

PRESS RELEASE



**United States Senate
Committee on Armed Services**

**Carl Levin, Michigan
Chairman**

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SENATE ARMED SERVICES COMMITTEE COMPLETES MARKUP OF NATIONAL DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 2009

Senator Carl Levin (D-MI), Chairman of the Armed Services Committee, and Senator John McCain (R-AZ), Ranking Member, announced today that the committee has completed its markup of the National Defense Authorization Bill for Fiscal Year (FY) 2009. The bill authorizes funding for the Department of Defense (DOD) and the national security programs of the Department of Energy (DOE).

“I am very pleased that the committee has unanimously voted to report out a bill that provides our troops and their families with the support that they deserve. The bill provides a 3.9 percent across-the-board pay raise for all uniformed personnel, a half a percent more than the President requested. It adds more than \$120 million for various nonproliferation and combating WMD efforts, and includes legislative provisions to improve our ability to reduce or respond to threats of WMD, both abroad and at home. The bill also ensures proper stewardship of taxpayer dollars by requiring DOD to ensure that contractors do not receive a competitive advantage by using foreign subsidiaries to avoid the payment of U.S. payroll taxes, ensuring that private security contractors do not perform inherently governmental functions in an area of combat operations, and prohibiting the use of appropriated funds for any large-scale infrastructure projects in Iraq. All Armed Services Committee Members can be proud of their bipartisan work on this bill,” said Levin.

“I congratulate Chairman Levin on a successful markup of this year’s National Defense Authorization bill. Senator Levin’s leadership continues to exemplify the Committee’s long tradition of bipartisanship, and I am honored to serve with him. We have a good bill that fully funds the President’s budget request, provides a 3.9 percent pay raise for all military personnel and enhances dental and medical benefits for the Guard and Reserves. This is a critical time in our nation’s history and the Committee has, once again, demonstrated its strong bipartisan support for our troops and their mission to protect our great nation,” said McCain.

“I also want to express my heartfelt thanks to Senator John Warner. After 29 years on the Armed Services Committee, this year’s markup was his last. Senator Warner has served as the Committee’s great sage. His rare brand of integrity, honor and gentle persuasion are emblematic of his long distinguished service to his nation. I’ve long admired his steady hand and tireless commitment to our brave servicemen and women. I am grateful for his strong stewardship. His advice and counsel have been invaluable to me and he will be greatly missed by me and all members of the Senate,” added McCain.

“The policies and funding decisions in this bill are designed to reduce our Nation’s strategic risk by helping to restore the readiness of the military services to conduct the full range of their assigned missions as soon as possible,” added Levin.

“I also want to thank Senator John McCain for his steadfast support and Senator John Warner, whose wise counsel contributes so much to the Committee’s work,” Levin also added.

MARKUP HIGHLIGHTS

To provide fair compensation and first-rate health care, and improve the quality of life of the men and women in the armed forces (active duty, National Guard and Reserves) and their families:

- Authorizes a 3.9 percent across-the-board pay raise, 0.5 percent above the budget request;
- Authorizes FY2009 active-duty end strengths for the Army and Marine Corps of 532,400 and 194,000, respectively, an increase of 7,000 soldiers and 5,000 marines from 2008 authorized levels;
- Authorizes an increase of 3,371 full-time personnel for the Army National Guard and the Army Reserve;
- Authorizes \$125 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves;

- Authorizes \$26.1 billion for the Defense Health Program, which includes the \$1.2 billion necessary to cover the rejection of the Administration proposal to raise TRICARE fees;
- Requires the Secretary of Defense to develop a comprehensive policy to prevent suicides by military personnel;
- Requires the Secretary of Defense to review DOD and military service policies on deferment of deployment of female service members following birth of a child; and
- Requires the Secretaries of Defense and Veterans Affairs to continue the operations of the Senior Oversight Committee to oversee implementation of Wounded Warrior initiatives.

To provide our servicemen and women with the resources, training, technology, equipment (especially force protection) and authorities they need to succeed in combat and stability operations in Iraq and Afghanistan:

- Joint Improvised Explosive Device Defeat Organization (JIEDDO) – provides \$3 billion in funding to support JIEDDO’s ongoing efforts to attack the IED network, train deploying units, and procure the counter IED equipment necessary to defeat the threat;
- Land Warrior – Adds \$102 million to procure an additional brigade set of Land Warrior equipment for a deploying unit;
- Requires the Secretary of Defense to ensure that the Stryker Mobile Gun System (MGS) is subject to testing to confirm the effectiveness of actions taken to mitigate the deficiencies identified in Initial Operational Test and Evaluation and Live Fire Test and Evaluation; and
- Fully funds Army readiness and depot maintenance programs to ensure that forces preparing to deploy are trained and their equipment is ready.

To seek to reduce our Nation’s strategic risk by taking action aimed at restoring, as soon as possible, the readiness of the military services to conduct the full range of their assigned missions:

- Army Unfunded Priorities List – Adds over \$390 million from the Army Chief of Staff’s Unfunded Priorities List for National Guard homeland defense items;
- Adds \$75 million for Army equipment redistribution expenses and to reduce ammunition inspection backlogs;
- Adds \$63 million for Navy aircraft depot maintenance to keep naval aviation safe and ready for worldwide deployment;

- Adds \$96.9 million for Air Force B-52 flying hours and depot maintenance. The DOD failed to include adequate funding in the budget request to meet the requirements of the National Defense Authorization Act for FY2008 to maintain 76 B-52 bombers in a common configuration. This was also the number one priority on the Air Force Unfunded Priorities List;
- Fully funds 8 ships requested in the President's budget request; and
- Fully funds the President's budget request for MV-22, CV-22, MH-60R and MH-60S aircraft.

To improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs:

- Cost controls for major weapon systems – provides for steering boards to review and approve (or disapprove) any new requirements that could add to the costs of a major weapon system;
- Financial Management – Requires the military departments to establish Business Transformation Offices to serve as a central focus for the reform of their business and financial systems and processes; and
- Energy Considerations in Weapon Systems Development – Directs DOD to develop a plan that would require program managers to incorporate energy efficiency requirements into the key performance parameters in the acquisition of military weapon systems and provide Congress an annual report on the Department's plans and accomplishments.

To promote the transformation of the armed forces to deal with the threats of the 21st Century:

- Supports the President's budget request for the Army's Future Combat Systems and acknowledges that FY2009 is a critical year for the program and emphasizing funding stability provides the Army the best chance of success;
- Requires the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs and the Chief of the National Guard Bureau, to develop a strategic plan to enhance the role of the National Guard and Reserves, taking into account the report of the Commission on the National Guard and Reserves and the recently introduced National Guard Empowerment Act and State-National Defense Integration Act of 2008;
- Missile Defense – Adds more than \$270 million for near-term missile defense capabilities: \$100 million for Aegis BMD/SM-3; \$115 million for THAAD; \$28 million for Short-Range BMD; \$30 million for an upper-tier follow-on to the Arrow missile; and adds more than \$20 million for Army BMD technology development programs;

- Transformational Communications Satellite (TSAT) – Provides an additional \$350 million to TSAT to address delays in the TSAT program caused by reductions in the budget request;
- Authorizes the Secretary of Defense to designate up to 324 general and flag officer positions that are joint duty positions that do not count against Service authorizations for flag and general officers. Establishes objectives for flag and general officers serving in acquisition and contracting positions – addressing shortcomings identified by the Gansler Commission; and
- Energy and power for military systems & operations – Adds over \$100 million in investments in advanced energy and power technologies to support defense missions, such as hybrid engines, military fuels research, and battery technologies.

To improve the ability of the armed forces to counter nontraditional threats, including terrorism and the proliferation of weapons of mass destruction:

- Combating WMD and Nonproliferation – Adds more than \$120 million for various nonproliferation and combating WMD efforts, and includes legislative provisions to improve our ability to reduce or respond to threats of WMD, both abroad and at home;
- Authorizes more than \$50 million in additional funds for chemical and biological defense procurement programs and research and development projects intended to provide improved protection for our military forces;
- Extends authorization to the Special Operations Command to train and equip forces supporting or facilitating special operations forces in ongoing military operations, and increased the annual funding available for this activity from \$25 million to \$35 million;
- Extends DOD’s authority to use counterdrug funds to support the unified campaign against narco-terrorists in Colombia;
- Unmanned Aerial Vehicles (UAV) in National Air Space – Adds \$87 million to increase DOD UAV access to U.S. National Air Space;
- Amends the Arms Export Control Act to provide limited waiver authority to allow the DOE and DOD to conduct work to denuclearize North Korea, and adds \$50 million to National Nuclear Security Administration (NNSA) for this work;
- Amends the NNSA Act to clarify that excess fissile material disposition is an NNSA responsibility;
- Consolidates funding for the Mixed Oxide (MOX) fuel program in the NNSA and moves the MOX fuel fabrication facility construction and program funding; and

- Special intelligence support – Adds \$50 million and gives direction to provide Special Operations Forces-derived intelligence capabilities to Army and Marine forces.

To ensure aggressive and thorough oversight of the Department’s programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations:

- Requires DOD to establish ethics standards to prevent personal conflicts of interest by contractor employees who perform acquisition functions on behalf of the DOD;
- Ensures that private security contractors do not perform inherently governmental functions in an area of combat operations. Codifies existing DOD standards, under which security operations are inherently governmental if they will be performed in highly hazardous public areas where the risks are uncertain and could reasonably be expected to require deadly force that is more likely to be initiated by contractor personnel than by others;
- Prohibits contractor employees from conducting interrogations of detainees during or in the aftermath of hostilities. The provision has an effective date one year after the date of enactment, to give DOD time to comply;
- Requires DOD to ensure that a contractor does not receive a competitive advantage by using foreign subsidiaries to avoid the payment of U.S. payroll taxes for its workers; and
- Requires the DOD to establish a database of information regarding the integrity and contract performance of contractors – ensuring that this information is available to acquisition officials making key contracting decisions.

Other Items

- Prohibits using DOD funds authorized by this Act to pay for large-scale infrastructure projects in Iraq, defined as a project exceeding \$2 million. The provision also calls for the United States to begin negotiating with Iraq a cost-sharing agreement for U.S.-Iraqi combined operations and to take steps to ensure that Iraq pays for the training, equipping, and sustaining of the Iraqi Security Forces and the costs associated with the Sons of Iraq;
- Extends and enhances DOD authorities to train and equip foreign military forces and other counterterrorism forces; and
- Extends and increases funding for DOD to support State Department security and stabilization assistance efforts.

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

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**United States Senate
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NATIONAL DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 2009

The Senate Armed Services Committee identified the following seven priorities to guide its work on the Fiscal Year 2009 National Defense Authorization bill:

1. Provide fair compensation and first-rate health care, and improve the quality of life of the men and women in the armed forces (active duty, National Guard and Reserves) and their families.
2. Provide our servicemen and women with the resources, training, technology, equipment (especially force protection) and authorities they need to succeed in combat and stability operations in Iraq and Afghanistan.
3. Seek to reduce our Nation's strategic risk by taking action aimed at restoring, as soon as possible, the readiness of the military services to conduct the full range of their assigned missions.
4. Improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs.
5. Improve the ability of the armed forces to counter nontraditional threats, including terrorism and the proliferation of weapons of mass destruction.
6. Promote the transformation of the armed forces to deal with the threats of the 21st Century.
7. Ensure aggressive and thorough oversight of the Department's programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations.

FUNDING LEVELS

The total funding in the bill reported by the committee is consistent with the amounts in the FY2009 budget resolution, as passed by the Senate on March 13, 2008, which fully funded the \$612.5 billion requested for national defense in the President's FY2009 budget.

The President's budget request of \$612.5 billion for national defense for FY2009 had two major parts. The first was \$542.5 billion in budget authority in the so-called "base budget" for the DOD, the nuclear weapons programs of the DOE, and a few other defense accounts in other federal agencies.

The second part was a war-related "placeholder" or "bridge funding" request of \$70 billion for Iraq and Afghanistan. That amount is not enough to cover all of FY2009, no matter what the next President and the next Congress decide to do in Iraq, but it would provide sufficient funding to allow the next administration to take office without facing an immediate financial crisis in the DOD budget.

The bill reported by the committee is consistent with the budget request and the budget resolution with respect to all of these funding levels, that is, the \$542.5 billion base budget, the \$70 billion in war-related costs, and the combined total of \$612.5 billion.

SUBCOMMITTEE ON PERSONNEL

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

The subcommittee included the following funding and legislative provisions:

Military Pay and Compensation

- Authorizes a 3.9 percent across-the-board pay raise, 0.5 percent above the budget request.
- Authorizes \$125 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
- Reauthorizes over 25 types of bonuses and special pays aimed at encouraging enlistment, reenlistment, and continued service by active-duty and reserve military personnel.
- Authorizes use of a foreign language program study stipend for Senior Reserve Officer Training Corps and Marine Corps Platoon Leaders Class members aimed at encouraging study in strategic languages.

- Authorizes accession bonus and multi-year retention bonus for uniformed psychologists. Maximum accession bonus is \$400,000 for a minimum four-year commitment, and the maximum retention bonus is \$25,000 per year for up to four years.
- Authorizes increase in the stipend for baccalaureate students in nursing or other health professions to match the stipend paid under the Armed Forces Health Professions Scholarship Program.
- Authorizes travel and transportation allowances for reserve component service members on active duty for more than 30 days to travel between their temporary duty station and their permanent duty station when training at the temporary duty station is suspended for 5 days or more.
- Authorizes a 500-pound weight allowance for permanent change of station moves for the professional books and equipment of spouses of service members.
- Authorizes the presentation of a burial flag to the surviving spouse and children of a deceased service member when the surviving spouse is not otherwise entitled to a flag as the person designated to direct the disposition of the remains.
- Provides service members separated under the Department's sole surviving son or daughter policy with separation pay, transitional health care, and transitional commissary benefits.
- Authorizes the Secretary of Defense and the secretaries of the military departments to use emergency and extraordinary expense funds to provide relief, including the payment of interest, to service members and former service members who have suffered imprisonment pursuant to a court-martial conviction as a result of an injustice or error by the DOD or any of its employees acting in their official capacity.
- Authorizes pilot programs that allow secretaries of military departments to evaluate the need for more flexibility in career progression of service members by allowing a limited number of service members to leave active service for up to three years, and return at the same grade and years of service.
- Requires DOD to report on eligibility of family members of service members who suffer from serious psychiatric conditions for travel and transportation allowances under section 411h of Title 37, United States Code.

End Strength

- Authorizes FY2009 active-duty end strengths for the Army and Marine Corps of 532,400 and 194,000, respectively, an increase of 7,000 soldiers and 5,000 marines from 2008 authorized levels.

- Authorizes FY2009 active-duty end strengths for the Air Force and the Navy of 316,771 and 325,300, respectively.
- Authorizes an increase of 3,371 full-time personnel for the Army National Guard and the Army Reserve.

Military Personnel Policy

- Authorizes the Secretary of Defense to designate up to 324 general and flag officer positions that are joint duty positions that do not count against Service authorizations for flag and general officers. Establishes objectives for flag and general officers serving in acquisition and contracting positions – addressing shortcomings identified by the Gansler Commission.
- Modifies joint duty authorities, including an alignment of joint duty assignment lengths with the joint qualification system implemented in the John Warner National Defense Authorization Act for FY2007, and a clarification of joint duty requirements for promotion to general or flag officer.
- Requires that the officer serving as the Staff Judge Advocate to the Commandant of the Marine Corps serve in the grade of major general.
- Authorizes a regular warrant officer of the Navy, Marine Corps, and Coast Guard to retire 60 days after the date on which the officer completes a total of 30 years of active service.
- Authorizes reserve general and flag officers to serve in joint duty assignments without counting against limit on the numbers of reserve general and flag officers in an active status.
- Authorizes National Guard officers, not just those officers in command, to retain their state status while serving on active duty when authorized by the President and with consent of the Governor.
- Requires the Secretary of Defense to provide a report on the implementation of Yellow Ribbon Reintegration Program for National Guard and Reserve personnel.
- Authorizes promotion of National Guard and reserve officers selected for a vacancy promotion and who are ordered to active duty in support of a contingency operation.
- Authorizes reserve officers to serve on administrative boards of inquiry considering separation of regular officers for substandard duty performance.
- Authorizes reserve component chaplains and medical officers to be retained in an active status until the date the officer turns 68.

- Increases the mandatory retirement age from age 60 to age 62 for certain reserve component officers.
- Authorizes the Air Force reserve components to defer the mandatory separation of military technicians (dual status) until the age of 60.
- Increases from 6 to 8 years the maximum reenlistment period.
- Requires the Air Force Institute of Technology to charge tuition for the instruction of civilians government employees and to use those funds to defray the cost of such instruction.
- Increases authorized strength at Naval Academy to 4,400 midshipmen.
- Authorizes the superintendents of the service academies to pay certain expenses of officers, students, and representatives of foreign countries visiting the service academy concerned.
- Authorizes the Secretary of Defense to carry out programs to provide training and education to spouses of active-duty service members who are pursuing portable careers.
- Authorizes \$30 million in impact aid, \$10 million in special assistance to local education agencies, and \$5 million in impact aid for children with severe disabilities.
- Clarifies funding limitations for National Guard Youth Challenge Program.
- Requires the Secretary of Defense to develop a comprehensive policy designed to prevent suicides by members of the armed forces.
- Requires the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs and the Chief of the National Guard Bureau, to develop a strategic plan to enhance the role of the National Guard and Reserves, taking into account the report of the Commission on the National Guard and Reserves and the recently-introduced National Guard Empowerment Act and State-National Defense Integration Act of 2008.
- Authorizes up to 21 days of paternity leave under regulations prescribed by the Secretary of Defense.

Health Care

- Authorizes \$26.1 billion for the Defense Health Program, which includes the \$1.2 billion necessary to cover the rejection of the Administration proposal to raise TRICARE fees.
- Repeals the prohibition on conversion of military medical and dental positions to civilian medical and dental positions and restores the requirement that service secretaries must certify

that military to civilian conversions do not affect the cost, quality, or access to military health care.

- Requires the Secretary of Defense to calculate the amount of monthly premiums paid by members of the Selected Reserve for health care coverage under the TRICARE Reserve Select program based on actual costs of the preceding years.
- Requires the secretary of each military department to provide annual medical and dental exams and restorative care to certain reserve component individuals and units to ensure medical and dental readiness for deployment; clarifies funding for medical and dental care to meet readiness standards for members of the Ready Reserve who have been notified that they will be mobilized; and authorizes the Secretary of Defense to waive copayments for members of the Selected Reserve enrolled in the TRICARE dental insurance program during a time of national emergency in order to ensure members of deploying units meet dental readiness standards.
- Authorizes additional health care studies and demonstrations, including projects which provide incentives for health promotion, rewards to high quality health care providers, improved medical and dental readiness of the reserves, and provision of a stipend for family members of mobilized reservists to maintain their private health care insurance.
- Requires a Comptroller General study on the active and reserve medical personnel requirements, shortfalls, and actions needed to resolve medical personnel shortages.

Wounded Warrior

- Requires that DOD and Department of Veterans Affairs (VA) policies concerning improved care, management, and transition of seriously ill or injured service members include those in inpatients as well as outpatients.
- Clarifies the requirement that DOD utilize the VA presumption of sound condition in establishing eligibility for retirement and disability.
- Requires the Secretaries of Defense and VA to continue the operations of the Senior Oversight Committee to oversee implementation of Wounded Warrior initiatives.
- Authorizes the DOD Post-Traumatic Stress Disorder/Traumatic Brain Injury (PTSD/TBI) Center of Excellence to conduct pilot programs to improve treatment and care for TBI.
- Increases the responsibilities of the Wounded Warrior Resource Center to include referrals for legal assistance.
- Requires the Secretaries of Defense and VA to establish jointly a center of excellence in the mitigation, treatment, and rehabilitation of traumatic extremity injuries and amputations.

Civilian Personnel

- Authorizes permanent extension of DOD voluntary Reduction in Force authority.
- Waives limitation on pay for federal civilians working in support of CENTCOM operations, as recommended by the Gansler Commission.
- Authorizes additional life insurance election options and coverage for federal civilians working in support of CENTCOM operations, as recommended by the Gansler Commission.
- Authorizes temporary authority for direct hiring of DOD health care professionals.
- Codifies the requirement for a DOD Strategic Human Capital Plan, including shaping and improving the defense acquisition workforce.
- Clarifies streamlined hiring practices under the National Security Personnel System.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

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

The subcommittee included the following funding and legislative provisions:

Operations & Maintenance

- Fully funds the Army readiness and depot maintenance programs to ensure that forces preparing to deploy are trained and their equipment is ready.
- Adds \$75 million for Army equipment redistribution expenses and to reduce ammunition inspection backlogs.
- Adds \$63 million for Navy aircraft depot maintenance to keep naval aviation safe and ready for worldwide deployment.
- Adds \$16.2 million to accelerate development and fielding of Defense Readiness Reporting System that promises to provide more accurate, reliable, and timely measurement and reporting of the readiness of military forces.

- Adds \$20 million for the Readiness and Environmental Protection Initiative to fund priority projects that benefit critical mission training sites to prevent or reduce encroachment through the creation of a compatible-use buffer zone.
- Adds \$26 million for DOD Inspector General (IG) unfunded requirements that will enable the IG to increase oversight related to the global war on terror, contract management and acquisitions, and support audits to identify potential waste, fraud, and abuse.
- Adds \$21.6 million for the Army Contracting Agency to improve acquisition planning, solicitation, and negotiations.

Logistics

- Core Logistics – Authorizes, as requested by DOD, the military departments to count depot workload performed by Government employees using contractor furnished equipment, or in facilities leased to the Government, as sustaining a core logistics capability.
- Depot Capital Investment Program – Requires the DOD to report the separate levels of capital investment for Navy and Marine Corps depots and add three Army arsenals to the list of covered depots.

Energy

- Energy Risk Mitigation – Directs the Secretary of Defense to conduct a comprehensive technical and operational risk assessment for mission critical DOD installations, facilities, and activities and provide the defense committees an annual report on the Department’s integrated prioritized plans and progress on efforts to mitigate or eliminate risks.
- Energy Considerations in Weapon Systems Development – Directs DOD to develop a plan that would require program managers to incorporate energy efficiency requirements into the key performance parameters in the acquisition of military weapon systems and provide Congress an annual report on the Department’s plans and accomplishments.

Acquisition Policy

- Requires DOD to establish ethics standards to prevent personal conflicts of interest by contractor employees who perform acquisition functions on behalf of the DOD.
- Ensures that private security contractors do not perform inherently governmental functions in an area of combat operations. Codifies existing DOD standards, under which security operations are inherently governmental, if they will be performed in highly hazardous public areas where the risks are uncertain and could reasonably be expected to require deadly force that is more likely to be initiated by contractor personnel than by others.

- Prohibits contractor employees from conducting interrogations of detainees during or in the aftermath of hostilities. The provision has an effective date one year after the date of enactment, to give DOD time to comply.
- Authorizes ten-year contracts for the purchase of alternative and synthetic fuels. The provision would protect taxpayer and environmental interests by incorporating: (1) cost-effectiveness requirements comparable to those applicable to multi-year contracts for major weapon systems; and (2) greenhouse gas requirements identical to those included in last year's Energy bill.
- Requires the military departments to ensure that urgent requirements documents developed by operational field commanders are presented to senior officials for review within 60 days of the time they are submitted. This is a response to reports that Marine Corps leadership failed to respond to requests for Mine Resistant Ambush Protected vehicles, known as MRAPs, and other critical equipment for several years.
- Codifies the requirement for boards to review and approve (or disapprove) any new requirements that could add to the costs of a major weapon system.
- Requires DOD to ensure that a contractor does not receive a competitive advantage by using foreign subsidiaries to avoid the payment of U.S. payroll taxes for its workers.
- Requires the DOD to establish a database of information regarding the integrity and contract performance of contractors, to ensure that this information is available to acquisition officials making key contracting decisions.
- Requires the DOD to take steps to ensure that contractor employees who are the victims of sexual assault and other crimes in Iraq and Afghanistan receive the help that they need and the investigative assistance that they deserve.

Defense Management

- Requires the military departments to establish Business Transformation Offices to serve as a central focus for the reform of their business and financial systems and processes.
- Ensures that the chief lawyer for the DOD IG serves at the discretion of the IG and reports only to the IG.
- Prohibits the sale or other disposition of military property except in accordance with applicable statutes and regulations.

Basing and Installation Issues

- European Missile Defense – Fully authorizes both the interceptor site in Poland and the radar site in the Czech Republic.
- Invests an additional \$405 million above the budget request in infrastructure to repair, replace, and modernize our aging defense facilities and improve the quality of life and the productivity of our military.
- Fully funds the implementation of the base closure process without intervening or playing favorites in that process.
- Increases oversight of housing privatization.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

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

Specifically, the subcommittee included the following funding and legislative provisions:

Combating WMD and Nonproliferation

- Amends the National Nuclear Security Administration (NNSA) Act to clarify that excess fissile material disposition is an NNSA responsibility.
- Consolidates funding for the Mixed Oxide (MOX) fuel program in the NNSA and moved the MOX fuel fabrication facility construction and program funding.
- Amends the Arms Export Control Act to provide limited waiver authority to allow the DOE and DOD to conduct work to denuclearize North Korea and adds \$50 million to NNSA for this work.
- Establishes and authorizes \$3 million for a nonproliferation scholarship fund to address shortages in technical and other fields such as radiochemistry and forensics.
- Adds \$25 million to Nonproliferation Research and Development (R&D) for forensics and other R&D activities.

- Directs NNSA not to use nonproliferation funds in support of the Global Nuclear Energy Program (GNEP). Also, reduces funding by \$15 million in various programs associated with GNEP.
- Includes a provision on Global Initiatives for Proliferation Prevention requesting a program overview, fences FY2009 funds until a spending plan is submitted, and reduces funding by \$5 million.
- Authorizes the Cooperative Threat Reduction program and provided an additional \$10 million for new initiatives outside of the former Soviet Union, \$1 million for Russian chemical weapons demilitarization, and \$9 million for nuclear weapons storage security in Russia.
- States the sense of Congress about the importance of establishing the Chemical, Biological, Radiological, Nuclear, and high-yield Explosive (CBRNE) Consequence Management Response Forces (CCMRFs) under U.S. Northern Command and requiring reports on progress in establishing these units.
- Authorizes more than \$50 million in additional funds for chemical and biological defense procurement programs and research and development projects intended to provide improved protection for our military forces.
- Provides \$1.6 billion for chemical agents and munitions destruction, and reiterates the importance of eliminating the U.S. chemical weapons stockpile in accordance with the Chemical Weapons Convention timelines.

Electronics and power technologies for military systems & operations

- Enhances the Department's ability to procure and use critical power and electronics technologies, by:
 - Following the recommendations of the National Research Council and establishing an executive agent to oversee DOD's development and procurement of printed circuit boards that are trustworthy and reliable for use in Defense systems;
 - Following the recommendations of the Defense Science Board and other experts and enhancing the Department's ability to ensure that microelectronics procured from commercial sources is reliable and trustworthy; and
 - Requiring the development of a joint government-industry battery technology roadmap to ensure that a healthy and innovative defense industrial base for batteries exists in the United States, to support requirements in military vehicles, computers, and other equipment.

Science & Technology Funding

- Increases the Department's investments in innovative science and technology programs by nearly \$400 million to over \$11.8 billion.
- Supports fully the Secretary of Defense's initiative to increase university defense basic research funding and increasing the level by nearly \$50 million over the President's request.
- Manufacturing enhancements for Defense Industrial Base – Adds over \$50 million in next generation manufacturing research and technologies, including nanomanufacturing and rapid prototyping systems, to support the defense industrial base and its ability to meet urgent defense production requirements.

Force Protection

- Increases the amount and quality of testing performed on force protection equipment, such as body armor, helmets, and vehicle armor, before it is deployed to the field – ensuring our soldiers and marines have the best equipment and protection available.

Combating Terrorism and Special Operations

- Fully funds the \$5.7 billion budget request, and added over \$20 million for items to help find and track terrorists, including intelligence, surveillance and reconnaissance packages.
- Extends authorization to the Special Operations Command to train and equip forces supporting or facilitating special operations forces in ongoing military operations, and increased the annual funding available for this activity from \$25 million to \$35 million.
- Increases funding for DOD's Regional Defense Combating Terrorism Fellowship from \$25 million to \$35 million.

Counterdrug Programs

- Extends DOD's authority to use counterdrug funds to support the unified campaign against narco-terrorists in Colombia.
- Extends DOD's authority for joint task forces to use counterdrug funds to support law enforcement agencies conducting counterterrorist activities.

SUBCOMMITTEE ON STRATEGIC FORCES

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

Specifically, the subcommittee included the following funding and legislative provisions:

Budget Recommendations

- Missile Defense – Adds more than \$270 million for near-term missile defense capabilities: \$100 million for Aegis BMD/SM-3; \$115 million for THAAD; \$28 million for Short-Range BMD; \$30 million for an upper-tier follow-on to the Arrow missile; and adds more than \$20 million for Army BMD technology development programs.
- Offsets the funding additions for near-term missile defense capabilities, and provides offsets for other high priority programs, with reductions to lower priority or longer term missile defense programs, including:
 - \$45 million from Airborne Laser funds not related to the test scheduled for 2009
 - \$50 million from the Space Tracking and Surveillance System
 - \$50 million from the Multiple Kill Vehicles program
 - \$100 million from MDA Special Programs
 - \$45 million from the Kinetic Energy Interceptor program
 - \$30 million from the BMD System Core
 - \$10 million (the full requested amount) for the proposed Space Test-bed
- Fully funds the budget request for the proposed European missile defense deployment, with continued conditions placed on the use of funds until certain conditions are met.
- Establishes a new Defense-wide procurement line for ballistic missile defense to correct the noncompliance of the DOD with Section 223 of the National Defense Authorization Act for FY2008. Transfers \$122 million from R&D accounts for THAAD and SM-3, and adds \$135 million for those programs in the new procurement line.
- Adds \$96.9 million for Air Force B-52 flying hours and depot maintenance. The DOD failed to include adequate funding in the budget request to meet the requirements of the National Defense Authorization Act for FY2008 to maintain 76 B-52 bombers in a common configuration. This was the number one priority on the Air Force Unfunded Priorities List.
- Transformational Communications Satellite (TSAT) – Provides an additional \$350 million to TSAT to address delays in the TSAT program caused by reductions in the budget request.

- Advanced Extremely High Frequency Satellite (AEHF) – Adds \$100 million for advanced procurement and additional spares to mitigate effects of the production break issues associated with reconstituting suppliers for the 4th AEHF satellite.
- Spaced-based Infrared Satellite (SBIRS) – Adds \$30 million for operations to support SBIRS, including additional funds for the ground control stations.
- Operationally Responsive Space (ORS) – Adds \$10 million for ORS.
- Prompt Global Strike (PGS) – Adds \$30 million total with \$45 million total additional for advanced hypersonic boost glide vehicle and realigned funding for the advanced hypersonic glide vehicle consistent with the consolidation of PGS funding started in 2008.
- Air Force Nuclear Security issues – directs the Air Force to assemble a plan to improve nuclear security.
- Reliable Replacement Warhead (RRW) – Retains the budget request for RRW at the National Nuclear Security Administration, but reduced Navy RRW funding by \$23 million.
- Unmanned Aerial Vehicles (UAV) in National Air Space – Adds \$87 million to increase DOD UAV access to National Air Space.
- Special intelligence support – Adds \$50 million and gives direction to provide Special Operations Forces-derived intelligence capabilities to Army and Marine Corps.
- Department of Energy Environmental Cleanup – Adds \$500 million, offset by \$250 million of prior year balances for cleanup.

Legislative Provisions

- Includes a provision continuing limitations on the use of funds for construction or deployment of a European missile defense system until two conditions are met: (1) the European government gives final approval (including parliamentary approval) of any deployment agreement negotiated with the United States; and (2) 45 days have elapsed after Congress receives the report required in the National Defense Authorization Act for FY2008. Also limits the use of funds for acquisition, other than initial long-lead procurement, or deployment of the interceptor planned for Europe until the Secretary of Defense, after receiving the views of the Director of Operational Test & Operation, certifies that the interceptor has demonstrated a high probability of accomplishing its mission in an operationally effective manner.
- Requires the next administration to conduct a full review of U.S. ballistic missile defense policy, strategy, and related matters.

- Requires an independent assessment of boost-phase missile defense programs, particularly the Airborne Laser and the Kinetic Energy Interceptor program.
- Requires the Director of Operational Test and Evaluation (DOT&E) to evaluate testing conducted on the Airborne Laser (ABL), and prohibits the use of funds to procure a second ABL aircraft until the Secretary of Defense, after receiving the views of DOT&E, certifies that the ABL has demonstrated a high probability of being operationally effective, suitable, survivable, and affordable.
- Consolidates two DOT&E missile defense reports, so that DOT&E includes a characterization of the effectiveness, suitability, and survivability of the ballistic missile defense system in its annual report on missile defense testing.
- Requires an independent assessment of the feasibility and advisability of developing a space-based interceptor system for missile defense.
- Requires a report on Prompt Global Strike concepts to be included in the FY2010 budget request.
- States the Sense of the Congress on nuclear weapons management and the need to ensure greater attention to nuclear matters at the programmatic and policy levels.
- Requires the next administration to conduct a national security space posture review.
- Requires a joint bandwidth study by the Secretary of Defense and Director of National Intelligence to review bandwidth requirements of major systems and to ensure at the Key Decision Point/Milestone B phase in the procurement process there is a plan to meet the bandwidth requirements of the system.
- Requires development of a comprehensive plan for the next generation of missile warning satellite systems, taking into account the capabilities of current and planned systems, and ongoing research activities.
- Requires the DOE to report on the status of sites complying with the 2005 physical security requirements by December 2008.

SUBCOMMITTEE ON SEAPOWER

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

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

Specifically, the subcommittee included the following funding and legislative provisions:

- P-3 aircraft modifications – Provides \$160 million to fund P-3 aircraft structural improvements to fix service life problems with these aircraft (\$548 million for this effort is the number one Chief of Naval Operations’ (CNO) Unfunded Priorities List item).
- Attack submarine advance procurement – Adds \$79 million to support Navy’s acceleration of SSN-774 procurement to two boats per year in FY 11.
- Littoral Combat Ship (LCS) – Reduces by \$123 million the FY2009 budget request to reflect resources derived from cancelled contracts in ship prices. This leaves enough money in Shipbuilding and Conversion, Navy to fund the two ships in the Navy’s budget request.
- LPD-17 – Adds \$170 million for LPD-17 advance procurement, which is combined with other funds for a total of \$323 million in advance procurement. Full funding for this ship (at a cost of \$1.7 billion) was number one on the Commandant’s Unfunded Priorities List and number two on the CNO’s list.
- Prepositioning ship program – Reduces by \$170 million the Navy’s maritime prepositioning force – future (MPF(F)) ship (called an MPF(F) LHA(R)). The ships in the production line ahead of this ship are both over cost and behind schedule.
- SSBN(X) – Adds \$15 million to accelerate studies on the next generation strategic missile submarine.
- New cruiser R&D – Reduces by \$120.8 million the Navy’s program to develop a new air and missile defense cruiser called (CG)X, effectively capping CG(X) R&D at FY2008 levels. The Navy has deferred making a decision on the requirements for this ship at least until sometime in FY2009, and cannot spend the extra R&D money they budgeted for FY2009 usefully.
- BAMS UAV program – Reduces by \$48.2 million the new Navy Broad Area Maritime Surveillance (BAMS) unmanned aerial vehicle due to delays in the development program.
- C-17 R&D – Reduces by \$48 million C-17 product improvement R&D to scale back ramp up in activity despite there being no major complaints about C-17 performance in the field.
- C-17 procurement – Reduces by \$40 million spare parts procurement to more normal levels.

- Allegany Ballistics Laboratory – Provides \$30 million for Allegany Ballistics Laboratory facilities upgrade.
- VH-71 presidential helicopter – Withholds obligations until the Navy submits a comprehensive report on the plan for modernizing the Presidential Helicopter fleet, and DOD updates the programs Selected Acquisition Report.
- Open Architecture – Fences obligations until the Navy provides measures of progress in the plan to open the combat systems software and hardware.
- Ship Maintenance and Materiel Condition – Requests a comprehensive report on fleet materiel condition in response to failures of two major surface combatants to pass inspection and be deemed fit for service.
- Civil Reserve Air Fleet (CRAF) – Includes an authorization for the Department to provide guaranteed minimum purchases level for services from CRAF participants.

SUBCOMMITTEE ON AIRLAND

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

Specifically, the subcommittee included the following funding and legislative provisions:

- Requires the Secretary of Defense to ensure the Stryker Mobile Gun System (MGS) is subject to testing to confirm the effectiveness of actions taken to mitigate the deficiencies identified in Initial Operational Test and Evaluation and Live Fire Test and Evaluation.
- Requires the Secretary of the Army to submit a report on the small arms Capabilities Based Assessment and withholds authority to obligate more than 75 percent of the funds available for the Guardrail Common Sensor until the report has been delivered. Also, requires full and open competition if a new weapon acquisition is recommended by the Capabilities Based Assessment. Finally, requires the Secretary of Defense to submit a report on the feasibility and advisability of conducting a full and open competition for carbine-type rifles.

Budget Recommendations

- Supports the President's budget request for the Army's Future Combat Systems and acknowledges that FY2009 is a critical year for the program and emphasizing funding stability provides the Army the best chance of success.
- Land Warrior – Adds \$102 million to procure an additional brigade set of Land Warrior equipment for a deploying unit.
- Army Unfunded Priorities List – Adds over \$390 million from the Army Chief of Staff's Unfunded Priorities List for National Guard homeland defense items.

Aviation Highlights

- MP-RTIP – Adds \$98 million to mature MP-RTIP technology for deployment on a large aircraft, in addition to the current plan for fielding the technology on the Global Hawk unmanned aerial vehicle (UAV).
- Joint Strike Fighter (JSF) alternate engine – Adds \$430 million in R&D and \$35 million in advance procurement to support the GE/Rolls Royce F136 engine program.
- JSF basic engine – Adds \$35 million to improve technologies in the Pratt & Whitney F135 engine program.
- E-2D advanced Hawkeye – Defers 1 of 3 aircraft (\$165.5 million reduction) in the FY2009 request due to delays in building and testing the new radar. In FY2008, Navy R&D is paying for 3 aircraft.
- F-22 advance procurement – Provides \$497 million for either advance procurement continuing the production line in FY2010, or for shutting down the line. Further, the bill would require the President to certify the manner in which the funding should be spent.
- Litening targeting pod upgrades – Adds \$27.9 million for upgrading existing Air Force Litening targeting pods.
- JASSM missile production – Reduces by \$80 million the request to keep JASSM production flat while working through the ongoing testing and production problems.
- Aircraft planning report – Amends Title 10 to include a long-range aviation plan, similar to the current 30-year shipbuilding plan, to increase the visibility of looming future inventory issues.

- F/A-18 E/F – Includes report language encouraging the Department to assess a potential third multi-year procurement for the F/A-18 E/F to help close a projected shortfall of fighter aircraft in the Department of the Navy.

OTHER MATTERS

The committee also addressed the following items:

Peace and Stability Operations

- Authorizes the DOD to establish a Center for Complex Operations to facilitate the education and training of civilian and military personnel from various agencies in order to facilitate and improve on peace, stability, and other operations.
- Authorizes the Navy to provide meals at no cost to non-governmental, host, and partner nation participants in civil-military operations, as well as foreign national patients treated during operations.
- Extends and increases funding for DOD to support State Department security and stabilization assistance efforts.

Capacity Building of Friendly Nations

The bill provides the Department additional authorities for building the capacities of friendly nations to combat terrorism and operate with or in place of U.S. armed forces, including:

- Extends and enhances DOD authorities to train and equip foreign military forces and other counterterrorism forces.
- Authorizes the Department to distribute electronically training materials to enhance the interoperability between foreign military and civilian personnel and U.S. forces.
- Authorizes permanently the participation of DOD personnel in the NATO multinational military centers of excellence.
- Requires a report by 2010 on how DOD has used the capacity building authorities to assist the next administration in evaluating whether to extend or modify these authorities.

Other Items

- Prohibits using DOD funds authorized by this Act to pay for large-scale infrastructure projects in Iraq, defined as a project exceeding \$2 million. The provision also calls for the United States to begin negotiating with Iraq a cost sharing agreement for U.S.-Iraqi

combined operations and to take steps to ensure that Iraq pays for the training, equipping, and sustaining of the Iraqi Security Forces and the costs associated with the Sons of Iraq.

- Requires the Secretary of State to provide quarterly reports on the status of negotiations between the Government of Libya and the Labelle discoltheque claimants.
- Requires a report on modifications to detention operations in Iraq to incorporate counterinsurgency doctrine and to capture lessons learned for DOD detention doctrine, training, and practices worldwide.
- Provides \$60 million to sustain support for irregular warfare capabilities under the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.
- Authorizes combatant commands to establish capabilities to recover isolated personnel in hostile areas using indigenous/surrogate personnel, when conventional methods of personnel recovery are unavailable.
- Combatant Commanders Initiative Fund (CCIF) – Provides \$75 million for the CCIF to enhance the capacity of our combatant commanders to respond to unanticipated needs, including situations requiring humanitarian relief and reconstruction assistance.
- Adds \$13.7 million for resumption of recovery operations in North Korea for American POW/MIAs.

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