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Summary of the Fiscal 2007 Supplemental Funding Legislation

House and Senate conferees have approved legislation providing \$124.2 billion primarily for the wars in Iraq and Afghanistan, for improving the health care for returning soldiers and veterans, for continued Hurricane Katrina recovery for the Gulf Coast, to fill major gaps in homeland security, and to provide emergency drought relief for farmers.

As part of the legislation, conferees approved a sensible plan to redeploy U.S. forces in Iraq paired with progress made by the Iraqi government in meeting diplomatic and security benchmarks. The legislation, subject to Presidential waiver, would ensure adequate rest between tours of duty of both active duty and Guard and Reserve forces, while also requiring that their service in Iraq not be extended beyond a year for any tour of duty.

President Bush would be required to certify that the Iraqi government is meeting the diplomatic and security benchmarks. If he makes that certification, deployment shall begin no later than October 1, 2007, with the goal of completing the redeployment within 180 days. After that period, a limited number of U.S. forces could remain in Iraq for force protection, training and equipping Iraqi troops, and targeted counterterrorism options. The legislation makes it possible for the U.S. military to focus its resources on Osama bin Laden, whose organization attacked the nation on 9/11, and destroying his base of operations in Afghanistan.

Additionally, the U.S. commander in Iraq would provide regular progress reports to Congress on both the progress of the Iraqi government to take control of that country as well as the status of the redeployment efforts.

Overall, the conference agreement provides:

- More than \$100 billion for the Department of Defense, primarily for continued military operations in Iraq and Afghanistan. The legislation includes a \$1 billion increase for the National Guard and Reserve equipment and \$1.1 billion for military housing. The conference report provides \$3 billion (\$1.2 billion more than the President's request) for the purchase of Mine Resistant Ambush Protected Vehicles (MRAP) -- vehicles designed to withstand roadside bombs.
- More than \$5 billion to ensure that returning troops and veterans receive the health care that they have earned with their service.
- \$6.9 billion for the victims of Hurricane Katrina and Hurricane Rita.
- Emergency funding for the State Children's Health Insurance Program (SCHIP) totals more than \$650 million.
- Homeland security investments total \$2.25 billion, including funds for port security and mass transit security, for explosives detection equipment at airports, and for several initiatives in the 9/11 bill that recently passed the Senate.
- \$3.5 billion is provided to help relieve the enormous pressure on farmers and ranchers as a result of severe drought and agricultural disasters.
- The conference agreement also includes emergency funding for forest firefighting, low-income home energy assistance, and pandemic flu preparations.

An overall summary of the supplemental bill, by subcommittee, is below.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

This conference report includes a number of provisions under the jurisdiction of the Agriculture Subcommittee.

It includes \$500 million for humanitarian food assistance to help fight starvation and malnutrition in some of the most desperate places on earth.

It provides additional relief for producers suffering from the lasting effects of Hurricane Katrina.

It also provides \$3.5 billion in emergency relief for farmers and ranchers all across this nation. Over the past two years, American farmers have suffered from severe drought, floods, storms, wildfires, and many other natural disasters.

Over 80% of all U.S. counties were declared primary or contiguous disaster areas in 2005.

A map showing all disaster counties for 2006 indicates that nearly the entire nation was affected by these events. Losses have continued into 2007.

Losses in excess of crop insurance indemnities for crop production and quality, livestock feed and livestock deaths for the 2005, 2006, and thus far in 2007 are in the billions of dollars. And, for the first time, in this legislation, producers must have purchased crop insurance or similar coverage, if it was available, to receive crop disaster assistance. There are no exceptions.

In 2005, Congress approved some assistance for hurricane related losses and the Senate approved a comprehensive, National Agriculture disaster assistance program for 2005 losses on a bipartisan basis as part of the hurricane supplemental only to be thwarted by the House leadership and the White House.

In 2006, the Senate Appropriations Committee, on a bipartisan basis, adopted a comprehensive, National Agriculture disaster assistance program as part of its FY 2007 Agriculture Appropriations bill. That bill was never considered by the full Senate.

This Agriculture Disaster package is primarily to compensate crop and livestock producers for lost production. There is also funding for conservation practices that will help repair and restore natural resources.

COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES

The CJS chapters of the FY2007 Supplemental total \$571.4 million. This is \$397.922 million above the President's request, \$266.189 million below the Senate level, and \$197.138 million above the House level.

Title 1: Global War on Terror

- The CJS chapter of Title I totals \$316 million for the Department of Justice (DOJ). This is \$142.552 million above the President's request, \$129.689 million below the Senate level, and \$157.138 above the House level.

Legal Activities: \$1.648 million

- The conference agreement provides \$1.648 million for DOJ's criminal division to train law enforcement in Iraq and Afghanistan. This is equal to the House level, and \$2.445 million below the President's request and the Senate level.

U.S Attorneys: \$5 million

- The conference agreement provides \$5 million to prosecute terrorism cases in the U.S. This is equal to the President's request and the House level, and is \$7.5 million below the Senate level.

U.S. Marshals Service: \$6.45 million

- The conference agreement provides \$6.45 million for the U.S. Marshals for court and witness protection in Iraq/Afghanistan and increased court security in the U.S. for high threat terrorist trials. This is \$8.47 million below the President's request, \$3.7 million above the House level, and \$26.05 million below the Senate level.

National Security Division (DOJ): \$1.736 million

- The conference agreement provides \$1.736 million to prosecute high threat detainees at Guantanamo Bay. This is equal to the President's request and both the House and Senate levels.

FBI: \$268 million

- The conference agreement provides \$268 million for the FBI to fight the global war on terror. This is \$149.74 million above the President's request and the House level, and \$80.26 million below the Senate level.
- Funding is provided for equipment, training, supplies and operational support to enhance the FBI's ability to protect the U.S from a terrorist attack. This includes support for the FBI's new Render Safe mission as required by Presidential Directives (NSPD 46 and HSPD 15).
- The agreement includes \$10 million for the FBI to implement the Office of Inspector General's recommendations pertaining to the FBI's use of National Security Letters. This includes \$500,000 by transfer to the Inspector General to continue oversight and monitoring of the FBI to ensure implementation of OIG recommendations pertaining to National Security letters.

DEA: \$12.166 million

- The conference agreement provides a total of \$12.166 million for the DEA to continue anti-drug operations in Afghanistan and hire additional DEA agents. This is \$3.698 million above the President's request and the House level, and \$12.934 million below the Senate level.

ATF: \$4 million

- The conference agreement provides \$4 million for the ATF to train explosives specialists in Iraq/Afghanistan and improve IED detection activities. This is equal to the President's request and the House and Senate levels.

Bureau of Prisons: \$17 million

- The conference agreement provides \$17 million to monitor prisoner communication and mail in the federal prison system. This is equal to the President's request and the House and Senate levels.

Title II: Katrina

- The CJS chapter of Title II totals \$195 million. The President did not request this funding.

Department of Justice

Edward Byrne Discretionary Grants: \$50 million

- The conference agreement provides \$50 million for Edward Byrne Discretionary Grants to assist Gulf Coast states in fighting the increase in violent crime resulting from Hurricanes Katrina and Rita.

National Oceanic and Atmospheric Administration: \$110 million

- The conference agreement provides \$110 million for fisheries and disaster recovery in the Gulf Coast region. The President did not request funding for this activity. This amount includes:
 - \$24 million for scanning, mapping, and debris removal in fishing grounds and waterways
 - \$85 million for authorized direct assistance to gulf fishermen
 - \$1 million for observations and forecasts in high priority seaports in the Gulf Coast region

NASA: \$35 million

- The conference agreement includes \$35,000,000 as proposed by the House for disaster mitigation activities at NASA facilities in the Gulf Coast region.
- The conference agreement also includes language, as proposed by both the House and Senate, to reprogram \$48,000,000 in previously appropriated funds. The language allows NASA to use up to \$48 million in previously appropriated funding to replenish Shuttle/International Space Station (ISS) programs, which NASA used to pay for immediate repairs to NASA facilities after Hurricanes Katrina and Rita.

Title III – Other Emergency Funding

- The conference agreement provides \$60.4 million for NOAA to fund a fisheries emergency declared by the Secretary of Commerce for Klamath River salmon in the Pacific Northwest, as proposed by both the House and Senate. The President did not request funding for this activity.

DEPARTMENT OF DEFENSE

The conference report:

- Provides \$95.5 billion in emergency spending for the Department of Defense to support Operation Iraqi Freedom and Operation Enduring Freedom, which is \$4 billion more than the President's request
 - This provides support for 140,000 troops deployed in Iraq and 20,000 in Afghanistan
 - And fully funds the original surge force of 21,000 soldiers plus an additional 4,729 personnel in Iraq and 7,200 in Afghanistan
- Fully funds the accelerated conversion of two Army Brigade Combat Teams and a new Marine Regimental Combat Team
- Fully funds the executable reset requirement
- Adds \$2.1 billion for the Defense Health Program to address critical shortfalls
- Adds \$2 billion for a Strategic Reserve Readiness Fund of which \$1 billion is for Army National Guard Equipment shortfalls
- Adds \$1.1 billion to fully fund Housing allowances for military personnel
- Adds \$3 billion for the purchase of Mine Resistant Ambush Protected Vehicles (MRAP)
- Supports the request of \$3.5 billion in Special Transfer Authority
- Reduces procurement and operations funding that could not be justified or was clearly unrelated to wartime needs.

Military Personnel: \$13.5 billion

- Provides pay and allowances for troops maintained on active duty beyond normal end strength levels, and mobilized Reserve and Guard soldiers.
- Provides Special Pays, including Imminent Danger Pay, to Active, Reserve, and Guard soldiers who are deployed in support of GWOT
- Supports required Pre- and Post-Mobilization Training for Reserve and Guard units
- Provides an additional \$1.1 billion for Basic Allowance for Housing to fully fund requirements identified by the Services
- Fully funds the request for recruiting and retention incentives and provides an additional \$10 million for specific reserve components that identified funding shortfalls

Operation and Maintenance: \$50.4 billion

- Funds military operations by the services and Special Operations Forces for incremental pre-deployment training and support, transportation to and from theater, operating tempo in theater, sustainment of equipment, and the full range of logistics and communications and intelligence assets support
- Provides funding for repair activities which involve the necessary depot and intermediate maintenance required to restore equipment returning from Iraq and Afghanistan to pre-deployment conditions
- Provides \$1.6 billion for individual body armor, including advanced combat helmets
- Provides \$120 million for transfer to the Coast Guard for operations in support of the Global War on Terror
- Provides \$9.7 billion for the Afghanistan and Iraq Security Forces Funds to train and equip Afghan and Iraqi Security Forces and assist their governments in assuming greater responsibility for their nation's security.
- Provides \$2.4 billion for the Joint Improvised Explosive Device Defeat Fund. Fully funds the request for the Joint Improvised Explosive Device Defeat Office and provides adequate funding and management flexibility to the Department in developing and fielding the necessary tactics, equipment, and training to defeat improvised explosive devices.

- Fully funds the Commander's Emergency Response Program
- Provides \$2 billion to establish the Strategic Reserve Readiness Fund
 - \$1 billion of which will be used for National Guard and Reserve Equipment to support improvements in the readiness of the Army National Guard
- Denies funding for unjustified global lift, sustain, train and equip programs -\$350 million.
- Reduces funding for coalition support based on low obligations of prior year spending - \$100 million.

Procurement: \$25.6 billion

Aircraft

- Funds nine UH-60 Blackhawk helicopters, including combat losses
- Does not provide funds for the Armed Reconnaissance Helicopter
- Funds three CH-47 heavy lift helicopters for the Army National Guard and one CH-47 battle loss for Special Operations Command
- Fully funds aircraft survivability equipment for Army helicopters
- Provides more than \$295 million to protect Army helicopters from shoulder-launched missile threats in Iraq and Afghanistan
- Funds five C-130J aircraft for the Air Force
- Funds one CV-22 Osprey
- Fully funds Predators for Air Force and U.S. Special Operations Command
- Funds Precision Engagement and enhanced communications for the A-10 aircraft
- Funds aircraft defensive systems for C-5As
- Funds Large Aircraft Infrared Counter Measures (LAIRCM) for C-17s, C-37s, C-40s, and C-130s
- Funds 39 Sniper Advanced Targeting Pods for Air Force aircraft
- Provides \$75 million to procure one EA-18G aircraft for the Navy to replace an EA-6B combat loss aircraft
- Provides \$192 million to replace three F/A-18 combat losses
- Provides \$290 million over the supplemental request for Marine Corps aircraft survivability equipment
- Provides \$178.5 million for upgrades to the EA-6B aircraft
- Provides \$50 million to start building new AH-1Z helicopters for the Marine Corps
- Includes \$30 million for enhanced crew protection for C-130 aircraft, which will allow 7 more aircraft to deploy to theater
- Provides \$113 million for Advance Targeting Forward Looking Infra-Red and Litening pods for the Navy's F-18 aircraft

Weapons/Missiles/Ammunition

- Provides \$848 million for ammunition

Vehicles/Force Protection

- Provides \$3 billion for Mine Resistant Ambush Protected Vehicles (MRAPs) for Army, Navy, Marine Corps, Air Force and SOCOM.
 - An increase of \$1.2 billion above the President's request
- Supports the Army's Brigade Combat Team acceleration initiative
- Provides \$1.5 billion for additional Family of Medium Tactical Vehicles
- Fully funds Army HMMWVs and force protection HMMWV modifications.
- Fully funds Bradley Fighting Vehicle sustainment
- Funds force protection modifications for Stryker vehicles
- Fully funds M1 Abrams tank upgrades

Other

- Provides an additional \$25 million over the request to accelerate replacement of worn-out construction equipment for Seabees in Iraq
- Fully funds 5,000 Combat Survivor Evader Locator radios for Air Force aircrews supporting operations overseas

Research, Development, Test and Evaluation: \$1.1 billion

Aircraft

- Funds development of aircraft survivability systems for the CH-53E and H-1 helicopters.
- Provides \$52 million to integrate advanced targeting pods on B-1 and B-52 aircraft and Hellfire missiles on A-10 aircraft to improve performance of these various aircraft in theater
- Provides \$20 million to improve targeting of Predator unmanned aerial vehicles

Revolving and Management Funds: \$1.3 billion

- Supports the President's budget request for Defense Working Capital Funds

Other Department of Defense Programs: \$3.5 billion

Drug Interdiction and Counter-Drug Activities: \$255 million

- For Drug Interdiction and Counter-drug Activities in Afghanistan and Central Asia.

Defense Health Program: \$3.3 billion

- Provides an additional \$2.1 billion above the request
- Including:
 - \$661 million in uncovered and unbudgeted fees
 - \$500 million to eliminate efficiency wedge+savings and reinvest in military hospitals
 - \$20 million to repair facilities at Walter Reed
 - \$900 million for brain trauma injury (BTI) and post traumatic stress disorder (PTSD) treatment and research
 - Allows for transfer of excess PTSD and BTI treatment funds to the Veterans Administration for soldiers transitioning from the military

Legislative Proposals

- Provides \$3.5 billion in transfer authority for emergency supplemental funding.
- Provides contingency authority to reprogram funds for Joint IED Defeat Task Force and the Iraqi Security Forces if necessary before supplemental funds are made available.
- Reaffirms opposition to Torture.
- Denies proposal to increase general transfer authority for underlying 2007 bill.
- Denies authority to increase extraordinary expense allowance.
- Denies authority to support Pakistan Frontier Corps using defense funds.
- Allows servicemembers to designate a portion of their death gratuity benefit to someone other than next of kin. This provision sunsets September 30, 2007.

- Mandates examination of all military treatment facilities to ensure proper conditions for wounded service personnel.
- Requires several reports on Iraq and related war efforts to allow for greater congressional oversight.

ENERGY AND WATER DEVELOPMENT

Title I

Nuclear Nonproliferation - \$150 million

The conference legislation provides the Department of Energy up to \$150, 000, 000 for implementation of the nuclear nonproliferation program in FY2007.

Title II

Louisiana Katrina Relief - \$1.3 billion

The conference legislation provides \$1,300,000,000 for work to repair levees and other infrastructure damaged as a result of Hurricane Katrina. The Administration had proposed to simply shift other priority hurricane funding to pay for the \$1.3 billion in work, but the conference prefers to directly provide the necessary funding.

Mississippi Katrina Relief - \$107.7 million

The conference legislation allows up to \$107,700,000 in reimbursements to locals for advance measures they have undertaken to construct overall hurricane and storm damage reduction projects. This reimbursement would come from funds already appropriated.

Title III

Southeast Louisiana drainage projects - \$25.3 million

The conference agreement provides \$25,300,000 for interior drainage projects in the metro New Orleans area. This will fund contracts in FY07 that will extend through FY08.

FINANCIAL SERVICES AND GENERAL GOVERNMENT

SMALL BUSINESS ADMINISTRATION: The conference agreement provides authority for the Small Business Administration (SBA) to use \$25,069,000 in unobligated balances in the Disaster Loans Program Account for administrative expenses. The conference agreement also provides that an additional \$25,000,000 in unobligated balances shall be used for the SBA Disaster Loan Program for Economic Injury Disaster Loans, not more than \$8,750,000 of which may be used for administrative expenses.

HOMELAND SECURITY

The Administration continues to try to secure the homeland on the cheap. Too often, they rely on paper security, trying to improve security by paying contractors to write reports and by setting minimal standards for improving security. The President did not request one dime in the supplemental for securing the homeland.

The conference report includes \$2.25 billion for homeland security programs. The funding is focused on real security measures, such as: improved in-line technology at airports for screening baggage; better technology at airport checkpoints for screening passengers and carry-on baggage for explosives; more border security, particularly inspecting and targeting for container security and improvements along the Northern Border, including passenger and cargo screening and air and marine operations; more inspectors, canine teams, technology, and research for screening cargo on passenger aircraft; improved security on buses, subways, and railroads; additional coverage of flights by Federal Air Marshals; improved preparedness at all levels of government for a nuclear attack or dirty bomb; more security at our ports; and improved preparedness for FEMA and state and local emergency managers to respond to an attack or a natural disaster, including mass evacuation.

In addition, \$4.61 billion is included for FEMA Disaster Relief, \$1.21 billion above the request for rebuilding after the 2005 Hurricanes. \$320 million is also included to cover the costs of Community Disaster loans that communities in the Gulf Coast impacted by Hurricanes Katrina and Rita can not afford to repay.

The agreement includes language setting tougher standards for the Coast Guard Deepwater procurement program. Recently, the Coast Guard has had cost overruns, program delays and systems failures in the Deepwater program, for purchasing the next generation of ships, planes and helicopters. The language requires more rigorous Coast Guard oversight, independent third-party reviews of major procurements, a comprehensive expenditure plan, and linkage of award fees and contractor performance.

Language is included to clarify that the new Federal standards for securing chemical facilities do not preempt State standards if those standards are more rigorous than the Federal standard. In addition, the existing Sensitive Security Information standard is applied to the distribution of information related to securing chemical facilities.

Major items follow:

Customs and Border Protection (CBP)

\$115 million for Secure Freight Initiative and SAFE Port Act implementation to enhance targeting and screening of U.S.-bound containers, purchase additional non-intrusive inspection equipment, integrate the equipment with inspection and radiation detection operations, and hire no less than 600 additional CBP officers for targeting and screening at Northern Border and other ports, including overseas locations and at the National Targeting Center.

\$120 million to accelerate planned Air and Marine Operations on the Northern Border . including the establishment of the final Northern Border Airwing and procurement of additional fixed-wing aircraft, helicopters, marine and river vessels, unmanned aerial systems, and other activities.

Federal Emergency Management Agency (FEMA)

\$100 million for Emergency Management Performance Grants (EMPG) -- The Nationwide Plan Review, conducted by DHS after Hurricane Katrina, identified specific actions needed to update State and local emergency plans. Emergency Management Performance Grants are the only source of direct federal funding to state and local governments for emergency management capacity building.

\$190 million for Port Security Grants -- The Coast Guard estimated that \$5.4 billion is needed through 2012 for facility security costs at our ports. Currently, major projects that would provide serious security for our ports are not occurring because there is simply not enough funding allocated to ports each year to tackle the larger projects. This provides \$400 million total in FY 2007 funding, which is the full amount authorized in the SAFE Port Act.

\$325 million for Rail and Transit Grants . Despite the train bombings in London, Madrid, Moscow, Tokyo, and Mambai, DHS has limited its response to domestic threats to issuing unenforceable policy directives, deploying two very limited pilot programs, and distributing limited amounts of money to secure rail and transit facilities. Americans take more than 9.7 billion transit trips a year, over many thousands of miles of track, serving stations that are designed primarily for easy access. The transit community has estimated \$6 billion is needed in security related costs.

\$35 million for regional grants and technical assistance to high risk urban areas for catastrophic event planning and preparedness. It is critical that these urban areas plan for response and recovery from threats such as a nuclear attack, a chemical incident or a major natural disaster. In addition, \$2.5 million is included for technical assistance.

\$25 million for FEMA Administration . Due to the reorganization of FEMA in Title VI of the FY 2007 Appropriations Act, FEMA has incurred many additional responsibilities for which the Administration has not requested resources. These funds will support regional strike teams to better coordinate federal, state, and local communications during a disaster; update financial systems to support the reorganization and improve disaster response; and support the establishment of the Law Enforcement Liaison Office, the Disability Coordinator Office and the National Advisory Council. This funding will also provide for needed communications equipment in the FEMA regions and support development of mutual aid agreements.

Transportation Security Administration (TSA)

\$815 million for Explosive Detection Systems (EDS) procurement and installation of in-line baggage systems -- A recent independent baggage screening study estimated the need for new optimal baggage systems at airports nationwide to be \$3.69 billion. TSA has prioritized a backlog of funding requirements for the Nation's top 25 airports totaling \$1.1 billion. With an additional \$815 million, total funding in FY 2007 for EDS purchase and installation would be \$1.344 billion.

\$110 million for air cargo security -- The U.S. air cargo supply chain handles more than 50,000 tons of cargo each day, of which 7,500 tons is carried on domestic passenger aircraft. The majority of that cargo is not inspected. S.4, the 9/11 Commission recommendations bill, requires TSA to develop a system to screen all cargo being transported on passenger aircraft. The \$110 million adds 150 additional air cargo inspectors, increasing the base to 450 from 300, includes funding to expand the National Explosives Detection Canine Team program by 170 teams (from a base of 422 canine teams), provides funding to complete vulnerability assessments at high cargo volume airports, and provides funds for technology, such as explosives detection systems to screen air cargo.

\$45 million to screen airline passengers and carry-on baggage for explosives with advanced checkpoint explosives detection technologies.

\$8 million for Federal Air Marshals to increase flight coverage. As a result of terrorist plots to explode international flights last August, funding is necessary to support higher coverage on critical flights that would otherwise have been insufficient.

2005 Hurricane Response

Disaster Relief Fund . The legislation provides \$4.61 billion, \$1.2 billion above the \$3.4 billion requested by the President.

Match Waiver . The legislation contains a provision to waive the local funding match requirements for the repair of public facilities, and for public assistance and individual assistance related to the response to and recovery from the 2005 Hurricanes, consistent with other major disasters such as the 9/11 terrorist attacks. \$320 million is included to provide relief to Gulf Coast communities that have not been able to repay Community Disaster Loans.

Analysis & Operations (A&O)

\$15 million to support state and local fusion centers with DHS intelligence analysts and secure technology.

U.S. Citizenship and Immigration Services (USCIS)

\$10 million to address the security background check backlog that exists between USCIS and FBI on background checks for immigrants filing for benefits.

Immigration and Customs Enforcement (ICE)

\$5 million for the Human Smuggling and Trafficking Center to better coordinate efforts to stem the flow of, and trafficking in, illegal aliens as authorized in the 9/11 bill.

\$5 million for the Visa Security Program to create and staff a Security Advisory Opinion review unit to vet visa applications from overseas consulates for risk and threat prior to issuing a travel visa.

Science and Technology

\$10 million for Air Cargo Research . Restart and aggressively pursue several unfunded initiatives to detect explosives before they get on board the aircraft and to make air cargo containers blast-resistant.

Infrastructure Protection

\$12 million for Chemical Site Security -- funds the new and expanding chemical site security activities. At the direction of Congress, DHS has established chemical security standards, but DHS has not requested sufficient funds to hire personnel to inspect chemical sites to ensure compliance with the standards.

\$25 million for improving technical assistance to state and local governments for improving interoperability of communications equipment.

Domestic Nuclear Detection Office

The agreement provides \$223.5 million to expand our network of radiation detectors to our ports to help detect terrorist attempts to slip a nuclear weapon into our Nation. Since most cargo does not enter our country in containers, another \$39 million is devoted to researching ways to better screen non-container cargo.

Office of Health Affairs

The gravest potential threat facing this Nation is a nuclear weapon in the hands of terrorists. In addition to monitoring for radiation at our borders to intercept a nuclear bomb before it reaches its target, we must prepare our cities to respond once a nuclear bomb goes off. The conference agreement includes \$15 million to assess the impact a nuclear weapon would have on certain cities and plan for immediate response.

INTERIOR, ENVIRONMENT AND RELATED AGENCIES

The conference report contains the following items within the jurisdiction of the Interior, Environment, and Related Agencies Subcommittee.

Emergency Fire Suppression

The conference agreement provides a total of \$500 million to replenish the fire suppression reserve funds for the Forest Service (\$400 million) and the Bureau of Land Management (\$100 mil). These funds only become available if all other wildfire suppression funds will be imminently expended and the administration notifies the Congress of the need for the additional funding.

Avian Flu

The conference agreement provides a total of \$13.2 million for avian flu research and monitoring. These funds were added to the budget in FY 2006 and are requested in the administration's FY 2008 request. Given the recent spread of dangerous flu outbreaks in Western Europe, it is essential that this work continue. Funding will go to the Fish & Wildlife Service (\$7.398 mil), the U.S. Geological Survey (\$5.270 mil) and the National Park Service (\$0.525 mil).

Drug eradication on Forest Service lands

The conference agreement provides \$12 million to the Forest Service to respond to growing international drug trafficking on federal lands. This has become a particularly severe problem since September of 2001. With increased border scrutiny, drug traffickers have taken to moving their operations on to federal lands. In 2006, federal authorities seized nearly three million marijuana plants from public lands, a harvest with a potential street value of between \$10 and \$15 billion. Approximately half of these plants were found in California. These funds would be used by the Forest Service for upgraded equipment and training, and to allow for better interagency coordination with DEA, Border Patrol and other federal and state agencies.

Disaster related Historic Preservation

Many of the historic structures in New Orleans and coastal Louisiana sustained severe damage as a result of hurricane Katrina. Last year, \$40 million was made available for historic preservation work, of which \$27 million went to Mississippi and \$12 million went to Louisiana. These additional funds, made available through the Historic Preservation Fund and targeted to Louisiana, will begin to address the remaining \$60 million preservation need in that state.

Secure Rural Schools

A provision is included that will provide \$425 million in emergency funding (along with another \$100 million in receipts in the base) for payments to states under the Secure Rural Schools program, which expired at the end of September. This is a one year fix.

LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION

The agreement provides \$1.563 billion for LHHS items included in Titles II through VI of the supplemental, which reflects an estimate for the Durbin amendment language in title VI. This amount is \$466 million below the \$2.029 billion provided by the Senate bill and \$365 million below the \$1.928 billion proposed in the House bill.

Title II

Higher Education: The conference agreement includes \$30 million for grants to colleges and universities affected by Hurricanes Katrina and Rita. Funds may be used to reimburse such institutions for physical damages, costs incurred for clean-up and lost revenue. Both House and Senate bills included \$30 million, but under slightly different eligibility criteria.

Hurricane Education Recovery: The conference agreement includes \$30 million for grants to hurricane-impacted states and local educational agencies. Both House and Senate bills included \$30 million, but used different criteria regarding the use and distribution of the funds.

Programs to Restart School Operations: The conference agreement modifies bill language proposed by the House and Senate to expand the uses of funds provided for emergency aid to restart school operations appropriated in Public Law 109-148.

Extension of Waiver Authority: The conference agreement includes language extending the Hurricane Katrina-related waiver authority of the Secretary of Education until the end of fiscal year 2008. This language was included in House and Senate bills.

Social Services Block Grant Extension: The conference agreement includes language extending, until September 30, 2009, the availability of Social Services Block Grant funds provided to the States affected by the 2005 Gulf Coast hurricanes. These funds were made available in Public Law 109-148. The House and Senate bills had similar provisions.

Ryan White Care Act Waiver Authority: The conference agreement includes language permitting the Secretary of Health and Human Services to grant waivers modifying provisions of the Ryan White State HIV/AIDS grants for four States affected by the 2005 Gulf Coast hurricanes. The Senate bill included similar language. The House bill did not include any language on this issue.

Title III

CDC/NIOSH Mine Safety: The conference agreement provides \$13 million for research to develop mine safety technology, including necessary repairs and improvements to leased laboratories.

CDC- Worker Screening for 9/11 workers: The conference agreement includes \$50 million for health monitoring and treatment of rescue and recovery workers who responded to the attacks of September 11, 2001.

LIHEAP: The conference agreement provides \$400 million for the Low-Income Home Energy Assistance Program, including \$200 million for State block grants and \$200 million for the contingent emergency reserve.

Pandemic Flu Preparedness: The conference agreement provides \$625 million to prepare for and respond to an influenza pandemic. These funds are intended to be used to purchase antivirals, establish high-volume domestic surge capacity through vaccine purchases and retrofit of production facilities, and accelerate development of cell-based vaccine capabilities as proposed by the Administration.

Covered Countermeasures Process Fund: The conference agreement includes \$25 million for the compensation fund established by the Public Readiness and Emergency Preparedness (PREP) Act.

Safe and Drug Free Schools National Programs: The conference agreement includes \$8.594 million for youth violence prevention activities.

Title IV

Transfer of Funds for Biodefense and Advanced Research: The conference agreement includes language transferring \$49.5 million from the National Institute of Allergy and Infectious Diseases to the Office of the Secretary, Public Health and Social Services Emergency Fund, to support advanced research and development of biodefense countermeasures. Both House and Senate bills included language for this purpose.

National Council on Disabilities: The conference agreement includes \$300,000 for NCD to meet the requirements of the Post-Katrina Emergency Management Reform Act, pertaining to emergency preparedness planning to address the needs of individuals with disabilities.

Title VI

Shortfall in the State Children's Health Insurance Program: The conference agreement provides funds to eliminate the expected shortfall in fiscal year 2007 for 14 States, which is capped at an amount not to exceed \$650 million.

Title VII

The conference agreement includes provisions to increase the Federal minimum wage in the United States to \$7.25 an hour over two years as proposed by both the House and the Senate. Under subtitle B, the conference agreement includes various small business incentives not included in either House or Senate bills. Subtitle C contains tax provisions, but they will be read out by the committees of jurisdiction.

The conference report includes a provision authored by Senator Durbin with regard to Medicaid. The provision prohibits the Secretary of Health and Human Services from implementing for a one-year period a proposed Medicaid rule (published January 18, 2007) that would limit payments to government health care providers and alter state financing mechanisms as well as a proposal to restrict Medicaid payments for graduate medical education.

MILITARY CONSTRUCTION AND VETERANS AFFAIRS

Total Military Construction and Veterans Affairs

President's Request (Amended):	\$1,739,990,000
House Recommended:	6,617,624,000
Senate Proposed:	6,555,919,500
Conference Agreement:	6,595,560,000

Military Construction (Including BRAC)

President's Request (Amended)	\$1,739,990,000
House Recommended	4,915,542,000
Senate Proposed:	4,788,782,000
Conference Agreement:	4,806,982,000

Military Construction: The Conference agreement proposes \$4,806,982,000 for military construction, including \$3,136,802,000 for BRAC. The Conference agreement includes the following amounts for military construction:

- \$1,255,890 for Army military construction, instead of \$1,329,240 proposed by the House and \$1,261,390 proposed by the Senate. This includes funding for projects in Iraq and Afghanistan, as well as projects requested by the Administration for the Army's "Grow the Force" initiative.
- \$370,990,000 for Navy and Marine Corps military construction, instead of the \$389,300,000 proposed by the House and \$347,890,000 proposed by the Senate. This provides funding for projects in Djibouti as well as for the Marine Corps "Grow the Force" initiative.
- \$43,300,000 for Air Force military construction, instead of \$60,200,000 proposed by the House and \$34,700,000 proposed by the Senate. The funding is for projects in Afghanistan.

Included in the military construction funding is \$274,800,000 for Army projects in Iraq; \$554,190,000 for Army and Air Force projects in Afghanistan, and \$43,320,000 for Navy and Marine Corps projects in Djibouti, excluding planning and design costs. An additional \$772,870,000 is provided for Army and Marine Corps "Grow the Force" projects, including planning and design. The Conference agreement provides funding for a total of 87 military construction projects, all of which were requested by the President.

The Conference agreement also directs the Secretary of Defense to certify that none of the funds obligated for military construction projects in Iraq will be used for the purpose of providing facilities for the permanent basing of U.S. military personnel in Iraq.

BRAC: The conference agreement includes \$3,136,802,000 in emergency funding for the BRAC 2005 account. This, along with the \$2,489,421,000 in the FY 2007 Joint Funding Resolution, fully funds the Administration's FY 2007 request for BRAC 2005 funding.

Walter Reed Army Medical Center: The Conference agreement includes a provision that prohibits the expenditure of any funds to close Walter Reed Army Medical Center until equivalent facilities at the Bethesda, MD, Naval Medical Center and/or the Fort Belvoir, VA, community hospital have been constructed and equipped. The provision also requires that Walter Reed be adequately funded, to include maintenance of existing facilities, during the transition to ensure the maximum level of patient care. This language was agreed to in lieu of provisions included in the House and the Senate bills.

Armed Forces Institute of Pathology (AFIP): The Conference agreement includes a provision, as proposed by the Senate, prohibiting the use of funds to reorganize or relocate AFIP, which is part of the Walter Reed Medical Center, pending the submission to Congress of a detailed plan and timetable for the proposed reorganization.

Department of Veterans Affairs

President's Request:	\$0
House Bill:	1,702,082,000
Senate Bill:	1,767,137,500
Conference Recommendation:	1,788,578,000

The Conference recommendation is \$1.789 billion for the Department of Veterans Affairs. This is \$86.5 million above the House passed bill and \$21.4 million above the Senate passed bill. The funding included in the Supplemental is specifically targeted toward treatment for OEF/OIF veterans, reducing the backlog of benefits claims, and ensuring that facilities are maintained at the highest level. A breakout of the Conference Agreement follows.

Medical Services

President's Request:	\$0
House Bill:	414,982,000
Senate Bill:	454,130,500
Conference Recommendation:	466,778,000

The funding level provided is \$51.8 million above the House passed bill and \$12.6 million above the Senate passed bill.

The conference agreement includes:

- \$30 million for at least one new Level I polytrauma center . this funding should be sufficient to allow the VA to establish at least one new Level I comprehensive polytrauma center. Additionally, the report requires the Secretary to report back to the Committee on where any new Level I centers will be located and the potential need for more centers.
- \$9.4 million in operations costs associated with the establishment of new polytrauma residential transitional rehabilitation programs. Severely injured veterans may require extensive periods of rehabilitation to successfully integrate back into the community. Traumatic Brain Injury, particularly in combination with PTSD and other stress reactions and mental health problems, is among the conditions that require extensive rehabilitation including transitional programming. The funding will allow the VA to establish four additional transitional programs.
- \$10 million for additional transition caseworkers . The Secretary has announced his intention to hire 100 new transition caseworkers, to work with separating veterans and their families. The additional funding would be sufficient for this new initiative.
- \$20 million for Vet Centers/Readjustment Counseling . Vet Centers and the readjustment counseling provided by them remain one of the top rated VA programs among veterans. These storefront centers have seen increasing usage from GWOT veterans leading to a strain and waiting lists at many of the sites. The

additional funds would give the VA the ability to open new Vet Centers and hire additional staffing for existing centers.

- \$10 million for blind rehabilitation programs . In the FY 2007 Senate-passed MilCon/VA appropriations bill, report language was included directing the VA to begin to establish more blind rehabilitative services in an outpatient setting along with increased training consistent with GAO's 2004 testimony before Congress. Vision problems are likely to accompany TBI injuries. This and the aging veteran population have led to a need for more blind rehabilitative services. The additional funds will allow the VA to begin creating capacity to better serve today's vision impaired veterans.
- \$100 million for enhancements to mental health services . Mental health problems along with Post Traumatic Stress Disorder are likely to rise dramatically due to extended and repeated deployments in the Global War on Terror. The additional funds are provided to allow the VA to begin to build capacity, including additional staffing, throughout the VHA. The conference agreement does not specifically carve the \$100 million out for contract services in areas where waiting times exceed 30 days (as the House had proposed) however it does not prohibit them.
- \$20 million for substance abuse treatment programs . Over the past 3 fiscal years the VA's budget has been flat for substance abuse treatment programs. The additional funding could be utilized by the VA to increase in-patient and out-patient services for substance abuse programs.
- \$8 million for polytrauma clinic support teams . There are currently 76 polytrauma clinic support teams in the VA. These local teams of providers with rehabilitation expertise deliver follow up services in consultation with regional and network specialists. The additional funding would provide 10 more teams.
- \$5.4 million for polytrauma points of contacts . Smaller VHA facilities that do not have polytrauma services have points of contact who serve as referral of polytrauma patients to a facility capable of providing the level of service required. This funding would allow the VA to hire an additional 52 points of contact for smaller VHA facilities.
- \$25 million for prosthetics
- \$228.982 million in additional funds to treat GWOT veterans . the VA modeling has consistently underestimated the number of GWOT veterans seen by the VHA. In FY 2007, the VA underestimated the number of GWOT veterans by 100,000 patients (almost 100%). The additional funding would provide the VA the ability to utilize additional funding without impacting services for other VA patients.

Medical Administration

President's Request:	\$0
House Bill:	256,300,000
Senate Bill:	250,000,000
Conference Recommendation:	250,000,000

The conference agreement includes \$250 million in additional funds for the Administration of the VA health care system. This is \$6.3 million below the House passed bill and equal to the Senate passed bill. The House recommended an additional \$6.3 million in this account for polytrauma support clinic teams. The conference agreement provides \$8 million for these purposes in the Medical Services account.

Medical Facilities

President's Request:	\$0
House Bill:	595,000,000
Senate Bill:	595,000,000
Conference Recommendation:	595,000,000

The conference agreement includes \$595 million for Medical Facilities. This is equal to the House passed bill and Senate passed bill. The recommendation includes \$45 million for upgrades to the polytrauma network system. Additionally, the VA has identified \$550 million in needed non-recurring maintenance for FY 2007 and FY 2008. Both recommendations include \$550 million for this purpose.

Medical and Prosthetic Research

President's Request:	\$0
House Bill:	35,000,000
Senate Bill:	30,000,000
Conference Recommendation:	32,500,000

The conference agreement includes \$32.5 million for research associated with returning Operation Enduring Freedom and Operation Iraqi Freedom veterans and deployment health. This is \$2.5 million below the House passed bill and \$2.5 million above the Senate passed bill.

General Operating Expenses

President's Request:	\$0
House Bill:	62,000,000
Senate Bill:	46,000,000
Conference Recommendation:	83,200,000

The conference agreement provides \$83.2 million for General Operating Expenses. The agreement includes \$20 million for disability medical examinations (the House had proposed to provide this in Compensation and Pensions . however that funding would have increased mandatory spending and limited the examinations to 10 pilot sites . by providing this additional funding under General Operating Expenses the VA can utilize the funding anywhere within the VA system); \$60.75 million for the expenses related to hiring and training additional disability claims processors; \$1,250,000 is to be for digitization of military service records; and \$1.2 million for the National Academy of Public Administration to conduct a review of management structures, processes and coordination in relation to transition from active duty to veteran status (This was included as a General Provision in the Senate passed bill).

Information Technology

President's Request:	\$0
House Bill:	35,000,000
Senate Bill:	36,100,000

Conference Recommendation: 35,100,000

The conference agreement includes \$35.1 million for Information Technology. This amount is \$100,000 above the House passed bill and \$1 million below the Senate passed bill. The agreement includes \$20 million for information technology support and improvements for processing of OIF/OEF veterans benefits claims, including making electronic DoD medical records available for claims processing and enabling electronic benefits applications by veterans, and \$15.1 million for remedial actions needed to provide services to veterans whose personal information is at risk due to a recent data breach.

Construction, Major Projects

President's Request:	\$0
House Bill:	23,800,000
Senate Bill:	0
Conference Recommendation:	0

The House included \$24 million for the completion of an authorized spinal cord injury center. The conference agreement does not include funding for this purpose, as it is requested in the FY 2008 budget proposal for the VA.

Construction, Minor Projects

President's Request:	\$0
House Bill:	260,000,000
Senate Bill:	355,907,000
Conference Recommendation:	326,000,000

The conference agreement includes \$326 million in minor construction for the VA. This is \$66 million above the House passed bill and \$30 million below the Senate passed bill. The agreement includes \$290 million in minor construction for VA identified needs that were not requested in FY 2007 or FY 2008. Additionally, the agreement allows for up to \$36 million for construction needs associated with the establishment of additional polytrauma residential transitional rehabilitation programs.

STATE, FOREIGN OPERATIONS

The conference agreement recommends \$5.736 billion which is \$77.9 million below a split between the House and Senate-passed levels. The agreement reflects the shift of \$110 million for Pakistan to the Department of Defense, as requested by the President. The agreement is \$153.8 million below the total House-passed level and \$2 million below the total Senate-passed level (which included Pakistan).

Afghanistan . The agreement recommends \$919.9 million for Afghanistan reconstruction and State Department operations, which is \$199 million above the amount requested. Increases are provided for rural counter-narcotics, development, agriculture, humanitarian assistance, and Provincial Reconstruction Teams. In addition, the conference provides \$79 million for security at the U.S. Embassy in Kabul.

Avian Influenza . The agreement recommends \$161 million, the amount requested.

Iraq . The agreement recommends \$2.862 billion for Iraq reconstruction and State Department operations, which is \$338 million below the amount requested, \$99 million below the Senate

level and \$93 million below the House. The major component of this funding, Economic Support Fund would be \$1.574 billion which is \$50 million above the Senate level. \$45 million is provided for refugee humanitarian programs in Iraq, as proposed by the Senate.

- Funds community programs at higher levels than requested by the President.
- Reduces the amount for Embassy operations and requires a plan on staffing and housing to ensure that all staff are housed in the new embassy compound.
- The conference agreement recommends \$35 million for the Special Inspector General for Iraq Reconstruction (SIGIR), as requested by the President. The House proposal to provide an additional \$10.5 million for a forensic audit was not included but we requested that SIGIR report on additional requirements as legislation is approved. The conference report also provides \$1.5 million for the State Department Inspector General and \$3.5 million for the USAID Inspector General, where no funding was requested by the President for the agency IGs. In total oversight funding was increased by \$5 million. The agreement also requires the Secretary of State to accommodate three GAO personnel in Iraq for not less than 45 days at a time to conduct oversight at the direction of Congress. (The State Department has limited the GAO presence in Iraq to periods of only 2 weeks.)

Jordan . The agreement recommends \$80.3 million in military, border security and humanitarian assistance for Jordan. The conference report provides \$10.3 million for Jordan to support education and health infrastructure in Jordanian communities that have experienced a significant influx of Iraqi refugees.

Lebanon . The agreement recommends \$769.5 million for Lebanon, an amount equal to the House and Senate.

Liberia . The agreement recommends \$40 million for security sector reform in Liberia.

Pakistan . The agreement recommends \$110 million under DOD for Pakistan, as requested by the President.

Sudan . The agreement recommends \$213.4 million for Sudan, including \$19.4 million for embassy operations and security; \$44 million for humanitarian assistance; and \$150 million for the African Union peacekeeping force (AMIS).

Humanitarian Assistance . The agreement recommends a total of \$185.5 million for humanitarian assistance for refugees and internally displaced persons in Iraq, Afghanistan, Somalia, Congo, Chad, Uganda and elsewhere in Africa. This is \$84 million above the amount requested.

Coordinator for Iraq Assistance . The conference agreement creates the new position of Coordinator for Iraq Assistance. The Coordinator will be nominated by the President and confirmed by the Senate.

TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT

Transportation

Emergency Relief (ER) . The conference agreement includes funding for the entire backlog of highway ER needs and to offset that amount with a rescission of highway contract authority. Total funding is \$683 million.

Transit Funding for the Gulf . The conference agreement includes the Senate's provision providing transit grants to areas affected by Hurricanes Katrina and Rita. The agreement is to provide \$35 million of funding. The agreement includes language which allows the funding to be used for operating expenses as well as capital costs.

NTSB Lease . The conference agreement includes the House provision that would allow the NTSB to use its 2007 appropriation to pay for the lease on its academy building. The agreement also agreed to a minor edit to the House language that would emphasize that this authority applies only to the 2007 appropriation.

Mexican Trucks . The conference agreement retains the Senate provision without amendment. The Senate provision places requirements on the Administration's new pilot program that allows Mexican trucks to begin long-haul operations in the United States.

Housing and Urban Development

Tenant-based Rental Assistance- The conference agreement includes the Senate's approach to modify the new 12 month Section 8 formula contained in the FY 2007 Funding Resolution to address hurricane impacted areas in Mississippi and Louisiana only. Other modifications originally in the House bill to address anomalies have been modified and included.

The conference agreement also includes a provision proposed by the House and Senate to clarify levels of funding within the Tenant-Based Rental Assistance account for Fiscal Year 2007.

Office of Federal Housing Enterprise Oversight- The conference agreement includes \$6.150 million.

Project-based Rental Assistance- The conference agreement retains the House provision related to a technical issued related to renewing expiring project-based section 8 contracts.

Hurricane Fungability Extension- The conference agreement extends Sec. 901 that was included in the Dec. 30, 2005 Disaster bill (P.L. 109-48) from December 30, 2006 to December 30, 2007. This will continue to allow public housing authorities in the most heavily impacted areas in Mississippi and Louisiana the flexibility to combine separate funding streams to assist tenants primarily in reconstruction and rehabilitation efforts.

Hurricane Disaster Vouchers. The conference agreement modifies a House provision that extends current waiver authority for tenant contribution and income verification for the disaster voucher program until December 30, 2007.