. This appears to be the case at several sites, particularly at Fernald. The committee notes that the Department has chosen to reduce the level of funding for this account below last year's request. The Department apparently agrees with the committee that this office has been unable to execute a program which was intended to develop and deploy new remediation technology in a timely manner.

The committee remains concerned that the fundamental problems that have resulted in expenditures of over \$2.0 billion for technology development over the last several years, with very little actual field deployment, have yet to be corrected. With the transition to fixed priced contracts over the next several years, the role of technology development will necessarily shift to the private sector. With the proper profit incentives included in these contracts, the private sector will, on its own, develop the technologies needed to fulfill the terms of the contracts. The Department should consider these facts in preparing its fiscal year 1999 budget request.

Enhanced Surveillance Program at the Production Plants

The budget request contained \$60.0 million to implement the Enhanced Surveillance Program (ESP) within the weapons stockpile management account. The committee recommends \$75.0 million, an increase of \$15.0 million. The ESP, involving the four production plants and the three laboratories, is designed to develop new technologies for detecting degradation in aging weapons components in order to ensure, reliability, safety, effectiveness, and performance of existing weapons beyond their planned service life. While the committee recognizes that this is a complex-wide initiative, it expects that the additional resources provided by this increase will be directed to the production plants, particularly those engaged in pit disassembly activities and monitoring of limited life components. For example, if the Pantex Plant does not receive additional funds for enhanced surveillance activities, it will not be prepared, from an engineering and process development standpoint, to perform its stockpile life extension mission.

Inertial Confinement Fusion

The budget request contained \$217.0 million for inertial confinement fusion (ICF) operating program. The committee recommends \$217.0 million, the amount requested. Within the total committee recommendation, \$26.1 million shall be made available for the University of Rochester's Laboratory for Laser Energetics, an increase of \$2.5 million.

The committee notes that many non-governmental organizations have questioned the need and the cost of the Department of Energy's National Ignition Facility (NIF). The committee also notes that currently the Department is in litigation over its Programmatic Environmental Impact Statement on Stockpile Stewardship and Management. The committee urges the Secretary to ensure that the defense program office manages the NIF construction project in a manner that does not make irreversible commitments of resources to construction until the outstanding environmental process issues are addressed in the district court.

Peer review is a fundamental element of analyzing, developing and understanding the answers to the complex scientific, engineering and technical issues that go into determining whether or not to continue the substantial investments required in any facility such as the NIF. The committee directs the Secretary to request the National Academy of Sciences to continue to review, operating in full compliance with applicable law, the scientific and programmatic issues surrounding the NIF.

Infrastructure and Manufacturing Improvements at Weapons Production Sites

The budget request contained \$588.0 million for infrastructure programs within the core stockpile management program. The committee recommends \$623.0 million, an increase of \$35.0 million. This increase would assist the production sites in successfully completing the transition from older, excess-capacity facilities to smaller, more efficient units. The committee is concerned that the Department has failed to address basic infrastructure problems, such as roof repairs, steam and condensate piping upgrades, power deficiencies, obsolete smoke detectors, and fire alarm control panels at the Pantex plant. Pantex is the central facility where the mechanics of the stockpile life extension program (SLEP) will be performed for every weapon in the enduring stockpile. A degraded Pantex places the success of the SLEP into question.

The committee also believes that substantial long-term cost savings will accrue to the Department if it is able to accelerate the downsizing initiative currently underway at the Kansas City plant. With this acceleration, the Department will need to purchase and install new manufacturing equipment to enhance the expected efficiencies that should occur. The committee expects that the remainder of the increase, would be applied to address the manufacturing problems at these two sites through implementation of the Advanced Design and Production Technologies (AdaPT) program and the Process Development Program (PDP).

Initiatives for Proliferation Prevention

The budget request contained \$234.6 million for activities related to the prevention of weapons proliferation within the office on non-proliferation and national security. The committee recommends \$205.0 million, a reduction of \$29.6 million from the request. The committee recommends that this reduction be applied against the Initiatives for Proliferation Prevention program. The committee remains unconvinced of the merits of this program and other pro-

grams whose goal is to promote long term stability within the states of the Former Soviet Union. The committee is further concerned by reports that nearly half the aid intended for Russian scientists is being siphoned off by duties, regional taxes, overhead charges and suspected payoffs.

Laboratory Review of Missile Defenses

In House Report 104-563 accompanying the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), the committee required the directors of each of the nuclear weapons laboratories to submit a report that assessed ballistic missile defense expertise and problem solving capabilities within their respective organizations. The laboratories have a long-standing role in nonproliferation, counter-proliferation, and conventional defense activities, and a history of significant contributions to missile defense programs. The committee required this most recent assessment of the laboratories' capabilities to determine if greater laboratory involvement could strengthen the U.S. Ballistic Missile Defense (BMD) program. Options for greater involvement by the nuclear weapons laboratories ranged from the use of supercomputing and modeling capabilities, which can provide simulation tools to support risk reduction in BMD system development and deployment, to the use of the laboratories' Strategic Target System for Theater Missile Defense and National Missile Defense test and evaluation.

As a result of this study, the committee recommends, elsewhere in this title, the establishment of a new program office that will integrate the existing BMD weapons laboratory expertise with the Department of Defense Ballistic Missile Defense Organization (BMDO). This new program office would be chaired on a rotating basis by the laboratory directors. Office staff would be assigned specific-problem solving tasks in response to requests for assistance by the BMDO. Of the funds available for core stockpile stewardship in fiscal year 1998, the committee recommends that \$50.0 million be made available to implement this program. The committee believes that the laboratories have resources and expertise that can be of great use to the Department of Defense not only in the areas noted above, but also in areas such as metallurgy, acoustics and component analysis. The committee believes that if the laboratories are successful in solving the problems related to the BMD program in a cost effective way, then it is likely that this program will be expanded in future years to such areas as submarine development and component analysis.

Management and Organization of DOE's Nuclear Weapons Program

Section 3140 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) directed the Department to conduct a study of the current management structure of the nuclear weapons program, including an analysis of the functions performed at headquarters, the operations offices, and the applicable area and site offices. The study made a number of recommendations designed to improve the management operations within the weapons

programs. These recommendations were made as a result of conclusive evidence assembled by the authors of the report that significant management problems existed between headquarters and the field offices and that there were too many employees at both locations. The report concluded that these excess employees create work not only for themselves but for others as well, undermining attempts to establish disciplined staffing processes. The report recommended that DOE “streamline and reduce headquarters and field staffing—federal employees and contractors by a least 20–30 percent.”

The committee is concerned over the possible confusion and inefficiencies that may result from the existing organizational arrangement. While the committee received a letter from the Department on June 4, 1997 explaining the actions taken to date, these actions were long overdue in light of the serious nature of the report’s findings. It remains to be seen whether the actions proposed will in fact address the fundamental problems outlined in the report. Therefore, the committee directs the Secretary of Energy to provide a follow-up report to the congressional defense committees by October 15, 1997, on the status of the corrective action being taken. Upon receipt of this follow-up report, the committee intends to schedule a series of hearings to examine the state of the nuclear weapons complex, its future missions, and its organizational structure.

Materials Protection, Control, and Accounting Program

The committee recognizes that the development and implementation of the Materials, Protection, Control, and Accounting Program for fissile materials in Russia addresses important national security interests of the United States. Because fissile materials will remain in Russia for 20 to 40 years before disposition can be safely implemented and completed, the security of these fissile materials during all aspects of storage and disposition is of considerable importance to U.S. national security. Out of the unexpended balances in the Nonproliferation and National Security account, the Department is urged to allocate up to \$3.0 million for the implementation of a nuclear materials safety management program modeled after the best lessons-learned from the joint U.S.-Russian disposition activities. The committee recognizes the Amarillo National Resource Center for Plutonium for its leading work within the Department on joint U.S.-Russian efforts in the area of nuclear materials safety management. Finally, the committee recommends that the Department develop a comprehensive nuclear materials safety management program budget for fiscal year 1999.

Naval Reactors

The budget request contained \$632.5 million for naval reactors. The committee recommends \$678.5 million, an increase of \$43.0 million, to allow the orderly completion of the prototype inactivation work. This increase would prevent delays in the A1W-A defueling; expedite related data retrieval from the plant’s core; prevent delays in the inactivation of the Windsor site and the D1G and S3G reactor plants at the Kesselring site; and allow planned

remediation efforts to continue on schedule at the naval reactor facility in Idaho.

Nuclear Energy

The budget request contained \$81.0 million for nuclear energy activities, including \$25.0 million for nuclear technology research and development and \$50.0 million for the international nuclear safety program. The committee recommends \$47.0 million, a decrease of \$34.0 million. The former activity, which involves electrometallurgical research, was funded in fiscal year 1997 by DOE's civilian technology office and not through an authorization within this committee's jurisdiction. The committee continues to believe this research should not be funded within DOE's national security authorization and, therefore, recommends \$12.0 million be authorized for this purpose. The committee does not intend to fund this program in future years. The international nuclear safety program has in the past been carried out by the Agency for International Development using foreign assistance funds. The committee believes these activities should be funded in the foreign assistance budget. Accordingly, the committee recommends \$25.0 million be authorized for this purpose. Again, the committee does not intend to fund this program in future years within DOE's national security authorization. Within line items entitled Nuclear Security and the Chernobyl Shutdown Initiative, the committee recognizes the United States commitment to its G-7 obligations. However, the committee believes these programs are essentially civilian programs and should be funded from the foreign assistance accounts. The committee recommends \$10.0 million for plutonium core conversion, which was funded last year through the Department of Defense.

Operation of F and H Canyons

The budget request contained \$492.3 million for operations and maintenance within the nuclear material and facility stabilization account at the Savannah River Site. The committee recommends \$533.3 million, an increase of \$41.0 million over the amount requested, to allow for the operation of both the F-canyon and the H-canyon facilities at the site and to maintain the unique capability for the stabilization of aluminum clad spent nuclear fuel. The committee believes that the long-term storage and direct disposal of spent nuclear fuel, currently in wet storage or being shipped to the site, presents significant risks and costs that can be more appropriately addressed by using the reprocessing capability of the canyons.

Privatization

The budget request contained \$1.0 billion for the defense environmental management privatization initiative. The committee does not recommend funding for this initiative. The committee recognizes that this is an important initiative of the Department, and it accepts the premise that the remediation effort undertaken to date at many of the former nuclear weapons defense sites has been overly costly and, to a large degree, ineffective. The committee fur-

ther understands and supports the desire to reduce costs and to improve efficiencies through the use of performance-based fixed price contracts. However, the committee is not persuaded that the privatization proposal has been properly developed at this point and to the extent required, considering the amount of money being requested, the technical complexity of many of the projects, the large margin of error in the cost estimates, the Department's poor track record of successful project completion, and the lack of suitable staff and procedures to oversee the contracting process and the contractors' activities.

The committee believes it should defer further consideration of this initiative until the Department's fiscal year 1999 budget request. While the committee provided funding for a limited privatization initiative in fiscal year 1997, it did so based on the assumption that the Department would be able to support its continuation based upon a rigorous analysis of projected cost savings that would accrue to the government. The committee directed the Department to provide that report to the committee no later than December 31, 1996. The Department has not submitted the required report nor has it provided the level of documentation to support a request of this magnitude. The committee is not persuaded by estimates of cost savings where the comparisons are between traditional non-competitive management and operating contracts and "privatized" contracts.

The committee believes that several additional comments are warranted. It is important to note that DOE's privatization initiative is not a divestiture, which generally involves the sale of government-owned assets or functions. For all practical purposes, DOE's activities are already privatized, in that the private sector contractors already conduct DOE's programs at its major sites.

What sets the proposed privatization initiative apart from DOE's traditional approach is the attempt to shift the responsibility for financing, and much of the risk, to the contractor. Thus, under the Department's proposal, private-sector contractors would be responsible for the funding, construction and operation of the "privatized" facility. At the time the facility is completed, DOE would begin paying the contractor for the services provided. In fact, as presently contemplated by DOE, virtually no expenditures of the government's funds would occur until fiscal year 2003, when outlays of between \$1.0 and \$2.0 billion would begin. From the limited cost estimates available, the projects that are being requested in fiscal year 1998 are expected to result in construction costs exceeding \$2.8 billion and operating costs exceeding \$5.8 billion.

At least one of the projects chosen for privatization, the tank waste remediation project, is perhaps the most technically complex, risky, and expensive environmental remediation project in the DOE program. DOE has spent about \$2.5 billion on this project alone since 1989 and its life-cycle cost is estimated to be \$36.0 billion. DOE has estimated that the "privatized" approach for a portion of the \$36.0 billion project would result in a cost of \$9.6 billion. Using DOE's traditional noncompetitive management and operations approach, the same project is estimated to cost \$13.6 billion. However, a recent General Accounting Office (GAO) study determined that both estimates were based on a range of values with a margin

of error of plus or minus 40 percent. That is, the cost of the privatized approach could range from \$5.8 billion to \$13.4 billion and the noncompetitive approach, from \$8.0 billion to \$18.6 billion. Because of the large margin of error in these cost estimates, GAO concluded that the "privatization approach could be more costly."

At least eight of the other projects being proposed for privatization suffer from even less analysis and more uncertainty regarding cost savings. In many of these cases, DOE obtained an estimate from its existing management and operating contractor and apparently arbitrarily reduced it by anywhere from 10 percent to 35 percent. In several cases, it is clear that the funding is not required this fiscal year because the contracts could not be executed. In fact, in the case of the tank waste remediation project discussed above, it is clear that DOE may not even obligate in fiscal year 1998 the funds that were authorized and appropriated for this project in fiscal year 1997. The rationale and justification for a request of an additional \$427.0 million in fiscal year 1998 for this project alone is lacking. In other cases, it is apparent that projects were chosen which were not of the highest priority nor were required by compliance agreements. It appears that these projects were simply chosen because they would not result in outlays during the next five years. It is clear to the committee that deferral of this program for one budget cycle will not result in any irreparable harm or in any way affect the safety of the nuclear weapons complex. The committee strongly suggests that the Department consider obtaining outside independent assessments as to the life-cycle costs for these projects before continuing to recommend their privatization. Finally, DOE has cited several examples of successful privatization projects. Two of these involve the "privatizing" of a laundry facility for contaminated worker clothing. Another involves the remediation effort at Pit 9 near Idaho Falls which is now the subject of a contract dispute and which could result in a doubling of the original contract price of \$179.0 million for this one-acre site out of 88 acres that need to be cleaned up. The committee believes there is substantially more complexity in managing the tank waste remediation project than in building a laundry.

The committee's concern is amplified by the knowledge that of the 80 projects initiated in the last 16 years, only 15 have been completed, most of which were behind schedule and over budget. After billions of dollars had been invested, 31 of these projects were terminated before completion.

In rejecting the blanket approval of the privatization initiative, the committee is not suggesting that it is abandoning the effort to develop a successful and cost effective remediation program across the DOE complex, particularly at the Hanford tank waste site. In the case of the Hanford site, the committee recognizes that a substantial investment by the Department is required for many years, regardless of the method chosen to finance the effort or the scope of the effort. Accordingly, the committee recommends elsewhere in this title a funding level sufficient to allow this remediation effort to continue on schedule. The committee believes that the \$170.0 million authorized for fiscal year 1997 and which remains unobligated, added to the \$54.0 million which is being paid out this year to the prospective bidders from fiscal year 1996 funds for the cost

of bid preparation, coupled with the \$70.0 million authorized elsewhere in this title, should be more than sufficient to allow the remediation effort to continue, whether the project uses private capital or annual appropriations. In doing so, the committee recommends that the Department provide substantial and detailed documentation to the congressional defense committees 30 days prior to the execution of a contract. The committee will require that a compelling case be made before it will accept a proposal of the scope currently being proposed. The committee believes that the Department should assess the cost and the need to construct two low-level waste treatment facilities that will for all practical purposes be performing identical functions. The committee recommends that the Department evaluate very carefully the long term advantages and the disadvantages of privatization to the United States, the State of Washington, the stakeholders and the contractor or contractors before it renews its proposal to seek private sector financing for an activity this complex and this expensive.

As noted above, the committee remains concerned that many of the Department's projects have been mismanaged, leading to cost overruns, delays, and in some cases, project failures. The committee believes that the Department's excessive red tape, bureaucracy, and an unclear chain of command make it difficult if not impossible to manage a large complex project like the one at Hanford. Regardless of the ultimate method chosen for financing this project, the committee believes that the Department should immediately seek to correct these basic management deficiencies.

Program Direction for Defense Programs

The budget request contained \$303.5 million for the program direction function within the office of Defense Programs. The committee recommends \$208.5 million, a reduction of \$95.0 million. Program direction provides funds for all federal personnel-related expenses, capital equipment, travel, outside contractual services, and the community assistance program at Los Alamos. The committee further recommends that this reduction be obtained by reducing support services, training and other related expenses by \$70.0 million. The committee recommends that the remaining reductions be obtained by reducing federal employment, including salaries and travel costs, by 15 percent or \$25.0 million.

Recurring General Provision Relating to Availability of Funds

The committee does not recommend the inclusion of a provision which would provide that amounts authorized to the Department of Energy for operating expenses or for plant and capital equipment remain available until expended. This change is consistent with the approach adopted by the committee with respect to Department of Defense authorization and appropriations accounts. This change would allow greater financial accountability and would allow a better analysis of uncosted balances carried over in future fiscal years.

Stockpile Life Extension Program at Y-12 Plant

The budget request contained \$1.8 billion for core stockpile management. Within this program, the committee recommends an additional \$35.0 million for the stockpile life extension program. Recent risk reduction analysis has indicated a need for additional funding in fiscal year 1998 to support near-term W87 workload activities at DOE's Y-12 plant and to provide additional resources at that plant for future stockpile extension activities.

Technology Transfer

The budget request contained \$60.0 million for technology transfer. The committee recommends \$52.5 million, a reduction of \$7.5 million from the amount requested. Funding is not provided for projects under the program entitled "Partnership for a New Generation of Vehicles." The committee believes that, if this program is meritorious, funding in future years should be requested within other non-defense programs of the Department of Energy. Of the remaining amount made available for technology transfer, the committee recommends \$10.0 million for the American Textiles Partnership project, an increase of \$4.5 million above the amount requested for this activity.

Transfer of Funds Associated with Security at Rocky Flats Site and the Fernald Site

The committee, as noted above, in the discussion on the Defense Environmental Management Program recommends transferring \$45.2 million from the operations and maintenance account within the stockpile management program to the closure fund. The transfer of \$45.2 million represents the costs associated with the provision of security at the Rocky Flats site and the Fernald site. The committee understands that the Department has no objection to this transfer from the stockpile management account. The committee believes that this consolidation of all activities and the costs associated with those activities will provide greater control and accountability. The committee also believes that this transfer more accurately reflects the programmatic responsibility for those costs and the provision of those activities. The committee believes those costs should be borne by the environmental restoration and waste management program. The committee urges the Department to assess other areas and costs which are not clearly related to the weapons activities accounts and to consider a realignment in the fiscal 1999 budget request.

Tritium Production

The committee continues to support the Department of Energy's dual-track strategy for determining the most reliable and cost-effective method for the production of tritium for national security, however, it did not receive the Administration's proposal for legislative changes to certain underlying statutory provisions affecting tritium production until after the conclusion of the hearing process on the Department's annual authorization. These proposed changes are significant and, in some cases, seek to address issues such as the

sale of power generated from commercial tritium production facilities which may involve matters within the jurisdiction of another committee. The committee will seek to address these technical, policy and jurisdictional issues during the remainder of this Congress.

Worker and Community Transition

The budget request contained \$70.5 million for Worker and Community Transition. The committee recommends \$22.0 million. The committee further recommends that this program be terminated at the end of fiscal year 1999.

The worker and community transition program was created pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484). This Act established requirements and objectives to guide the Department in its efforts to restructure the private contractor workforce following the end of the cold war. The build-up in contractor employment within the Department, especially across the defense nuclear weapons complex, accelerated during the late 1980s and reached its peak at the end of fiscal year 1992, when the Department employed over 148,000 contractor employees. With the end of the cold war, the Department recognized that the weapons production mission would need to be reduced and that its primary mission would shift toward environmental management. Section 3161 was designed to minimize the impacts on workers and communities during this transition.

Since the enactment of section 3161, the Department has spent over \$609.0 million to provide benefits to contractor employees separated in workforce restructuring and downsizing efforts. In addition, approximately \$150.0 million has been provided to communities affected by the downsizing. Payments to displaced workers took the form of enhanced severance payments, relocation allowances, educational benefits, and enhanced retirement benefits.

The committee recommends that the provisions contained in section 3161 be phased out by the end of fiscal year 1999. This recommendation is based on a number of factors. First, most of the separations have now occurred. At the end of fiscal year 1998, the DOE contractor employment levels will be at 100,000. Second, with DOE's movement to fixed price contracts, administration and determination of employment levels will be within the purview of the contractor, not the government. Third, much of the upcoming work will be dictated by environmental compliance agreements and not by nuclear weapons production demands. Separations that occur to a large extent in the future will have nothing to do with the end of the cold war. However, if the weapons complex requires a similar or significant downsizing at some point in the future, Congress can, at that time, develop remedies appropriate to those situations. Fourth, the program has come under significant scrutiny by the DOE Inspector General and the U.S. General Accounting Office (GAO) for questionable payments and ineffective administration. For example, the Inspector General reported that during the first restructuring at the Fernald weapons plant, of the 255 separations effective in fiscal year 1994, all but 14 of the positions had been refilled within one year by either previous employees or ones with similar skills—a 95 percent rehire rate. Moreover, the 255 sepa-

rated employees were provided severance payments based on their length of service, medical benefits, outplacement support, and retirement benefits at a cost of \$2.9 million. Similarly, a subsequent restructuring plan for fiscal years 1995 and 1996 was uncovered by the Inspector General at that same site. Had it not been stopped, it would have cost an additional \$12.9 million for workforce restructuring that would have provided little or no benefit to the Department. Audits of worker and community transition programs at DOE sites at Mound, Pinellas, Oak Ridge, and Rocky Flats, and Las Vegas likewise revealed questionable or unnecessary expenditures.

In addition, a recent GAO report found that the benefits paid to these private sector workers varied widely from site to site and virtually always exceeded payments available to federal workers. The committee notes that similar programs are not available to private contractor employees who lose their jobs when defense facilities like shipyards or aircraft manufacturers downsize. While the committee is sympathetic to any contract worker who is displaced, it believes that this program has largely met its original goal of minimizing the effects of post-cold war downsizing on workers and local communities through expenditures exceeding \$750.0 million.

LEGISLATIVE PROVISIONS

SUBTITLE A—NATIONAL SECURITY PROGRAM AUTHORIZATION

Section 3101—Weapons Activities

This section would authorize DOE weapons activity funding for fiscal year 1998.

Section 3102—Environmental Restoration and Waste Management

This section would authorize funds for DOE defense environmental restoration and waste management activities for fiscal year 1998.

Section 3103—Other Defense Activities

This section would authorize funds for DOE other defense activities for fiscal year 1998.

Section 3104—Defense Nuclear Waste Disposal

This section would authorize funds for defense nuclear waste disposal activities of the Department for fiscal year 1998.

SUBTITLE B—RECURRING GENERAL PROVISIONS

Section 3121—Reprogramming

This section would prohibit the reprogramming of funds in excess of 102 percent of the amount authorized for the program, or in excess of \$1.0 million above the amount authorized for the program until the Secretary of Energy has notified the congressional defense committees and a period of 30 calendar days has elapsed after the date on which the notification is received.

Section 3122—Limits on General Plant Projects

This section would limit the initiation of “general plant projects” authorized by the bill if the current estimated cost for any project exceeds \$2.0 million. However, if the Secretary of Energy finds that the estimated cost of any project will exceed \$2.0 million, the congressional defense committees must be notified of the reasons for the cost variation. The committee notes that the Department was required pursuant to the provisions of section 3122 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to submit a report to support increasing the threshold for general plant projects. The committee has not received that report and has accordingly not been able to consider the Department’s views.

Section 3123—Limits on Construction Projects

This section would permit any construction project to be initiated and continued only if the estimated cost for the project does not exceed 125 percent of the higher of: (1) the amount authorized for the project, or (2) the most recent total estimated cost presented to the Congress as justification for such project. To exceed such limits, the Secretary of Energy must report in detail to the congressional defense committees and the report must be before the committees for 30 legislative days. This section would also specify that the 125 percent limitation would not apply to projects estimated to cost under \$5.0 million.

Section 3124—Fund Transfer Authority

This section would permit funds authorized by the bill to be transferred to other agencies of the government for performance of work for which the funds were authorized and appropriated. The provision would permit the merger of such funds with the authorizations of the agency to which they are transferred. This section would also limit to no more than five percent the amount of funds that may be transferred between accounts in the Department of Energy that were authorized pursuant to this act.

Section 3125—Authority for Conceptual and Construction Design

This section would limit the Secretary of Energy’s authority to request construction funding until the Secretary has certified a conceptual design has been completed, except in the case of emergencies.

Section 3126—Authority for Emergency Planning, Design and Construction Activities

This section would permit, in addition to any advance planning and construction design otherwise authorized by the bill, the Secretary of Energy to perform planning and design utilizing available funds for any Department of Energy national security program construction project whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, to meet the needs of national defense, or to protect property.

Section 3127—Funds Available for all National Security Programs of the Department of Energy

This section would authorize, subject to section 3121 of this bill, amounts for management and support activities and for general plant projects to be made available for use, when necessary, in connection with all national security programs of the Department of Energy.

Section 3128—Authority Relating to Transfer of Defense Environmental Management Funds

This section would provide the manager of each field office of the Department of Energy with the limited authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

SUBTITLE C—PROGRAM AUTHORIZATIONS, RESTRICTIONS, AND LIMITATIONS

Section 3131—Ballistic Missile Defense National Laboratory Program

This section would establish a program within the DOE weapons laboratories for the purpose of assisting the Department of Defense in the testing and development of a ballistic missile defense program.

SUBTITLE D—OTHER MATTERS

Section 3141—Plan for Stewardship, Management, and Certification of Warheads in the Nuclear Weapons Stockpile

This section would require the Secretary of Energy to report annually on the Department's plan for the Stockpile Stewardship and Management Program. This report would be submitted in both a classified and unclassified form and provided in lieu of a number of other reporting requirements which have become redundant. The report required by this section is a consolidation of previous reporting requirements.

Section 3142—Repeal of Obsolete Reporting Requirement

This section would repeal a number of obsolete reporting requirements.

Section 3143—Revisions to Defense Nuclear Facilities Workforce Restructuring Plan Requirements

This section would modify and repeal selected provisions of section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484). Section 3161 provided authority to the Secretary of Energy to make severance payments to private contractor employees whose positions were being eliminated as the result of the end of the cold war and the downsizing of the nuclear weapons complex. This provision also granted authority to the Secretary to make grants to communities which had been affected by

the downsizing. The modifications to section 3161 would eliminate the authority of the Department to make assistance grants effective upon enactment, and would eliminate the authority to make severance payments after September 30, 1999. The modifications to section 3161 would also make it clear that this section does not apply to federal employees.

Section 3144—Extension of Authority for Appointment of Certain Scientific, Engineering, and Technical Personnel

This section would extend the authority of the Secretary of Energy to appoint certain scientific, engineering, and technical personnel to positions within the Department without regard to the provisions governing the appointments in the competitive service, classification schedules, and pay rates contained in title 5, United States Code.

Section 3145—Report on Proposed Contract for Hanford Tank Waste Vitrification Project

This section would require prior notice to the congressional defense committees before entering into a contract for the Hanford tank waste vitrification project. The section would also require the submission of a detailed report describing the activities to be carried out under the contract, a description of the contractual and financial aspects of the contract, and an analysis of the cost to the United States of the proposed contract over the life of the project.

Section 3146—Limitation on Conduct of Subcritical Nuclear Weapons Tests

This section would require the submission of a detailed report on the manner in which funds available to the Secretary for fiscal years 1996 and 1997 to conduct subcritical tests were used. The committee has authorized over \$100.0 million for the conduct of these tests during this and the previous fiscal year. At the present time, despite substantial support by this committee for the conduct of such tests, no such tests have occurred. The Department has again requested substantial additional sums for fiscal year 1998 for the conduct of such tests and there are indications that the funds contained in the budget request may be insufficient to perform the planned activities. While the committee strongly supports these tests, it is concerned that over \$100.0 million has apparently been spent without a single test having been completed. The committee is aware that the costs for the actual tests may be a relatively small part of the overall costs of this program, however it is concerned that the Department has potentially utilized the amounts authorized for the subcritical tests on other activities. Therefore, the committee expects this report to detail by site and by detailed line activities, the expenditures attributable to this program and to submit this report prior to utilizing funds authorized for fiscal year 1998.

Section 3147—Limitation on Use of Certain Funds Until Future Use Plans are Submitted

This section would limit the ability of the Secretary of Energy to spend funds authorized for the office of Policy and Management within the Defense Environmental Management program until the draft future use plans and the final future use plans required under section 3153 (f) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) are submitted. The committee understands that the Department has yet to initiate a program that would allow for the timely compliance with this requirement. The committee remains concerned that many of the reporting requirements are not being completed on time and hopes this action will encourage the adherence to the statutory deadlines.

Section 3148—Plan for External Oversight of National Laboratories

This section would require the Secretary of Energy to develop a plan for the external oversight of the national laboratories. The plan would provide for the establishment of an external oversight committee comprised of representatives of industry and academia for the purpose of making recommendations to the Secretary of Energy and to the congressional defense committees on the productivity of the laboratories and on the excellence, relevance, and appropriateness of the research conducted at the laboratories. The plan also would provide for the establishment of a competitive peer review process for funding basic research at the laboratories.

Section 3149—University-Based Research Center

This section would require the Secretary of Energy to establish a university-based research center to coordinate the collaboration among national laboratories, universities and industry in support of scientific and engineering advancement in key Department of Energy defense program areas.

Section 3150—Stockpile Stewardship Program

This section would provide that, as a matter of U.S. policy, the stockpile stewardship program shall be conducted consistent with U.S. national security requirements and in conformity with the Non-Proliferation Treaty and the Comprehensive Test Ban Treaty when and if that treaty enters into force. The stockpile stewardship and management program has been undertaken to ensure the safety, security, effectiveness, and reliability of the U.S. nuclear weapons stockpile.

Section 3151—Reports on Advanced Supercomputer Sales to Certain Foreign Nations

This section would require companies that participate in the Accelerated Strategic Computing Initiative (ASCI) of the Department of Energy to report each sale of computers that operate at a speed of over 2,000,000 theoretical operations per second (MTOPS) to countries designated as Tier III countries. The ASCI contractor would be required to submit these reports to the Secretary of Defense and the Secretary of Energy on a quarterly basis. On an an-

nual basis, the Secretary of Energy would be required to report to Congress on all computer sales reported by ASCI companies under this provision during the previous year.

**TITLE XXXII—DEFENSE NUCLEAR FACILITIES
SAFETY BOARD AUTHORIZATION**

LEGISLATIVE PROVISIONS

Section 3201—Authorization

This section would authorize \$17.5 million for the operation of the Defense Nuclear Facilities Safety Board, as provided in the budget request.

**Section 3202—Plan for Transfer of Functions of Defense Nuclear
Facilities Safety Board to Nuclear Regulatory Commission**

This section would require the Defense Nuclear Facilities Safety Board (DNFSB) to develop a plan, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission (NRC), for the transfer the DNSFB's functions to the NRC.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS

Section 3301—Authorized Uses of Stockpile Funds

This section would authorize \$73.0 million from the National Defense Stockpile Transaction Fund for the operation and maintenance of the National Defense Stockpile for fiscal year 1998. This provision would also permit the use of additional funds for extraordinary or emergency conditions after a notification to Congress.

Section 3302—Disposal of Beryllium Copper Master Alloy From National Defense Stockpile

This section would authorize the Department of Defense to dispose of all beryllium copper master alloy from the National Defense Stockpile, contingent upon certification by the National Defense Stockpile Manager that any disposal of this material will not adversely affect the strategic and critical material needs of the United States.

Section 3303—Disposal of Titanium Sponge in National Defense Stockpile

This section would authorize the Department of Defense to dispose of 34,800 short tons of titanium sponge contained in the National Defense Stockpile. The committee is aware that titanium, needed for critical components of defense weapons systems, has become increasingly difficult to obtain. The committee believes that releasing titanium sponge would help reduce the cost of defense weapons systems. Estimates provided to the committee indicate that the authority for the disposal of titanium sponge provided by this section will take approximately eleven years to execute.

Section 3304—Conditions on Transfer of Stockpiled Platinum Reserves for Treasury Use

This section would establish conditions for the transfer of platinum contained in the National Defense Stockpile to the United States Treasury for minting of platinum coins.

Section 3305—Restrictions on Disposal of Certain Manganese Ferro

This section would repeal section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) which placed restrictions on the disposal of Manganese Ferro from the National Defense Stockpile. The committee believes these restrictions prohibit the Department of Defense from disposing of high grade Manganese Ferro. The provision would allow the disposal of

less than high grade Manganese Ferro for remelting only by a domestic ferroalloy producer unless the President determines that a domestic ferroalloy producer is not available to acquire the material.

Section 3306—Required Procedures for Disposal of Strategic and Critical Materials

This section would amend section 6(b) of the Strategic and Critical Materials Stock Piling Act (section 98e(b) of title 50, United States Code) to clarify the procedures used by the Department of Defense for the sale of materials from the National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

LEGISLATIVE PROVISIONS

Section 3401—Authorization of Appropriations

This section would authorize \$117.0 million for fiscal year 1998 for the Naval Petroleum Reserves.

Section 3402—Price Requirement on Sale of Certain Petroleum During Fiscal Year 1998

This section would require the Secretary of Energy to sell petroleum produced for the Naval Petroleum Reserves at established prices.

Section 3403—Termination of Assignment of Navy Officers to Office of Naval Petroleum and Oil Shale Reserves

This section would repeal section 2 of Public Law 96–137 which requires the Secretary of the Navy to assign naval officers to the office of Naval Petroleum and Oil Shale Reserves. This requirement was established at the time the Naval Petroleum Reserves were transferred from the Department of Defense to the Department of Energy (DOE). DOE is in the process of selling the major oil producing property in the reserves, NPR–1 Elk Hills, which is scheduled to be completed early in 1998. As there will be a substantial reduction in requirements for U.S. Navy participation in the reserves with this sale, the committee believes the continued assignment of naval officers to DOE is no longer needed.

TITLE XXXV—PANAMA CANAL COMMISSION

LEGISLATIVE PROVISIONS

SUBTITLE A—AUTHORIZATION OF EXPENDITURES FROM REVOLVING FUND

This subtitle would grant the Panama Canal Commission (the Commission) authority to make expenditures from the Panama Canal Commission Revolving Fund within existing statutory limits. The Commission operates as a wholly-owned government corporation and is supervised by a nine member supervisory board, commonly referred to as the Panama Canal Commission Board of Directors. The Commission does not draw from U.S. taxpayer funds for the operation of the Canal, but receives funding to cover its operating, administrative and capital improvement expenses from tolls and other revenue collected. The Commission's total operating costs including depreciation and interest payments in fiscal year 1998 are estimated to be \$673.8 million.

SUBTITLE B—FACILITATION OF PANAMA CANAL TRANSITION

Section 3511—Short Title; References

This section would establish the Act as the “Panama Canal Transition Facilitation Act of 1997.”

Section 3512—Definitions Relating to Canal Transition

This section would define terms used throughout the Act which are related to the transfer of the Canal under the Panama Canal Treaty of 1977 and related agreements.

Part I—Transition Matters Relating to Commission Officers and Employees

Section 3521—Authority for the Administrator of the Commission to Accept Appointment as Administrator of the New Panama Canal Authority

This section would provide Congressional consent for the Administrator of the Panama Canal Commission to serve simultaneously as the Administrator of the Panama Canal Authority (PCA), which is the body expected to be created this year under Panamanian law to operate the Canal after December 31, 1999. The PCA is expected to be active before the 1999 transfer in drafting, reviewing and adopting regulations that will be put in place at the time of transfer, as well as performing other important administrative functions. Allowing the Administrator of the Commission to also serve as Administrator of the PCA, prior to the actual transfer, is designed to

facilitate the smooth coordination and continuation of the Canal's administrative and operating systems by Panama after the transfer on December 31, 1999.

This section would also exempt the Administrator from selected ethics provisions which could interfere with his expected functions during the transition, given the special circumstances of the transfer of the Panama Canal on December 31, 1999. These exemptions would grant very limited authority for the Administrator to receive payment from the government of Panama for per diem and reimbursement of various expenses related to his Panama Canal Authority service. Absent congressional consent, either the appointment to the position or the receipt of compensation by the Administrator could be considered a violation of the Emoluments clause of the United States Constitution. New subsection (d) would exempt the Administrator from the registration and other requirements of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.). New subsection (e) would exempt the Administrator from coverage of certain criminal conflict-of-interest statutes. Generally, these rules are applicable to government employees who later represent or are otherwise involved with foreign entities. In this case, however, when the principal functions of a federal agency are being transferred to a foreign government, normal application of those rules would interfere with the expected functions of the Administrator as he continues his service with the PCA.

Section 3522—Post-Canal Transfer Personnel Authorities

This section would authorize exemptions to post-employment ethics rules for Commission employees who continue their Canal employment with the Panama Canal Authority (PCA) after December 31, 1999. Without these exemptions, these employees would be prohibited from direct contact with the United States Government on Canal-related matters, which would needlessly hinder any working relationships between federal agencies and the PCA.

This section would also provide Congressional consent for current Canal employees who are military retirees or members of reserve components of the armed forces to continue employment after December 31, 1999, with the Panama Canal Authority. Otherwise, each employee so situated would individually have to gain consent of the Secretary of State and the Secretary of the concerned military component. Blanket authority is appropriate to allow these employees to continue in their jobs if they have the opportunity to do so.

Section 3523—Enhanced Authority of Commission to Establish Compensation of Commission Officers and Employees

This section would revise the Commission's compensation authorities to no longer mandate a minimum two percent annual pay adjustment under certain circumstances. It would also, through a savings provision, guarantee that current levels of basic pay will be maintained.

Section 3524—Travel, Transportation and Subsistence Expenses for Commission Personnel No Longer Subject to Federal Travel Regulations

This section would exempt the Commission, beginning on January 1, 1999, from the requirements of the Federal Travel Regulations, so that it can develop streamlined travel regulations which are more business-like, will better facilitate the dissolution of the Commission and will be more suitable for adoption by Panama.

Section 3525—Enhanced Recruitment and Retention Authorities

This section would give the Commission authority for recruitment and retention incentives similar to those in place for other federal agencies. The Commission's current authorities are limited to narrow classes of employees, and cannot be used to attract and retain Panamanian citizens for most positions. The section would also allow education benefits to be offered as part of a recruitment or retention package, when determined to be necessary by the Commission.

Section 3526—Transition Separation Incentive Payments

This section would give the Commission authority for a limited and specialized transition separation incentive program, geared towards facilitating the critical succession planning necessary for an orderly transition. The program would differ from general government-wide separation incentive programs in several respects.

First, there would be no requirement to eliminate positions, as the purpose of the program is not related to downsizing. Second, the Commission would be allowed to make the offers during two three-month windows of time, for three months immediately after enactment of this bill and from October through December 1998. Third, the general authority would be for payments of \$25,000 or less, but the Commission would be authorized, for especially critical positions, to offer up to 50 percent of basic pay. The latter special authority may be used for no more than two incentive payments.

The requirements imposed on the Commission would be similar to those applicable to federal agencies generally: a strategic plan must be submitted to the Congress, an amount equal to fifteen percent of basic pay must be remitted to the Civil Service Retirement and Disability Fund for each payment made, and recipients of a separation incentive payment who are reemployed by the United States Government within five years must repay the amount in full to the United States Treasury.

Section 3527—Labor-Management Relations

This section would establish guidelines for the resolution of labor disputes, including pay and working conditions, between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this section and ending on the date the canal transfers to the Republic of Panama. This section also would provide a time limit of 45 days for the Federal Mediation and Con-

ciliation Service to conclude its efforts, measured from the date on which either party requests the assistance. This section would also provide a time limit of 90 days for a decision by the Federal Services Impasses Panel, measured from the date on which its services are requested. Both time limits may be altered by mutual agreement of the parties. If the Impasses Panel fails to issue a decision within 90 days, then the efforts of the Panel are terminated and the Chairman of the Panel would be directed to determine the matter by a drawing between the last offer of the Panama Canal Commission and the last offer of the exclusive representative. The offer chosen would become the binding resolution of the matter.

This provision is intended to provide reasonable bounds of time for the mediation and impasse resolution processes, given the amount of time left for the agency to develop and implement changes which are important for the transfer of the Canal to Panama.

Section 3528—Availability of Panama Canal Revolving Fund for Severance Pay for Certain Employees Separated by the Panama Canal Authority after Canal Transfer Date

This section would provide authority for the Commission to transfer funds (derived from Canal revenues) to the Panama Canal Authority at treaty end to cover service with the Commission (i.e., periods of employment before December 31, 1999) for employees who may be separated from Canal service after December 31, 1999. This authority will facilitate an agreement to have funds committed for this purpose and to address employee concerns that the Panama Canal Authority will have the funds in place to make severance payments for the employees' years of service with the United States Government.

Part II—Transition Matters Relating to Operation and Administration of Canal

Section 3541—Establishment of Procurement System and Board of Contract Appeals

This section would grant special authority for the Commission to issue its own "Canal" procurement regulation for the purpose of facilitating Panama's adoption and continuous use of that regulation beyond 1999. The Commission will be required to develop, in consultation with the Administrator of the Office of Federal Procurement Policy, an independent and comprehensive procurement system that preserves the fundamental operating principles and procedures of the Federal Acquisition Regulation, while adapting its details and form for use by Panama after December 31, 1999.

This section would further enable the Commission to waive the application of U.S. procurement statutes in its new regulation, except for certain listed statutes and those laws relating to civil rights, labor standards, or environmental protection. This authority would permit the new regulation to be "delinked" from U.S. laws and references to them that, were they to remain in the regulation, would hinder the ability of Panama to adopt the body of rules for its own use.

This section would also authorize the formation of a Panama Canal Board of Contract Appeals, which would be empowered to decide all contract appeals and bid protests. The Board would be established and would function, with narrow exceptions, in accordance with the Contracts Disputes Act. The Board would constitute a forum for the expert, expeditious and transparent resolution of contract disputes that can be adopted and preserved by Panama as part of the Canal's comprehensive procurement system. Currently, these functions are handled, respectively, by the U.S. Army Corps of Engineers Board of Contract Appeals and the General Accounting Office, neither of which will be available to the Republic of Panama after December 31, 1999.

Section 3542—Transactions with the Panama Canal Authority

This section would allow United States Government agencies to sell services to the Panama Canal Authority if they choose to do so. Currently, many federal agencies provide services to the Commission on a reimbursable basis. This provision would enable those agencies to continue providing those services (or establish new services) to the new Panama Canal Authority on a reimbursable basis if they choose to do so.

This section would also allow the Commission to provide in-kind services to the Panama Canal Authority during the remaining years of the Commission's existence. This authority would allow the Commission to provide fuller assistance to Panama in this critical period of intensive work on the regulations that will govern the Canal after December 31, 1999, as well as numerous other administrative responsibilities. As with all of its expenses, funding for this in-kind assistance would be derived from Canal revenues.

Section 3543—Time Limitations for Filing of Claims for Damages

This section would shorten the time periods applicable to the filing of vessel accident claims from two years to one year, as well as shorten the period for filing a civil action from one year to six months following the final administrative determination with respect to the claim. These shortened periods would facilitate the faster disposition of the final business of the agency, while not significantly affecting the due process afforded claimants.

Section 3544—Tolls for Small Vessels

This section would allow the Commission to charge a fixed minimum toll for yachts and other small craft, rather than basing tolls strictly on the tonnage of those vessels. Before the Commission could implement a fixed minimum toll for small vessels, it would be required to first comply with its usual rulemaking process for adjusting tolls.

Section 3545—Date of Actuarial Evaluation of FECA Liability

This section would advance the date in current law for a Department of Labor actuarial determination from December 31, 1999, to March 31, 1998 to allow for better advance financial planning by the Commission to liquidate the FECA liability or obligation.

Section 3546—Notaries public

This section would authorize the Commission to appoint notaries public, similar to the authority provided to U.S. embassies in section 4221 of title 22, United States Code, and to military attorneys in section 1044a and 1044b of title 10, United States Code.

Section 3547—Commercial Services

This section would authorize the Commission to conduct and promote commercial activities related to the management, operation or maintenance of the Panama Canal, consistent with the Panama Canal treaty of 1977 and related agreements.

Section 3548—Transfer from President to Commission of Certain Regulatory Functions Relating to Employment Classification Appeals

This section would remove the President from responsibilities relating to position classification appeals. This step is required to complete the change intended by section 3530 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), which removed the President from responsibilities for the administration of the Panama Canal Employment System, and reconfigured that system.

Section 3548—Enhanced Printing Authority

This section would provide the Commission with more flexibility in meeting its printing production needs by eliminating the authority of the Joint Committee on Printing and the Public Printer over the printing of annual reports, and paper and envelope contracts. This change would allow the PCC to operate its printing plant in a manner which best suits its needs, including the use of timely local procurements when appropriate.

Section 3549—Technical and Conforming Amendments

This section would carry out various technical and conforming amendments.

TITLE XXXVI—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS

Section 3601—Authorization of Appropriations for Fiscal Year 1998

This section would authorize \$109.0 million for fiscal year 1998, as requested in the President's budget, for the United States Maritime Administration. Of the funds authorized, \$70.0 million would be for operations and training programs, \$35.0 million would be for the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, of loan guarantees authorized by Title XI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271 et seq.), and \$4.0 million would be for administrative expenses related to these loan guarantee commitments.

Section 3602—Repeal of Obsolete Annual Report Requirement Concerning Relative Cost of Shipbuilding in the Various Coastal Districts of the United States

This section would repeal the obsolete requirement for an annual report on the relative cost of shipbuilding in the various coastal districts contained in section 213 of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271 et seq.). The report was intended to monitor geographical cost factors associated with constructing or reconditioning comparable vessels in U.S. shipyards for the purpose of determining whether regional cost differential payments under the construction differential subsidy program (CDS) were appropriate. The CDS program has not been funded since 1962, and there is no indication that the cost differential would ever be justified.

Section 3603—Provisions Relating to Maritime Security Fleet Program

This section would amend section 656 (h)(1)(A) of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271 et seq.) to clarify that it does not restrict the operation or entry of U.S. flag self-propelled tankers in the domestic trades. The amendments made to section 656 by the Maritime Security Act of 1996 (Public Law 104-239) were intended to prevent carriers that receive payments under the Act from using those payments to compete unfairly with other carriers which do not receive government payments in these domestic trades. They were not intended, however, to affect tanker services provided by existing vessels in the trade or to discourage the employment of U.S. flag liner vessels under the terms of the Act by the those owners who operate both tankers and liner vessels.

This section would also repeal the requirement that U.S. flag vessels wait for a period of three years, after they have been documented under the U.S. flag, before they are eligible to carry preference cargo. This change to current law would only apply to vessels which are included under an operating agreement entered into pursuant to the terms of the Maritime Security Act of 1996. The committee recommendation would ensure that vessel operators who choose to re-flag their vessels and enter into an operating agreement are not inhibited or disadvantaged in the operation of their vessels.

Section 3604—Authority to Utilize Replacement Vessels and Capacity

This section would amend section 653 (d) of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271 et seq.) to authorize a U.S. flag operator to utilize a foreign flag replacement vessel for the carriage of preference cargo if its U.S. flag vessel is activated by the Secretary of Defense under the terms of an Emergency Preparedness Agreement or other primary sealift readiness program approved by the Secretary of Defense. Current law restricts the use of replacement vessels to U.S. flag operators who are receiving payments under the Maritime Security Act (Public Law 104–239). This amendment would expand that authority to other U.S. flag operators provided they have entered into a primary sealift readiness agreement that is approved by the Secretary of Defense.

Section 3605—Authority to Convey National Defense Reserve Vessel

This section would authorize the Secretary of Transportation to convey a surplus National Defense Reserve Fleet vessel to the Artship Foundation, a non-profit organization located in Oakland, California.

DEPARTMENTAL DATA

The Department of Defense requested legislation, in accordance with the program of the President, as illustrated by the correspondence set out below:

DEPARTMENT OF DEFENSE AUTHORIZATION REQUEST

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNSEL,
Washington, DC, March 12, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: The Department of Defense proposes the enclosed draft of legislation, "To authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes."

This legislative proposal is part of the Department of Defense legislative program for the 105th Congress and is needed to carry out the President's budget plans for fiscal years 1998 and 1999. The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

This bill provides management authority for the Department of Defense and makes several changes to the authorities under which we operate. These changes are designed to permit a more efficient operation of the Department of Defense.

Enactment of this legislation is of great importance to the Department of Defense and the Department urges its speedy and favorable consideration.

Sincerely,

JUDITH A. MILLER.

Enclosures.

MILITARY CONSTRUCTION AUTHORIZATION REQUEST

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNSEL,
Washington, DC, February 14, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Enclosed is proposed legislation to authorize construction at certain military installations for Fiscal Year 1998,

and for other military construction authorizations and activities of the Department of Defense. This legislative proposal is needed to carry out the President's Fiscal Year 1998 budget plan.

The draft proposal would authorize appropriations in Fiscal Year 1998 for new construction and family housing support for the Active Forces, Defense Agencies, NATO Security Investment Program, and Guard and Reserve Forces. It also establishes the effective dates within the military construction program and includes construction projects resulting from base realignment and closure actions. Additionally, the Fiscal Year 1998 draft legislation includes General Provisions.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JUDITH A. MILLER.

Enclosure.

COMMITTEE POSITION

On June 12, 1997 the Committee on National Security, a quorum being present, approved H.R. 1119, as amended, by a vote of 51 to 3.

COMMUNICATIONS FROM OTHER COMMITTEES

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, June 16, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: It is my understanding that on June 11, 1997, the Committee on National Security ordered reported H.R. 1119, the National Defense Authorization for Fiscal Year 1998. During the markup of this legislation, the Committee on National Security adopted a number of provisions which fall within the jurisdiction of the Commerce Committee. These provisions include the following:

Sec. 344—Modifications of Authority to Store and Dispose of Nondefense Toxic and Hazardous Materials;

Sec. 601—Increase in Basic Pay for Fiscal Year 1998;

Sec. 602—Annual Adjustment of Basic Pay and Protection of Member's Total Compensation While Performing Certain Duty;

Sec. 603—Use of Food Cost Information to Determine Basic Allowance for Subsistence;

Sec. 604—Consolidation of Basic Allowance for Quarters, Variable Housing Allowance, and Overseas Housing Allowances;

Sec. 612—One-Year Extension of Certain Bonuses and Special Pay Authorities for Nurse Officer Candidates, Registered Nurses, and Nurse Anesthetists;

Sec. 613—One-Year Extension of Authorities Relating to Payment of Other Bonuses and Special Pays;

Sec. 614—Increase in Minimum Monthly Rate of Hazardous Duty Incentive Pay for Certain Members;

Sec. 617—Special Pay for Duty at Designated Hardship Duty Locations;

Sec. 621—Increase in Amount of Family Separation Allowance;

Sec. 631—Travel and Transportation Allowances for Dependents of Member Sentenced by Courts-martial;

Sec. 632—Dislocation Allowance;

Sec. 651—Definition of Sea Duty for Purposes of Career Sea Pay;

Sec. 654—Reimbursement of Public Health Service Officers for Adoption Expenses;

Sec. 735—Portability of State Licenses for Department of Defense Health Care Professionals;

Sec. 1021—Relationship of Certain Laws to Disposal of Vessels for Export from the Naval Vessel Register and the National Defense Reserve Fleet;

Sec. 3143—Revisions to Defense Nuclear Facilities Workforce Restructuring Plan Requirements;

Section 3144—Extension of Authority to Appoint Scientific Personnel;

Title XXXII—Defense Nuclear Facilities Safety Board; and

Sec. 3402—Price Requirement on Sale of Certain Petroleum During Fiscal Year 1998.

Recognizing the need to bring this legislation before the House expeditiously, the Commerce Committee agrees not to seek a sequential referral of the bill based on the provisions listed above. By agreeing not to seek a sequential referral, the Commerce Committee does not waive its jurisdiction over the provisions listed above or any other provisions of the bill that may fall within its jurisdiction. In addition, the Commerce Committee reserves its right to seek conferees on any provisions within its jurisdiction which are considered in the House-Senate conference.

I want to thank you and your staff for their assistance in providing the Commerce Committee with an opportunity to review the text of H.R. 1119. I would appreciate your assistance in including this letter as a part of the National Security Committee's report on H.R. 1119 and as part of the record during consideration of this bill by the House.

Sincerely,

TOM BLILEY, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND THE WORKFORCE,
Washington, DC, June 16, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for working with me in your development of H.R. 1119, the National Defense Authorization Act, specifically Section 3143, Revisions to Defense Nuclear Facilities Workforce Restructuring Plan Requirements and Section 374, Pro-

grams to Commemorate 50th Anniversary of Marshall Plan and Korean Conflict. As you know, these provisions are within the jurisdiction of the Education and the Workforce Committee.

While we did not seek sequential referral of H.R. 1119, the Committee does hold an interest in preserving its future jurisdiction with respect to issues raised in the aforementioned provisions, and its jurisdictional prerogatives should the provisions of this bill or any Senate amendments thereto be considered in a conference with the Senate. We would expect to be appointed as conferees on these provisions should a conference with the Senate arise.

Again, I thank you for working with me in developing the amendments to H.R. 1119 and look forward to working with you on these issues in the future.

Sincerely,

BILL GOODLING, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC, June 16, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Committee on Government Reform and Oversight agrees to waive jurisdiction over the following provisions in H.R. 1119, the National Defense Authorization Act, that fall within the legislative jurisdiction of the Committee on Government Reform and Oversight:

Section 321—Pay for Overseas teachers;

Section 332—Fire Safe accommodations for government employees;

Section 374—Programs to commemorate the 50th anniversary of the Marshall Plan and Korea;

Section 563—Authority for personnel participation in management of certain non-federal entities;

Section 821 (e), (f)—Repeal of certain acquisition requirements and reports;

Section 1055—Display of POW/MIA flag;

Section 1059—Commendation for those who served in the Cold War;

Section 2813—Disposition of proceeds from AF Plant #78, Brigham City, Utah;

Section 2821—Consideration of installations as sites for new federal facilities;

Section 3521—Authorization for Administrator of Panama Canal Commission to accept appointment as Administrator of Panama Canal Authority;

Section 3524—Travel, transportation, and subsistence expenses for PCC personnel; and

Section 3541—Establishment of procurement system and board of contract appeals.

As you know, House Rule X, Establishment and Jurisdiction of Standing Committees, grants the Government Reform and Oversight Committee wide jurisdiction over government management

issues including matters related to Federal civil service, procurement policy and property disposal. This Committee also oversees all commemorative legislation. This waiver is not intended or designed to limit our jurisdiction over any future consideration of related matters.

Mr. Chairman, we appreciate your consultation with the Government Reform and Oversight Committee to ensure that these provisions address the legislative goals of both Committees as well as the American taxpayer. I look forward to working with you on this and other issues throughout the 105th Congress.

Sincerely,

DAN BURTON, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON JUDICIARY,
Washington, DC, June 13, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning H.R. 1119, the Department of Defense Authorization for FY 1998-99. I understand that your committee has completed its markup of this bill.

Prior to the markup you kindly made this committee aware of several provisions which fall within our Rule X jurisdiction. Specifically:

1. language relating to the trademark concerning the 50th anniversary of the Marshall Plan;
2. language relating to the coverage of National Guard Challenge Program personnel who shall be considered to be employees of the United States for purposes of liability; and
3. language relating to procurement in the Panama Canal Zone.

We have reviewed these provisions, and due to the Leadership's desire to proceed in an expeditious manner are willing to waive our clear right to a sequential referral of these provisions. We, of course, do not waive our jurisdiction in any way over the underlying subject matter.

I appreciate the comity between our two committees.

Sincerely,

HENRY J. HYDE, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC, June 16, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand that on Thursday, June 12, 1997, the Committee on National Security ordered favorably reported H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998. The bill includes a number of provisions that fall within the legislative jurisdiction of the Committee on Inter-

national Relations pursuant to Rule X(k) of the House of Representatives.

The specific provisions within our committee's jurisdiction are: (1) Title XI—Cooperative Threat Reduction With States of Former Soviet Union; (2) Title XII, Matters Relating to Other Nations—(Sections 1201(b), 1202, and 1204).

Pursuant to Chairman Solomon's announcement that the Committee on Rules will move expeditiously to consider a rule for H.R. 1119 and your desire to have the bill considered on the House floor this week, and in recognition that both of our staffs have been consulting on these provisions, the Committee on International Relations will not seek a sequential referral of the bill as a result of including these provisions, without waiving or ceding now or in the future this committee's jurisdiction over the provisions in question. I will seek to have conferees appointed for these provisions during any House Senate conference committee.

I would appreciate your including this letter as a part of the report on H.R. 1119 and as part of the record during consideration of the bill by the House of Representatives.

With best wishes.

Sincerely,

BENJAMIN A. GILMAN, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, June 13, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding provisions in H.R. 1119, the National Defense Authorization Act for Fiscal year 1998, which are within the jurisdiction of the Committee on Resources. These provisions are:

Section 214 (National Ocean Research Leadership Council) *Sections 601* (pay raise), *602* (annual adjustment of pay), *603* (use of food cost for BAS), *604* (consolidation of BAQ, VHA and OHA), *613* (one year extension of bonuses and special pay), *614* (increase in hazardous duty incentive pay), *617* (special pay for hardship duty), *621* (increase in family separation allowance), *631* (travel and transportation allowance for dependents), *632* (dislocation allowance), *651* (definition of sea duty) [as these provisions affect the NOAA Corps] and *653* (separation pay for the NOAA Corps) *Section 1021* (amendment to National Maritime Heritage Act) *Title XXIX* (Sikes Act)

Because of the continued cooperation and consideration you have afforded me and my staff in developing these provisions, I will not seek a sequential referral of H.R. 1119 based on their inclusion in the bill. Of course, this waiver does not prejudice any future jurisdictional claims over these provisions or similar language. I also reserve the right to seek to have conferees named from the Committee on Resources on these provisions, should a conference on H.R. 1119 or a similar measure become necessary.

Once again, it has been a pleasure to work with you and Jim Schweiter, Phil Grone, Michael Higgins and Jean Reed of your staff. I look forward to seeing H.R. 1119 enacted soon.

Sincerely,

DON YOUNG, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC, June 13, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of June 9, 1997, and the information you have provided on H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998. As your letter acknowledges, there are several provisions in the introduced version of the bill and in proposed amendments to it that are within the jurisdiction of the Committee on Transportation and Infrastructure.

The Committee recognizes the importance of H.R. 1119 and the need to move the legislation expeditiously. Therefore, while we have jurisdiction over a number of the bill's provisions and have a valid basis for seeking a sequential referral, I do not intend to seek such a referral. This is, of course, based on our mutual understanding that (1) nothing in this legislation or my decision not to seek a sequential referral waives, reduces or otherwise affects the jurisdiction of the Committee on Transportation and Infrastructure, (2) agreements worked out by our respective staffs will be effected without the need for floor amendments by this Committee; and (3) proposed provisions relating to exclusion of uncontaminated property from listing requirements and "war risk" aviation insurance are not included in the reported bill. In addition, the Committee reserves the right to seek to be included as conferees on any matter within its jurisdiction if this legislation goes to a House-Senate conference.

Pursuant to Rule X, clause 1(q) of the Rules of the House of Representatives, Committee on Transportation and Infrastructure has jurisdiction over measures relating to transportation and infrastructure matters, including the Coast Guard, public buildings and occupied or improved grounds of the United States, oil and other pollution of navigable waters, and civil aviation. Accordingly, our Committee has a jurisdictional interest in various provisions in H.R. 1119 and in those proposed amendments there to that we have reviewed.

The following topics, addressed through specific references in your letter, are either in the introduced bill or are reflected in proposed amendments as the bill goes to markup and relate to matters within or affecting the jurisdiction of the Committee on Transportation and Infrastructure:

Personnel compensation and related matters affecting the U.S. Coast Guard (USCG) and the transfer of certain USCG real property at Eglin AFB.

Displays of POW/MIA flags at federal buildings.

Reporting requirements regarding ecological effects of organotin.

While not reflected in our letter, we are aware of two additional provisions relating to matters within or affecting our jurisdiction:

Storage and disposal of no Defense toxic and hazardous materials.

Exclusion of uncontaminated real property front listing requirements of section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

With regard to the provision on the storage and disposal of non-defense toxic and hazardous materials, I understated the Committee will include report language to assure that nothing in the provision affects authorities and requirements under CERCLA or the Federal Water Pollution Control Act.

I understand that a provision amending section 120 of CERCLA regarding exclusions from listing requirements was considered but will not be included in the legislation. Working with the Commerce Committee, our Committee plans to move legislation reauthorizing and reforming CERCLA. As CERCLA reform discussions proceed, I would be pleased to give further consideration to proposed amendments to section 120.

I also understand that a provision to extend the so-called "war risk" aviation insurance program was considered but will not be included in the legislation. Since this matter is solely within the jurisdiction of this Committee and we plan to move legislation addressing this issue in the coming months, we would object to inclusion of such a provision in H.R. 1119.

Of course, if additional amendments relating to the jurisdiction of the Committee on Transportation and Infrastructure are adopted during your markup, we reserve the right to exercise our jurisdictional prerogatives. In that regard, I would appreciate your continued cooperation in keeping us informed of any such amendments.

I would also appreciate your including your letter and this response in your Committee Report.

Thank you again for your cooperation in this matter. I look forward to continuing to work with you on H.R. 1119 and other markers of mutual interest to our Committees.

With kindest regards, I am

Sincerely,

BUD SHUSTER, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, June 9, 1997.

Hon. BUD SHUSTER,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In the next few days, the Committee on National Security will mark up H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998. The following provisions in the bill fall within the legislative jurisdiction of the Committee on Transportation and Infrastructure:

- (1) Section 344—Modification of authority to store and dispose of nondefense toxic and hazardous materials;
- (2) Section 345—Revision of Navy report on organotin;
- (3) Section 601—Pay raise;
- (4) Section 602—Annual adjustment of basic pay;
- (5) Section 603—Use of food cost for BAS;
- (6) Section 604—Consolidation of BAQ, VHA, and OHA;
- (7) Section 613—One year extension of bonuses and special pays;
- (8) Section 614—Increase in hazardous duty incentive pay;
- (9) Section 617—Special pay for hardship duty;
- (10) Section 621—Increase in family separation allowance;
- (11) Section 631—Travel & transportation allowances for dependents;
- (12) Section 651—Definition of sea duty;
- (13) Section 1055—Display of POW/MIA flag; and
- (14) Section 2861—Land transfer, Eglin AFB, Florida.

The Committee on National Security acknowledges the jurisdictional claim of the Committee on Transportation and Infrastructure with respect to these provisions. Nevertheless, I ask that your committee waive any request for sequential referral with respect to the sections described above so that the House can consider H.R. 1119 without undue delay.

Thank you for your cooperation in this matter, and I look forward to receiving your letter in reply. That letter will be included in this committee's report on the bill.

Sincerely,

FLOYD D. SPENCE, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, June 13, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: According to information provided by your staff, H.R. 1119, the National Security Authorization Act for 1998, includes two provisions that change laws within the jurisdiction of the Committee on Veterans' Affairs. Those provisions are found at section 723 of the bill (pertaining to acquisition of reduced-cost pharmaceuticals) and section 1054 (pertaining to display of the POW-MIA flag at certain government buildings).

In order to expedite consideration of H.R. 1119, the Committee on Veterans' Affairs waives the right it would have under the House Rules to seek a referral of this measure to the Committee for consideration of these provisions.

Thank you for your courtesy in bringing these matters to my attention.

Sincerely,

BOB STUMP, *Chairman.*

FISCAL DATA

Pursuant to clause 7 of Rule XIII of the Rules of the House of Representatives, the committee attempted to ascertain annual outlays resulting from the bill during fiscal year 1998 and the four following fiscal years. The results of such efforts are reflected in the cost estimate prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974, which is included in this report pursuant to clause 2(1)(3)(C) of House Rule XI.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the cost estimate prepared by the Congressional Budget Office and submitted pursuant to section 403(a) of the Congressional Budget Act of 1974 is as follows:

JUNE 13, 1997.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1119, the National Defense Authorization Act for Fiscal Year 1998.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Summary: H.R. 1119 would authorize appropriations for 1998 for the military functions of the Department of Defense (DoD) and the Department of Energy (DOE). It also would prescribe personnel strengths for each active duty and selected reserve component of the U.S. armed forces. Assuming appropriation of the authorized amounts, CBO estimates that enacting H.R. 1119 would result in additional discretionary spending of \$264 billion over the 1998-2002 period. The bill would increase direct spending by \$1 million in 1998 and by \$5 million over the five-year period; therefore, pay-as-you-go procedures would apply. The bill would also authorize asset sales from materials in the defense stockpile; receipts from these sales would average about \$14 million a year. H.R. 1119 contains one intergovernmental mandate as defined in the Unfunded Mandates Reform Act of 1995 (UMRA). However, CBO estimates that the costs to comply with the mandate would be well below the threshold established in the act (\$50 million annually, adjusted for inflation). UMRA excludes from application of that act legislative

provisions that are necessary for the national security. CBO has determined that all other provisions in H.R. 1119 either fit within this exclusion or do not contain mandates as defined by UMRA.

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 1119 is shown in Table 1, assuming that the bill will be enacted by October 1, 1997.

Authorizations of appropriations

The bill would authorize specific appropriations totaling \$268 billion in 1998 for operation and maintenance, procurement, research, development, test and evaluation (RDT&E), nuclear weapons programs, and other DoD programs (see Table 2). These costs would fall within budget function 050 (national defense). The estimate assumes that the amounts authorized will be appropriated for 1998. Outlays are estimated based on historical spending patterns.

TABLE 1.—BUDGETARY IMPACT OF H.R. 1119 AS ORDERED REPORTED BY THE HOUSE
COMMITTEE ON NATIONAL SECURITY
[By fiscal year, in millions of dollars]

Category	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION						
Spending Under Current Law:						
Budget Authority ¹	265,635	0	0	0	0	0
Estimated Outlays	267,316	91,187	36,212	15,718	6,515	2,997
Proposed Changes:						
Authorization Level	0	268,490	14	14	0	0
Estimated Outlays	0	175,777	55,012	20,281	8,956	3,660
Spending Under H.R. 1119:						
Authorization Level ¹	265,635	268,490	14	14	0	0
Estimated Outlays	267,316	266,964	91,224	35,999	15,471	6,657
ASSET SALES AND DIRECT SPENDING						
Asset Sales ²						
Estimated Budget Authority	0	-14	-14	-14	-14	-14
Estimated Outlays	0	-14	-14	-14	-14	-14
Direct Spending:						
Estimated Budget Authority	0	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1
Total Asset Sales and Direct Spending:						
Estimated Budget Authority	0	-13	-13	-13	-13	-13
Estimated Outlays	0	-13	-13	-13	-13	-13

¹The 1997 level is the amount appropriated for programs authorized by the bill.

²Based on criteria established in the 1998 budget resolution, CBO has determined that proceeds from the asset sales in this bill should be counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

Note: Costs of the bill would fall under budget function 050 (national defense), except for certain other items as noted.

In addition, H.R. 1119 would authorize specific appropriations for other budget functions:

\$117 million for the Naval Petroleum Reserve (function 270).

\$70 million for the Maritime Administration (function 400).

\$80 million for the Armed Forces Retirement Home (function 700).

\$14 million in 1998, 1999, and 2000 to fund Sikes Act programs (function 300).

The bill also contains implicit authorizations of appropriations for other military programs, primarily for military personnel costs, some of which extend beyond 1998. Table 3 contains estimates for the authorized amounts and the related outlays. In addition to the

costs covered by the 1998 authorizations in the bill, these provisions would add an estimated \$4.2 billion in costs over the 1999-2002 period that would have to be covered by appropriations in those years. The following sections describe the estimated authorizations shown in Table 3 and provide information about CBO's cost estimates.

Endstrength. The bill would authorize endstrengths for active and reserve components for 1998 at a cost of more than \$68 billion. Endstrengths for active-duty personnel would total about 1,445,000—about 13,600 more than in the Administration's request but about 7,100 below the level estimated for 1997. DOD's reserve endstrengths would be authorized at about 891,600—the same level requested by the Administration, but about 10,800 less than the estimated 1997 level.

Also, the bill would authorize an endstrength of 8,000 in 1998 for the Coast Guard Reserve, which is the same as the 1997 level and about 400 reservists more than the Administration's request; this authorization would cost about \$67 million and would fall under budget function 400 (transportation).

Compensation and Benefits. H.R. 1119 contains several provisions that would affect military compensation and benefits.

Pay Raises. Section 601 would authorize a 2.8 percent increase in the rate of basic pay for fiscal year 1998 at a cost of \$1,034 million. Current law links pay raises for military personnel to those for civilian employees of the federal government. Starting in 1999, section 602 would make the pay raise provisions for military personnel independent of those for civilians and tie them directly to increases in the Employment Cost Index. As a result, military pay raises would be 0.5 percent higher than under current law, with additional costs growing to \$998 million in 2002.

TABLE 2.—SPECIFIC AUTHORIZATIONS IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1998, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATIONAL SECURITY

[By fiscal years, in millions of dollars]

Category	1998	1999	2000	2001	2002
Military Personnel:					
Authorization Level	69,540	0	0	0	0
Estimated Outlays	66,200	3,023	209	0	0
Operation and Maintenance:					
Authorization Level	92,897	0	0	0	0
Estimated Outlays	69,617	18,274	2,879	971	410
Procurement:					
Authorization Level	46,315	0	0	0	0
Estimated Outlays	9,310	13,633	11,886	6,099	2,424
Research, Development, Test, and Evaluation:					
Authorization Level	37,276	0	0	0	0
Estimated Outlays	17,998	13,964	3,473	931	448
Military Construction and Family Housing:					
Authorization Level	9,133	0	0	0	0
Estimated Outlays	3,066	2,814	1,706	888	288
Atomic Energy Defense Activities:					
Authorization Level	10,969	0	0	0	0
Estimated Outlays	7,984	2,985	0	0	0
Other Accounts:					
Authorization Level	2,293	14	14	0	0
Estimated Outlays	1,256	376	248	127	110
General Transfer Authority:					
Authorization Level	0	0	0	0	0

TABLE 2.—SPECIFIC AUTHORIZATIONS IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1998, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATIONAL SECURITY—Continued
[By fiscal years, in millions of dollars]

Category	1998	1999	2000	2001	2002
Estimated Outlays	280	-60	-120	-60	-20
Total:					
Authorization Level	268,423	14	14	0	0
Estimated Outlays	175,712	55,010	20,281	8,956	3,660

Expiring Authorities. Several sections would extend for one year certain payment authorities that are scheduled to expire at the end of 1998. In some cases, renewing authorities for one year results in costs over several years because payments are made in installments. Payment of enlistment and reenlistment bonuses for active duty personnel would cost \$148 million in 1999. The cost of extending special payments for aviators and nuclear-qualified personnel would total \$53 million in 1999. Payment authorities for enlistment and reenlistment bonuses for the Selected and Ready Reserve would cost \$33 million in 1999. Authorities to make special payments to nurse officer candidates, registered nurses, and nurse anesthetists would increase costs by \$12 million in 1999.

Basic Allowance for Housing. Section 604 would consolidate several different allowances into a single payment called the Basic Allowance for Housing (BAH). The new allowance would incorporate the Basic Allowance for Quarters (BAQ), the Variable Housing Allowance, the Overseas Station Allowance, and the Family Separation Housing Allowance. The total funding available for the new BAH in fiscal year 1998 would equal funding for its components in 1997 with an increase of 2.8 percent.

In addition to consolidating current allowances, section 604 would increase certain housing benefits. The bill would increase housing payments to reservists, maintain housing allowances in cases where a member's new permanent duty station was in a low-cost area, and authorize funds to reduce out-of-pocket housing costs. CBO estimates that the adjustments to housing allowances would cost about \$160 million in 1998 and similar amounts in subsequent years.

Basic Allowance for Subsistence. Section 603 would amend provisions governing increases in the Basic Allowance for Subsistence. Instead of increasing at the same rate as basic pay, the BAS would be indexed to the cost of the moderate food plan of the Department of Agriculture. In 1998, BAS would increase by 2.5 percent, an incremental cost of \$48 million.

Hazardous Duty Pay. Section 614 would increase the minimum monthly rates for certain allowances for hazardous duty. CBO estimates that the increases would cost \$32 million in 1998.

Compensation During Contingencies. Under current law, BAS payments are suspended when service personnel are deployed to exercises or training under field conditions. Section 602 would guarantee that a service member's total pay would not decrease when performing that kind of duty. Continuation of BAS payments during these periods would cost \$28 million in 1998.

TABLE 3.—ESTIMATED AUTHORIZATIONS OF APPROPRIATIONS FOR SELECTED PROVISIONS IN H.R. 1119 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATIONAL SECURITY

[By fiscal years, in millions of dollars]

Category	1998	1999	2000	2001	2002
Endstrengths:					
Department of Defense:					
Estimated Authorization Level	68,249	0	0	0	0
Estimated Outlays	64,837	3,303	205	0	0
Coast Guard Reserve:					
Estimated Authorization Level	67	0	0	0	0
Estimated Outlays	65	2	0	0	0
Compensation and Benefits (DoD):					
Military Pay Raise in 1998:					
Estimated Authorization Level	1,034	0	0	0	0
Estimated Outlays	982	45	3	0	0
Change in Formula for Pay Raises:					
Estimated Authorization Level	0	186	441	710	998
Estimated Outlays	0	177	427	694	981
Expiring Authorities:					
Enlistment/Reenlistment Bonuses (Active):					
Estimated Authorization Level	0	148	51	35	33
Estimated Outlays	0	141	56	36	33
Aviation and Nuclear Special Pay:					
Estimated Authorization Level	0	53	23	23	17
Estimated Outlays	0	51	24	23	17
Enlistment/Reenlistment Bonuses (Reserve):					
Estimated Authorization Level	0	33	27	18	13
Estimated Outlays	0	31	27	18	13
Special Pay for Nurses:					
Estimated Authorization Level	0	12	0	0	0
Estimated Outlays	0	11	1	0	0
Basic Allowance for Housing:					
Estimated Authorization Level	160	165	171	178	184
Estimated Outlays	152	164	170	177	183
Revised Basic Allowance for Subsistence:					
Estimated Authorization Level	48	49	51	52	53
Estimated Outlays	46	49	51	52	53
Hazardous Duty Pay:					
Estimated Authorization Level	32	32	32	32	32
Estimated Outlays	30	32	32	32	32
Compensation During Contingencies:					
Estimated Authorization Level	28	29	30	30	31
Estimated Outlays	27	29	30	30	31
Family Separation Allowance:					
Estimated Authorization Level	25	25	25	25	25
Estimated Outlays	24	25	25	25	25
Bonus and Special Pay for Dentists:					
Estimated Authorization Level	15	15	15	15	15
Estimated Outlays	14	15	15	15	15
Dislocation Allowance:					
Estimated Authorization Level	10	10	10	10	10
Estimated Outlays	10	10	10	10	10
Suspension of Temporary Early Retirement Authority:					
Estimated Authorization Level	-185	0	0	0	0
Estimated Outlays	-37	-37	-37	-37	-37
Other Compensation:					
Estimated Authorization Level	3	0	-5	-5	-5
Estimated Outlays	3	0	-5	-5	-5
Cap on Military Personnel:					
Estimated Authorization Level	108	0	0	0	0
Estimated Outlays	103	5	0	0	0
Military Health Care Programs:					
Estimated Authorization Level	6	6	6	6	6
Estimated Outlays	5	6	6	6	6
Long-Term Charter of a Naval Vessel:					
Estimated Authorization Level	7	7	8	8	8

TABLE 3.—ESTIMATED AUTHORIZATIONS OF APPROPRIATIONS FOR SELECTED PROVISIONS IN H.R. 1119 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATIONAL SECURITY—Continued
[By fiscal years, in millions of dollars]

Category	1998	1999	2000	2001	2002
Estimated Outlays	6	7	8	8	8
Pay of Former Teachers:					
Estimated Authorization Level	(¹)	-1	-1	-1	-2
Estimated Outlays	(¹)	-1	-1	-1	-2
Total Authorizations of Appropriations:					
Estimated Authorization Level	69,607	769	884	1,136	1,418
Estimated Outlays	66,265	3,764	1,047	1,083	1,363

¹ Less than \$500,000.

Note.—For every item in this table except one, the 1998 impacts are included in the amounts specifically authorized to be appropriated in the bill. Those amounts are shown in Table 2. Only the authorization of endstrength for the Coast Guard Reserve is additive to the amounts in Table 2.

Family Separation Allowances. Section 621 would increase monthly allowances that are paid to members when their dependents cannot be accommodated at a new station, when the member is serving on a ship, or when the member is on temporary duty (TDY) status. The increase in rates from \$75 to \$100 would raise costs by \$25 million in 1998.

Special Pay for Dentists. Section 615 would establish a new multiyear retention bonus for dentists. The new bonus would be limited to certain dental specialties and service grades and would cost about \$1 million in 1998. Section 616 would increase the amount of variable and additional special pay for dentists. Additional costs of the new pay rates would total \$14 million in 1998.

Dislocation Allowance. The dislocation allowance (DLA), a payment for miscellaneous expenses incurred during a permanent change of station, is currently equivalent to two and one-half months of BAQ. H.R. 1119 would separate DLA from the housing allowance and would establish new monthly rates based on grade and number of dependents. The higher rates of DLA would cost about \$10 million in 1998.

Suspension of Temporary Early Retirement Authority. Through 1999, current law allows the military departments to offer early retirement to selected service members having fewer than 20 years of service. Individuals who take this option receive payments equivalent to their retirement annuity from military personnel accounts until they qualify for payments from the military retirement fund. DoD must budget for the full value of these payments in the year a service member retires. Funds to cover personnel slated to take early retirement in 1998 total \$185 million. The suspension of early retirement authority provided in section 561 would yield that amount in discretionary savings.

Other Changes in Military Compensation. The bill contains other provisions that would affect military compensation, but which have little or no budgetary impact. One provision would create an incentive for individuals to extend tours of duty at specific locations designated by the Secretary of Defense. CBO estimates that the costs of the bonus would be more than offset by savings from lower relocation and operational travel costs. Net savings would total about \$1 million in 1998 and \$4 million annually thereafter. Another provision would reduce accession costs through improved medical screening of recruits. Once implemented, this program should save

about \$5 million per year. Third, grade changes in the Army and Air Force Reserves would increase their military personnel budgets by about \$4 million per year. The net effect of these provisions would be to raise costs by about \$3 million in 1998, but to reduce them by about \$5 million a year annually starting in 2000.

Cap on the Military Personnel Authorization. The bill would explicitly authorize appropriations for military personnel of \$69,540 million in 1998. Because the estimated costs of other sections of the bill fall short of this level, this section has the effect of adding \$108 million to the other 1998 costs identified in Table 3.

Military Health Care Programs. Two provisions of H.R. 1119 would have a measurable budgetary effect on military health care programs. Section 731 would raise health care costs by nearly \$3 million a year by allowing DoD to waive or reduce copayments for dependents in the overseas dental insurance program. CBO assumes that at least half of the 108,000 dependents overseas would benefit from this provision. CBO assumes that those dependents would use dental services at the same rates as similar individuals residing in the United States. The estimate is based on data from the American Dental Association on average prices and use of dental services.

Section 733 would raise health care costs by about \$4 million in 1998 by requiring that, to the extent practicable, DoD payment rates to private providers be equal to comparable rates under Medicare. Currently, DOD's rates are lower than Medicare's for 60 procedures. CBO's estimate is based on information from DoD as to the frequency of these procedures and the payment rates.

Other provisions could have budgetary effects, but CBO cannot estimate the impacts on the federal budget. For example, a provision authorizing Tricare contractors to use the Federal Supply Schedule in purchasing pharmaceuticals for covered military beneficiaries could reduce their costs. Any such savings could be passed along to DoD in the form of lower prices for the Tricare contracts. However, many providers receive discounts on wholesale prices for drugs, which they negotiate independently. CBO cannot measure savings from this provision because insufficient data are available to compare the current federal schedule and the prices Tricare contractors now pay for drugs.

Long-Term Charter of a Naval Vessel. The bill would authorize the Secretary of the Navy to charter through 2003 the vessel RV Cory Chouest. The charter is an operating lease that would cost about \$7 million in 1998 and a total of \$46 million through 2003. The estimate is based on information provided by the Navy and the owner of the vessel.

Pay of Former DoD Teachers. Current law requires that, when teachers in DOD's overseas schools transfer to General Schedule positions, their pay be increased by 20 percent. Section 321 would allow the Secretary of Defense to increase pay by less than 20 percent. This provision would reduce costs because some individuals would receive an increase of less than the 20 percent required under current law. Savings would be less than \$500,000 in 1998, but they would increase to about \$2 million in 2002.

Panama Canal Commission. Title XXXV would authorize the Panama Canal Commission to spend any sums available to it from

operating revenues or Treasury borrowing for operation, maintenance, and improvement of the canal in fiscal year 1998. For budgetary purposes, this spending is considered discretionary. CBO estimates that 1998 collections will be \$748 million and that spending will be \$716 million, resulting in net outlays of -\$32 million.

Other provisions of this title, which would facilitate the transfer of the Panama Canal to the government of Panama in 1999, would have no effect on the federal budget.

Direct spending and asset sales

H.R. 1119 contains provisions that would affect direct spending in 1998 and thus would subject the bill to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (see Table 4). The provisions would allow DoD to spend certain reimbursements and make certain changes affecting military retirement. In addition, the bill would provide for the sale of materials from the National Defense Stockpile. Based on criteria established in the 1998 budget resolution, CBO has determined that proceeds from the asset sales in this bill should be counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

TABLE 4.—ASSET SALES AND DIRECT SPENDING IN H.R. 1119
[By fiscal year, outlays in millions of dollars]

Category	1998	1999	2000	2001	2002
ASSET SALES ¹					
Stockpile Sales:					
Estimated Budget Authority	-14	-14	-14	-14	-14
Estimated Outlays	-14	-14	-14	-14	-14
DIRECT SPENDING					
Utility Rebates					
Estimated Budget Authority	1	1	1	1	1
Estimated Outlays	1	1	1	1	1
TOTAL DIRECT SPENDING AND ASSET SALES					
Estimated Budget Authority	-13	-13	-13	-13	-13
Estimated Outlays	-13	-13	-13	-13	-13

¹ Based on criteria established in the 1998 budget resolution, CBO has determined that proceeds from the asset sales in this bill should be counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

Stockpile Sales. The bill would authorize DoD to sell 34,800 short tons of titanium sponge and all beryllium copper master alloy in the National Defense Stockpile. CBO estimates that these sales would generate receipts of about \$14 million a year through 2002. Provisions to restrict the sale of manganese ferro and to place conditions on the transfer of stockpile platinum reserves to Secretary of the Treasury would have no budgetary impact because those provisions would not affect annual sales or prices.

Property Transactions. Section 2812 would allow DoD to accept and spend reimbursements for certain administrative expenses that it incurs during property transactions. This provision would result in no net spending because any increase in outlays would be offset by an increase in receipts.

Spending of Financial Incentives. Section 2804 would allow DoD to spend cash rebates from electric and water utilities. Under current law these funds are deposited in the Treasury. The direct spending from this provision would total about \$1 million annually.

Military Retirement. Several provisions would affect direct spending through changes to laws governing military retirement. Those provisions would have little or no impact because few beneficiaries would be affected.

Section 502 would allow the Secretary of Defense to recall certain officers to active duty for longer than the 12 months allowed in current law.

Section 504 would allow Secretaries of the military departments to defer the retirement of the Chief of Chaplains or the Deputy Chief of Chaplains until the officer turns 68 years of age.

Section 514 would allow DoD to reduce from three years to two years the time-in-grade that certain reserve officers must have to retire at a higher grade.

Section 521 would allow DoD to retain military technicians in the grade of brigadier general on the active-status list until the officer reaches the age of 60.

Section 641 would allow a retiree to change the beneficiary under the Survivor Benefit Plan from a former spouse to current spouse at any time after the beneficiary remarries.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enactment of H.R. 1119 would result in \$1 million in direct spending in fiscal year 1998.

Estimated impact on State, local, and tribal governments: H.R. 1119 contains one intergovernmental mandate as defined in the Unfunded Mandates Reform Act of 1995 (UMRA). However, CBO estimates that the costs to comply with the mandate would be well below the threshold established in the act (\$50 million annually, adjusted for inflation). UMRA excludes from application of that act legislative provisions that are necessary for the national security. CBO has determined that all other provisions in H.R. 1119 either fit within this exclusion or do not contain intergovernmental mandates as defined by UMRA.

Section 735 would exempt health care professionals from state licensure requirements in states where they perform authorized Department of Defense activities as long as they possess a current license from at least one other state. Since this provision would preempt state laws governing health care licensure, it would be considered a mandate as defined in the Unfunded Mandates Reform Act of 1995.

Health care professionals currently do not need additional licenses if they are practicing solely in military facilities. Enactment of this provision would allow these individuals to practice in civilian hospitals with which DoD has cooperative agreements without obtaining a medical license in that state as they must do now. Based on discussions with representatives from the Department of Defense and medical associations, CBO estimates that such cooperative agreements may become more common in the future. Depend-

ing upon the degree to which military doctors are assigned to civilian hospitals, states could lose between \$500,000 and \$1,000,000 annually in license fees.

A number of the bill's other provisions—such as those pertaining to land conveyances, certain grant programs, educational assistance to schools districts, and Panama Canal fees—would affect state, local, or tribal governments. Most of these provisions would benefit state, local, and tribal governments in some way, and none would impose any significant costs on those entities.

Estimated impact on the private sector: The Unfunded Mandates Reform Act excludes from application of the act legislative provisions that are necessary for the national security. CBO has determined that all of the provisions of this bill either fit within that exclusion or do not contain private-sector mandates as defined by UMRA.

Estimate prepared by: Federal Cost: The estimates for defense programs were prepared by Valerie Barton (military retirement), Shawn Bishop (health programs), Kent Christensen (military construction, operation and maintenance, and other defense), Jeannette Deshong (military and civilian personnel), and Raymond Hall (procurement, RDT&E, stockpile sales, and atomic energy defense activities).

Kathy Gramp prepared the estimates for the Naval Petroleum Reserve, and Deborah Reis prepared the estimates for the Panama Canal Commission and Maritime Administration.

Impact on State, Local, and Tribal Governments: Karen McVey and Leo Lex.

Impact on the Private Sector: Neil Singer.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Pursuant to clause 7(a) of Rule XIII of the Rules of the House of Representatives, the committee generally concurs with the estimate as contained in the report of the Congressional Budget Office.

INFLATION IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the committee concludes that the bill would have no significant inflationary impact.

OVERSIGHT FINDINGS

With respect to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, this legislation results from hearings and other oversight activities conducted by the committee pursuant to clause 2(b)(1) of rule X.

With respect to clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974, this legislation does not include any new spending or credit authority, nor does it provide for any increase or decrease in tax revenues or expenditures. The bill does, however, authorize appropriations. Other fiscal features of this legislation are addressed in the estimate prepared by the Director of the Con-

gressional Budget Office under section 403 of the Congressional Budget Act of 1974.

With respect to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the committee has not received a report from the Committee on Government Reform and Oversight pertaining to the subject matter of H.R. 1119.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Rule XI, clause 2(1)(4) of the Rules of the House of Representatives, the committee finds the authority for this legislation in Article I, Section 8 of the United States Constitution.

STATEMENT OF FEDERAL MANDATES

Pursuant to section 423 of Public Law 104-4, this legislation contains no federal mandates with respect to state, local, and tribal governments, nor with respect to the private sector. Similarly, the bill provides no federal intergovernmental mandates.

ROLL CALL VOTES

In accordance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, roll call and voice votes were taken with respect to the committee's consideration of H.R. 1119. The record of these votes is attached to this report.

The committee ordered H.R. 1119 reported to the House with a favorable recommendation by a vote of 51-3, a quorum being present.

COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL

Amendment Number: 7 **Date: 06/11/97**
Commissary and Exchange Benefits **Offered By: Mr. Buyer**

Voice Vote Ayes Nays

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence		X		Mr. Dellums		X	
Mr. Stump		X		Mr. Skelton	X		
Mr. Hunter		X		Mr. Sisisky		X	
Mr. Kasich				Mr. Spratt			
Mr. Bateman		X		Mr. Ortiz		X	
Mr. Hansen		X		Mr. Pickett		X	
Mr. Weldon				Mr. Evans	X		
Mr. Hefley		X		Mr. Taylor	X		
Mr. Saxton	X			Mr. Abercrombie		X	
Mr. Buyer	X			Mr. Meehan		X	
Mrs. Fowler		X		Mr. Underwood	X		
Mr. McHugh		X		Ms. Harman	X		
Mr. Talent		X		Mr. McHale	X		
Mr. Everett		X		Mr. Kennedy	X		
Mr. Bartlett			X	Mr. Blagojevich	X		
Mr. McKeon		X		Mr. Reyes	X		
Mr. Lewis	X			Mr. Allen	X		
Mr. Watts		X		Mr. Snyder		X	
Mr. Thornberry		X		Mr. Turner		X	
Mr. Hostettler		X		Mr. Boyd			
Mr. Chambliss		X		Mr. Smith	X		
Mr. Hilleary	X			Ms. Sanchez			
Mr. Scarborough		X		Mr. Maloney		X	
Mr. Jones		X		Mr. McIntyre		X	
Mr. Graham	X			Mr. Rodriguez	X		
Mr. Bono		X					
Mr. Ryun	X						
Mr. Pappas	X						
Mr. Riley	X						
Mr. Gibbons	X						

Roll Call Vote Total **21 Aye** **28 Nay** **1 Present**

COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL

Amendment Number: 9**Date: 06/11/97****Base Reuse Options****Offered By: Mr. Hunter****Voice Vote Ayes Nays**

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence		X		Mr. Dellums		X	
Mr. Stump	X			Mr. Skelton	X		
Mr. Hunter	X			Mr. Sisisky		X	
Mr. Kasich				Mr. Spratt		X	
Mr. Bateman	X			Mr. Ortiz		X	
Mr. Hansen	X			Mr. Pickett		X	
Mr. Weldon		X		Mr. Evans		X	
Mr. Hefley		X		Mr. Taylor	X		
Mr. Saxton	X			Mr. Abercrombie	X		
Mr. Buyer	X			Mr. Meehan		X	
Mrs. Fowler	X			Mr. Underwood		X	
Mr. McHugh		X		Ms. Harman		X	
Mr. Talent		X		Mr. McHale		X	
Mr. Everett	X			Mr. Kennedy		X	
Mr. Bartlett	X			Mr. Blagojevich		X	
Mr. McKeon	X			Mr. Reyes		X	
Mr. Lewis	X			Mr. Allen			
Mr. Watts		X		Mr. Snyder		X	
Mr. Thornberry	X			Mr. Turner	X		
Mr. Hostettler	X			Mr. Boyd		X	
Mr. Chambliss	X			Mr. Smith		X	
Mr. Hilleary	X			Ms. Sanchez		X	
Mr. Scarborough	X			Mr. Maloney	X		
Mr. Jones	X			Mr. McIntyre	X		
Mr. Graham	X			Mr. Rodriguez		X	
Mr. Bono	X						
Mr. Ryun	X						
Mr. Pappas	X						
Mr. Riley	X						
Mr. Gibbons	X						

Roll Call Vote Total 29 Aye 24 Nay Present

**COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL**

Amendment Number: 21 **Date: 06/11/97**
Abortion Policy **Offered By: Ms. Harman**

Voice Vote **Ayes** **Nays**

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence		X		Mr. Dellums	X		
Mr. Stump		X		Mr. Skelton		X	
Mr. Hunter		X		Mr. Sisisky	X		
Mr. Kasich		X		Mr. Spratt	X		
Mr. Bateman		X		Mr. Ortiz		X	
Mr. Hansen		X		Mr. Pickett	X		
Mr. Weldon		X		Mr. Evans	X		
Mr. Hefley		X		Mr. Taylor		X	
Mr. Saxton		X		Mr. Abercrombie	X		
Mr. Buyer		X		Mr. Meehan	X		
Mrs. Fowler	X			Mr. Underwood		X	
Mr. McHugh		X		Ms. Harman	X		
Mr. Talent		X		Mr. McHale	X		
Mr. Everett		X		Mr. Kennedy	X		
Mr. Bartlett		X		Mr. Blagojevich	X		
Mr. McKeon		X		Mr. Reyes	X		
Mr. Lewis		X		Mr. Allen	X		
Mr. Watts		X		Mr. Snyder	X		
Mr. Thornberry		X		Mr. Turner	X		
Mr. Hostettler		X		Mr. Boyd	X		
Mr. Chambliss		X		Mr. Smith	X		
Mr. Hilleary		X		Ms. Sanchez	X		
Mr. Scarborough		X		Mr. Maloney	X		
Mr. Jones		X		Mr. McIntyre		X	
Mr. Graham		X		Mr. Rodriguez	X		
Mr. Bono	X						
Mr. Ryun		X					
Mr. Pappas		X					
Mr. Riley		X					
Mr. Gibbons		X					

Roll Call Vote Total **22 Aye **33 Nay** **Present****

**COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL**

Motion to Close**Date: 06/11/97****Offered By: Mr. Weldon****Voice Vote Ayes Nays**

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence	X			Mr. Dellums	X		
Mr. Stump	X			Mr. Skelton	X		
Mr. Hunter	X			Mr. Sisisky	X		
Mr. Kasich	X			Mr. Spratt	X		
Mr. Bateman	X			Mr. Ortiz	X		
Mr. Hansen	X			Mr. Pickett	X		
Mr. Weldon	X			Mr. Evans	X		
Mr. Hefley	X			Mr. Taylor	X		
Mr. Saxton	X			Mr. Abercrombie	X		
Mr. Buyer	X			Mr. Meehan	X		
Mrs. Fowler	X			Mr. Underwood	X		
Mr. McHugh				Ms. Harman	X		
* Mr. Talent				Mr. McHale	X		
Mr. Everett	X			Mr. Kennedy	X		
Mr. Bartlett	X			Mr. Blagojevich	X		
Mr. McKeon	X			Mr. Reyes	X		
Mr. Lewis				Mr. Allen	X		
Mr. Watts	X			Mr. Snyder	X		
Mr. Thornberry	X			Mr. Turner	X		
Mr. Hostettler	X			Mr. Boyd	X		
Mr. Chambliss	X			Mr. Smith	X		
Mr. Hilleary	X			Ms. Sanchez			
Mr. Scarborough	X			Mr. Maloney	X		
Mr. Jones	X			Mr. McIntyre	X		
Mr. Graham	X			Mr. Rodriguez	X		
Mr. Bono	X						
Mr. Ryun	X						
Mr. Pappas	X						
Mr. Riley	X						
Mr. Gibbons	X						

Roll Call Vote Total 51 Aye 0 Nay Present

* Mr. Talent was in attendance at another committee meeting.

**COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL**

Amendment Number: 11 **Date: 06/11/97**
CVN-77 Program **Offered By: Mr. Bateman**

Voice Vote Ayes Nays

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence		X		Mr. Dellums	X		
Mr. Stump	X			Mr. Skelton	X		
Mr. Hunter		X		Mr. Sisisky	X		
Mr. Kasich	X			Mr. Spratt	X		
Mr. Bateman	X			Mr. Ortiz	X		
Mr. Hansen				Mr. Pickett	X		
Mr. Weldon		X		Mr. Evans	X		
Mr. Hefley		X		Mr. Taylor		X	
Mr. Saxton		X		Mr. Abercrombie	X		
Mr. Buyer		X		Mr. Meehan		X	
Mrs. Fowler	X			Mr. Underwood	X		
Mr. McHugh		X		Ms. Harman		X	
Mr. Talent	X			Mr. McHale		X	
Mr. Everett		X		Mr. Kennedy	X		
Mr. Bartlett		X		Mr. Blagojevich			
Mr. McKeon		X		Mr. Reyes		X	
Mr. Lewis		X		Mr. Allen	X		
Mr. Watts	X			Mr. Snyder	X		
Mr. Thornberry		X		Mr. Turner	X		
Mr. Hostettler		X		Mr. Boyd		X	
Mr. Chambliss		X		Mr. Smith		X	
Mr. Hilleary		X		Ms. Sanchez	X		
Mr. Scarborough	X			Mr. Maloney		X	
Mr. Jones		X		Mr. McIntyre	X		
Mr. Graham		X		Mr. Rodriguez	X		
Mr. Bono		X					
Mr. Ryun		X					
Mr. Pappas		X					
Mr. Riley	X						
Mr. Gibbons		X					

Roll Call Vote Total 24 Aye 29 Nay Present

COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL

Amendment Number: 56
F/A-18C/D & F/A-18E/F Programs

Date: 06/11/97
Offered By: Mr. Saxton

Voice Vote Ayes Nays

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence	X			Mr. Dellums		X	
Mr. Stump	X			Mr. Skelton	X		
Mr. Hunter	X			Mr. Sisisky		X	
Mr. Kasich		X		Mr. Spratt	X		
Mr. Bateman		X		Mr. Ortiz		X	
Mr. Hansen	X			Mr. Pickett		X	
Mr. Weldon	X			Mr. Evans		X	
Mr. Hefley		X		Mr. Taylor	X		
Mr. Saxton	X			Mr. Abercrombie	X		
Mr. Buyer		X		Mr. Meehan		X	
Mrs. Fowler		X		Mr. Underwood		X	
Mr. McHugh		X		Ms. Harman		X	
Mr. Talent		X		Mr. McHale	X		
Mr. Everett	X			Mr. Kennedy		X	
Mr. Bartlett		X		Mr. Blagojevich		X	
Mr. McKeon	X			Mr. Reyes		X	
Mr. Lewis		X		Mr. Allen		X	
Mr. Watts		X		Mr. Snyder		X	
Mr. Thornberry	X			Mr. Turner		X	
Mr. Hostettler		X		Mr. Boyd		X	
Mr. Chambliss	X			Mr. Smith		X	
Mr. Hilleary		X		Ms. Sanchez		X	
Mr. Scarborough		X		Mr. Maloney	X		
Mr. Jones	X			Mr. McIntyre		X	
Mr. Graham		X		Mr. Rodriguez		X	
Mr. Bono	X						
Mr. Ryun		X					
Mr. Pappas	X						
Mr. Riley	X						
Mr. Gibbons	X						

Roll Call Vote Total 21 Aye 34 Nay Present

COMMITTEE ON NATIONAL SECURITY
105TH CONGRESS
ROLL CALL

Final Passage of H.R. 1119

Date: 06/11/97

Voice Vote Ayes Nays

Rep.	Aye	Nay	Present	Rep.	Aye	Nay	Present
Mr. Spence	X			Mr. Dellums		X	
Mr. Stump	X			Mr. Skelton	X		
Mr. Hunter	X			Mr. Siskiy	X		
Mr. Kasich	X			Mr. Spratt	X		
Mr. Bateman	X			Mr. Ortiz	X		
Mr. Hansen	X			Mr. Pickett	X		
Mr. Weldon	X			Mr. Evans		X	
Mr. Hefley	X			Mr. Taylor	X		
Mr. Saxton	X			Mr. Abercrombie	X		
Mr. Buyer	X			Mr. Meehan	X		
Mrs. Fowler	X			Mr. Underwood	X		
Mr. McHugh	X			Ms. Harman	X		
Mr. Talent	X			Mr. McHale	X		
Mr. Everett	X			Mr. Kennedy	X		
Mr. Bartlett	X			Mr. Blagojevich	X		
Mr. McKeon	X			Mr. Reyes	X		
Mr. Lewis	X			Mr. Allen	X		
Mr. Watts	X			Mr. Snyder	X		
Mr. Thornberry	X			Mr. Turner	X		
Mr. Hostettler	X			Mr. Boyd	X		
Mr. Chambliss	X			Mr. Smith	X		
Mr. Hilleary	X			Ms. Sanchez	X		
Mr. Scarborough				Mr. Maloney	X		
Mr. Jones	X			Mr. McIntyre	X		
Mr. Graham	X			Mr. Rodriguez		X	
Mr. Bono	X						
Mr. Ryun	X						
Mr. Pappas	X						
Mr. Riley	X						
Mr. Gibbons	X						

Roll Call Vote Total 51 Aye 3 Nay Present

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 10, UNITED STATES CODE

* * * * *

Subtitle A—General Military Law

PART I—ORGANIZATION AND GENERAL MILITARY POWERS

Chap.	Sec.
1. Definitions	101
* * * * *	
23. Miscellaneous Studies and Reports	[471] 481
* * * * *	

PART IV—SERVICE, SUPPLY, AND PROCUREMENT

131. Planning and Coordination	2201
* * * * *	
[147. Utilities and Services	2481]
147. Commissaries and Exchanges and Other Morale, Welfare, and Recreation Activities	2481
* * * * *	
152. Issue of Supplies, Services, and Facilities	[2540] 2541
* * * * *	

PART I—ORGANIZATION AND GENERAL MILITARY POWERS

Chap.	Sec.
1. Definitions	101
* * * * *	
23. Miscellaneous Studies and Reports	[471] 481
* * * * *	

CHAPTER 2—DEPARTMENT OF DEFENSE

* * * * *

§ 113. Secretary of Defense

(a) * * *

* * * * *

(g)(1) * * *

(2) The Secretary of Defense, with the approval of the President and after consultation with the Chairman of the Joint Chiefs of Staff, shall provide [annually] to the Chairman written policy guidance for the preparation and review of contingency plans. Such guidance shall *be provided every two years or more frequently as*

needed and shall include guidance on the specific force levels and specific supporting resource levels projected to be available for the period of time for which such plans are to be effective.

* * * * *

§ 115. Personnel strengths: requirement for annual authorization

(a) * * *

* * * * *

(g) Congress shall authorize for each fiscal year the end strength for military technicians (*dual status*) for each reserve component of the Army and Air Force. Funds available to the Department of Defense for any fiscal year may not be used for the pay of a military technician (*dual status*) during that fiscal year unless the technician fills a position that is within the number of such positions authorized by law for that fiscal year for the reserve component of that technician. This subsection applies without regard to section 129 of this title. *In each budget submitted by the President to Congress under section 1105 of title 31, the end strength requested for military technicians (dual status) for each reserve component of the Army and Air Force shall be specifically set forth.*

§ 115a. Annual manpower requirements report

(a) * * *

* * * * *

(h) In each such report, the Secretary shall include a separate report on the Army and Air Force military technician programs. The report shall include a presentation, shown by reserve component and shown both as of the end of the preceding fiscal year and for the next fiscal year, of the following (*displayed in the aggregate and separately for military technicians (dual status) and non-dual status military technicians*):

(1) * * *

* * * * *

[(3) Within each of the numbers under paragraph (1), the numbers of military technicians who are not themselves members of a reserve component (so-called "single-status" technicians), with a further display of such numbers as specified in paragraph (2).]

§ 116. Annual operations and maintenance report

(a) * * *

(b) In this section:

(1) * * *

(2) The term "major repair work" means, in the case of any ship to which [such subsection] subsection (a) is applicable, any overhaul, modification, alteration, or conversion work which will result in a total cost to the United States of more than \$10,000,000.

* * * * *

CHAPTER 3—GENERAL POWERS AND FUNCTIONS

* * * * *

§ 129c. Medical personnel: limitations on reductions

(a) * * *

* * * * *

(e) DEFINITION.—In this section, the term “medical personnel” means—

(1) the members of the armed forces covered by the term “medical personnel” as defined in section **[115a(g)(2)] 115a(e)(2)** of this title; and

(2) the civilian personnel of the Department of Defense assigned to military medical facilities.

* * * * *

CHAPTER 4—OFFICE OF THE SECRETARY OF DEFENSE

* * * * *

§ 135. Under Secretary of Defense (Comptroller)

(a) * * *

* * * * *

(c) The Under Secretary of Defense (Comptroller) shall advise and assist the Secretary of Defense—

(1) * * *

* * * * *

(4) in establishing and supervising the execution of policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; **[and]**

(5) in establishing uniform terminologies, classifications, and procedures concerning matters covered by clauses (1) through (4)**[.]; and**

(6) *in the areas of exchange, commissary, and nonappropriated fund instrumentalities regarding morale, welfare, and recreation activities.*

* * * * *

(f) The Under Secretary of Defense (Comptroller) shall be responsible for investigating evidence of fraud, waste, and abuse uncovered as a result of the Department of Defense program (known as Operation Mongoose) established to identify and prevent fraud, waste, and abuse within the Department of Defense, particularly fraud, waste, and abuse regarding finance and accounting matters. The program shall continue through fiscal year 2003.

* * * * *

CHAPTER 6—COMBATANT COMMANDS

* * * * *

§ 167. Unified combatant command for special operations forces

(a) * * *

* * * * *

(f) BUDGET.—(1) In addition to the activities of a combatant command for which funding may be requested under section 166(b) of this title, the budget proposal of the special operations command shall include requests for funding for—

[(1)] (A) development and acquisition of special operations-peculiar equipment; and

[(2)] (B) acquisition of other material, supplies, or services that are peculiar to special operations activities.

(2) Funds provided for the special operations command as part of the budget for the special operations command under paragraph (1) may not be used to cover base operation support expenses incurred at a military installation.

* * * * *

CHAPTER 8—DEFENSE AGENCIES AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES

* * * * *

SUBCHAPTER I—COMMON SUPPLY AND SERVICE ACTIVITIES

Sec.

191. Secretary of Defense: authority to provide for common performance of supply or service activities.

* * * * *

195. *Defense Automated Printing Service: applicability of Federal printing requirements.*

* * * * *

§ 195. Defense Automated Printing Service: applicability of Federal printing requirements

The Defense Automated Printing Service shall comply fully with the requirements of chapter 5 of title 44 relating to the production and procurement of printing, binding, and blank-book work.

SUBCHAPTER II—MISCELLANEOUS DEFENSE AGENCY MATTERS

Sec.

201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance.

* * * * *

203. *Director of Ballistic Missile Defense Organization.*

* * * * *

§ 203. Director of Ballistic Missile Defense Organization

(a) GRADE.—*The position of Director of the Ballistic Missile Defense Organization—*

(1) may only be held by an officer of the armed forces on the active-duty list; and

(2) shall be designated under section 601 of this title as a position of importance and responsibility to carry the grade of general or admiral or lieutenant general or vice admiral.

(b) *LINE OF AUTHORITY TO SECRETARY OF DEFENSE.*—The Director of the Ballistic Missile Defense Organization reports directly to the Secretary of Defense and (if so directed by the Secretary) the Deputy Secretary of Defense, without intervening review or approval by any other officer of the Department of Defense, with respect to all matters pertaining to the management of ballistic missile defense programs for which the Director has responsibility (including matters pertaining to the status of those programs and the budgets for those programs).

CHAPTER 9—DEFENSE BUDGET MATTERS

Sec.
221. Future-years defense program: submission to Congress; consistency in budgeting.

* * * * *

224. *Ballistic missile defense programs: amounts for procurement.*

* * * * *

§224. Ballistic missile defense programs: amounts for procurement

(a) *REQUIREMENT.*—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for procurement for the National Missile Defense program or for any system that is part of the core theater missile defense program shall be set forth under the account of the Department of Defense for Defense-wide procurement and, within that account, under the subaccount (or other budget activity level) for the Ballistic Missile Defense Organization.

(b) *CORE THEATER BALLISTIC MISSILE DEFENSE PROGRAM.*—For purposes of this section, the core theater missile defense program consists of the systems specified in section 234 of the Ballistic Missile Defense Act of 1995 (10 U.S.C. 2431 note).

* * * * *

CHAPTER 18—MILITARY SUPPORT FOR CIVILIAN LAW ENFORCEMENT AGENCIES

* * * * *

§ 382. Emergency situations involving chemical or biological weapons of mass destruction

(a) * * *

* * * * *

(g) *RELATIONSHIP TO OTHER AUTHORITY.*—Nothing in this section shall be construed to restrict any executive branch authority regarding use of members of the armed forces or equipment of the Department of Defense that was in effect before [the date of the

enactment of the National Defense Authorization Act for Fiscal Year 1997] *September 23, 1996.*

* * * * *

CHAPTER 20—HUMANITARIAN AND OTHER ASSISTANCE

Sec.
401. Humanitarian and civic assistance provided in conjunction with military operations.

* * * * *

406. *Use of Cooperative Threat Reduction program funds: limitation.*

* * * * *

§406. Use of Cooperative Threat Reduction program funds: limitation

(a) *IN GENERAL.*—*In carrying out Cooperative Threat Reduction programs during any fiscal year, the Secretary of Defense may use funds appropriated for those programs only to the extent that those funds were appropriated for that fiscal year or for either of the two preceding fiscal years.*

(b) *DEFINITION OF COOPERATIVE THREAT REDUCTION PROGRAMS.*—*In this section, the term “Cooperative Threat Reduction programs” means the following programs with respect to states of the former Soviet Union:*

(1) *Programs to facilitate the elimination, and the safe and secure transportation and storage, of nuclear, chemical, and other weapons and their delivery vehicles.*

(2) *Programs to facilitate the safe and secure storage of fissile materials derived from the elimination of nuclear weapons.*

(3) *Programs to prevent the proliferation of weapons, components, and weapons-related technology and expertise.*

(4) *Programs to expand military-to-military and defense contacts.*

* * * * *

CHAPTER 21—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

* * * * *

SUBCHAPTER I—GENERAL MATTERS

Sec.
421. Funds for foreign cryptologic support.

* * * * *

424. Disclosure of organizational and personnel information: exemption for Defense Intelligence Agency.

425. Disclosure of personnel information: exemption for National Reconnaissance Office.]

424. *Disclosure of organizational and personnel information: exemption for Defense Intelligence Agency, National Reconnaissance Office, and National Imagery and Mapping Agency.*

* * * * *

**CHAPTER 22—NATIONAL IMAGERY AND MAPPING
AGENCY**

* * * * *

SUBCHAPTER I—MISSIONS AND AUTHORITY

* * * * *

§ 445. Protection of agency identifications and organizational information

(a) UNAUTHORIZED USE OF AGENCY NAME, INITIALS, OR SEAL.—
[(1)] Except with the written permission of the Secretary of Defense, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary of Defense, any of the following:

[(A)] (1) The words “National Imagery and Mapping Agency”, the initials “NIMA”, or the seal of the National Imagery and Mapping Agency.

[(B)] (2) The words “Defense Mapping Agency”, the initials “DMA”, or the seal of the Defense Mapping Agency.

[(C)] (3) Any colorable imitation of such words, initials, or seals.

[(2)] (b) *INJUNCTIVE RELIEF*.—Whenever it appears to the Attorney General that any person is engaged or about to engage in an act or practice which constitutes or will constitute conduct prohibited by **[paragraph (1)] subsection (a)**, the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to a hearing and determination of such action and may, at any time before such final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.

* * * * *

CHAPTER 23—MISCELLANEOUS STUDIES AND REPORTS

Sec.

481. Race relations, gender discrimination, and hate group activity: annual survey and report.

482. Quarterly readiness reports.

483. *Reports on transfers from high-priority readiness appropriations.*

484. *Quarterly reports on execution of operation and maintenance appropriations.*

* * * * *

[(§ 482. Quarterly readiness reports

[(a)] REQUIREMENT.—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on military readiness. The report for any quarter shall be based on assessments that are provided during that quarter—

[(1) to any council, committee, or other body of the Department of Defense (A) that has responsibility for readiness oversight, and (B) the membership of which includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

[(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

[(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

[(b) MATTERS TO BE INCLUDED.—Each such report shall—

[(1) specifically describe identified readiness problems or deficiencies and planned remedial actions; and

[(2) include the key indicators and other relevant data related to the identified problem or deficiency.

[(c) CLASSIFICATION OF REPORTS.—Reports under this section shall be submitted in unclassified form and may, as the Secretary determines necessary, also be submitted in classified form.]

§ 482. Quarterly readiness reports

(a) *QUARTERLY REPORTS REQUIRED.*—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on military readiness. The report for a quarter shall contain the information required by subsections (b) (d), and (e).

(b) *READINESS PROBLEMS AND REMEDIAL ACTIONS.*—Each report shall specifically describe—

(1) readiness problems or deficiencies identified using the assessments considered under subsection (c);

(2) planned remedial actions; and

(3) the key indicators and other relevant information related to the identified problem or deficiency.

(c) *CONSIDERATION OF READINESS ASSESSMENTS.*—The information required under subsection (b) to be included in the report for a quarter shall be based on readiness assessments that are provided during that quarter—

(1) to any council, committee, or other body of the Department of Defense—

(A) that has responsibility for readiness oversight; and

(B) whose membership includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

(d) *COMPREHENSIVE READINESS INDICATORS.*—Each report shall also include information regarding each military department (and an evaluation of such information) with respect to each of the following readiness indicators:

(1) *PERSONNEL STRENGTH.*—

(A) Individual personnel status.

- (B) *Historical and projected personnel trends.*
- (2) *PERSONNEL TURBULENCE.—*
 - (A) *Recruit quality.*
 - (B) *Borrowed manpower.*
 - (C) *Personnel stability.*
- (3) *OTHER PERSONNEL MATTERS.—*
 - (A) *Personnel morale.*
 - (B) *Medical and dental readiness.*
 - (C) *Recruit shortfalls.*
- (4) *TRAINING.—*
 - (A) *Training unit readiness and proficiency.*
 - (B) *Operations tempo.*
 - (C) *Training funding.*
 - (D) *Training commitments and deployments.*
- (5) *LOGISTICS—EQUIPMENT FILL.—*
 - (A) *Deployed equipment.*
 - (B) *Equipment availability.*
 - (C) *Equipment that is not mission capable.*
 - (D) *Age of equipment.*
 - (E) *Condition of nonpacing items.*
- (6) *LOGISTICS—EQUIPMENT MAINTENANCE.—*
 - (A) *Maintenance backlog.*
- (7) *LOGISTICS—SUPPLY.—*
 - (A) *Availability of ordnance and spares.*

(e) *UNIT READINESS INDICATORS.—Each report shall also include information regarding the readiness of each unit of the armed forces at the battalion, squadron, or an equivalent level (or a higher level) that received a readiness rating of C-3 (or below) for any month of the calendar-year quarter covered by the report. With respect to each such unit, the report shall separately provide the following information:*

- (1) *The unit designation and level of organization.*
- (2) *The overall readiness rating for the unit for the quarter and each month of the quarter.*
- (3) *The resource area or areas (personnel, equipment and supplies on hand, equipment condition, or training) that adversely affected the unit's readiness rating for the quarter.*
- (4) *If the unit received a readiness rating below C-1 in personnel for the quarter, the primary reason for the lower rating, by reason code and definition.*
- (5) *If the unit received a readiness rating below C-1 in equipment and supplies on hand for the quarter, the primary reason for the lower rating, by reason code and definition.*
- (6) *If the unit received a readiness rating below C-1 in equipment condition for the quarter, the primary reason for the lower rating, by reason code and definition.*
- (7) *If the unit received a readiness rating below C-1 in training for the quarter, the primary reason for the lower rating, by reason code and definition.*

(f) *CLASSIFICATION OF REPORTS.—A report under this section shall be submitted in unclassified form. To the extent the Secretary of Defense determines necessary, the report may also be submitted in classified form.*

§483. Reports on transfers from high-priority readiness appropriations

(a) **ANNUAL REPORTS.**—Not later than the date on which the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report on transfers during the preceding fiscal year from funds available for each covered budget activity.

(b) **QUARTERLY REPORTS.**—Not later than 30 days after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the congressional committees specified in subsection (a) a report on transfers, during that fiscal year quarter, from funds available for each covered budget activity.

(c) **MATTERS TO BE INCLUDED.**—In each report under subsection (a) or (b), the Secretary of Defense shall include for each covered budget activity the following:

(1) A statement, for the period covered by the report, of—

(A) the total amount of transfers into funds available for that activity;

(B) the total amount of transfers from funds available for that activity; and

(C) the net amount of transfers into, or out of, funds available for that activity.

(2) A detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

(d) **COVERED BUDGET ACTIVITY DEFINED.**—In this section, the term “covered budget activity” means each of the following:

(1) The budget activity groups (known as “subactivities”) within the Operating Forces budget activity of the annual Operation and Maintenance, Army, appropriation that are designated as follows:

(A) All subactivities under the category of Land Forces.

(B) Land Forces Depot Maintenance.

(C) Base Support.

(D) Maintenance of Real Property.

(2) The Air Operations budget activity groups (known as “subactivities”) within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

(A) Mission and Other Flight Operations.

(B) Fleet Air Training.

(C) Aircraft Depot Maintenance.

(D) Base Support.

(E) Maintenance of Real Property.

(3) The Ship Operations budget activity groups (known as “subactivities”) within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

(A) Mission and Other Ship Operations.

(B) Ship Operational Support and Training.

(C) Ship Depot Maintenance.

(D) *Base Support.*

(E) *Maintenance of Real Property.*

(4) *The Expeditionary Forces budget activity groups (known as “subactivities”) within the Operating Forces budget activity of the annual Operation and Maintenance, Marine Corps, appropriation that are designated as follows:*

(A) *Operational Forces.*

(B) *Depot Maintenance.*

(C) *Base Support.*

(D) *Maintenance of Real Property.*

(5) *The Air Operations and Combat Related Operations budget activity groups (known as “subactivities”) within the Operating Forces budget activity of the annual Operation and Maintenance, Air Force, appropriation that are designated as follows:*

(A) *Primary Combat Forces.*

(B) *Primary Combat Weapons.*

(C) *Air Operations Training.*

(D) *Depot Maintenance.*

(E) *Base Support.*

(F) *Maintenance of Real Property.*

(6) *The Mobility Operations budget activity group (known as a “subactivity”) within the Mobilization budget activity of the annual Operation and Maintenance, Air Force, appropriation that is designated as Airlift Operations.*

(e) *TERMINATION.—The requirements specified in subsections (a) and (b) shall terminate upon the submission of the annual report under subsection (a) covering fiscal year 2000.*

§ 484. Quarterly reports on execution of operation and maintenance appropriations

(a) *REPORT REQUIRED.—Not later than 60 days after the end of each quarter of a fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report containing budget execution data for each budget activity group (known as a “subactivity”) within the annual operation and maintenance appropriations for the period covered by the report. A report shall cover all preceding quarters of the fiscal year involved.*

(b) *MANNER OF PRESENTING DATA.—The budget execution data required under subsection (a) shall be displayed for the fiscal year involved in the same manner used in the operation and maintenance tables contained in the budget justification document entitled “O–1 Exhibit” submitted to Congress in support of the budget of the Department of Defense, as included in the budget of the President submitted under section 1105 of title 31.*

(c) *REQUIRED INFORMATION.—The following information shall be provided for each budget activity group:*

(1) *Amounts authorized to be appropriated.*

(2) *Amounts appropriated.*

(3) *Direct obligations.*

(4) *Total obligational authority.*

(5) *Amounts related to unbudgeted contingency operations.*

(6) *Direct obligations related to unbudgeted contingency operations.*

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PART II—PERSONNEL

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CHAPTER 36—PROMOTION, SEPARATION, AND INVOLUNTARY RETIREMENT OF OFFICERS ON THE ACTIVE-DUTY LIST

* * * * *

SUBCHAPTER II—PROMOTIONS

* * * * *

§ 619. Eligibility for consideration for promotion: time-in-grade and other requirements

(a) * * *

* * * * *

(d) A selection board convened under section 611(a) of this title may not consider for promotion to the next higher [grade—] *grade any of the following officers:*

(1) **[an]** *An officer whose name is on a promotion list for that grade as a result of his selection for promotion to that grade by an earlier selection board convened under that section[; or].*

(2) *An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under that section, in the case of such a report that has not yet been approved by the President.*

[(2) an] (3) *An officer of the Marine Corps who is an officer designated for limited duty and who holds a grade above major.*

* * * * *

CHAPTER 39—ACTIVE DUTY

* * * * *

§ 688. Retired members: authority to order to active duty; duties

(a) * * *

* * * * *

(e) **LIMITATION OF PERIOD OF RECALL SERVICE.—**(1) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under that subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under that subsection.

(2) *Paragraph (1) shall not apply to the following officers:*

(A) *A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.*

(B) *A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of active duty to which ordered.*

(C) *An officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.*

* * * * *

CHAPTER 40—LEAVE

* * * * *

§ 708. Educational leave of absence

(a) * * *

* * * * *

(c)(1) While on a leave of absence under this section, a member shall be paid basic pay but may not receive [basic allowance for quarters or basic allowance for subsistence] *basic allowance for housing under section 403 of title 37, basic allowance for subsistence under section 402 of such title, or any other pay and allowances to which he would otherwise be entitled for such period.*

* * * * *

CHAPTER 41—SPECIAL APPOINTMENTS, ASSIGNMENTS, DETAILS, AND DUTIES

Sec.

711. Senior members of Military Staff Committee of United Nations: appointment.

* * * * *

721. *General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service.*

* * * * *

§ 721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service

(a) *LIMITATION.—An officer described in subsection (b) may not be appointed, assigned, or detailed for a period in excess of 90 days to a position external to that officer's armed force if, immediately following such appointment, assignment, or detail, the number of officers described in subsection (b) serving in positions external to such officers' armed force for a period in excess of 90 days would be in excess of 24.5 percent of the total number of such officers.*

(b) *COVERED OFFICERS.—The officers covered by subsection (a), and to be counted for the purposes of the limitation in that subsection, are the following:*

(1) *Any general or flag officer counted for purposes of section 526(a) of this title.*

(2) *Any general or flag officer serving in a joint duty assignment position designated by the Chairman of the Joint Chiefs of Staff under section 526(b) of this title.*

(3) *Any colonel or Navy captain counted for purposes of section 777(d)(1) of this title.*

(c) *EXTERNAL POSITIONS.*—For purposes of this section, the following positions shall be considered to be external to an officer’s armed force:

(1) Any position (including a position in joint education) that is a joint duty assignment for purposes of chapter 38 of this title.

(2) Any position in the Office of the Secretary of Defense, a Defense Agency, or a Department of Defense Field Activity.

(3) Any position in the Joint Chiefs of Staff, the Joint Staff, or the headquarters of a combatant command (as defined in chapter 6 of this title).

(4) Any position in the National Guard Bureau.

(5) Any position outside the Department of Defense, including any position in the headquarters of the North Atlantic Treaty Organization or any other international military command, any combined or multinational command, or military mission.

(d) *ASSIGNMENTS, ETC. FOR PERIODS IN EXCESS OF 90 DAYS.*—For purposes of this section, the appointment, assignment, or detail of an officer to a position shall be considered to be for a period in excess of 90 days unless the appointment, assignment, or detail specifies that it is made a period of 90 days or less.

(e) *WAIVER DURING PERIOD OF WAR OR NATIONAL EMERGENCY.*—The President may suspend the operation of this section during any period of war or of national emergency declared by Congress or the President.

* * * * *

CHAPTER 47—UNIFORM CODE OF MILITARY JUSTICE

* * * * *

SUBCHAPTER VII—TRIAL PROCEDURE

Sec. Art.

836. 36. President may prescribe rules.

* * * * *

856a. 56a. Sentence of confinement for life without eligibility for parole.

* * * * *

§856a. Art. 56a. Sentence of confinement for life without eligibility for parole

(a) For any offense for which a sentence of confinement for life may be adjudged, a court-martial may adjudge a sentence of confinement for life without eligibility for parole.

(b) An accused who is sentenced to confinement for life without eligibility for parole shall be confined for the remainder of the accused’s life unless—

(1) the sentence is set aside or otherwise modified as a result of—

(A) action taken by the convening authority, the Secretary concerned, or another person authorized to act under section 860 of this title (article 60); or

(B) any other action taken during post-trial procedure and review under any other provision of subchapter IX;

- (2) *the sentence is set aside or otherwise modified as a result of action taken by a Court of Criminal Appeals, the Court of Appeals for the Armed Forces, or the Supreme Court; or*
- (3) *the accused is pardoned.*

SUBCHAPTER VIII—SENTENCES

* * * * *

§ 858b. Art. 58b. Sentences: forfeiture of pay and allowances during confinement

(a)(1) A court-martial sentence described in paragraph (2) shall result in the **【forfeiture of pay and (if adjudged by a general court-martial) allowances due that member】** *forfeiture of pay, or of pay and allowances, due that member* during any period of confinement or parole. The forfeiture pursuant to this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred as provided in that section. The pay and allowances forfeited, in the case of a general court-martial, shall be all pay and allowances due that member during such period and, in the case of a special court-martial, shall be two-thirds of all pay due that member during such period.

* * * * *

SUBCHAPTER XII—UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

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§ 943. Art. 143. Organization and employees

(a) * * *

* * * * *

(c) STATUS OF **【CERTAIN】** *CERTAIN* POSITIONS.—(1) Attorney positions of employment under the Court of Appeals for the Armed Forces are excepted from the competitive service. A position of employment under the Court that is provided primarily for the service of one judge of the court, reports directly to the judge, and is a position of a confidential character is excepted from the competitive service. Appointments to **【such positions】** *positions referred to in the preceding sentences* shall be made by the court, without the concurrence of any other officer or employee of the executive branch, in the same manner as appointments are made to other executive branch positions of a confidential or policy-determining character for which it is not practicable to examine or to hold a competitive examination. Such positions shall not be counted as positions of that character for purposes of any limitation on the number of positions of that character provided in law.

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CHAPTER 48—MILITARY CORRECTIONAL FACILITIES

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§ 952. Parole

(a) The Secretary concerned may provide a system of parole for offenders who are confined in military correctional facilities and who were at the time of commission of their offenses subject to the authority of that Secretary.

(b) *In a case in which parole for an offender serving a sentence of confinement for life is denied, only the President or the Secretary concerned may grant the offender parole on appeal of that denial. The authority to grant parole on appeal in such a case may not be delegated.*

* * * * *

§ 954. Voluntary extension; probation

The Secretary concerned may provide for persons who were subject to [this] *his* authority at the time of commission of their offenses a system for retention of selected offenders beyond expiration of normal service obligation in order to voluntarily serve a period of probation with a view to honorable restoration to duty.

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CHAPTER 49—MISCELLANEOUS PROHIBITIONS AND PENALTIES

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§ 972. Members: effect of time lost

(a) * * *

(b) OFFICERS NOT ALLOWED SERVICE CREDIT FOR TIME LOST.—
In the case of an officer of an armed force who after [the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996] *February 10, 1996*—

(1) * * *

* * * * *

§ 976. Membership in military unions, organizing of military unions, and recognition of military unions prohibited

(a) * * *

* * * * *

(f) Whoever violates subsection (b), (c), or (d) [shall, in the case of an individual, be fined not more than \$10,000 or imprisoned not more than five years, or both, and in the case of an organization or association, be fined not less than \$25,000 and not more than \$250,000.] *shall be fined under title 18 or imprisoned not more than 5 years, or both, except that, in the case of an organization (as defined in section 18 of such title), the fine shall not be less than \$25,000.*

* * * * *

§ 977. Operation of commissary stores: assignment of active duty members generally prohibited

(a) * * *

* * * * *

(c) EXCEPTION FOR CERTAIN ADDITIONAL MEMBERS.—[Beginning on October 1, 1996, not more than] *Not more than* 18 members (in addition to the officer referred to in subsection (b)) of the armed forces on active duty may be assigned to the Defense Commissary Agency. Members who may be assigned under this subsection to regional headquarters of the agency shall be limited to enlisted members assigned to duty as advisors in the regional headquarters responsible for overseas commissaries and to veterinary specialists.

(d) EXCEPTION FOR CERTAIN NAVY PERSONNEL.—(1) The Secretary of the Navy may assign to the Defense Commissary Agency a member of the Navy on active duty whose assignment afloat is part of the operation of a ship's food service or a ship's store. Any such assignment shall be on a nonreimbursable basis.

(2) The number of such members assigned to the Defense Commissary Agency during any period [before October 1, 1996, may not exceed the number of such members so assigned on October 1, 1993. After September 30, 1996, the number of such members so assigned] may not exceed the lesser of (A) the number of members so assigned on October 1, 1993, and (B) 400.

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CHAPTER 53—MISCELLANEOUS RIGHTS AND BENEFITS

Sec.
1031. Administration of oath.

* * * * *

1033. *Participation in management of specified non-Federal entities: authorized activities.*

* * * * *

§ 1033. Participation in management of specified non-Federal entities: authorized activities

(a) AUTHORIZATION.—*The Secretary concerned may authorize a member of the armed forces under the Secretary's jurisdiction, as part of that member's official duties, to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular member to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the member in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.*

(b) DESIGNATED ENTITIES.—(1) *The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently*

than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

(2) In this section, the term "military welfare society" means the following:

- (A) Army Emergency Relief.
- (B) Air Force Aid Society, Inc.
- (C) Navy-Marine Corps Relief Society.
- (D) Coast Guard Mutual Assistance.

(3) An entity described in this paragraph is an entity that—

- (A) regulates and supports the athletic programs of the service academies (including athletic conferences);
- (B) regulates international athletic competitions;
- (C) accredits service academies and other schools of the armed forces (including regional accrediting agencies); or
- (D)(i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a member of the armed forces may serve if authorized under subsection (a).

(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of a member of the armed forces to participate in the management of such an entity, shall be published in the Federal Register.

(d) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.

* * * * *

§ 1060a. Special supplemental food program

(a) * * *

(b) FEDERAL PAYMENTS AND COMMODITIES.—For the purpose of obtaining Federal payments and commodities in order to carry out the program referred to in subsection (a), the Secretary of Agriculture shall make available to the Secretary of Defense from funds appropriated for such purpose, the same payments and commodities as are made for the special supplemental food program in the United States under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). Pending receipt of such funds from the Secretary of Agriculture for any fiscal year, the Secretary of Defense may use funds appropriated to the Department of Defense for that fiscal year for operations and maintenance to carry out, and to avoid delay in implementation of, the program referred to in subsection (a) during any fiscal year.

* * * * *

CHAPTER 55—MEDICAL AND DENTAL CARE

Sec.

1071. Purpose of this chapter.

* * * * *

1097. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care.

* * * * *

[1106. Submittal of claims under CHAMPUS.]

1106. *Submittal of claims: standard form; time limits.*

* * * * *

§ 1072. Definitions

In this chapter:

(1) * * *

* * * * *

(7) *The term “TRICARE program” means the managed health care program that is established by the Department of Defense under the authority of this chapter, principally section 1097 of this title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.*

* * * * *

§ 1074a. Medical and dental care: members on duty other than active duty for a period of more than 30 days

(a) Under joint regulations prescribed by the administering Secretaries, the following persons are entitled to the benefits described in subsection (b):

(1) * * *

* * * * *

(3) Each member of the armed forces who incurs or aggravates an injury, illness, or disease in the line of duty *while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance from the member’s residence.*

* * * * *

§ 1076. Medical and dental care for dependents: general rule

(a)(1) A dependent described in paragraph (2) is entitled, upon request, to the medical and dental care prescribed by section 1077 of this title in facilities of the uniformed services, subject to the availability of space and facilities and the capabilities of the medical and dental staff.

(2) A dependent referred to in paragraph (1) is a dependent of a member of a uniformed service—

(A) who is on active duty for a period of more than 30 days or who died while on that duty; **[or]**

(B) who died from an injury, illness, or disease incurred or aggravated—

(i) while on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive duty training; or

(ii) while traveling to or from the place at which the member is to perform, or has performed, such active duty, active duty for training, or inactive duty training[.]; or

(C) who incurs or aggravates an injury or illness in the line of duty while serving on active duty for a period of 30 days or less and whose orders are subsequently modified to extend the period of active duty to a period of more than 30 days.

* * * * *

§ 1076a. Dependents' dental program

(a) * * *

* * * * *

(h) CARE OUTSIDE THE UNITED STATES.—The **[Secretary]** *Secretary of Defense* may exercise the authority provided under subsection (a) to establish basic dental benefits plans for the provision of dental benefits outside the United States for the eligible dependents of members of the uniformed services accompanying the members on permanent assignments to duty outside the United States. *In the case of such an overseas dental plan, the Secretary may waive or reduce the copayments otherwise required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.*

* * * * *

§ 1076b. Selected Reserve dental insurance

(a) * * *

(b) PREMIUM SHARING.—(1) * * *

* * * * *

[(3) A member's share of the premium for coverage by the dental insurance plan shall be deducted and withheld from the basic pay payable to the member for inactive duty training and from the basic pay payable to the member for active duty. In the case of a member who does not receive basic pay, the Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage.]

(3) The Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage by the dental insurance plan. Not later than October 1, 1998, the Secretary shall permit a member to pay the member's share of the premium through a deduction and withholding from basic pay payable to the member for inactive duty training or basic pay payable to the member for active duty.

* * * * *

§ 1076c. Dental insurance plan: certain retirees and their surviving spouses and other dependents

(a) * * *

(b) PERSONS ELIGIBLE FOR PLAN.—The following persons are eligible to enroll in the dental insurance plan established under subsection (a):

(1) * * *

* * * * *

(4) The unremarried surviving spouse and eligible child dependents of a deceased member—

(A) who **【dies】** *died* while in a status described in paragraph (1) or (2); **【or】**

(B) who is described in section 1448(d)(1) of this title**【.】**;

or

(C) who died while on active duty for a period of more than 30 days and whose eligible dependents are not eligible, or no longer eligible, for dental benefits under section 1076a of this title pursuant to subsection (i)(2) of such section.

(c) PREMIUMS.—(1) A member enrolled in the dental insurance plan established under subsection (a) shall pay the premiums charged for the insurance coverage.

【(2) The amount of the premiums payable by a member entitled to retired pay shall be deducted and withheld from the retired pay and shall be disbursed to pay the premiums. The regulations prescribed under subsection (h) shall specify the procedures for payment of the premiums by other enrolled members and by enrolled surviving spouses.】

(2) In the regulations prescribed under subsection (h), the Secretary of Defense shall establish procedures for the payment by enrolled members and by other enrolled covered beneficiaries of premiums charged for coverage by the dental insurance plan. Not later than October 1, 1998, the Secretary shall permit a member enrolled in the plan and entitled to retired pay to pay the member's share of the premium through a deduction and withholding from the retired pay of the member.

* * * * *

§ 1077. Medical care for dependents: authorized care in facilities of uniformed services

(a) Only the following types of health care may be provided under section 1076 of this title:

(1) Hospitalization.

* * * * *

(15) Prosthetic devices, as determined by the Secretary of Defense to be necessary because of significant conditions resulting from trauma, congenital anomalies, or disease.

(b) The following types of health care may not be provided under section 1076 of this title:

(1) Domiciliary or custodial care.

【(2) Prosthetic devices, hearing aids, orthopedic footwear, and spectacles except that—

【(A) outside the United States and at stations inside the United States where adequate civilian facilities are un-

available, such items may be sold to dependents at cost to the United States, and

[(B) artificial limbs, voice prostheses, and artificial eyes may be provided.]

(2) *Hearing aids, orthopedic footwear, and spectacles, except that, outside of the United States and at stations inside the United States where adequate civilian facilities are unavailable, such items may be sold to dependents at cost to the United States.*

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§ 1079. Contracts for medical care for spouses and children: plans

(a) * * *

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(h) [(1) Payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) may not exceed the lesser of—

[(A) the amount equivalent to the 80th percentile of billed charges made for similar services in the same locality during the base period; or

[(B) an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

[(2) For the purposes of paragraph (1)(A), the 80th percentile of charges shall be determined by the Secretary of Defense, in consultation with the other administering Secretaries, and the base period shall be a period of twelve calendar months. The Secretary of Defense shall adjust the base period as frequently as he considers appropriate.

[(3) For the purposes of paragraph (1)(B), the appropriate payment amount shall be determined by the Secretary of Defense, in consultation with the other administering Secretaries.]

(1) Except as provided in paragraphs (2) and (3), payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be equal to an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.). The Secretary of Defense shall determine the appropriate payment amount under this paragraph in consultation with the other administering Secretaries.

[(4)] (2) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to provide for such exceptions to the payment limitations under paragraph (1) as the Secretary determines to be necessary to assure that covered beneficiaries retain adequate access to health care services. Such exceptions may include the payment of amounts higher than the amount allowed under paragraph (1) when enrollees in managed care programs obtain covered services from nonparticipating pro-

viders. To provide a suitable transition from the payment methodologies in effect before the date of the enactment of this paragraph to the methodology required by paragraph (1), the amount allowable for any service may not be reduced by more than 15 percent below the amount allowed for the same service during the immediately preceding 12-month period (or other period as established by the Secretary of Defense).

[(5)] (3) In addition to the authority provided under [paragraph (4), the Secretary] *paragraph (2), the Secretary of Defense* may authorize the commander of a facility of the uniformed services, the lead agent (if other than the commander), and the health care contractor to modify the payment limitations under paragraph (1) for certain health care providers when necessary to ensure both the availability of certain services for covered beneficiaries and lower costs than would otherwise be incurred to provide the services. *With the consent of the health care provider, the Secretary is also authorized reduce the authorized payment for certain health care services below the amount otherwise required by the payment limitations under paragraph (1).*

[(6)] (4) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations to establish limitations (similar to the limitations established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).

* * * * *

§ 1089. Defense of certain suits arising out of medical malpractice

(a) The remedy against the United States provided by sections 1346(b) and 2672 of title 28 for damages for personal injury, including death, caused by the negligent or wrongful act or omission of any physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (including medical and dental technicians, nursing assistants, and therapists) of the armed forces, the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32, the Department of Defense, the Armed Forces Retirement Home, or the Central Intelligence Agency in the performance of medical, dental, or related health care functions (including clinical studies and investigations) while acting within the scope of his duties or employment therein or therefor shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or the estate of such person) whose act or omission gave rise to such action or proceeding. *This subsection shall also apply if the physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or the estate of such person) involved is serving under a personal services contract entered into by the Secretary of Defense under section 1091 of this title.*

* * * * *

(f)(1) The head of the agency concerned may, to the extent that the head of the agency concerned considers appropriate, hold harm-

less or provide liability insurance for any person described in subsection (a) for damages for personal injury, including death, caused by such person's negligent or wrongful act or omission in the performance of medical, dental, or related health care functions (including clinical studies and investigations) while acting within the scope of such person's duties if such person is assigned to a foreign country or detailed for service with other than a Federal department, agency, or instrumentality or if the circumstances are such as are likely to preclude the remedies of third persons against the United States described in section 1346(b) of title 28, for such damage or injury.

(2) *With respect to the Secretary of Defense and the Armed Forces Retirement Home Board, the authority provided by paragraph (1) also includes the authority to provide for reasonable attorney's fees for persons described in subsection (a), as determined necessary pursuant to regulations issued by the head of the agency concerned.*

* * * * *

§ 1091. Personal services contracts

(a) **AUTHORITY.**—(1) The Secretary of Defense, with respect to medical treatment facilities of the Department of Defense, and the Secretary of Transportation, with respect to medical treatment facilities of the Coast Guard when the Coast Guard is not operating as a service in the Navy, may enter into personal services contracts to carry out health care responsibilities in such facilities, as determined to be necessary by the Secretary. The authority provided in this subsection is in addition to any other contract authorities of the Secretary, including authorities relating to the management of such facilities and the administration of this chapter.

(2) *The Secretary of Defense may also enter into personal services contracts to carry out other health care responsibilities of the Secretary, such as the provision of medical screening examinations at Military Entrance Processing Stations, at locations outside medical treatment facilities, as determined necessary pursuant to regulations issued by the Secretary.*

* * * * *

§ 1094. Licensure requirement for health-care professionals

(a) * * *

* * * * *

(d)(1) *Notwithstanding any law regarding the licensure of health care providers, a health-care professional described in paragraph (2) may practice the health profession or professions of the health-care professional in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, regardless of whether the practice occurs in a health care facility of the Department of Defense, a civilian facility affiliated with the Department of Defense, or any other location authorized by the Secretary of Defense.*

(2) *A health-care professional referred to in paragraph (1) is a member of the armed forces who—*

(A) *has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession; and*

(B) *is performing authorized duties for the Department of Defense.*

[(d)] (e) In this section:

(1) The term “license”—

(A) means a grant of permission by an official agency of a State, the District of Columbia, or a Commonwealth, territory, or possession of the United States to provide health care independently as a health-care professional; and

(B) includes, in the case of such care furnished in a foreign country by any person who is not a national of the United States, a grant of permission by an official agency of that foreign country for that person to provide health care independently as a health-care professional.

(2) The term “health-care professional” means a physician, dentist, clinical psychologist, or nurse and any other person providing direct patient care as may be designated by the Secretary of Defense in regulations.

* * * * *

§ 1106. Submittal of claims under CHAMPUS

[(a) SUBMITTAL TO CLAIMS PROCESSING OFFICE.—Each provider of services under the Civilian Health and Medical Program of the Uniformed Services shall submit claims for payment for such services directly to the claims processing office designated pursuant to regulations prescribed under subsection (b). A claim for payment for services shall be submitted in a standard form (as prescribed in the regulations) not later than one year after the services are provided.

[(b) REGULATIONS.—The regulations required by subsection (a) shall be prescribed by the Secretary of Defense after consultation with the other administering Secretaries.

[(c) WAIVER.—The Secretary of Defense may waive the requirements of subsection (a) if the Secretary determines that the waiver is necessary in order to ensure adequate access for covered beneficiaries to health care services under this chapter.]

§ 1106. Submittal of claims: standard form; time limits

(a) *STANDARD FORM.—The Secretary of Defense, after consultation with the other administering Secretaries, shall prescribe by regulation a standard form for the submission of claims for the payment of health care services provided under this chapter.*

(b) *TIME FOR SUBMISSION.—A claim for payment for services shall be submitted as provided in such regulations not later than one year after the services are provided.*

* * * * *

CHAPTER 57—DECORATIONS AND AWARDS

- Sec.
 1121. Legion of Merit: award.
 * * * * * * *
1131. *Purple Heart: limitation to members of the armed forces.*
 * * * * * * *

§ 1129. Purple Heart: members killed or wounded in action by friendly fire

- (a) * * *
 * * * * * * *

(c) This section applies to members of the armed forces who are killed or wounded on or after December 7, 1941. In the case of a member killed or wounded as described in subsection (b) on or after December 7, 1941, and before [the date of the enactment of this section,] *November 30, 1993*, the Secretary concerned shall award the Purple Heart under subsection (a) in each case which is known to the Secretary [before the date of the enactment of this section or] *before such date or* for which an application is made to the Secretary in such manner as the Secretary requires.

* * * * * * *

§ 1131. Purple Heart: limitation to members of the armed forces

The decoration known as the Purple Heart (authorized to be awarded pursuant to Executive Order 11016) may only be awarded to a person who is a member of the armed forces at the time the person is killed or wounded under circumstances otherwise qualifying that person for award of the Purple Heart.

CHAPTER 58—BENEFITS AND SERVICES FOR MEMBERS BEING SEPARATED OR RECENTLY SEPARATED

* * * * * * *

§ 1151. Assistance to separated members to obtain certification and employment as teachers or employment as teachers' aides

- (a) * * *
 (b) STATES [WITH] *WITH ALTERNATIVE CERTIFICATION REQUIREMENTS AND TEACHER AND TEACHER'S AIDE SHORTAGES.*—Upon the establishment of the placement program authorized by subsection (a), the Secretary of Defense and the Secretary of Transportation, in consultation with the Secretary of Education, shall—

- (1) * * *
 * * * * * * *

§ 1152. Assistance to eligible members and former members to obtain employment with law enforcement agencies

- (a) * * *
 * * * * * * *

(g) **AUTHORITY TO EXPAND PLACEMENT TO INCLUDE FIREFIGHTERS.**—(1) The Secretary may expand the placement activities authorized by subsection (a) to include the placement of eligible members and former members and eligible civilian employees of the Department of Defense as firefighters or members of rescue squads or ambulance crews with public fire departments.

* * * * *

CHAPTER 61—RETIREMENT OR SEPARATION FOR PHYSICAL DISABILITY

* * * * *

§ 1204. Members on active duty for 30 days or less: retirement

Upon a determination by the Secretary concerned that a member of the armed forces not covered by section 1201, 1202, or 1203 of this title is unfit to perform the duties of his office, grade, rank, or rating because of physical disability, the Secretary may retire the member with retired pay computed under section 1401 of this title, if the Secretary also determines that—

(1) based upon accepted medical principles, the disability is of a permanent nature and stable;

(2) the disability is the proximate result of, or was incurred in line of duty after the date of the enactment of this Act as a result of—

(A) performing active duty or inactive-duty training;

(B) traveling directly to or from the place at which such duty is performed; or

(C) an injury, illness, or disease incurred or aggravated while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance of the member's residence;

* * * * *

§ 1206. Members on active duty for 30 days or less: separation

Upon a determination by the Secretary concerned that a member of the armed forces not covered by section 1201, 1202, or 1203 of this title is unfit to perform the duties of his office, grade, rank, or rating because of physical disability, the member may be separated from his armed force, with severance pay computed under section 1212 of this title, if the Secretary also determines that—

(1) the member has less than 20 years of service computed under section 1208 of this title;

(2) *the disability was incurred in the line of duty as a result of—*

(A) performing active duty or inactive-duty training;

(B) traveling directly to or from the place at which such duty is performed; or

(C) an injury, illness, or disease incurred or aggravated while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance of the member's residence;

[(2)] (3) the disability is not the result of the member's intentional misconduct or willful neglect, and was not incurred during a period of unauthorized absence;

[(3)] (4) based upon accepted medical principles, the disability is or may be of a permanent nature; and

[(4)] (5) the disability is less than 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of the determination, and was the proximate result of performing active duty or inactive-duty training or of traveling directly to or from the place at which such duty is performed.

However, if the member is eligible for transfer to the inactive status list under section 1209 of this title, and so elects, he shall be transferred to that list instead of being separated.

* * * * *

CHAPTER 63—RETIREMENT FOR AGE

* * * * *

§ 1251. Age 62: regular commissioned officers; exceptions

(a) * * *

* * * * *

(c)(1) The Secretary concerned may defer the retirement under subsection (a) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

(2) *The Secretary concerned may defer the retirement under subsection (a) of an officer who is appointed or designated as a chaplain if during the period of the deferment the officer will be performing duties consisting primarily of providing direct support as a chaplain to units or installations.*

[(2)](3)(A) Except as provided in subparagraph (B), a deferment under this subsection may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

(B) The Secretary concerned may extend a deferment under this subsection beyond the day referred to in subparagraph (A) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.

[(3)] (4) For purposes of this subsection, a health professions officer is—

- (A) a medical officer;
- (B) a dental officer; or

(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

(d) The Secretary concerned may defer the retirement under subsection (a) of an officer who is the Chief of Chaplains or Deputy Chief of Chaplains of that officer's armed force. Such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

* * * * *

CHAPTER 69—RETIRED GRADE

* * * * *

§ 1370. Commissioned officers: general rule; exceptions

(a) RULE FOR RETIREMENT IN HIGHEST GRADE HELD SATISFACTORILY.—(1) * * *

(2)(A) In order to be eligible for voluntary retirement under any provision of this title in a grade above major or lieutenant commander, a commissioned officer of the Army, Navy, Air Force, or Marine Corps must have served on active duty in that grade for not less than three years, except that the Secretary of Defense may authorize the Secretary of a military department to reduce such period to a period of not less than two years in the case of retirements effective during the nine-year period beginning on October 1, 1990.

* * * * *

(d) RESERVE OFFICERS.—(1) Unless entitled to a higher grade, or to credit for satisfactory service in a higher grade, under some other provision of law, a person who is entitled to retired pay under chapter [1225] 1223 of this title shall, upon application under section 12731 of this title, be credited with satisfactory service in the highest grade in which that person served satisfactorily at any time in the armed forces, as determined by the Secretary concerned in accordance with this subsection.

* * * * *

(3)(A) In order to be credited with satisfactory service in an officer grade above major or lieutenant commander, a person covered by paragraph (1) must have served satisfactorily in that grade (as determined by the Secretary of the military department concerned) as a reserve commissioned officer in an active status, or in a retired status on active duty, for not less than three years.

* * * * *

(F) The Secretary of Defense may authorize the Secretary of a military department to reduce the three-year period specified in subparagraph (A) to a period of not less than two years in the case of retirements effective during the period beginning on the date of the enactment of this subparagraph and ending on September 30, 1999. The number of officers in an armed force in a grade for whom a reduction is made during any fiscal year in the period of service-in-grade otherwise required under this paragraph may not exceed the number equal to two percent of the authorized reserve active sta-

tus strength for that fiscal year for officers of that armed force in that grade.

* * * * *

CHAPTER 71—COMPUTATION OF RETIRED PAY

* * * * *

§ 1408. Payment of retired or retainer pay in compliance with court orders

(a) DEFINITIONS.—In this section:

* * * * *

(d) PAYMENTS BY SECRETARY CONCERNED **[[To]** TO (OR FOR BENEFIT OF) SPOUSE OR FORMER SPOUSE.—(1) After effective service on the Secretary concerned of a court order providing for the payment of child support or alimony or, with respect to a division of property, specifically providing for the payment of an amount of the disposable retired pay from a member to the spouse or a former spouse of the member, the Secretary shall make payments (subject to the limitations of this section) from the disposable retired pay of the member to the

* * * * *

[[6]](7)(A) The Secretary concerned may not accept service of a court order that is an out-of State modification, or comply with the provisions of such a court order, unless the court issuing that order has jurisdiction in the manner specified in subsection (c)(4) over both the member and the spouse or former spouse involved.

* * * * *

§ 1450. Payment of annuity: beneficiaries

(a) * * *

* * * * *

(f) CHANGE IN ELECTION OF INSURABLE INTEREST OR FORMER SPOUSE BENEFICIARY.—

(1) AUTHORIZED CHANGES.—

(A) * * *

* * * * *

(C) PROCEDURES, EFFECTIVE DATE, ETC.—Any such change of election is subject to the same rules with respect to execution, revocation, and effectiveness as are set forth in section 1448(a)(5) of this title (without regard to the eligibility of the person making the change of election to make such an election under that section), *except that such a change of election to change a beneficiary under the Plan from a former spouse to a spouse may be made at any time after the person providing the annuity remarries (rather than only within one year after the date on which that person marries).*

* * * * *

CHAPTER 75—DEATH BENEFITS

* * * * *

§ 1481. Recovery, care, and disposition of remains: decedents covered

(a) The Secretary concerned may provide for the recovery, care, and disposition of the remains of the following persons:

(1) Any Regular of an armed force, or member of an armed force without component, under his jurisdiction who dies while on active duty.

(2) A member of a reserve component of an armed force who dies while—

- (A) on active duty;
- (B) performing inactive-duty training;
- (C) performing authorized travel directly to or from active duty or inactive-duty training;
- (D) *remaining overnight immediately before the commencement of inactive-duty training, or remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance from the member's residence; or*
- (E) hospitalized or undergoing treatment for an injury, illness, or disease incurred or aggravated while on active duty or performing inactive-duty training.

* * * * *

CHAPTER 76—MISSING PERSONS

Sec.							
1501.	System for accounting for missing persons.	*	*	*	*	*	*
1509.	Preenactment cases, <i>special interest</i> .	*	*	*	*	*	*

§ 1501. System for accounting for missing persons

(a) * * *
* * * * *

[(c) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.]

(c) COVERED PERSONS.—Section 1502 of this title applies in the case of the following persons:

- (1) *Any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.*
- (2) *Any civilian employee of the Department of Defense, and any employee of a contractor of the Department of Defense, who*

serves with or accompanies the armed forces in the field under orders who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

* * * * *

(f) *SECRETARY CONCERNED.*—*In this chapter, the term “Secretary concerned” includes, in the case of a civilian employee of the Department of Defense or contractor of the Department of Defense, the Secretary of the military department or head of the element of the Department of Defense employing the employee or contracting with the contractor, as the case may be.*

§ 1502. Missing persons: initial report

(a) *PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.*—*After receiving information that the whereabouts and status of a person described in section 1501(c) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—*

(1) recommend that the person be placed in a missing status; and

(2) not later than **[10 days]** *48 hours* after receiving such information, transmit a report containing that recommendation to the **[Secretary concerned]** *theater component commander with jurisdiction over the missing person* in accordance with procedures prescribed under section 1501(b) of this title.

(b) *TRANSMISSION THROUGH THEATER COMPONENT COMMANDER.*—*Upon reviewing a report under subsection (a) recommending that a person be placed in a missing status, the theater component commander shall ensure that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person. Not later than 14 days after receiving the report, the theater component commander shall forward the report to the Secretary of Defense or the Secretary concerned in accordance with procedures prescribed under section 1501(b) of this title. The theater component commander shall include with such report a certification that all necessary actions are being taken, and all appropriate assets are being used, to resolve the status of the missing person.*

[(b)] (c) *SAFEGUARDING AND FORWARDING OF RECORDS.*—*A commander making a preliminary assessment under subsection (a) with respect to a missing person shall (in accordance with procedures prescribed under section 1501 of this title) safeguard and forward for official use any information relating to the whereabouts and status of the missing person that results from the preliminary assessment or from actions taken to locate the person. The theater component commander through whom the report with respect to the missing person is transmitted under subsection (b) shall ensure that all pertinent information relating to the whereabouts and status of the missing person that results from the preliminary assessment or*

from actions taken to locate the person is properly safeguarded to avoid loss, damage, or modification.

§ 1503. Actions of Secretary concerned; initial board inquiry

(a) DETERMINATION BY SECRETARY.—Upon receiving a recommendation under section **[1502(a)] 1502(b)** of this title that a person be placed in a missing status, the Secretary receiving the recommendation shall review the recommendation and, not later than 10 days after receiving such recommendation, shall appoint a board under this section to conduct an inquiry into the whereabouts and status of the person.

* * * * *

(c) COMPOSITION.—(1) A board appointed under this section to inquire into the whereabouts and status of a person shall consist of at least **[one military officer] one individual described in paragraph (2)** who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

(2) *An individual referred to in paragraph (1) is the following:*

(A) *A military officer, in the case of an inquiry with respect to a member of the armed forces.*

(B) *A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.*

[(2)] (3) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the individual access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

[(3)] (4) A Secretary appointing a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

* * * * *

§ 1504. Subsequent board of inquiry

(a) * * *

* * * * *

(d) COMPOSITION.—(1) A board appointed under this section shall be composed of at least three members **[who are officers having the grade of major or lieutenant commander or above.] as follows:**

(A) *In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.*

(B) *In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense*

(and no members of the armed forces), the board shall be composed of—

(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS-13 of the General Schedule under section 5332 of title 5; and

(ii) such members of the armed forces as the Secretary considers advisable.

(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry.

* * * * *

(4) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, with the same qualifications as specified in [section 1503(c)(3)] section 1503(c)(4) of this title.

* * * * *

§ 1505. Further review

(a) * * *

[(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The Secretary concerned shall conduct inquiries into the whereabouts and status of a person under subsection (a) upon receipt of information that may result in a change of status of the person. The Secretary concerned shall appoint a board to conduct such inquiries.]

(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1) In the case of a missing person who was last known to be alive or who was last suspected of being alive, the Secretary shall appoint a board to conduct an inquiry with respect to a person under this subsection—

(A) on or about three years after the date of the initial report of the disappearance of the person under section 1502(a) of this title; and

(B) not later than every three years thereafter.

(2) In addition to appointment of boards under paragraph (1), the Secretary shall appoint a board to conduct an inquiry with respect to a missing person under this subsection upon receipt of information that could result in a change of status of the missing person. When the Secretary appoints a board under this paragraph, the time for subsequent appointments of a board under paragraph (1)(B) shall be determined from the date of the receipt of such information.

(3) The Secretary is not required to appoint a board under paragraph (1) with respect to the disappearance of any person—

(A) more than 30 years after the initial report of the disappearance of the missing person required by section 1502 of this title; or

(B) if, before the end of such 30-year period, the missing person is accounted for.

* * * * *

§ 1506. Personnel files

(a) * * *

* * * * *

(e) *WRONGFUL WITHHOLDING.*—Except as provided in subsections (a) through (d), any person who knowingly and willfully withholds from the personnel file of a missing person any information relating to the disappearance or whereabouts and status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

[(e)] (f) *AVAILABILITY OF INFORMATION.*—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the primary next of kin, the other members of the immediate family, or any other previously designated person of the person.

§ 1507. Recommendation of status of death

(a) * * *

(b) *SUBMITTAL OF INFORMATION ON DEATH.*—If a board appointed under section 1503, 1504, or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall include in the report of the board with respect to the person under that section the following:

(1) A detailed description of the location where the death occurred.

(2) A statement of the date on which the death occurred.

(3) A description of the location of the body, if recovered.

(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

* * * * *

§ 1509. Preenactment, special interest cases

(a) * * *

* * * * *

(c) *SPECIAL RULE FOR PERSONS CLASSIFIED AS “KLA/BNR”.*—In the case of a person described in subsection (b) who was classified as “killed in action/body not recovered”, the case of that person may be reviewed under this section only if the new information referred to in subsection (a) is compelling.

[(c)] (d) *DEFINITIONS.*—In this section:

(1) The term “Korean conflict” means the period beginning on June 27, 1950, and ending on January 31, 1955.

(2) The term “Cold War” means the period beginning on September 2, 1945, and ending on August 21, 1991.

(3) The term “Indochina war era” means the period beginning on July 8, 1959, and ending on May 15, 1975.

* * * * *

§ 1513. Definitions

In this chapter:

[(1) The term “missing person” means a member of the armed forces on active duty who is in a missing status.]

(1) *The term “missing person” means—*

(A) *a member of the armed forces on active duty who is in a missing status; or*

(B) *a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves with or accompanies the armed forces in the field under orders and who is in a missing status.*

* * * * *

(8) *The term “theater component commander” means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.*

* * * * *

CHAPTER 81—CIVILIAN EMPLOYEES

Sec.

1581. Foreign National Employees Separation Pay Account.

* * * * *

1585. Carrying of firearms.

1585a. *Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests.*

* * * * *

1589. *Participation in management of specified non-Federal entities: authorized activities.*

* * * * *

§ 1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests

(a) *AUTHORITY.—The Secretary of Defense may authorize any DCIS special agent—*

(1) *to execute and serve any warrant or other process issued under the authority of the United States; and*

(2) *to make arrests without a warrant—*

(A) *for any offense against the United States committed in the presence of that agent; and*

(B) *for any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing the felony.*

(b) *ATTORNEY GENERAL GUIDELINES.*—Authority of a DCIS special agent under subsection (a) may be exercised only in accordance with guidelines approved by the Attorney General.

(c) *DCIS SPECIAL AGENT DEFINED.*—In this section, the term “DCIS special agent” means an employee of the Department of Defense who is a special agent of the Defense Criminal Investigative Service (or any successor to that service).

* * * * *

§ 1589. Participation in management of specified non-Federal entities: authorized activities

(a) *AUTHORIZATION.*—(1) The Secretary concerned may authorize an employee described in paragraph (2), as part of that employee’s official duties, to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular employee to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the employee in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

(2) Paragraph (1) applies to any employee of the Department of Defense or, in the case of the Coast Guard when not operating as a service in the Navy, of the Department of Transportation. For purposes of this section, the term “employee” includes a civilian officer.

(b) *DESIGNATED ENTITIES.*—(1) The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

(2) In this section, the term “military welfare society” means the following:

- (A) Army Emergency Relief.
- (B) Air Force Aid Society, Inc.
- (C) Navy-Marine Corps Relief Society.
- (D) Coast Guard Mutual Assistance.

(3) An entity described in this paragraph is an entity that—

- (A) regulates and supports the athletic programs of the service academies (including athletic conferences);
- (B) regulates international athletic competitions;
- (C) accredits service academies and other schools of the armed forces (including regional accrediting agencies); or
- (D)(i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a Federal employee described

in subsection (a)(2) may serve if authorized under subsection (a).

(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of an employee to participate in the management of such an entity, shall be published in the Federal Register.

(d) CIVILIANS OUTSIDE THE MILITARY DEPARTMENTS.—In this section, the term “Secretary concerned” includes the Secretary of Defense with respect to employees of the Department of Defense who are not employees of a military department.

(e) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.

* * * * *

§ 1595. Civilian faculty members at certain Department of Defense schools: employment and compensation

(a) * * *

* * * * *

(d) APPLICATION TO FACULTY MEMBERS AT NDU.—(1) * * *

(2) For purposes of this section, the National Defense University includes the National War College, the Armed Forces Staff College, the [Institute for National Strategic Study,] *Institute for National Strategic Studies*, the *Information Resources Management College*, and the Industrial College of the Armed Forces.

* * * * *

§ 1599c. Veterans’ preference requirements: Department of Defense failure to comply treated as a prohibited personnel practice

(a) * * *

* * * * *

(c) VETERANS’ PREFERENCE DEFINED.—(1) In this section, the term “veterans’ preference” means any of the following provisions of law:

(A) * * *

* * * * *

(F) Sections 106[(f)](e), 7281(e), and 7802(5) of title 38.

* * * * *

CHAPTER 87—DEFENSE ACQUISITION WORKFORCE

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SUBCHAPTER V—GENERAL MANAGEMENT PROVISIONS

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§ 1763. Reassignment of authority

【On and after October 1, 1993, the】 *The* Secretary of Defense may assign the responsibilities under this chapter of the Under Secretary of Defense for Acquisition and Technology to any other civilian official in the Office of the Secretary of Defense who is appointed by the President by and with the advice and consent of the Senate. If the Secretary takes action under the preceding sentence, he may authorize the 【secretaries】 *Secretaries* of the military departments to assign the responsibilities of a senior acquisition executive under this chapter to any other civilian official in the military department who is appointed by the President by and with the advice and consent of the Senate.

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PART III—TRAINING AND EDUCATION

* * * * *

CHAPTER 101—TRAINING GENERALLY

* * * * *

§ 2010. Participation of developing countries in combined exercises: payment of incremental expenses

(a) * * *

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【(e) Not more than \$13,400,000 may be obligated or expended for the purposes of this section during fiscal years 1987 through 1991.】

§ 2011. Special operations forces: training with friendly foreign forces

(a) * * *

* * * * *

【(e) REPORTS.—Not later than April 1 of each year, the Secretary of Defense shall submit to Congress a report regarding training during the preceding fiscal year for which expenses were paid under this section. Each report shall specify the following:

【(1) All countries in which that training was conducted.

【(2) The type of training conducted, including whether such training was related to counter-narcotics or counter-terrorism activities, the duration of that training, the number of members of the armed forces involved, and expenses paid.

【(3) The extent of participation by foreign military forces, including the number and service affiliation of foreign military personnel involved and physical and financial contribution of each host nation to the training effort.

【(4) The relationship of that training to other overseas training programs conducted by the armed forces, such as military exercise programs sponsored by the Joint Chiefs of Staff, military exercise programs sponsored by a combatant command, and military training activities sponsored by a military department (including deployments for training, short duration exercises, and other similar unit training events).】

§ 2012. Support and services for eligible organizations and activities outside Department of Defense

(a) * * *

* * * * *

(g) *TREATMENT OF MEMBER'S PARTICIPATION IN PROVISION OF SUPPORT OR SERVICES.—(1) The Secretary of a military department may not require or request a member of the armed forces to submit for consideration by a selection board (including a promotion board, command selection board, or any other kind of selection board) evidence of the member's participation in the provision of support and services to non-Department of Defense organizations and activities under this section or the member's involvement in, or support of, other community relations and public affairs activities of the armed forces. A selection board may not evaluate a member on the basis of the member's participation or involvement in, or support of, such support, services, or activities.*

(2) Paragraph (1) shall not apply with respect to the following members:

(A) A member who is in a public affairs career field.

(B) A member who is not in a public affairs career field, but who is serving, at the time the member is considered by a selection board, in a public affairs position specified in service authorization documents or who served in such a position within three years before being considered by a selection board.

[(g)] (h) **ADVISORY COUNCILS.—(1)** The Secretary of Defense shall encourage the establishment of advisory councils at regional, State, and local levels, as appropriate, in order to obtain recommendations and guidance concerning assistance under this section from persons who are knowledgeable about regional, State, and local conditions and needs.

(2) The advisory councils should include officials from relevant military organizations, representatives of appropriate local, State, and Federal agencies, representatives of civic and social service organizations, business representatives, and labor representatives.

(3) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to such councils.

[(h)] (i) **CONSTRUCTION OF PROVISION.—**Nothing in this section shall be construed as authorizing—

(1) the use of the armed forces for civilian law enforcement purposes or for response to natural or manmade disasters; or

(2) the use of Department of Defense personnel or resources for any program, project, or activity that is prohibited by law.

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CHAPTER 103—SENIOR RESERVE OFFICERS' TRAINING CORPS

Sec.
2101. Definitions.

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[2111a. Detail of officers to senior military colleges.]
2111a. Support for senior military colleges.

* * * * *

[§ 2111a. Detail of officers to senior military colleges]**§ 2111a. Support for senior military colleges**

(a) * * *

* * * * *

(d) *ADDITIONAL SUPPORT.—(1) The Secretaries of the military departments shall ensure that each unit of the Senior Reserve Officers' Training Corps at a senior military college provides support to the Corps of Cadets at the college over and above the level of support associated with the conduct of the formal Senior Reserve Officers' Training Corps course of instruction.*

(2) *This additional support shall include the following:*

(A) *Mentoring, teaching, coaching, counseling and advising cadets and cadet leaders in the areas of leadership, military, and academic performance.*

(B) *Involvement in cadet leadership training, development, and evaluation, as well as drill, ceremonies, parades, and inspections.*

(3) *This additional support may include the following:*

(A) *Advising cadet teams, clubs, and organizations.*

(B) *Involvement in matters of discipline and administration of the Corps of Cadets so long as such involvement does not interfere with the conduct of the formal Senior Reserve Officers' Training Corps course of instruction or the support required by paragraph (2).*

(e) *TERMINATION OR REDUCTION OF PROGRAM PROHIBITED.—The Secretary of Defense and the Secretaries of the military departments may not take or authorize any action to terminate or reduce a unit of the Senior Reserve Officers' Training Corps at a senior military college unless the termination or reduction is specifically requested by the college.*

(f) *ASSIGNMENT TO ACTIVE DUTY.—(1) The Secretary of the Army shall ensure that a graduate of a senior military college who desires to serve as a commissioned officer on active duty upon graduation from the college, who is medically and physically qualified for active duty, and who is recommended for such duty by the professor of military science at the college, shall be assigned to active duty. This paragraph shall apply to a member of the program at a senior military college who graduates from the college after March 31, 1997.*

(2) *Nothing in this section shall be construed to prohibit the Secretary of the Army from requiring a member of the program who graduates from a senior military college to serve on active duty.*

[(d)] (g) SENIOR MILITARY COLLEGES.—The senior military colleges are the following:

- (1) Texas A&M University.
- (2) Norwich **[College]** University.
- (3) The Virginia Military Institute.
- (4) The Citadel.
- (5) Virginia Polytechnic Institute and State University.
- (6) North Georgia College and State University.

* * * * *

§ 2130a. Financial assistance: nurse officer candidates

(a) BONUS AUTHORIZED.—(1) A person described in subsection (b) who, during the period beginning on November 29, 1989, and ending on September 30, [1998] 1999, executes a written agreement in accordance with subsection (c) to accept an appointment as a nurse officer may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus of not more than \$5,000. The bonus shall be paid in periodic installments, as determined by the Secretary concerned at the time the agreement is accepted, except that the first installment may not exceed \$2,500.

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CHAPTER 108—DEPARTMENT OF DEFENSE SCHOOLS

Sec.
2161. Defense Intelligence School: master of science of strategic intelligence.

* * * * *

2165. *National Defense University: Center for the Study of Chinese Military Affairs.*

* * * * *

§ 2162. Preparation of budget requests for operation of professional military education schools

(a) * * *

* * * * *

(d) DEFINITIONS.—In this section:

(1) * * *

(2) The term “National Defense University” means the National War College, the Armed Forces Staff College, *the Institute for National Strategic Studies*, *the Information Resources Management College*, and the Industrial College of the Armed Forces.

* * * * *

§ 2165. *National Defense University: Center for the Study of Chinese Military Affairs*

(a) ESTABLISHMENT.—(1) *The Secretary of Defense shall establish a Center for the Study of Chinese Military Affairs (hereinafter in this section referred to as the “Center”) as part of the National Defense University. The Center shall be organized as an independent institute under the University.*

(2) *The Director of the Center shall be a distinguished scholar of proven academic, management, and leadership credentials with a superior record of achievement and publication regarding Chinese political, strategic, and military affairs. The Director shall be appointed by the Secretary of Defense in consultation with the chairman and ranking minority party member of the Committee on National Security of the House of Representatives and the chairman and ranking minority party member of the Committee on Armed Services of the Senate.*

(b) MISSION.—*The mission of the Center is to study the national goals and strategic posture of the People’s Republic of China and*

the ability of that nation to develop, field, and deploy an effective military instrument in support of its national strategic objectives.

(c) AREAS OF STUDY.—The Center shall conduct research relating to the People’s Republic of China as follows:

(1) To assess the potential of that nation to act as a global great power, the Center shall conduct research that considers the policies and capabilities of that nation in a regional and world-wide context, including Central Asia, Southwest Asia, Europe, and Latin America, as well as the Asia-Pacific region.

(2) To provide a fuller assessment of the areas of study referred to in paragraph (1), the Center shall conduct research on—

(A) economic trends relative to strategic goals and military capabilities;

(B) strengths and weaknesses in the scientific and technological sector; and

(C) relevant demographic and human resource factors on progress in the military sphere.

(3) The Center shall conduct research on the armed forces of the People’s Republic of China, taking into account the character of those armed forces and their role in Chinese society and economy, the degree of their technological sophistication, and their organizational and doctrinal concepts. That research shall include inquiry into the following matters:

(A) Concepts concerning national interests, objectives, and strategic culture.

(B) Grand strategy, military strategy, military operations, and tactics.

(C) Doctrinal concepts at each of the four levels specified in subparagraph (B).

(D) The impact of doctrine on China’s force structure choices.

(E) The interaction of doctrine and force structure at each level to create an integrated system of military capabilities through procurement, officer education, training, and practice and other similar factors.

(d) FACULTY OF THE CENTER.—(1) The core faculty of the Center should comprise mature scholars capable of providing diverse perspectives on Chinese political, strategic, and military thought. Center scholars shall demonstrate the following competencies and capabilities:

(A) Analysis of national strategy, military strategy, and doctrine.

(B) Analysis of force structure and military capabilities.

(C) Analysis of—

(i) issues relating to weapons of mass destruction, military intelligence, defense economics, trade, and international economics; and

(ii) the relationship between those issues and grand strategy, science and technology, the sociology of human resources and demography, and political science.

(2) A substantial number of Center scholars shall be competent in the Chinese language. The Center shall include a core of junior

scholars capable of providing linguistics and translation support to the Center.

(e) *ACTIVITIES OF THE CENTER.*—The activities of the Center shall include other elements appropriate to its mission, including the following:

(1) *The Center should include an active conference program with an international reach.*

(2) *The Center should conduct an international competition for a Visiting Fellowship in Chinese Military Affairs and Chinese Security Issues. The term of the fellowship should be for one year, renewable for a second. The visitor should contract to produce a major publication in the visitor's area of expertise.*

(3) *The Center shall provide funds to support at least one trip per analyst per year to China and the region and to support visits of Chinese military leaders to the Center.*

(4) *The Center shall support well defined, distinguished, signature publications.*

(5) *Center scholars shall have appropriate access to intelligence community assessments of Chinese military affairs.*

(f) *STUDIES AND REPORTS.*—The Director may contract for studies and reports from the private sector to supplement the work of the Center.

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CHAPTER 109—EDUCATIONAL LOAN REPAYMENT PROGRAMS

Sec.
2171. Education loan repayment program: enlisted members on active duty in specified military specialties.

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2173. Education loan repayment program: commissioned officers in specified health professions.

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§2173. Education loan repayment program: commissioned officers in specified health professions

(a) *AUTHORITY TO REPAY EDUCATION LOANS.*—For the purpose of maintaining adequate numbers of commissioned officers of the armed forces on active duty who are qualified in the various health professions, the Secretary of a military department may repay, in the case of a person described in subsection (b), a loan that was used by the person to finance education regarding a health profession and was obtained from a governmental entity, private financial institution, school, or other authorized entity.

(b) *ELIGIBLE PERSONS.*—To be eligible to obtain a loan repayment under this section, a person must—

(1) *satisfy one of the academic requirements specified in subsection (c);*

(2) *be fully qualified for, or hold, an appointment as a commissioned officer in one of the health professions; and*

(3) *sign a written agreement to serve on active duty, or, if on active duty, to remain on active duty for a period in addition to any other incurred active duty obligation.*

(c) **ACADEMIC REQUIREMENTS.**—*One of the following academic requirements must be satisfied for purposes of determining the eligibility of a person for a loan repayment under this section:*

(1) *The person must be fully qualified in a health profession that the Secretary of the military department concerned has determined to be necessary to meet identified skill shortages.*

(2) *The person must be enrolled as a full-time student in the final year of a course of study at an accredited educational institution leading to a degree in a health profession other than medicine or osteopathic medicine.*

(3) *The person must be enrolled in the final year of an approved graduate program leading to specialty qualification in medicine, dentistry, osteopathic medicine, or other health profession.*

(d) **CERTAIN PERSON INELIGIBLE.**—*Participants of the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of this title and students of the Uniformed Services University of the Health Sciences established under section 2112 of this title are not eligible for the repayment of an education loan under this section.*

(e) **LOAN REPAYMENTS.**—(1) *Subject to the limits established by paragraph (2), a loan repayment under this section may consist of payment of the principal, interest, and related expenses of a loan obtained by a person described in subsection (b) for—*

(A) *all educational expenses, comparable to all educational expenses recognized under section 2127(a) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program; and*

(B) *reasonable living expenses, not to exceed expenses comparable to the stipend paid under section 2121(d) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.*

(2) *For each year of obligated service that a person agrees to serve in an agreement described in subsection (b)(3), the Secretary of the military department concerned may pay not more than \$22,000 on behalf of the person. This maximum amount shall be increased annually by the Secretary of Defense effective October 1 of each year by a percentage equal to the percent increase in the average annual cost of educational expenses and stipend costs of a single scholarship under the Armed Forces Health Professions Scholarship and Financial Assistance program. The total amount that may be repaid on behalf of any person may not exceed an amount determined on the basis of a four-year active duty service obligation.*

(f) **ACTIVE DUTY SERVICE OBLIGATION.**—(1) *A person entering into an agreement described in subsection (b)(3) incurs an active duty service obligation. The length of this obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each maximum annual amount, or portion thereof, paid on behalf of the person for qualified loans.*

(2) *For persons on active duty before entering into the agreement, the active duty service obligation shall be served consecutively to any other incurred obligation.*

(g) *EFFECT OF FAILURE TO COMPLETE OBLIGATION.*—A commissioned officer who is relieved of the officer’s active duty obligation under this section before the completion of that obligation may be given, with or without the consent of the officer, any alternative obligation comparable to any of the alternative obligations authorized by section 2123(e) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

(h) *REGULATIONS.*—The Secretary of Defense shall prescribe regulations to carry out this section, including standards for qualified loans and authorized payees and other terms and conditions for the making of loan repayments.

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CHAPTER 137—PROCUREMENT GENERALLY

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§ 2327. Contracts: consideration of national security objectives

(a) * * *

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(c) *WAIVER.*—(1)(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm or a subsidiary of a firm described in subsection (b) is not inconsistent with the national security objectives of the United States, *the Secretary shall remove the firm or subsidiary from the list maintained under subsection (d)(1) and the head of an agency may enter into a contract with such firm or subsidiary after the date on which such head of an agency submits to Congress a report on the contract.*

* * * * *

(d) *LIST OF FIRMS SUBJECT TO SUBSECTION (b).*—(1) *The Secretary of Defense shall develop and maintain a list of all firms and subsidiaries of firms that have been subject to the prohibition in subsection (b) since the date occurring five years before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998. The Secretary shall make the list available to the public.*

(2) *A firm or subsidiary included on the list maintained under paragraph (1) may request the Secretary of Defense to remove such firm or subsidiary from the list if its foreign ownership circumstances have significantly changed. Upon receipt of such request, the Secretary shall determine if paragraphs (1) and (2) of subsection (b) still apply to the firm or subsidiary. If the Secretary determines such paragraphs no longer apply, the Secretary shall remove the firm or subsidiary from the list.*

(3) *The head of an agency shall provide a copy of the list maintained under paragraph (1) to each firm or subsidiary of a firm that submits a bid or proposal in response to a solicitation issued by the Department of Defense.*

(4) *The head of an agency shall prohibit each firm or subsidiary of a firm awarded a contract by the agency from using in the performance of the contract any equipment, parts, or services that are provided by a firm or subsidiary included on the list maintained under paragraph (1).*

[(d)] (e) APPLICABILITY.—(1) This section does not apply to a contract for an amount less than \$100,000.

(2) This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

[(e)] (f) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section. Such regulations shall include a definition of the term “significant interest”.

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PART IV—SERVICE, SUPPLY, AND PROCUREMENT

Chap.	Sec.
131. Planning and Coordination	2201
* * * * *	
[147. Utilities and Services	2481]
147. Commissaries and Exchanges and Other Morale, Welfare, and Recreation Activities	2481
* * * * *	
152. Issue of Supplies, Services, and Facilities	[2540] 2541
* * * * *	

CHAPTER 131—PLANNING AND COORDINATION

* * * * *

§ 2208. Working-capital funds

(a) * * *

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[(k)] The Secretary of Defense shall provide that of the total amount of payments received in a fiscal year by funds established under this section for industrial-type activities, not less than 3 percent during fiscal year 1985, not less than 4 percent during fiscal year 1986, and not less than 5 percent during fiscal year 1987 shall be used for the acquisition of capital equipment for such activities.]

* * * * *

§ 2220. Performance based management: acquisition programs

(a) * * *

(b) ANNUAL REPORTING REQUIREMENT.—The Secretary of Defense shall include in the annual report submitted to Congress pursuant to section 113(c) of this title an assessment of whether major [and nonmajor] acquisition programs of the Department of Defense are achieving, on average, 90 percent of cost, performance, and schedule goals established pursuant to subsection (a) and whether the average period for converting emerging technology into operational capability has decreased by 50 percent or more from the average period required for such conversion as of October 13, 1994. The Secretary shall use data from existing management systems in making the assessment.

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§ 2221. Fisher House trust funds

(a) * * *

* * * * *

(c) USE OF FUNDS.—(1) * * *

* * * * *

(5) *There is hereby authorized to be appropriated for any fiscal year from a trust fund specified in subsection (a) any amount referred to in paragraph (1), (2), or (3) (as applicable to that trust fund), such amount to be available only for the purposes stated in that paragraph. With respect to any such amount, the preceding sentence is the specific authorization by law required by section 1321(b)(2) of title 31.*

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CHAPTER 134—MISCELLANEOUS ADMINISTRATIVE PROVISIONS

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SUBCHAPTER II—MISCELLANEOUS ADMINISTRATIVE AUTHORITY

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§ 2253. Motor vehicles

(a) GENERAL AUTHORITIES.—The Secretary of Defense and the Secretary of each military department may—

(1) provide for insurance of official motor vehicles in a foreign country when the laws of such country require such insurance; and

(2) purchase right-hand drive vehicles at a cost of not more than ~~[\$12,000]~~ \$30,000 each.

* * * * *

CHAPTER 137—PROCUREMENT GENERALLY

Sec.

2302. Definitions.

* * * * *

[2306b. Multiyear contracts.]

2306b. *Multiyear contracts: acquisition of property.*

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2325. *Restructuring costs.*

* * * * *

§ 2304. Contracts: competition requirements

(a) * * *

* * * * *

(f)(1) * * *

(2) In the case of a procurement permitted by subsection (c)(2), the justification and approval required by paragraph (1) may be made after the contract is awarded. The justification and approval required by paragraph (1) is not required—

(A) * * *

* * * * *

(E) in the case of a procurement permitted by subsection (c)(4), but only if the head of the contracting activity prepares a document in connection with such procurement that describes the terms of an agreement or treaty, or the written directions, referred to in that subsection that have the effect of requiring the use of procedures other than competitive [procedures and such document is approved by the competition advocate for the procuring activity.] *procedures.*

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§ 2306. Kinds of contracts

(a) * * *

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(h) Multiyear contracting authority *for the purchase of property* is provided in section 2306b of this title.

* * * * *

[§ 2306b. Multiyear contracts]

§ 2306b. Multiyear contracts: acquisition of property

(a) IN GENERAL.—To the extent that funds are otherwise available for obligation, the head of an agency may enter into multiyear contracts for the purchase of property whenever the head of that agency [finds—] *finds each of the following:*

(1) [that] *That* the use of such a contract will result in substantial savings of the total anticipated costs of carrying out the program through annual contracts[;].

(2) [that] *That* the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities[;].

(3) [that] *That* there is a reasonable expectation that throughout the contemplated contract period the head of the agency will request funding for the contract at the level required to avoid contract cancellation[;].

(4) [that] *That* there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive[;].

(5) [that] *That* the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic[; and].

(6) [in] *In* the case of a purchase by the Department of Defense, that the use of such a contract will promote the national security of the United States.

* * * * *

(d) PARTICIPATION BY SUBCONTRACTORS, VENDORS, AND SUPPLIERS.—In order to broaden the defense industrial base, the regulations shall provide that, to the extent practicable—

(1) multiyear contracting under [paragraph (1)] *subsection (a)* shall be used in such a manner as to seek, retain, and pro-

mote the use under such contracts of companies that are subcontractors, vendors, or suppliers; and

(2) upon accrual of any payment or other benefit under such a multiyear contract to any subcontractor, vendor, or supplier company participating in such contract, such payment or benefit shall be delivered to such company in the most expeditious manner practicable.

* * * * *

(i) DEFENSE ACQUISITIONS SPECIFICALLY AUTHORIZED BY LAW.—

(1) A multiyear contract may not be entered into for any fiscal year under this section for a defense acquisition program that has been specifically authorized by law to be carried out using multiyear contract authority unless each of the following conditions is satisfied:

(A) The Secretary of Defense certifies to Congress that the current **[five-year]** *future-years* defense program fully funds the support costs associated with the multiyear program.

(B) The proposed multiyear contract provides for production at not less than minimum economic rates given the existing tooling and facilities.

* * * * *

(3) *In the case of the Department of Defense, a multiyear contract may not be entered into for any fiscal year under this section unless the contract is specifically authorized by law in an Act other than an appropriations Act.*

(k) MULTIYEAR CONTRACT DEFINED.—For the purposes of **[this subsection]** *this section*, a multiyear contract is a contract for the purchase of property or services for more than one, but not more than five, program years. Such a contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and (if it does so provide) may provide for a cancellation payment to be made to the contractor if such appropriations are not made.

(l) VARIOUS ADDITIONAL REQUIREMENTS WITH RESPECT TO MULTIYEAR DEFENSE CONTRACTS.—(1)(A) *The head of an agency may not initiate a contract described in subparagraph (B) unless the congressional defense committees are notified of the proposed contract at least 30 days in advance of the award of the proposed contract.*

(B) *Subparagraph (A) applies to the following contracts:*

(i) *A multiyear contract—*

(I) *that employs economic order quantity procurement in excess of \$20,000,000 in any one year of the contract; or*

(II) *that includes an unfunded contingent liability in excess of \$20,000,000.*

(ii) *Any contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year.*

(2) *The head of an agency may not initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability.*

(3) *The head of an agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of*

the multiyear contract would exceed \$500,000,000 unless authority for the contract is specifically provided in an appropriations Act.

(4) The head of an agency may not terminate a multiyear procurement contract until 10 days after the date on which notice of the proposed termination is provided to the congressional defense committees.

(5) The execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

(6) This subsection does not apply to the National Aeronautics and Space Administration or to the Coast Guard.

(7) In this subsection, the term "congressional defense committees" means the following:

(A) The Committee on Armed Services of the Senate and the Subcommittee on Defense of the Committee on Appropriations of the Senate.

(B) The Committee on National Security of the House of Representatives and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

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§ 2307. Contract financing

(a) * * *

* * * * *

(i) VESTING OF TITLE.—If a contract made by the head of an agency provides for title to property to vest in the United States, such title shall vest in accordance with the terms of the contract, regardless of any security interest in the property asserted by the contractor.

* * * * *

§ 2315. Law inapplicable to the procurement of automatic data processing equipment and services for certain defense purposes

(a) For the purposes of [the Information Technology Management Reform Act of 1996] *division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)*, the term "national security systems" means those telecommunications and information systems operated by the Department of Defense, the functions, operation or use of which—

(1) * * *

* * * * *

§ 2325. Restructuring costs

(a) *LIMITATION ON PAYMENT OF RESTRUCTURING COSTS.—(1) The Secretary of Defense may not pay, under section 2324 of this title, a defense contractor for restructuring costs associated with a business combination of the contractor unless the Secretary determines in writing either—*

(A) that the amount of savings for the Department of Defense associated with the restructuring, based on audited cost data, will be at least twice the amount of the costs allowed; or

(B) that the amount of savings for the Department of Defense associated with the restructuring, based on audited cost data, will exceed the amount of the costs allowed and that the business combination will result in the preservation of a critical capability that otherwise might be lost to the Department.

(2) The Secretary may not delegate the authority to make a determination under paragraph (1) to an official of the Department of Defense below the level of an Assistant Secretary of Defense.

(b) REPORT.—Not later than March 1 in each of 1998, 1999, 2000, 2001, and 2002, the Secretary of Defense shall submit to Congress a report containing the following:

(1) For each defense contractor to which the Secretary has paid, under section 2324 of this title, restructuring costs associated with a business combination, a summary of the following:

(A) The amount of savings for the Department of Defense associated with such business combination that has been realized as of the date of the report, based on audited cost data.

(B) An estimate, as of the date of the report, of the amount of savings for the Department of Defense associated with such business combination that is expected to be achieved in the future.

(2) An identification of any business combination for which the Secretary has paid restructuring costs under section 2324 of this title during the preceding calendar year and, for each such business combination—

(A) the supporting rationale for allowing such costs;

(B) factual information associated with the determination made under subsection (a) with respect to such costs; and

(C) a discussion of whether the business combination would have proceeded without the payment of restructuring costs by the Secretary.

(3) An assessment of the degree of vertical integration resulting from business combinations of defense contractors and a discussion of the measures taken by the Secretary of Defense to increase the ability of the Department of Defense to monitor vertical integration trends and address any resulting negative consequences.

(c) DEFINITION.—In this section, the term “business combination” includes a merger or acquisition.

§ 2326. Undefined contractual actions: restrictions

(a) * * *

(b) LIMITATIONS ON OBLIGATIONS OF FUNDS.—(1) * * *

* * * * *

[(4) The head of an agency may waive the provisions of this subsection with respect to a contract of that agency if such head of an agency determines that the waiver is necessary in order to support a contingency operation.]

[(5)] (4) This subsection does not apply to an undefined contractual action for the purchase of initial spares.

* * * * *

(g) DEFINITIONS.—In this section:

(1) The term “undefinitized contractual action” means a new procurement action entered into by the head of an agency for which the contractual terms, specifications, or price are not agreed upon before performance is begun under the action. Such term does not include contractual actions with respect to the following:

(A) * * *

* * * * *

(E) *Purchases in support of contingency operations.*

(F) *Purchases in support of humanitarian or peacekeeping operations, as defined in 2302(7)(B) of this title.*

(G) *Purchases in support of emergency work and other disaster relief operations performed pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).*

* * * * *

§ 2327. Contracts: consideration of national security objectives

(a) * * *

* * * * *

(c) WAIVER.—(1)(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm or a subsidiary of a firm described in subsection (b) is not inconsistent with the national security objectives of the United States, *the Secretary shall remove the firm or subsidiary from the list maintained under subsection (d)(1) and the head of an agency may enter into a contract with such firm or subsidiary after the date on which such head of an agency submits to Congress a report on the contract.*

* * * * *

(d) LIST OF FIRMS SUBJECT TO SUBSECTION (b).—(1) *The Secretary of Defense shall develop and maintain a list of all firms and subsidiaries of firms that have been subject to the prohibition in subsection (b) since the date occurring five years before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998. The Secretary shall make the list available to the public.*

(2) *A firm or subsidiary included on the list maintained under paragraph (1) may request the Secretary of Defense to remove such firm or subsidiary from the list if its foreign ownership circumstances have significantly changed. Upon receipt of such request, the Secretary shall determine if paragraphs (1) and (2) of subsection (b) still apply to the firm or subsidiary. If the Secretary determines such paragraphs no longer apply, the Secretary shall remove the firm or subsidiary from the list.*

(3) *The head of an agency shall provide a copy of the list maintained under paragraph (1) to each firm or subsidiary of a firm that submits a bid or proposal in response to a solicitation issued by the Department of Defense.*

(4) *The head of an agency shall prohibit each firm or subsidiary of a firm awarded a contract by the agency from using in the performance of the contract any equipment, parts, or services that are*

provided by a firm or subsidiary included on the list maintained under paragraph (1).

[(d)] (e) APPLICABILITY.—(1) This section does not apply to a contract for an amount less than \$100,000.

(2) This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

[(e)] (f) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section. Such regulations shall include a definition of the term “significant interest”.

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CHAPTER 138—COOPERATIVE AGREEMENTS WITH NATO ALLIES AND OTHER COUNTRIES

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SUBCHAPTER I—ACQUISITION AND CROSS-SERVICING AGREEMENTS

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§ 2350. Definitions

In this subchapter:

(1) The term “logistic support, supplies, and services” means food, billeting, transportation (including airlift), petroleum, oils, lubricants, clothing, communications services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and port services. Such term includes temporary use of general purpose vehicles and **[other items of military equipment not designated as part of the United States Munitions List]** *other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List promulgated* pursuant to section 38(a)(1) of the Arms Export Control Act.

* * * * *

CHAPTER 139—RESEARCH AND DEVELOPMENT

* * * * *

§ 2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980

The Secretary of Defense, in carrying out research projects through the *Defense Advanced Research Projects Agency*, and the Secretary of each military department, in carrying out research projects, may permit the director of any federally funded research and development center to enter into cooperative research and development agreements with any person, any agency or instrumentality of the United States, any unit of State or local government, and any other entity under the authority granted by section 12 of

the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a). Technology may be transferred to a non-Federal party to such an agreement consistent with the provisions of sections 11 and 12 of such Act (15 U.S.C. 3710, 3710a).

* * * * *

CHAPTER 141—MISCELLANEOUS PROCUREMENT PROVISIONS

Sec.
2381. Contracts: regulations for bids.

* * * * *

2410a. Appropriated funds: availability for certain contracts for 12 months.
2410a. Severable services contracts for periods crossing fiscal years.

* * * * *

§ 2401a. Lease of vehicles, equipment, vessels, and aircraft

(a) LEASING OF COMMERCIAL VEHICLES AND EQUIPMENT.—The Secretary of Defense may use leasing in the acquisition of commercial vehicles and equipment whenever the Secretary determines that [leasing of such vehicles] *such leasing* is practicable and efficient.

* * * * *

§ 2410a. Appropriated funds: availability for certain contracts for 12 months

[(a) Funds appropriated to the Department of Defense for a fiscal year shall be available for payments under contracts for any of the following purposes for 12 months beginning at any time during the fiscal year:

[(1) The maintenance of tools, equipment, and facilities.

[(2) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.

[(3) Depot maintenance.

[(4) The operation of equipment.

[(b) The Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of this subsection.]

§ 2410a. Severable services contracts for periods crossing fiscal years

(a) AUTHORITY.—The Secretary of Defense or the Secretary of a military department may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

(b) *OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).*

* * * * *

CHAPTER 144—MAJOR DEFENSE ACQUISITION PROGRAMS

* * * * *

§ 2432. Selected Acquisition Reports

(a) * * *

* * * * *

(h)(1) * * *

(2) A limited report under this subsection shall include the following:

(A) * * *

* * * * *

[(D)] The completion status of the development program expressed—

[(i)] as the percentage that the number of years for which funds have been appropriated for the development program is of the number of years for which it is planned that funds will be appropriated for the program; and

[(ii)] as the percentage that the amount of funds that have been appropriated for the development program is of the total amount of funds which it is planned will be appropriated for the program.]

[(E)] (D) Program highlights since the last Selected Acquisition Report.

[(F)] (E) Other information as the Secretary of Defense considers appropriate.

* * * * *

CHAPTER 146—CONTRACTING FOR PERFORMANCE OF CIVILIAN COMMERCIAL OR INDUSTRIAL TYPE FUNCTIONS

Sec.

2460. *Definition of depot-level maintenance and repair.*

2461. Commercial or industrial type functions: required studies and reports before conversion to contractor performance.

* * * * *

2474. *Centers of Industrial and Technical Excellence: designation; public-private partnerships.*

§ 2460. Definition of depot-level maintenance and repair

(a) *IN GENERAL.—In this chapter, the term “depot-level maintenance and repair” means material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or sub-assemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair. The term includes all aspects of software maintenance and such portions of interim contractor support, contractor logistics sup-*

port, or any similar contractor support for the performance of services that are described in the preceding sentence.

(b) *EXCEPTION.*—The term does not include the procurement of a major weapon system modification or upgrade, except where the changes to the system are primarily for safety reasons, to correct a deficiency, or to improve program performance.

* * * * *

§ 2464. Core logistics functions

(a) *NECESSITY FOR CORE LOGISTICS CAPABILITY.*—(1) It is essential for the national defense that Department of Defense activities maintain [a logistics capability (including personnel, equipment, and facilities)] a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government-operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements.

(2) The Secretary of Defense shall identify those logistics activities that are necessary to maintain the core logistics capability described in paragraph (1).

(3) Those core logistics activities identified under paragraphs (1) and (2) shall include the capability, facilities, and equipment to maintain and repair all types of weapon systems and other military equipment that are identified by the Secretary, in consultation with the Joint Chiefs of Staff, as necessary to enable the armed forces to fulfill the national military strategy, including the capability and capacity to maintain and repair any new mission-essential weapon system or materiel within four years after the system or materiel achieves initial operational capability.

(4) The Secretary of Defense shall require the performance of core logistics activities identified under paragraphs (1), (2), and (3) at Government-owned, Government-operated facilities of the Department of Defense (including Government-owned, Government-operated facilities of a military department) and shall assign such facilities sufficient workload to ensure cost efficiency and technical proficiency in peacetime while preserving the surge capacity and reconstitution capabilities necessary to meet the military contingencies provided for in the national military strategy.

* * * * *

§ 2466. Limitations on the performance of depot-level maintenance of materiel

(a) * * *

(b) *TREATMENT OF CERTAIN LARGE PROJECTS.*—If a maintenance or repair project concerning an aircraft carrier or submarine that is contracted for performance by non-Federal Government personnel and that accounts for five percent or more of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload, the project and the funds necessary for the project shall not be considered when ap-

plying the percentage limitation specified in subsection (a) to that military department or Defense Agency.

* * * * *

[(e) REPORT.—Not later than January 15, 1995, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency, the percentage of funds referred to in subsection (a) that was used during fiscal year 1994 to contract for the performance by non-Federal Government personnel of depot-level maintenance and repair workload.]

* * * * *

§ 2469. Contracts to perform workloads previously performed by depot-level activities of the Department of Defense: requirement of competition

(a) REQUIREMENT FOR COMPETITION.—The Secretary of Defense shall ensure that the performance of a depot-level maintenance [or repair] *and repair* workload described in subsection (b) is not changed to performance by a contractor or by another depot-level activity of the Department of Defense unless the change is made using—

- (1) merit-based selection procedures for competitions among all depot-level activities of the Department of Defense; or
- (2) competitive procedures for competitions among private and public sector entities.

(b) SCOPE.—Subsection (a) applies to any depot-level maintenance [or repair] *and repair* workload that has a value of not less than \$3,000,000 and is being performed by a depot-level activity of the Department of Defense.

* * * * *

(d) RESTRICTION ON CONTRACTS AT CERTAIN FACILITIES.—

(1) RESTRICTION.—*The Secretary of Defense may not enter into any contract for the performance of depot-level maintenance and repair of weapon systems or other military equipment of the Department of Defense, or for the performance of management functions related to depot-level maintenance and repair of such systems or equipment, at any military installation where a depot-level maintenance and repair facility was approved in 1995 for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note). In the preceding sentence, the term “military installation” includes a former military installation closed under the Act that was a military installation when it was approved for closure under the Act.*

(2) EXCEPTION.—*Paragraph (1) shall not apply with respect to an installation or former installation described in such paragraph if the Secretary of Defense certifies to Congress, not later than 45 days before entering into a contract for depot-level maintenance and repair at the installation or former installation, that—*

(A) not less than 80 percent of the capacity at each of the depot-level maintenance and repair activities of the military department concerned is being utilized on an ongoing

basis to perform industrial operations in support of the depot-level maintenance and repair of weapon systems and other military equipment of the Department of Defense;

(B) the Secretary has determined, on the basis of a detailed analysis (which the Secretary shall submit to Congress with the certification), that the total amount of the costs of the proposed contract to the Government, both recurring and nonrecurring and including any costs associated with planning for and executing the proposed contract, would be less than the costs that would otherwise be incurred if the depot-level maintenance and repair to be performed under the contract were performed using equipment and facilities of the Department of Defense;

(C) all of the information upon which the Secretary determined that the total costs to the Government would be less under the contract is available for examination; and

(D) none of the depot-level maintenance and repair to be performed under the contract was considered, before July 1, 1995, to be a core logistics capability of the military department concerned pursuant to section 2464 of this title.

(3) CAPACITY OF DEPOT-LEVEL ACTIVITIES.—For purposes of paragraph (2)(A), the capacity of depot-level maintenance and repair activities shall be considered to be the same as the maximum potential capacity identified by the Defense Base Closure and Realignment Commission for purposes of the selection in 1995 of military installations for closure or realignment under the Defense Base Closure and Realignment Act of 1990, without regard, after 1995, to any limitation on the maximum number of Federal employees (expressed as full time equivalent employees or otherwise), Federal employment levels, or the actual availability of equipment to support depot-level maintenance and repair.

(4) GAO REVIEW.—At the same time that the Secretary submits the certification and analysis to Congress under paragraph (2), the Secretary shall submit a copy of the certification and analysis to the Comptroller General. The Comptroller General shall review the analysis and the information referred to in subparagraph (C) of paragraph (2) and, not later than 30 days after Congress receives the certification, submit to Congress a report containing a statement regarding whether the Comptroller General concurs with the determination of the Secretary included in the certification pursuant to subparagraph (B) of that paragraph.

(5) APPLICATION.—This subsection shall apply with respect to any contract described in paragraph (1) that is entered into, or proposed to be entered into, after January 1, 1997.

* * * * *

§2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships

(a) DESIGNATION.—(1) The Secretary of Defense shall designate each depot-level activity of the military departments and the Defense Agencies (other than facilities approved for closure or major realign-

ment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note)) as a Center of Industrial and Technical Excellence in the recognized core competencies of the activity.

(2) The Secretary shall establish a policy to encourage the Secretary of each military department and the head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their depot-level activities in connection with their core competency requirements, so as to serve as recognized leaders in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 2500(1) of this title).

(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to form public-private partnerships for the performance of depot-level maintenance and repair and shall encourage the use of such partnerships to maximize the utilization of the capacity at such Centers.

(c) ADDITIONAL WORK.—The policy required under subsection (a) shall include measures to enable a private sector entity that enters into a partnership arrangement under subsection (b) or leases excess equipment and facilities at a Center of Industrial and Technical Excellence pursuant to section 2471 of this title to perform additional work at the Center, subject to the limitations outlined in subsection (b) of such section, outside of the types of work normally assigned to the Center.

[CHAPTER 147—UTILITIES AND SERVICES]

CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES

Sec.

[2481. Utilities and services: sale; expansion and extension of systems and facilities.]

2481. *Morale, welfare, and recreation activities: leases and other contracts to benefit.*

* * * * *

[2483. Sale of electricity from alternate energy and cogeneration production facilities.]

* * * * *

[2490. Utility services: furnishing for certain buildings.]

2490a. Combined exchange and commissary stores.

[§ 2481. Utilities and services: sale; expansion and extension of systems and facilities

[(a) Under such regulations and for such periods and at such prices as he may prescribe, the Secretary concerned or his designee may sell or contract to sell to purchasers within or in the immediate vicinity of an activity of the Army, Navy, Air Force, Marine Corps, or Coast Guard, as the case may be, any of the following utilities and related services, if it is determined that they are not available from another local source and that the sale is in the interest of national defense or in the public interest:

[(1) Electric power.

[(2) Steam.

- [(3) Compressed air.
- [(4) Water.
- [(5) Sewage and garbage disposal.
- [(6) Natural, manufactured, or mixed gas.
- [(7) Ice.
- [(8) Mechanical refrigeration.
- [(9) Telephone service.

[(b) Proceeds of sales under subsection (a) shall be credited to the appropriation currently available for the supply of that utility or service.

[(c) To meet local needs the Secretary concerned may make minor expansions and extensions of any distributing system or facility within an activity through which a utility or service is furnished under subsection (a).]

§2481. *Morale, welfare, and recreation activities: leases and other contracts to benefit*

(a) *LEASES AND OTHER CONTRACTS AUTHORIZED.*—The Secretary of Defense may authorize a nonappropriated fund instrumentality to enter into leases, licensing agreements, concession agreements, and other contracts with private persons and State or local governments involving real property (and related personal property) under the control of the nonappropriated fund instrumentality in order to facilitate the provision of facilities, goods, or services to authorized patrons of the nonappropriated fund instrumentality.

(b) *CONDITIONS.*—A nonappropriated fund instrumentality may enter into an authorized lease or other contract under subsection (a) only if the nonappropriated fund instrumentality determines, in consultation with the Secretary of Defense, that—

- (1) the use of the property subject to the lease or contract will provide appropriate space, or contribute to the provision of goods and services, for a morale, welfare, or recreation activity of the nonappropriated fund instrumentality;
- (2) the lease or contract will not be inconsistent with and will not adversely affect the mission of the Department or the nonappropriated fund instrumentality; and
- (3) the lease or contract will enhance the use of the property subject to the lease or contract.

(c) *ACCESS TO RESULTING FACILITIES, GOODS, OR SERVICES.*—The use of a lease or contract under subsection (a) to provide facilities, goods, or services shall not be construed to permit the use of the resulting facilities, goods, or services by persons who are not authorized patrons of the nonappropriated fund instrumentality that is a party to the lease or contract.

(d) *LEASE AND CONTRACT TERMS.*—Subsection (b) of section 2667 of this title shall apply to a lease or contract under subsection (a), except that references to the Secretary concerned shall be deemed to mean the nonappropriated fund instrumentality that is a party to the lease or contract.

(e) *MONEY RENTALS.*—Money rentals received pursuant to a lease or contract under subsection (a) shall be treated in the same manner as other receipts of the nonappropriated fund instrumentality that is a party to the lease or contract, except that use of the rentals shall

be restricted to the installation at which the property covered by the lease or contract is located.

(f) *DEFINITION.*—In this section, the term “nonappropriated fund instrumentality” means the Army and Air Force Exchange Service, Navy Exchange Service Command, Marine Corps exchanges, or any other instrumentality of the United States under the jurisdiction of the armed forces which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces.

§ 2482. Commissary stores: operation

(a) * * *

* * * * *

(c) *TREATMENT OF CERTAIN RECEIPTS.*—(1) The Defense Commissary Agency shall deposit amounts received from the sources specified in paragraph (2) into the same account in which the proceeds from the adjustment of, or surcharge on, commissary store prices authorized by subsection (a) of section 2685 of this title are deposited. In such amounts as provided in appropriations Acts, the amounts deposited under this paragraph shall be available for the purposes described in subsection (b) of such section.

(2) Paragraph (1) shall apply with respect to amounts received by the Defense Commissary Agency from—

- (A) the sale of items for recycling;
- (B) the disposal of excess property;
- (C) license fees, royalties, incentive allowances, and management and other fees; and
- (D) a nonappropriated fund instrumentality of the United States.

§ 2483. Sale of electricity from alternate energy and cogeneration production facilities

[(a) The Secretary of a military department may sell, contract to sell, or authorize the sale by a contractor to a public or private utility company of electrical energy generated from alternate energy or cogeneration type production facilities which are under the jurisdiction (or produced on land which is under the jurisdiction) of the Secretary concerned. The sale of such energy shall be made under such regulations, for such periods, and at such prices as the Secretary concerned prescribes consistent with the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.).

[(b)(1) Proceeds from sales under subsection (a) shall be credited to the appropriation account currently available to the military department concerned for the supply of electrical energy.

[(2) Subject to the availability of appropriations for this purpose, proceeds credited under paragraph (1) may be used to carry out military construction projects under the energy performance plan developed by the Secretary of Defense under section 2865(a) of this title, including minor military construction projects authorized under section 2805 of this title that are designed to increase energy conservation.

[(c) Before carrying out a military construction project described in subsection (b) using proceeds from sales under subsection (a),

the Secretary concerned shall notify Congress in writing of the project, the justification for the project, and the estimated cost of the project. The project may be carried out only after the end of the 21-day period beginning on the date the notification is received by Congress.】

* * * * *

§ 2486. Commissary stores: merchandise that may be sold; uniform surcharges and pricing

(a) *IN GENERAL.*—Commissary stores are similar to commercial grocery stores and may sell merchandise similar to that sold in commercial grocery stores.

【(b) Merchandise sold in commissary stores may include items in the following categories:】

(b) *AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.*—*Merchandise sold in, at, or by commissary stores may include items only in the following categories:*

(1) * * *

* * * * *

【(11) Other categories designated in regulations prescribed by the Secretary of a military department and approved by the Secretary of Defense.】

(11) *Subject to the congressional notification requirements of subsection (f), such other merchandise categories as the Secretary of Defense may prescribe.*

(c) *UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.*—An adjustment of or surcharge on sales prices in commissary stores under section 2484(b) or 2685(a) of this title or for any other purpose shall be applied as a uniform percentage of the sales price of all merchandise sold 【in commissary stores.】 *in, at, or by commissary stores. The uniform percentage in effect on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 may not be changed except by a law enacted after such date.*

【(d) The Secretary of Defense shall prescribe regulations establishing uniform pricing policies for merchandise authorized for sale by this section. The policies in the regulations shall—

【(1) require the establishment of a sales price of each item of merchandise at a level which will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title); and

【(2) promote the lowest practical price of merchandise sold at commissary stores.】

(d) *SALES PRICE ESTABLISHMENT.*—*The Secretary of Defense shall establish the sales price of each item of merchandise sold in, at, or by commissary stores at the level that will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title).*

(e) *SPECIAL RULE FOR BRAND-NAME COMMERCIAL ITEMS.*—The Secretary of Defense may not use the exception provided in section 2304(c)(5) of this title regarding the procurement of a brand-name commercial item for resale 【in commissary stores】 *in, at, or by commissary stores* unless the commercial item is regularly sold outside of commissary stores under the same brand name as the name

by which the commercial item will be sold [in commissary stores] in, at, or by commissary stores. In determining whether a brand name commercial item is regularly sold outside of commissary stores, the Secretary shall consider only sales of the item on a regional or national basis by commercial grocery or other retail operations consisting of multiple stores.

(f) CONGRESSIONAL NOTIFICATION.—(1) Any change in the pricing policies for merchandise sold in, at, or by commissary stores, and any addition of a merchandise category under subsection (a)(11), shall not take effect until the Secretary of Defense submits written notice of the proposed change or addition to Congress and a period of 90 days of continuous session of Congress expires following the date on which notice was received.

(2) For purposes of this subsection, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment or recess of more than three days to a day certain are excluded in a computation of such 90-day period.

(g) SPECIAL RULE FOR CERTAIN MERCHANDISE.—(1) Notwithstanding the general requirement that merchandise sold in, at, or by commissary stores be commissary store inventory, the Secretary of Defense may authorize the sale of items in the merchandise categories specified in paragraph (2) as noncommissary store inventory. Subsections (c) and (d) shall not apply to the pricing of such items of merchandise.

(2) The merchandise categories referred to in paragraph (1) are as follows:

- (A) Magazines and other periodicals.
- (B) Tobacco products.

* * * * *

【§ 2490. Utility services: furnishing for certain buildings

【Appropriations for the Department of Defense may be used for utility services for—

- 【(1) buildings constructed at private cost, as authorized by law; and
- 【(2) buildings on military reservations authorized by regulation to be used for morale, welfare, and recreational purposes.】

* * * * *

CHAPTER 148—NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND DEFENSE CONVERSION

* * * * *

SUBCHAPTER I—DEFINITIONS

Sec.
【2491. Definitions.】
2500. Definitions.

【§ 2491.】 § 2500. Definitions

In this chapter:

(1) * * *

* * * * *

SUBCHAPTER IV—MANUFACTURING TECHNOLOGY AND
DUAL-USE ASSISTANCE EXTENSION PROGRAMS

* * * * *

§ 2525. Manufacturing Technology Program

(a) * * *

* * * * *

(e) *FUNDING REQUIREMENT.*—(1) *Subject to paragraph (2), the Secretary of Defense shall make available each fiscal year for the Manufacturing Technology Program the greater of the following amounts:*

(A) *0.25 percent of the amount available for the fiscal year concerned for the demonstration and validation, engineering and manufacturing development, operational systems development, and procurement programs of the military departments and Defense Agencies.*

(B) *The amount authorized to be appropriated by law for the fiscal year concerned for projects of the military departments and Defense Agencies under the Manufacturing Technology Program.*

(2) *Paragraph (1) applies to fiscal years 1998, 1999, and 2000.*

(f) *TRANSFER AUTHORITY.*—*The Secretary of Defense may transfer funds made available pursuant to subsection (e) from a military department or Defense Agency to another military department or Defense Agency to ensure efficient implementation of the Manufacturing Technology Program. The Secretary may delegate the authority provided in the preceding sentence to the Under Secretary of Defense for Acquisition and Technology. Authority to transfer funds under this subsection is in addition to any other authority provided by law to transfer funds (whether enacted before, on, or after the date of the enactment of this section) and is not subject to any dollar limitation or notification requirement contained in any other such authority to transfer funds.*

(g) *REPORT.*—(1) *At the same time the President submits to Congress the budget for fiscal year 1999 pursuant to section 1105(a) of title 31, the Secretary of Defense shall submit to Congress a report that—*

(A) *specifies the plans of the Secretary for expenditures under the program during fiscal years 1998, 1999, and 2000; and*

(B) *assesses the effectiveness of the program.*

(2) *The Secretary shall submit an updated version of such report at the same time the President submits the budget for each fiscal year after fiscal year 1999 during which the program is in effect. shall include—*

(A) *an assessment of whether the funding of the program, as provided pursuant to the funding requirement of subsection (e), is sufficient; and*

(B) any recommendations considered appropriate by the Secretary for changes in, or an extension of, the funding requirement of subsection (e).

* * * * *

SUBCHAPTER V—MISCELLANEOUS TECHNOLOGY BASE
POLICIES AND PROGRAMS

* * * * *

§ 2534. Miscellaneous limitations on the procurement of goods other than United States goods

(a) LIMITATION ON CERTAIN PROCUREMENTS.—The Secretary of Defense may procure any of the following items only if the manufacturer of the item satisfies the requirements of subsection (b):

(1) BUSES.—Multipassenger motor vehicles (buses).

(2) CHEMICAL WEAPONS ANTIDOTE.—Chemical weapons antidote contained in automatic injectors (and components for such injectors).

(3) COMPONENTS FOR NAVAL VESSELS.—(A) * * *

(B) The following components of vessels, to the extent they are unique to marine applications: gyrocompasses, electronic navigation chart systems, steering controls, pumps, propulsion and machinery control systems, [and] totally enclosed lifeboats, and shipboard work stations.

* * * * *

(c) APPLICABILITY TO CERTAIN ITEMS.—

(1) COMPONENTS FOR NAVAL VESSELS.—Subsection (a) does not apply to a procurement of spare or repair parts needed to support components for naval vessels produced or manufactured outside the United States.

(2) VALVES AND MACHINE TOOLS.—(A) * * *

* * * * *

(C) Subsection (a)(4) and this paragraph shall cease to be effective on [October 1, 1996] *October 1, 2001*.

(3) BALL BEARINGS AND ROLLER BEARINGS.—Subsection (a)(5) and this paragraph shall cease to be effective on October 1, 2000.

[(4) VESSEL PROPELLERS.—Subsection (a)(3)(A)(iii) and this paragraph shall cease to be effective on February 10, 1998.]

(d) WAIVER AUTHORITY.—The Secretary of Defense may [waive the limitation in subsection (a) with respect to the procurement of an item listed in that subsection if the Secretary determines] *waive, on a case-by-case basis, the limitation in subsection (a) in the case of a specific procurement of an item listed in that subsection if the Secretary determines, for that specific procurement, that any of the following apply:*

(1) * * *

* * * * *

(4) Satisfactory quality items manufactured by an entity that is part of the national technology and industrial base (as defined in section [2491(1)] *section 2500(1)* of this title) are not available.

(5) Application of the limitation would result in the existence of only one source for the item that is an entity that is part of the national technology and industrial base (as defined in [section 2491(1)] *section 2500(1)* of this title).

* * * * *

CHAPTER 152—ISSUE OF SUPPLIES, SERVICES, AND FACILITIES

- Sec.
2541. Equipment and barracks: national veterans' organizations.
* * * * *
2549. Provision of medical care to foreign military and diplomatic personnel: reimbursement required; waiver for provision of reciprocal services.
2549a. *Emergency health care: overseas activities of On-Site Inspection Agency.*
* * * * *

§2549a. Emergency health care: overseas activities of On-Site Inspection Agency

(a) *AUTHORITY TO PAY EXPENSES.—From funds appropriated for the necessary expenses of the On-Site Inspection Agency of the Department of Defense, the Secretary of Defense may pay or reimburse an employee of the Agency, a member of the uniformed services or a civilian employee assigned or detailed to the Agency, or an employee of a contractor operating under a contract with the Agency, for emergency health care services obtained by the employee, member, or contractor employee while permanently or temporarily on duty in a state of the former Soviet Union or the former Warsaw Pact.*

(b) *INITIAL DEPOSITS.—The expenses for emergency health care that may be paid or reimbursed under subsection (a) include initial deposits for emergency care and inpatient care.*

* * * * *

CHAPTER 157—TRANSPORTATION

- Sec.
2631. Supplies: preference to United States vessels.
* * * * *
2646. *Space available travel: members of Selected Reserve.*
* * * * *

§2640. Charter air transportation of members of the armed forces

- (a) * * *
* * * * *

(h) *AUTHORITY TO PROTECT SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AN AIR CARRIER.—(1) In any case in which an air carrier voluntarily provides safety-related information to the Secretary for purposes of this section, the Secretary may (notwithstanding any other provision of law) withhold the information from public disclosure if the Secretary determines that—*

(A) disclosure of the information would inhibit the air carrier from voluntarily providing safety-related information to the Secretary; and

(B) the information would aid—

(i) the Secretary in carrying out his responsibilities under this section; or

(ii) the head of another agency in carrying out the safety responsibilities of the agency.

(2) If the Secretary provides to the head of another agency safety-related information described in paragraph (1) with respect to which the Secretary has made a determination described in that paragraph, the head of that agency shall (notwithstanding any other provision of law) withhold the information from public disclosure.

[(h)] (i) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section, including requirements and identification of inspecting personnel with respect to preflight safety inspections required by subsection (b)(3).

[(i)] (j) DEFINITIONS.—In this section:

(1) The terms “air carrier”, “aircraft”, “air transportation”, and “charter air transportation” have the meanings given such terms by section 40102(a) of title 49.

(2) The term “members of the armed forces” means members of the Army, Navy, Air Force, and Marine Corps.

* * * * *

§2646. Space available travel: members of Selected Reserve

(a) AVAILABILITY.—The Secretary of Defense shall prescribe regulations to allow members of the Selected Reserve in good standing (as determined by the Secretary concerned), and dependents of such members, to receive transportation on aircraft of the Department of Defense on a space available basis under the same terms and conditions as apply to members of the armed forces on active duty and dependents of such members.

(b) CONDITION ON DEPENDENT TRANSPORTATION.—A dependent of a member of the Selected Reserve may be provided transportation under this section only when the dependent is actually accompanying the member on the travel.

* * * * *

CHAPTER 159—REAL PROPERTY; RELATED PERSONAL PROPERTY; AND LEASE OF NONEXCESS PROPERTY

Sec.

2661. Miscellaneous administrative provisions relating to real property.

* * * * *

2672. Acquisition: interests in land when cost is not more than \$200,000.

2672. Acquisition: interests in land when cost is not more than \$500,000.

2686. Utilities and services: sale; expansion and extension of systems and facilities.

* * * * *

[2692. Storage and disposal of nondefense toxic and hazardous materials.]

2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials.

* * * * *

2695. *Acceptance of funds to cover administrative expenses relating to certain real property transactions.*

* * * * *

§ 2667. Leases: non-excess property

(a) * * *

(b) A lease under subsection (a)—

(1) * * *

* * * * *

(4) shall provide~~],~~ in the case of the lease of real property, in the payment (in cash or in kind) by the lessee of consideration in an amount that is not less than the fair market value of the lease interest, as determined by the Secretary; and

* * * * *

(g)(1) If a proposed lease under subsection (a) involves only personal property, the lease term exceeds one year, and the fair market value of the lease interest exceeds \$100,000, as determined by the Secretary concerned, the Secretary shall use competitive procedures to select the lessee.

(2) Not later than 45 days before entering into a lease referred to in paragraph (1), the Secretary concerned shall submit to Congress written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.

[(g)] (h) In this section, the term “base closure law” means each of the following:

(1) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(2) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(3) Section 2687 of this title.

* * * * *

【§ 2672. Acquisition: interests in land when cost is not more than \$200,000】

§ 2672. Acquisition: interests in land when cost is not more than \$500,000

(a)(1) The Secretary of a military department may acquire any interest in land that—

(A) the Secretary determines is needed in the interest of national defense; and

(B) does not cost more than **【\$200,000】** \$500,000, exclusive of administrative costs and the amounts of any deficiency judgments.

(2) This section does not apply to the acquisition, as a part of the same project, of more than one parcel of land unless the parcels are noncontiguous, or, if contiguous, unless the total cost is not more than **【\$200,000】** \$500,000.

* * * * *

§ 2681. Use of test and evaluation installations by commercial entities

(a) * * *

* * * * *

(g) TERMINATION OF AUTHORITY.—The authority provided to the Secretary of Defense by subsection (a) shall terminate on **【September 30, 1998】** *September 30, 2000*.

* * * * *

§ 2684. Cooperative agreements for management of cultural resources

(a) * * *

(b) APPLICATION OF OTHER LAWS.—Section 1535 and chapter 63 of title 31**【, United States Code,】** shall not apply to a cooperative agreement entered into under this section.

* * * * *

§ 2686. Utilities and services: sale; expansion and extension of systems and facilities

(a) *Under such regulations and for such periods and at such prices as he may prescribe, the Secretary concerned or his designee may sell or contract to sell to purchasers within or in the immediate vicinity of an activity of the Army, Navy, Air Force, Marine Corps, or Coast Guard, as the case may be, any of the following utilities and related services, if it is determined that they are not available from another local source and that the sale is in the interest of national defense or in the public interest:*

- (1) *Electric power.*
- (2) *Steam.*
- (3) *Compressed air.*
- (4) *Water.*
- (5) *Sewage and garbage disposal.*
- (6) *Natural, manufactured, or mixed gas.*
- (7) *Ice.*
- (8) *Mechanical refrigeration.*
- (9) *Telephone service.*

(b) *Proceeds of sales under subsection (a) shall be credited to the appropriation currently available for the supply of that utility or service.*

(c) *To meet local needs the Secretary concerned may make minor expansions and extensions of any distributing system or facility within an activity through which a utility or service is furnished under subsection (a).*

* * * * *

【§ 2692. Storage and disposal of nondefense toxic and hazardous materials】

§ 2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials

(a)(1) Except as otherwise provided in this section, the Secretary of Defense may not permit the use of an installation of the Depart-

ment of Defense for the **【storage】** *storage, treatment, or disposal* of any material that is a toxic or hazardous material and that is not owned *either* by the Department of Defense *or by a member of the armed forces (or a dependent of the member) assigned to or provided military housing on the installation.*

* * * * *

(b) Subsection (a) does not apply to—

(1) *the storage, treatment, or disposal of materials that will be or have been used in connection with an activity of the Department of Defense or in connection with a service to be performed on an installation of the Department for the benefit of the Department;*

【(1)】 (2) the storage of strategic and critical materials in the National Defense Stockpile under an agreement for such storage with the Administrator of General Services;

【(2)】 (3) the temporary storage or disposal of explosives in order to protect the public or to assist agencies responsible for **【Federal law enforcement】** *Federal, State, or local law enforcement* in storing or disposing of explosives when no alternative solution is available, if such storage or disposal is made in accordance with an agreement between the Secretary of Defense and the head of the **【Federal agency】** *Federal, State, or local agency* concerned;

【(3)】 (4) the temporary storage or disposal of explosives in order to provide emergency lifesaving assistance to civil authorities;

【(4)】 (5) the disposal of excess explosives produced under a Department of Defense contract, if the head of the military department concerned determines, in each case, that an alternative feasible means of disposal is not available to the contractor, taking into consideration public safety, available resources of the contractor, and national defense production requirements;

【(5)】 (6) the temporary storage of nuclear materials or non-nuclear classified materials in accordance with an agreement with the Secretary of Energy;

【(6)】 (7) the storage of materials that constitute military resources intended to be used during peacetime civil emergencies in accordance with applicable Department of Defense regulations;

【(7)】 (8) the temporary storage of materials of other Federal agencies in order to provide assistance and refuge for commercial carriers of such material during a transportation emergency;

【(8)】 (9) the storage of any material that is not owned by the Department of Defense if the Secretary of the military department concerned determines that the material is required or generated **【by a private person in connection with the authorized and compatible use by that person of an industrial-type】** *in connection with the authorized use of a facility of the Department of Defense【; and】 including the use of such a facility for testing materiel and training personnel;*

【(9)】 (10) the treatment and disposal of any material that is not owned by the Department of Defense if the Secretary of the

military department concerned determines that the material is required or generated [by a private person in connection with the authorized and compatible commercial use by that person of an industrial-type] *in connection with the authorized use of a facility of that military department and the Secretary enters into a contract [with that person] or agreement with the prospective user that—*

(A) is consistent with the best interest of national defense and environmental security; and

(B) provides [for that person's] *for the prospective user's continued financial and environmental responsibility and liability with regard to the material[.]; and*

(11) the storage of any material that is not owned by the Department of Defense if the Secretary of the military department concerned determines that the material is required or generated in connection with the use of a space launch facility located on an installation of the Department of Defense or on other land controlled by the United States.

* * * * *

§ 2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions

(a) *AUTHORITY TO ACCEPT.—In connection with a real property transaction described in subsection (b) with a non-Federal person or entity, the Secretary of a military department may accept amounts provided by the person or entity to cover administrative expenses incurred by the Secretary in entering into the transaction.*

(b) *COVERED TRANSACTIONS.—Subsection (a) applies to the following transactions:*

(1) The conveyance or exchange of real property.

(2) The grant of an easement over, in, or upon real property of the United States.

(3) The lease or license of real property of the United States.

(c) *USE OF AMOUNTS COLLECTED.—Amounts collected under subsection (a) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.*

* * * * *

CHAPTER 169—MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

* * * * *

SUBCHAPTER I—MILITARY CONSTRUCTION

* * * * *

§ 2805. Unspecified minor construction

(a)(1) Except as provided in paragraph (2), within an amount equal to 125 percent of the amount authorized by law for such purpose, the Secretary concerned may carry out [minor military con-

struction projects] *unspecified minor military construction projects* not otherwise authorized by law. [A minor] *An unspecified minor military construction project* is a military construction project that has an approved cost equal to or less than \$1,500,000. However, if the military construction project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, [a minor] *an unspecified minor military construction project* may have an approved cost equal to or less than \$3,000,000.

(2) A Secretary may not use more than \$5,000,000 for exercise-related unspecified minor military construction projects coordinated or directed by the Joint Chiefs of Staff outside the United States during any fiscal year.

(b)(1) [A minor] *An unspecified minor military construction project* costing more than \$500,000 may not be carried out under this section unless approved in advance by the Secretary concerned.

(2) When a decision is made to carry out [a minor] *an unspecified minor military construction project* to which paragraph (1) is applicable, the Secretary concerned shall notify in writing the appropriate committees of Congress of that decision, of the justification for the project, and of the estimated cost of the project. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by the committees. *This paragraph shall apply even though the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.*

(c)(1) Except as provided in [paragraph (2)] *paragraphs (2) and (3)*, the Secretary concerned may spend from appropriations available for operation and maintenance amounts necessary to carry out an unspecified *minor military construction project* costing not more than—

(A) \$1,000,000, in the case of an unspecified *minor military construction project* intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; or

(B) \$500,000, in the case of any other unspecified *minor military construction project*.

(2) The authority provided in paragraph (1) may not be used with respect to any exercise-related unspecified *minor military construction project* coordinated or directed by the Joint Chiefs of Staff outside the United States.

(3) *The limitations specified in paragraph (1) shall not apply if the unspecified minor military construction project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.*

(d) Military family housing projects for construction of new housing units may not be carried out under the authority of this section.

* * * * *

§ 2811. Repair of facilities

(a) * * *

* * * * *

(d) CONGRESSIONAL NOTIFICATION.—When a decision is made to carry out a repair project under this section with an estimated cost in excess of \$10,000,000, the Secretary concerned shall submit to the appropriate committees of Congress a report containing—

- (1) the justification for the repair project and the current estimate of the cost of the project; and
- (2) the justification for carrying out the project under this section.

(e) REPAIR PROJECT DEFINED.—In this section, the term “repair project” means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose.

* * * * *

SUBCHAPTER II—MILITARY FAMILY HOUSING

* * * * *

§ 2828. Leasing of military family housing

(a) * * *

(b)(1) Not more than 10,000 family housing units may be leased at any one time under subsection (a).

(2) Except as provided in [paragraph (3)] paragraphs (3) and (4), expenditures for the rental of housing units under subsection (a) (including the cost of utilities, maintenance, and operation) may not exceed \$12,000 per unit per year.

(3) Not more than 500 housing units may be leased under subsection (a) for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation) exceeds \$12,000 per unit per year but does not exceed \$14,000 per unit per year.

(4) The Secretary of the Army may lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel, as designated by the Secretary, for the United States Southern Command for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation, including security enhancements) exceeds the expenditure limitations in paragraphs (2) and (3). The total amount for all leases under this paragraph may not exceed \$280,000 per year, and no lease on any individual housing unit may exceed \$60,000 per year.

[(4)] (5) At the beginning of each fiscal year, the Secretary concerned shall adjust the maximum lease amount provided for under [paragraphs (2) and (3)] paragraphs (2), (3), and (4) for the previous fiscal year by the percentage (if any) by which the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics, during the preceding fiscal year exceeds such Consumer Price Index for the fiscal year before such preceding fiscal year.

* * * * *

§ 2830. Occupancy of substandard family housing units

(a)(1) A member of the uniformed services with dependents may, without loss of the member’s [basic allowance for quarters] basic allowance for housing under section 403 of title 37, occupy a sub-

standard family housing unit under the jurisdiction of the Secretary concerned.

(2) Occupancy of a family housing unit under paragraph (1) shall be subject to a charge against the member's **basic allowance for quarters** *basic allowance for housing* in the amount of the fair rental value of the housing unit. However, such a charge may not be made in an amount in excess of 75 percent of the amount of such allowance.

* * * * *

SUBCHAPTER III—ADMINISTRATION OF MILITARY CONSTRUCTION AND MILITARY FAMILY HOUSING

Sec.

2851. Supervision of military construction projects.

* * * * *

2867. *Sale of electricity from alternate energy and cogeneration production facilities.*

2868. *Utility services: furnishing for certain buildings.*

* * * * *

§ 2865. Energy savings at military installations

(a) * * *

(b) USE OF ENERGY COST SAVINGS.—(1) Two-thirds of the portion of the funds appropriated to the Department of Defense for a fiscal year that is equal to the amount of energy cost savings realized by the Department, including financial benefits resulting from shared energy savings contracts **and financial incentives described in subsection (d)(2)**, shall remain available for obligation under paragraph (2) through the end of the fiscal year following the fiscal year for which the funds were appropriated, without additional authorization or appropriation.

(2) The Secretary shall provide that the amount that remains available for obligation under paragraph (1) and section 2866(b) of this title, and the funds made available under **section 2483(b)(2) section 2867(b)(2)** of this title, shall be used as follows:

(A) * * *

* * * * *

(d) ENERGY SAVING ACTIVITIES.—(1) The Secretary of Defense shall permit and encourage each military department, Defense Agency, and other instrumentality of the Department of Defense to participate in programs conducted by any gas or electric utility for the management of electricity demand or for energy conservation or by any utility for water conservation activities.

(2) The Secretary of Defense may authorize any military installation to accept any financial incentive, goods, or services generally available from a gas or electric utility, to adopt technologies and practices that the Secretary determines are cost effective for the Federal Government. *Financial incentives received under this paragraph or section 2866(a)(2) of this title shall be credited to an appropriation account designated by the Secretary of Defense.*

* * * * *

(f) ANNUAL REPORT.—Not later than December 31 of each year, the Secretary of Defense shall transmit an annual report to the Congress containing a description of the actions taken to carry out this section, and the savings realized from such actions, during the fiscal year ending in the year in which the report is made. *Each report shall also describe the types and amount of financial incentives received under subsection (d)(2) and section 2866(a)(2) of this title during the period covered by the report and the appropriation account or accounts to which the incentives were credited.*

§ 2866. Water conservation at military installations

(a) WATER CONSERVATION ACTIVITIES.—(1) The Secretary of Defense shall permit and encourage each military department, Defense Agency, and other instrumentality of the Department of Defense to participate in programs conducted by a utility for the management of water demand or for water conservation.

(b) USE OF WATER COST [SAVINGS.—] SAVINGS AND FINANCIAL INCENTIVES.—(1) Water cost savings realized under this section shall be used as provided in section 2865(b)(2) of this title.

(2) *Financial incentives received under this section shall be used as provided in section 2865(d)(2) of this title.*

* * * * *

§ 2867. Sale of electricity from alternate energy and cogeneration production facilities

(a) *The Secretary of a military department may sell, contract to sell, or authorize the sale by a contractor to a public or private utility company of electrical energy generated from alternate energy or cogeneration type production facilities which are under the jurisdiction (or produced on land which is under the jurisdiction) of the Secretary concerned. The sale of such energy shall be made under such regulations, for such periods, and at such prices as the Secretary concerned prescribes consistent with the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.).*

(b)(1) *Proceeds from sales under subsection (a) shall be credited to the appropriation account currently available to the military department concerned for the supply of electrical energy.*

(2) *Subject to the availability of appropriations for this purpose, proceeds credited under paragraph (1) may be used to carry out military construction projects under the energy performance plan developed by the Secretary of Defense under section 2865(a) of this title, including minor military construction projects authorized under section 2805 of this title that are designed to increase energy conservation.*

(c) *Before carrying out a military construction project described in subsection (b) using proceeds from sales under subsection (a), the Secretary concerned shall notify Congress in writing of the project, the justification for the project, and the estimated cost of the project. The project may be carried out only after the end of the 21-day period beginning on the date the notification is received by Congress.*

§ 2868. Utility services: furnishing for certain buildings

Appropriations for the Department of Defense may be used for utility services for—

- (1) buildings constructed at private cost, as authorized by law; and*
- (2) buildings on military reservations authorized by regulation to be used for morale, welfare, and recreational purposes.*

* * * * *

SUBCHAPTER IV—ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING

* * * * *

§ 2875. Investments in nongovernmental entities

(a) INVESTMENTS AUTHORIZED.—The Secretary concerned may make investments in nongovernmental entities carrying out projects for the acquisition or construction of housing units suitable for use as military family housing or as military unaccompanied housing.

* * * * *

(e) CONGRESSIONAL NOTIFICATION REQUIRED.—Amounts in the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund may be used to make a cash investment under this section in a nongovernmental entity only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the investment to the appropriate committees of Congress.

* * * * *

§ 2882. Assignment of members of the armed forces to housing units

(a) * * *

(b) EFFECT OF CERTAIN ASSIGNMENTS ON ENTITLEMENT TO HOUSING ALLOWANCES.—(1) Except as provided in paragraph (2), housing referred to in subsection (a) shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of [section 403(b)] *section 403* of title 37.

(2) A member of the armed forces who is assigned in accordance with subsection (a) to a housing unit not owned or leased by the United States shall be entitled to a [basic allowance for quarters under section 403 of title 37 and, if in a high housing cost area, a variable housing allowance under section 403a of that title.] *basic allowance for housing under section 403 of title 37.*

* * * * *

§ 2885. Expiration of authority

The authority to enter into a contract under this subchapter shall expire [five years after the date of the enactment of the Na-

tional Defense Authorization Act for Fiscal Year 1996] on February 10, 2001.

* * * * *

CHAPTER 172—STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM

* * * * *

§ 2904. Strategic Environmental Research and Development Program Scientific Advisory Board

- (a) * * *
- (b)(1) * * *

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(4) Members of the Advisory Board shall be appointed for terms of [three] not less than two and not more than four years.

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Subtitle B—Army

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PART I—ORGANIZATION

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CHAPTER 307—THE ARMY

- Sec. 3061. Regulations. * * * * *
- 3083. Public Affairs Corps. * * * * *

§ 3064. Special branches

(a) The special branches of the Army consist of commissioned officers of the Regular Army appointed therein, other members of the Army assigned thereto by the Secretary of the Army, and the sections prescribed in this chapter. The special branches are—

- (1) each corps of the Army Medical Department;
- (2) the Judge Advocate General’s Corps;
- (3) the Public Affairs Corps;
- [(3)] (4) the Chaplains; and
- [(4)] (5) such other special branches as may be established by the Secretary of the Army under subsection (b).

* * * * *

§ 3083. Public Affairs Corps

There is a Public Affairs Corps in the Army. The Public Affairs Corps consists of—

- (1) the Chief of the Public Affairs Corps;
- (2) commissioned officers of the Regular Army appointed therein; and

(3) *other members of the Army assigned thereto by the Secretary of the Army.*

* * * * *

PART III—TRAINING

* * * * *

CHAPTER 403—UNITED STATES MILITARY ACADEMY

* * * * *

§ 4344. Selection of persons from foreign countries

(a) * * *

(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a cadet appointed from the United States, and from the same appropriations.

(2) Each foreign country from which a cadet is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of providing such instruction, including the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Army shall prescribe the rates for reimbursement under this paragraph[.], *except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States.*

(3) *The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.*

* * * * *

CHAPTER 407—SCHOOLS AND CAMPS

Sec.

4411. Establishment: purpose.

* * * * *

4416. *Academy of Health Sciences: admission of civilians in physician assistant training program.*

* * * * *

§ 4416. Academy of Health Sciences: admission of civilians in physician assistant training program

(a) *RECIPROCAL AGREEMENTS WITH COLLEGES.—The Secretary of the Army may enter into an agreement with an accredited institution of higher education under which students of the institution may attend the physician assistant training program conducted by the Army Medical Department at the Academy of Health Sciences at Fort Sam Houston, Texas, during the didactic portion of the program. In exchange for the admission of such students, the institution of higher education shall agree to provide such academic serv-*

ices as the Secretary and the institution consider to be appropriate to support the physician assistant training program at the Academy. The Secretary shall ensure that the Army Medical Department does not incur any additional costs as a result of the agreement than the Department would incur to obtain such academic services in the absence of the agreement.

(b) *SELECTION OF STUDENTS.*—The attendance of civilian students at the Academy pursuant to an agreement under subsection (a) may not result in a decrease in the number of members of the armed forces enrolled in the physician assistant training program. In consultation with the institution of higher education that is a party to the agreement, the Secretary shall establish qualifications and methods of selection for students to receive instruction at the Academy. The qualifications established shall be comparable to those generally required for admission to the physician assistant training program at the Academy.

(c) *RULES OF ATTENDANCE.*—Except as the Secretary determines necessary, a civilian student who receives instruction at the Academy pursuant to an agreement entered into under subsection (a) shall be subject to the same regulations governing attendance, discipline, discharge, and dismissal as apply to other persons attending the Academy.

(d) *REPORT.*—For each year in which an agreement under subsection (a) is in effect, the Secretary shall submit to Congress a report specifying the number of civilian students who received instruction at the Academy under the agreement during the period covered by the report and accessing the benefits to the United States of the agreement.

(e) *ACADEMY DEFINED.*—In this section, the term “Academy” means the Academy of Health Sciences of the Army Medical Department at Fort Sam Houston, Texas.

* * * * *

Subtitle C—Navy and Marine Corps

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PART I—ORGANIZATION

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**CHAPTER 513—BUREAUS; OFFICE OF THE JUDGE
ADVOCATE GENERAL**

* * * * *

§ 5142. Chaplain Corps and Chief of Chaplains

(a) * * *

(b) There is in the executive part of the Department of the Navy the office of the Chief of Chaplains of the Navy. The Chief of Chaplains shall be appointed by the President, by and with the advice and consent of the Senate, from officers of the Chaplain Corps in the grade of commander or above who are serving on active duty[

who are not on the retired list,] and who have served on active duty in the Chaplain Corps for at least eight years.

* * * * *

§ 5142a. Deputy Chief of Chaplains

The Secretary of the Navy may detail as the Deputy Chief of Chaplains an officer of the Chaplain Corps in the grade of commander or above who is on active duty[, who is not on the retired list,] and who has served on active duty in the Chaplain Corps for at least eight years.

* * * * *

PART III—EDUCATION AND TRAINING

* * * * *

CHAPTER 601—OFFICER PROCUREMENT PROGRAMS

* * * * *

§ 6912. Aviation cadets: benefits

Except as provided in [section 402(a) and (b)] *section 402(c)* of title 37, aviation cadets or their beneficiaries are entitled to the same allowances, pensions, gratuities, and other benefits as are provided for enlisted members in pay grade E-4. While on active duty, an aviation cadet is entitled to uniforms, clothing, and equipment at the expense of the United States.

* * * * *

CHAPTER 603—UNITED STATES NAVAL ACADEMY

Sec.

6951. Location.

* * * * *

6976. *Operation of Naval Academy dairy farm.*

* * * * *

§ 6957. Selection of persons from foreign countries

(a) * * *

(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a midshipman appointed from the United States, and from the same appropriations.

(2) Each foreign country from which a midshipman is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of providing such instruction, including the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Navy shall prescribe the rates for reimbursement under this paragraph[.], *except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a midshipman appointed from the United States.*

(3) *The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Naval Academy under this section at any one time.*

* * * * *

(d) *A person receiving instruction under this section is not subject to section 6958(d) of this title.*

§ 6958. Midshipmen: qualifications for admission

(a) * * *

* * * * *

(d) *To be admitted to the Naval Academy, an appointee must take and subscribe to an oath prescribed by the Secretary of the Navy. If a candidate for admission refuses to take and subscribe to the prescribed oath, the candidate's appointment is terminated.*

* * * * *

§ 6976. Operation of Naval Academy dairy farm

(a) *DISCRETION REGARDING CONTINUED OPERATION.—(1) Subject to paragraph (2), the Secretary of the Navy may terminate or reduce the dairy or other operations conducted at the Naval Academy dairy farm located in Gambrills, Maryland.*

(2) *Notwithstanding the termination or reduction of operations at the Naval Academy dairy farm under paragraph (1), the real property containing the dairy farm (consisting of approximately 875 acres)—*

(A) *may not be declared to be excess real property to the needs of the Navy or transferred or otherwise disposed of by the Navy or any Federal agency; and*

(B) *shall be maintained in its rural and agricultural nature.*

(b) *LEASE AUTHORITY.—(1) Subject to paragraph (2), to the extent that the termination or reduction of operations at the Naval Academy dairy farm permit, the Secretary of the Navy may lease the real property containing the dairy farm, and any improvements and personal property thereon, to such persons and under such terms as the Secretary considers appropriate. In leasing any of the property, the Secretary may give a preference to persons who will continue dairy operations on the property.*

(2) *Any lease of property at the Naval Academy dairy farm shall be subject to a condition that the lessee maintain the rural and agricultural nature of the leased property.*

(c) *EFFECT OF OTHER LAWS.—Nothing in section 6971 of this title shall be construed to require the Secretary of the Navy or the Superintendent of the Naval Academy to operate a dairy farm for the Naval Academy in Gambrills, Maryland, or any other location.*

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**CHAPTER 605—UNITED STATES NAVAL POSTGRADUATE
SCHOOL**

Sec.

7041. Function.

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[7045. Officers of Army, Air Force, and Coast Guard: admission.]

7045. Officers of the other armed forces; enlisted members: admission.

7046. Officers of foreign countries: admission.

[7047. Students at institutions of higher education: admission.]

7047. Civilian students at institutions of higher education: admission.

7048. Conferring of degrees on graduates.

* * * * *

§ 7043. Academic Dean

(a) * * *

(b) The Academic Dean is entitled to such compensation for his services as the Secretary prescribes, but not more than the rate of compensation authorized for **[grade GS-18 of the General Schedule under section 5332 of title 5]** *level IV of the Executive Schedule.*

* * * * *

[§ 7045. Officers of Army, Air Force, and Coast Guard: admission]

§ 7045. Officers of the other armed forces; enlisted members: admission

(a)(1) The Secretary of the Navy may permit officers of the Army, Air Force, and Coast Guard to receive instruction at the Naval Postgraduate School. The numbers and grades of such officers shall be as agreed upon by the Secretary of the Navy with the Secretaries of the Army, Air Force, and Transportation, respectively.

(2) *The Secretary may permit an enlisted member of the armed forces who is assigned to the Naval Postgraduate School or to a nearby command to receive instruction at the Naval Postgraduate School. Admission of enlisted members for instruction under this paragraph shall be on a space-available basis.*

(b) The Department of the Army, the Department of the Air Force, and the Department of Transportation shall bear the cost of the instruction received by the **[students]** *officers* detailed for that instruction by the Secretaries of the Army, Air Force, and Transportation, respectively. *In the case of an enlisted member permitted to receive instruction at the Postgraduate School, the Secretary of the Navy shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).*

(c) While receiving instruction at the Postgraduate School, **[officers]** *members* of the Army, Air Force, and Coast Guard are subject to **[the same regulations]** *regulations, as determined appropriate by the Secretary of the Navy, as apply to students who are [officers]* *members* of the naval service.

* * * * *

【§ 7047. Students at institutions of higher education: admission

【(a) ADMISSION PURSUANT TO RECIPROCAL AGREEMENT.—The Secretary of the Navy may enter into an agreement with an accredited institution of higher education to permit a student described in subsection (b) enrolled at that institution to receive instruction at the Naval Postgraduate School on a tuition-free basis. In exchange for the admission of the student, the institution of higher education shall be required to permit an officer of the armed forces to attend on a tuition-free basis courses offered by that institution corresponding in length to the instruction provided to the student at the Naval Postgraduate School.

【(b) ELIGIBLE STUDENTS.—A student enrolled at an institution of higher education that is party to an agreement under subsection (a) may be admitted to the Naval Postgraduate School pursuant to that agreement if—

【(1) the student is a citizen of the United States or lawfully admitted for permanent residence in the United States; and

【(2) the Secretary of the Navy determines that the student has a demonstrated ability in a field of study designated by the Secretary as related to naval warfare and national security.】

§ 7047. Civilian students at institutions of higher education: admission

(a) ADMISSION ON TUITION-FREE, EXCHANGE BASIS.—(1) The Secretary of the Navy may enter into an agreement with an accredited institution of higher education (or a consortium of such institutions) under which students described in subsection (c) who are enrolled at that institution (or an institution in such consortium) are permitted to receive instruction at the Naval Postgraduate School on a space-available, tuition-free basis in exchange for which the institution of higher education (or each institution in the consortium) agrees to enroll, on a tuition-free basis, officers of the armed forces or other persons properly admitted for instruction at the Naval Postgraduate School.

(2) Exchange of students under paragraph (1) need not be on a one-for-one basis.

(3) An exchange under such an agreement shall be on the basis of in-kind reimbursement, with the total value of the instruction provided during a year by the Naval Postgraduate School to civilian students from the institutions that are parties to the agreement being at least as great as the value of instruction provided by those institutions to students from the Naval Postgraduate School.

(4) In determining the value of the in-kind reimbursement for the instruction provided by the Naval Postgraduate School, the Secretary shall use the same amount charged by the Secretary for the provision of the same instruction to a Federal employee who is not a Department of Defense employee.

(5) The authority of the Secretary to accept an offer of in-kind reimbursement under this subsection may not be delegated below the level of Assistant Secretary of the Navy.

(b) ADMISSION ON COST-REIMBURSABLE BASIS.—(1) The Secretary of the Navy may permit a student described in subsection (c) who is enrolled at an accredited institution of higher education that is

a party to an agreement under subsection (a) to receive instruction at the Naval Postgraduate School on a cost-reimbursable, space-available basis.

(2) The Secretary shall ensure that the value of any reimbursement received under this subsection in the case of any such student is not less than the amount charged by the Secretary for the provision of the same instruction to a Federal employee who is not a Department of Defense employee.

(c) **ELIGIBLE STUDENTS.**—A student enrolled at an accredited institution of higher education that is party to an agreement under subsection (a) may be admitted to the Naval Postgraduate School under subsection (a) or (b) if the student—

(1) is a citizen of the United States or is lawfully admitted for permanent residence in the United States;

(2) has a demonstrated ability, as determined by the Secretary of the Navy, in a field of study designated by the Secretary as related to naval warfare, armed conflict, or national security; and

(3) meets the academic requirements for the course or courses for which the student seeks admission to the Naval Postgraduate School.

(d) **STANDARDS OF CONDUCT.**—Except as the Secretary of the Navy otherwise determines necessary, a person receiving instruction under this section is subject to the same regulations governing attendance, discipline, dismissal, and standards of study as apply to students who are officers of the naval service.

(e) **RETENTION OF FUNDS RECEIVED.**—Amounts received under subsection (b) to reimburse the Naval Postgraduate School for the costs of providing instruction to students permitted to attend the Naval Postgraduate School under this section shall be credited to the current appropriation supporting the operation and maintenance of the Naval Postgraduate School.

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PART IV—GENERAL ADMINISTRATION

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CHAPTER 633—NAVAL VESSELS

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§ 7305. Vessels stricken from Naval Vessel Register: sale

(a) * * *

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(e) **RELATIONSHIP TO TOXIC SUBSTANCES CONTROL ACT.**—(1) Subject to paragraph (2), the sale of a vessel under this section for export, or any subsequent resale of a vessel sold under this section for export—

(A) is not a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)) or an export of hazardous waste under section 3017 of the Solid Waste Disposal Act (42 U.S.C. 6938); and

(B) is not subject to section 12(b) of the Toxic Substances Control Act (15 U.S.C. 2611(b)).

(2)(A) Paragraph (1) applies to a vessel being sold for export only if, before the sale of such vessel, any item listed in subparagraph (B) containing polychlorinated biphenyls is removed from the vessel.

(B) Subparagraph (A) covers any transformer, large high or low voltage capacitor, or hydraulic or heat transfer fluid.

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§ 7306a. Vessels stricken from Naval Vessel Register: use for experimental purposes or operational training

(a) AUTHORITY.—The Secretary of the Navy may use for experimental purposes or operational training any vessel stricken from the Naval Vessel Register.

* * * * *

(c) RELATIONSHIP TO OTHER LAWS.—The sinking of a vessel for an experimental purpose or for operational training pursuant to subsection (a) is not—

(1) a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)); or

(2) the transport of material for the purpose of dumping it into ocean waters, or the dumping of material transported from a location outside the United States, under section 101 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1411).

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CHAPTER 643—CIVILIAN EMPLOYEES

Sec.

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7472. Physical examination: employees engaged in hazardous occupations.

* * * * *

[7478. Naval War College and Marine Corps Command Staff College: civilian faculty members.]

7478. *Naval War College and Marine Corps University: civilian faculty members.*

* * * * *

[§ 7478. Naval War College and Marine Corps Command and Staff College: civilian faculty members]

§ 7478. Naval War College and Marine Corps University: civilian faculty members

(a) AUTHORITY OF SECRETARY.—The Secretary of the Navy may employ as many civilians as professors, instructors, and lecturers at a school of the Naval War College [or at the Marine Corps Command and Staff College] or at a school of the Marine Corps University as the Secretary considers necessary.

(b) COMPENSATION OF FACULTY MEMBERS.—The compensation of persons employed under this section shall be as prescribed by the Secretary.

(c) APPLICATION TO CERTAIN FACULTY MEMBERS.—This section shall not apply with respect to professors, instructors, and lecturers employed at a school of the Naval War College [or at the Marine Corps Command and Staff College] or at a school of the Marine Corps University if the duration of the principal course of instruction offered at the school or college involved is less than 10 months.

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CHAPTER 649—QUARTERS, UTILITIES, AND RELATED SERVICES

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§ 7572. Quarters: accommodations in place of for members on sea duty

(a) * * *

(b)(1) Under such regulations as the Secretary prescribes, a member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a) may be reimbursed for expenses incurred in obtaining quarters in an amount not more than [the total of—

[(A) the basic allowance for quarters payable to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship; and

[(B) the variable housing allowance that could be paid to a member of the same pay grade under section 403a of title 37 at the location where the member is deprived of quarters on-board ship for the period during which the member is deprived of quarters on board ship.] *the basic allowance for housing payable under section 403 of title 37 to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship.*

(2) A member entitled to receipt of [basic allowance for quarters] *basic allowance for housing* may not be reimbursed for expenses under this subsection when deprived of quarters on board ship at a location at which the member can reside with such member's dependents.

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§ 7573. Quarters: temporary; transient members

Temporary quarters may be furnished on a rental basis to transient members of the naval service with their dependents, for periods not exceeding 60 days, without loss of entitlement to [basic allowance for quarters] *basic allowance for housing under section 403 of title 37.*

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CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

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§ 7902. National Ocean Research Leadership Council

(a) COUNCIL.—There is a National Ocean Research Leadership Council (hereinafter in this chapter referred to as the “Council”).

(b) MEMBERSHIP.—The Council is composed of the following members:

(1) * * *

* * * * *

[(11) The President of the National Academy of Sciences, the President of the National Academy of Engineering, and the President of the Institute of Medicine.]

[(12)] (11) The Director of the Office of Science and Technology.

[(13)] (12) The Director of the Office of Management and Budget.

[(14)] (13) One member appointed by the [chairman] President from among individuals who will represent the views of ocean industries.

[(15)] (14) One member appointed by the [chairman] President from among individuals who will represent the views of State governments.

[(16)] (15) One member appointed by the [chairman] President from among individuals who will represent the views of academia.

[(17) One member] (16) Not more than four members appointed by the [chairman] President from among individuals who will represent such other views as the [chairman] President considers appropriate.

* * * * *

(d) TERM OF OFFICE.—The term of office of a member of the Council appointed under paragraph [(14), (15), (16), or (17)] (13), (14), (15), or (16) of subsection (b) shall be two years, except that any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

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(j) DELEGATION OF APPOINTMENT AUTHORITY.—The President may delegate the authority to make appointments under subsection (b) to the head of a department, without authority to redelegate.

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SUBTITLE D—AIR FORCE

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PART III—TRAINING

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CHAPTER 903—UNITED STATES AIR FORCE ACADEMY

Sec.							
9331.	Establishment; Superintendent; faculty.	*	*	*	*	*	*
9345.	<i>Exchange program with foreign military academies.</i>	*	*	*	*	*	*

§ 9344. Selection of persons from foreign countries

(a) * * *

(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a cadet appointed from the United States, and from the same appropriations.

(2) Each foreign country from which a cadet is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of providing such instruction, including the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Air Force shall prescribe the rates for reimbursement under this paragraph[.], *except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States.*

(3) *The amount of reimbursement waived under paragraph (2) may not exceed 25 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.*

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§ 9345. Exchange program with foreign military academies

(a) *EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Air Force may permit a student enrolled at a military academy of a foreign country to receive instruction at the Air Force Academy in exchange for an Air Force cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 9344 of this title.*

(b) *LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 Air Force cadets and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Air Force Academy.*

(c) *COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of an Air Force cadet by reason of attendance at the Air Force Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required*

for transportation of such a student to and from the sponsoring foreign country.

(2) *The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged Air Force cadet in that foreign country.*

(3) *The Air Force Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed \$50,000 during any fiscal year.*

(d) *APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 9344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Air Force Academy under the exchange program.*

(e) *REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.*

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§ 9353. Cadets: degree and commission on graduation

(a) **[After the date of the accrediting of the Academy, the]** *The Superintendent of the Academy may, under such conditions as the Secretary of the Air Force may prescribe, confer the degree of bachelor of science upon graduates of the Academy.*

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PART IV—SERVICE, SUPPLY, AND PROCUREMENT

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CHAPTER 949—REAL PROPERTY

Sec.

9771. *Acceptance of donations: land for mobilization, training, supply base, or aviation field.*

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9782. *Maintenance and repair of real property.*

* * * * *

§ 9782. Maintenance and repair of real property

(a) *ALLOCATION OF FUNDS.—The Secretary of the Air Force shall allocate funds authorized to be appropriated by a provision described in subsection (c) and a provision described in subsection (d) for maintenance and repair of real property at military installations of the Department of the Air Force without regard to whether the installation is supported with funds authorized by a provision described in subsection (c) or (d).*

(b) *MIXING OF FUNDS PROHIBITED ON INDIVIDUAL PROJECTS.—The Secretary of the Air Force may not combine funds authorized*

to be appropriated by a provision described in subsection (c) and funds authorized to be appropriated by a provision described in subsection (d) for an individual project for maintenance and repair of real property at a military installation of the Department of the Air Force.

(c) *RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS.*—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for research, development, test, and evaluation.

(d) *OPERATION AND MAINTENANCE FUNDS.*—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for operation and maintenance.

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Subtitle E—Reserve Components

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PART I—ORGANIZATION AND ADMINISTRATION

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CHAPTER 1005—ELEMENTS OF RESERVE COMPONENTS

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§ 10144. Ready Reserve: Individual Ready Reserve

(a) Within the Ready Reserve of each of the reserve components there is an Individual Ready Reserve. The Individual Ready Reserve consists of those members of the Ready Reserve who are not in the Selected Reserve or the inactive National Guard.

(b)(1) *Within the Individual Ready Reserve of each reserve component there is a category of members, as designated by the Secretary concerned, who are subject to being ordered to active duty involuntarily in accordance with section 12304 of this title. A member may not be placed in that mobilization category unless—*

(A) the member volunteers for that category; and

(B) the member is selected for that category by the Secretary concerned, based upon the needs of the service and the grade and military skills of that member.

(2) *A member of the Individual Ready Reserve may not be carried in such mobilization category of members after the end of the 24-month period beginning on the date of the separation of the member from active service.*

(3) *The Secretary shall designate the grades and military skills or specialities of members to be eligible for placement in such mobilization category.*

(4) *A member in such mobilization category shall be eligible for benefits (other than pay and training) as are normally available to*

members of the Selected Reserve, as determined by the Secretary of Defense.

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CHAPTER 1007—ADMINISTRATION OF RESERVE COMPONENTS

Sec.

10201. Assistant Secretary of Defense for Reserve Affairs.

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[10216. Military technicians.]

10216. Military technicians (dual status).

10217. Non-dual status military technicians.

* * * * *

[§ 10216. Military technicians

[(a) IN GENERAL.—Military technicians are Federal civilian employees hired under title 5 and title 32 who are required to maintain dual-status as drilling reserve component members as a condition of their Federal civilian employment. Such employees shall be authorized and accounted for as a separate category of dual-status civilian employees, exempt as specified in subsection (b)(3) from any general or regulatory requirement for adjustments in Department of Defense civilian personnel.**]**

§ 10216. Military technicians (dual status)

(a) IN GENERAL.—(1) For purposes of this section and any other provision of law, a military technician (dual status) is a Federal civilian employee who—

(A) is employed under section 3101 of title 5 or section 709 of title 32;

(B) is required as a condition of that employment to maintain membership in the Selected Reserve; and

(C) is assigned to a position as a technician in the administration and training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces.

(2) Military technicians (dual status) shall be authorized and accounted for as a separate category of civilian employees.

(b) PRIORITY FOR MANAGEMENT OF MILITARY TECHNICIANS (DUAL STATUS).—(1) As a basis for making the annual request to Congress pursuant to section 115(g) of this title for authorization of end strengths for military technicians *(dual status)* of the Army and Air Force reserve components, the Secretary of Defense shall give priority to supporting authorizations for **[dual status military technicians]** *military technicians (dual status)* in the following high-priority units and organizations:

(A) Units of the Selected Reserve that are scheduled to deploy no later than 90 days after mobilization.

(B) Units of the Selected Reserve that are or will deploy to relieve active duty peacetime operations tempo.

(C) Those organizations with the primary mission of providing direct support surface and aviation maintenance for the reserve components of the Army and Air Force, to the extent that

the military technicians (*dual status*) in such units would mobilize and deploy in a skill that is compatible with their civilian position skill.

(2) For each fiscal year, the Secretary of Defense shall, for the high-priority units and organizations referred to in paragraph (1), seek to achieve a programmed manning level for military technicians (*dual status*) that is not less than 90 percent of the programmed manpower structure for those units and organizations for military technicians (*dual status*) for that fiscal year.

(3) Military technician (*dual status*) authorizations and personnel shall be exempt from any requirement (imposed by law or otherwise) for reductions in Department of Defense civilian personnel and shall only be reduced as part of military force structure reductions.

(c) INFORMATION REQUIRED TO BE SUBMITTED WITH ANNUAL END STRENGTH AUTHORIZATION REQUEST.—(1) The Secretary of Defense shall include as part of the budget justification documents submitted to Congress with the budget of the Department of Defense for any fiscal year the following information with respect to the end strengths for military technicians (*dual status*) requested in that budget pursuant to section 115(g) of this title, shown separately for each of the Army and Air Force reserve components:

(A) The number of **【dual-status technicians】** *military technicians (dual status)* in the high priority units and organizations specified in **【subsection (a)(1)】** *subsection (b)(1)*.

(B) The number of technicians other than **【dual-status technicians】** *military technicians (dual status)* in the high priority units and organizations specified in **【subsection (a)(1)】** *subsection (b)(1)*.

(C) The number of **【dual-status technicians】** *military technicians (dual status)* in other than high priority units and organizations specified in **【subsection (a)(1)】** *subsection (b)(1)*.

(D) The number of technicians other than **【dual-status technicians】** *military technicians (dual status)* in other than high priority units and organizations specified in **【subsection (a)(1)】** *subsection (b)(1)*.

(2)(A) If the budget submitted to Congress for any fiscal year requests authorization for that fiscal year under section 115(g) of this title of a military technician (*dual status*) end strength for a reserve component of the Army or Air Force in a number that constitutes a reduction from the end strength minimum established by law for that reserve component for the fiscal year during which the budget is submitted, the Secretary of Defense shall submit to the congressional defense committees with that budget a justification providing the basis for that requested reduction in technician end strength.

(B) Any justification submitted under subparagraph (A) shall clearly **【delineate—**

【i in the case of a reduction that includes a reduction in technicians described in subparagraph (A) or (C) of paragraph (1), the specific force structure reductions forming the basis for such requested technician reduction (and the numbers related to those force structure reductions); and

[(ii) in the case of a reduction that includes reductions in technicians described in subparagraphs (B) or (D) of paragraph (1), the specific force structure reductions, Department of Defense civilian personnel reductions, or other reasons] *delineate the specific force structure reductions* forming the basis for such requested technician reduction (and the numbers related to those reductions).

[(d) DUAL-STATUS REQUIREMENT.—The Secretary of Defense shall require the Secretary of the Army and the Secretary of the Air Force to establish as a condition of employment for each individual who is hired after February 10, 1996, as a military technician that the individual maintain membership in the Selected Reserve (so as to be a so-called “dual-status” technician) and shall require that the civilian and military position skill requirements of dual-status military technicians be compatible. No Department of Defense funds may be spent for compensation for any military technician hired after February 10, 1996, who is not a member of the Selected Reserve, except that compensation may be paid for up to six months following loss of membership in the Selected Reserve if such loss of membership was not due to the failure to meet military standards.]

(d) *UNIT MEMBERSHIP REQUIREMENT.—(1) Unless specifically exempted by law, each individual who is hired as a military technician (dual status) after December 1, 1995, shall be required as a condition of that employment to maintain membership in—*

(A) *the unit of the Selected Reserve by which the individual is employed as a military technician; or*

(B) *a unit of the Selected Reserve that the individual is employed as a military technician to support.*

(2) *Paragraph (1) does not apply to a military technician (dual status) who is employed by the Army Reserve in an area other than Army Reserve troop program units.*

(e) *DUAL-STATUS REQUIREMENT.—(1) Funds appropriated for the Department of Defense may not (except as provided in paragraph (2)) be used for compensation as a military technician of any individual hired as a military technician after February 10, 1996, who is no longer a member of the Selected Reserve.*

(2) *The Secretary concerned may pay compensation described in paragraph (1) to an individual described in that paragraph who is no longer a member of the Selected Reserve for a period not to exceed six months following the individual’s loss of membership in the Selected Reserve if the Secretary determines such loss of membership was not due to the failure of that individual to meet military standards.*

§ 10217. Non-dual status military technicians

(a) *DEFINITION.—For the purposes of this section and any other provision of law, a non-dual status military technician is a civilian employee of the Department of Defense who—*

(1) *was hired as a military technician before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under any of the authorities specified in subsection (d); and*

(2) as of the date of the enactment of that Act is not a member of the Selected Reserve or after such date ceases to be a member of the Selected Reserve.

(b) *FISCAL YEAR 1998 LIMITATION.*—As of September 30 1998, the number of civilian employees of a military department who are non-dual status military technicians may not exceed the following:

- (1) For the Army Reserve, 1,200.
- (2) For the Army National Guard of the United States, 2,260.
- (3) For the Air Force Reserve, 0.
- (4) For the Air National Guard of the United States, 395.

(c) *REDUCTIONS FOR FUTURE YEARS.*—For each of the 10 fiscal years beginning with fiscal year 1999, the Secretary of the military department concerned shall reduce the number of non-dual status military technicians under the jurisdiction of that Secretary, as of the end of that fiscal year, from the authorized number for the preceding fiscal year by not less—

- (1) 120, for the Army Reserve;
 - (2) 226, for the Army National Guard of the United States;
- and
- (3) 39, for the Air National Guard of the United States.

(d) *EMPLOYMENT AUTHORITIES.*—The authorities referred to in subsection (a) are the following:

- (1) Section 10216 of this title.
- (2) Section 709 of title 32.
- (3) The requirements referred to in section 8401 of title 5.
- (4) Section 8016 of the Department of Defense Appropriations Act, 1996 (Public Law 104-61; 109 Stat. 654), and any comparable provision provided on an annual basis in the Department of Defense Appropriations Acts for fiscal years 1984 through 1995.
- (5) Any memorandum of agreement between the Department of Defense and the Office of Personnel Management providing for the hiring of military technicians.

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CHAPTER 1013—BUDGET INFORMATION AND ANNUAL REPORTS TO CONGRESS

Sec.
10541. National Guard and reserve component equipment: annual report to Congress.

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10544. Budget information.

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§ 10544. Budget information

(a) *REPORT.*—The Secretary of Defense shall submit to the congressional committees specified in subsection (d), at the same time that the President submits the budget for a fiscal year under section 1105(a) of title 31, United States Code, a report on amounts requested in that budget for the reserve components.

(b) *CONTENT.*—The report shall include the following:

(1) A description of the anticipated effect that the amounts requested (if approved by Congress) will have to enhance the capabilities of each of the reserve components.

(2) A listing, with respect to each such component, of each of the following:

(A) The amount requested for each major weapon system for which funds are requested in the budget for that component.

(B) The amount requested for each item of equipment (other than a major weapon system) for which funds are requested in the budget for that component.

(c) *INCLUSION OF INFORMATION IN NEXT FYDP.*—The Secretary of Defense shall specifically display in the each future-years defense program (or program revision) submitted to Congress under section 221 of this title the amounts programmed for procurement of equipment for each of the reserve components.

(d) *CONGRESSIONAL COMMITTEES SPECIFIED.*—The congressional committees referred to in subsection (a) are the following:

(1) The Committee on Armed Services and the Committee on Appropriations of the Senate.

(2) The Committee on National Security and the Committee on Appropriations of the House of Representatives.

(e) *EXCLUSION OF COAST GUARD RESERVE.*—In this section, the term “reserve components” does not include the Coast Guard Reserve.

PART II—PERSONNEL GENERALLY

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CHAPTER 1201—AUTHORIZED STRENGTHS AND DISTRIBUTION IN GRADE

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§ 12011. Authorized strengths: reserve officers on active duty or on full-time National Guard duty for administration of the reserves or the National Guard

(a) The number of reserve officers of the Army, Air Force, and Marine Corps who may be on active duty or full-time National Guard duty in each of the grades of major, lieutenant colonel, and colonel, and of the Navy who may be on active duty in each of the grades of lieutenant commander, commander, and captain, as of the end of any fiscal year for duty described in subclauses (B) and (C) of section 523(b)(1) of this title or full-time National Guard duty (other than for training) under section 502(f) of title 32 may not exceed the number for that grade and armed force in the following table:

Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	643	140
Lieutenant Colonel or Commander	1,524	520	672	90

【Grade	Army	Navy	Air Force	Marine Corps
Colonel or Navy Captain	412	188	274	30】

<i>Grade</i>	<i>Army</i>	<i>Navy</i>	<i>Air Force</i>	<i>Marine Corps</i>
<i>Major or Lieutenant Commander</i>	<i>3,219</i>	<i>1,071</i>	<i>673</i>	<i>140</i>
<i>Lieutenant Colonel or Commander</i>	<i>1,524</i>	<i>520</i>	<i>672</i>	<i>90</i>
<i>Colonel or Navy Captain</i>	<i>437</i>	<i>188</i>	<i>274</i>	<i>30</i>

* * * * *

§ 12012. Authorized strengths: senior enlisted members on active duty or on full-time National Guard duty for administration of the reserves or the National Guard

(a) The number of enlisted members in pay grades E-8 and E-9 who may be on active duty (other than for training) or on full-time National Guard duty under the authority of section 502(f) of title 32 (other than for training) as of the end of any fiscal year in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard may not exceed the number for that grade and armed force in the following table:

【Grade	Army	Navy	Air Force	Marine Corps
E-9	603	202	366	20
E-8	2,585	429	890	94】

<i>Grade</i>	<i>Army</i>	<i>Navy</i>	<i>Air Force</i>	<i>Marine Corps</i>
<i>E-9</i>	<i>627</i>	<i>202</i>	<i>371</i>	<i>20</i>
<i>E-8</i>	<i>2,585</i>	<i>429</i>	<i>900</i>	<i>94</i>

* * * * *

CHAPTER 1209—ACTIVE DUTY

Sec.
12301. Reserve components generally.

* * * * *

【12304. Selected Reserve; order to active duty other than during war or national emergency.】

12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency

* * * * *

[§ 12304. Selected Reserve; order to active duty other than during war or national emergency]

§ 12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency

(a) Notwithstanding the provisions of section 12302(a) or any other provision of law, when the President determines that it is necessary to augment the active forces for any operational mission, he may authorize the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, without the consent of the members concerned, to order any unit, and any member not assigned to a unit organized to serve as a unit of the Selected Reserve (as defined in section 10143(a) of this title), or any member in the Individual Ready Reserve mobilization category and designated as essential under regulations prescribed by the Secretary concerned, under their respective jurisdictions, to active duty (other than for training) for not more than 270 days.

* * * * *

(c) Not more than 200,000 members of the Selected Reserve and the Individual Ready Reserve may be on active duty under this section at any one time, of whom not more than 30,000 may be members of the Individual Ready Reserve.

* * * * *

(f) Whenever the President authorizes the Secretary of Defense or the Secretary of Transportation to order any unit or member of the Selected Reserve or Individual Ready Reserve to active duty, under the authority of subsection (a), he shall, within 24 hours after exercising such authority, submit to Congress a report, in writing, setting forth the circumstances necessitating the action taken under this section and describing the anticipated use of these units or members.

(g) Whenever any unit of the Selected Reserve or any member of the Selected Reserve not assigned to a unit organized to serve as a unit, or member of the Individual Ready Reserve, is ordered to active duty under authority of subsection (a), the service of all units or members so ordered to active duty may be terminated by—

- (1) order of the President, or
- (2) law.

* * * * *

(i) For purposes of this section, the term “Individual Ready Reserve mobilization category” means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.

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**CHAPTER 1214—READY RESERVE MOBILIZATION
INCOME INSURANCE**

Sec.

12521. Definitions.
 * * * * *
 12533. Termination of program.
 * * * * *

§ 12533. Termination of program

(a) *IN GENERAL.*—The Secretary shall terminate the insurance program in accordance with this section.

(b) *TERMINATION OF NEW ENROLLMENTS.*—The Secretary may not enroll a member of the Ready Reserve for coverage under the insurance program after the date of the enactment of this section.

(c) *TERMINATION OF COVERAGE.*—(1) The enrollment under the insurance program of insured members other than insured members described in paragraph (2) is terminated as of the date of the enactment of this section. The enrollment of an insured member described in paragraph (2) is terminated as of the date of the termination of the period of covered service of that member described in that paragraph.

(2) An insured member described in this paragraph is an insured member who on the date of the enactment of this section is serving on covered service for a period of service, or has been issued an order directing the performance of covered service, that satisfies or would satisfy the entitlement-to-benefits provisions of this chapter.

(d) *TERMINATION OF PAYMENT OF BENEFITS.*—The Secretary may not make any benefit payment under the insurance program after the date of the enactment of this section other than to an insured member who on that date (1) is serving on an order to covered service, (2) has been issued an order directing performance of covered service, or (3) has served on covered service before that date for which benefits under the program have not been paid to the member.

(e) *TERMINATION OF INSURANCE FUND.*—The Secretary shall close the Fund not later than 60 days after the date on which the last benefit payment from the Fund is made. Any amount remaining in the Fund when closed shall be covered into the Treasury as miscellaneous receipts.

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CHAPTER 1223—RETIRED PAY FOR NON-REGULAR SERVICE

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§ 12733. Computation of retired pay: computation of years of service

For the purpose of computing the retired pay of a person under this chapter, the person’s years of service and any fraction of such a year are computed by dividing 360 into the sum of the following:

- (1) The person’s days of active service.
- (2) The person’s days of full-time service under sections 316, 502, 503, 504, and 505 of title 32 while performing annual training duty or while attending a prescribed course of instruction at a school designated as a service school by law or by the Secretary concerned.

(3) One day for each point credited to the person under clause (B), (C), or (D) of section 12732(a)(2) of this title, but not more than 60 days in any one year of service before the year of service in which **the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997** *September 23, 1996*, occurs and not more than 75 days in any subsequent year of service.

(4) 50 days for each year before July 1, 1949, and proportionately for each fraction of a year, of service (other than active service) in a reserve component of an armed force, in the Army or the Air Force without component, or in any other category covered by section 12732(a)(1) of this title, except a regular component.

* * * * *

PART III—PROMOTION AND RETENTION OF OFFICERS ON THE RESERVE ACTIVE-STATUS LIST

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CHAPTER 1403—SELECTION BOARDS

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§ 14101. Convening of selection boards

(a) PROMOTION BOARDS.—(1) * * *

(2) A promotion board convened to recommend reserve officers of the Army or reserve officers of the Air Force for promotion (A) to fill a position vacancy under section 14315 of this title, or (B) to the grade of brigadier general or major general, shall **[(except in the case of a board convened to consider officers as provided in section 14301(e) of this title)]** be known as a “vacancy promotion board”. Any other promotion board convened under this subsection shall be known as a “mandatory promotion board”.

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CHAPTER 1405—PROMOTIONS

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§ 14301. Eligibility for consideration for promotion: general rules

(a) * * *

* * * * *

(c) PREVIOUSLY SELECTED OFFICERS NOT ELIGIBLE TO BE CONSIDERED.—A promotion board convened under section 14101(a) of this title may not consider for promotion to the next higher **[grade—]** *grade any of the following officers:*

(1) **[an officer]** *An officer* whose name is on a promotion list for that grade as a result of recommendation for promotion to that grade by an earlier selection board convened under that

section or section 14502 of this title or under chapter 36 of this title[;].

(2) *An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under a provision referred to in paragraph (1), in the case of such a report that has not yet been approved by the President.*

[(2) an officer] (3) *An officer who has been approved for Federal recognition by a board convened under section 307 of title 32 and nominated by the President for promotion to [the next higher grade] that grade as a reserve of the Army or of the Air Force as the case may be, if that nomination is pending before the Senate [; or].*

[(3) an officer] (4) *An officer who has been nominated by the President for promotion to [the next higher grade] that grade under any other provision of law, if that nomination is pending before the Senate.*

* * * * *

[(e) RESERVE OFFICERS OF THE ARMY; CONSIDERATION FOR BRIGADIER GENERAL AND MAJOR GENERAL.—In the case of officers of the Army, if the Secretary of the Army determines that vacancies are authorized or anticipated in the reserve grades of major general or brigadier general for officers who are on the reserve active-status list and who are not assigned to units organized to serve as a unit and the Secretary convenes a mandatory promotion board under section 14101(a) of this title to consider officers for promotion to fill such vacancies, the Secretary may limit the officers to be considered by that board to those determined to be exceptionally well qualified for promotion under such criteria and procedures as the Secretary may by regulation prescribe.]

[(f)] (e) CERTAIN RESERVE OFFICERS OF THE AIR FORCE.—A reserve officer of the Air Force who (1) is in the Air National Guard of the United States and holds the grade of lieutenant colonel, colonel, or brigadier general, or (2) is in the Air Force Reserve and holds the grade of colonel or brigadier general, is not eligible for consideration for promotion by a mandatory promotion board convened under section 14101(a) of this title.

[(g)] (f) NONCONSIDERATION OF OFFICERS SCHEDULED FOR REMOVAL FROM RESERVE ACTIVE-STATUS LIST.—The Secretary of the military department concerned may, by regulation, provide for the exclusion from consideration for promotion by a promotion board of any officer otherwise eligible to be considered by the board who has an established date for removal from the reserve active-status list that is not more than 90 days after the date on which the selection board for which the officer would otherwise be eligible is to be convened.

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§ 14308. Promotions: how made

(a) * * *

* * * * *

(e) ARMY RESERVE AND AIR FORCE RESERVE PROMOTIONS TO FILL VACANCIES.—Subject to this section and to section 14311(e) of this

title, and under regulations prescribed by the Secretary of the military department concerned—

(1) an officer in the Army Reserve or the Air Force Reserve who is on a promotion list as a result of selection for promotion by a mandatory promotion board convened under section 14101(a) of this title or a board convened under section 14502 or chapter 36 of this title may be promoted at any time to fill a vacancy in a position to which the officer is assigned; and

(2) an officer in *a grade below colonel* in the Army Reserve or the Air Force Reserve who is on a promotion list as a result of selection for promotion by a vacancy promotion board convened under section 14101(a) of this title may be promoted at any time to fill the vacancy for which the officer was selected.

* * * * *

(g) **ARMY AND AIR FORCE GENERAL OFFICER PROMOTIONS.**—A reserve officer of the Army *or the Air Force* who is on a promotion list for promotion to the grade of brigadier general or major general as a result of selection by a vacancy promotion board may be promoted to that grade only to fill a vacancy [in that grade in a unit of the Army Reserve that is organized to serve as a unit and that has attained the strength prescribed by the Secretary of the Army. A reserve officer of the Air Force who is on a promotion list for promotion to the grade of brigadier general or major general as a result of selection by a vacancy promotion board may be promoted to that grade only to fill a vacancy in the Air Force Reserve in that grade.] *in the Army Reserve or the Air Force Reserve, as the case may be, in that grade.*

* * * * *

§ 14315. Position vacancy promotions: Army and Air Force officers

(a) * * *

(b) **CONSIDERATION FOR VACANCY PROMOTION TO BRIGADIER GENERAL OR MAJOR GENERAL.**—(1) A reserve officer of the Army who is in the Army Reserve and on the reserve active-status list in the grade of colonel or brigadier general may be considered for promotion to the next higher grade under this section if the officer (A) is assigned to [the duties of a general officer of the next higher reserve grade in a unit of the Army Reserve organized to serve as a unit,] *duties of a general officer of the next higher reserve grade in the Army Reserve*, (B) has held the officer's present grade for the minimum period of service prescribed in section 14303 of this title for eligibility for consideration for promotion to the higher grade, and (C) meets the standards for consideration prescribed by the Secretary of the Army.

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CHAPTER 1407—FAILURE OF SELECTION FOR PROMOTION AND INVOLUNTARY SEPARATION

* * * * *

§ 14508. Removal from the reserve active-status list for years of service: reserve general and flag officers

(a) * * *

* * * * *

(c) RETENTION OF BRIGADIER GENERALS.—A reserve officer of the Army or Air Force in the grade of brigadier general who would otherwise be removed from an active status under subsection (a) may, in the discretion of the Secretary of the Army or the Secretary of the Air Force, as the case may be, be retained in an active status, but [not later than the date on which the officer becomes 60 years of age] *not later than the last day of the month in which the officer becomes 60 years of age*. Not more than 10 officers of the Army and not more than 10 officers of the Air Force may be retained under this subsection at any one time.

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CHAPTER 1409—CONTINUATION OF OFFICERS ON THE RESERVE ACTIVE-STATUS LIST AND SELECTIVE EARLY REMOVAL

* * * * *

§ 14702. Retention on reserve active-status list of certain officers until age 60

(a) RETENTION.—Notwithstanding the provisions of [section 14506 or 14507] *section 14506, 14507, or 14508* of this title, the Secretary of the military department concerned may, with the officer's consent, retain on the reserve active-status list an officer in the grade of major, lieutenant colonel, [or colonel] *colonel, or brigadier general* who is—

- (1) an officer of the Army National Guard of the United States and assigned to a headquarters or headquarters detachment of a State; or
- (2) a reserve officer of the Army or Air Force who, as a condition of continued employment as a National Guard or Reserve technician is required by the Secretary concerned to maintain membership in a Selected Reserve unit or organization.

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CHAPTER 1411—ADDITIONAL PROVISIONS RELATING TO INVOLUNTARY SEPARATION

* * * * *

§ 14906. Officers eligible to serve on boards

(a) COMPOSITION OF BOARDS.—(1) Each officer who serves on a board convened under this chapter shall be an officer of the same armed force as the officer being required to show cause for retention in an active status.

(2) An officer may not serve on a board under this chapter unless the officer holds [a grade above lieutenant colonel or commander]

the grade of lieutenant colonel or commander or a higher grade and is senior in grade and rank to any officer considered by the board.

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PART IV—TRAINING FOR RESERVE COMPONENTS AND EDUCATIONAL ASSISTANCE PROGRAMS

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CHAPTER 1609—EDUCATION LOAN REPAYMENT PROGRAMS

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§ 16302. Education loan repayment program: health professions officers serving in Selected Reserve with wartime critical medical skill shortages

(a) * * *

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(d) The authority provided in this section shall apply only in the case of a person first appointed as a commissioned officer before [October 1, 1998] *October 1, 1999.*

* * * * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

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DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

* * * * *

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

* * * * *

Subtitle E—National Oceanographic Partnership Program

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SEC. 282. NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM.

(a) * * *

* * * * *

[(c) INITIAL APPOINTMENTS OF ADVISORY PANEL MEMBERS.—The National Ocean Research Leadership Council established by section 7902 of title 10, United States Code, as added by subsection (a)(1), shall make the appointments required by section 7903 of such title not later than January 1, 1997.]

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TITLE III—OPERATION AND MAINTENANCE

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Subtitle C—Environmental Provisions

* * * * *

SEC. 327. AGREEMENTS FOR SERVICES OF OTHER AGENCIES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY CERTIFICATION.

(a) **AUTHORITY.**—Subject to subsection (b), the Secretary of Defense may enter into a cooperative agreement with an agency of a State or local government, *or with an Indian tribe*, to obtain assistance in certifying environmental technologies.

(b) **LIMITATIONS.**—The Secretary of Defense may enter into a cooperative agreement with respect to an environmental technology under subsection (a) only if the Secretary determines—

- (1) that the technology has clear potential to be of significant value to the Department of Defense [in carrying out its environmental restoration activities]; and

* * * * *

(e) **DEFINITION.**—*In this section, the term ‘Indian tribe’ has the meaning given that term by section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).*

[(e)] (f) **TERMINATION OF AUTHORITY.**—The authority provided under subsection (a) shall terminate five years after the date of the enactment of this Act.

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SEC. 333. NAVY PROGRAM TO MONITOR ECOLOGICAL EFFECTS OF ORGANOTIN.

(a) * * *

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(e) **REPORT.**—Not later than [June 1] *October 30, 1997*, the Secretary of the Navy shall submit to Congress a report containing the following:

[(1)] A description of the monitoring program developed pursuant to subsection (a).

[(2)] An analysis of the results of the monitoring program as of the date of the submission of the report.]

[(3)] (1) Information about the progress of Navy programs, referred to in section 7(c) of the Organotin Antifouling Paint

Control Act of 1988 (33 U.S.C. 2406(c)), for evaluating the laboratory toxicity and environmental risks associated with the use of antifouling paints containing organotin.

[(4)] (2) An assessment, developed in consultation with the Administrator of the Environmental Protection Agency, of the effectiveness of existing laws and rules concerning organotin compounds in ensuring protection of human health and the environment.

(3) A description of the present and future use, if any, of antifouling paints containing organotin on naval vessels.

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Subtitle F—Other Matters

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SEC. 367. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) AUTHORITY TO PROVIDE SUPPORT.—[Subchapter II of chapter] Chapter 152 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2554. Provision of support for certain sporting events

“(a) * * *

* * * * *

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such [subchapter] chapter is amended by adding at the end the following new item:

“2554. Provision of support for certain sporting events.”.

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TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

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Subtitle B—Bonuses and Special and Incentive Pays

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SEC. 614. SPECIAL PAY FOR CERTAIN PUBLIC HEALTH SERVICE OFFICERS.

(a) * * *

(b) NONPHYSICIAN HEALTH CARE PROVIDERS.—Section 302c(d) of title 37, United States Code, is amended—

(1) * * *

(2) in paragraph (1)—

(A) by striking out “or” the third place it appears; and

(B) by inserting before [the period] *the semicolon* at the end the following: “, or an officer in the Regular or Reserve Corps of the Public Health Service”.

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TITLE VII—HEALTH CARE PROVISIONS

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Subtitle C—Uniformed Services Treatment Facilities

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SEC. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

(a) * * *

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(c) **EFFECTIVE DATE OF AGREEMENTS.**—(1) Unless an earlier effective date is agreed upon by the Secretary and the designated provider, the agreement shall take effect upon the later of the following:

[(1)] (A) The date on which a managed care support contract under the TRICARE program is implemented in the service area of the designated provider.

[(2)] (B) October 1, 1997.

(2) *The Secretary may modify the effective date established under paragraph (1) for an agreement to permit a transition period of not more than six months between the date on which the agreement is executed by the parties and the date on which the designated provider commences the delivery of health care services under the agreement.*

(d) **TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.**—The Secretary shall extend the participation agreement of a designated provider in effect immediately before the date of the enactment of this Act under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 42 U.S.C. 248c) until the agreement required by this section takes effect under subsection (c), *including any transitional period provided by the Secretary under paragraph (2) of such subsection.*

* * * * *

(g) **CONTINUED ACQUISITION OF REDUCED-COST DRUGS.**—*A designated provider shall be treated as part of the Department of Defense for purposes of section 8126 of title 38, United States Code, in connection with the provision by the designated provider of health care services to covered beneficiaries pursuant to the participation agreement of the designated provider under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 42 U.S.C. 248c note) or pursuant to the agreement entered into under subsection (b).*

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SEC. 726. PAYMENTS FOR SERVICES.

(a) * * *

(b) **LIMITATION ON TOTAL PAYMENTS.**—Total capitation payments for health care services to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received such health care services through a military treatment facility, the TRICARE program, or the Medicare program, as the case may be. *In establishing the ceiling rate for enrollees with the designated providers who are also eligible for the Civilian Health and Medical Program of the Uniformed Services, the Secretary of Defense shall take into account the health status of the enrollees.*

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**TITLE VIII—ACQUISITION POLICY,
ACQUISITION MANAGEMENT, AND
RELATED MATTERS**

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Subtitle A—Acquisition Management

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SEC. 802. EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out “[1995] 1996” and inserting in lieu thereof “1998”; and

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Subtitle B—Other Matters

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SEC. 829. ASSESSMENT OF NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE AND DEPENDENCY OF BASE ON SUPPLIES AVAILABLE ONLY FROM FOREIGN COUNTRIES.

(a) * * *

* * * * *

(c) **PERIODIC DEFENSE CAPABILITY ASSESSMENTS, INCLUDING FOREIGN DEPENDENCY.**—(1) * * *

(2) **[Section 2502(b)] Section 2502(c)** of title 10, United States Code, is amended—

(A) by striking out “the following responsibilities:” and all that follows through “effective cooperation” and inserting in lieu thereof “the responsibility to ensure effective cooperation”; and

(B) by striking out paragraph (2); and

[(3)] (C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and adjusting the margin of such paragraphs two ems to the left.

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**DIVISION C—DEPARTMENT OF ENERGY
NATIONAL**

**SECURITY AUTHORIZATIONS AND
OTHER AUTHORIZATIONS**

**TITLE XXXI—DEPARTMENT OF ENERGY
NATIONAL SECURITY PROGRAMS**

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Subtitle D—Other Matters

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[SEC. 3156. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1997.

[(a) IN GENERAL.—The weapons activities budget of the Department of Energy for any fiscal year after fiscal year 1997 shall—

[(1) set forth with respect to each of the activities under the budget (including stockpile stewardship, stockpile management, and program direction) the funding requested to carry out each project or activity that is necessary to meet the requirements of the Nuclear Weapons Stockpile Memorandum; and

[(2) identify specific infrastructure requirements arising from the Nuclear Posture Review, the Nuclear Weapons Stockpile Memorandum, and the programmatic and technical requirements associated with the review and memorandum.

[(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for any fiscal year after fiscal year 1997 that is submitted by the President pursuant to section 1105 of title 31, United States Code, the following:

[(1) A long-term program plan, and a near-term program plan, for the certification and stewardship of the nuclear weapons stockpile.

[(2) An assessment of the effects of the plans referred to in paragraph (1) on each nuclear weapons laboratory and each nuclear weapons production plant.

[(c) DEFINITIONS.—In this section:

[(1) The term “Nuclear Posture Review” means the Department of Defense Nuclear Posture Review as contained in the report of the Secretary of Defense to the President and Congress dated February 19, 1995, or in subsequent such reports.

[(2) The term “nuclear weapons laboratory” means the following:

[(A) Lawrence Livermore National Laboratory, California.

[(B) Los Alamos National Laboratory, New Mexico.

[(C) Sandia National Laboratories.

[(3) The term “nuclear weapons production plant” means the following:

[(A) The Pantex Plant, Texas.

[(B) The Savannah River Site, South Carolina.

[(C) The Kansas City Plant, Missouri.

[(D) The Y-12 Plant, Oak Ridge, Tennessee.]

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NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

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Subtitle E—Other Matters

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SEC. 257. DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

(a) * * *

* * * * *

(d) ELIGIBLE STATES.—(1) * * *

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(3) In this section, the term “State” means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

* * * * *

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

* * * * *

Subtitle B—Other Matters

* * * * *

SEC. 818. PAYMENT OF RESTRUCTURING COSTS UNDER DEFENSE CONTRACTS.

[(a) CERTIFICATION OF COST SAVINGS.—(1) The Secretary of Defense may not, under section 2324 of title 10, United States Code, pay restructuring costs associated with a business combination undertaken by a defense contractor until the Department of Defense reviews the projected costs and savings that will result for the Department from such business combination and an official of the Department of Defense at the level of Assistant Secretary of Defense or above certifies in writing that projections of future cost savings resulting for the Department from the business combination are based on audited cost data and should result in overall reduced costs to the Department.

[(2) The requirements for a review and certification under paragraph (1) shall not apply with respect to any business combination for which restructuring costs were paid or otherwise approved by the Secretary before August 15, 1994.]

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DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZA- TIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

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Subtitle D—Other Matters

* * * * *

SEC. 3161. AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

(a) * * *

* * * * *

[(c) EPA STUDY.—(1) Upon the 50th appointment made by the Secretary pursuant to subsection (a)(1)(B), the Administrator of the Environmental Protection Agency, in consultation with the Secretary, shall conduct a study of the effects of the implementation of such subsection on the conduct of remedial actions at sites on the National Priorities List.

[(2) The study shall assess whether serious problems have resulted at any site on the National Priorities List from appointments made pursuant to subsection (a)(1)(B) of persons whose employment, at the time of the appointment, involved remedial actions or other similar activities at the site.

[(3) For purposes of this subsection, a serious problem includes any of the following occurrences:

[(A) A significant delay or significant disruption of a schedule for completion of a remedial action at the site.

[(B) A significant escalation of the personnel costs for the remedial action.

[(C) A significant exacerbation of any shortage in the number of critical personnel at the site.

[(4) The Administrator, in consultation with the Secretary, shall submit to Congress a report on the study conducted under paragraph (1). The report shall be submitted not later than 30 days after the date upon which the Secretary has made the 50th appointment pursuant to subsection (a)(1)(B). The Secretary may not make more than 50 such appointments until the submission of the report.

[(5) If, as a result of the study conducted under paragraph (1), the Administrator, in consultation with the Secretary, determines that serious problems have resulted at any site on the National Priorities List from appointments made pursuant to subsection (a)(1)(B), the Administrator and the Secretary shall jointly submit to Congress, together with the report referred to in paragraph (4), a plan to ameliorate the effects of those serious problems. Under the plan, the Administrator and the Secretary shall provide for—

[(A) a reduction in the rate at which persons are appointed pursuant to such subsection;

[(B) the making of appointments pursuant to such subsection of persons other than persons whose employment, at the time of the appointment, involved remedial actions or other similar activities at sites on the National Priorities List; or

[(C) any other effective alternative to appointing persons described in subparagraph (B) that the Administrator and the Secretary consider appropriate.

[(6) To carry out this section, the Secretary shall regularly provide to the Administrator the following information:

[(A) The relevant previous places of employment of each person appointed pursuant to subsection (a)(1)(B).

[(B) The site on the National Priorities List, if the employment of such person, at the time of the appointment of that person pursuant to such subsection, involved remedial actions or other similar activities at the site.]

(d) TERMINATION.—(1) The authority provided under subsection (a)(1) shall terminate on September 30, [1997] 1999.

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SECTION 234 OF THE BALLISTIC MISSILE DEFENSE ACT OF 1995

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in paragraph (1) of section 233, the Secretary of Defense shall restructure the core theater missile defense program to consist of the following systems[, to be carried out so as to achieve the specified capabilities]:

(1) The Patriot PAC-3 system[, with a first unit equipped (FUE) during fiscal year 1998].

(2) The [Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability during fiscal year 1997 and an initial operational capability (IOC) during fiscal year 1999] *Navy Area Defense system*.

(3) The Theater High-Altitude Area Defense (THAAD) system, [with a] *to be carried out so as to achieve a user operational evaluation system (UOES) capability not later than [fiscal year 1998] fiscal year 2000* and a first unit equipped (FUE) not later than [fiscal year 2000] *fiscal year 2004*.

(4) [The Navy Upper Tier (Theater Wide) system, with] *Theater Wide system, to be carried out so as to achieve a user operational evaluation system (UOES) capability during fiscal year 1999 and an initial operational capability (IOC) during fiscal year 2001*.

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**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 1996**

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**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

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**TITLE II—RESEARCH, DEVELOPMENT,
TEST, AND EVALUATION**

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**Subtitle D—Other Ballistic Missile Defense
Provisions**

SEC. 251. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) [The Navy Lower Tier (Area) system] *Navy Area Defense system*.

(3) The Theater High-Altitude Area Defense (THAAD) system.

- (4) **【The Navy Upper Tier (Theater Wide) system】** *Navy Theater Wide system.*
- (5) The Corps Surface-to-Air Missile (SAM) system.
- (6) Other Theater Missile Defense Activities.
- (7) National Missile Defense.
- (8) Follow-On and Support Technologies.

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TITLE III—OPERATION AND MAINTENANCE

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Subtitle E—Performance of Functions by Private-Sector Sources

* * * * *

SEC. 354. DEMONSTRATION PROGRAM TO IDENTIFY OVERPAYMENTS MADE TO VENDORS.

(a) **IN GENERAL.**—The Secretary of Defense shall conduct a demonstration program to evaluate the feasibility of using private contractors to audit accounting and procurement records of the Department of Defense in order to identify overpayments made to vendors by the Department. **【The demonstration program shall be conducted for the Defense Logistics Agency and include the Defense Personnel Support Center.】**

(b) **PROGRAM REQUIREMENTS.**—(1) Under the demonstration program, the Secretary shall, by contract, provide for one or more persons to audit the accounting and procurement records **【of the Defense Logistics Agency that relate to (at least) fiscal years 1993, 1994, and 1995】** *relating to fiscal years after fiscal year 1993 of the working-capital funds and industrial, commercial, and support type activities managed through the Defense Business Operations Fund, except the Defense Logistics Agency to the extent such records have already been audited.* The Secretary may enter into more than one contract under the program.

* * * * *

【(d) BONUS PAYMENT.—To the extent provided for in a contract under the demonstration program, the Secretary may pay the contractor a bonus in addition to any other amount paid for performance of the contract. The amount of such bonus may not exceed the amount that is equal to 25 percent of all amounts recovered by the United States on the basis of information obtained as a result of the audit performed under the contract. Any such bonus shall be paid out of amounts made available pursuant to subsection (e).

【(e) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated pursuant to section 301(5), not more than \$5,000,000 shall be available for the demonstration program.】

(d) COLLECTION METHOD.—In the case of an overpayment to a vendor identified under the demonstration program, the Secretary shall require the use of the procedures specified in section 32.611 of

the Federal Acquisition Regulation, regarding a setoff against existing invoices for payment to the vendor, as the first method by which the Department shall seek to recover the amount of the overpayment (and any applicable interest and penalties) from the vendor.

(e) FEES FOR CONTRACTOR.—The Secretary shall pay to the contractor under the contract entered into under the demonstration program an amount not to exceed 25 percent of the total amount recovered by the Department (through the collection of overpayments and the use of setoffs) solely on the basis of information obtained as a result of the audits performed by the contractor under the program. When an overpayment is recovered through the use of a setoff, amounts for the required payment to the contractor shall be derived from funds available to the working-capital fund or industrial, commercial, or support type activity for which the overpayment is recovered.

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**TITLE V—MILITARY PERSONNEL
POLICY**

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Subtitle D—Officer Education Programs

PART I—SERVICE ACADEMIES

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SEC. 533. REPEAL OF REQUIREMENT FOR ATHLETIC DIRECTOR AND NONAPPROPRIATED FUND ACCOUNT FOR THE ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) * * *

(b) UNITED STATES NAVAL ACADEMY.—Section 556 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2774) is amended by striking out subsections (b) and (e) and the amendments made by subsection (b), effective as of October 5, 1994.

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TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) * * *

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed **[\$2,000,000,000] \$3,100,000,000.**

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TITLE XV—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1501. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) * * *

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(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section **[337(b)] 377(b)** of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. **[2717] 2737**) is amended by inserting before the period at the end the following: “or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title”.

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DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

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TITLE XXVIII—GENERAL PROVISIONS

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Subtitle D—Land Conveyances Generally

PART I—ARMY CONVEYANCES

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SEC. 2858. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the State of Indiana (in this section referred to as the “State”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, that consists of approximately 1125 acres at the inactivated Indiana Army Ammunition Plant in Charlestown, Indiana, and is the subject of a 25-year lease between the Secretary and the State.

(2) *The Secretary may also convey to the State, without consideration, an additional parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 500 acres located along the Ohio River.*

(b) **CONDITION OF CONVEYANCE.**—The **[conveyance]** conveyances authorized under subsection (a) shall be subject to the condition that the State use the conveyed property for recreational purposes.

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(d) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the **[conveyance]** conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

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PART III—AIR FORCE CONVEYANCES

SEC. 2874. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SOUTH CAROLINA.

(a) * * *

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(g) *STUDY OF EXCHANGE OPTIONS.*—*To facilitate the use of a land exchange to acquire the real property described in subsection (a), the Secretary of the Air Force shall conduct a study to identify real property in the possession of the Air Force (located in the State of South Carolina or elsewhere) that satisfies the requirements of subsection (b)(2), is acceptable to the party holding the property to be acquired, and is otherwise suitable for exchange under this section. Not later than three months after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the Secretary shall submit to Congress a report containing the results of the study.*

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DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

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Subtitle D—Other Matters

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[SEC. 3153. MASTER PLAN FOR THE CERTIFICATION, STEWARDSHIP, AND MANAGEMENT OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

[(a) MASTER PLAN REQUIREMENT.—Not later than March 15, 1996, the President shall submit to Congress a master plan for maintaining the nuclear weapons stockpile. The President shall submit to Congress an update of the master plan not later than March 15 of each year thereafter.

[(b) PLAN ELEMENTS.—The master plan and each update of the master plan shall set forth the following:

[(1) The numbers of weapons (including active and inactive weapons) for each type of weapon in the nuclear weapons stockpile.

[(2) The expected design lifetime of each weapon type, the current age of each weapon type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon type.

[(3) An estimate of the lifetime of the nuclear and non-nuclear components of the weapons (including active weapons and inactive weapons) in the nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

[(4) A schedule of the modifications, if any, required for each weapon type (including active and inactive weapons) in the nuclear weapons stockpile and the cost of such modifications.

[(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the nuclear weapons stockpile.

[(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship and management programs, including a detailed project plan that demonstrates the manner by which the Government will develop by 2002 the capability to refabricate and certify warheads in the nuclear weapons stockpile and to design, fabricate, and certify new warheads.

[(c) FORM OF PLAN.—The master plan and each update of the master plan shall be submitted in unclassified form, but may contain a classified appendix.]

* * * * *

[SEC. 3159. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

[(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

[(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the nuclear weapons stockpile.

[(c) DEFINITION.—In this section, the term “Nuclear Posture Review” means the Department of Defense Nuclear Posture Review as contained in the report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.]

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TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Subtitle A—Authorization of Disposals and Use of Funds

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ISEC. 3304. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

[(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

[(b) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) may be sold only for remelting by a domestic ferroalloy producer unless the President determines that a domestic ferroalloy producer is not available to acquire the material.

[(c) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term “domestic ferroalloy producer” means a company or other business entity that, as determined by the President—

[(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

[(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.]

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TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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SUBPART B—EMPLOYMENT AND RETENTION

* * * * *

CHAPTER 33—EXAMINATION, SELECTION, AND PLACEMENT

SUBCHAPTER I—EXAMINATION, CERTIFICATION, AND APPOINTMENT

* * * * *

§ 3329. Appointments of military reserve technicians to positions in the competitive service

(a) For the purpose of this section, the term “military reserve technician” has the meaning given such term by section 8401(30).

(b) The Secretary of Defense shall take such steps as may be necessary to ensure that, except as provided in subsection (d), any military reserve technician who is involuntarily separated from technician service, after completing at least 15 years of such service and 20 years of service creditable under section 1332 of title 10, by reason of ceasing to satisfy the condition described in section 8401(30)(B) shall, if appropriate written application is submitted within 1 year after the date of separation, be provided placement consideration in a position described in subsection (c) through a priority placement program of the Department of Defense [a position described in subsection (c)] not later than 6 months after the date of the application.

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SUBPART D—PAY AND ALLOWANCES

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CHAPTER 53—PAY RATES AND SYSTEMS

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SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

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§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Administrator of General Services.

* * * * *

- Chief Information Officer, Department of *the* Interior.
- Chief Information Officer, Department of Justice.
- Chief Information Officer, Department of Labor.
- Chief Information Officer, Department of State.
- Chief Information Officer, Department of Transportation.
- Chief Information Officer, Department of *the* Treasury.

* * * * *

§ 5316. Positions at level V

Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Administrator, Bonneville Power Administration, Department of the Interior.

Administrator of the National Capital Transportation Agency.

* * * * *
Assistant to the Secretary of Defense for [Atomic Energy] Nuclear and Chemical and Biological Defense Programs, Department of Defense.

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SUBCHAPTER III—GENERAL SCHEDULE PAY RATES

§ 5334. Rate on change of position or type of appointment; regulations

(a) * * *

* * * * *

(d) The rate of pay established for a teaching position as defined by section 901 of title 20 held by an individual who becomes subject to subsection (a) of this section [is deemed increased by 20 percent] shall be increased by such amount as may be authorized, if any, under regulations issued by the Secretary of Defense, but not to exceed 20 percent, to determine the yearly rate of pay of the position.

* * * * *

CHAPTER 55—PAY ADMINISTRATION

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SUBCHAPTER VII—PAYMENTS TO MISSING EMPLOYEES

§ 5561. Definitions

For the purpose of this subchapter—

(1) * * *

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(6) “pay and allowances” means—

- (A) basic pay;
- (B) special pay;
- (C) incentive pay;
- (D) [basic allowance for quarters] *basic allowance for housing*;
- (E) basic allowance for subsistence; and
- (F) station per diem allowances for not more than 90 days.

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CHAPTER 57—TRAVEL, TRANSPORTATION, AND SUBSISTENCE

SUBCHAPTER I—TRAVEL AND SUBSISTENCE EXPENSES; MILEAGE ALLOWANCES

* * * * *

§ 5707a. Adherence to fire safety guidelines in establishing rates and discounts for lodging expenses

(a)(1) *For the purpose of making payments under this chapter for lodging expenses incurred in a State, each agency shall ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency for a fiscal year are booked in approved places of public accommodation.*

(2) *Each agency shall establish explicit procedures to satisfy the percentage requirement of paragraph (1).*

[(a)] (b) *Studies or surveys for the purposes of establishing per diem rates for lodging expenses under this chapter shall be limited to [places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974] approved places of public accommodation. The provisions of this subsection shall not apply with respect to studies and surveys that are conducted in any jurisdiction that is not a State [as defined in section 4 of the Federal Fire Prevention and Control Act of 1974].*

[(b)] (c) *The Administrator of General Services may not include in any directory which lists lodging accommodations any hotel, motel, or other place of public accommodation that [does not meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974] is not an approved place of public accommodation.*

[(c)] (d) *The Administrator of General Services shall include in each directory which lists lodging accommodations a description of the access and safety devices, including appropriate emergency alerting devices, which each listed place of public accommodation provides for guests who are hearing-impaired or visually or physically handicapped.*

[(d)] (e) *The Administrator of General Services may take any additional actions the Administrator determines appropriate to [encourage] facilitate the ability of employees traveling on official business to stay at [places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974] approved places of public accommodation.*

(f) *For purposes of this section:*

(1) *The term "agency" does not include the government of the District of Columbia.*

(2) *The term "approved places of public accommodation" means hotels, motels, and other places of public accommodation that are listed by the Federal Emergency Management Agency as meeting the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2225).*

(3) *The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.*

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**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 1991**

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**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

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TITLE XII—DEFENSE ACQUISITION WORKFORCE

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SEC. 1205. DEFENSE ACQUISITION UNIVERSITY STRUCTURE

(a) ESTABLISHMENT OF STRUCTURE.—Not later than October 1, 1991, the Secretary of Defense, acting through the [Under Secretary of Defense for Acquisition] *Under Secretary of Defense for Acquisition and Technology*, shall prescribe regulations for the initial structure for a defense acquisition university under section 1746 of title 10, United States Code (as added by section 1202). The regulations shall include the following:

(1) * * *

* * * * *

(6) An appropriate centralized mechanism, under the [Under Secretary of Defense for Acquisition] *Under Secretary of Defense for Acquisition and Technology*, to control the allocation of resources for purposes of conducting mandatory acquisition courses and other training, education, and research activities to achieve the objectives of the university, such as funding for students to attend courses of instruction, funding to conduct the courses, and funding to pay instructor salaries.

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TITLE XIV—GENERAL PROVISIONS

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PART B—NAVAL VESSELS AND SHIPYARDS

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**SEC. 1425. AUTHORIZATION FOR NAVAL SHIPYARDS AND AVIATION
DEPOTS TO ENGAGE IN DEFENSE-RELATED PRODUCTION
AND SERVICES**

(a) * * *

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(e) EXPIRATION OF AUTHORITY.—The authority provided by this section expires on [September 30, 1997] *September 30, 1999*.

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**DIVISION B—MILITARY CONSTRUCTION
AUTHORIZATIONS**

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**TITLE XXIX—DEFENSE BASE CLOSURES AND
REALIGNMENTS**

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**Part B—Other Provisions Relating to Defense
Base Closures and Realignment**

SEC. 2921. CLOSURE OF FOREIGN MILITARY INSTALLATIONS

(a) * * *

* * * * *

(e) NEGOTIATIONS FOR PAYMENTS-IN-KIND.—(1) * * *

(3) * * *

(B) the Committee on Armed Services, the Committee on Ap-
propriations, and the Defense **[Subcommittees]** *Subcommittee*
of the Committee on Appropriations of the Senate.

(f) OMB REVIEW OF PROPOSED SETTLEMENTS.—(1) * * *

(2) Each year, the Secretary shall submit to **[the Committees on
Armed Services of the Senate and House of Representatives]** *the
Committee on Armed Services of the Senate and the Committee on
National Security of the House of Representatives* a report on each
proposed agreement of settlement that was not submitted by the
Secretary to the Director of the Office of Management and Budget
in the previous year under paragraph (1) because the value of the
improvements to be released pursuant to the proposed agreement
did not exceed \$10,000,000.

(g) * * *

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**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 1993**

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**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

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TITLE III—OPERATION AND MAINTENANCE

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Subtitle G—Other Matters

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SEC. 386. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) * * *

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(c) **ELIGIBLE LOCAL EDUCATIONAL AGENCIES.**—A local educational agency is eligible for assistance under subsection (b) for a fiscal year if—

(1) at least 20 percent (as rounded to the nearest whole percent) of the students in average daily attendance in the schools of that agency in that fiscal year are military dependent students counted under [section 8003(a)] *section 8003(a)(1)* of the Elementary and Secondary Education Act of 1965 [(20 U.S.C. 7703(a))] (20 U.S.C. 7703(a)(1));

(2) * * *

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TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

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Subtitle B—Acquisition Management Improvement

SEC. 812. ACQUISITION WORKFORCE IMPROVEMENT.

(a) * * *

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(c) **FULLFILLMENT STANDARDS FOR MANDATORY TRAINING.**—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition *and Technology*, shall develop fulfillment standards, and implement a program, for purposes of the training requirements of sections 1723, 1724, and 1735 of title 10, United States Code. Such fulfillment standards shall consist of criteria for determining whether an individual has demonstrated competence in the areas that would be taught in the training courses required under those sections. If an individual meets the appropriate fulfillment standard, the applicable training requirement is fulfilled.

(2) * * *

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DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

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Subtitle C—Other Matters

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[SEC. 3134. REPORTS ON THE DEVELOPMENT OF NEW TRITIUM PRODUCTION CAPACITY.

[(a) REPORT BY THE SECRETARY OF ENERGY.—(1) The Secretary of Energy shall annually submit to the congressional defense committees a report on the new tritium production capacity of the Department of Energy.

[(2) The annual report shall include the following:

[(A) An estimate of the date by which new production reactor capacity will be necessary in order to maintain the active and any reserve stockpile of nuclear weapons of the United States.

[(B) An estimate of the date on which construction of such capacity should begin in order to maintain the active and any reserve stockpile.

[(C) An assessment of the technical adequacy of the methods available for the production of tritium, including an assessment of the risk that each method may fail to produce tritium on a reliable basis within the period necessary for meeting the requirements of the United States.

[(D) An assessment of the capability of the potential industrial suppliers of new tritium production capacity, including reactors, to design and construct such capacity by the date estimated pursuant to subparagraph (A).

[(3) The Secretary shall submit the annual report in 1993 and each year thereafter until the construction of the new tritium production capacity is completed. The Secretary shall submit the report not later than 60 days after the date on which the President submits the budget to Congress under section 1105 of title 31, United States Code. The report shall be submitted in unclassified form with a classified appendix if necessary.

[(b) SENSE OF CONGRESS.—It is the sense of Congress that the technology chosen for new tritium production capacity shall be the technology that has the highest probability of successfully sustaining operation, the lowest risk of operational failure, and the lowest cost of construction and operation (including any revenues accruing to the United States from such operation).]

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Subtitle E—Defense Nuclear Workers

SEC. 3161. DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITIES WORKFORCE RESTRUCTURING PLAN.

(a) * * *

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(c) OBJECTIVES.—In preparing the plan required under subsection (a), the Secretary shall be guided by the following objectives:

(1) Changes in the workforce at a Department of Energy defense nuclear facility—

(A) should be accomplished so as to minimize social and economic impacts; and

[(B) should be made only after the provision of notice of such changes not later than 120 days before the com-

mencement of such changes to such employees and the communities in which such facilities are located; and】

(C) should be accomplished, when possible, through the use of retraining, early retirement, attrition, and other options that minimize layoffs.

* * * * *

【(e) PLAN UPDATES.—Not later than one year after issuing a plan referred to in subsection (a) and on an annual basis thereafter, the Secretary shall issue an update of the plan. Each updated plan under this subsection shall—

【(1) be guided by the objectives referred to in subsection (c), taking into account any changes in the function or mission of the Department of Energy defense nuclear facilities and any other changes in circumstances that the Secretary determines to be relevant;

【(2) contain an evaluation by the Secretary of the implementation of the plan during the year preceding the report; and

【(3) contain such other information and provide for such other matters as the Secretary determines to be relevant.

【(f) SUBMITTAL TO CONGRESS.—(1) The Secretary shall submit to Congress a plan referred to in subsection (a) with respect to a defense nuclear facility within 90 days after the date on which a notice of changes described in subsection (c)(1)(B) is provided to employees of the facility, or 90 days after the date of the enactment of this Act, whichever is later.

【(2) The Secretary shall submit to Congress any updates of the plan under subsection (e) immediately upon completion of any such update.】

(e) TREATMENT OF FEDERAL EMPLOYEES.—This section does not apply to employees of the Department of Energy.

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**DIVISION D—DEFENSE CONVERSION,
REINVESTMENT, AND TRANSITION AS-
SISTANCE**

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**TITLE XLIV—PERSONNEL ADJUSTMENT,
EDUCATION, AND TRAINING PROGRAMS**

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**Subtitle F—Job Training and Employment and Educational
Opportunities**

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SEC. 4471. NOTICE TO CONTRACTORS AND EMPLOYEES UPON PROPOSED AND ACTUAL TERMINATION OR SUBSTANTIAL REDUCTION IN MAJOR DEFENSE PROGRAMS.

(a) * * *

* * * * *

(e) **LOSS OF ELIGIBILITY.**—An employee who receives a notice of withdrawal or cancellation of the termination of, or a substantial reduction in, contract funding shall not be eligible for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act (29 U.S.C. 1662d, 1662d–1) beginning on the date on which the employee receives the notice.

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TITLE 37, UNITED STATES CODE

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CHAPTER 1—DEFINITIONS

Sec.
101. Definitions.

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§ 101. Definitions

In addition to the definitions in sections 1–5 of title 1, the following definitions apply in this title:

(1) * * *

* * * * *

(25) The term “regular compensation” or “regular military compensation (RMC)” means the total of the following elements that a member of a uniformed service accrues or receives, directly or indirectly, in cash or in kind every payday: basic pay, [basic allowance for quarters (including any variable housing allowance or station housing allowance)] *basic allowance for housing*, basic allowance for subsistence, and Federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax.

* * * * *

CHAPTER 3—BASIC PAY

* * * * *

§ 204. Entitlement

(a) * * *

* * * * *

(g)(1) A member of a reserve component of a uniformed service is entitled, to the pay and allowances provided by law or regulation for a member of a regular component of a uniformed service of corresponding grade and length of service whenever such member is physically disabled as the result of an injury, illness, or disease incurred or aggravated—

(A) * * *

* * * * *

(D) in line of duty *while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight*, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance from the member's residence.

* * * * *

(h)(1) A member of a reserve component of a uniformed service who is physically able to perform his military duties, is entitled, upon request, to a portion of the monthly pay and allowances provided by law or regulation for a member of a regular component of a uniformed service of corresponding grade and length of service for each month for which the member demonstrates a loss of earned income from nonmilitary employment or self-employment as a result of an injury, illness, or disease incurred or aggravated—

(A) * * *

* * * * *

(D) in line of duty *while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight*, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance from the member's residence.

* * * * *

§ 205. Computation: service creditable

(a) * * *

* * * * *

(d) Notwithstanding subsection (a), a commissioned officer may not count in computing basic pay a period of service after October 13, 1964, that the officer performed concurrently as a member of the Senior Reserve Officers' Training Corps, except for service that the officer performed on or after August 1, 1979[.], other than for training as an enlisted member of the Selected Reserve may be so counted.

* * * * *

§ 206. Reserves; members of National Guard: inactive-duty training

(a) Under regulations prescribed by the Secretary concerned, and to the extent provided for by appropriations, a member of the National Guard or a member of a reserve component of a uniformed service who is not entitled to basic pay under section 204 of this title, is entitled to compensation, at the rate of 1/30 of the basic pay authorized for a member of a uniformed service of a corresponding grade entitled to basic pay—

(1) * * *

* * * * *

(3) for a regular period of instruction that the member is scheduled to perform but is unable to perform because of physical disability resulting from an injury, illness, or disease incurred or aggravated—

(A) * * *

* * * * *

(C) in line of duty *while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance from the member's residence.*

* * * * *

CHAPTER 5—SPECIAL AND INCENTIVE PAYS

Sec.

301. Incentive pay: hazardous duty.

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301e. *Multiyear retention bonus: dental officers of the armed forces.*

* * * * *

[305. Special pay: while on duty at certain places.]

305. *Special pay: hardship duty location pay.*

* * * * *

[314. Special pay: qualified enlisted members extending duty at designated locations overseas.]

314. *Special pay or bonus: qualified enlisted members extending duty at designated locations overseas.*

* * * * *

§ 301. Incentive pay: hazardous duty

(a) * * *

(b) For the performance of the hazardous duty described in clause (1) of subsection (a), a member is entitled to monthly incentive pay as follows:

Pay grade:	<i>Monthly Rate</i>
O-10	\$ [110] 150
O-9	[110] 150
O-8	[110] 150
O-7	[110] 150
O-6	250
O-5	250
O-4	225
O-3	175
O-2	150
O-1	[125] 150
W-5	250
W-4	250
W-3	175
W-2	150
W-1	[125] 150
E-9	200
E-8	200
E-7	200
E-6	175
E-5	150
E-4	[125] 150
E-3	[110] 150

Pay grade:	<i>Monthly Rate</i>
E-2	[110] 150
E-1	[110] 150

(c)(1) For the performance of hazardous duty described in clauses (2) through (10) of subsection (a), a member is entitled to **[\$110]** \$150 a month. However, a member performing hazardous duty described in clause (3) of that subsection who also performs as an essential part of such duty parachute jumping in military free fall operations involving parachute deployment by the jumper without the use of a static line is entitled to **[\$165]** \$225 a month.

(2)(A) For the performance of hazardous duty described in clause (11) of subsection (a), a member is entitled to monthly incentive pay based upon his years of service as an air weapons controller as follows:

Pay grade	Years of service as an air weapons controller						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
O-7 and above	\$200	\$200	\$200	\$200	\$200	\$200	\$200
O-6	225	250	300	325	350	350	350
O-5	200	250	300	325	350	350	350
O-4	175	225	275	300	350	350	350
O-3	[125] 150	156	188	206	350	350	350
O-2	[125] 150	156	188	206	250	300	300
O-1	[125] 150	156	188	206	250	250	250
W-4	200	225	275	300	325	325	325
W-3	175	225	275	300	325	325	325
W-2	150	200	250	275	325	325	325
W-1	[100] 150	[125] 150	150	175	325	325	325
E-9	200	225	250	275	300	300	300
E-8	200	225	250	275	300	300	300
E-7	175	200	225	250	275	275	275
E-6	156	175	200	225	250	250	250
E-5	[125] 150	156	175	188	200	200	200
E-4 and below	[125] 150	156	175	188	200	200	200

Pay grade—Continued	Years of service as an air weapons controller—Continued							
	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
O-7 and above	\$200	\$200	\$200	\$200	\$200	\$200	\$200	[\$110] 150
O-6	350	350	350	350	300	250	250	225
O-5	350	350	350	350	300	250	250	225
O-4	350	350	350	350	300	250	250	225
O-3	350	350	350	300	275	250	225	200
O-2	300	300	300	275	245	210	200	180
O-1	250	250	250	245	210	200	180	150
W-4	325	325	325	325	276	250	225	200
W-3	325	325	325	325	325	250	225	200
W-2	325	325	325	325	275	250	225	200
W-1	325	325	325	325	275	250	225	200
E-9	300	300	300	300	275	230	200	200
E-8	300	300	300	300	265	230	200	200
E-7	300	300	300	300	265	230	200	200
E-6	300	300	300	300	265	230	200	200
E-5	250	250	250	250	225	200	175	150
E-4 and below	200	200	200	200	175	150	[125] 150	[125] 150

* * * * *

§ 301b. Special pay: aviation career officers extending period of active duty

(a) **BONUS AUTHORIZED.**—An aviation officer described in subsection (b) who, during the period beginning on January 1, 1989, and ending on September 30, ~~1998,~~ 1999, executes a written agreement to remain on active duty in aviation service for at least one year may, upon the acceptance of the agreement by the Secretary concerned, be paid a retention bonus as provided in this section.

* * * * *

§ 301e. Multiyear retention bonus: dental officers of the armed forces

(a) **BONUS AUTHORIZED.**—(1) A dental officer described in subsection (b) who executes a written agreement to remain on active duty for two, three, or four years after completion of any other active-duty service commitment may, upon acceptance of the written agreement by the Secretary of the military department concerned, be paid a retention bonus as provided in this section.

(2) The amount of a retention bonus under paragraph (1) may not exceed \$14,000 for each year covered by a four-year agreement. The maximum yearly retention bonus for two-year and three-year agreements shall be reduced to reflect the shorter service commitment.

(b) **OFFICERS AUTOMATICALLY ELIGIBLE.**—Subsection (a) applies to an officer of the armed forces who—

(1) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer;

(2) has a dental specialty in oral and maxillofacial surgery;

(3) is in a pay grade below pay grade 0-7;

(4) has at least eight years of creditable service (computed as described in section 302b(g) of this title) or has completed any active-duty service commitment incurred for dental education and training; and

(5) has completed initial residency training (or will complete such training before September 30 of the fiscal year in which the officer enters into an agreement under subsection (a)).

(c) **EXTENSION OF BONUS TO OTHER DENTAL OFFICERS.**—At the discretion of the Secretary of the military department concerned, the Secretary may enter into a written agreement described in subsection (a)(1) with a dental officer who does not have the dental specialty specified in subsection (b)(2), and pay a retention bonus to such an officer as provided in this section, if the officer otherwise satisfies the eligibility requirements specified in subsection (b). The Secretaries shall exercise the authority provided in this section in a manner consistent with regulations prescribed by the Secretary of Defense.

(d) **REFUNDS.**—(1) Refunds shall be required, on a pro rata basis, of sums paid under this section if the officer who has received the payment fails to complete the total period of active duty specified in the agreement, as conditions and circumstances warrant.

(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

(3) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

* * * * *

§ 302b. Special pay: dental officers of the armed forces

(a) VARIABLE, ADDITIONAL, AND BOARD CERTIFICATION SPECIAL PAY.—(1) * * *

(2) An officer described in paragraph (1) who is serving in a pay grade below pay grade O-7 is entitled to variable special pay at the following rates:

(A) * * *

* * * * *

[(C) \$7,000 per year, if the officer has at least six but less than 10 years of creditable service.

[(D) \$6,000 per year, if the officer has at least 10 but less than 14 years of creditable service.

[(E) \$4,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

[(F) \$3,000 per year, if the officer has 18 or more years of creditable service.]

(C) \$7,000 per year, if the officer has at least six but less than eight years of creditable service.

(D) \$12,000 per year, if the officer has at least eight but less than 12 years of creditable service.

(E) \$10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

(F) \$9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

(G) \$8,000 per year, if the officer has 18 or more years of creditable service.

(3) An officer described in paragraph (1) who is serving in a pay grade above pay grade O-6 is entitled to variable special pay at the rate of ~~[\$1,000]~~ \$7,000 per year.

(4) Subject to subsection (b), an officer entitled to variable special pay under paragraph (2) or (3) is entitled to additional special pay for any 12-month period during which the officer is not undergoing dental internship or residency training. Such additional special pay shall be paid at the following rates:

(A) \$4,000 per year, if the officer has less than three years of creditable service.

[(B) \$6,000 per year, if the officer has at least three but less than 14 years of creditable service.

[(C) \$8,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

[(D) \$10,000 per year, if the officer has at least 18 or more years of creditable service.]

(B) \$6,000 per year, if the officer has at least three but less than 10 years of creditable service.

(C) \$15,000 per year, if the officer has 10 or more years of creditable service.

* * * * *

§ 302d. Special pay: accession bonus for registered nurses

(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a registered nurse and who, during the period beginning on November 29, 1989, and ending on September 30, [1998] 1999, executes a written agreement described in subsection (c) to accept a commission as an officer and remain on active duty for a period of not less than four years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount determined by the Secretary concerned.

* * * * *

§ 302e. Special pay: nurse anesthetists

(a) SPECIAL PAY AUTHORIZED.—(1) An officer described in subsection (b)(1) who, during the period beginning on November 29, 1989, and ending on September 30, [1998] 1999, executes a written agreement to remain on active duty for a period of one year or more may, upon the acceptance of the agreement by the Secretary concerned, be paid incentive special pay in an amount not to exceed \$15,000 for any 12-month period.

* * * * *

§ 302g. Special pay: Selected Reserve health care professionals in critically short wartime specialties

(a) * * *

* * * * *

(f) TERMINATION OF AGREEMENT AUTHORITY.—No agreement under this section may be entered into after September 30, [1998] 1999.

* * * * *

§ 305. Special pay: while on duty at certain places

[(a) Except as provided by subsections (b) and (c), under regulations prescribed by the President, an enlisted member of a uniformed service who is entitled to basic pay may, while on duty at a designated place outside the 48 contiguous States and the District of Columbia, be paid special pay at the following monthly rates:

[Pay grade:	<i>Monthly rate</i>
E-9	\$22.50
E-8	22.50
E-7	22.50
E-6	20.00
E-5	16.00
E-4	13.00
E-3	9.00

[Pay grade:	<i>Monthly rate</i>
E-2	8.00
E-1	8.00]

§ 305. Special pay: hardship duty location pay

(a) *SPECIAL PAY AUTHORIZED.*—A member of a uniformed service who is entitled to basic pay may be paid special pay under this section at a monthly rate not to exceed \$300 while the member is on duty at a location in the United States or outside the United States designated by the Secretary of Defense as a hardship duty location.

(b) *EXCEPTION FOR CERTAIN MEMBERS SERVING IN CERTAIN LOCATIONS.*—Appropriations of the Department of Defense may not be paid, [as foreign duty pay] as hardship duty location pay under subsection (a), to a member of a uniformed service who is a resident of a State, Puerto Rico, the Virgin Islands, a possession, or a foreign country and who is serving in that State, Puerto Rico, the Virgin Islands, that possession, or that foreign country, as the case may be.

(c) *EXCEPTION FOR MEMBERS RECEIVING CAREER SEA PAY.*—A member receiving special pay under section 305a of this title may not be paid [special pay under this section] hardship duty location pay under subsection (a) for the same period of service.

(d) *REGULATIONS.*—The Secretary of Defense shall prescribe regulations for the provision of hardship duty location pay under subsection (a), including the actual monthly rates at which the special pay will be available.

§ 305a. Special pay: career sea pay

(a) * * *

* * * * *

(d)(1) In this section, the term “sea duty” means duty performed by a member—

(A) while permanently or temporarily assigned to a ship[, ship-based staff, or ship-based aviation unit] and—

(i) while serving on a ship the primary mission of which is accomplished while under way;

(ii) while serving as a member of the off-crew of a two-crewed submarine; or

(iii) while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer); or

(B) while permanently or temporarily assigned to a ship [or ship-based staff] and while serving on a ship the primary mission of which is normally accomplished while in port, but only during a period that the ship is away from its homeport.

(2) *The Secretary concerned may designate duty performed by a member while serving on a ship the primary mission of which is accomplished either while under way or in port as “sea duty” for purposes of this section, even though the duty is performed while the member is permanently or temporarily assigned to a ship-based staff or other unit not covered by paragraph (1).*

[(2)] (3) For the purpose of determining the years of sea duty with which a member may be credited for purposes of this section, the term “sea duty” also includes duty performed after December

31, 1988, by a member while permanently or temporarily assigned to a ship or ship-based staff and while serving on a ship on which the member would be entitled, during a period that the ship is away from its homeport, to receive sea pay by reason of paragraph (1)(B).

[(3)] (4) A ship shall be considered to be away from its homeport for purposes of this subsection when it is—

(A) at sea; or

(B) in a port that is more than 50 miles from its homeport.

* * * * *

§ 308. Special pay: reenlistment bonus

(a) * * *

* * * * *

(g) No bonus shall be paid under this section with respect to any reenlistment, or voluntary extension of an active-duty reenlistment, in the armed forces entered into after September 30, [1998] 1999.

§ 308a. Special pay: enlistment bonus

(a) * * *

* * * * *

(c) No bonus shall be paid under this section with respect to any enlistment or extension of an initial period of active duty in the armed forces made after September 30, [1998] 1999.

§ 308b. Special pay: reenlistment bonus for members of the Selected Reserve

(a) An enlisted member of a reserve component who—

(1) has completed less than [ten] 14 years of total military service; and

(2) reenlists or voluntarily extends his enlistment for a period of three years or for a period of six years in a designated military skill, or in a designated unit, as determined by the Secretary concerned, in the Selected Reserve of the Ready Reserve of an armed force;

may be paid a bonus as provided in subsection (b).

[(b)] The bonus to be paid under subsection (a) shall be—

[(1)] an initial payment of—

[(A)] an amount not to exceed \$1,250, in the case of a member who reenlists or voluntarily extends his enlistment for a period of three years; or

[(B)] an amount not to exceed \$2,500, in the case of a member who reenlists or voluntarily extends his enlistment for a period of six years; and

[(2)] a subsequent payment of an amount not to exceed \$416.66 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in training with his unit.

[(c)] No member shall be paid more than one bonus under this section.

[(d) A member who fails to participate satisfactorily in training with his unit during a term of enlistment for which a bonus is being paid to him under this section shall refund an amount equal to the amount by which the amount of such bonus exceeds the product of—

[(1) the number of months during that term of enlistment during which such member participated satisfactorily in training with his unit; and

[(2) \$69.44.]

(b)(1) *The amount of a bonus under this section may not exceed—*

(A) *\$2,500, in the case of a member who reenlists or extends an enlistment for a period of three years; and*

(B) *\$5,000, in the case of a member who reenlists or extends an enlistment for a period of six years.*

(2) *The bonus shall be paid according to a payment schedule determined by the Secretary concerned, except that the initial payment to a member may not exceed one-half the total bonus amount for the member.*

(c) *A member may not be paid more than one six-year bonus or two three-year bonuses under this section.*

(d) *A member who receives a bonus under this section and who fails, during the period for which the bonus was paid, to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same relation to the amount of the bonus paid to the member as the period that the member failed to serve satisfactorily bears to the total period for which the bonus was paid.*

* * * * *

§ 308d. Special pay: enlisted members of the Selected Reserve assigned to certain high priority units

(a) * * *

* * * * *

(c) Additional compensation may not be paid under this section for inactive duty performed after September 30, [1998] 1999.

§ 308e. Special pay: bonus for reserve affiliation agreement

(a) * * *

* * * * *

(e) No bonus may be paid under this section to any person for a reserve obligation agreement entered into after September 30, [1998] 1999.

§ 308f. Special pay: bonus for enlistment in the Army

(a) * * *

* * * * *

(c) No bonus may be paid under this section with respect to an enlistment in the Army after September 30, [1998] 1999.

* * * * *

§ 308h. Special pay: bonus for reenlistment, enlistment, or voluntary extension of enlistment in elements of the Ready Reserve other than the Selected Reserve

(a) * * *

* * * * *

(g) A bonus may not be paid under this section to any person for a reenlistment, enlistment, or voluntary extension of an enlistment after September 30, **[1998]** 1999.

§ 308i. Special pay: prior service enlistment bonus

(a)(1) A person who is a former enlisted member of an armed force who enlists in the Selected Reserve of the Ready Reserve of an armed force for a period of three or six years in a critical military skill designated for such a bonus by the Secretary concerned and who meets the requirements of paragraph (2) may be paid a bonus as prescribed in subsection (b).

(2) A bonus may only be paid under this section to a person who—

[(A) has completed his military service obligation but has less than 10 years of total military service;]

(A) has completed a military obligation but has less than 14 years of total military service;

* * * * *

[(b) The bonus to be paid under subsection (a) shall be—

[(1) an initial payment of—

[(A) an amount not to exceed \$1,250, in the case of a member who enlists for a period of three years; or

[(B) an amount not to exceed \$2,500, in the case of a member who enlists for a period of six years; and

[(2) a subsequent payment of an amount not to exceed \$416.66 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in unit training.

[(c) A member may not be paid more than one bonus under this section and may not be paid a bonus under this section unless the specialty associated with the position the member is projected to occupy is a specialty in which the member successfully served while on active duty and attained a level of qualification commensurate with the member's grade and years of service.]

(b)(1) The amount of a bonus under this section may not exceed—

(A) \$2,500, in the case of a person who enlists for a period of three years; and

(B) \$5,000, in the case of a person who enlists for a period of six years.

(2) The bonus shall be paid according to a payment schedule determined by the Secretary concerned, except that the initial payment to a person may not exceed one-half the total bonus amount for the person.

(c)(1) A person may not be paid more than one six-year bonus or two three-year bonuses under this section.

(2) A person may not be paid a bonus under this section unless the specialty associated with the position the person is projected to

occupy as a member of the Selected Reserve is a specialty in which—

(A) the person successfully served while a member on active duty; and

(B) the person attained a level of qualification while a member commensurate with the grade and years of service of the member.

* * * * *

(i) No bonus may be paid under this section to any person for an enlistment after September 30, [1998] 1999.

* * * * *

§ 312. Special pay: nuclear-qualified officers extending period of active duty

(a) * * *

* * * * *

(e) The provisions of this section shall be effective only in the case of officers who, on or before September 30, [1998] 1999, execute the required written agreement to remain in active service.

* * * * *

§ 312b. Special pay: nuclear career accession bonus

(a) * * *

* * * * *

(c) The provisions of this section shall be effective only in the case of officers who, on or before September 30, [1998] 1999, have been accepted for training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

* * * * *

§ 312c. Special pay: nuclear career annual incentive bonus

(a) * * *

* * * * *

(d) For the purposes of this section, a “nuclear service year” is any fiscal year beginning before October 1, [1998] 1999.

* * * * *

§ 314. Special pay: qualified enlisted members extending duty at designated locations overseas

[(a) Under regulations prescribed by the Secretary concerned, an enlisted member of an armed force who—

[(1) is entitled to basic pay;

[(2) has a specialty that is designated by the Secretary concerned for the purposes of this section;

[(3) has completed a tour of duty (as defined in accordance with regulations prescribed by the Secretary concerned) at a location outside the 48 contiguous States and the District of Columbia that is designated by the Secretary concerned for the purposes of this section; and

[(4) at the end of that tour of duty executes an agreement to extend that tour for a period of not less than one year; is entitled, upon acceptance of the agreement providing for such extension by the Secretary concerned, to special pay for duty performed during the period of the extension at a rate of not more than \$80 per month, as prescribed by the Secretary concerned.]

[(b) A member who elects to receive rest and recuperative absence or transportation at Government expense, or any combination thereof, under section 705 of title 10 is not entitled to the special pay authorized by this section for the period of extension of duty for which the rest and recuperative absence or transportation is authorized.]

§314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas

(a) *COVERED MEMBERS.*—*This section applies with respect to an enlisted member of an armed force who—*

(1) *is entitled to basic pay;*

(2) *has a specialty that is designated by the Secretary concerned for the purposes of this section;*

(3) *has completed a tour of duty (as defined in accordance with regulations prescribed by the Secretary concerned) at a location outside the 48 contiguous States and the District of Columbia that is designated by the Secretary concerned for the purposes of this section; and*

(4) *at the end of that tour of duty executes an agreement to extend that tour for a period of not less than one year.*

(b) *SPECIAL PAY OR BONUS AUTHORIZED.*—*Under regulations prescribed by the Secretary concerned, an enlisted member described in subsection (a) is entitled, upon acceptance by the Secretary concerned of the agreement providing for extension of the member's tour of duty, to either—*

(1) *special pay for duty performed during the period of the extension at a rate of not more than \$80 per month, as prescribed by the Secretary concerned; or*

(2) *a bonus of up to \$2,000 per year, as prescribed by the Secretary concerned, for specialty requirements at designated locations.*

(c) *SELECTION AND PAYMENT OF SPECIAL PAY OR BONUS.*—*Not later than the date on which the Secretary concerned accepts an agreement described in subsection (a)(4) providing for the extension of a member's tour of duty, the Secretary concerned shall notify the member regarding whether the member will receive special pay or a bonus under this section. The payment rate for the special pay or bonus shall be fixed at the time of the agreement and may not be changed during the period of the extended tour of duty. The Secretary concerned may pay a bonus under this section either in a lump sum or installments.*

(d) *REPAYMENT OF BONUS.*—(1) *If a member who receives all or part of a bonus under this section fails to complete the total period of extension specified in the agreement described in subsection (a)(4), the Secretary concerned may require the member to repay the United States, on a pro rata basis and to the extent that the Sec-*

retary determines conditions and circumstances warrant, amounts paid to the member under this section.

(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement does not discharge the member signing the agreement from a debt arising under the agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 on or after October 1, 1997.

(e) *EFFECT OF REST AND RECUPERATIVE ABSENCE.*—A member who elects to receive one of the benefits specified in section 705(b) of title 10 as part of the extension of a tour of duty is not entitled to the special pay or bonus authorized by this section for the period of the extension of duty for which the benefit under such section is provided.

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CHAPTER 7—ALLOWANCES

Sec.

401. Definitions.

402. Basic allowance for subsistence.

403. Basic allowance for quarters.

403a. Variable housing allowance.

403. Basic allowance for housing.

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§ 402. Basic allowance for subsistence

(a) Except as otherwise provided by law, each member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for subsistence as set forth in this section.

(b)(1) An enlisted member is entitled to the basic allowance for subsistence on a daily basis, of one of the following types—

(A) when rations in kind are not available;

(B) when permission to mess separately is granted; and

(C) when assigned to duty under emergency conditions where no messing facilities of the United States are available.

(2) The allowance to an enlisted member, when authorized, may be paid in advance for a period of not more than three months. An enlisted member is entitled to the allowance while on an authorized leave of absence, while confined in a hospital, or while performing travel under orders away from his designated post of duty other than field duty or sea duty. The allowance for an enlisted member who is authorized to receive the basic allowance for subsistence under this subsection is at the rate prescribed in accordance with section 1009 of this title or as otherwise prescribed by law.

(3) Unless he is entitled to basic pay under chapter 3 of this title, an enlisted member of a reserve component of a uniformed service, or of the National Guard, is entitled, in the discretion of the Secretary concerned, to rations in kind, or a part thereof, when the instruction or duty periods, described in section 206(a) of this title, total at least eight hours in a calendar day. The Secretary concerned may provide an enlisted member who could be provided

rations in kind under the preceding sentence with a commutation when rations in kind are not available.

[(4) In the case of enlisted members of the Army, Navy, Air Force, or Marine Corps who, when present at their permanent duty station, reside without dependents in Government quarters, the Secretary concerned may not provide a basic allowance for subsistence to more than 12 percent of such members under the jurisdiction of the Secretary concerned. The Secretary concerned may exceed such percentage if the Secretary determines that compliance would increase costs to the Government, would impose financial hardships on members otherwise entitled to a basic allowance for subsistence, or would reduce the quality of life for such members. This paragraph shall not apply to members described in the first sentence when the members are not residing at their permanent duty station. The Secretary concerned shall achieve the percentage limitation specified in this paragraph as soon as possible after the date of the enactment of this paragraph, but in no case later than September 30, 1996.

[(c) An officer of a uniformed service who is entitled to basic pay is, at all times, entitled to the basic allowances for subsistence at the monthly rate prescribed in accordance with section 1009 of this title. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

[(d) Under regulations and in areas prescribed by the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, an enlisted member who is granted permission to mess separately, and whose duties require him to buy at least one meal from other than a messing facility of the United States, is entitled to not more than the pro rata allowance authorized for each such meal for an enlisted member when rations in kind are not available.

[(e)(1) The President may prescribe regulations for the administration of this section, including definitions of the terms "field duty" and "sea duty" for the purposes of subsection (b)(2).

[(2) For purposes of subsection (b)(2), a member shall not be considered to be performing travel under orders away from his designated post of duty if such member—

[(A) is an enlisted member serving his first tour of active duty;

[(B) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

[(C) is not actually traveling between stations pursuant to orders directing a change of station.

[(§ 403. Basic allowance for quarters

[(a)(1) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for quarters at the monthly rates prescribed in accordance with section 1009 of this title or as otherwise prescribed by law, according to the pay grade in which he is assigned or distributed for basic pay purposes. The allowance authorized by this section may be paid in advance.

[(2) A member of a uniformed service with dependents is not entitled to a basic allowance for quarters as a member with dependents unless the member makes an annual certification to the Secretary concerned indicating the status of each dependent of the member. The certification shall be made in accordance with regulations prescribed by the Secretary of Defense.

[(b)(1) Except as otherwise provided by law, a member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service appropriate to his grade, rank or rating and adequate for himself and his dependents, if with dependents, is not entitled to a basic allowance for quarters.

[(2) Subject to the provisions of subsection (j), a member without dependents who is in a pay grade above pay grade E-6 and who is assigned to quarters in the United States or a housing facility under the jurisdiction of a uniformed service, appropriate to his grade or rank and adequate for himself, may elect not to occupy those quarters and instead to receive the basic allowance for quarters prescribed for his pay grade by this section.

[(3) Subject to the provisions of subsection (j), a member without dependents who is in pay grade E-6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Department of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for quarters prescribed for the member's pay grade by this section.

[(c)(1) A member of a uniformed service without dependents who makes a permanent change of station for assignment to a unit conducting field operations is not entitled to a basic allowance for quarters while on that initial field duty unless his commanding officer certifies that the member was necessarily required to procure quarters at his expense.

[(2) A member of a uniformed service without dependents who is in a pay grade below pay grade E-6 is not entitled to a basic allowance for quarters while he is on sea duty. A member of a uniformed service without dependents who is in a pay grade above E-5 who is assigned to sea duty under a permanent change of station is not entitled to a basic allowance for quarters if the unit to which the member is ordered is deployed and the permanent station of the unit is different than the permanent station from which the member is reporting.

[(d)(1) A member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service may not be denied the basic allowance for quarters if, because of orders of competent authority, his dependents are prevented from occupying those quarters.

[(2) A member of a reserve component without dependents who is called or ordered to active duty in support of a contingency operation (other than a member who is authorized transportation of household goods under section 406 of this title as part of that call or order) may not be denied a basic allowance for quarters if, be-

cause of that call or order, the member is unable to continue to occupy a residence—

[(A) which is maintained as the primary residence of the member at the time of the call or order; and

[(B) which is owned by the member or for which the member is responsible for rental payments.

[(e) Notwithstanding any other law (including those restricting the occupancy of housing facilities under the jurisdiction of a department or agency of the United States by members, and their dependents, of the armed forces above specified grades, or by members, and their dependents, of the National Oceanic and Atmospheric Administration and the Public Health Service), a member of a uniformed service, and his dependents, may be accepted as tenants in, and may occupy on a rental basis, any of those housing facilities, other than public quarters constructed or designated for assignment to an occupancy without charge by such a member, and his dependents, if any. Such a member may not, because of his occupancy under this subsection, be deprived of any money allowance to which he is otherwise entitled for the rental of quarters.

[(f) A member of a uniformed service without dependents who is in pay grade E-4 (four or more years' service), or above, is entitled to a basic allowance for quarters while he is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when he not assigned to quarters of the United States.

[(g) An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for quarters as a member of the uniformed services in pay grade E-4.

[(h) The Secretary concerned, or his designee, may make any determination necessary to administer this section with regard to enlisted members, including determinations of dependency and relationship, and may, when warranted by the circumstances, reconsider and change or modify any such determination. This authority may be redelegated by the Secretary concerned or his designee. Any determination made under this section with regard to enlisted members is final and is not subject to review by any accounting officer of the United States or a court, unless there is fraud or gross negligence.

[(i) Notwithstanding any other provision of law, the basic allowance for quarters to which an enlisted member may be entitled as a member with dependents shall not, for such period as the Secretary concerned may prescribe, be contingent on the right of such member to receive pay.

[(j)(1) The Secretary of Defense shall prescribe regulations for the administration of this section, including definitions of the terms "field duty" and "sea duty."

[(2) The Secretary concerned may deny the right to make an election under subsection (b) if he determines that the exercise of such an election would adversely affect a training mission, military discipline, or military readiness.

[(k) Parking facilities (including utility connections) provided members of the uniformed services for house trailers and mobile homes not owned by the Government shall not be considered to be quarters for the purposes of this section or any other provision of

law. Any fees established by the Government for the use of such a facility shall be established in an amount sufficient to cover the cost of maintenance, services, and utilities and to amortize the cost of construction of the facility over the 25-year period beginning with the completion of such construction.

[(1)(1) The Secretary of Defense, or the Secretary of Transportation in the case of the Coast Guard when not operating as a service in the Navy, may allow the dependents of a member of the armed forces who dies in line of duty and whose dependents are occupying family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard, other than on a rental basis on the date of the member's death to continue to occupy such housing without charge for a period of 180 days.

[(2) The Secretary concerned may pay an allowance for quarters to the dependents of a member of the uniformed services who dies in line of duty and whose dependents are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death or are occupying such housing on a rental basis on such date, or whose dependents vacate such housing sooner than 180 days after the date of the member's death. The amount of the allowance for quarters shall be the same amount that would be payable to the deceased member under sections 403, 403a, and 405 of this title if the member had not died. The payment of an allowance for quarters under this subsection shall terminate 180 days after the date of the member's death.

[(m)(1) Except as provided in paragraph (2), in the case of a member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service and who is authorized a basic allowance for quarters solely by reason of the member's payment of child support, the amount of the basic allowance for quarters to which the member is entitled shall be equal to the difference between the basic allowance for quarters applicable to the member's grade, rank, or rating at the with-dependent rate and the applicable basic allowance for quarters at the without-dependent rate.

[(2) A member of a uniformed service shall not be entitled to a basic allowance for quarters solely by reason of the payment of child support if the monthly rate of that child support is less than the amount of the basic allowance for quarters computed for the member under paragraph (1).

[(3) The application of this subsection to a member of a uniformed service shall not affect the entitlement of that member to a basic allowance for quarters at a partial rate under section 1009(c) of this title.

§ 403a. Variable housing allowance

[(a)(1) Except as provided in subsection (b), a member of a uniformed service entitled to basic allowance for quarters is entitled to a variable housing allowance under this section whenever assigned to duty in an area of the United States which is a high housing cost area with respect to that member. A member with dependents who is assigned to an unaccompanied tour of duty outside the United States is entitled to a variable housing allowance while

serving that tour of duty for any period during which the member's dependents reside in an area of the United States where, if the member were assigned to duty in that area, the member would be entitled to receive a variable housing allowance. The allowance authorized by this section may be paid in advance.

[(2) In the case of a member with dependents—

[(A) who is assigned to duty inside the United States the location or the circumstances of which make it necessary that his dependents reside at another location; and

[(B) whose dependents reside in an area of the United States where, if the member were assigned to duty in that area, the member would be entitled to receive a variable housing allowance at a rate other than the rate to which the member is entitled (if at all) in the area of his duty assignment,

the member may be paid a variable housing allowance as if he were assigned to duty in the area in which his dependents reside if the Secretary concerned determines (under regulations prescribed under subsection (e)) that it would be inequitable to base the member's entitlement to, and amount of, variable housing allowance on the area to which the member is assigned.

[(3) In the case of a member with dependents—

[(A) who is assigned to an unaccompanied tour of duty in Alaska or Hawaii; and

[(B) who would, if his duty station were outside the United States, be entitled to a family separation allowance under section 427(a) of this title,

the member may be paid a variable housing allowance at the rate applicable to a member without dependents serving in the same grade and at the same location. Payment of a variable housing allowance under this paragraph shall be in addition to any allowance or per diem to which the member otherwise may be entitled under this title.

[(4) In the case of a member with dependents—

[(A) who is assigned to duty inside the United States;

[(B) who is authorized to receive the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member; and

[(C) who is not assigned to a housing facility under the jurisdiction of a uniformed service,

the member may be paid a variable housing allowance at the rate applicable to a member without dependents serving in the same grade and at the same location.

[(5)(A) In the case of a member described in subparagraph (B) who is assigned to duty away from the member's principal place of residence (as determined under regulations prescribed by the Secretary of Defense), the member shall be considered to be assigned to duty at that residence for the purpose of determining the entitlement of the member to a variable housing allowance under this section.

[(B) A member referred to in subparagraph (A) is a member of a uniformed service who—

[(i) is a member of a reserve component called or ordered to active duty (other than for training) or is a retired member ordered to active duty under section 688(a) of title 10; and

[(ii) is not authorized transportation of household goods under section 406 of this title from the member's principal place of residence to the place of that duty assignment.

[(b) A member of a uniformed service may not be paid a variable housing allowance—

[(1) in the case of a member who makes a change in permanent duty station, for the number of days that travel is authorized between permanent duty stations (under regulations prescribed under subsection (e));

[(2) in the case of a member with dependents who is authorized the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member, if—

[(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service;

[(B) the member (i) is assigned to duty outside the United States or in Alaska or Hawaii, and (ii) is authorized a station housing allowance under section 405 of this title; or

[(C) the member is assigned to sea duty and elects not to occupy assigned quarters for unaccompanied personnel, unless the member is in a pay grade above E-6

[(3) in the case of a member of a reserve component, while on active duty under a call or order to active duty specifying a period of less than 140 days, unless the call or order to active duty is in support of a contingency operation; or

[(4) unless the member makes an annual certification (in accordance with such regulations as the Secretary of Defense may prescribe) to the Secretary concerned identifying the housing costs of the member.

[(c)(1) The monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area is equal to the greater of the following amounts:

[(A) An amount equal to the difference between—

[(i) the median monthly cost of housing in that area for members of the uniformed services serving in the same pay grade and with the same dependency status as that member; and

[(ii) 80 percent of the median monthly cost of housing in the United States for members of the uniformed services serving in the same pay grade and with the same dependency status as that member.

[(B) An amount equal to the difference between—

[(i) the adequate housing allowance floor determined by the Secretary of Defense for all members of the uniformed services in that area entitled to a variable housing allowance under this section; and

[(ii) the monthly basic allowance for quarters for members of the uniformed services serving in the same pay grade and with the same dependency status as that member.

[(2) The rates of variable housing allowance shall be reduced as necessary to comply with subsection (d).

[(3) The effective date of any adjustment in rates of variable housing allowance because of a redetermination of median monthly costs of housing under paragraph (1)(A) or the minimum amount of a variable housing allowance under paragraph (1)(B) shall be the same as the effective date of the next increase after such redetermination in the basic allowances for quarters. However, so long as a member of a uniformed service retains uninterrupted eligibility to receive a variable housing allowance within an area and the member's certified housing costs are not reduced (as indicated by certifications provided by the member under subsection (b)(4)), the monthly amount of a variable housing allowance under this section for the member within that area may not be reduced as a result of systematic adjustments required by changes in housing costs within that area.

[(4) For the purposes of this section, an area shall be considered to be a high housing cost area with respect to a member of a uniformed service whenever the median monthly cost of housing in that area for members of the uniformed services serving in the same pay grade and with the same dependency status as that member exceeds 80 percent of the median monthly cost of housing in the United States for members of the uniformed services serving in the same pay grade and with the same dependency status as that member.

[(5) Any reduction required under paragraph (2) and any determination of median monthly costs of housing or minimum amount of a variable housing allowance under this subsection shall be made under regulations prescribed under subsection (e).

[(6)(A) The monthly variable housing allowance that would otherwise be paid to a member under this section shall be reduced by an amount equal to one-half of the amount (if any) by which—

[(i) the total monthly housing allowance prescribed for members of the same grade as such member who are assigned to duty in the same area as such member (or in the same area in which the dependents of the member reside, as appropriate), exceeds

[(ii) the monthly housing costs of the member in the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).

[(B) In subparagraph (A), the term "total monthly housing allowance" means, in the case of any member, the sum of—

[(i) the monthly basic allowance for quarters to which the member is entitled; and

[(ii) the monthly variable housing allowance prescribed for the same grade as such member for the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).

[(7)(A) For purposes of paragraph (1)(B)(i), the Secretary of Defense shall establish an adequate housing allowance floor for members of the uniformed services in an area as a selected percentage, not to exceed 85 percent, of the cost of adequate housing in that area based on an index of housing costs selected by the Secretary of Defense from among the following:

[(i) The fair market rentals established annually by the Secretary of Housing and Urban Development under section 8(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1)).

[(ii) An index developed in the private sector that the Secretary of Defense determines is comparable to the fair market rentals referred to in clause (i) and is appropriate for use to determine the adequate housing allowance floor.

[(B) The Secretary of Defense shall carry out this paragraph in consultation with the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Health and Human Services.

[(d)(1) The total amount that may be paid for a fiscal year for the variable housing allowance authorized members of the uniformed services by this section is the product of—

[(A) the total amount authorized to be paid for such allowance for the preceding fiscal year (as adjusted under paragraph (3)); and

[(B) a fraction—

[(i) the numerator of which is the military housing cost index for October of the preceding fiscal year; and

[(ii) the denominator of which is the military housing cost index for October of the fiscal year before the preceding fiscal year.

[(2) The military housing cost index is the housing component of the Consumer Price Index (as determined by the Bureau of Labor Statistics of the Department of Labor), as adjusted under regulations prescribed under subsection (e). Such regulations may assign weights to the elements of that housing component other than those assigned by the Secretary of Labor in order more appropriately to reflect the distribution of elements of housing costs of members of the uniformed services.

[(3) In making a determination under paragraph (1) for a fiscal year, the amount authorized to be paid for the preceding fiscal year for the variable housing allowance shall be adjusted to reflect changes during the year for which the determination is made in the number, grade distribution, and dependency status of members of the uniformed services entitled to variable housing allowance from the number of such members during the preceding fiscal year. In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional amounts of variable housing allowance necessary as a result of the requirements of paragraph (1)(B) of subsection (c) and the second sentence of paragraph (3) of that subsection. Adjustments under this paragraph shall be made in accordance with regulations prescribed under subsection (e).

[(e)(1) The Secretary of Defense may prescribe regulations for the administration of this section.

[(2) Any regulations prescribed under paragraph (1) may not allow—

[(A) an increase in the variable housing allowance rate for a pay grade in an area solely to prevent the variable housing allowance rate for a lower pay grade in that area from exceeding such rate; or

[(B) a failure to lower the variable housing allowance rate for a pay grade in an area in accordance with a decrease in housing costs for such pay grade in that area determined on the basis of the annual certifications of housing costs of members of the uniformed services receiving a variable housing allowance for that area.

[(3) Paragraph (2) shall not apply to regulations prescribed with respect to any pay grade in an area for which available data describe fewer than 50 persons in the pay grade.

[(f) The monthly rate of a variable housing allowance for members of the uniformed services in the same pay grade and dependency status in an area may not be reduced pursuant to subsection (c)(2), a redetermination of median monthly costs of housing under that subsection, or any other law to the extent that the total amount of monthly basic pay, basic allowance for quarters, basic allowance for subsistence, and variable housing allowance for that grade and status is reduced, as a result of such a reduction in variable housing allowance, below the monthly total of those items of pay and allowances for the month preceding the effective date of the most recent increase in the rate of basic pay for that grade.]

§ 402. Basic allowance for subsistence

(a) *ENTITLEMENT; RATE; ADJUSTMENT.*—(1) *Except as otherwise provided by law, each member of a uniformed service described in subsection (b) or (c) is entitled to a basic allowance for subsistence. The rate for the allowance shall be prescribed in regulations by the Secretary of Defense after consultation with the Secretaries concerned specified in subparagraphs (D), (E), and (F) of section 101(5) of this title. The allowance may be paid in advance for a period of not more than three months.*

(2) *Whenever basic pay is increased pursuant to section 1009 of this title or another law, the Secretary of Defense shall adjust the basic allowance for subsistence at the same rate as the most recent adjustment made to the cost of the moderate food plan of the Department of Agriculture (one of the four official food plans used by the Department of Agriculture under the Food Stamp Act of 1977) to reflect changes in the cost of the diet described by the moderate food plan.*

(b) *ENLISTED MEMBERS.*—*An enlisted member is entitled to the basic allowance for subsistence on a daily basis if the member is entitled to basic pay and one or more of the following applies with respect to the member:*

(1) *Rations in kind are not available.*

(2) *Rations in kind are available, but the Secretary of Defense authorizes the payment of the basic allowance for subsistence.*

(3) *Permission to mess separately is granted.*

(4) *The member is assigned to duty under emergency conditions where no messing facilities of the United States are available.*

(5) *The member is on an authorized leave of absence, is confined in a hospital, or is performing travel under orders away from the member's designated post of duty (except when rations in kind are available and the Secretary of Defense does not authorize the payment of the basic allowance for subsistence.).*

(c) *OFFICERS.*—An officer of a uniformed service who is entitled to basic pay is entitled, at all times, to the basic allowances for subsistence. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

(d) *SPECIAL RULE FOR CERTAIN MEMBERS AUTHORIZED TO MESS SEPARATELY.*—Under regulations and in areas prescribed by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, an enlisted member who is granted permission to mess separately, and whose duties require the member to buy at least one meal from other than a messing facility of the United States, is entitled to not more than the pro rata allowance authorized for each such meal for an enlisted member when rations in kind are not available.

(e) *PAYMENT FOR RATIONS IN KIND ACTUALLY RECEIVED.*—The Secretary of Defense may require a member of the uniformed services to pay for rations in kind actually received by the member while entitled to a basic allowance for subsistence.

(f) *ADMINISTRATION.*—(1) The Secretary of Defense may prescribe regulations for the administration of this section.

(2) For purposes of subsection (b)(5), a member shall not be considered to be performing travel under orders away from his designated post of duty if the member—

(A) is an enlisted member serving the member's first tour of active duty;

(B) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

(C) is not actually traveling between stations pursuant to orders directing a change of station.

(g) *PERCENTAGE LIMITATION ON ENLISTED MEMBERS RECEIVING ALLOWANCE.*—(1) This subsection applies with respect to enlisted members of the Army, Navy, Air Force, and Marine Corps who, when present at their permanent duty station and at which adequate messing facilities of the United States are available, reside without dependents in Government quarters. The Secretary concerned may not provide a basic allowance for subsistence to more than 12 percent of such members under the jurisdiction of the Secretary concerned.

(2) The Secretary concerned may exceed the percentage limitation specified in paragraph (1) if the Secretary determines that compliance would increase costs to the Government, would impose financial hardships on members otherwise entitled to a basic allowance for subsistence, or would reduce the quality of life for such members.

(3) This subsection shall not apply to a member described in paragraph (1) when the member is not residing at the member's permanent duty station.

(h) *RATIONS IN KIND FOR CERTAIN RESERVES.*—(1) The Secretary concerned may provide rations in kind, or a part thereof, to an enlisted member of a reserve component or of the National Guard when the member's instruction or duty periods, described in section 206(a) of this title, total at least eight hours in a calendar day. The

Secretary concerned may provide the member with a commutation when rations in kind are not available.

(2) This subsection shall not apply with respect to an enlisted member of a reserve component or of the National Guard who is entitled to basic pay.

(i) *USE OF MESSING FACILITIES.*—The Secretary of Defense, in consultation with the Secretaries concerned, shall establish policies regarding the use of messing facilities of the United States, including field messing facilities.

§ 403. Basic allowance for housing

(a) *COMPONENTS OF BASIC ALLOWANCE FOR HOUSING.*—The basic allowance for housing consists of the following components:

(1) A basic allowance for quarters for members of the uniformed services stationed in the United States and, under certain circumstances, members on duty outside of the United States whose dependents continue to reside in the United States.

(2) A overseas station housing allowance for members on duty outside of the United States to reflect housing costs incurred by the members.

(3) A family separation housing allowance for members with dependents when the movement of the dependents to the members' permanent station is not authorized at the expense of the United States.

(b) *ELIGIBILITY FOR ALLOWANCE.*—(1) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay shall receive the component or components of the basic allowance for housing to which the member is entitled under this section at the monthly rates prescribed in connection with the component under this section or other provision of law. The amount of the allowance for a member will vary according to the pay grade in which the member is assigned or distributed for basic pay purposes and the member's dependency status.

(2) The basic allowance for housing may be paid in advance.

(c) *EFFECT OF ASSIGNMENT TO GOVERNMENT QUARTERS.*—(1) Except as otherwise provided by law, a member of a uniformed service who is assigned to quarters of the United States appropriate to the grade, rank, or rating of the member and adequate for the member and dependents, if with dependents, is not entitled to a basic allowance for housing. In this section, the term "quarters of the United States" includes a housing facility under the jurisdiction of a uniformed service.

(2) A member without dependents who is in a pay grade above pay grade E-6 and is assigned to quarters of the United States may elect not to occupy those quarters and instead receive the basic allowance for housing to which the member is otherwise entitled.

(3) A member without dependents who is in pay grade E-6 and is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Secretary of Defense for members in such pay grade may elect not to occupy those quarters and instead to receive the basic allowance for housing to which the member is otherwise entitled. The Secretary concerned may deny the right to make an election under this paragraph if the

Secretary determines that the exercise of such an election would adversely affect a training mission, military discipline, or military readiness.

(4) *In the case of a member with dependents who is assigned to quarters of the United States at a location or under circumstances that, as determined by the Secretary concerned, require the member's dependents to reside at different location, the member shall receive a basic allowance for housing as if the member were assigned to duty in the area in which the dependents reside and did not reside in quarters of the United States.*

(d) *EFFECT OF FIELD DUTY AND SEA DUTY.—(1) The Secretary concerned may deny the basic allowance for housing to a member of a uniformed service without dependents when the member is assigned to field duty with a unit conducting field operations.*

(2) *A member of a uniformed service without dependents who is in a pay grade below pay grade E-6 is not entitled to a basic allowance for housing while on sea duty. After taking into consideration the availability of quarters for members serving in pay grade E-5, the Secretary concerned may authorize the payment of a basic allowance for housing to a member without dependents who is serving in such pay grade and is assigned to sea duty.*

(3) *Notwithstanding section 421 of this title, two members of the uniformed services in a pay grade below pay grade E-6 who are married to each other, have no other dependents, and are simultaneously assigned to sea duty are jointly entitled to one basic allowance for housing during the period of such simultaneous sea duty. The amount of the allowance shall be based on the without dependents rate for the pay grade of the senior member of the couple. However, this paragraph shall not apply to a couple if one or both of the members are entitled to a basic allowance for housing under paragraph (2).*

(4) *For purposes of this subsection, the Secretary of Defense shall prescribe, by regulation, definitions of the terms "field duty" and "sea duty".*

(e) *BASIC ALLOWANCE FOR QUARTERS.—(1) The Secretary of Defense shall determine the costs of adequate housing in a military housing area for all members of the uniformed services entitled to a basic allowance for quarters in that area. The Secretary shall base the determination upon the costs of adequate housing for civilians with comparable income levels in the same area.*

(2) *The monthly amount of a basic allowance for quarters for an area of the United States for a member of a uniformed service is equal to difference between—*

(A) *the monthly cost of housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member; and*

(B) *15 percent of the national average monthly cost of housing in the United States, as determined by the Secretary, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.*

(3) *The rates of basic allowance for quarters shall be reduced as necessary to comply with this paragraph. The total amount that*

may be paid for a fiscal year for the basic allowance for quarters is the product of—

(A) the total amount authorized to be paid for such allowance for the preceding fiscal year (as adjusted under paragraph (5)); and

(B) a fraction—

(i) the numerator of which is the index of the national average monthly cost of housing for June of the preceding fiscal year; and

(ii) the denominator of which is the index of the national average monthly cost of housing for June of the fiscal year before the preceding fiscal year.

(4) An adjustment in the rates of basic allowance for quarters as a result of the Secretary's redetermination of housing costs in an area shall take effect on the same date as the effective date of the next increase in basic pay under section 1009 of this title or other provision of law.

(5) In making a determination under paragraph (3) for a fiscal year, the amount authorized to be paid for the preceding fiscal year for the basic allowance for quarters shall be adjusted to reflect changes during the year for which the determination is made in the number, grade distribution, geographic distribution, and dependency status of members of the uniformed services entitled to the allowance from the number of such members during the preceding fiscal year.

(6) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for quarters within an area of the United States, the monthly amount of the allowance for the member may not be reduced as a result of changes in housing costs in the area, changes in the national average monthly cost of housing, or the promotion of the member.

(f) **OVERSEAS STATION HOUSING ALLOWANCE.**—(1) The Secretary of Defense may prescribe an overseas station housing allowance for a member of a uniformed service who is on duty outside of the United States. The Secretary shall base the station housing allowance on housing costs in the overseas area in which the member is assigned.

(2) So long as a member of a uniformed service retains uninterrupted eligibility to receive an overseas station housing allowance in an overseas area and the actual monthly cost of housing for the member is not reduced, the monthly amount of the overseas station housing allowance may not be reduced as a result of changes in housing costs in the area or the promotion of the member. The monthly amount of the allowance may be adjusted to reflect changes in currency rates.

(g) **FAMILY SEPARATION HOUSING ALLOWANCE.**—(1) A member of a uniformed service with dependents who is on permanent duty at a location described in paragraph (2) is entitled to a family separation housing allowance under this subsection at a monthly rate equal to the rate of basic allowance for quarters or overseas station housing allowance established for that location for members without dependents in the same grade.

(2) A permanent duty location referred to in paragraph (1) is a location—

(A) to which the movement of the member's dependents is not authorized at the expense of the United States under section 406 of this title, and the member's dependents do not reside at or near the location; and

(B) at which quarters of the United States are not available for assignment to the member.

(3) The allowance provided under this subsection is in addition to any other allowance or per diem that the member is otherwise entitled to under this title.

(h) *PARTIAL ALLOWANCE.*—(1) The Secretary of Defense may prescribe a partial basic allowance for housing for a member of a uniformed service without dependents who is not entitled to the allowance pursuant to subsection (c) or (d).

(2) In the case of a member of a uniformed service who is assigned to quarters of the United States and pays child support, the Secretary of Defense may authorize the payment of a partial basic allowance for housing, at a rate prescribed by the Secretary, on account of the member's payment of the child support. The allowance shall be at a reduced rate to reflect the member's assignment to quarters of the United States. The amount of the partial allowance shall not exceed the monthly rate of the member's child support. The payment of a partial allowance under this paragraph to a member may be in addition to any allowance paid to the member under paragraph (1).

(i) *SPECIAL RULES FOR CERTAIN MEMBERS.*—(1)(A) In the case of a member of a reserve component of a uniformed service without dependents who is called or ordered to active duty (other than for training) or a retired member without dependents ordered to active duty under section 688(a) of title 10, the member shall be considered to be assigned to duty at the location of the primary residence of the member at the time of the call or order for purposes of determining the amount of the member's basic allowance for housing.

(B) If a member described in subparagraph (A) is called or ordered to active duty for less than 30 days, the Secretary of Defense shall prescribe the amount of the basic allowance for housing to be paid to the member.

(C) This paragraph shall not apply to a member described in subparagraph (A) if the member is authorized transportation of household goods under section 406 of this title as part of the call or order to active duty or if the primary residence of the member is not owned by the member or the member is not responsible for rental payments.

(2) A member of a uniformed service without dependents who is in pay grade E-4 (four or more years' service), or above, is entitled to a basic allowance for housing while the member is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when the member is not assigned to quarters of the United States. Notwithstanding subsection (e)(2), the rate of basic allowance for quarters for such a member shall be equal to the national average monthly cost of housing in the United States, as determined by the Secretary, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

(3) *The eligibility of an aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard for a basic allowance for housing shall be determined as if the aviation cadet were a member of the uniformed services in pay grade E-4.*

(4) *In the case of a member without dependents who is assigned to duty inside the United States, the location or the circumstances of which make it necessary that the member be reassigned under the conditions of low cost or no cost permanent change of station or permanent change of assignment, the member may be treated as if the member were not reassigned if the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the area to which the member is reassigned.*

(j) *ADMINISTRATION.—(1) The Secretary concerned may make such determinations as may be necessary to administer this section, including determinations of dependency and relationship. When warranted by the circumstances, the Secretary concerned may reconsider and change or modify any such determination. This authority may be delegated by the Secretary concerned. Any determination made under this section with regard to a member of the uniformed services is final and is not subject to review by any accounting officer of the United States or a court, unless there is fraud or gross negligence.*

(2) *Parking facilities (including utility connections) provided members of the uniformed services for house trailers and mobile homes not owned by the Government shall not be considered to be quarters for the purposes of this section or any other provision of law. Any fees established by the Government for the use of such a facility shall be established in an amount sufficient to cover the cost of maintenance, services, and utilities and to amortize the cost of construction of the facility over the 25-year period beginning with the completion of such construction.*

(k) *TEMPORARY CONTINUATION OF ALLOWANCE.—(1) The Secretary of Defense, or the Secretary of Transportation in the case of the Coast Guard when not operating as a service in the Navy, may allow the dependents of a member of the armed forces who dies while on active duty and whose dependents are occupying family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard, other than on a rental basis on the date of the member's death to continue to occupy such housing without charge for a period of 180 days.*

(2) *The Secretary concerned may pay an allowance for housing to the dependents of a member of the uniformed services who dies while on active duty and whose dependents are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death or are occupying such housing on a rental basis on such date, or whose dependents vacate such housing sooner than 180 days after the date of the member's death. The amount of the allowance shall be the same amount that would otherwise be payable to the deceased member under this section if the member had not died. The payment of an allowance under this paragraph shall terminate 180 days after the date of the member's death.*

* * * * *

§ 404. Travel and transportation allowances: general

(a) * * *

(b)(1) * * *

(2) In prescribing such conditions and allowances, the Secretaries concerned shall provide that a member who is performing travel under orders away from his designated post of duty and who is authorized a per diem under clause (2) of subsection (d) shall be paid for the meals portion of that per diem in a cash amount at a rate that is not less than the rate established under section 1011(a) of this title for meals sold to members. The preceding sentence shall not apply with respect to a member on field duty or sea duty (as defined in regulations prescribed [under section 402(e) of this title] *by the Secretary of Defense*) or a member of a unit with respect to which the Secretary concerned has determined that unit messing is essential to the accomplishment of the unit's training and readiness.

* * * * *

§ 405. Travel and transportation allowances: per diem while on duty outside the United States or in Hawaii or Alaska

(a) * * *

[(b) A station housing allowance may be prescribed under this section for a member who is on duty outside of the United States without regard to costs other than housing costs and may consist of the difference between basic allowance for quarters and applicable housing cost. A station housing allowance may not be prescribed under this section for a member who is on duty in Hawaii or Alaska. A station housing allowance prescribed under this section may be paid in advance.]

[(c)] (b) Housing cost and allowance may be disregarded in prescribing a station cost of living allowance under this section.

[(d)](c)(1) In the case of a member of the uniformed services authorized to receive a per diem allowance under subsection (a), the Secretary concerned may make a lump-sum payment for non-recurring expenses—

(A) * * *

* * * * *

§ 406. Travel and transportation allowances: dependents; baggage and household effects

(a) * * *

* * * * *

(c) The allowances and transportation authorized by subsections (a) and (b) are in addition to those authorized by [sections 404 and 405] *sections 403(f), 404, and 405* of this title and are—

- (1) subject to such conditions and limitations;
- (2) for such grades, ranks, and ratings; and
- (3) to and from such places;

prescribed by the Secretaries concerned. Transportation of the household effects of a member may not be made by commercial air carrier at an estimated over-all cost that is more than the esti-

mated over-all cost of the transportation thereof by other means, unless an appropriate transportation officer has certified in writing to his commanding officer that those household effects to be so transported are necessary for use in carrying out assigned duties, or are necessary to prevent undue hardship and other means of transportation will not fill those needs. However, not more than 1,000 pounds of unaccompanied baggage may be transported by commercial air carrier, without regard to the preceding sentence, under regulations prescribed under the authority of the Secretary of Defense.

- * * * * *
- (h)(1) * * *
- (2) A member referred to in paragraph (1) is a member who—
 (A) * * *

- * * * * *
- (C) is sentenced by a court-martial—
 (i) to be confined for a period of more than 30 days,
 (ii) to receive a dishonorable or bad-conduct discharge, or
 (iii) to be dismissed from a uniformed service[,
 if the sentence is approved under section 860(c)(2) of title 10.].

* * * * *

【§ 407. Travel and transportation allowances: dislocation allowance

【(a) Except as provided in subsections (b), (c), and (d) and under regulations prescribed by the Secretary concerned, a member of a uniformed service is entitled to a dislocation allowance equal to the basic allowance for quarters for two and one-half months as provided for the member's pay grade and dependency status in section 403 of this title if—

【(1) the member's dependents actually make an authorized move in connection with the member's change of permanent station, including—

【(A) a move to join the member at the member's duty station after an unaccompanied tour of duty when the member's next tour of duty is an accompanied tour at the same station; and

【(B) a move to a location designated by the member after an accompanied tour of duty when the member's next tour of duty is an unaccompanied tour at the same duty station;

【(2) the member's dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title;

【(3) the member's dependents actually move from their place of residence under circumstances described in section 406a of this title;

【(4) the member is without dependents and—

【(A) actually moves to a new permanent station where not assigned to quarters of the United States; or

【(B) actually moves from a place of residence under circumstances described in section 406a of this title; or

[(5) the member is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.

If a dislocation allowance is paid under paragraph (3) or (4)(B), the member is not entitled to a dislocation allowance under paragraph (1) or (5).

[(b) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a dislocation allowance under paragraph (3) or (4)(B) of subsection (a), the member is also entitled to a second dislocation allowance equal to the basic allowance for quarters for two months as provided for a member's pay grade and dependency status in section 403 of this title if, subsequent to the member or member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title. If a second dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance under paragraph (1) or (5) of subsection (a) in connection with those moves.

[(c) A member is not entitled to more than one dislocation allowance during a fiscal year unless—

[(1) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

[(2) the member is ordered to a service school as a change of permanent station;

[(3) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

[(4) the member or the member's dependents are covered by subsection (a)(3), (a)(4)(B), or (b).

This subsection does not apply in time of national emergency declared after April 1, 1975, or in time of war.

[(d) A member is not entitled to payment of a dislocation allowance when ordered from his home to the first duty station or from the last duty station to his home.

[(e) For purposes of this section, a member whose dependents may not make an authorized move in connection with a change of permanent station is considered a member without dependents.

[(f) An allowance payable under this section may be paid in advance.]

§407. Travel and transportation allowances: dislocation allowance

(a) BASIC ELIGIBILITY.—(1) Under regulations prescribed by the Secretary concerned, a member of a uniformed service described in paragraph (2) is entitled to a dislocation allowance at the rate set forth in the tables in subsection (c) for the member's pay grade and dependency status.

(2) A member of the uniformed services referred to in paragraph (1) is any of the following:

(A) A member who makes a change of permanent station and the member's dependents actually make an authorized move in connection with the change, including a move by the dependents—

(i) to join the member at the member's duty station after an unaccompanied tour of duty when the member's next tour of duty is an accompanied tour at the same station; and

(ii) to a location designated by the member after an accompanied tour of duty when the member's next tour of duty is an unaccompanied tour at the same duty station.

(B) A member whose dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title.

(C) A member whose dependents actually move from their place of residence under circumstances described in section 406a of this title.

(D) A member who is without dependents and—

(i) actually moves to a new permanent station where the member is not assigned to quarters of the United States; or

(ii) actually moves from a place of residence under circumstances described in section 406a of this title.

(E) A member who is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.

(3) If a dislocation allowance is paid under this subsection to a member described in subparagraph (C) or (D)(ii), the member is not entitled to another dislocation allowance as a member described in subparagraph (A) or (E) in connection with the same move.

(b) SECOND ALLOWANCE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES.—(1) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a dislocation allowance as a member described in subparagraph (C) or (D)(ii) of subsection (a)(2), the member is also entitled to a second dislocation allowance at the rate set forth in the tables in subsection (c) for the member's pay grade and dependency status if, subsequent to the member or the member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title.

(2) If a second dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance as a member described in subparagraph (A) or (E) of subsection (a)(2) in connection with those moves.

(c) DISLOCATION ALLOWANCE RATES.—(1) A dislocation allowance under this section shall be paid at the following monthly rates, based on a member's pay grade and dependency status:

COMMISSIONED OFFICERS

Paygrade	Without dependents	With dependents
O-10	\$2,061.75	\$2,538.00
O-9	2,061.75	2,538.00

COMMISSIONED OFFICERS—Continued

<i>Paygrade</i>	<i>Without dependents</i>	<i>With dependents</i>
<i>O-8</i>	2,061.75	2,538.00
<i>O-7</i>	2,061.75	2,538.00
<i>O-6</i>	1,891.50	2,285.25
<i>O-5</i>	1,821.75	2,202.75
<i>O-4</i>	1,688.25	1,941.75
<i>O-3</i>	1,353.00	1,606.50
<i>O-2</i>	1,073.25	1,371.75
<i>O-1</i>	903.75	1,226.25

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

<i>Paygrade</i>	<i>Without dependents</i>	<i>With dependents</i>
<i>O-3E</i>	\$1,461.00	\$1,726.50
<i>O-2E</i>	1,242.00	1,557.75
<i>O-1E</i>	1,068.00	1,439.25

WARRANT OFFICER

<i>Paygrade</i>	<i>Without dependents</i>	<i>With dependents</i>
<i>W-5</i>	\$1,715.25	\$1,874.25
<i>W-4</i>	1,523.25	1,718.25
<i>W-3</i>	1,280.00	1,574.25
<i>W-2</i>	1,137.00	1,448.25
<i>W-1</i>	951.75	1,252.50

ENLISTED MEMBER

<i>Paygrade</i>	<i>Without dependents</i>	<i>With dependents</i>
<i>E-9</i>	\$1,251.00	\$1,649.25
<i>E-8</i>	1,148.25	1,520.25
<i>E-7</i>	981.00	1,411.50
<i>E-6</i>	888.00	1,304.25
<i>E-5</i>	819.00	1,173.00
<i>E-4</i>	712.50	1,020.00
<i>E-3</i>	699.00	949.50
<i>E-2</i>	567.75	903.75
<i>E-1</i>	506.25	903.75

(2) For each calendar year after 1997, the Secretary of Defense shall adjust the rates in the tables in paragraph (1) by the percentage equal to the rate of change of the national average monthly cost of housing, as determined by the Secretary under section 403 of this title for that calendar year.

(d) FISCAL YEAR LIMITATION; EXCEPTIONS.—(1) A member is not entitled to more than one dislocation allowance during a fiscal year unless—

(A) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

(B) the member is ordered to a service school as a change of permanent station;

(C) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

(D) subparagraph (C) or (D)(ii) of subsection (a)(2) or subsection (b) apply with respect to the member or the member's dependents.

(2) This subsection does not apply in time of national emergency or in time of war.

(e) *FIRST OR LAST DUTY.*—A member is not entitled to payment of a dislocation allowance when ordered from the member's home to the member's first duty station or from the member's last duty station to the member's home.

(f) *RULE OF CONSTRUCTION.*—For purposes of this section, a member whose dependents may not make an authorized move in connection with a change of permanent station is considered a member without dependents.

(g) *ADVANCE PAYMENT.*—A dislocation allowance payable under this section may be paid in advance.

* * * * *

§ 420. Allowances while participating in international sports

(a) * * *

* * * * *

(c) Notwithstanding any other law, a member of a uniformed service who has no dependents is not entitled to the basic allowances for subsistence and [quarters] *housing* authorized by sections 402 and 403 of this title for a period during which he is subsisted and quartered by the agency sponsoring his participation in a competition covered by section 717 of title 10.

* * * * *

§ 427. Family separation allowance

[(a) ALLOWANCE EQUAL TO BASIC ALLOWANCE FOR QUARTERS.— In addition to any allowance or per diem to which he otherwise may be entitled under this title, a member of a uniformed service with dependents who is on permanent duty outside of the United States, or in Alaska, is entitled to a monthly allowance equal to the basic allowance for quarters payable to a member without dependents in the same pay grade if—

[(1) the movement of his dependents to his permanent station or a place near that station is not authorized at the expense of the United States under section 406 of this title and his dependents do not reside at or near that station; and

[(2) quarters of the United States or a housing facility under the jurisdiction of a uniformed service are not available for assignment to him.

[(b) ADDITIONAL SEPARATION ALLOWANCE.—] (a) *AVAILABILITY OF SEPARATION ALLOWANCE.*—(1) In addition to any allowance or per

diem to which he otherwise may be entitled under this title, [including subsection (a)] *including section 403(g) of this title*, a member of a uniformed service with dependents is entitled to a monthly allowance equal to **[\$75] \$100** if—

(A) * * *

* * * * *

[(4) A member] (b) *EFFECT OF ELECTION TO SERVE UNACCOMPANIED TOUR OF DUTY.*—A member who elects to serve a tour of duty unaccompanied by his dependents at a permanent station to which the movement of his dependents is authorized at the expense of the United States under section 406 of this title is not entitled to an allowance under **[paragraph (1)(A) of this subsection]** *subsection (a)(1)(A)*. The Secretary concerned may waive the preceding sentence in situations in which it would be inequitable to deny the allowance to the member because of unusual family or operational circumstances.

[(5) Section 421] (c) *EFFECT OF DEPENDENT ENTITLED TO BASIC PAY.*—Section 421 of this title does not apply to bar an entitlement to an allowance under **[paragraph (1)(D)]** *subsection (a)(1)(D)*. However, not more than one monthly allowance may be paid with respect to a married couple under **[paragraph (1)(D)]** *subsection (a)(1)(D)* for any month.

* * * * *

§ 433. Allowance for muster duty

(a) * * *

* * * * *

(c) The allowance authorized by this section may not be disbursed in kind **[and shall be paid to the member on or before the date on which the muster duty is performed]**. *The allowance may be paid to the member on or before the date on which the muster duty is performed, but shall be paid not later than 30 days after the date on which the muster duty is performed.* The allowance shall constitute the single, flat-rate monetary allowance authorized for the performance of muster duty and shall constitute payment in full to the member, regardless of grade or rank in which serving, as commutation for travel to the immediate vicinity of the designated muster duty location, transportation, subsistence, and the special or extraordinary costs of enforced absence from home and civilian pursuits, including such absence on weekends and holidays.

* * * * *

§ 551. Definitions

In this chapter:

(1) * * *

* * * * *

(3) The term “pay and allowances” means—

(A) * * *

* * * * *

(D) **basic allowance for quarters** *basic allowance for housing;*

* * * * *

CHAPTER 17—MISCELLANEOUS RIGHTS AND BENEFITS

* * * * *

§ 907. Enlisted members and warrant officers appointed as officers: pay and allowances stabilized

(a) * * *

* * * * *

(d) In determining the amount of the pay and allowances of a grade formerly held by an officer, incentive pay for hazardous duty under section 301 of this title, special pay for diving duty under section 304 of this title, for **duty at certain places** *duty at a hard-ship duty location* under section 305 of this title, and for sea duty under section 305a of this title, and proficiency pay under section 307 of this title may be considered only so long as the officer continues to perform the duty creating the entitlement to or eligibility for that pay and would otherwise be eligible to receive that pay in his former grade.

* * * * *

CHAPTER 19—ADMINISTRATION

Sec.

1001. Regulations relating to pay and allowances.

* * * * *

1009. Adjustments of compensation.

1009. Certain elements of compensation: adjustment; protection against change.

* * * * *

§ 1009. Adjustments of compensation

[(a)] Whenever the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5 is adjusted upward, the President shall immediately make an upward adjustment in the—

[(1)] monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

[(2)] basic allowance for subsistence authorized enlisted members and officers by section 402 of this title; and

[(3)] basic allowance for quarters authorized members of the uniformed services by section 403(a) of this title.

[(b)] An adjustment under this section shall have the force and effect of law and shall—

[(1)] carry the same effective date as that applying to the compensation adjustments provided General Schedule employees;

[(2)] be based on the rates of the various elements of compensation as defined in, or made under, section 402 or 403 of this title or this section; and

[(3) subject to subsections (c) and (d), provide all eligible members with an increase in each element of compensation, set forth in subsection (a), which is of the same percentage as the overall average percentage increase in the General Schedule rates of basic pay for civilian employees.

[(c)(1) Whenever the President determines such action to be in the best interest of the Government, he is authorized to allocate the overall average percentage of any increase described in subsection (b)(3) among the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis; however, the amount allocated to the element of monthly basic pay may not be less than 75 percent of the amount that would have been allocated to the element of basic pay under subsection (b)(3).

[(2) Under regulations prescribed by the President, whenever the President exercises his authority under paragraph (1) to allocate the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis, he may pay to each member without dependents who, under section 403 (b) or (c), is not entitled to receive a basic allowance for quarters, an amount equal to the difference between (1) the amount of such increase under paragraph (1) in the amount of the basic allowance for quarters which, but for section 403 (b) or (c) of this title, such member would be entitled to receive, and (2) the amount by which such basic allowance for quarters would have been increased under subsection (b)(3) if the President had not exercised such authority.

[(d)(1) Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, he may allocate the overall percentage increase in the element of basic pay that would otherwise be effective after any allocation made under subsection (c) among such pay grade and years-of-service categories as he considers appropriate.

[(2) In making any allocation of an overall percentage increase in basic pay under paragraph (1)—

[(A) the amount of the increase in basic pay for any given pay grade and years-of-service category after any allocation made under this subsection or under subsection (c) (or under both such subsections) may not be less than 75 percent of the amount of the increase in the element of basic pay that would otherwise have been effective with respect to such pay grade and years-of-service category under subsection (b)(3); and

[(B) the overall percentage increase in the elements of compensation specified in subsection (a) in the case of any member of the uniformed services with four years or less service may not exceed the overall percentage increase in the General Schedule rates of basic pay for civilian employees.

[(e) Whenever the President plans to exercise his authority under subsection (c) or (d) with respect to any anticipated increase in the compensation of members of the uniformed services, he shall advise the Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase.

[(f) The allocations of increases made under this section shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b) of this title.]

§ 1009. Certain elements of compensation: adjustment; protection against change

(a) *ELEMENTS OF COMPENSATION.*—*In this section, the term “elements of compensation” means—*

(1) *the monthly basic pay authorized members of the uniformed services by section 203(a) of this title;*

(2) *the basic allowance for subsistence authorized members of the uniformed services by section 402 of this title; and*

(3) *the basic allowance for housing authorized members of the uniformed services by section 403 of this title.*

(b) *ANNUAL ADJUSTMENT OF BASIC PAY.*—*Effective as of the first day of the first applicable pay period beginning on or after January 1 of each calendar year, the rates of basic pay of members of the uniformed services shall be increased by the percentage (rounded to the nearest one-tenth of one percent) equal to the percentage by which the Employment Cost Index for the base quarter of the year before the preceding calendar year exceeds the Employment Cost Index for the base quarter of the second year before the preceding calendar year (if at all).*

(c) *ALLOCATION OF ADJUSTMENT.*—(1) *Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, the President may allocate the percentage increase in basic pay among such pay grade and years-of-service categories as the President considers appropriate.*

(2) *In making any allocation under paragraph (1), the amount of the increase in basic pay for any given pay grade and years-of-service category after the allocation under paragraph (1) may not be less than 75 percent of the amount of the increase that otherwise would have been effective with respect to such pay grade and years-of-service category under subsection (b).*

(3) *Whenever the President plans to use the authority provided under paragraph (1) with respect to any anticipated increase in the compensation of members of the uniformed services, the President shall advise the Congress, at the earliest practicable time before the effective date of the increase, regarding the proposed allocation of the increase among pay grade and years-of-service categories.*

(d) *PROTECTION OF MEMBER’S TOTAL COMPENSATION WHILE PERFORMING CERTAIN DUTY.*—(1) *The total daily amount of the elements of compensation, described in subsection (a), together with other pay and allowances under this title, to be paid to a member of the uniformed services who is temporarily assigned to duty away from the member’s permanent duty station or to duty under field conditions at the member’s permanent duty station shall not be less, for any day during the assignment period, than the total amount, for the day immediately preceding the date of the assignment, of the elements of compensation and other pay and allowances of the member.*

(2) *Paragraph (1) shall not apply with respect to an element of compensation or other pay or allowance of a member during an assignment described in such paragraph to the extent that the element*

of compensation or other pay or allowance is reduced or terminated due to circumstances unrelated to the assignment.

(e) *OTHER DEFINITIONS.—In this section:*

(1) *The term “Employment Cost Index” means the Employment Cost Index (wages and salaries, private industry workers) published quarterly by the Bureau of Labor Statistics.*

(2) *The term “base quarter”, for each year, means the three-month period ending on September 30 of such year.*

* * * * *

§ 1012. Disbursement and accounting: pay of enlisted members of the National Guard

Amounts appropriated for the pay, under subsections (a), (b), and (d) of section 206, section 301(f), section 402(b)(3), and section 1002 of this title, of enlisted members of the Army National Guard of the United States or the Air National Guard of the United States for attending regular periods of duty and instruction shall be disbursed and accounted for by the Secretary of Defense. All such disbursements shall be made for 3-month periods for units of the Army National Guard or Air National Guard under regulations prescribed by the Secretary of Defense, and on pay rolls prepared and authenticated as prescribed in those regulations.

* * * * *

§ 1014. Payment date for pay and allowances

(a) Amounts of basic pay, basic allowance for quarters, basic allowance for subsistence, and other payments of military compensation (other than travel and transportation allowances and separation allowances) shall be paid on the first day of the month beginning after the month during which the right to such compensation accrues.

* * * * *

TITLE 32, UNITED STATES CODE

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CHAPTER 1—ORGANIZATION

* * * * *

§ 107. Availability of appropriations

(a) * * *

(b) The expenses of enlisted members of the Regular Army or the Regular Air Force on duty with the National Guard shall be paid from appropriations for the Army National Guard or the Air National Guard, as the case may be, but not from the allotment of a State or Territory, Puerto Rico or the District of Columbia. Payable expenses include allowances for subsistence [and quarters] and housing under sections 402 and 403 of title 37 and expenses for medicine and medical attendance.

* * * * *

§ 112. Drug interdiction and counter-drug activities

(a) * * *

* * * * *

(g) *PROHIBITION ON CERTAIN CIVIL-MILITARY ACTIVITIES.*—Funds provided under this section may not be used to conduct activities, including community-outreach programs, designed to reduce the demand for illegal drugs among persons who are not members of the National Guard or their dependents.

[(g)] (h) *STATUTORY CONSTRUCTION.*—Nothing in this section shall be construed as a limitation on the authority of any unit of the National Guard of a State, when such unit is not in Federal service, to perform law enforcement functions authorized to be performed by the National Guard by the laws of the State concerned.

[(h)] (i) *DEFINITIONS.*—For purposes of this section:

(1) The term “drug interdiction and counter-drug activities”, with respect to the National Guard of a State, means the use of National Guard personnel in drug interdiction and counter-drug law enforcement activities authorized by the law of the State and requested by the Governor of the State.

(2) The term “Governor of a State” means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(3) The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

* * * * *

CHAPTER 5—TRAINING

Sec.

501. Training generally.

* * * * *

509. *National Guard Challenge Program of opportunities for civilian youth.*

* * * * *

§509. National Guard Challenge Program of opportunities for civilian youth

(a) *PROGRAM AUTHORITY AND PURPOSE.*—The Secretary of Defense, acting through the Chief of the National Guard Bureau, may conduct a National Guard civilian youth opportunities program (to be known as the “National Guard Challenge Program”) to use the National Guard to provide military-based training, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of such youth.

(b) *CONDUCT OF THE PROGRAM.*—The Secretary of Defense shall provide for the conduct of the National Guard Challenge Program in such States as the Secretary considers to be appropriate, except that Federal expenditures under the program may not exceed \$50,000,000 for any fiscal year.

(c) *PROGRAM AGREEMENTS.*—(1) To carry out the National Guard Challenge Program in a State, the Secretary of Defense shall enter

into an agreement with the Governor of the State or, in the case of the District of Columbia, with the commanding general of the District of Columbia National Guard, under which the Governor or the commanding general will establish, organize, and administer the National Guard Challenge Program in the State.

(2) The agreement may provide for the Secretary to provide funds to the State for civilian personnel costs attributable to the use of civilian employees of the National Guard in the conduct of the National Guard Challenge Program.

(d) **MATCHING FUNDS REQUIRED.**—The amount of assistance provided under this section to a State program of the National Guard Challenge Program may not exceed—

(1) for fiscal year 1998, 75 percent of the costs of operating the State program during that year;

(2) for fiscal year 1999, 70 percent of the costs of operating the State program during that year;

(3) for fiscal year 2000, 65 percent of the costs of operating the State program during that year; and

(4) for fiscal year 2001 and each subsequent fiscal year, 60 percent of the costs of operating the State program during that year.

(e) **PERSONS ELIGIBLE TO PARTICIPATE IN PROGRAM.**—A school dropout from secondary school shall be eligible to participate in the National Guard Challenge Program. The Secretary of Defense shall prescribe the standards and procedures for selecting participants from among school dropouts.

(f) **AUTHORIZED BENEFITS FOR PARTICIPANTS.**—(1) To the extent provided in an agreement entered into in accordance with subsection (c) and subject to the approval of the Secretary of Defense, a person selected for training in the National Guard Challenge Program may receive the following benefits in connection with that training:

(A) Allowances for travel expenses, personal expenses, and other expenses.

(B) Quarters.

(C) Subsistence.

(D) Transportation.

(E) Equipment.

(F) Clothing.

(G) Recreational services and supplies.

(H) Other services.

(I) Subject to paragraph (2), a temporary stipend upon the successful completion of the training, as characterized in accordance with procedures provided in the agreement.

(2) In the case of a person selected for training in the National Guard Challenge Program who afterwards becomes a member of the Civilian Community Corps under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611 et seq.), the person may not receive a temporary stipend under paragraph (1)(I) while the person is a member of that Corps. The person may receive the temporary stipend after completing service in the Corps unless the person elects to receive benefits provided under subsection (f) or (g) of section 158 of such Act (42 U.S.C. 12618).

(3) *In the case of a person who is selected for training in a State program conducted under the National Guard Challenge Program and who obtains a general education diploma in connection with such training, the general education diploma shall be treated as equivalent to a high school diploma for purposes of determining the eligibility of the person for enlistment in the armed forces.*

(g) *PROGRAM PERSONNEL.—(1) Personnel of the National Guard of a State in which the National Guard Challenge Program is conducted may serve on full-time National Guard duty for the purpose of providing command, administrative, training, or supporting services for the program. For the performance of those services, any such personnel may be ordered to duty under section 502(f) of this title for not longer than the period of the program.*

(2) *A Governor participating in the National Guard Challenge Program and the commanding general of the District of Columbia National Guard (if the District of Columbia National Guard is participating in the program) may procure by contract the temporary full time services of such civilian personnel as may be necessary to augment National Guard personnel in carrying out the National Guard Challenge Program in that State.*

(3) *Civilian employees of the National Guard performing services for the National Guard Challenge Program and contractor personnel performing such services may be required, when appropriate to achieve the purposes of the program, to be members of the National Guard and to wear the military uniform.*

(h) *EQUIPMENT AND FACILITIES.—(1) Equipment and facilities of the National Guard, including military property of the United States issued to the National Guard, may be used in carrying out the National Guard Challenge Program.*

(2) *Activities under the National Guard Challenge Program shall be considered noncombat activities of the National Guard for purposes of section 710 of this title.*

(i) *STATUS OF PARTICIPANTS.—(1) A person receiving training under the National Guard Challenge Program shall be considered an employee of the United States for the purposes of the following provisions of law:*

(A) *Subchapter I of chapter 81 of title 5 (relating to compensation of Federal employees for work injuries).*

(B) *Section 1346(b) and chapter 171 of title 28 and any other provision of law relating to the liability of the United States for tortious conduct of employees of the United States.*

(2) *In the application of the provisions of law referred to in paragraph (1)(A) to a person referred to in paragraph (1)—*

(A) *the person shall not be considered to be in the performance of duty while the person is not at the assigned location of training or other activity or duty authorized in accordance with a program agreement referred to in subsection (c), except when the person is traveling to or from that location or is on pass from that training or other activity or duty;*

(B) *the person's monthly rate of pay shall be deemed to be the minimum rate of pay provided for grade GS-2 of the General Schedule under section 5332 of title 5; and*

(C) *the entitlement of a person to receive compensation for a disability shall begin on the day following the date on which*

the person's participation in the National Guard Challenge Program is terminated.

(3) *A person referred to in paragraph (1) may not be considered an employee of the United States for any purpose other than a purpose set forth in that paragraph.*

(j) *SUPPLEMENTAL RESOURCES.—(1) To carry out the National Guard Challenge Program in a State, the Governor of the State or, in the case of the District of Columbia, the commanding general of the District of Columbia National Guard may supplement funds made available under the program out of other resources (including gifts) available to the Governor or the commanding general. The Governor or the commanding general may accept, use, and dispose of gifts or donations of money, other property, or services for the National Guard Challenge Program.*

(k) *REPORT.—Within 90 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the design, conduct, and effectiveness of the National Guard Challenge Program during the preceding fiscal year. In preparing the report, the Secretary shall coordinate with the Governor of each State in which the National Guard Challenge Program is carried out and, if the program is carried out in the District of Columbia, with the commanding general of the District of Columbia National Guard.*

(l) *DEFINITIONS.—In this section:*

(1) *The term "State" includes the Commonwealth of Puerto Rico, the territories, and the District of Columbia.*

(2) *The term "school dropout" means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.*

* * * * *

CHAPTER 7—SERVICE, SUPPLY, AND PROCUREMENT

* * * * *

§ 709. Technicians: employment, use, status

(a) * * *

(b) **[**Except as prescribed by the Secretary concerned, a technician**]** *A technician employed under subsection (a) shall, while so employed—*

- (1) *be a member of the National Guard;*
- (2) *hold the military grade specified by the Secretary concerned for that position; and*
- (3) *wear the uniform appropriate for the member's grade and component of the armed forces while performing duties as a technician.*

* * * * *



**SECTION 8106 OF THE DEPARTMENT OF DEFENSE
APPROPRIATIONS ACT, 1996**

(Public Law 104-61)

【SEC. 8106. None of the funds available to the Department of Defense during fiscal year 1996 may be obligated or expended to support or finance the activities of the Defense Policy Advisory Committee on Trade.】

SECTION 4 OF THE MILITARY SELECTIVE SERVICE ACT

TRAINING AND SERVICE

SEC. 4. (a) * * *

* * * * *

(k)(1) * * *

* * * * *

(10) Each person inducted into the National Security Training Corps shall be compensated at the monthly rate of \$30: *Provided, however,* That each such person, having a dependent or dependents [as such terms are defined in the Career Compensation Act of 1949, shall be entitled to receive a dependency allowance equal to the sum of the basic allowance for quarters provided for persons in pay grade E-1 by section 302(f) of the Career Compensation Act of 1949 as amended by section 3 of the Dependents' Assistance Act of 1950 as may be extended or amended] *shall be entitled to receive a dependency allowance equal to the basic allowance for quarters provided for persons in pay grade E-1 under section 403 of title 37, United States Code, plus \$40 so long as such person has in effect an allotment equal to the amount of such dependency allowance for the support of the dependent or dependents on whose account the allowance is claimed.*

* * * * *

**SECTION 9 OF THE COAST AND GEODETIC SURVEY
COMMISSIONER OFFICERS' ACT OF 1948**

SEC. 9. (a) * * *

(b)(1) In the case of an officer who has completed five or more years of continuous active service immediately before that separation, the amount of separation pay which may be paid to the officer under this section is 10 percent of the product of (A) the years of active service creditable to the officer, and (B) twelve times the monthly basic pay to which the officer was entitled at the time of separation[, or \$30,000, whichever is less].

(2) In the case of an officer who has completed three but fewer than five years of continuous active service immediately before that separation, the amount of separation pay which may be paid to the officer under this section is one-half of the amount computed under paragraph (1)[, but in no event more than \$15,000].

* * * * *

(d)【(1)】 A period for which an officer has previously received separation pay, severance pay, or readjustment pay under any other provision of law based on service in a uniformed service may not be included in determining the years of creditable service that may be counted in computing the separation pay of the officer under this section.

【(2) The total amount that an officer may receive in separation pay under this section and separation pay, severance pay, and readjustment pay under any other provision of law based on service in a uniformed service may not exceed \$30,000.】

(e)(1) * * *

(2) An officer who has received separation pay under this section may not be deprived, by reason of receipt of that pay, of any disability compensation to which the officer is entitled under the laws administered by the Secretary of Veterans Affairs, but there shall be deducted from that disability compensation an amount equal to the total amount of separation pay received, *less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986)*. Notwithstanding the preceding sentence, no deduction may be made from disability compensation for the amount of separation pay received because of an earlier discharge, separation, or release from a period of active duty if the disability which is the basis for that disability compensation was incurred or aggravated during a later period of active duty.

SECTION 221 OF THE PUBLIC HEALTH SERVICE ACT

RIGHTS, PRIVILEGES, ETC. OF OFFICERS AND SURVIVING BENEFICIARIES

SEC. 221. (a) Commissioned officers of the Service or their surviving beneficiaries are entitled to all the rights, benefits, privileges, and immunities now or hereafter provided for commissioned officers of the Army or their surviving beneficiaries under the following provisions of title 10, United States Code:

(1) * * *

* * * * *

(16) *Section 1052, Reimbursement for adoption expenses.*

* * * * *

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

* * * * *

TITLE IX—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

* * * * *

[SEC. 913. MINIMUM PERCENTAGE OF COMPETITIVE PROCUREMENTS

[(a) ANNUAL GOAL.—The Secretary of Defense shall establish for each fiscal year a goal for the percentage of defense procurements to be made during that year (expressed in total dollar value of contracts entered into) that are to be competitive procurements.

[(b) DEFINITION.—For the purposes of this section, the term “competitive procurements” means procurements made by the Department of Defense through the use of competitive procedures, as defined in section 2304 of title 10, United States Code.]

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TITLE XIV—GENERAL PROVISIONS

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PART D—MISCELLANEOUS REPORTING REQUIREMENTS

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[SEC. 1437. REPORT ON RETENTION OF BASIC POINT DEFENSE MISSILE SYSTEM

[(a) REQUIREMENT FOR REPORT BY SECRETARY OF THE NAVY.—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the removal of the Basic Point Defense Missile System from naval amphibious vessels.

[(b) REPLACEMENT OF THE BASIC POINT DEFENSE MISSILE SYSTEM.—(1) The report shall consider the current plans to replace the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System (CIWS).

[(2) The report shall include an assessment of the effectiveness of the anti-air warfare capabilities of amphibious vessels. This assessment shall be used by the Secretary of the Navy in considering augmenting rather than replacing the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System.

[(c) LIMITATIONS ON REMOVAL OF BASIC POINT DEFENSE MISSILE SYSTEM.—The Secretary of the Navy may not remove the Basic Point Defense Missile System from amphibious vessels until the report is submitted.]

* * * * *

OFFICE OF FEDERAL PROCUREMENT POLICY ACT

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Office of Federal Procurement Policy Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

* * * * *

[Sec. 27. Procurement integrity.]

Sec. 27. Restrictions on disclosing and obtaining contractor bid or proposal information or source selection information.

* * * * *

SEC. 6. AUTHORITY AND FUNCTIONS OF THE ADMINISTRATOR.

(a) * * *

* * * * *

(d) The functions of the Administrator shall include—

(1) * * *

* * * * *

(5) providing for and directing the activities of the Federal Acquisition Institute (including recommending to the Administrator of General Services a sufficient budget for such activities), which shall be located in the General Services Administration, in order to—

(A) * * *

* * * * *

(J) perform other career management or research functions as directed by the Administrator[.];

(6) administering the provisions of section 37;

* * * * *

(12) developing policies that will promote achievement of goals for participation by small businesses, small businesses owned and controlled by socially and economically disadvantaged individuals, and [small business] *small businesses* owned and controlled by women; and

* * * * *

SEC. 20. ADVOCATES FOR COMPETITION.

(a) * * *

(b) The advocate for competition of an executive agency shall—

(1) * * *

* * * * *

(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 16(3)—

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; [and]

[(4) prepare and transmit to such senior procurement executive an annual report describing—

[(A) such advocate's activities under this section;

[(B) new initiatives required to increase competition; and

[(C) barriers to full and open competition that remain;]

[(5)] (4) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

[(6)] (5) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

[(7)] (6) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

* * * * *

SEC. 25. FEDERAL ACQUISITION REGULATORY COUNCIL.

(a) * * *

* * * * *

(c) FUNCTIONS.—(1) * * *

* * * * *

[(4)(A) Under procedures established by the Administrator, a person may request the Administrator to review any regulation relating to procurement on the basis that such regulation is inconsistent with the Federal Acquisition Regulation.

[(B) Unless the request is frivolous or does not, on its face, state a valid basis for such review, the Administrator shall complete such a review not later than 60 days after receiving the request. The time for completion of the review may be extended if the Administrator determines that an additional period of review is required. The Administrator shall advise the requester of the reasons for the extension and the date by which the review will be completed.

[(5) If the Administrator determines that a regulation relating to procurement is inconsistent with the Federal Acquisition Regulation or that the regulation should otherwise be revised to remove an inconsistency with any policies issued under section 6(a) of this Act, the Administrator shall rescind or deny the promulgation of the regulation or take such other action authorized under section 6 as may be necessary to remove the inconsistency. If the Administrator determines that such a regulation, although not inconsistent with the Federal Acquisition Regulation or such policies, should be revised to improve compliance with such regulation or policies, the Administrator shall take such action authorized under section 6 as may be necessary and appropriate.

[(6) The decisions of the Administrator shall be in writing and made publicly available. The Administrator shall provide a listing of such decisions in the annual report to Congress required by section 8 of this Act.]

* * * * *

[(g) REPORTS.—The Administrator for Federal Procurement Policy shall—

[(1) publish a report every 12 months relating to the development of procurement regulations to be issued in accordance with subsection (c) of this section; and

[(2) include in each report published under paragraph (1)—

[(A) the status of each such regulation;

[(B) a description of those regulations which are required by statute;

[(C) a description of the methods by which public comment was sought with regard to each proposed regulation in accordance with section 22 of this Act, and to the extent

appropriate, sections 3504(h) and 3507 of title 44, United States Code;

[(D) regulatory activities completed and initiated since the last report;

[(E) regulations, policies, procedures, practices, and forms that are under consideration or review by the Office of Federal Procurement Policy;

[(F) whether the regulations have paperwork requirements;

[(G) the progress made in promulgating and implementing the Federal Acquisition Regulation; and

[(H) such other matters as the Administrator determines would be useful.]

* * * * *

SEC. 35. COMMERCIALY AVAILABLE OFF-THE-SHELF ITEM ACQUISITIONS: LISTS OF INAPPLICABLE LAWS IN FEDERAL ACQUISITION REGULATION.

(a) * * *

(b) COVERED LAW.—Except as provided in subsection (a)(3), the list referred to in subsection (a)(1) shall include each provision of law that, as determined by the Administrator, imposes on persons who have been awarded contracts by the Federal Government for the procurement of commercially available off-the-shelf items Government-unique policies, procedures, requirements, or restrictions for the procurement of property or services, except the following:

(1) A provision of law that provides for criminal or civil penalties.

(2) A provision of law that specifically refers to this section and provides that, notwithstanding this section, such provision of law shall be applicable to contracts for the procurement of [commercial] *commercially available* off-the-shelf items.

* * * * *

MERCHANT MARINE ACT, 1936

* * * * *

TITLE II—UNITED STATES MARITIME COMMISSION

* * * * *

SEC. 213. The Secretary of Transportation shall make studies of and make reports to Congress [on—] *on the following*:

[(a)] (1) The scrapping or removal from service of old or obsolete merchant tonnage owned by the United States or in use in the merchant marine[;].

[(b)] (2) Tramp shipping service and the advisability of citizens of the United States participating in such service with vessels under United States registry[;].

[(c) The relative cost of construction or reconditioning of comparable ocean vessels in shipyards in the various coastal districts of the United States, together with recommendations as to how such shipyards may compete for work on an equalized basis; re-

ports under this paragraph shall be made annually on the first day of October of each year.】

* * * * *

TITLE V—CONSTRUCTION-DIFFERENTIAL SUBSIDY

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SEC. 510. (a) * * *

* * * * *

(i)(1) The Secretary of Transportation is authorized to acquire suitable documented vessels, as defined in section 2101 of title 46, United States Code, with funds in the Vessel Operations Revolving Fund derived from the sale of obsolete vessels in the National Defense Reserve Fleet. For purposes of this subsection, the acquired and obsolete vessels shall be valued at their scrap value in domestic or foreign markets as of the date of the acquisition for or sale from the National Defense Reserve Fleet; except that, in a transaction subject to this section, the value assigned to those vessels will be determined on the same basis, with consideration given to the fair value of the cost of positioning the traded-out vessel to the place of scrapping. All costs incident to the lay-up of the vessel acquired under this subsection may be paid from balances in the Fund. Notwithstanding the provisions of sections 9 and 37 of the Shipping Act, 1916, vessels sold from the National Defense Reserve Fleet under this subsection may be scrapped in approved foreign markets.

(2)(A) *Subject to subparagraph (B), the sale under this subsection of a vessel from the National Defense Reserve Fleet for export, or any subsequent resale of a vessel sold from the Fleet for export—*

(i) is not a disposal or a distribution in commerce under section 6 or 12(a) of the Toxic Substances Control Act (15 U.S.C. 2605 and 2611(a)) or an export of hazardous waste under section 3017 of the Solid Waste Disposal Act (42 U.S.C. 6938); and

(ii) is not subject to subsection (b) of section 12 of the Toxic Substances Control Act (15 U.S.C. 2611).

(B)(i) *Subparagraph (A) applies to a vessel being sold for export only if, before the sale of such vessel, any item listed in clause (ii) containing polychlorinated biphenyls is removed from the vessel.*

(ii) Clause (i) covers any transformer, large high or low voltage capacitor, or hydraulic or heat transfer fluid.

* * * * *

TITLE VI—VESSEL OPERATING ASSISTANCE PROGRAMS

* * * * *

Subtitle B—Maritime Security Fleet Program

* * * * *

OPERATING AGREEMENTS

SEC. 652. (a) * * *

* * * * *

(c) REGULATORY RELIEF.—A contractor of a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction, and shall not be subject to any requirement under section 801, 808, 809, or 810. Participation in the program established by this subtitle shall not subject a contractor to section 805 or to any provision of subtitle A. *The third sentence of section 901(b)(1) shall not apply to a vessel included in an operating agreement under this subtitle.*

* * * * *

NATIONAL SECURITY REQUIREMENTS

SEC. 653. (a) * * *

* * * * *

(d) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding any other provision of this subtitle or of other law to the contrary—

【(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity, as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated under an Emergency Preparedness Agreement; and】

(1) a contractor or other person that commits to make available a vessel or vessel capacity under the Emergency Preparedness Program or another primary sealift readiness program approved by the Secretary of Defense may, during the activation of that vessel or capacity under that program, operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for the activated vessel or capacity; and

* * * * *

NONCONTIGUOUS DOMESTIC TRADES

SEC. 656. (a) * * *

(b)(1) Subsection (a) shall not apply in any way to provision by a contractor of service within the level of service provided by that contractor as of the date established by subsection (c) or to provision of service permitted by subsection (d).

(2) Subsection (a) shall not apply to operation by a contractor of a self-propelled tank vessel in a noncontiguous domestic trade, or to ownership by a contractor of an interest in a self-propelled tank vessel that operates in a noncontiguous domestic trade.

* * * * *

SECTION 6 OF THE NATIONAL MARITINE HERITAGE ACT OF 1994

SEC. 6. FUNDING.

(a) AVAILABILITY OF FUNDS FROM SALE AND SCRAPPING OF OBSOLETE VESSELS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the amount of funds credited in a fiscal year to the Vessel Operations Revolving Fund established by the Act of June 2,

1951 (46 App. U.S.C. 1241a), that is attributable to the sale of obsolete vessels in the National Defense Reserve Fleet that are scrapped or sold under section 508 or 510(i) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1158 or 1160(i)) shall be available until expended as follows:

(A) * * *

* * * * *

(b) USE OF AMOUNTS FOR PROGRAM.—

(1) * * *

(2) USE FOR INTERIM PROJECTS.—Amounts available for the Program under subsection (a)(1)(C) that are the proceeds of any of the first 6 obsolete vessels in the National Defense Reserve Fleet that are sold or scrapped after July 1, 1994, under section 508 or 510(i) of the Merchant Marine Act, 1936 (46 U.S.C. 1158 or 1160(i)) are available to the Secretary for grants for interim projects approved under section 4(j) of this Act.

* * * * *

(c) DISPOSALS OF VESSELS.—

(1) REQUIREMENT.—The Secretary of Transportation shall dispose of all vessels described in paragraph (2)—

(A) by September 30, [1999] 2001;

* * * * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1989

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DIVISION A—DEPARTMENT OF DEFENSE AND OTHER NATIONAL DEFENSE AUTHORIZATIONS

* * * * *

PART B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

* * * * *

[SEC. 117. MANAGEMENT OF CERTAIN DEFENSE PROCUREMENT PROGRAMS

[(a) STRETCHOUT IMPACT STATEMENT.—The Secretary of Defense shall submit to Congress, at the same time the budget for any fiscal year is submitted to Congress under section 1105 of title 31, United States Code, a statement of what the effect would be during the fiscal year for which the budget is submitted of the stretchout of a major defense acquisition program if either of the following applies with respect to that program:

[(1) The final year of procurement scheduled for the program at the time the statement is submitted is more than two years later than the final year of procurement for the program as

specified in the most recent annual Selected Acquisition Report for that program.

[(2) The proposed procurement quantity for that fiscal year is less than 90 percent of the procurement quantity proposed for the same fiscal year in the most recent annual Selected Acquisition Report for that program.

[(b) CHANGES IN CERTAIN COSTS TO BE INCLUDED.—A statement under subsection (a) with respect to a major defense acquisition program shall contain an estimate of the projected increase in unit cost and the projected increase in total program cost for the system being procured under the program compared to the program specified in the most recent annual Selected Acquisition Report for that program.

[(d) LIMITATIONS.—(1) Subsection (a) shall apply only for major defense acquisition programs for which procurement is proposed at a rate of six or more units per year.

[(2) Subsection (a) shall not apply if the total procurement quantity has been increased, compared to the program specified in the most recent annual Selection Acquisition Report for that program, and subsection (a)(2) does not apply.

[(e) REPORT ON ESTABLISHING MAXIMUM PRODUCTION RATES.—Not later than March 15, 1989, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the feasibility and effect of establishing maximum production rates by December 1990 for certain major defense acquisition programs. The report shall identify and discuss ten programs, of which seven shall be programs for the procurement of conventional, tactical, or dual-capable systems.

[(f) DEFINITION.—For purposes of this section, the term “major defense acquisition program” has the meaning given that term in section 2430 of title 10, United States Code.]

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TITLE XIV—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

* * * * *

SEC. 1436. NUCLEAR TEST BAN READINESS PROGRAM

(a) * * *

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[(e) ANNUAL REPORT.—The Secretary of Energy shall submit to Congress each year an unclassified report (with a classified annex as necessary) that describes the progress made to the date of the report in achieving the purposes of the program required to be established under subsection (b).]

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NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1990 AND 1991

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DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

* * * * * * *

PART B—B-2 AIRCRAFT PROGRAM

* * * * * * *

[(SEC. 115. ONGOING INDEPENDENT ASSESSMENT OF B-2 AIRCRAFT PROGRAM

[(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall provide for an ongoing independent assessment of the technological capabilities and performance of the B-2 aircraft. The Secretary shall appoint a panel of experts and shall use the resources of federally funded research and development centers (FFRDCs) to conduct the assessment. The Secretary shall provide the panel such resources as are necessary, including technical assistance by private contractors and the United States intelligence community, to assist the panel in conducting the assessment. Individuals appointed to the panel shall be independent of the Air Force and shall have no arrangements with the Air Force that would constitute a conflict of interest.

[(b) REPORT.—The panel shall submit periodic reports of its findings to Congress. The first such report shall be submitted not later than April 1, 1990. Subsequent reports shall be submitted every six months thereafter until B-2 aircraft procurement is completed. Such reports shall be submitted in both classified and unclassified form. Each such report shall address the following matters:

[(1) The capability of air defenses of the Soviet Union to defeat the B-2 aircraft during the designed service life of that aircraft, taking into consideration in particular—

[(A) the low radar signature and anticipated performance of the aircraft;

[(B) technological capabilities of the Soviet Union;

[(C) developments by the Soviet Union of alternatives to defeat the B-2 aircraft; and

[(D) the estimated cost to the Soviet Union to defeat the B-2 aircraft.

[(2) The rationale for building the B-2 aircraft as a manned penetrating bomber, taking into consideration in particular—

[(A) the missions of the aircraft;

[(B) the capabilities of the aircraft to complete those missions; and

[(C) the capability of the aircraft to search for, identify, and destroy strategic relocatable targets.

[(3) The opportunity costs associated with the B-2 program as compared to other available or emerging technologies and operational concepts that could perform the missions of the B-2 aircraft at lesser costs.

[(4) The planned service life of the B-2 aircraft and the potential for growth in that planned service life through the in-

corporation of preplanned product improvements and other modifications.

[(5) The requirements for any follow-on aircraft or system that incorporates both low observable technology and high speed maneuverability.

[(6) An assessment of the capability of the United States to defeat, identify, and destroy low observable vehicles, including manned aircraft and unmanned systems.]

* * * * *

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

* * * * *

PART D—ENVIRONMENT, SAFETY, AND MANAGEMENT

* * * * *

[SEC. 3143. MAJOR DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

[(a) MAJOR PROGRAM DEFINED.—In this section, the term “major Department of Energy national security program” means a research and development program (which may include construction and production activities), a construction program, or a production program—

[(1) that is designated by the Secretary of Energy as a major Department of Energy national security program; or

[(2) that is estimated by the Secretary of Energy to cost more than \$500,000,000 (based on fiscal year 1989 constant dollars).

[(b) REQUIRED REPORTS.—(1) Except as provided in paragraph (3), the Secretary of Energy shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives at the end of each calendar-year quarter a report on each major Department of Energy national security program.

[(2) Each such report shall include, at a minimum, the following information:

[(A) A description of the program, its purpose, and its relationship to the mission of the national security program of the Department of Energy.

[(B) The program schedule, including estimated annual costs.

[(C) A comparison of the current schedule and cost estimates with previous schedule and cost estimates, and an explanation of changes.

[(3) A report under this section need not be submitted for the first, second, or third calendar-year quarter if the comparison between current schedule and cost estimates and schedule and cost estimates contained in the last submitted report shows that there has been—

[(A) less than a 5 percent change in total program cost; and
[(B) less than a 90-day delay in any significant schedule
item of the program.

[(c) SUBMISSION OF REPORT.—Each report under this section shall be submitted not later than 30 days after the end of each calendar-year quarter. The first report shall cover the fourth quarter of 1989 and shall be submitted not later than January 30, 1990.

[(d) IDENTIFICATION OF PROGRAMS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall submit a report to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives that identifies all programs of the Department of Energy that are major Department of Energy national security programs, as defined in subsection (a).]

* * * * *

**THE NATIONAL DEFENSE AUTHORIZATION ACT FOR
FISCAL YEAR 1994**

**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

* * * * *

**TITLE VIII—ACQUISITION POLICY, AC-
QUISITION MANAGEMENT, AND RE-
LATED MATTERS**

* * * * *

Subtitle E—Other Matters

* * * * *

**SEC. 845. AUTHORITY OF THE DEFENSE *DEFENSE* ADVANCED RE-
SEARCH PROJECTS AGENCY TO CARRY OUT CERTAIN
PROTOTYPE PROJECTS.**

(a) **AUTHORITY.**—The Director of the Defense *Defense* Advanced Research Projects Agency may, under the authority of section 2371 of title 10, United States Code, carry out prototype projects that are directly relevant to weapons or weapon systems proposed to be acquired or developed by the Department of Defense.

* * * * *

**DIVISION C—DEPARTMENT OF ENERGY
NATIONAL SECURITY AUTHORIZA-
TIONS AND OTHER AUTHORIZATIONS**

**TITLE XXXI—DEPARTMENT OF ENERGY
NATIONAL SECURITY PROGRAMS**

* * * * *

**Subtitle C—Program Authorizations,
Restrictions, and Limitations**

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SEC. 3138. STOCKPILE STEWARDSHIP PROGRAM.

(a) * * *

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[(d) REPORT.—Each year, at the same time the President submits the budget under section 1105 of title 31, United States Code, the President shall submit to the Congress a report covering the most recently completed calendar year which sets forth—

[(1) any concerns with respect to the safety, security, effectiveness, or reliability of existing United States nuclear weapons raised by the Stockpile Surveillance Program of the Department of Energy, and the calculations and experiments performed by Sandia National Laboratories, Lawrence Livermore National Laboratory, or Los Alamos National Laboratory; and

[(2) if such concerns have been raised, the President's evaluation of each concern and a report on what actions are being or will be taken to address that concern.]

**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEARS 1992 AND 1993**

**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

* * * * *

**TITLE VIII—ACQUISITION POLICY, ACQUISITION
MANAGEMENT, AND RELATED MATTERS**

PART A—ACQUISITION PROCESS

* * * * *

**SEC. 807. GOVERNMENT-INDUSTRY COMMITTEE ON RIGHTS IN TECH-
NICAL DATA.**

(a) * * *

* * * * *

(b) GOVERNMENT-INDUSTRY COMMITTEE.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall appoint a government-industry committee for the purpose of developing regulations to recommend to the Secretary of Defense for purposes of carrying out subsection (a).

(2) The membership of the committee shall include, at a minimum, representatives of the following:

(A) The Under Secretary of Defense for Acquisition *and Technology*.

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TITLE X—GENERAL PROVISIONS

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PART G—MISCELLANEOUS MATTERS

* * * * *

§ 1084. DISPLAY OF POW/MIA FLAG.

[(a) DISPLAY OF POW/MIA FLAG.—The POW/MIA flag, having been recognized and designated in section 2 of Public Law 101–355 (104 Stat. 416) as the symbol of the Nation’s concern and commitment to resolving as fully as possible the fates of Americans still prisoner, missing, and unaccounted for, thus ending the uncertainty for their families and the Nation, shall be displayed—

[(1) at each national cemetery and at the National Vietnam Veterans Memorial each year on Memorial Day and Veterans Day and on any day designated by law as National POW/MIA Recognition Day; and

[(2) on, or on the grounds of, the buildings specified in subsection (b) on any day designated by law as National POW/MIA Recognition Day.

[(b) SPECIFIED BUILDINGS FOR FLAG DISPLAY.—The buildings referred to in subsection (a)(2) are the buildings containing the primary offices of—

- [(1) the Secretary of State;
- [(2) the Secretary of Defense;
- [(3) the Secretary of Veterans Affairs; and
- [(4) the Director of the Selective Service System.

[(c) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Within 30 days after the date of the enactment of this Act, the Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.

[(d) TERMINATION OF FLAG DISPLAY REQUIREMENT.—Subsection (a) shall cease to apply upon a determination by the President that the fullest possible accounting has been made of all members of the Armed Forces and civilian employees of the United States who have been identified as prisoner of war or missing in action in Southeast Asia.

[(e) POW/MIA FLAG DEFINED.—As used in this section, the term “POW/MIA flag” means the National League of Families POW/MIA

flag recognized officially and designated by section 2 of Public Law 101-355 (104 Stat. 416).】

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SECTION 1121 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

SEC. 1121. COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) * * *

* * * * *

(c) **LIMITATION ON NUMBER OF EXAMINATIONS.**—The number of counterintelligence polygraph examinations that may be administered [under this section—

【(1) may not exceed 10,000 during each of fiscal years 1988, 1989, and 1990; and

【(2) may not exceed 5,000 during any fiscal year after fiscal year 1990】 *under this section may not exceed 5,000 during any fiscal year for which a specific number is not otherwise provide by law.*

(d) * * *

* * * * *

SECTION 309 OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 309. DEFINITIONS.

As used in this title—

(a) * * *

(b) The term “competitive procedures” means procedures under which an executive agency enters into a contract pursuant to full and open competition. Such term also includes—

(1) * * *

(2) the competitive selection of basic research proposals resulting from a general solicitation and the peer review or scientific review (as appropriate) of such proposals; [and]

* * * * *

SECTION 6 OF THE CONTRACT DISPUTES ACT OF 1978

DECISION BY THE CONTRACTING OFFICER

SEC. 6. (a) * * *

* * * * *

(d) Notwithstanding any other provision of this Act, a contractor and a contracting officer may use any alternative means of dispute resolution under subchapter IV of chapter 5 of title 5, United States Code [(as in effect on September 30, 1995)], or other mutually agreeable procedures, for resolving claims. In a case in which such alternative means of dispute resolution or other mutually agreeable procedures are used, the contractor shall certify that the

claim is made in good faith, that the supporting data are accurate and complete to the best of his or her knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable. All provisions of subchapter IV of chapter 5 of title 5, United States Code [(as in effect on September 30, 1995)], shall apply to such alternative means of dispute resolution.

(e) The authority of agencies to engage in alternative means of dispute resolution proceedings under subsection (d) shall cease to be effective on October 1, 1999, except that such authority shall continue in effect with respect to then pending dispute resolution proceedings which, in the judgment of the agencies that are parties to such proceedings, require such continuation, until such proceedings terminate. In any case in which the contracting officer rejects a contractor's request for alternative dispute resolution proceedings, the contracting officer shall provide the contractor with a written explanation, citing one or more of the conditions in section 572(b) of title 5, United States Code [(as in effect on September 30, 1995)], or such other specific reasons that alternative dispute resolution procedures are inappropriate for the resolution of the dispute. In any case in which a contractor rejects a request of an agency for alternative dispute resolution proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.

SECTION 16 OF THE SMALL BUSINESS ACT

SEC. 16. (a) * * *

* * * * *

(d)(1) Whoever misrepresents the status of any concern or person as a "small business concern", a "small business concern owned and controlled by socially and economically disadvantaged individuals", or a "small business [concerns] concern owned and controlled by women", in order to obtain for oneself or another any—

(A) * * *

* * * * *

(e) Any representation of the status of any concern or person as a "small business concern", a "small business concern owned and controlled by socially and economically disadvantaged individuals", or a "small business [concerns] concern owned and controlled by women" in order to obtain any prime contract or subcontract enumerated in subsection (d) of this section shall be in writing.

* * * * *

SECTION 1505 OF THE WEAPONS OF MASS DESTRUCTION CONTROL ACT OF 1992

SEC. 1505. INTERNATIONAL NONPROLIFERATION INITIATIVE.

(a) * * *

* * * * *

(d) SOURCES OF ASSISTANCE.—(1) * * *

* * * * *

(3) The total amount of the assistance provided in the form of funds under this section, including funds used for activities of the Department of Defense in support of the United Nations Special Commission on Iraq, may not exceed \$25,000,000 for fiscal year 1994, \$20,000,000 for fiscal year 1995, \$15,000,000 for fiscal year 1996, [or] \$15,000,000 for fiscal year 1997, or \$15,000,000 for fiscal year 1998.

* * * * *

(f) TERMINATION OF AUTHORITY.—The authority of the Secretary of Defense to provide assistance under this section terminates at the close of fiscal year [1997] 1998.

* * * * *

MILITARY CONSTRUCTION AUTHORIZATION ACT FOR FISCAL YEAR 1997

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the “Military Construction Authorization Act for Fiscal Year 1997”.

* * * * *

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), and, in the case of the projects described in paragraphs (2) and (3) of section 2204(b), other amounts appropriated pursuant to authorizations enacted after this Act for the projects, the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	\$3,920,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	\$4,020,000
	Marine Corps Air Station, Camp Pendleton	\$6,240,000
	Marine Corps Base, Camp Pendleton	\$51,630,000
* * * * *	* * * * *	* * * * *
Mississippi	Navy Project, Stennis Space Center	\$7,960,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
* * * * *	Naval Air Station, Pascagoula	\$4,990,000
	Naval Undersea Warfare Center, Keyport	\$6,800,000
CONUS Various	Defense access roads	\$300,000
	Total:	【\$589,992,000】 \$594,982,000

* * * * *

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of 【\$2,213,731,000】 \$2,218,721,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), 【\$579,312,000】 \$584,302,000.

* * * * *

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	\$7,875,000
* * * * *	* * * * *	* * * * *
Kansas	McConnell Air Force Base	【\$19,130,000】 \$25,830,000
* * * * *	* * * * *	* * * * *
Washington	Fairchild Air Force Base	\$18,155,000
	McChord Air Force Base	\$57,065,000
Wyoming	F.E. Warren Air Force Base	\$3,700,000
	Total:	\$603,834,000

* * * * *

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing

functions of the Department of the Air Force in the total amount of **[\$1,894,594,000]** *\$1,901,294,000* as follows:

- (1) For military construction projects inside the United States authorized by section 2301(a), **[\$603,834,000]** *\$610,534,000*.

* * * * *

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1996, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

- (1) For the Department of the Army—
 - (A) for the Army National Guard of the United States, **[\$59,194,000]** *\$65,094,000*; and
 - (B) for the Army Reserve, \$55,543,000.
- (2) For the Department of the Navy, for the Naval and Marine Corps Reserve, **[\$32,779,000]** *\$37,879,000*.

* * * * *

TITLE XXVIII—GENERAL PROVISIONS

* * * * *

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

* * * * *

SEC. 2824. LAND CONVEYANCE, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the **[County of Anderson, South Carolina (in this section referred to as the “County”)]** *Board of Education, Anderson County, South Carolina (in this section referred to as the “Board”)*, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 805 East Whitner Street in Anderson, South Carolina, and contains an Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the **[County]** *Board* retain the conveyed property for the use and benefit of the Anderson **[County]** *Board* Department of Education.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a)

shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the **【County】 Board**.

* * * * *

PART II—NAVY CONVEYANCES

* * * * *

SEC. 2837. LEASE TO FACILITATE CONSTRUCTION OF RESERVE CENTER, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

(a) LEASE OF PROPERTY FOR CONSTRUCTION OF RESERVE CENTER.—(1) The Secretary of the Navy may lease, without reimbursement, to the **【State of Mississippi (in this section referred to as the “State”)] County of Lauderdale, Mississippi (in this section referred to as the “County”)**, approximately five acres of real property located at Naval Air Station, Meridian, Mississippi. The **【State】 County** shall use the property to construct a reserve center of approximately 22,000 square feet and ancillary supporting facilities.

(2) The term of the lease under this subsection shall expire on the same date that the lease authorized by subsection (b) expires.

(b) LEASEBACK OF RESERVE CENTER.—(1) The Secretary may lease from the **【State】 County** the property and improvements constructed pursuant to subsection (a) for a five-year period. The term of the lease shall begin on the date on which the improvements are available for occupancy, as determined by the Secretary.

(2) Rental payments under the lease under paragraph (1) may not exceed \$200,000 per year, and the total amount of the rental payments for the entire period may not exceed 20 percent of the total cost of constructing the reserve center and ancillary supporting facilities.

(3) Subject to the availability of appropriations for this purpose, the Secretary may use funds appropriated pursuant to an authorization of appropriations for the operation and maintenance of the Naval Reserve to make rental payments required under this subsection.

(c) EFFECT OF TERMINATION OF LEASES.—At the end of the lease term under subsection (b), the **【State】 County** shall convey, without reimbursement, to the United States all right, title, and interest of the **【State】 County** in the reserve center and ancillary supporting facilities subject to the lease.

* * * * *

SECTION 2401 OF THE MILITARY CONSTRUCTION AUTHORIZATION ACT FOR FISCAL YEAR 1995

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Agents and Munitions Destruction	Anniston Army Depot, Alabama	\$5,000,000
	Pine Bluff Arsenal, Arkansas	【\$115,000,000】
		<i>\$134,000,000</i>
	Tooele Army Depot, Utah	\$4,000,000
	Umatilla Army Depot, Oregon	【\$186,000,000】
		<i>\$187,000,000</i>
* *	* * *	*

SECTION 204 OF THE DEFENSE AUTHORIZATION AMENDMENTS AND BASE CLOSURE AND REALIGNMENT ACT

SEC. 204. IMPLEMENTATION.

(a) * * *

(b) MANAGEMENT AND DISPOSAL OF PROPERTY.—(1) * * *

* * * * * *

(5)(A) Except as provided in **【subparagraph (B)】** *subparagraphs (B) and (C)*, the Secretary shall take such actions as the Secretary determines necessary to ensure that final determinations under paragraph (1) regarding whether another department or agency of the Federal Government has identified a use for any portion of a military installation to be closed under this title after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1994, or will accept transfer of any portion of such installation, are made not later than 6 months after such date of enactment.

* * * * * *

(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation to be closed or realigned under this title as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall consult with the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were consid-

ered to be unsuitable or unavailable for the site of the new or replacement facility.

* * * * *

SECTION 2905 OF THE DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990

SEC. 2905. IMPLEMENTATION.

(a) * * *

(b) MANAGEMENT AND DISPOSAL OF PROPERTY.—(1) * * *

* * * * *

(5)(A) Except as provided in [subparagraph (B)] *subparagraphs (B) and (C)*, the Secretary shall take such actions as the Secretary determines necessary to ensure that final determinations under paragraph (1) regarding whether another department or agency of the Federal Government has identified a use for any portion of a military installation to be closed under this part, or will accept transfer of any portion of such installation, are made not later than 6 months after the date of approval of closure of that installation.

* * * * *

(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation to be closed or realigned under this part as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall consult with the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

* * * * *

THE MILITARY CONSTRUCTION AUTHORIZATION ACT, 1985

* * * * *

TITLE VIII—GENERAL PROVISIONS

* * * * *

PART C—REAL PROPERTY TRANSACTIONS

* * * * *

LAND CONVEYANCE, LOMPOC, CALIFORNIA

SEC. 834. (a) * * *

(b)(1) The conveyance authorized by subsection (a) shall be subject to the condition that the real property conveyed shall be used by the City—

[(A) for the Lompoc, California, Western Spaceport Museum and Science Center as a permanent site for a space science museum;

[(B) for educational and recreational purposes related to the purpose described in subparagraph (A); or]

(A) for educational and recreational purposes;

(B) for open space; or

* * * * *

LAND CONVEYANCE, RIVERSIDE COUNTY, CALIFORNIA

SEC. 835. (a) * * *

(b) In consideration for the conveyance by the Secretary under subsection (a), the Corporation shall pay to the United States an amount of money equal to the fair market value (as determined by the Secretary) of the land authorized to be conveyed under [subsection (b)] subsection (a).

(c) The land referred to in subsection (a) is a portion of March Air Force Base, California, composed of one parcel containing approximately 150 acres. The tract of land is on west March Air Force Base bounded on the east by [Clark Street, on the west by Allen Street, on the south by 5th Street, and the north is an extension of 11th Street between Allen and Clark Streets.] Village West Drive, on the west by Allen Avenue, on the south by 8th Street, and the north is an extension of 11th Street between Allen Avenue and Clark Street.

* * * * *

SECTION 5 OF THE ROCKY MOUNTAIN ARSENAL NATIONAL WILDLIFE REFUGE ACT OF 1992

SEC. 5. DISPOSAL OF CERTAIN REAL PROPERTY AT THE ARSENAL FOR COMMERCIAL, HIGHWAY, OR OTHER PUBLIC USE.

(a) * * *

* * * * *

(c) TRANSFER FOR SALE.—(1) The Secretary of the Army shall transfer to the Administrator of the General Services Administration those parcels of the area of real property described in subsection (a)(1). [The transferred property shall be sold in advertised sales] The Administrator shall convey the transferred property to Commerce City, Colorado, in a negotiated sale, as surplus property under the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), except that the provi-

sions of such Act relating to reduced- or no-cost transfers to other governmental entities shall not apply to this property.

* * * * *

SECTION 810 OF THE MILITARY CONSTRUCTION AUTHORIZATION ACT, 1968

【SEC. 810. (a) The Naval Academy Dairy Farm is a self-supporting operation, an economic and morale-building asset to the Department of the Navy, and shall continue in its present status and function.

【(b) Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or any other provision of law, the real property located in Gambrills, Anne Arundel County, Maryland, and comprising the Naval Academy Dairy Farm shall not be determined excess to the needs of the holding agency or transferred, reassigned, or otherwise disposed of by such agency, nor shall any action be taken by the Navy to close, dispose of or phase out the Naval Academy Dairy Farm unless specially authorized by an Act of Congress.】

ACT OF SEPTEMBER 15, 1960

(Public Law 86-797, Commonly Known as the "Sikes Act")

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sikes Act".

TITLE I—CONSERVATION PROGRAMS ON 【MILITARY RESERVATIONS】 *MILITARY INSTALLATIONS*

SEC. 101. (a)(1) The Secretary of Defense 【is authorized to】 *shall* carry out a program of planning for, and the development, maintenance, and coordination of, wildlife, fish, and game conservation and rehabilitation 【in each military reservation in accordance with a cooperative plan】 *on military installations. Under the program, the Secretary shall prepare and implement for each military installation in the United States an integrated natural resource management plan* mutually agreed upon by the Secretary of Defense, the Secretary of the Interior, and the appropriate State agency designated by the State in which 【the reservation】 *the installation* is located, *except that the Secretary is not required to prepare such a plan for a military installation if the Secretary determines that preparation of such a plan for the installation is not appropriate.*

(2) *Consistent with essential military requirements to enhance the national security of the United States, the Secretary of Defense shall manage each military installation to provide—*

(A) *for the conservation of fish and wildlife on the military installation and sustained multipurpose uses of those resources, including hunting, fishing, and trapping; and*

(B) *public access that is necessary or appropriate for those uses.*

(b) Each 【cooperative plan】 *integrated natural resource management plan* entered into under subsection (a)—

- (1) shall provide for—
- (A) fish and wildlife habitat improvements or modifications,
 - (B) range rehabilitation where necessary for support of wildlife,
 - (C) control of off-road vehicle traffic, **[and]**
 - (D) specific habitat improvement projects and related activities and adequate protection for species of fish, wildlife, and plants considered threatened or endangered**【;】**,
 - (E) *wetland protection and restoration, and wetland creation where necessary, for support of fish or wildlife,*
 - (F) *consideration of conservation needs for all biological communities, and*
 - (G) *the establishment of specific natural resource management goals, objectives, and time-frames for proposed actions;*
- (2) shall for the military installation for which it is prepared—
- (A) *address the needs for fish and wildlife management, land management, forest management, and wildlife-oriented recreation,*
 - (B) *ensure the integration of, and consistency among, the various activities conducted under the plan,*
 - (C) *ensure that there is no net loss in the capability of installation lands to support the military mission of the installation,*
 - (D) *provide for sustained use by the public of natural resources, to the extent that such use is not inconsistent with the military mission of the installation or the needs of fish and wildlife management,*
 - (E) *provide the public access to the installation that is necessary or appropriate for that use, to the extent that access is not inconsistent with the military mission of the installation, and*
 - (F) *provide for professional enforcement of natural resource laws and regulations;*
- 【(2)】** (3) must be reviewed as to operation and effect by the parties thereto on a regular basis, but not less often than every 5 years;
- 【(3)】** shall, if a multiuse natural resources management plan is applicable to the military reservation, be treated as the exclusive component of that management plan with respect to wildlife, fish, and game conservation and rehabilitation; and**【】**
- (4) may stipulate the issuance of special State hunting and fishing permits to individuals and require payment of nominal fees therefor, which fees shall be utilized for the protection, conservation, and management of fish and wildlife, including habitat improvement and related activities in accordance with the **【cooperative plan】** *integrated natural resource management plan*; except that—
- (A) the Commanding Officer of **【the reservation】** *the installation* or persons designated by that Officer are authorized to enforce such special hunting and fishing permits and to **【collect the fees therefor,】** *collect, spend, admin-*

ister, and account for fees therefor, acting as agent or agents for the State if the [cooperative plan] *integrated natural resource management plan* so provides, and

(B) the fees collected under this paragraph may not be expended with respect to other than the military [reservation] *installation* on which collected, *unless that military installation is subsequently closed, in which case the fees may be transferred to another military installation to be used for the same purposes.*

(c) After [a cooperative plan] *an integrated natural resource management plan* is agreed to under subsection (a)—

(1) no sale of land, or forest products from land, that is within [a military reservation] *a military installation* covered by that plan may be made under section 2665 (a) or (b) of title 10, United States Code; and

(2) no leasing of land that is within [the reservation] *the installation* may be made under section 2667 of such title 10; unless the effects of that sale or leasing are compatible with the purposes of the plan.

(d) With regard to the implementation and enforcement of [cooperative plans] *integrated natural resource management plans* agreed to under subsection (a)—

(1) neither Office of Management and Budget Circular A-76 nor any successor circular thereto applies to the procurement of services that are necessary for that implementation and enforcement; and

(2) priority shall be given to the entering into of contracts for the procurement of such implementation and enforcement services with Federal and State agencies having responsibility for the conservation or management of fish or wildlife.

(e) [Cooperative plans] *Integrated natural resource management plans* agreed to under the authority of this section and section 102 shall not be deemed to be, nor treated as, cooperative agreements to which the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) applies.

(f) *PUBLIC COMMENT.*—*The Secretary of Defense shall provide an opportunity for public comment on each integrated natural resource management plan prepared under subsection (a).*

(g) *REVIEWS AND REPORTS.*—

(1) *SECRETARY OF DEFENSE.*—*The Secretary of Defense shall, by not later than March 1 of each year, review the extent to which integrated natural resource management plans were prepared or in effect and implemented in accordance with this Act in the preceding year, and submit a report on the findings of that review to the committees. Each report shall include—*

(A) *the number of integrated natural resource management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;*

(B) *the amount of moneys expended on conservation activities conducted pursuant to those plans in the year covered by the report, including amounts expended under the Legacy Resource Management Program established under*

section 8120 of the Act of November 5, 1990 (Public Law 101-511; 104 Stat. 1905); and

(C) an assessment of the extent to which the plans comply with the requirements of subsection (b)(1) and (2), including specifically the extent to which the plans ensure in accordance with subsection (b)(2)(C) that there is no net loss of lands to support the military missions of military installations.

(2) *SECRETARY OF THE INTERIOR.*—The Secretary of the Interior, by not later than March 1 of each year and in consultation with State agencies responsible for conservation or management of fish or wildlife, shall submit a report to the committees on the amount of moneys expended by the Department of the Interior and those State agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resource management plans.

(3) *COMMITTEES DEFINED.*—For purposes of this subsection, the term “committees” means the Committee on Resources and the Committee on National Security of the House of Representatives and the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.

SEC. 102. The Secretary of Defense in cooperation with the Secretary of Interior and the appropriate State agency is authorized to carry out a program for the conservation, restoration and management of migratory game birds on [military reservations] *military installations*, including the issuance of special hunting permits and the collection of fees therefor, in accordance with [a cooperative plan] *an integrated natural resource management plan* mutually agreed upon by the Secretary of Defense, the Secretary of the Interior and the appropriate State agency: *Provided*, That possession of a special permit for hunting migratory game birds issued pursuant to this title shall not relieve the permittee of the requirements of the Migratory Bird Hunting Stamp Act as amended nor of the requirements pertaining to State law set forth in Public Law 85-337.

SEC. 103. The Secretary of Defense is also authorized to carry out a program for the development, enhancement, operation, and maintenance of public outdoor recreation resources at [military reservations] *military installations* in accordance with [a cooperative plan] *an integrated natural resource management plan* mutually agreed upon by the Secretary of Defense and the Secretary of the Interior, in consultation with the appropriate State agency designated by the State in which [such reservations] *such installations* are located.

SEC. 103a. (a) * * *

(b) A cooperative agreement shall provide for the Secretary of Defense and the other party or parties to the agreement—

(1) to contribute funds on a [matching basis] *cost-sharing basis* to defray the cost of programs, projects, and activities under the agreement; or

(2) to furnish services on a [matching basis] *cost-sharing basis* to carry out such programs, projects, and activities, or to do both.

(c) Cooperative agreements entered into under this section shall be subject to the availability of funds and shall not be considered, nor be treated as, cooperative agreements to which chapter 63 of title 31, United States Code, applies, and shall not be subject to section 1535 of that title.

* * * * *

SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

All Federal laws relating to the conservation of natural resources on Federal lands may be enforced by the Secretary of Defense with respect to violations of those laws which occur on military installations within the United States.

SEC. 107. NATURAL RESOURCE MANAGEMENT SERVICES.

The Secretary of each military department shall ensure that sufficient numbers of professionally trained natural resource management personnel and natural resource law enforcement personnel are available and assigned responsibility to perform tasks necessary to comply with this Act, including the preparation and implementation of integrated natural resource management plans.

SEC. 108. DEFINITIONS.

In this title:

(1) **MILITARY INSTALLATION.**—*The term “military installation”—*

(A) means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department; and

(B) includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department.

(2) **STATE FISH AND WILDLIFE AGENCY.**—*The term “State fish and wildlife agency” means an agency of State government that is responsible under State law for managing fish or wildlife resources.*

(3) **UNITED STATES.**—*The term “United States” means the States, the District of Columbia, and the territories and possessions of the United States.*

SEC. 109. (a) *The Secretary of Defense shall expend such funds as may be collected in accordance with the integrated natural resource management plans agreed to under sections 101 and 102 and cooperative agreements agreed to under section 103a of this title, and for no other purpose. All funds that are so collected shall remain available until expended.*

(b) *There are authorized to be appropriated to the Secretary of Defense not to exceed \$1,500,000 for each of the fiscal years 1983 through 2000, to carry out this title, including the enhancement of fish and wildlife habitat and the development of public recreation and other facilities, and to carry out such functions and responsibilities as the Secretary may have under cooperative agreements entered into under section 103a. The Secretary of Defense shall, to the greatest extent practicable, enter into agreements to utilize the services, personnel, equipment, and facilities, with or without reim-*

bursement, of the Secretary of the Interior in carrying out the provisions of this section.

(c) There are authorized to be appropriated to the Secretary of the Interior not to exceed \$3,000,000 for each of the fiscal years 1983 through 2000, to carry out such functions and responsibilities as the Secretary may have under integrated natural resource management plans to which such Secretary is a party under this section, including those for the enhancement of fish and wildlife habitat and the development of public recreation and other facilities.

(d) The Secretary of Defense and the Secretary of the Interior may each use any authority available to him under other laws relating to fish, wildlife, or plant conservation or rehabilitation for purposes of carrying out the provisions of this title.

* * * * *

TITLE II—CONSERVATION PROGRAMS ON CERTAIN PUBLIC LAND

* * * * *

SEC. 209. (a) There are authorized to be appropriated [the sum of \$10,000,000 for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, and 1993, to enable the Secretary of the Interior] *\$4,000,000 for each of fiscal years 1998 through 2000, to enable the Secretary of the Interior* to carry out his functions and responsibilities under this title, including data collection, research, planning, and conservation and rehabilitation programs on public lands. Such funds shall be in addition to those authorized for wildlife, range, soil, and water management pursuant to section 318 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1748), or other provisions of law.

(b) There are authorized to be appropriated [the sum of \$12,000,000 for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, and 1993, to enable the Secretary of Agriculture] *\$5,000,000 for each of fiscal years 1998 through 2000, to enable the Secretary of Agriculture* to carry out his functions and responsibilities under this title. Such funds shall be in addition to those provided under other provisions of law. In requesting funds under this subsection the Secretary shall take into account fish and wildlife program needs, including those for projects, identified in the State comprehensive plans as contained in the program developed pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1601–1610).

* * * * *

SECTION 2 OF THE ACT OF OCTOBER 27, 1986

AN ACT To enhance the carrying out of fish and wildlife conservation and natural resource management programs on military reservations, and for other purposes.

* * * * *

[SEC. 2. NATURAL RESOURCES AND FISH AND WILDLIFE MANAGEMENT ON MILITARY RESERVATIONS; REPORT ON MILITARY EXPENDITURES FOR FISH AND WILDLIFE MANAGEMENT.]

[(a) NATURAL RESOURCES MANAGEMENT.—The Secretary of each military department shall manage the natural resources of each military reservation within the United States that is under the jurisdiction of the Secretary—

[(1) so as to provide for sustained multipurpose uses of those resources; and

[(2) to provide the public access that is necessary or appropriate for those uses;

to the extent that those uses and that access are not inconsistent with the military mission of the reservation.

[(b) FISH AND WILDLIFE MANAGEMENT SERVICES.—The Secretary of each military department shall ensure, to the extent feasible, that the services necessary for the development, implementation, and enforcement of fish and wildlife management on each military reservation within the United States under the jurisdiction of the Secretary are provided by the Department of Defense personnel who have professional training in those services.

[(c) FISH AND WILDLIFE MANAGEMENT REPORT.—The Secretary of each military department shall submit to each House of the Congress, before the close of the 180-day period occurring after the close of fiscal year 1986, a detailed report setting forth the amount and purpose of all expenditures made during fiscal year 1986 for fish and wildlife management on each military reservation in the United States under the jurisdiction of the Secretary.

[(d) DEFINITIONS.—As used in this section—

[(1) The term “military department” means the Department of the Army, the Department of the Navy, and the Department of the Air Force.

[(2) The term “United States” means the States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.]

SECTION OF THE 210 DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION ACT OF 1981

[RESTRICTION ON LICENSING REQUIREMENT FOR CERTAIN DEFENSE ACTIVITIES AND FACILITIES

[SEC. 210. None of the funds authorized to be appropriated by this or any other Act may be used for any purpose related to licensing of any defense activity or facility of the Department of Energy by the Nuclear Regulatory Commission.]

SECTION 6 OF THE STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

STOCKPILE MANAGEMENT

SEC. 6. (a) * * *

(b) Except as provided in subsections (c) and (d), acquisition of strategic and critical materials under this Act shall be made in accordance with established Federal procurement practices, and, except as provided in subsections (c) and (d) and in section 7(a), disposal of [materials from the stockpile shall be made by formal advertising or competitive negotiation procedures.] *strategic and critical materials from the stockpile shall be made in accordance with the next sentence.* To the maximum extent feasible—

(1) * * *

* * * * *

SECTION 2 OF THE ACT OF DECEMBER 12, 1979

AN ACT To authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes.

[SEC. 2. The Secretary of the Navy, in coordination with the Secretary of Energy, shall insure that commissioned officers of the Navy on active duty continue to be assigned to key management positions within the Office of Naval Petroleum and Oil Shale Reserves in the Department of Energy. The position of Director of such Office shall continue to be filled by a qualified officer of the Navy on active duty in the grade of captain.]

PANAMA CANAL ACT OF 1979

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* * * * *

DEFINITIONS

SEC. 3. (a) * * *

(b) Subject to the provisions of subsection (c) of this section, for purposes of applying [the Canal Zone Code or other laws of the United States and regulations issued pursuant to such Code or other laws] laws of the United States and regulations issued pursuant to such laws with respect to transactions, occurrences, or status on or after [the effective date of this Act] October 1, 1979—

(1) * * *

* * * * *

(c) Any reference set forth in subsection (b) of this section shall apply except as otherwise provided in this Act or unless (1) such reference is inconsistent with the provisions of this Act, (2) in the context in which a term is used such reference is clearly not intended, or (3) a term refers to a time before [the effective date of this Act] October 1, 1979.

(d) For purposes of this Act:

(1) The term "Canal Transfer Date" means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

(2) The term "Panama Canal Authority" means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.

TITLE I—ADMINISTRATION AND REGULATIONS

CHAPTER 1—PANAMA CANAL COMMISSION

* * * * *

GENERAL POWERS OF COMMISSION

SEC. 1102a. (a) * * *

* * * * *

(g)(1) The Commission may appoint any United States citizen to have the general powers of a notary public to perform, on behalf of Commission employees and their dependents outside the United States, any notarial act that a notary public is required or authorized to perform within the United States. Unless an earlier expiration is provided by the terms of the appointment, any such appointment shall expire three months after the Canal Transfer Date.

(2) Every notarial act performed by a person acting as a notary under paragraph (1) shall be as valid, and of like force and effect within the United States, as if executed by or before a duly authorized and competent notary public in the United States.

(3) The signature of any person acting as a notary under paragraph (1), when it appears with the title of that person's office, is

prima facie evidence that the signature is genuine, that the person holds the designated title, and that the person is authorized to perform a notarial act.

[(g)] (h) The authority of the Commission under this section and section [1102B] 1102b is subject to the Panama Canal Treaty of 1977 and related agreements, and to chapter 91 of title 31, United States Code.

SPECIFIC POWERS OF COMMISSION

SEC. 1102b. (a) * * *

* * * * *

(e) *The Commission may conduct and promote commercial activities related to the management, operation, or maintenance of the Panama Canal. Any such commercial activity shall be carried out consistent with the Panama Canal Treaty of 1977 and related agreements.*

ADMINISTRATOR

SEC. 1103. (a) * * *

* * * * *

(c) *The Congress consents, for purposes of the 8th clause of article I, section 9 of the Constitution of the United States, to the acceptance by the individual serving as Administrator of the Commission of appointment by the Republic of Panama to the position of Administrator of the Panama Canal Authority. Such consent is effective only if that individual, while serving in both such positions, serves as Administrator of the Panama Canal Authority without compensation, except for payments by the Republic of Panama of travel and entertainment expenses, including per diem payments.*

(d) *The Administrator, with respect to participation in any matter as Administrator of the Panama Canal Commission (whether such participation is before, on, or after the date of the enactment of the Panama Canal Transition Facilitation Act of 1997), shall not be subject to section 208 of title 18, United States Code, insofar as the matter relates to prospective employment as Administrator of the Panama Canal Authority.*

(e) *If the Republic of Panama appoints as the Administrator of the Panama Canal Authority the individual serving as the Administrator of the Commission and if that individual accepts the appointment—*

(1) *the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), shall not apply to that individual with respect to service as the Administrator of the Panama Canal Authority;*

(2) *that individual, with respect to participation in any matter as the Administrator of the Panama Canal Commission, is not subject to section 208 of title 18, United States Code, insofar as the matter relates to service as, or performance of the duties of, the Administrator of the Panama Canal Authority; and*

(3) *that individual, with respect to official acts performed as the Administrator of the Panama Canal Authority, is not subject to the following:*

(A) *Sections 203 and 205 of title 18, United States Code.*

(B) Effective upon termination of the individual's appointment as Administrator of the Panama Canal Commission at noon on the Canal Transfer Date, section 207 of title 18, United States Code.

(C) Sections 501(a) and 502(a)(4) of the Ethics in Government Act of 1978 (5 U.S.C. App.), with respect to compensation received for, and service in, the position of Administrator of the Panama Canal Authority.

* * * * *

SEC. 1110

AUTHORITY OF THE AMBASSADOR

SEC. 1110. (a) * * *

(b)(1) * * *

* * * * *

(2) Except as provided in paragraph (1) of this subsection, [section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a),] *section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)* shall apply with respect to the activities of the Commission.

* * * * *

CODE OF CONDUCT FOR COMMISSION PERSONNEL

SEC. 1112. (a) * * *

(b) Not later than 60 days after all the members of the Board of the Commission have been appointed, the Board shall adopt a code of conduct applicable to the persons referred to in subsection (a) of this section. The code of conduct shall contain provisions substantially equivalent to those contained in part 735 of title 5 of the Code of Federal Regulations on [the effective date of this Act] *October 1, 1979*. The code of conduct shall, at a minimum, contain provisions substantially equivalent to the following provisions of law:

(1) * * *

* * * * *

(e) Effective as of the Canal Transfer Date, section 207 of title 18, United States Code, shall not apply to an individual who is an officer or employee of the Panama Canal Authority, but only with respect to official acts of that individual as an officer or employee of the Authority and only in the case of an individual who was an officer or employee of the Commission and whose employment with the Commission was terminated at noon on the Canal Transfer Date.

(f)(1) The Congress consents to the following persons accepting civil employment (and compensation for that employment) with the Panama Canal Authority for which the consent of the Congress is required by the last paragraph of section 9 of article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government:

(A) Retired members of the uniformed services.

(B) Members of a reserve component of the armed forces.

(C) Members of the Commissioned Reserve Corps of the Public Health service.

(2) *The consent of the Congress under paragraph (1) is effective without regard to subsection (b) of section 908 of title 37, United States Code (relating to approval required for employment of Reserve and retired members by foreign governments).*

* * * * *

CHAPTER 2—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

* * * * *

APPOINTMENT AND COMPENSATION; DUTIES

SEC. 1202. (a) * * *

* * * * *

(c) *In the case of an individual who is an officer or employee of the Commission on the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997 and who has not had a break in service with the Commission since that date, the rate of basic pay for that officer or employee on or after that date may not be less than the rate in effect for that officer or employee on the day before that date of enactment except—*

- (1) *as provided in a collective bargaining agreement;*
- (2) *as a result of an adverse action against the officer or employee; or*
- (3) *pursuant to a voluntary demotion.*

* * * * *

Subchapter II—Wage and Employment Practices

【TRAVEL AND TRANSPORTATION】

AIR TRANSPORTATION

SEC. 1210. 【(a) Subject to subsections (b) and (c), the Commission may pay travel and transportation expenses for employees in accordance with subchapter II of chapter 57 of title 5, United States Code.

【(b) For an employee to whom section 1206 applies, the Commission may pay travel and transportation expenses associated with vacation leave for the employee and the immediate family of the employee notwithstanding requirements regarding periods of service established by subchapter II of chapter 57 of title 5, United States Code, or the regulations promulgated thereunder.

【(c) For an employee to whom section 1206 does not apply, the Commission may pay travel and transportation expenses associated with vacation leave for the employee and the immediate family of the employee notwithstanding requirements regarding a written agreement concerning the duration of a continuing service obligation established by subchapter II of chapter 57 of title 5, United States Code, or the regulations promulgated thereunder.】

【(d)(1) (a) Notwithstanding any other provision of law (except 【paragraph (2)】 subsection (b)), the Commission may contract with Panamanian carriers registered under the laws of the Republic of

Panama to provide air transportation to officials and employees of the Commission who are citizens of the Republic of Panama.

[(2) Notwithstanding paragraph (1), an] (b) An official or employee of the Commission [referred to in paragraph (1)] who is a citizen of the Republic of Panama may elect, for security or other reasons, to travel by an air carrier holding a certificate under section 41102 of title 49, United States Code.

* * * * *

PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS

SEC. 1212. (a) * * * (b)(1) * * *

* * * * *

(3) Notwithstanding any other provision of this Act or the Panama Canal Act Amendments of 1996, this subchapter, [as last in effect before the effective date of section 3530 of the Panama Canal Act Amendments of 1996] as in effect on September 22, 1996, shall continue to apply to an Executive agency or the Smithsonian Institution to the extent of an election under paragraph (1) by the head of agency or the Institution, respectively.

* * * * *

UNIFORM APPLICATION OF STANDARDS AND RATES

SEC. 1216. The standards established pursuant to section 1213 of this Act and the rates of basic pay established pursuant to section [1215] 1202 of the Act shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

RECRUITMENT AND RETENTION REMUNERATION

SEC. 1217. (a) * * *

* * * * *

(c)(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the Commission determines that the Commission would be likely, in the absence of such a bonus, to have difficulty in filling the position.

(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment with the Commission established by the Commission. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

(3) A relocation bonus under this subsection may be paid as a lump sum. A recruitment bonus under this subsection shall be paid on a pro rata basis over the period of employment covered by the

agreement under paragraph (2). A bonus under this subsection may not be considered to be part of the basic pay of an employee.

(d)(1) *The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—*

(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

(2) *A retention bonus under this subsection—*

(A) shall be in a fixed amount;

(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

(C) may not be considered to be part of the basic pay of an employee.

(3) *A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.*

[(c)] (e) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

BENEFITS BASED ON BASIC PAY

SEC. 1218. For the purposes of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, relating to retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section **[1215]** 1202 of this Act plus the amount of any additional compensation provided under section **[1217]** 1217(a) of this Act.

* * * * *

PANAMA CANAL BOARD OF APPEALS; DUTIES

SEC. 1221. (a) Subject to the provisions of this chapter, the [President] Commission shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

* * * * *

APPEALS TO BOARD; PROCEDURES; FINALITY OF DECISIONS

SEC. 1222. (a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 1220 of this Act. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the [President] Commission) after the date of the transmittal by the agency to the employee of written notice of the adverse determination.

* * * * *

Subchapter III—Conditions of Employment and Placement

TRANSFERRED OR REEMPLOYED EMPLOYEES

SEC. 1231. (a) * * *

* * * * *

(c)(1) * * *

* * * * *

(3)(A) The head of a department or agency of the United States may grant a sabbatical to any teacher to whom paragraph (1) of this subsection applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. Basic compensation shall be paid to teachers on sabbatical under this section in the same manner and to the same extent as basic compensation would have been paid to teachers on sabbatical while employed in the Canal Zone Government school system on [the day before the effective date of this Act] *September 30, 1979*. A sabbatical shall not result in a loss of, or reduction in, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the department or agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowance) as the head of the department or agency may determine to be essential for the study or experience.

* * * * *

TRANSITION SEPARATION INCENTIVE PAYMENTS

SEC. 1233. (a) *In applying to the Commission and employees of the Commission the provisions of section 663 of the Treasury, Postal*

Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104-208; 110 Stat. 3009-383), relating to voluntary separation incentives for employees of certain Federal agencies (in this section referred to as "section 663")—

(1) the term "employee" shall mean an employee of the Commission who has served in the Republic of Panama in a position with the Commission for a continuous period of at least three years immediately before the employee's separation under an appointment without time limitation and who is covered under the Civil Service Retirement System or the Federal Employees' Retirement System under subchapter III of chapter 83 or chapter 84, respectively, of title 5, United States Code, other than—

(A) an employee described in any of subparagraphs (A) through (F) of subsection (a)(2) of section 663; or

(B) an employee of the Commission who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 1217(c) of this Act or who, within the 12-month period preceding the date of separation, received a retention bonus under section 1217(d) of this Act;

(2) the strategic plan under subsection (b) of section 663 shall include (in lieu of the matter specified in subsection (b)(2) of that section)—

(A) the positions to be affected, identified by occupational category and grade level;

(B) the number and amounts of separation incentive payments to be offered; and

(C) a description of how such incentive payments will facilitate the successful transfer of the Panama Canal to the Republic of Panama;

(3) a separation incentive payment under section 663 may be paid to a Commission employee only to the extent necessary to facilitate the successful transfer of the Panama Canal by the United States of America to the Republic of Panama as required by the Panama Canal Treaty of 1977;

(4) such a payment—

(A) may be in an amount determined by the Commission not to exceed \$25,000; and

(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of an eligible employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section or during the period beginning on October 1, 1998, and ending on December 31, 1998;

(5) in the case of not more than 15 employees who (as determined by the Commission) are unwilling to work for the Panama Canal Authority after the Canal Transfer Date and who occupy critical positions for which (as determined by the Commission) at least two years of experience is necessary to ensure that seasoned managers are in place on and after the Canal

Transfer Date, such a payment (notwithstanding paragraph (4))—

(A) may be in an amount determined by the Commission not to exceed 50 percent of the basic pay of the employee; and

(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of such an employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section; and

(6) the provisions of subsection (f) of section 663 shall not apply.

(b) A decision by the Commission to exercise or to not exercise the authority to pay a transition separation incentive under this section shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.

Subchapter IV—Retirement

* * * * *

RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 1243. (a) * * *

* * * * *

(c)(1) * * *

(2) The retirement annuity referred to in paragraph (1) of this subsection with respect to any employee will cover [retroactivity] retroactively, from October 1, 1979, all periods of service, described in subparagraph (D) of that paragraph, by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

* * * * *

Subchapter VII—Labor-Management Relations

LABOR-MANAGEMENT RELATIONS

SEC. 1271. (a) * * *

* * * * *

(c)(1) This subsection applies to any matter that becomes the subject of collective bargaining between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this subsection and ending on the Canal Transfer Date.

(2)(A) The resolution of impasses resulting from collective bargaining between the Commission and any such exclusive representa-

tive during that period shall be conducted in accordance with such procedures as may be mutually agreed upon between the Commission and the exclusive representative (without regard to any otherwise applicable provisions of chapter 71 of title 5, United States Code). Such mutually agreed upon procedures shall become effective upon transmittal by the Chairman of the Commission to the Congress of notice of the agreement to use those procedures and a description of those procedures.

(B) The Federal Services Impasses Panel shall not have jurisdiction to resolve any impasse between the Commission and any such exclusive representative in negotiations over a procedure for resolving impasses.

(3) If the Commission and such an exclusive representative do not reach an agreement concerning a procedure for resolving impasses with respect to a bargaining unit and transmit notice of the agreement under paragraph (2) on or before July 1, 1998, the following shall be the procedure by which collective bargaining impasses between the Commission and the exclusive representative for that bargaining unit shall be resolved:

(A) If bargaining efforts do not result in an agreement, the parties shall request the Federal Mediation and Conciliation Service to assist in achieving an agreement.

(B) If an agreement is not reached within 45 days after the date on which either party requests the assistance of the Federal Mediation and Conciliation Service in writing (or within such shorter period as may be mutually agreed upon by the parties), the parties shall be considered to be at an impasse and shall request the Federal Services Impasses Panel of the Federal Labor Relations Authority to decide the impasse.

(C) If the Federal Services Impasses Panel fails to issue a decision within 90 days after the date on which its services are requested (or within such shorter period as may be mutually agreed upon by the parties), the efforts of the Panel shall be terminated.

(D) In such a case, the Chairman of the Panel (or another member in the absence of the Chairman) shall immediately determine the matter by a drawing (conducted in such manner as the Chairman (or, in the absence of the Chairman, such other member) determines appropriate) between the last offer of the Commission and the last offer of the exclusive representative, with the offer chosen through such drawing becoming the binding resolution of the matter.

(4) In the case of a notice of agreement described in paragraph (2)(A) that is transmitted to the Congress as described in the second sentence of that paragraph after July 1, 1998, the impasse resolution procedures covered by that notice shall apply to any impasse between the Commission and the other party to the agreement that is unresolved on the date on which that notice is transmitted to the Congress.

CHAPTER 3—FUNDS AND ACCOUNTS

Subchapter I—Funds

PANAMA CANAL REVOLVING FUND

SEC. 1302. (a) There is established in the Treasury of the United States a revolving fund to be known as “Panama Canal Revolving Fund”. The Panama Canal Revolving Fund shall, subject to subsection (b), be available to the Commission to carry out the purposes, functions, and powers authorized by this Act, including ~~for—~~ for the following purposes:

- (1) ~~the~~ The hire of passenger motor vehicles and aircraft~~;~~;
- (2) ~~uniforms~~ Uniforms or allowances therefor~~;~~;
- (3) ~~official~~ Official receptions and representation expenses of the Board, the Secretary of the Commission, and the Administrator~~;~~;
- (4) ~~the~~ The operation of guide services~~;~~;
- (5) ~~a~~ A residence for the Administrator~~;~~;
- (6) ~~disbursements~~ Disbursements by the Administrator for employee and community projects~~;~~;
- (7) ~~the~~ The procurement of expert and consultant services~~;~~;
- (8) ~~promotional~~ Promotional activities, including the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, film, or other media presentation designed to promote the Panama Canal as a resource of the world shipping industry~~;~~ and~~]~~;
- (9) ~~the~~ The purchase and transportation to the Republic of Panama of passenger motor vehicles, including large, heavy-duty vehicles.
- (10) *Payment to the Panama Canal Authority, not later than the Canal Transfer Date, of such amount as is computed by the Commission to be the future amount of severance pay to be paid by the Panama Canal Authority to employees whose employment with the Authority is terminated, to the extent that such severance pay is attributable to periods of service performed with the Commission before the Canal Transfer Date (and assuming for purposes of such computation that the Panama Canal Authority, in paying severance pay to terminated employees, will provide for crediting of periods of service with the Commission).*

* * * * *

PRINTING

SEC. 1306. (a) ~~Section 501~~ Sections 501 through 517 and 1101 through 1123 of title 44, United States Code, shall not apply to direct purchase by the Commission for its use of printing, binding, and blank-book work in the Republic of Panama when the Commission determines that such direct purchase is in the best interest of the Government.

* * * * *

Subchapter III—Interagency Accounts

INTERAGENCY SERVICES; REIMBURSEMENTS

SEC. 1321. (a) * * *

* * * * *

(c) Notwithstanding any other provision of law, funds appropriated (for any fiscal year beginning after September 30, 1979) to or for the use of the Department of Defense, or to any other department or agency of the United States as may be designated by the President to carry out the purposes of this subsection, shall be available for—

(1) conducting the educational and health care activities, including kindergartens and college, carried out by the Canal Zone Government and the Panama Canal Company before [the effective date of this Act] *October 1, 1979*, and

(2) providing the services related thereto to the categories of persons to which such services were provided before [such effective date] *October 1, 1979*.

Notwithstanding any other provision of law, the Department of Defense, or any department or agency designated by the President to provide health care services to those categories of persons referred to in this subsection, shall provide such services to such categories of persons on a basis no less favorable than that applied to its own employees and their dependents.

* * * * *

(e) The appropriations or funds of the Commission, or of any other department or agency of the United States conducting operations in the Republic of Panama, shall be available to defray the cost of—

(1) * * *

(2) educational services provided by schools in the Republic of Panama or the United States, which are not operated by the United States, to employees of the Commission who are citizens of the United States [and persons], *to other Commission employees when determined by the Commission to be necessary for their recruitment or retention, and to other persons who were receiving such services at the expense of the Canal Zone Government before the effective date of this Act.*

Notwithstanding the provisions relating to the availability of adequate schools contained in section 5924(4)(A) of title 5, United States Code, the Commission shall by regulation determine the extent to which costs of educational services may be defrayed under this subsection.

* * * * *

Subchapter V—Accounts With the Republic of Panama

PAYMENTS TO THE REPUBLIC OF PANAMA

SEC. 1341. (a) * * *

* * * * *

(f) The prohibitions contained in this section and in [sections 1302(c)] *sections 1302(b)* and 1503 of this Act shall apply notwithstanding any other provisions of law authorizing transfers of funds between accounts, reprogramming of funds, use of funds for contingency purposes, or waivers of prohibitions.

* * * * *

TRANSACTIONS WITH THE REPUBLIC OF PANAMA

SEC. 1342. (a) The Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Commission or by offset against amounts due the Republic of Panama by the United States.

(b) *The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.*

(c) *Any executive department or agency of the United States may, on a reimbursable basis, provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Authority, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.*

* * * * *

CHAPTER 4—CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

* * * * *

Subchapter II—Vessel Damage

INJURIES IN LOCKS OF CANAL

SEC. 1411. (a) Subject to subsection (b) of this section, the Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels, which may arise by reason of their passage through the locks of the Panama Canal when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence to fault attributable to the vessel, master, crew, or passengers. Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel, whether it is permanent or temporary in character. A vessel is considered to be passing through the locks of the Canal, under the control of officers or employees of the United States, from the time the first towing line is made fast on board before entrance into the locks and until the towing lines are cast off upon, or immediately prior to, departure from the lock chamber. No payment for dam-

ages on a claim may be made under this section unless the claim is filed with the commission **【within 2 years after the date of the injury, or within 1 year after the date of the enactment of the Panama Canal Amendments Act of 1985,】** *within one year after the date of the injury or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997, whichever is later.*

* * * * *

INJURIES OUTSIDE LOCKS

SEC. 1412. The Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels which may arise by reason of their presence in the Panama Canal, or waters adjacent thereto, other than the locks, when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. In the case of a vessel which is required by or pursuant to regulations prescribed pursuant to section 1801 of this Act to have a Panama Canal pilot on duty aboard, damages may not be adjusted and paid for injuries to the vessel, or its cargo, crew, or passengers, incurred while the vessel was underway and in motion, unless at the time the injuries were incurred the navigation or movement of the vessel was under the control of a Panama Canal pilot. No payment for damages on a claim may be made under this section unless the claim is filed with the Commission **【within 2 years after the date of the injury, or within 1 year after the date of the enactment of the Panama Canal Amendments Act of 1985,】** *within one year after the date of the injury or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997, whichever is later.*

* * * * *

ACTIONS ON CLAIMS

SEC. 1416. A claimant for damages pursuant to section 1411(a) or 1412 of this Act who considers himself aggrieved by the findings, determination, or award of the Commission in reference to his claim may bring an action on the claim against the Commission in the United States District Court for the Eastern District of Louisiana. Subject to the provisions of this chapter and of applicable regulations issued pursuant to section 1801 of this Act relative to navigation of the Panama Canal and adjacent waters, such actions shall proceed and be heard by the court without a jury according to the principles of law and rules of practice obtaining generally in like cases between a private party and a department or agency of the United States. Any judgment obtained against the Commission in an action under this subchapter may be paid out of money allotted for the maintenance and operation of the Panama Canal. An action for damages cognizable under this section shall not other-

wise lie against the United States or the Commission, nor in any other court, than as provided in this section; nor may it lie against any officer or employee of the United States or of the Commission. Any action on a claim under this section shall be barred unless the action is brought within **[one year]** *180 days* after the date on which the Commission mails to the claimant written notification of the Commission's final determination with respect to the **[claim, or within one year after the date of the enactment of the Panama Canal Amendments Act of 1985,]** *claim or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,* whichever is later. Attorneys appointed by the Commission shall represent the Commission in any action arising under this subchapter.

* * * * *

CHAPTER 6—TOLLS FOR USE OF THE PANAMA CANAL

* * * * *

BASES OF TOLLS

SEC. 1602. (a) Tolls on merchant vessels, army and navy transports, colliers, tankers, hospital ships, **[supply ships, and yachts]** *and supply ships* shall be based on net vessel tons of one hundred cubic feet each of actual earning capacity, or its equivalent, determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The tolls on vessels in ballast without passengers or cargo may be less than the tolls for vessels with passengers or cargo. *Tolls for small vessels (including yachts), as defined by the Commission, may be set at rates determined by the Commission without regard to the preceding provisions of this subsection.*

* * * * *

TITLE III—GENERAL PROVISIONS

CHAPTER 1—PROCUREMENT

PROCUREMENT SYSTEM

SEC. 3101. (a) *PANAMA CANAL ACQUISITION REGULATION.—(1) The Commission shall establish by regulation a comprehensive procurement system. The regulation shall be known as the "Panama Canal Acquisition Regulation" (in this section referred to as the "Regulation") and shall provide for the procurement of goods and services by the Commission in a manner that—*

(A) applies the fundamental operating principles and procedures in the Federal Acquisition Regulation;

(B) uses efficient commercial standards of practice; and

(C) is suitable for adoption and uninterrupted use by the Republic of Panama after the Canal Transfer Date.

(2) The Regulation shall contain provisions regarding the establishment of the Panama Canal Board of Contract Appeals described in section 3102.

(b) *SUPPLEMENT TO REGULATION.*—The Commission shall develop a Supplement to the Regulation (in this section referred to as the “Supplement”) that identifies both the provisions of Federal law applicable to procurement of goods and services by the Commission and the provisions of Federal law waived by the Commission under subsection (c).

(c) *WAIVER AUTHORITY.*—(1) Subject to paragraph (2), the Commission shall determine which provisions of Federal law should not apply to procurement by the Commission and may waive those laws for purposes of the Regulation and Supplement.

(2) For purposes of paragraph (1), the Commission may not waive—

(A) section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423);

(B) the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), other than section 10(a) of such Act (41 U.S.C. 609(a)); or

(C) civil rights, environmental, or labor laws.

(d) *CONSULTATION WITH ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.*—In establishing the Regulation and developing the Supplement, the Commission shall consult with the Administrator for Federal Procurement Policy.

(e) *EFFECTIVE DATE.*—The Regulation and the Supplement shall take effect on the date of publication in the Federal Register, or January 1, 1999, whichever is earlier.

PANAMA CANAL BOARD OF CONTRACT APPEALS

SEC. 3102. (a) ESTABLISHMENT.—(1) The Secretary of Defense, in consultation with the Commission, shall establish a board of contract appeals, to be known as the Panama Canal Board of Contract Appeals, in accordance with section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607). Except as otherwise provided by this section, the Panama Canal Board of Contract Appeals (in this section referred to as the ‘Board’) shall be subject to the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) in the same manner as any other agency board of contract appeals established under that Act.

(2) The Board shall consist of three members. At least one member of the Board shall be licensed to practice law in the Republic of Panama. Individuals appointed to the Board shall take an oath of office, the form of which shall be prescribed by the Secretary of Defense.

(b) *EXCLUSIVE JURISDICTION TO DECIDE APPEALS.*—Notwithstanding section 10(a)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other provision of law, the Board shall have exclusive jurisdiction to decide an appeal from a decision of a contracting officer under section 8(d) of such Act (41 U.S.C. 607(d)).

(c) *EXCLUSIVE JURISDICTION TO DECIDE PROTESTS.*—The Board shall decide protests submitted to it under this subsection by interested parties in accordance with subchapter V of title 31, United States Code. Notwithstanding section 3556 of that title, section 1491(b) of title 28, United States Code, and any other provision of law, the Board shall have exclusive jurisdiction to decide such protests. For purposes of this subsection—

(1) except as provided in paragraph (2), each reference to the Comptroller General in sections 3551 through 3555 of title 31, United States Code, is deemed to be a reference to the Board;

(2) the reference to the Comptroller General in section 3553(d)(3)(C)(ii) of such title is deemed to be a reference to both the Board and the Comptroller General;

(3) the report required by paragraph (1) of section 3554(e) of such title shall be submitted to the Comptroller General as well as the committees listed in such paragraph;

(4) the report required by paragraph (2) of such section shall be submitted to the Comptroller General as well as Congress; and

(5) section 3556 of such title shall not apply to the Board, but nothing in this subsection shall affect the right of an interested party to file a protest with the appropriate contracting officer.

(d) PROCEDURES.—The Board shall prescribe such procedures as may be necessary for the expeditious decision of appeals and protests under subsections (b) and (c).

(e) COMMENCEMENT.—The Board shall begin to function as soon as it has been established and has prescribed procedures under subsection (d), but not later than January 1, 1999.

(f) TRANSITION.—The Board shall have jurisdiction under subsection (b) and (c) over any appeals and protests filed on or after the date on which the Board begins to function. Any appeals and protests filed before such date shall remain before the forum in which they were filed.

(g) OTHER FUNCTIONS.—The Board may perform functions similar to those described in this section for such other matters or activities of the Commission as the Commission may determine and in accordance with regulations prescribed by the Commission.

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TITLE 5 OF THE UNITED STATES CODE

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PART III—EMPLOYEES

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Subpart D—Pay and Allowances

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CHAPTER 53—PAY RATES AND SYSTEMS

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SUBCHAPTER II—EXECUTIVE SCHEDULE AND PAY RATES

* * * * *

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

- * * * * *
- [Administrator of the Panama Canal Commission.]**
- * * * * *

CHAPTER 57—TRAVEL, TRANSPORTATION, AND SUBSISTENCE

- * * * * *

SUBCHAPTER II—TRAVEL AND TRANSPORTATIONS EXPENSES; NEW APPOINTEES, STUDENT TRAINEES, AND TRANSFERRED EMPLOYEES

- * * * * *

§ 5724. Travel and transportation expenses of employees

(a) Under regulations prescribed under section 5738 of this title and when the head of the agency concerned or his designee authorizes or approves, the agency shall pay from Government funds—

- (1) * * *
- * * * * *

(3) upon the separation (or death in service) of a career appointee, as defined in section 3132(a)(4) of this title, the travel expenses of that individual (if applicable), the transportation expenses of the immediate family of such individual, and the expenses of moving (including transporting, packing, crating, temporarily storing, draying, and unpacking) the household goods of such individual and personal effects not in excess of eighteen thousand pounds net weight, to the place where the individual will reside (or, in the case of a career appointee who dies in service or who dies after separating but before the travel, transportation, and moving is completed, to the place where the family will reside) within the United States, its territories or possessions[, the Commonwealth of Puerto Rico, or the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, as described in section 3(a) of the Panama Canal Act of 1979] or the Commonwealth of Puerto Rico, if such individual—

- * * * * *

§ 5724a. Relocation expenses of employees transferred or re-employed

- (a) * * *
- * * * * *

(j) For purposes of subsections (c), (d), and (e), the term “United States” includes the District of Columbia, the Commonwealth of

Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the [United States, and the areas and installations in the Republic of Panama that are made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979 (22 U.S.C. 3602(a))].] *United States.*

* * * * *

**SECTION 5 OF THE PANAMA CANAL COMMISSION
COMPENSATION FUND ACT OF 1988**

**SEC. 5. FINAL EVALUATION OF THE FUND; DEFICIENCY OR SURPLUS
IN THE FUND.**

(a) FINAL EVALUATION OF THE FUND.—[Upon the termination of the Panama Canal Commission] *By March 31, 1998*, the Secretary of Labor shall, on the basis of an actuarial study conducted by experts or consultants whose services are procured by the Secretary of Labor by contract, make a final determination of the amounts estimated to be necessary to meet expenditures for workers' compensation benefits and other payments described in section 3(a), as calculated in accordance with the second sentence of section 3(b). Amounts in the Fund shall be used to pay for the final determination under this subsection. The Secretary of the Treasury shall, in accordance with such final determination, transfer from the Fund to the Employee Compensation Fund amounts sufficient to meet expenditures for workers' compensation benefits and other payments described in section 3(a).

* * * * *

ADDITIONAL AND DISSENTING VIEWS

DISSENTING VIEWS OF RONALD V. DELLUMS

I voted against reporting H.R. 1119 from the committee for several reasons. First, the price tag for this bill continues to be significantly out of line with the military requirements of this country, out of line with a properly balanced allocation of expenditures across all national security accounts, and out of line with the strategic and geopolitical realities of our world.

The national security agenda of this country contains three equally important elements, and requires a balance of funding among the accounts of each element. We must have a vibrant and energetic economy and an informed, healthy, trained and educated citizenry in order to maintain our domestic tranquillity. Second, we must have an engaged foreign policy and foreign aid program that can promote sustainable development, a respect for human rights, and the growth of democracy, all of which are vital for regional stability and the prevention of war and conflict. Third, we must field a right-sized, properly equipped and appropriately trained military force in order to deter violence and aggression, participate in internationally sanctioned peace keeping and meet our obligations to support humanitarian operations.

Our national security is as dependent on the amount of the discretionary budget allocated to the first two of these accounts as it is to the account that is recommended to be authorized in this bill and report. To the extent that we over-fund the defense account, as I believe we have done with this recommendation, those other elements of our national security agenda will continue to atrophy.

Second, the committee recommendation would procure too much of yesterday's technology by adding, for example, funding for long-lead procurement of nine additional B-2 bomber aircraft as well as for the purchase of additional tactical aircraft for which there is no urgent requirement.

Third, the committee recommendation would press forward too rapidly with national missile defense, notwithstanding that the committee recommendation implicitly adopts the administration's so-called three-plus-three strategy for development and preparation of a national missile defense system. I applaud the committee's retreat from any effort to implicitly or to explicitly recommend a program that would exceed the limits of the ABM Treaty.

Fourth, the committee recommendation fails to offer the operations and maintenance, personnel and other savings that could be attained if our force structure were further realigned. In an era where we will face no peer competitor for at least a decade, we should undertake such action in order to meet the near-term and mid-term requirements that will confront us.

Fifth, I am troubled that the committee recommendation siphons off important resources from the environmental clean-up and construction accounts of the Department of Energy's defense programs in order to finance procurement of the unnecessary additional items in the procurement account.

Sixth, I am also troubled at the decision to reduce funds for the Cooperative Threat Reduction program, a program that is essential to our interests in reducing or eliminating threats that are currently posed by nuclear, chemical and biological weapons and materials.

RONALD V. DELLUMS.

ADDITIONAL VIEWS OF JOHN SPRATT

I support most aspects of this legislation and will vote for it, but I disagree with the diversion of \$2.6 billion in budget authority from the Department of Energy (budget subfunction 053) to the Department of Defense (budget subfunction 051). I agree with OMB Director Frank Raines, who wrote the following to the Chairman of the House National Security Committee prior to committee mark-up:

The Administration does not support reducing funds from DOE (subfunction 053) accounts below the President's 1998 budget request or allocating these funds to DOD programs. This would be inconsistent with our understanding of the Budget Agreement reached with the Congressional leadership.

Of the \$2.6 billion diverted, \$1.5 billion was designated to start a "full funding" policy of major Department of Energy (DOE) capital investments. "Full funding" simply means that Congress provides sufficient budget authority to cover the entire estimated procurement cost of major capital investments in one year, rather than paying for the project over a period of years ("incremental funding"). In essence, the DOE was "banking" funds needed for large projects, most of which were for the Stockpile Stewardship program (which ensures the safety and reliability of our nuclear weapon stockpile) and for environmental clean-up of sites contaminated by radioactive waste.

The committee also slashed \$936 million from the DOE's \$1.006 billion request to "privatize" portions of its environmental clean-up program. The DOE wants private companies to build facilities to treat hazardous radioactive waste. In exchange, the DOE will guarantee that it will pay for the treatment of the waste at a set price per unit of treated waste. By law, an agency cannot enter into a contract without having the budget authority to fully cover the costs of the contract, so the DOE needs to have the budget authority now in order to commit to paying for treatment of waste years from now.

I am not sold yet on DOE's privatization policy, and the committee may be wise in postponing this policy. But I am sold on the need to clean up DOE's nuclear weapons facilities, and whether the clean-up is financed through direct appropriations or by privatizing some projects, there is a need for environmental funding. The simple fact is that the committee diverted these funds to the Department of Defense (DOD) and created a \$936 million hole in the DOE's five-year environmental clean-up plan. It would have been more prudent to fence the money, to prohibit DOE from spending it until we are convinced of the merits of privatization. If the committee remained unconvinced, Congress could then direct that the

funds be used to clean-up our nuclear weapon sites in more traditional ways. Diverting the funding to DOD has effectively cut nearly \$1 billion from a sorely needed program.

The committee's actions have created a \$2.6 billion shortfall in the DOE's planned activities over the next five years. In prior years, this shortfall could have been overcome by re-adjusting future budget requests. But under the bipartisan budget agreement, function levels for discretionary spending have been established for the next five years. The DOE will be hard-pressed to replace this loss of funding since it will either mean retrieving the money from future DOD budgets, or adding funding from other budget functions to the 050 function and violating the budget agreement. This problem is exacerbated since the \$2.6 billion diversion from DOE to DOD went into procurement items that will generate future DOD costs, making it even harder to retrieve the funding from future DOD budgets.

I do not believe that we fully thought through the implications for environmental clean-up or nuclear weapons, particularly stockpile stewardship, when we decided to divert this funding. While I support the overall bill, I hope these issues will be revisited during the House-Senate conference.

Other important programs at DOE received cuts that seem unwarranted. The Office Worker and Community Transition was established by Congress in the early 1990s to ease the impact of worker layoffs at DOE sites.

On a more positive note, I was pleased by several actions taken by the committee to address needs at Shaw Air Force Base and the South Carolina National Guard.

The committee fully funded the Air Force's request for \$6.072 million for the construction of an "information warfare sq ops facility." The facility will house a new information warfare unit at Shaw Air Force Base in Sumter, South Carolina. The Joint Chiefs of Staff state in Joint Vision 2010 that information superiority will be a key asset in the battles of the 21st century. The Research & Development and Procurement Subcommittees held a hearing this week which underscored this point. Lt. Gen. Douglas Buchholz, Director for Command Control, Communications and Computer Systems who represented the JCS at the hearing explained, "Our successes in the battlespace of the future, whether combating large, heavily armed forces or providing peacekeeping and humanitarian assistance, depend upon the precise application of force across the full spectrum of missions. The cornerstone of this effort is the ability to get the right information to the right place at the right time—or information superiority." The Air Force's information warfare unit at Shaw is tasked with making informational warfare "operational at the component level." In other words, its work is where the rubber meets the road, developing methods to make certain that information technology can be used to tactical advantage.

The committee included language directing the Air Force to study the acquisition of land near Shaw without appropriated funds. This language will allow the Air Force to exercise its authority, granted in the FY96 Defense Authorization Act to acquire land adjacent to Shaw. This land will provide a significant enhancement to the base, improving operational flexibility for the Air Force.

Finally, the committee included funding for 2 Research and Development projects important to the Navy. The committee included \$2 million to complete the Navy's effort to develop a second source qualification process for several materials including carbon-fibers like the Joint Strike Fighter. However, the Navy has been limited to a single qualified source for these fibers. As a result, the Navy has not been able to take advantage of the potential for cost savings and quality improvements from a second source. The NAWC Materials Division was organized in part to take advantage of the opportunity to develop second-sources for materials. However, funding for NAWC has been so limited that the development of qualification processes has been impossible. Last year, the committee corrected this problem by authorizing \$5 million for NAWC to establish second-source qualification procedures for 3 products including carbon fibers. This funding was included in the final authorization bill signed into law. However, during the conference on the defense appropriations bill funding was reduced to \$3 million. This year's authorization bill finishes the process by authorizing the remaining \$2 million.

JOHN SPRATT.

ADDITIONAL VIEWS OF JAMES HANSEN, TILLIE FOWLER
AND SOLOMON ORTIZ

We strongly support the committee's action to reaffirm the long-held Congressional position that depot-level maintenance of mission essential weapons systems and equipment is a core competency of the Department of Defense. This position was also reaffirmed by each of the military services in testimony before the committee. Depots are not the tail but the backbone of our fighting forces. As such, it is essential for national security that the Department of Defense maintain a robust, responsive and cost effective system of organic industrial facilities (air logistics centers, maintenance depots, shipyards, arsenals, weapons centers and ammunition plants). This capability is critical to ensuring competitive options in a downsized and vertically integrated defense industry. We remain concerned that any restriction on the public sector's ability to effectively compete would result in increased costs to the Department of Defense in a market where over 90% of contracts are awarded on sole-source basis and where the public sector is responsible for over 50% of the savings achieved.

We also recognize the critical role the private sector already plays in depot-level maintenance and logistics support. Currently, each of the three military departments spends over 35% of the funds made available for depot-level maintenance directly in the private sector. We encourage privatization of non-core functions where a highly competitive marketplace exists and real savings can be achieved. As such, we support the committee's effort to expand the flexibility of the Services to pursue public-private competitions and partnerships, while protecting both current private sector contracts and the efficient operation of public Centers of Industrial and Technical Excellence.

It is our view that the key to real savings within the Department's industrial infrastructure is a prioritized and sequential process of re-engineering core capabilities, consolidation of workloads and shedding of expensive excess capacity, and the full and open competition of non-core functions. The independent BRAC process is critical to the task of bringing DOD's infrastructure in line with its force structure. The Quadrennial Defense Review recommended two additional rounds of BRAC may be needed. While we have grave reservations about the magnitude of savings the Pentagon claims are generated by BRAC, without full faith in the independent and apolitical nature of BRAC, and without equal treatment for all facilities and a clear focus on military value, there is in our view no prospect for additional BRAC authorization.

The Navy and Army have each closed and consolidated over 50% of their respective industrial depot capacity. The Navy closed 4 of 8 shipyards and 3 of 6 aviation depots. The Army recommended closure and consolidation for 6 of their 9 depots. These strategies

are paying real dividends and if fully implemented would provide efficiencies for both the public and private sector and free up funding for much needed modernization.

The Air Force depot system continues to be plagued by costly excess capacity. The BRAC Commission found over 50% excess capacity across the system and recommended the closure of the two least efficient and lowest military value facilities. Their intent was clearly stated in the final BRAC report: "The closure of McClellan (and Kelly) AFB permits significantly improved utilization of the remaining depots and reduces DOD operating costs." The Defense Depot Maintenance Council (DDMC) was given the authority to decide if individual workloads would be "consolidated to other DOD depots or to the private sector," but again the intent was clear: "move the required equipment and any required personnel to the receiving locations." Consolidation of workloads and reduction of excess capacity was the clear intent for both the public and private sectors. In the case of the San Antonio ALC the Commission specifically urged "the Air Force to consolidate engine maintenance activity at Tinker to reduce excess capacity. The Commission firmly believes that consolidation of engine activities will result in lower costs and increased efficiencies." In the case of McClellan AFB, "the Commission assumed that depot closure and consolidation of work" would permit significantly reduced personnel and overhead.

We also note the findings of the Defense Science Board in this regard, which stated: "The task force strongly urges DOD to avoid privatization in-place (PIP) strategy for outsourcing DOD support functions. Under this approach, DOD transfers the organic facility, workload, and workforce to a single contractor or group of contractors. The contractor or contractors are obligated to perform that workload in the transferred facility. As a result, PIP often results in the artificial preservation of surplus capacity and the suboptimal utilization of resources." Even the Governor of California's CEO Defense Privatization Task Force recognized the problems of excess capacity, observing that "While Privatization in-place solves the political implications . . . it does not resolve the issue of excess capacity at the remaining public sector facilities. Without additional workload, the remaining public sector facilities will continue to operate inefficiently, and one or more could be the target of a future round of base closings." This report also noted the effect of PIP on the private sector. "Privatization in-place . . . does nothing to solve the excess capacity problem within the private sector industrial base."

We view with great concern the findings of the General Accounting Office and the Air Force Materiel Command whose analyses concluded that privatization in-place of workload at McClellan and Kelly will increase the problem of excess capacity within the depots and will cost DoD between \$468 million and \$689 million annually. Privatization in-place, despite attempts to call it competition, will not only not save money for critically needed modernization, but will likely cost us much more. We are also aware that privatization in-place of workload at Newark AGMC has resulted in an increase in costs by up to \$27 million per year, or over 78%. In these days of tight defense budgets, any cost increase is simply too much to waste.

Accordingly, we strongly support the Committee's action to maintain its support for a government-owned, government-operated core logistics capability, including government personnel, while also providing important new flexibility to allow the private sector to perform core maintenance functions in partnership with the government at government-owned Centers of Industrial and Technical Excellence. The Secretary retains the responsibility for identifying those core capabilities, but must do so in reference to both the national military strategy and the efficient operations of our Centers of Industrial and Technical Excellence. This will ensure a ready and controlled source of technical competence and resources necessary to provide effective and timely response to any mobilization, national defense contingency, or other emergency requirement. Where core capabilities for the sustainment of mission essential new weapons systems are identified, the Secretary of Defense must establish the capability to perform these activities at government-owned, government-operated facilities within four years of IOC. When appropriate, teaming and partnership between our national asset organic Centers of Industrial and Technical Excellence and the private sector for the performance of these depot maintenance activities should be encouraged and enabled.

We strongly support the restrictions placed on contracting for core maintenance activities at depot maintenance facilities closed or realigned by the 1995 BRAC Commission. Given the clear intention and advantage to consolidation of this workload, the requirement that the remaining facilities of the affected Service be operated at 80% is only reasonable. The 80% capacity utilization requirement only applies to actions related to depots closed or realigned by the 1995 BRAC Commission. We strongly support the committee's position that none of the workload considered for privatization was considered core by the Air Force prior to conclusion of the 1995 BRAC Commission deliberations. We understand that in certified data provided to the BRAC Commission 79% of the workload at the San Antonio ALC and 87% of the workload at the McClellan ALC was reported as core.

We recognize that best business practices can and are being adopted in the public sector industrial base; including much needed logistics automation and customer-driven, on-time delivery. We are pleased to see the committee reaffirm its position that artificial constraints such as Full Time Equivalent ceilings restrain DOD from getting the best value for each defense dollar.

We are also pleased to support the committee in reaffirming its position that the original intent of Title 10 section 2466 was that all funds used to perform depot-level maintenance regardless of the funding source be accounted for in determining the distribution of workloads. This has always been the intent of the committee and is reflected in the Department's own financial regulations. It is critically important that the Department of Defense take this clear Congressional direction into consideration when making workload decisions. According to data provided by the Defense Depot Maintenance Council (DDMC), this full and accurate accounting would not affect any current contracts or the logical extension of these contracts, nor would it require any work currently performed in the private sector to be moved into the public sector.

We are all committed to working with the Secretary to streamline the Department of Defense infrastructure. Restoring integrity to the critical, independent BRAC process is one important step in this process. Competitive privatization of truly non-core functions will continue to receive our support. Wholesale privatization of core capabilities which represent the backbone of our nation's ability to sustain combat forces and ensure readiness, and the retention of expensive excess capacity to satisfy political agendas, will not.

JAMES HANSEN.
TILLIE FOWLER.
SOLOMON ORTIZ.

ADDITIONAL VIEWS OF JAMES M. TALENT

I am pleased that the full committee, after vigorous debate, soundly rejected efforts to procure a mix of the older-model F/A-18C/D and the new F/A-18E/F "Super Hornet," and instead procure only the newer E/F. However, I must express my profound disagreement with the net result of the House National Security Committee's action, which was to reduce overall procurement funding for Super Hornets from the Navy's request of \$2.1 billion for 20 low-rate initial-production aircraft to \$1.348 billion, and to reduce the Navy's research and development request from \$267.5 to \$153.3 million. These reductions are entirely unjustified and will detract from the Navy's ability to execute its missions in the increasingly demanding threat environment of the next two decades.

The Secretary of Defense, in his June 10, 1997 letter, emphasized his "strong support of the F/A-18E/F Super Hornet program," stating that "our warfighters require the most advanced technology available." He further added that "the Quadrennial Defense Review clearly validated the need for the F/A-18E/F. . . . Without the E/F we would be sending our pilots into combat at the turn of the century with the 1970s technology of the F/A-18C/D."

The Chief of Naval Operations, in his own letter to the chairman and ranking member, expressed his "strongest possible support for the F/A-18E/F program. . . . It is the cornerstone of the future of carrier aviation and the Navy's number one aviation priority." Further, he recently stated to Congress that "the multi-mission F/A-18E/F Super Hornet is a leap forward in both TacAir design and survivability. The Super Hornet may look like its predecessor, however it is far larger, significantly more capable, and most importantly it is a first strike, every day strike, survivable weapon system for the foreseeable future." The Navy states that the Super Hornet will dominate all possible threats for at least the next two decades.

The CNO's letter further states that "the E/F has flawlessly progressed through every required milestone to include operational requirements, mission needs, cost and threat analysis, and engine development. Admiral Johnson describes the entire aircraft program as "a model of acquisition reform and unprecedented cost performance. The F/A-18E/F has completed significant portions of the flight rest program (over 1,100 flight hours) . . . Testing results have clearly exceeded all specific performance parameters. The program is on schedule, within budget and under specification weight."

In terms of cost, the Under Secretary for Acquisition, Dr. Kaminski, in his recent Selective Acquisition Report, found that the Super Hornet would cost only 13 percent more than its C/D predecessor based on production figures of 1,000 aircraft per pro-

gram. His report pegged C/D per-unit cost at \$36.5 million and E/F per-unit cost at \$41.6 million.

In terms of survivability, the Center for Naval Analysis in its recent report to Congress, reported that the Super Hornet would suffer roughly one fifth the losses of an F/A-18C/D airwing given the same threat environment and warfighter scenario. The independent Institute for Defense Analysis, in its report requested by the Joint Staff, determined that the Super Hornet's survivability characteristics, to include a radar signature only one-tenth that of the older C/D, reduces the number of targets considered as "high risk" to the pilot and aircraft by 75 percent over the C/D Hornet it will replace.

Finally, it is essential to point out that the E/F program is not in competition with the emerging joint strike fighter concept. The Super Hornet will replace aging F-14s, whose operational costs the Navy desperately seeks to avoid, and older Hornets, all of which have reached the limits of their technological upgradability. The most optimistic forecast for a Navy version of the JSF is 2010, and even then the service would not be able to place a meaningful number of aircraft on its carrier decks until approximately 2015. The Super Hornet is indeed a "bridge" from the F-14 and C/D-model Hornets to the joint strike fighter, and that bridge by any reasonable estimate appears to be about two decades in length.

I am pleased that the House National Security Committee, after careful consideration of these important issues, declared its overwhelming and bipartisan support for the F/A-18E/F Super Hornet program.

JAMES M. TALENT.

ADDITIONAL VIEWS OF PATRICK J. KENNEDY

The defense authorization bill as reported out by the House National Security Committee contains a number of significant measures, ranging from substantive quality of life initiatives to research and development investment, that will serve to further our national security objectives. While I was proud to vote in support of the legislation, there remain a number of provisions with which I have serious concern.

It is important that the committee rejected an attempt to roll-back military training methods by moving toward gender segregation. The Marine Corps notwithstanding, our committee heard time and time again that military leaders find it important to their mission to be able to train as they will fight. I am pleased the bill contained a number of provisions that sought to first try and fix the system rather than attempt to dismantle it. I am also gratified that my amendment to expand the human relations training received by Army drill sergeants was adopted by the committee. Currently, in preparation for their role as Army drill sergeants they receive only two and a half hours of human relations training. This is woefully inadequate; if we do not provide our servicemembers with the necessary tools and skills to perform the tasks we ask of them, we are doing nothing short of consigning them to failure.

I am confident that the Army will design a course that meets the needs of prospective drill sergeants. In designing that course, the Army has been tasked to engage the experts at the DOD's premier human relations organization, the Defense Equal Opportunity Management Institute (DEOMI). Because the services are utilizing DEOMI at a greater rate than ever, creating a waiting list in most instances, next year I intend to pursue increasing the resources available to DEOMI.

I am pleased that the committee did not accept the Administration's proposal to prohibit federally-employed civilian reservists from taking penalty-free leave in order to perform their annual two-week military training period. The federal government should set a positive example with respect to treatment of the Guard and Reserve members who also are federal employees. Had such a provision survived, a surely a negative message would have been sent to other employers regarding the treatment of Guardsmen and Reservists.

The committee accepted a provision to extend the National Guard's Youth Challenge program and to provide a waiver to allow Challenge graduates with a GED to go active duty into any of the services. This program requires minimal investment yet it pays tremendous dividends. Not only do the graduates of the Challenge program receive a GED, their lives are turned around in a positive direction. Almost all graduates go on to further their education, find gainful employment or join the military. By taking former high

school dropouts and turning them into citizens with much to contribute to society, Challenge is a win-win for America.

This year the committee again worked to ensure a strong focus remained on anti-submarine warfare (ASW). As a maritime nation, we must be able to achieve and maintain sea control, therefore we must invest in ASW to remain effective against increasingly advanced submarines. In recognition of the continuing importance of ASW to our national security, as was done in previous years the committee made a significant increase to the Administration's request for ASW.

While the committee maintained undersea warfare as a priority, it failed to accept the proposal put forward by the Navy and the shipyards with respect to the teaming agreement. In this instance, I believe we lost an opportunity to take the most cost effective approach to modernizing our submarines while maintaining a hedge against a future threat. By pursuing a plan that calls for competition of submarine construction at extremely low rates of production, we will embark upon a prohibitively expensive course that will force us into the dangerous position of possessing only one shipyard actively constructing submarines. The Navy's proposal represented an opportunity to endorse the concept of putting the best minds in the business together to develop a more effective yet affordable next generation attack submarine. I am disappointed the committee did not pursue the teaming route though I am confident that we will again revisit this issue during the conference process.

I am also disturbed that the committee failed to accept an amendment which would serve to harm the personal security of our service women and female dependents living overseas. Again, as in past years, we did not ensure equal health service access to all U.S. servicemembers. Today, servicewomen and military family members living overseas remain barred from using their own funds to receive reproductive health care procedures legally available in hospitals located in the U.S. I find such a measure hypocritical at best, a public health danger at worst. Women in uniform take very seriously their duty to protect the Constitutional rights of all American citizens, yet we have chosen time and time again to deny them the same protections we extend to women on American soil.

Finally, I would like to express my disappointment that the committee did not address the issue of sexual orientation and service in the military. Theoretically, current policy permits gays and lesbians to serve in the military as long as they do not disclose their sexual orientation nor engage in homosexual activity. I remain steadfast in my belief that servicemembers should be assessed on their ability to perform the duties their country asks of them. If anything, the instances of sexual misconduct and harassment at Aberdeen are indicative that our military has many more pressing concerns than the presence of patriotic gays and lesbians among its ranks. Although we are not there yet, I believe we will someday have a military which recognizes and values the contributions of all serving in uniform regardless of sexual orientation.

PATRICK J. KENNEDY.

ADDITIONAL VIEWS OF VAN HILLEARY, STEPHEN BUYER,
TILLIE FOWLER, ROSCOE BARTLETT, BUCK MCKEON, JOE
SCARBOROUGH, LINDSEY GRAHAM AND JIM RYUN

Two years ago, when President Clinton first began talking openly about sending American ground troops into the Bosnian quagmire, many opponents of the idea voiced concern that we may have been headed for another Vietnam.

Sending Americans into harm's way should only be done when one of our vital national interests is in danger. Keeping peace in Bosnia is a well-intentioned goal, but there are many war-torn areas in the world, and we simply can't risk American lives every time a war breaks out someplace in the world. The plain fact is that Bosnia is not critical to our vital national interests, so American lives should not be risked there.

At the time troops were sent, the President assured Congress and the public that American troops would only be in Bosnia for a short time, and that they would be back home by December 20, 1996. The Clinton administration's second deadline of March 1997 has likewise passed with no end to the Bosnia mission. But we are now almost half of the way through 1997, and the President now says the troops won't be coming home until June 30, 1998. Additionally, we are concerned that President Clinton is making plans to continue our military presence beyond this deadline of June 1998.

While the comparison to Vietnam is certainly still possible, especially considering the Clinton administration's vague, open-ended Bosnia policy, American involvement in Bosnia seems likely to follow one of two unfortunately familiar paths.

The first possible outcome of our current Bosnia policy might be called the Beirut Resolution. In this conclusion, U.S. forces would be removed from Bosnia only after some sort of deadly terrorist attack on our troops. In Beirut, this came in 1983 in the form of a suicide bomber who drove a truck filled with explosives into barracks housing American servicemen and women, killing 241 Marines.

At the time, U.S. troops were in a situation which now seems eerily familiar. Americans were separating historically bitter enemies who had recently been involved in a regional and religious conflict. Our mission was not clearly defined, with no clear exit strategy. And proponents of American involvement argued that the fragile peace would fall apart if we pulled out.

Of course, we ended up pulling out of Beirut—but only after paying an enormously high price. Those who argue that we should continue military involvement in Bosnia should be ready to defend this continued involvement even if, God forbid, an event reminiscent of the Beirut tragedy happens to Americans in Bosnia.

A second possible outcome of our current involvement in Bosnia could be called the Korean Resolution, which actually isn't a resolution to the situation at all. Approximately 40 years ago, American soldiers were sent into Korea, and now, two generations later, American soldiers remain to enforce an uneasy peace. They are situated between hostile foreign military forces, costing the United States billions of dollars every single year.

While we are not advocating the removal of U.S. troops in Korea, and we believe our intervention in Korea is important to our national interests, we do not want to see the Bosnia mission turn into a multi-generational occupation like the Korean mission. In other words, we want to make sure our future grandchildren aren't going to be sent to continue a risky, open-ended military operation in a place which holds no vital interest for our nation.

Because the current Bosnia mission has a strong possibility of becoming another Beirut or another Korea, we believe that Congress should reassert its oversight authority. It is vitally important for Congress to exercise its oversight authority now because with duties such as rounding up war criminals and enforcing the return of refugees possibly on the horizon for American troops, we would stop this "mission creep" before it starts. Undertaking these new activities in the Balkans could easily lead to an indefinite American presence, which could in turn easily lead to another Beirut-style tragedy or another Korea-style occupation.

In addition to the dangers of mission creep and nation building, we believe we should bring our troops home because Bosnia is essentially a European problem which can and should be handled by our European allies. Our allies in Europe were trained to guard against a Soviet invasion, so they are more than capable of handling the lesser military forces in Bosnia, who don't even have an air force.

Finally, the price tag for this questionable Bosnia mission will top \$7.7 billion by mid-1998. That's money which comes directly out of other areas of the defense budget—areas such as the development and purchase of new technologies and troop readiness. With all the other cuts the defense budget has been forced to endure in this decade, funneling nearly \$8 billion to an unnecessary mission is inexcusable.

With all these factors at work in Bosnia—danger to our troops, the lack of a vital American interest, the danger of mission creep and the depletion of the defense budget—it seems clear to us that we must finally set a withdrawal date in stone and force this administration to explain to the public and the Congress what the exact mission of our troops is and when their parents can expect their sons and daughters to come home.

We hope that as this legislation proceeds, it will be amended to set a date certain for withdrawal while giving the President the latitude to continue his Bosnian policy if he can make his case to the public and the entire Congress.

VAN HILLEARY.
STEPHEN BUYER.
TILLIE FOWLER.
ROSCOE BARTLETT.
BUCK MCKEON.
JOE SCARBOROUGH.
LINDSEY GRAHAM.
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