

CRS Report for Congress

Defense: FY2008 Authorization and Appropriations

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Prepared for Members and
Committees of Congress

The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Defense. For both defense authorization and appropriations, this report summarizes the status of the bills, their scope, major issues, funding levels, and related congressional activity. This report is updated as events warrant and lists the key CRS staff relevant to the issues covered as well as related CRS products.

NOTE: A Web version of this document with active links is available to congressional staff at [http://apps.crs.gov/cli/cli.aspx?PRDS_CLI_ITEM_ID=221&from=3&fromId=73].

Defense: FY2008 Authorization and Appropriations

Summary

The President's FY2008 federal budget request, released February 5, 2007, included \$647.2 billion in new budget authority for national defense. In addition to \$483.2 billion for the regular operations of the Department of Defense (DOD), the request includes \$141.7 billion for continued military operations, primarily to fund the campaigns in Iraq and Afghanistan, \$17.4 billion for the nuclear weapons and other defense-related programs of the Department of Energy, and \$5.2 billion for defense-related activities of other agencies.

The \$483.2 billion requested for DOD's "base" budget — that is, the request for regular operations excluding the cost of ongoing combat activity — is \$46.8 billion higher than the agency's base budget for FY2007, an increase of 11% in nominal terms and, by DOD's reckoning, an increase in real purchasing power of 8.0%, taking into account the cost of inflation.

The President's request includes a proposal to increase retiree medical fees and copays, which Congress rejected in its action on the FY2007 defense budget and which also is rejected by both the House-passed and the Senate Armed Services Committee versions of the FY2008 defense authorization bill (H.R. 1585 and S. 1547). Both bills also would authorize a military pay raise of 3.5% instead of the 3% raise in the budget request.

The House passed on May 17 its version of H.R. 1585, authorizing \$1.2 billion more than the President's request. The bill would cut hundreds of millions of dollars from several technologically advanced weapons programs while increasing funds for improvements in U.S. forces' near-term combat capabilities. For details on House action, see **FY2008 Defense Authorization: Highlights of the House Bill**, below.

The Senate Armed Services Committee reported its counterpart bill, S. 1547, on June 5. The Senate substituted the text of that measure for the House-passed text of H.R. 1585 when it began debating the latter bill on July 9. The first week of Senate floor action was dominated by debate over the deployment of U.S. troops in Iraq. For details on the version of the bill reported by the Senate committee and being considered by the Senate, see **FY2008 Defense Authorization: Highlights of the Senate Armed Services Committee Bill**, below. For details on pending Senate floor action, see **Pending Senate Action: Defense Authorization and Iraq**, below.

In related action, the House Defense Appropriations Subcommittee marked up the FY2008 defense appropriations bill on July 12. The full Appropriations Committee is scheduled to take up that (unnumbered) bill on July 23.

The House subcommittee's bill does not address the President's request for an additional \$141.7 billion to fund ongoing military operations in Iraq and Afghanistan, which will be dealt with in a separate bill.

This report will be updated as events warrant.

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Defense: FY2008 Authorization and Appropriations

Most Recent Developments

The House passed its version of the FY2008 National Defense Authorization bill, H.R. 1585, on May 17, by a vote of 397-27. The Senate Armed Services Committee reported its version of the authorization bill, S. 1547, on June 5. The Senate began debating H.R. 1585 on July 9, after substituting the text of S. 1547 for the House-passed language. Senate action on amendments to the defense bill is expected to continue through the week of July 16.

Action has also begun on related appropriations bills. The House approved the FY2008 Military Construction and Veterans Affairs appropriations bill, H.R. 2642, on June 15. The bill includes \$21.4 billion for DOD military construction and family housing programs. The Senate Appropriations Committee reported its version of the bill, S. 1645, on June 18. (For full coverage, see CRS Report RL34038, *Military Construction, Veterans Affairs, and Related Agencies: FY2008 Appropriations*, by Daniel H. Else, Christine Scott, and Sidath Viranga Panangala.)

The House Defense Appropriations Subcommittee marked up the FY2008 Defense Appropriations Bill (unnumbered) on July 12, reportedly approving a total spending figure of \$459 billion.¹ That reported total is roughly equal to the spending ceiling allocated to the Defense Subcommittee by the House Appropriations Committee by a resolution adopted June 5 pursuant to Section 302 (b) of the Congressional Budget Act, which would cut about \$3.5 billion from the President's request for this bill. The full House Appropriations Committee is scheduled to mark up the defense bill July 23.

The House subcommittee's bill does not address the President's request for an additional \$141.7 billion to fund ongoing military operations in Iraq and Afghanistan, which will be dealt with in a separate bill.

Senate Appropriations Committee action on the defense appropriations bill has not been scheduled. However, the committee's resolution making its initial 302 (b) allocations among its subcommittees, adopted June 14, allocated \$459.3 billion to the Defense Subcommittee, the same amount as had been allocated to its House counterpart.

¹ "Defense Spending Approval Shows Brief Unity," *CQ Today*, July 12, 2007, by Josh Rogin. The Defense Subcommittee typically does not publicly disclose results of its markup prior to action by the full House Appropriations Committee.

Pending Senate Action: Defense Authorization and Iraq

Debate over the deployment of U.S. forces in Iraq dominated the early days of Senate action on the defense authorization bill, as it has dominated the congressional agenda so far this year. For details on the version of H.R. 1585 that had been reported by the Senate Armed Services Committee as S. 1547 and was taken up by the Senate on July 9, see **FY2008 Defense Authorization: Highlights of the Senate Armed Services Committee Bill**, below)

Setting the context for the Senate's consideration of Iraq-related amendments to the authorization bill was the initial benchmark report required by the supplemental funding bill, which was released by the White House on July 12 but had been the subject of widespread press coverage for some days before its publication. The report concluded that the Iraqi government had made "satisfactory progress" toward eight of the 18 specified benchmarks, including constitutional reform, the creation of regional governments and the allocation of \$10 billion for economic reconstruction, among others. But it also found that the Iraqi government had not made satisfactory progress toward eight other benchmarks, including several that are related to political reconciliation, such as liberalization of the "de-Ba'athification" process, enactment of legislation that would fairly distribute revenue from the country's petroleum resources, and disarmament of sectarian militias.²

The President and supporters of the Administration's Iraq policy said there were signs that the U.S. strategy in Iraq is succeeding and that, in any case, Congress should take no action prejudicial to the strategy until it receives the second report on Iraqi benchmark progress, due September 15.³

Also contributing to the context in which the Senate considered Iraq-related amendments to the defense bill was a CRS analysis which concluded that the Defense Department's monthly obligations to pay for operations in Iraq, Afghanistan and related areas had risen from an average of \$8.7 billion in FY2006 to \$12.0 billion in the first half of FY2007.⁴

Among the dozens of amendments that have been or may be offered during Senate debate on H.R. 1585 – including those that were officially filed as of July 13 and potential amendments that have been mentioned in press accounts – a large number focus on various aspects of the Iraq policy debate. (By unanimous consent, the Senate has agreed to require 60 votes for adoption of controversial, Iraq-related

² For background on the status of domestic security and economic and political reconciliation in Iraq, see CRS Report RS21968, *Iraq: Government Formation and Benchmarks*, by Kenneth Katzman, CRS Report RL34064, *Iraq: Oil and Gas Legislation, Revenue Sharing, and U.S. Policy*, by Christopher M. Blanchard, and CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, by Kenneth Katzman.

³ Press conference by president George W. Bush, July 12, 2007, [<http://www.whitehouse.gov/news/releases/2007/07/20070712-5.html>]

⁴ See CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

amendments, in effect anticipating that they would not come to a vote without the 60 votes needed to win a cloture vote.)

Iraq Deployment Amendments Acted Upon. The Army's goal is to deploy troops into an operational theater for no more than 12 months at a time and to allow time between deployments (called "dwell time") of at least two years for active-duty soldiers and five years for reserve and National Guard troops. But to sustain the number of personnel currently deployed in Iraq, Afghanistan and related theaters, the Army has had to deploy units for 15 months at a time and units are being returned to the combat areas so quickly that some units' dwell time is no longer than their previous deployment.

On July 11, the Senate rejected three amendments bearing on the issue of deployment duration and dwell time.

- An amendment by Senator Webb that would have required that active-duty units be allowed a dwell time of at least the same duration as their preceding deployment and reserve component units be allowed a dwell time at least three times as long as their deployment was withdrawn after a cloture motion was rejected on a vote of 56-41.
- An amendment by Senator Hagel that would have required that Army troops (reserve component personnel) be deployed for no more than 12 months at a time and that active-duty and reserve Marines deploy for no more than seven months at a time [which is the Marine Corps goal] was rejected by a vote of 52-45, the Senate having agreed that the amendment would require 60 votes for adoption.
- An amendment by Senator Graham, expressing the sense of Congress that Army personnel should be deployed for no more than 15 months at a time was rejected by a vote of 41-55.

Other Amendments Acted Upon. In its first week of action on H.R. 1585, the Senate adopted the following amendments.

- An amendment by Senator Sessions declaring it to be U.S. policy to deploy, as soon as technologically possible, a defense against ballistic missiles launched from Iran was adopted by a vote of 90-5.
- An amendment by Senator Lieberman requiring a report on the Iranian government's support for attacks against coalition forces in Iraq was adopted by a vote of 97-0.
- An amendment by Senator Dorgan that would increase to \$50 million the reward offered for the capture of Osama bin Laden was adopted by a vote of 87-1.

- An amendment by Senator Levin that would incorporate into the bill a modified version of the Dignified Treatment of Wounded Warriors Act (S. 1606) was adopted by a vote of 94-0. For additional information on S. 1606, see "**Dignified Care**" Bill, below.)

Prospective Senate Amendments. Among the large number of amendments to H.R. 1585 already filed or under discussion are several that would address aspects of the Administration's Iraq Policy:

- Several amendments would take various approaches to requiring the withdrawal of U.S. combat forces from Iraq.
- An amendment by Senators Clinton and Byrd would sunset the current legislative authorization for the use of military force in Iraq.
- Several amendments would change the mission of U.S. forces in Iraq along the lines recommended by the Iraq Study Group.
- An amendment by Senator Feinstein and others that would close the Guantanamo Bay detention facility;
- An amendment by Senators Leahy and Spector that would grant detainees the right of habeas corpus;⁵
- An amendment by Senators Graham and Kyl that would delete from the bill a provision (Section 1023) that would revise the procedures for judicial treatment of detainees;⁶

The Senate also may consider an amendment by Senators Spector and Kerry barring courts from using presidential signing statements as a source of authority in interpreting acts of Congress.⁷

Administration Objections to the Senate Authorization Bill. In a Statement of Administration Policy issued July 10, the Office of Management and Budget objected to several features of the version of the defense authorization bill, which the Senate was debating as the text of H.R. 1585. It stated that the President would veto any bill that mandated withdrawal of U.S. troops from Iraq by a date certain.

The OMB statement also said the president's advisors would recommend a veto if the final version of the bill included any of several other provisions including a

⁵ See CRS Report RL33180, *Enemy Combatant Detainees: Habeas Corpus Challenges in Federal Court*, by Jennifer K. Elsea and Kenneth R. Thomas.

⁶ See CRS Report RL33688, *The Military Commissions Act of 2006: Analysis of Procedural Rules and Comparison with Previous DOD Rules and the Uniform Code of Military Justice*, by Jennifer K. Elsea.

⁷ See CRS Report RL33667, *Presidential Signing Statements: Constitutional and Institutional Implications*, by T.J. Halstead.

provision that would revise procedures for judicial disposition of detainees (the provision that would be eliminated by the Kyl/Graham amendment), and any provision that would grant detainees the right of habeas corpus.

Overview of Administration FY2008 Budget Request

On February 5, 2007, the White House formally released to Congress its FY2008 federal budget request, which included \$647.2 billion in new budget authority for national defense. In addition to \$483.2 billion for the regular operations of the Department of Defense (DOD), the request includes \$141.7 billion for continued military operations abroad, primarily to fund the campaigns in Iraq and Afghanistan, \$17.4 billion for the nuclear weapons and other defense-related programs of the Department of Energy, and \$5.2 billion for defense-related activities of other agencies. (Note: The total of \$647.2 billion for national defense includes an adjustment of -\$275 million for OMB scorekeeping. DOD figures for the base budget do not add to the formal request in OMB budget documents).

The requested “base” budget of \$483.2 billion for DOD — excluding the cost of ongoing combat operations — is \$46.8 billion higher than the agency’s base budget for FY2007, an increase of 11% in nominal terms and, by DOD’s reckoning, an increase in real purchasing power of 7.9%, taking into account the cost of inflation.

In requesting an additional \$141.7 billion to cover the anticipated cost for all of FY2008 of ongoing operations in Iraq and Afghanistan, the Administration has complied with Congress’ insistence that it be given time to subject that funding to the regular oversight and legislative process. Nevertheless, since the Administration has requested that these funds be designated as “emergency” appropriations, they would be over and above restrictive caps on discretionary spending, even though the FY2008 combat operations funding request of \$141.7 billion is 29% as large as the regular FY2008 DOD request.

Status of Legislation

Congress began action on the annual defense authorization bill with the House Armed Services Committee approving its version of the bill (H.R. 1585) in a session that began May 9, and with House passage on May 17. The Senate Armed Services Committee marked up its version, S. 567, on May 24 and reported the measure as a clean bill (S. 1547) on June 5.

Table 1A. Status of FY2008 Defense Authorization, H.R. 1585/S. 1547

Full Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/9/07	5/24/07	H.Rept. 110-146 5/11/07	5/17/07 397-27	S.Rept. 110-77 6/5/07					

Table 1B. Status of FY2008 Defense Appropriations Bill

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
7/12									

Facts and Figures: Congressional Action on the FY2008 Defense Budget Request

The following tables provide a quick reference to congressional action on defense budget totals. Additional details will be added as congressional action on the FY2008 defense funding bills proceeds.

- **Table 2** shows the Administration’s FY2008 national defense budget request by budget subfunction and, for the Department of Defense, by appropriations title. The total for FY2007 also represents, in part, requested funding. It includes \$93.4 billion in FY2007 supplemental appropriations that the Administration requested in February 2007. In May, however, Congress actually approved \$99.4 billion for the Department of Defense, \$6.0 billion more than the Administration had asked for.
- **Table 3** shows the recommendations on defense budget authority and outlays in the House and Senate versions of the annual budget resolution, H.Con.Res. 99 and S.Con.Res. 21. These amounts are not binding on the Armed Services or Appropriations committees.
- **Table 4** shows congressional action on the FY2008 defense authorization bill by title. Technically, this table shows the budget authority implications of the provisions of the bill. For mandatory programs, the budget authority implication is the amount of budget authority projected to be required under standing law. The table

also follows the common practice of the House and Senate Armed Services Committees, which is to show as the “budget authority implication” of the bill, the amounts expected to be available for programs within the national defense budget function not subject to authorization in the annual defense authorization bill. Except for some mandatory programs, the authorization bill does not provide funds but rather authorizes their appropriation. Appropriations bills may provide more than authorized, less than authorized, or the same as authorized, either in total or for specific programs. Appropriations bills may provide no funds for programs authorized and may provide funds for programs not authorized. In practice, defense appropriations bills often follow the amounts authorized, however.

- **Table 5** shows congressional action on the FY2008 defense and military construction appropriations bills. The table does not show funding for defense-related activities of agencies other than the Defense Department, except for about \$1.0 billion for the intelligence community. In particular, it does not include \$17.4 billion requested for defense-related nuclear energy programs (nuclear weapons and warship propulsion) of the Energy Department.
- **Table 6** shows House and Senate Appropriations Committee allocations of funds under Section 302(b) of the Congressional Budget Act, for defense and military construction/veterans affairs appropriations bills compared to allocations for other, non-defense bills. The “302(b)” allocations are a key part of the appropriations and budget process. A point of order holds against any bill that exceeds its 402(b) allocation. In recent years, appropriations have trimmed allocations for the defense appropriations bill, freeing up more money for non-defense appropriations. The effect on defense was mitigated by the available of emergency appropriations for defense. In effect, emergency appropriations for war costs have been used indirectly to finance higher non-defense appropriations.

Table 2. FY2008 National Defense Budget Request
(billions of dollars)

	FY2007 Enacted	FY2007 Supp Request*	FY2007 Total with Supp	FY2008 Request
Department of Defense				
Base Budget				
Military Personnel	111.1	—	111.1	118.9
Operation and Maintenance	127.7	—	127.7	143.5
Procurement	81.1	—	81.1	100.2
Research, Development, Test, & Evaluation	75.7	—	75.7	75.1
Military Construction	8.8	—	8.8	18.2
Family Housing	4.0	—	4.0	2.9
Revolving & Management Funds	2.4	—	2.4	2.5
Other Defense Programs*	23.7	—	23.7	23.3
Offsetting Receipts/Interfund Transactions	-1.8	—	-1.8	-1.4
General Provisions/Allowances	3.6	—	3.6	-0.3
Subtotal — DOD Base Budget	436.4	—	436.4	483.2
War-Related Funding				
Military Personnel	5.4	12.1	17.5	17.1
Operation and Maintenance	39.1	37.5	76.6	73.1
Procurement	19.8	25.3	45.2	36.0
Research, Development, Test, & Evaluation	0.4	1.4	1.9	2.9
Military Construction	—	1.9	1.9	0.9
Family Housing	—	—	—	0.0
Revolving & Management Funds	—	1.3	1.3	1.7
Other Defense Programs*	0.1	1.3	1.4	1.3
Intelligence Community Management	0.0	0.1	0.1	—
Iraqi Freedom Fund	0.1	0.2	0.3	0.1
Afghanistan Security Forces Fund	1.5	5.9	7.4	2.7
Iraq Security Forces Fund	1.7	3.8	5.5	2.0
Joint IED Defeat Fund*	1.9	2.4	4.4	4.0
Subtotal — DOD War-Related	70.0	93.4	163.4	141.7
OMB vs DOD Scorekeeping Adjustment	—	—	—	-0.3
Total DOD (Base and War-Related)	506.4	93.4	599.8	624.6
Department of Energy Defense Related				
Department of Energy	15.8	—	15.8	15.9
Formerly utilized sites remedial action	0.1	—	0.1	0.1
Defense nuclear facilities safety board	0.0	—	0.0	0.0
Energy employees occupational illness comp.	1.1	—	1.1	1.4
Other Defense Related	5.2	—	5.2	5.2
FBI Counter-Intelligence	2.5	—	2.5	2.5
Intelligence Community Management	0.9	—	0.9	1.0
Homeland Security	1.5	—	1.5	1.4
Other	0.3	—	0.3	0.3
Total National Defense	528.6	93.4	622.0	647.2

Sources: FY2007 enacted calculated by CRS based on congressional conference reports and Department of Defense data; FY2007 supplemental from Department of Defense; FY2008 request from Department of Defense and Office of Management and Budget. DOD Base and War-Related Total and National Defense Total reflect OMB figures that differ slightly from DOD estimates.

***Note:** FY2007 supplemental amount is shown here as requested. The final amount enacted in H.R. 2206, P.L. 110-28

**Table 3. Congressional Budget Resolution, H.Con.Res. 99/
S.Con.Res. 21, Recommended National Defense Budget
Function (050) Totals**
(billions of dollars)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Administration Projection						
Budget Authority	622.4	647.2	584.7	545.0	551.5	560.7
Outlays	571.9	606.5	601.8	565.3	556.4	549.5
House-Passed (H.Con.Res. 99)						
National Defense Base Budget (Function 050)						
Budget Authority	525.8	507.0	534.7	545.2	550.9	559.8
Outlays	534.3	514.4	524.4	536.4	547.6	548.2
Allowance for Overseas Operations and Related Activities (Function 970)						
Budget Authority	124.3	145.2	50.0	—	—	—
Outlays	31.5	114.9	109.4	42.3	13.6	4.5
Senate-Passed (S.Con.Res. 21)						
Budget Authority	619.4	648.8	584.8	545.3	551.1	559.9
Outlays	560.5	617.8	627.0	572.9	558.4	551.8
Conference Report (S.Con.Res. 21)						
National Defense Base Budget (Function 050)						
Budget Authority	525.8	507.0	534.7	545.2	550.9	559.8
Outlays	534.3	514.4	524.4	536.4	547.6	548.2
Overseas Deployments and Other Activities (Function 970)						
Budget Authority	124.2	145.2	50.0	—	—	—
Outlays	31.9	115.9	109.8	41.7	13.6	4.5

Sources: CRS from H.Con.Res. 99; S.Con.Res. 21; Office of Management and Budget.

Table 4. FY2008 Defense Authorization, House and Senate Action by Title
(budget authority in millions of dollars)

	House Request	House Passed	House vs Request	Senate Request	Senate Reported	Senate vs Request
Department of Defense Base Budget						
Military Personnel	116,279.9	115,489.9	-790.0	116,279.9	120,228.0	+3,948.1
Operation and Maintenance	142,854.0	142,514.1	-339.9	142,854.0	143,492.2	+638.2
Procurement	100,223.0	102,678.6	+2,455.6	100,223.0	109,859.5	+9,636.5
Research, Development, Test, & Evaluation	75,117.2	73,456.3	-1,660.9	75,117.2	74,659.0	-458.2
Military Construction & Family Housing	21,165.2	21,224.3	+59.1	21,165.2	21,781.4	+616.2
Other Programs*	23,530.9	25,162.6	+1,631.7	25,149.7	25,220.2	+70.5
Revolving & Management Funds	2,453.1	2,887.2	+434.1	2,496.0	2,458.2	-37.8
Unallocated Reductions/Inflation Savings	—	-205.0	-205.0	—	-1,627.0	-1,627.0
Subtotal, Discretionary	481,623.3	483,208.1	+1,584.8	483,285.0	496,071.5	+12,786.5
Offsetting Receipts/Interfund/Trust Funds	1,791.0	1,707.0	-84.0	2,586.5	2,586.5	—
Subtotal — DOD Base Budget	483,414.3	484,915.1	+1,500.8	485,871.5	498,658.0	+12,786.5
Other Defense-Related						
Atomic Energy Defense-Related	17,319.3	17,027.3	-292.0	16,927.1	16,925.2	-1.9
Defense-Related Activities	—	—	—	4,159.0	4,159.0	—
Department of Homeland Security	1,142.0	1,142.0	—	—	—	—
Department of Justice (FBI)	2,437.0	2,437.0	—	—	—	—
Selective Service	22.0	22.0	—	—	—	—
Intelligence Community Management	705.4	705.4	—	—	—	—
Maritime Administration	154.4	154.4	—	—	—	—
National Science Foundation	67.0	67.0	—	—	—	—
Department of Commerce	14.0	14.0	—	—	—	—
CIA Retirement & Disability	262.5	262.5	—	—	—	—
Radiation Exposure Trust Fund	31.0	31.0	—	—	—	—
Subtotal — Other Defense-Related	22,154.6	21,862.6	-292.0	21,086.2	21,084.3	-1.9
Total National Defense Base Budget	505,568.8	506,777.7	+1,208.8	506,957.7	519,742.3	+12,784.6
War-Related Funding (Title IV of H.R. 1585; Titles XV and XXIX of S. 1547)						
Military Personnel	17,070.3	17,471.8	+401.5	17,070.3	12,922.0	-4,148.3
Operation and Maintenance	73,099.1	72,219.1	-880.0	72,867.5	72,015.5	-852.0
Procurement	35,956.6	36,327.5	+370.9	35,956.6	28,303.4	-7,653.1
Research, Development, Test, & Evaluation	2,857.4	2,151.1	-706.2	2,857.4	1,950.3	-907.0
Military Construction	907.9	695.5	-212.4	907.9	752.7	-155.3
Revolving & Management Funds	1,681.4	1,681.4	—	1,690.4	1,689.6	-0.8
Defense Health Program	1,022.8	1,022.8	—	1,022.8	1,022.8	—
Drug Interdiction	257.6	257.6	—	257.6	257.6	—
Inspector General	4.4	4.4	—	4.4	4.4	—
Iraqi Freedom Fund	107.5	107.5	—	107.5	107.5	—
Afghanistan Security Forces Fund	2,700.0	2,700.0	—	2,700.0	2,700.0	—
Iraq Security Forces Fund	2,000.0	2,000.0	—	2,000.0	2,000.0	—
Joint IED Defeat Fund	4,000.0	4,000.0	—	4,000.0	4,500.0	+500.0
Strategic Readiness Fund	—	1,000.0	+1,000.0	—	—	—
Other War-Related Programs	—	—	—	373.7	323.7	-50.0
Department of Energy Non-Proliferation	50.0	50.0	—	—	—	—
Department of Justice (FBI)	101.1	101.1	—	—	—	—
Coast Guard (via transfer, non-additive)	[225.0]	[225.0]	—	—	—	—
Subtotal — War-Related	141,816.1	141,789.8	-26.2	141,816.1	128,549.6	-13,266.5
Total Including War-Related	647,384.9	648,567.5	+1,182.6	648,773.7	648,291.9	-481.9

Sources: CRS, from H.Rept. 110-146, DOD, OMB, House Armed Services Committee, S.Rept. 110-77.

*Note: Shows "Budget Authority Implication" amounts in committee reports. "Other Programs" includes defense health, drug interdiction, chemical demilitarization.

Table 5. FY2008 Department of Defense and Military Construction Appropriations, House and Senate Action by Title
(budget authority in millions of dollars)

	Request	House	Senate	Conference
Base Budget, Defense Appropriations Bill				
Military Personnel	118,920.4	—	—	—
Operation and Maintenance	164,686.0	—	—	—
Procurement	101,678.7	—	—	—
Research, Development, Test, & Evaluation	75,117.2	—	—	—
Revolving & Management Funds	2,453.8	—	—	—
Subtotal — DOD Base	462,856.1	—	—	—
Base Budget, Military Construction Appropriations				
Military Construction	18,232.7	18,439.5	—	—
Family Housing	2,932.5	2,932.5	—	—
Subtotal — Military Construction Base	21,165.2	21,371.9	—	—
War-Related Funding				
Military Personnel	17,070.3	—	—	—
Operation and Maintenance	73,099.1	—	—	—
Procurement	35,956.6	—	—	—
Research, Development, Test, & Evaluation	2,857.4	—	—	—
Military Construction	907.9	—	—	—
Revolving & Management Funds	1,681.4	—	—	—
Defense Health Program	1,022.8	—	—	—
Drug Interdiction	257.6	—	—	—
Inspector General	4.4	—	—	—
Iraqi Freedom Fund	107.5	—	—	—
Afghanistan Security Forces Fund	2,700.0	—	—	—
Iraq Security Forces Fund	2,000.0	—	—	—
Joint IED Defeat Fund	4,000.0	—	—	—
Subtotal — War-Related	141,664.9	—	—	—
Total Base and War-Related	625,686.2	—	—	—

Sources: Base budget from Department of Defense, *National Defense Budget Estimates, Fiscal Year 2008*, March 2007, Table 3-1; war-related funding from Department of Defense, *FY2008 Global War on Terror Request: Exhibits for FY2008*, February 2007, adjusted by CRS; House Appropriations Committee report on FY2007 Military Construction/VA Appropriations bill, H.R. 2642, H.Rept. 110-186, June 11, 2007.

Table 6. House and Senate 302(b) Allocations of FY2008 Total Discretionary Budget Authority, Defense vs Non-Defense
(millions of dollars)

Appropriations Subcommittee/ Bill	FY2007 Enacted	FY2008 Request	FY2008 House 6/8/2007	House vs. Request	FY2008 Senate 6/14/2007	Senate vs. Request
Defense	419,612	462,879	459,332	-3,547	459,332	-3,547
Military Construction, Veterans Affairs	49,752	60,745	64,745	+4,000	64,745	+4,000
Total Defense and Mil Con/VA	469,364	523,624	524,077	+453	524,077	+453
Total Other/Non-Defense Discretionary	403,354	409,225	428,976	+19,751	428,976	+19,751
Total Discretionary	872,718	932,849	953,053	+20,204	953,053	+20,204

Source: House Appropriations Committee, "Report on the Suballocation of Budget Allocations for Fiscal Year 2008," H.Rept. 110-183, June 8, 2007; Senate Appropriations Committee, "Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 2008," S.Rept. 110-86, June 18, 2007.

FY2008 Defense Budget Request and Outyear Plans: Questions of Affordability and Balance

Several aspects of the Department's FY2008 budget request and its projected budgets through FY2013 raise questions about the affordability of DOD's plan as a whole and about the balance of spending among major elements of the defense budget.

(1) *DOD's funding plan for FY2008-FY2013, excluding the cost of military operations in Iraq and Afghanistan, projects that the department's base budget will increase in real purchasing power, after adjusting for inflation, by 8.0% between FY2007 and FY2008 and by another 3.5% in FY2009 before declining slightly over each of the following four years. But the tightening fiscal squeeze on the federal government may put strong downward pressure on the defense budget; and the unbudgeted funds needed for ongoing military operations abroad may compound the problem.* The Office of Management and Budget (OMB), the Congressional Budget Office (CBO) and the Government Accountability Office (GAO) agree that the current mix of federal programs is fiscally unsustainable for the long term.⁸ The nation's aging population combined with rising health costs are driving an increase in spending for federal entitlement programs which, in turn, will fuel rising deficits compounded by a steadily increasing interest on the national debt. The upshot is that,

⁸ See CRS Report RL33915, *The Budget for Fiscal Year 2008*, by Philip D. Winters. See also OMB, *Budget of the United States Government for Fiscal Year 2008*, February 2007, pp. 16-21; CBO, *The Budget and Economic Outlook: Fiscal Years 2008-2017*, January 2007, pp. 10-11; GAO, *The Nation's Long-Term Fiscal Outlook: January 2007 Update*, GAO-07-510R.

if total federal outlays continue to account for about 20% of the GDP and federal revenues remain at about their current level, total federal spending on discretionary programs, in terms of real purchasing power, would have to be sharply reduced to meet the goal of a balanced federal budget by 2012 and then to cover the rising costs of Medicare, Medicaid and Social Security resulting partly from the retirement of baby boomers.

To protect DOD from this fiscal vise, some have recommended that the defense budget (excluding the cost of ongoing operations in Iraq and Afghanistan) be sustained at 4% of GDP — a share of the national wealth that DOD last claimed in FY1994.⁹ But that proposal would have to overcome the thus far intractable political challenges of increasing federal revenues, reducing discretionary non-defense spending, and/or restraining the growth of entitlement costs.

(2) Although the Administration has submitted a budget proposal to cover the cost of ongoing operations in Iraq and Afghanistan in FY2008 that is separate from its “base” budget request for the year, it may be difficult, as a practical matter, for Congress to subject the request for cost-of-war appropriations to the same oversight it applies to regular, annual defense spending requests. If the congressional defense committees mark up the FY2008 defense funding bills on their usual schedules, as the House and Senate Armed Services committees are doing with respect to the annual defense authorization bill, they will have had to review in less than four months both the President’s \$482 billion request for the base DOD budget and the additional \$142 billion requested for operations in Iraq and Afghanistan. The burden may be compounded by the fact that the congressional defense committees may not have time-tested analytical tools with which to scrutinize the request for ongoing combat operations, as they do for reviewing the base budget. Moreover, for most of that four month period, Members of Congress, and the defense funding committees in particular, have been deeply preoccupied with debate over the Administration’s FY2007 Emergency Supplemental Appropriations Bill (H.R. 1591) to pay for combat operations in Iraq and Afghanistan, legislation that has become the vehicle for congressional efforts to reduce the involvement of U.S. troops in Iraq.

In addition, since DOD does not include the forecast cost of ongoing operations in its projections of defense budget requests in future years, except for a \$50 billion placeholder for FY2009 included in the FY2008 request, Congress has not been given a clear sense of how severely the federal government’s overall fiscal squeeze may constrain future defense budgets.

(3) DOD projects that its total budget will remain approximately constant, in real terms, from FY2009 through FY2013. But for years, most of the major components of the defense budget have shown a steady cost growth, in excess of the cost of inflation. Thus, the relatively flat defense budgets planned would have to accommodate other types of costs that also seem to be escalating almost uncontrollably, notably including (1) the rising cost of health care for personnel still on active service, retirees and their dependents, (2) operations and maintenance costs

⁹ Baker Spring, “Defense FY2008 Budget Analysis: Four Percent for Freedom,” The Heritage Foundation, *Backgrounder* no. 2012, March 5, 2007.

that have been increasing since the Korean War at an average of 2.5% per year above the cost of inflation, and (3) new weapons that are expected to dramatically enhance the effectiveness of U.S. forces, but which carry high price tags to begin with and then, all too often, substantially overrun their initial cost-estimates.¹⁰

(4) One of the most powerful drivers of DOD's internal cost squeeze, the steady increase in the cost of military personnel, would be compounded by the President's recommendation — in line with congressional proposals — to increase active-duty Army and Marine Corps end-strength. Between FY1999 and FY2005, the cost of active-duty military personnel, measured per-service-member, grew by 33% above inflation, largely because of congressional initiatives to increase pay and benefits. A large fraction of the increased cost is due to increases in retired pay and greatly expanded medical benefits for military retirees.

This year, the Administration has proposed (and the congressional defense committees have urged for years) an increase in active-duty end-strength that would add 92,000 soldiers and Marines to the rolls, thus increasing the services' fixed costs by at least \$12 billion annually (once the start-up costs of the policy have been absorbed). At the same time, the Navy and Air Force are cutting personnel levels to safeguard funds for weapons programs. The Air Force is cutting about 40,000 full-time equivalent positions and the Navy about 30,000. One issue is whether these cuts will be used, directly or indirectly, not to pay for Air Force and Navy weapons programs, but for Army and Marine Corps end-strength increases.

(5) The Navy's ability to sustain a fleet of the current size within realistically foreseeable budgets may especially be problematic. After years of criticism from Members of Congress who contended that the Navy was buying too few ships to replace vessels being retired, the service released in February a long-range shipbuilding plan that would fall just short of the Navy's current goal of maintaining a fleet of 313 ships. But the plan assumes that the Defense Department, which bought seven ships in FY2007 and is requesting the same number in FY2008, would buy between 11 and 13 ships in each of the following five years. The plan assumes that amount appropriated for new ship construction would rise from a requested \$12.5 billion in FY2008 to \$17.5 billion in FY2013 (in current-year dollars).¹¹

Considering the fiscal demands likely to put downward pressure on future defense budgets, funding the Navy's plan may be challenging. But even if the Navy

¹⁰ In a review of 64 major weapons programs, the GAO found that their total cost had grown by more than 4.9% annually, in real terms. The total estimated cost of the 64 programs in FY2007 was \$165 billion more (in FY2007 dollars) than had been projected in FY2004. See GAO-07-406SP, *Defense Acquisitions: Assessments of Selected Weapons Programs*, March 2007, p. 8. According to the GAO analysis, a major reason for that unbudgeted cost increase was that many programs depend on technologies that promise transformative combat effectiveness, but which have not been adequately developed before they are incorporated into the design of a new weapon. *Ibid.*, p. 9.

¹¹ Although most Defense Department shipbuilding is funded in the "Shipbuilding and Conversion, Navy" (SCN) appropriation, certain types of non-combatant vessels are funded in other appropriation accounts, particularly the National Defense Sealift Fund, which is under Revolving and Management Funds.

got the annual shipbuilding budgets it plans to request, it might not be able to buy all the ships it plans as quickly as it plans to do so, because of escalating costs and delays in some of the new types of ships slated to comprise the future fleet. In the past, Navy cost and schedule forecasts later proven to be overly optimistic have led to long-range shipbuilding plans that promised increases in shipbuilding budgets in the “out-years” that have not been realized. Unachievable shipbuilding plans may discourage the Navy and Congress from weighing potential tradeoffs between, on the one hand, construction of promising new designs and, on the other hand, building additional ships of types already in service and upgrading existing vessels.

(6) The services’ plans to modernize their tactical air forces suffer from the type of excessive budgetary and technological optimism that also afflicts the shipbuilding plan. Roughly midway through a 40-year, \$400 million effort to replace the post-Vietnam generation of Air Force, Navy and Marine Corps fighter planes with versions of the Air Force’s F-22A, the Navy’s F/A-18E/F, and the tri-service F-35 (or Joint Strike Fighter), the services’ plans have been buffeted by escalating costs, slipping schedules and external budget pressures. In the case of the F-22A, this produced a current budget plan that will buy only 183 planes rather than the 381 the Air Force says it needs. Similarly, the Navy and Marine Corps have reduced the total number of F-35s they plan to buy from 1,089 to 680.

Adjustments like this are easier to make with aircraft budgets that fund dozens of units annually costing tens of millions of dollars apiece than it is with shipbuilding budgets that fund a handful of units each year, many of which cost upwards of a billion dollars apiece. But while it may be easier for the services to deal with the consequences of optimistic tactical aircraft recapitalization plans than it is for the Navy to manage the shipbuilding program, there is a similar underlying problem. If the services’ long-range plans assume budgets, costs, technical breakthroughs and production schedules that will not be realized, a service may delay and, ultimately, increase the cost of upgrades to planes already in service that will have to be kept combat-ready until the new craft are fielded:

The military services accord new systems higher funding priority, and the legacy systems tend to get whatever funding is remaining after the new systems’ budget needs are met. If new aircraft consume more of the investment dollars than planned, the buying power and budgets for legacy systems are further reduced to remain within DOD budget limits. However, as quantities of new systems have been cut and deliveries to the warfighter delayed, more legacy aircraft are required to stay in the inventory and for longer periods of time than planned, requiring more dollars to modernize and maintain aging aircraft.¹²

¹² Government Accountability Office, *Tactical Aircraft: DOD Needs a Joint and Integrated Investment Strategy*, GAO-07-415, April 2007, p. 13.

Potential Issues in FY2008 Global War on Terror Request¹³

For the seventh year of war operations since the 9/11 attacks, DOD is requesting \$141.7 billion, 29% of the amount it is requesting for all routine DOD activity in FY2008. For the first time since the 9/11 attacks, the Administration has submitted a request for war funding for the full year to meet a new requirement levied in the FY2007 John Warner National Defense Authorization Act (P.L. 109-364).¹⁴ Since FY2003, Congress has funded war costs in two bills, typically a bridge fund included in the regular DOD Appropriations Act to cover the first part of the fiscal year and a supplemental enacted after the fiscal year has begun.¹⁵

The Administration's FY2008 Global War on Terror (GWOT) request of \$141.7 billion is similar to its FY2007 funding request for FY2007 war costs with certain exceptions: funds are not included to support the higher troop levels announced by the president in January 2007, lesser amounts are requested to train Afghan and Iraqi security forces and no funds are requested to increase the size of the Army and Navy (see **Table 7**). In testimony, Secretary of Defense Gates characterized the FY2008 GWOT request as "a straightline projection for forces of 140,000 in Iraq" because funding for the surge is only included through September 30, 2007, the end of FY2007.¹⁶ This could prove to be an issue if the Administration decides to extend the current troop increase of about 36,000 past this fall.

According to DOD, the FY2008 war request includes \$109.7 billion for Iraq and \$26.0 billion for Afghanistan and other counter-terror operations.¹⁷ According to DOD, the request supports a total of 320,000 deployed personnel including 140,000 in Iraq and 20,000 in Afghanistan. DOD does not explain the difference between the 160,000 military personnel deployed in Iraq and in Afghanistan and the additional 160,000 deployed elsewhere supporting those missions.¹⁸

¹³ Prepared by Amy Belasco, Specialist in the U.S. Defense Budget.

¹⁴ Section 1008, P.L. 109-364.

¹⁵ See Table A1 in CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco; in FY2003, war funds were provided in the FY2003 Consolidated Appropriations (P.L. 108-7) as well as the FY2003 Supplemental see also CRS Report RS22455, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, by Stephen Daggett.

¹⁶ Senate Appropriations Committee, *Hearing on Supplemental War Funding*, February 27, 2007, transcript, p. 11.

¹⁷ DOD, *FY2008 Global War on Terror Request*, February 2007, p. 74. [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf].

¹⁸ DOD, *FY2007 Emergency Supplemental Request for the Global war on Terror*, February 2007, pp. 15-16, pp. 76-80; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]; DOD, (continued...)

Congressional Action. The House authorized slightly more than the funding level requested — \$141.8 billion, and largely endorsed DOD’s priorities. The chief exceptions are a shifting of procurement funds from various programs deemed lower priority to the Mine Resistant Ambush Program in order to increase that program to \$4.5 billion, the in-theater requirement. According to reports, the MRAP vehicle, a truck with a V-shaped hull has proven effective in withstanding IED attacks.

In its report, the Senate Armed Services Committee (SASC) transfers much of the funding in Title XV funding for OIF and OEF to titles which fund the base budget, arguing that this better differentiates between DOD’s war-related and base budget requests. To carry this out, Thus, DOD’s war request is reduced from \$140.5 billion to \$127.5 billion, a \$13 billion decrease; however, DOD’s base budget is increased by \$12.8 billion.

The transfers include not only funds for higher troop levels and operations and maintenance — endorsed as permanent rather than temporary war-related increases by the president in January 2007 — but also procurement funds where the rationale for the transfer is less clear. While the committee expresses some concern that growth in the size of the Army and Marine Corps may “come too late to impact the war in Iraq,” the transfers to the base budget are intended to capture “integrated” costs and not obscure the “true cost that the actual end strength presents.”¹⁹

FY2008 GWOT Request: Assumptions Similar to FY2007

DOD’s justification language and funding levels for the FY2008 GWOT request are almost identical to those included in its FY2007 Supplemental request in several categories such as military operations and reconstitution of war-worn equipment, citing the same force levels and the same examples. DOD’s request for \$70.6 billion in FY2008 funds special pays, benefits, subsistence, the cost of activating reservists, and the cost of conducting operations and providing support for about 320,000 deployed military personnel serving in and around Iraq and Afghanistan assuming the same operating tempo as in FY2007.²⁰ In addition, the FY2008 GWOT request does not include the \$5.6 billion additional cost for the 36,000 increase in force levels or “surge” announced by the president on January 10, 2007 that is currently underway.

Assuming no plus-up cost in FY2008 could become an issue should it become clear that the higher force levels will persist into the Fall and the new fiscal year as

¹⁸ (...continued)

FY2008 Global War on Terror Request, February 2007, pp. 15-16, and pp. 63-67; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf]

¹⁹ *S.Rept. 110-77*, pp. 433 and 325.

²⁰ DOD, *FY2008 Global War on Terror Request*, February 2007, pp. 15 and 17; online at [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf].

appears to be expected by commanders in the field according to recent press reports.²¹ An estimate by the Congressional Budget Office projected that the President's surge proposal could cost between \$11 billion and \$15 billion in FY2008 if the higher troop levels were sustained for 12 months — about half way through FY2008 — and if more support troops were required than the several thousand that DOD is anticipating.²² On the other hand, should force levels begin to decline, additional funds would not be necessary.

Congressional Action. The House cut \$881 million from DOD's \$6 billion request for the Logistics Civil Augmentation Program, or LOGCAP, which provides base camp services on the grounds that a 14% increase was not justified given the fact that the FY2008 request is predicated on a straight-line projection from FY2007 — without the temporary increase in military personnel this year. At the same time, the House added \$401 million to the Military Personnel request to cover the cost of an additional 36,000 Army and 9,000 Marine Corps personnel suggesting that the committee expects the higher levels in FY2007 to persist.²³

Reflecting readiness concerns, the House sets up a Defense Readiness Production Board whose mission is to identify critical readiness requirements. DOD is also given authority to use multiyear procurement contracts of up to \$500 million authority for items deemed of critical readiness importance without statutory approval and even if DOD would not save money (Section 1701 to Section 1708, H.R. 1585). The bill also authorizes \$1 billion for these purposes.²⁴

The SASC transfers \$4.1 billion from DOD's GWOT request in Title XV for higher Army and Marine Corps force levels adopted originally to meet OIF/OEF needs to the base budget, with the rationale that these increases or "over strength" are no longer appropriately considered temporary emergency expenses. The committee reduces the DOD O&M request from \$72.9 billion to \$72.0 billion but most of that reflects a transfer of \$712 million to the base budget to "grow the force" although DOD's overview justification did not identify any FY2008 GWOT funding for this purpose.²⁵

²¹ "Commanders In Iraq See 'Surge' into 08," *Washington Post*, May 9, 2007.

²² CBO, *Cost Estimate for Troop Increase Proposed by the president*, February 1, 2007, p. 4; online at [<http://www.cbo.gov/ftpdocs/77xx/doc7778/TroopIncrease.pdf>].

²³ *H.Rept. 110-146*, p. 469.

²⁴ *H.Rept. 110-146*, pp. 481-482.

²⁵ S.Rept. 110-77, p. 489 and pp. 515-516, and DOD, *FY2008 Global War on Terror Request*, February 2007, p. 75.

**Table 7. DOD's Global War on Terror,
FY2006-FY2008 by Function**
(billions of dollars)

Type of Expense	FY2006 Enacted	FY2007 Bridge Enacted	FY2007 Supp. Req.	FY2007 Total with Req.	FY2007 Total Req. vs FY06	FY2008 Req.	FY2008 Req. vs. FY2007 Total w/ Req.
Incremental Pay and Benefits and operating and support Costs	67.2	30.5	39.2	69.8	2.6	70.6	0.8
Temporary Troop Plus-up and Increased Naval Presence	0.0	0.0	5.6	5.6	5.6	0.0	-5.6
Reconstitution or Reset	19.2	23.6	13.9	37.5	18.4	37.6	0.0
Force Protection	5.4	3.4	8.0	11.3	6.0	11.2	-0.1
Joint Improvised Explosive Device Defeat Fund	3.3	1.9	2.4	4.4	1.0	4.0	-0.4
Accelerating Modularity	5.0	0.0	3.6	3.6	-1.4	1.6	-2.1
Infrastructure & equipment for Perm. Inc. in Size of Army and MC	0.0	0.0	1.7	1.7	1.7	0.0	-1.7
Equip and Train Afghan and Iraq Security Forces	4.9	3.2	9.7	12.9	8.0	4.7	-8.2
Coalition Support	1.2	0.9	1.0	1.9	0.7	1.7	-0.2
Commanders Emergency Response Fd	0.9	0.5	0.5	1.0	0.1	1.0	0.0
Military Construction Overseas in Iraq and Afghanistan	0.2	0.0	1.1	1.1	0.9	0.7	-0.4
Military Intelligence	1.5	0.8	2.7	3.5	2.0	2.7	-0.8
Non-DOD Classified and Non-GWOT	5.6	5.1	3.6	8.8	3.2	5.9	-2.8
Regional War on Terror	0.0	0.0	0.3	0.3	0.3	0.0	-0.3
GRAND TOTAL	114.4	70.0	93.4	163.4	49.0	141.7	-21.7

Sources: DOD, *FY2008 Global War on Terror Request*, February 2007, Table 2, p. 75, online at [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf]. Table 2 does not reflect FY2007 Supplemental amended Administration's request submitted on March 9, 2007.

Broad Definition of Reconstitution or Reset

As in FY2007, DOD is requesting \$37.6 billion for reconstitution which appears to encompass a broader set of requirements than the standard definition of reset — the repair and replacement of war-worn equipment when troops and equipment are re-deployed or rotated.²⁶ Within reconstitution, DOD includes not only equipment repair

²⁶ For DOD definition, see DOD, *Financial Management Regulation*, Volume 12, Chapter (continued...)

and replacement of battle losses and munitions, but also replacement of “stressed” equipment, upgrading of equipment with new models, additional modifications, and new or upgraded equipment as well an expansion of the supply inventory (\$900 million) that assumes that currently high stock levels will need to be continued.

Of the \$37.6 billion reconstitution request, \$8.9 billion is for equipment repair including \$7.8 billion for the Army \$1.3 billion for the Marine Corps, amounts similar to DOD’s request in FY2007 and fairly similar to earlier DOD projections.²⁷ The remaining \$28.7 billion is for procurement. In a report to Congress in September 2006, DOD estimated that equipment replacement in FY2008 would be about \$5.0 billion for the Army and about \$500 million for the Marine Corps, levels substantially below the \$21.1 billion for the Army and \$7.2 billion for the Marine Corps requested for FY2008.

This four-fold increase in Army and ten-fold increase in Marine Corps reconstitution requirements in FY2008 may reflect both an expanded definition of what constitutes war-related equipment replacement and a DOD decision to request more than one year’s requirement in FY2008 as in the FY2007 Supplemental where requirements were front loaded according to OMB Director, Rob Portman.²⁸ With the exception of force protection equipment (much of which is funded in O&M), DOD appears to characterize all of its FY2008 war procurement request as reconstitution (see **Table 7**) including upgrades and replacement of current equipment that would normally considered part of peacetime modernization.

With over \$8 billion in war-related procurement funds from previous years still to be put on contract, Congress could choose to delay some of the items requested by DOD, as was the case in Congressional action on the FY2007 where some requests

²⁶ (...continued)

23, pp. 23-21; [http://www.defenselink.mil/comptroller/fmr/12/12_23.pdf]; CBO defines reset as the repair or replacement of war-worn equipment; see CBO, Letter to Rep. Skelton, “The Potential Costs Resulting from Increased Usage of Military Equipment from Ongoing Operations,” March 18, 2005; available online at [<http://www.cbo.gov/ftpdocs/61xx/doc6160/03-18-WornEquip.pdf>].

²⁷ In a September 2006 report to Congress, DOD estimated repair requirements at \$8.0 billion for the Army and \$830 million for the Marine Corps in FY2008, see Office of the Secretary of Defense, *Long-Term Equipment Repair Costs: Report to the Congress*, September 2006, pp. 24-25; DOD, *Fiscal Year (FY) 2008, Global War on Terror Request, Exhibits for FY2008, all appropriations, Military Personnel, Operation and Maintenance, Construction, Revolving and Management Funds, Procurement, Research, Development, Test & Evaluation*, February 2007; [[http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_\(All_Appropriations\).pdf](http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_(All_Appropriations).pdf)] Department of the Army, *Fiscal Year (FY) 2008 Emergency Supplemental, Global War on Terrorism (GWOT)/Regional War on Terrorism (RWOT), Exhibit O-1*, pp. 2 and 7.

²⁸ Testimony of OMB Director Rob Portman before the House Budget Committee, *Hearing on the FY2008 DOD Budget*, February 6, 2007, p. 41 of transcript.

were deemed “premature” or not emergencies.²⁹ The FY2008 war request may also reflect a response to the concerns of Service witnesses raised in testimony over the last year or two that Congress would need to appropriate funds for equipment replacement for two years after forces are withdrawn.³⁰

In both FY2007 and FY2008, the services request includes replacement for various aircraft and helicopters — both battle losses and anticipated replacements for “stressed” aircraft. Under DOD’s standard budget guidance, the services are only to request new major weapon systems for combat losses that have already been experienced unless they get specific approval for an exception, which appears to be the case for both the FY2007 and the FY2008 requests where the services have requested replacements for “stressed” aircraft rather than combat losses. In the case of the FY2008 request, particularly, DOD would not have information about combat losses. In response to congressional doubts, the administration withdrew its request for six new EA-18 electronic warfare aircraft and two JSF aircraft in the FY2007 Supplemental.

Another issue is whether replacing older aircraft no longer in production with new aircraft just entering or scheduled to enter production is a legitimate emergency requirement since systems would not be available for several years. Under their expanded definition, DOD’s request includes replacement of MH-53 and H-46 helicopters with the new V-22 tilt rotor aircraft, replacement of an F-16 with the new F-35 JSF, and replacement of older helicopters with the Armed Reconnaissance Helicopter, a troubled program not yet in production which the Army is considering terminating.³¹ In addition, the FY2008 request includes replacement of stressed aircraft with 17 new C-130Js, modification upgrades to C-130 aircraft, F-18 aircraft, AH-1W and CH-46 helicopters.

Congressional Action. With a few exceptions, the House supported the Administration’s procurement request. The exceptions include the transfer of funds from various programs deemed lower priority to provide an additional \$4.1 billion for the Mine Resistant Ambush program (see below) as well as cuts to the Air Force’s F-35 and C130J aircraft requests and the Army’s request for Armed Reconnaissance helicopters. On the other hand, the House added \$2.4 billion for additional C-17 cargo aircraft.

²⁹ CRS calculation based on BA appropriated and Defense Finance Accounting Service, *Supplemental & Cost of War Execution* reports as of February 28, 2007; see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Connie Veillette, Curt Tarnoff, Pat Towell, Rhoda Margesson, Susan B. Epstein, and Bart Elias.

³⁰ House Armed Services Committee, *Costs and Problems of Maintaining Military equipment in Iraq*, January 31, 2007, hearing transcript; House Armed Services Committee, *Army and Marine Corps Reset Strategies for Ground Equipment and Rotorcraft*, hearing transcript, June 27, 2006.

³¹ House Armed Services Committee, Air Land Subcommittee, “Opening Statement at Markup by Chair Neil Abercrombie,” May 2, 2007.

In its report, the SASC reduces GWOT funding for procurement from \$36.0 billion to \$28.3 billion including the following.

- \$4.6 billion in transfers to the base budget;
- \$1.9 billion in program cuts, primarily delays in troubled programs such as the V-22 (-\$493 million), UH-1Y/Ah-1Z (-\$123 million), and C-130J aircraft (- \$468 million); and
- \$4.7 billion in program adds, echoing House action by adding \$4.1 billion for the Mine Resistant Ambush Program (MRAP), now a high priority because of its success in protecting soldiers against Improvised Explosive Devices (IEDs).

The programmatic cuts also reflect committee questions about DOD's plan for rapid production buildups for these programs.³² The committee's transfer of procurement to the base budget may be designed to give greater visibility to the full spending on individual programs. Since most of DOD's FY2008 GWOT procurement request reflects anticipated replacement needs and upgrades rather than war losses, and with production lead times of two to three years, the committee may believe that the war-related connection for the requests are less clear.

Force Protection Funding

DOD's FY2008 request includes about \$11 billion in funding for force protection in both FY2007 and FY2008 primarily for body armor, armored vehicles, protecting operating bases and surveillance operations. The FY2008 request is almost identical to FY2007 and includes:

- \$3.5 billion to purchase an additional 320,000 body armor sets reaching a cumulative total of 1.7 million original and upgraded sets meeting 100% of total requirements as well as the new Advanced Combat helmet, earplugs, gloves and other protective gear;
- \$7.0 billion for protection equipment and activities including munitions clearance, fire-retardant NOMEX uniforms, unmanned aerial vehicles, aircraft survivability modifications, route clearance vehicles; and
- funding for more uparmored HMMWVs (\$1.3 billion), armored security (\$301 million) and mine protection vehicles (\$174 million); and
- \$441 million for Mine-Resistant Ambush Protected Vehicles, a truck with a V-shaped hull which has proven effective against IEDs.³³

³² *S.Rept. 110-77*, pp. 511 and 513.

³³ DOD lists \$700 million in force protection funding for armored vehicles in its justification but this appears to be an understatement; see FY2008, *Exhibit P-1* for listing of individual items; DOD, *Fiscal Year (FY) 2008, Global War on Terror Request, Exhibits for FY2008*, (continued...)

There has been considerable controversy in Congress about whether DOD has provided adequate force protection in a timely fashion with Congress typically adding funds for more body armor, more uparmored HMWWVs, and other force protection gear. In the FY2007 Supplemental, Congress added \$1.8 billion to DOD's request for the Mine Resistant Ambush Vehicle (MRAP) making for a total of \$3.0 billion, an armored truck with a V-shaped hull that has proven effective in withstanding Improvised Explosive Devices (IEDs).³⁴ This controversy re-surfaced in consideration of the FY2008 Supplemental request where DOD's request of \$441 million is well below requirements and production capacity.

Congressional Action. The House authorized \$4.6 billion for Mine Resistant Ambush Vehicles (MRAPs), an increase that would meet the in-theater requirement. To fund the additional \$4.1 billion, the House took funds from programs deemed lower priority such as a \$1 billion transfer from Bridge to Future Networks, an upgraded command and communication support system. In addition, the House required DOD to submit reports every 30 days on MRAP requirement, contracting strategy, and other matters.³⁵

Like the House, the SASC added \$4.1 billion to DOD's request for MRAP for total funding of \$4.5 billion. At the same time, the committee raises concern about the differences between the Army and Marine Corps MRAP strategies with the Army envisioned 1:7 replacements for uparmored HMMWVs and the Marine Corps a 1:1 replacement. The SASC endorses most of DOD's force protection request and increases funding for night vision devices to meet an unfunded Army requirement.³⁶

Questions Likely About Funding For Joint Improvised Explosive Device Defeat Fund

In FY2008, DOD is requesting an additional \$4.0 billion for the Joint Improvised Explosive Device Defeat Fund, similar to the FY2007 level, for a special new transfer account set up in recent years to coordinate research, production and training of ways to combat Improvised Explosive Devices (IEDs), the chief threat to U.S. forces. With

³³ (...continued)

all appropriations, February 2007; [[http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_\(All_Appropriations\).pdf](http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_(All_Appropriations).pdf)]. For MRAP funding, see Other Procurement accounts of each service and Defensewide and Procurement, Marine Corps in Office of the Secretary of Defense, *Fiscal Year (FY) 2008 Global War on Terror Request, Exhibits for FY2008*, Exhibit P-1, Procurement, February 2007; [[http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_\(All_Appropriations\).pdf](http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_(All_Appropriations).pdf)].

³⁴ CRS calculation based on H.Rept. 110-107, conference report on H.R. 1591, April 24, 2007; see *Congressional Record*, April 24, 2007.

³⁵ *H.Rept. 110-146*, pp. 427 and 466-467.

³⁶ *S.Rept. 110-77*, pp. 509-510.

the funding approved in the FY2007 Supplemental (H.R. 2206/P.L.110-28), the Joint IED Defeat Fund would receive a total of \$9.1 billion.³⁷ If the FY2008 request is approved, the total would reach \$13.1 billion.

Although Congress has been supportive of this area and endorsed DOD's request in the FY2007 Supplemental, both houses have raised concerns about the management practices of the Joint Improvised Explosive Device Defeat Organization (JIEDDO) including its financial practices, its lack of a spending plan, service requests that duplicate JIEDDO work, and its inability to provide specific information to Congress. In the original FY2007 Supplemental conference report, the conferees note that Congress "will be hard-pressed to fully fund future budget requests unless the JIEDDO improves its financial management practices and its responses" suggesting that the FY2008 request could be met with some skepticism.³⁸ The FY2008 GWOT justification is almost identical to that for the FY2007 Supplemental.

Congressional Action. The House endorsed DOD's request for an additional \$4 billion for the Joint IED Defeat Fund. The SASC approved the request but also transferred \$500 million funded in the base budget for that fund to Title XV considering all funds in the fund to be war-related. In response to concerns raised by the GAO as well as the appropriators about the management of the funds, including duplication with service programs, lack of an overall strategy, and organizational structure, the SASC requires a management plan for the office from DOD within 60 days of enactment. The SASC also calls on the office to provide \$50 million in funds and work with other DOD offices on blast injury research and treatment on medical responses to IEDs as well as requiring a report on these efforts by March 1, 2008.³⁹

Oversight Concerns About Cost to Train and Equip Afghan and Iraqi Security Forces

For training and equipping, the FY2008 GWOT request includes an additional \$2.7 billion to expand Afghanistan's 31,000 man Army and 60,000 man police force and an additional \$2.0 billion for more equipment and training for Iraq's 136,000 man Army and 192,000 man police force. Including the funds in the FY2007 Supplemental would bring the total to \$19.2 billion for Iraq and \$10.6 billion for Afghanistan.

Although the FY2008 GWOT requests are considerably lower than the amounts requested for FY2007 — \$2 billion vs. \$5.5 billion for Iraq and \$2.7 billion vs. \$7.4

³⁷ This includes \$1.5 billion in FY2005, \$3.3 billion in FY2006, and \$4.3 billion in FY2007 including the FY2007 Supplemental; see DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007, p. 28.

³⁸ *H.Rept. 110-107*, p. 133; *H.Rept. 110-60*, p. 106; *S.Rept. 110-37*, pp. 25-27; in the Congressional Record, May 24, 2007 (p. H5806), House Appropriations Chair Obey includes materials instructing DOD to follow the committee reports for H.R. 1591 unless the final version of H.R. 2206 differs; there was no conference report on the final version of H.R. 2206.

³⁹ *S.Rept. 110-77*, pp. 516-517 and Sec. 1510, S. 1510.

billion for Afghanistan — Congress has voiced concerns about the progress and the total cost to complete this training. While the final version of the FY2007 supplemental dropped a House-proposal to set a 50% limit on obligations until various reports were submitted, OMB is required to submit report every 90 days on the use of funds and estimate of the total cost to train Iraq and Afghan Security forces within 120 days of enactment. The FY2007 Supplemental also requires that an independent organization assess the readiness and capability of Iraqi forces to bring “greater security to Iraq’s 18 provinces in the next 12 -18 months....”⁴⁰

Congressional Action. The House endorses the funding request but requires various reports on progress in training Iraqi security forces within 90 days of enactment and every three months thereafter (Sec. 1225, Title XII) as well as requiring a report on progress toward security and stability in Afghanistan within 90 days of enactment (Sec. 1232, Title XII).

Like the House, the SASC approves DOD’s funding request but requires quarterly reports, prior congressional notification of transfers from the funds, and the concurrence of the Secretary of State for assistance provided from the Afghanistan Security Forces Fund or the Iraq Security Forces Fund.⁴¹

Coalition Support and Commanders Emergency Response Program

In FY2008, DOD requests \$1.7 billion for coalition support for U.S. allies like Pakistan and Jordan which conduct border counter-terror operations, and for the U.S. to provide lift to its allies. DOD also requests \$1 billion for the Commanders Emergency Response Program (CERP) where individual commanders can fund small-scale development projects, in both cases funding levels similar to FY2007.

While Congress has consistently supported the CERP program, it has voiced skepticism about the amounts requested for coalition support. In FY2007, for example, Congress has proposed cutting the Administration’s request for \$950 million to \$500 million on the grounds that DOD has not defined the use of these funds for a new “Global train and equip” program authorized in FY2006.⁴²

Congressional Action. The House reauthorized CERP but did not set a funding limit on the program and did not address coalition support limits.

Unlike the House, the SASC sets a \$977 million cap for the Commanders’ Emergency Response Program (CERP), DOD’s request. The SASC also supports the \$1.4 billion limit on coalition support to reimburse allies and a \$400 million limit on “lift and sustain” funds to provide support services to nations supporting OIF and OEF operations as requested (see S. 1510, Sec. 1532 and Sec. 1533).

⁴⁰ *H.Rept. 110-107*, Sec. 1313 and Sec. 1320 of H.R. 1591 and *H.Rept. 110-60*, p. 101; see also *Congressional Record*, May 24, 2007, p. H5776ff.

⁴¹ *S.Rept. 110-77*, p.506, sections 1511 and 1512.

⁴² *H.Rept. 110-107*, p. 126; see also *H.Rept. 110-37*, p. 22.

Military Construction Overseas and Permanent Basing Concerns

For war-related military construction and family housing, DOD requests \$908 million in FY2008 compared to \$1.8 billion in FY2007. Although the funding level is lower than the previous year, the same concerns about permanent basing in Iraq are likely to arise. Some of the FY2008 projects have been requested previously — such as building bypass roads, power plants and wastewater treatment plants in Iraq and providing relocatable barracks to replace temporary housing and constructing fuel storage facilities to replace temporary fuel bladders.⁴³

Although Congress approved most of the projects requested in the FY2007 supplemental, the FY2007 supplemental included a prohibition on obligating or expending any funds for permanent stationing of U.S. forces in Iraq. In the past, Congress has rejected projects similar to those requested in FY2008 as insufficiently justified or as implying some kind of permanency.

Congressional Action. The House reduced the FY2008 GWOT request for military construction by \$212 million, rejecting utility projects such as power plants and wastewater collection facilities perceived as indicating a permanent presence.⁴⁴ The House extends the congressional prohibition on using funds for permanent basing in Iraq or to control Iraqi oil resources (Sec. 1222, H.R. 1585).

The SASC approved all DOD's requests for projects in Iraq and Afghanistan but transferred \$169 million requested for state-side projects to the base budget.⁴⁵ Like the House, the SASC also extends the provision prohibiting the United States from establishing permanent bases in Iraq or taking control of Iraqi oil resources (Sec. 1531, S. 1547).

⁴³ DOD, *FY2008 Global War on Terror Request*, February 2007, p. 58-60; available at [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf].

⁴⁴ *H.Rept. 110-146*, p. 470.

⁴⁵ *S.Rept. 110-77*, pp. 587-588.

Potential issues in the FY2008 Base Budget Request

Following is a brief summary of some of the other issues that may emerge during congressional action on the FY2008 defense authorization and appropriations bills, based on congressional action on the FY2007 funding bills and early debate surrounding the President's FY2008 budget request.

- **Military Pay Raise.** The budget request would give military personnel a 3% pay raise effective January 1, 2008, thus keeping pace with the average increase in private-sector wages as measured by the Department of Labor's Employment Cost Index (ECI). Some, contending that military pay increases have lagged civilian pay hikes by a cumulative total of 4% over the past two decades or so, have called for a 3.5% raise to close that so-called pay-gap. Defense Department officials deny any such pay-gap exists, maintaining that their proposed 3% increase would sustain their policy of keeping military pay at about the 70th percentile of pay for civilians of comparable education and experience. Congress mandated military pay-raises of ECI plus ½% in FY2000-2006. But for FY2007, the Administration requested an increase of 2.2%, equivalent to ECI, and Congress ultimately approved it, rejecting a House-passed increase to 2.7%.
- **Army and Marine Corps End-Strength Increases.** The budget request includes \$12.1 billion in the FY2008 base budget and an additional \$4.9 billion in the FY2008 war-fighting budget toward the Administration's \$112.3 billion plan to increase active-duty end-strength by 65,000 Army personnel and 27,000 Marines by 2013. Most of the additional personnel are slated for assignment to newly created combat brigades and regiments, which would expand the pool of units that could be rotated through overseas deployments, thus making it easier for the services to sustain overseas roughly the number of troops currently deployed in Iraq and Afghanistan. This recommendation marks a new departure for the Administration, which has resisted for several years calls by the congressional defense committees for such an increase in troop-strength. On the other hand, the proposal might be challenged by Members who wonder how the services, in a time of tightening budgets, will afford the roughly \$13 billion annual cost of the additional troops. The proposal also might be opposed by Members skeptical of future extended deployments on the scale of the current missions in Iraq and Afghanistan.
- **Tricare Fees and Co-pays.** For the second year in a row, the Administration's budget proposes to increase fees, co-payments and deductibles charged retirees under the age of 65 by Tricare, the Defense Department's medical insurance program for active and retired service members and their dependents. The increases are intended to restrain the rapid increase in the annual cost of the

Defense Health Program, which is projected to reach \$64 billion by FY2015. The budget request also reduces the health program budget by \$1.9 billion, the amount the higher fees are expected to generate. The administration contends that these one-time increases would compensate for the fact that the fees have not be adjusted since they were set in 1995. The Administration also is requesting a provision of law that would index future increases in Tricare fees to the average rate of increase in health care premiums nationwide. As was the case last year, the Administration proposal is vehemently opposed by organizations representing service members and retirees, which contend that the Defense Department has failed to adequately consider other cost-saving moves and that retiree medical care on favorable terms is appropriate, considering the unique burdens that have been borne by career soldiers and their dependents. Any future Tricare fee increases, some groups contend, should be indexed to increases in the Consumer Price Index (CPI) rather than to the much more rapid rise in health insurance premiums. Last year, Congress blocked the proposed fee increases for one year and established a study group to consider alternative solutions to the problem of rising defense health costs. That panel is slated to issue interim recommendations in May, 2007.⁴⁶

- **National Guard Representation on the Joint Chiefs of Staff.** A number of National Guard units have been stripped of equipment needed for other units deploying to Iraq, leaving the units at home ill-prepared either to train for their military mission or to execute their domestic emergency role as the agent of their state governor. Some Members of Congress and organizations that speak for the Guard contend that this situation reflects the regular forces' dismissive attitude toward Guard units, which should be counterbalanced by making the Chief of the National Guard Bureau a member of the Joint Chiefs of Staff, and elevating him to highest military rank — general (4 stars) — from his current rank of lieutenant general (3 stars). Congress has rejected these proposals before, but in March a congressionally chartered commission studying National Guard and reserve component issues endorsed the higher rank, while opposing the Joint Chiefs membership.
- **National Guard Stryker Brigades.** Governors, Members of Congress and National Guard officials from several states have called on Congress to equip additional Guard combat units with the Stryker armored combat vehicle, which currently equips five active-duty Army brigades and one National Guard brigade (based in Pennsylvania). Stryker brigades deployed in Iraq report the eight-wheeled armored cars to be rugged under fire and agile; and because they move on oversize tires rather than metal caterpillar tracks like

⁴⁶ See CRS Report RS22402, *Increases in Tricare Fees: Background and Options for Congress*, by Richard A. Best Jr.

the big M-1 tanks and Bradley troop carriers that equip some Guard units, Strykers would be more versatile in domestic disaster-response missions, since they could travel on streets and roads without tearing them up. Perhaps as important as the Stryker units' vehicular capability is the surveillance and information network that is part of a Stryker brigade. It cost about \$1.2 billion to equip the Pennsylvania Guard unit as a Stryker brigade.

- **Future Combat Systems.** The FY2008 budget request contains \$3.7 billion to continue development of the Army's Future Combat System (FCS), a \$164 billion program to develop a new generation of networked combat vehicles and sensors that GAO and other critics repeatedly have cited as technologically risky. That critique may account for the fact that, last year, Congress cut \$326 million from the Administration's \$3.7 billion FY2007 request for the program. Ongoing operations in Iraq and Afghanistan also highlight the concern of some that FCS will be a more efficient way to fight the kind of armored warfare at which U.S. forces already excel while offering no clear advantage in fighting the sort of counter-insurgency operations that may be a major focus of U.S. ground operations for some time to come.⁴⁷ Particularly because the FY2008 request includes the first installment of procurement money for FCS (\$100 million), critics may try once again to slow the project's pace, at least for the more technologically exotic components not slated for deployment within the next five years.
- **Nuclear Power for Warships.** Congress may use the FY2008 bills to continue pressing the Navy to resume the construction of nuclear-powered surface warships. All U.S. subs commissioned since 1959 have had nuclear-powerplants because they give subs the extremely useful ability to remain submerged, and thus hard to detect, for weeks at a time. All aircraft carriers commissioned since 1967 also have been nuclear-powered ships. But because nuclear-powered surface ships cost significantly more to build and operate than oil-powered ships of comparable size, the Navy has built no nuclear-powered surface vessels since 1980, and has had none in commission since 1999. Proponents of nuclear power long have contended that this focus on construction costs has unwisely discounted the operational advantages of surface combatants that could steam at high speed for long distances, without having to worry about fuel consumption. In recent years, they have cited rising oil prices to argue that nuclear-powered ships may not be much more expensive to operate than oil-fueled vessels. In 2006, a Navy study mandated by the FY2006 defense authorization bill (P.L. 109-163, Section 130) concluded that nuclear power would add about \$600 million to \$700 million to the cost of a medium-sized warship, like the Navy's planned CG(X)

⁴⁷ See CRS Report RL32888, *The Army's Future Combat System: Background and Issues for Congress*, by Andrew Feickert.

cruiser, and that such a ship's operating cost would be only 0-10% higher than an oil-powered counterpart, provided crude oil costs \$74.15 or more, per barrel (as it did a various times during 2006).⁴⁸ Congress might add to the FY2008 bills provisions that would require certain kinds of warships to be nuclear-powered in the future. Alternatively, it might require the Navy to design both oil-powered and nuclear-powered versions of the CG(X), the first of which is slated for funding in the FY2011 budget.

- **Littoral Combat Ships.** Congress will closely scrutinize the Navy's most recent restructuring of its plan to bulk up the fleet with a large number of small, fast Littoral Combat Ships (LCS) intended to use modular packages of weapons and equipment to perform various missions. In FY2005-FY2007, Navy budgets funded six LCSs being built to two different designs by two contractors, Lockheed and Northrop Grumman. The Navy plans to select one of the two designs which would account for all the LCSs built beginning in FY2010. But in March 2007, responding to escalating costs in the first few LCS ships under construction, the Navy restructured the program, cancelling contracts for three of the ships already funded and reducing the number of LCS ships requested in the FY2008 budget from three to two. In the FY2008 defense bills, Congress might endorse the Navy's action, add funds for additional ships in FY2008, or take additional steps to ensure that LCS construction costs are under control before additional ships are funded.⁴⁹
- **Virginia-Class Submarines.** Members may try to accelerate the Navy's plan to begin in FY2012 stepping up the production rate of *Virginia*-class nuclear-powered attack submarines from one ship per year to two. Because of the scheduled retirement after 30 years of service of the large number of *Los Angeles*-class subs commissioned in the 1980 and 1990s, the Navy's sub fleet will fall short of the desired 48 ships (out of a total fleet of 313 Navy vessels) from 2020 until 2033. In addition to approving the Navy's FY2008 request for \$1.8 billion to build a sub for which nuclear reactors and other components were funded in earlier years and \$703 million for reactors and components that would be used in subs slated for funding in future budgets, Congress may add more so-called "long lead" funding for an additional sub for which most of the funding would come in FY2009 or FY2010. The Navy says it would need an additional \$400 million down payment in FY2008 to make it feasible to fund an additional sub in FY2010.⁵⁰ But Navy officials also argue

⁴⁸ See CRS Report RL33946, *Navy Nuclear-Powered Surface Ships: Background, Issues and Options for Congress*, by Ronald O'Rourke.

⁴⁹ See CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Oversight Issues and Options for Congress*, by Ronald O'Rourke.

⁵⁰ See CRS Report RL32418, *Navy Attack Submarine Force-Level Goal and Procurement* (continued...)

that buying an additional sub before 2012 could throw future Navy budgets out of balance.

- **F-35 (Joint Strike Fighter).** Congress may reject the Administration's proposal to drop development of the General Electric F-136 jet engine being developed as a potential alternative to the Pratt & Whitney F-135 engine slated to power the F-35 Joint Strike Fighter. Congress has backed development of an alternate engine for the F-35 since 1996 and last year rejected the Administration's proposal to terminate the program, adding \$340 million to the FY2007 defense funding bills to continue the alternate engine program.⁵¹ Defense Department officials, noting that they would save \$1.8 billion by ending the alternate engine program, contend that because of improvements in the process of designing and developing jet engines, it would not be imprudent to rely on a single type of engine to power what likely will be the only U.S. fighter plane in production after about 2015. Many Members are skeptical of that argument, citing the poor reliability demonstrated in the late 1970s by the Pratt & Whitney F-100 engine that powered both the F-15 and F-16, a problem that caused Congress to mandate development of an alternative (GE-built) engine. Supporters of the dual engine approach also contend that competition between the two engine manufacturers produced significant savings in F-15 and F-16 engine costs, a claim disputed by some analyses.
- **C-17 Production and C-5 Upgrades.** There appears to be strong support in Congress for fielding a larger fleet of long-range cargo jets big enough to heavy Army combat gear than Defense Department plans would fund. As in past years, the result may be a combination of congressional actions that would (1) restrict the ability of the Air Force to retire older C-5A planes and (2) fund additional C-17 planes, beyond the 190 the Air Force plans to buy. In March 2006, the Defense Department's first "post 9/11" review of its long-range transportation needs concluded that the services' long-range airlift needs could be met, with acceptable risk, by the Air Force's plan to upgrade fleet of 109 C-5s (divided between "A" and newer "B" models) and to buy a total of 180 C-17s. Rejecting the department's analysis on several grounds, Congress barred retirement of any C-5s and added 10 C-17s to the FY2007 defense funding bills. The most conspicuous change in this issue since then has been the

⁵⁰ (...continued)

Rate: Background and Issues for Congress, by Ronald O'Rourke.

⁵¹ See CRS Report RL33390, *Proposed Termination of Joint Strike Fighter (JSF) F136 Alternate Engine*, by Christopher Bolkom.

Administration's decision to enlarge the Army and Marine Corps, a move which, arguably, requires a larger airlift fleet.⁵²

- **Air Force Tanker Procurement.** The \$315 million requested in FY2008 to develop a new mid-air refueling tanker to replace the Air Force KC-135s well into their fifth decade of service may become a vehicle for congressional action intended to bolster the position of either Boeing or the team of Northrop Grumman and Airbus, who are competing for the contract in a contest scheduled to be decided late in 2007. Immediately at issue is a contract for 179 refueling planes. But follow-on contracts may bring the number of planes ultimately purchased to 540.⁵³
- **New Nuclear Warhead.** Differences over the future role of nuclear weapons in U.S. national security planning may crystalize into a debate over the \$119 million requested in the FY2008 national defense budget to continue development of a so-called Reliable Replacement Warhead (RRW), which is intended to replace warheads that were built in the 1970s and 1980s and have been kept in service longer than initially planned. That total includes \$89 million for the National Nuclear Security Administration of the Department of Energy and \$30 million for the Navy. The new warhead is intended to be easier to maintain than aging types now in service and to be deployable without breaking the moratorium on nuclear test explosions the U.S. government has observed since 1992. Supporters argue that RRW is needed because of concerns that maintenance of currently deployed warheads may prove increasingly difficult in the long term. On the other hand, critics of the RRW program contend that fielding new warheads of an untested type might build political pressure to resume testing eventually. Moreover, they contend, that the program to extend the service life of existing warheads without testing has proven successful for more than a decade and should become even more reliable because of advances in understanding of the physics of current weapons. Since the funds requested in FY2008 would allow the RRW program to cross a critical threshold, from design and cost analysis to the start of detailed development work, Members who want to rein in the program have a strong incentive to use the FY2008 funding bills to do it.⁵⁴
- **Non-Nuclear Trident Missile Warhead.** Months after Congress denied most of the \$127 million requested in FY2007 to develop a non-nuclear warhead for the Trident long-range, submarine-launched

⁵² See CRS Report RS20915, *Strategic Airlift Modernization*, by Christopher Bolkom.

⁵³ See CRS Report RS20941, *Air Force Aerial Refueling*, by Christopher Bolkom.

⁵⁴ See CRS Report RL32929, *The Reliable Replacement Warhead Program: Background and Current Developments*, and CRS Report RL33748, *Nuclear Warheads: The Reliable Replacement Warhead Program and the Life Extension Program*, both by Jonathan Medalia.

ballistic missile, the administration has requested \$175 million for the program in FY2008. The argument in favor of the program is that it would allow U.S. forces to quickly strike urgent or mobile targets anywhere in the world, even if no U.S. forces were located nearby. On the other hand, some skeptics of the program argue that the system would require precise, virtually real-time intelligence about targets that may not be available and that other countries — including some like Russia and China that are armed with long-range, nuclear-armed missiles — might misinterpret the launch of a conventionally-armed U.S. missile as an indication that they were under nuclear attack. Some Members may try to slow the program, as Congress did last year.⁵⁵

- **Missile Defense Budget.** If only because it is the largest acquisition program in the budget, the \$8.9 billion requested in FY2008 for the Missile Defense Agency would draw close scrutiny because of the stringent budget limits within which the defense committees are working. But there also may be some efforts to cut that request that are rooted in the long-running debate that continues over how soon missile defense would be needed, and over the relative effectiveness of the many anti-missile systems under development. Efforts are likely to reduce funding for some of the more technologically challenging programs, such as the Airborne Laser (ABL), which has encountered several delays and for which the Administration has requested \$549 million in FY2008.⁵⁶ Another possible target for congressional cuts is the \$300 million requested to begin work on a third anti-missile site in Eastern Europe. Touted by the Administration as a defense against a possible threat from Iran, the proposal to field anti-missile interceptors in Poland has been denounced by Russia.
- **Revisiting BRAC.** Because of well-publicized cases of inadequate care received by some Iraq War veterans at Walter Reed Army Medical Center, which is slated for realignment as one of the recommendations made by the 2005 Base Realignment and Closure (BRAC) Commission, and approved by President George W. Bush, critics of some other BRAC actions may be encouraged to try to slow or reverse those decisions. If successful, such efforts might unravel the entire base closure process, which was designed to prevent Members from politicking to save any one particular base from closure. Since 1989, the requirement that Congress and the President deal with each of the four sets of recommended closures as a package, on a “take it or leave it” basis, has highlighted the potential savings of the entire package of closures while preventing supporters of any

⁵⁵ See CRS Report RL33067, *Conventional Warheads for Long-Range Ballistic Missiles: Background and Issues for Congress*, by Amy F. Woolf.

⁵⁶ See CRS Report RL32123, *Airborne Laser (ABL): Issue for Congress*, by Christopher Bolcom and Stephen A. Hildreth.

one base from rounding up support for saving their site from closure on the grounds that, considered in isolation, closing it would save very little. But since the furor over Walter Reed has at least prompted some public calls for reconsidering that particular BRAC decision, critics of other closures may argue that changes in circumstance since 2005 require a re-look at other parts of the BRAC package. In addition, jurisdictions anticipating a large population influx as they acquire organizations formerly housed at installations being closed, may seek impact assistance to expand their transportation, utility, housing and education infrastructures.

- **Contract Oversight.** Because of several recent cases in which high profile weapons acquisition programs have been hobbled by escalating costs and technical shortcomings, Members may want to review the management of individual programs and the evolution over the past decade or so of the Defense Department's acquisition management process with an eye toward using the FY2008 funding bills to strengthen the government's hand in dealing with industry. Secretary of the Navy Donald C. Winter and Chief of Naval Operations Adm. Michael G. Mullen have declared that the Navy intends to reclaim some of the authority over ship design it has ceded to industry and Members may look for ways to jump-start that effort as they deal with, for instance, the troubled Littoral Combat Ship (LCS) program. Similarly, Members intent on imposing congressional priorities on the Army's Future Combat System (FCS) may question the amount of managerial discretion the Army has vested in the Lead System Integrator: a private entity — in this case, a team of Boeing and SAID — hired to manage a large, complex program that consists of more than a dozen vehicles and sensors linked by a computer network. One rationale for the outsourcing to industry of management roles previously filled by Pentagon acquisition managers is that the Defense Department no longer has the in-house expertise needed to manage such complicated acquisitions. Some Members may want the Defense Department to come up with a long-term plan to restore enough in-house expertise to make the government a smarter customer.⁵⁷

Bill-by-Bill Synopsis of Congressional Action to Date

Congressional Budget Resolution

Congress has completed, work on the annual congressional budget resolution, which includes recommended ceilings for FY2008 and the following four fiscal years

⁵⁷ See CRS Report RS22631, *Defense Acquisition: Use of Lead System Integrators (LEIS)* — *Background, Oversight Issues, and Options for Congress*, by Valerie Bailey Grasso.

on budget authority and outlays for national defense and other broad categories (or “functions”) of the federal government. These functional ceilings are neither binding on the Appropriations committees nor do they formally constrain the authorizing committees in any way. But the budget resolution’s ceiling on the so-called “050 function” — the budget accounts funding the military activities of DOD and the defense-related activities of the Department of Energy and other agencies — may indicate the general level of support in each chamber for the President’s overall defense budget proposal.

The House version of the budget resolution (H.Con.Res. 99), adopted March 29, 2007 by a vote of 216-210 that broke basically along party lines, recommended for FY2008 a ceiling of \$507 billion in budget authority for the 050 function and an additional allowance of \$145 billion for “overseas deployments and other activities.” Together, the two amounts add up to an overall ceiling on defense-related budget authority in FY2008 of \$652 billion, essentially the amount the President requested. The House budget resolution also included non-binding policy recommendations that (1) opposed the Administration’s request to increase retirees’ medical fees and (2) called for a reduction in the administration’s \$9.8 billion budget request for missile defense.

The Senate version of the budget resolution (S.Con.Res. 21), adopted March 23 by a vote of 52-47 that basically followed party lines, recommended for FY2008 a ceiling on defense-related budget authority of \$649 billion, slightly less than the total that was requested for both the regular FY2008 defense budget and the cost of operations in Iraq and Afghanistan.

The conference report on the budget resolution (S.Con.Res. 21) set budget authority ceilings of \$507 billion for the 050 function and an additional \$145 billion for overseas deployments in Iraq and Afghanistan. Appropriations designated as being necessary for overseas deployments in excess of \$145 billion would be exempt from budget caps in the House. In the Senate, they would be subject to a point of order which could be waived by a supermajority of 60 votes.

The conference report also accepted the House-passed provisions opposing the proposed increase in retirees’ medical fees and calling for a reduction in the missile defense budget. Both chambers adopted the conference report on May 17, the House by a vote of 214-209 and the Senate by a vote of 52-40.

FY2008 Defense Authorization: Highlights of the House Bill

Operations in Iraq and Afghanistan. Although the effort of some Members of Congress to force a withdrawal of U.S. troops from Iraq is one of the most contentious issues on the country’s political agenda, the version of the FY2008 defense authorization bill passed May 17 by the House (H.R. 1585) includes no provisions relating to any deadline for ending U.S. deployments in Iraq. However, the bill would require several reports on operations in Iraq and Afghanistan.

The bill would require the top U.S. military commander in Iraq and the U.S. ambassador to provide Congress with a detailed assessment of the situation in that

country covering various issues, including an assessment of Iraqi security forces and a review of trends in attacks by insurgents and Al Qaeda fighters on U.S. and allied forces.

The bill also includes several provisions focused on operations in Afghanistan, including a requirement the Secretary of Defense send Congress a detailed plan for achieving sustained, long-term stability in that country. The bill also would require creation of a special inspector general to oversee U.S.-funded reconstruction efforts in Afghanistan, paralleling the office that has uncovered instances of waste and fraud in Iraqi reconstruction efforts.

In addition, the bill would require the Government Accountability Office (GAO) to review the Joint Improvised Explosive Device Organization, created to coordinate efforts to neutralize roadside bombs and car bombs, which have been responsible for more U.S. troop fatalities in Iraq than any other factor. The bill also would cut from the military construction request \$212 million for facilities such as powerplants and wastewater treatment plants which, the House Armed Services Committee said in its report on H.R. 1585 (H.Rept. 110-146), implied an intention to continue U.S. deployments for a prolonged period.

Other FY2008 Defense Budget Issues. Some of the hundreds of changes the House made to the President's FY2008 defense request in H.R. 1585 reflect broader themes, some of which the House has struck in its action on earlier defense budget requests:

The bill would fund the proposed expansion of the active-duty Army and Marine Corps and would compensate the troops more generously. After years of rejecting recommendations by many Members to increase the number of ground troops, the Administration has launched a plan to increase the permanent end-strength of the Army and Marine Corps by a total of 92,000 troops by 2012. H.R. 1585 would authorize the two services to accelerate the buildup, but would not require them to do so. In addition to funding that end-strength increase, the bill would increase military pay by 3.5%, instead of the 3.0% increase requested, and would bar for the second year in a row a proposed increase in medical care fees for retirees.

It would mandate several actions intended to improve the quality of military medical care, particularly for service members in outpatient status. The bill incorporates the text of H.R. 1538, the Wounded Warrior Assistance Act of 2007, passed by the House March 28, 2007, among the provisions of which are (1) requirements for more proactive management of outpatient service members, (2) requirements for regular inspections of housing facilities occupied by recovering service members and reports on other aspects of military medical care, and (3) a one-year ban on the privatization of jobs at any military medical facility.

The bill would shore up current combat capabilities, in part with funds diverted from the budget request for technologically advanced weapons programs that promise increased military capability in the future. It would add funds to the requests for anti-missile systems designed to protect forces in the field from the sort of short-range and medium-range missiles deployed (or nearly deployed) by potential adversaries such as North Korea and Iran. At the same time, it would slice funding from the amounts

requested for the Airborne Laser and for development of space-based anti-missile weapons, more innovative weapons intended for use against long-range missiles that those adversaries have not yet fielded. Similarly, it would cut several hundred million dollars from the request for the Army's Future Combat System program, targeting some of its more exotic elements, while adding funds to expand production of Stryker armored combat vehicles and Mine Resistant Ambush Protected (MRAP) troop carriers. It also would extend production of the C-17, long-range, wide-body cargo jet, adding funds for 10 more airplanes.

The House bill would slow some acquisition programs to allow a more orderly process of setting their requirements and testing their effectiveness. For instance, the bill would require an operationally realistic test of the communications and sensor network that is essential to the Army's FCS program before the system goes into production. It also would defer production of a medium-range cargo plane, the Joint Cargo Aircraft, until the Pentagon completes a study of its requirement for aircraft of that type. In addition, the bill would slow development of a new troop carrier, slated to replace the High-Mobility, Multi-purpose, Wheeled Vehicle (HMMWV), until some of the technologies slated for use in the new vehicle are more mature.

The bill also would slow some programs that might draw adverse international reactions. It would reduce funding for development of a new Reliable Replacement Warhead (RRW) and for construction of a new production facility for plutonium to be used in nuclear warheads, programs some have said would complicate U.S. efforts to bar the proliferation of nuclear weapons. It also would eliminate funding to deploy anti-missile interceptors in Europe, a plan to which Russia has objected. In addition, the bill would reduce funding for development of a non-nuclear warhead for Trident submarine-launched ballistic missiles, the launch of which — some critics warn — might be mistakenly interpreted as the launch of a nuclear attack.

Some other highlights of H.R. 1585 include the following:

- **Tricare Fee Freeze.** As the FY2007 authorization bill did, this bill would bar for one year proposed increases in Tricare fees (including pharmacy fees). The House Armed Services Committee noted that a commission appointed to study alternative Tricare cost controls is not scheduled to complete its work until the end of the year. The bill also would authorize an increase in Tricare funding by \$1.9 billion, the amount by which Pentagon officials reduced the Tricare budget request in anticipation of the higher fees.
- **Health Care Improvements.** The bill would create an initiative to improve care of service members suffering traumatic brain injury, which is a relatively frequent result of roadside bomb attacks on U.S. vehicles in Iraq. It also would allow the Navy to reduce its number of medical personnel by only 410, rather than the reduction of 900 the budget assumed. The bill also incorporates the provisions of H.R. 1538, the Wounded Warrior Assistance Act of 2007, passed by the House March 28 which, among many other provisions, would do the following: mandate the assignment of case managers to outpatient service members and require regular reviews of their cases; create

toll-free hotlines on which service members and their families can report deficiencies in military-support facilities; establish standardized training programs for Defense Department personnel engaged in evaluating wounded service members for possible discharge on grounds of disability; establish a separate fund to support the treatment of wounded or injured service members and their return to service or their transition to civilian life; mandate development of policies to reduce the likelihood that personnel in combat will experience post-traumatic stress disorder (PTSD) or other stress-related illnesses; require regular inspections of all living quarters occupied by service members recovering from wounds; and prohibit for one year any effort to convert jobs at a military medical facility from military to civilian positions. In addition, the bill would require a long-term longitudinal study of health and behavioral problems experienced by service members deployed in Iraq and Afghanistan. It also would require that the annual budget for Walter Reed Army Medical Center not be reduced below the level spent in FY2006 until replacement facilities are available to provide the same level of care provided at Walter Reed in that year.

- **National Guard Issues.** The bill would elevate the chief of the Guard Bureau, a position that currently carries with it the rank of lieutenant general, to the rank of general, and would designate that officer as an advisor to the Secretary of Defense and the Secretary of Homeland Security. However, the bill would not make the Guard Bureau chief a member of the Joint Chiefs of Staff, as some supporters of the National Guard have advocated. The bill also would authorize an addition of \$500 million to the budget in order to fill National Guard equipment shortages, the total cost of which the current chief of the National Guard Bureau said totaled \$2 billion. In addition, it would authorize the addition of \$30 million to upgrade the engines on F-16s flown by National Guard squadrons. The bill also would require the Secretary of Defense to send Congress quarterly reports on the readiness of National Guard units to perform both their wartime mission and the domestic missions they would be called on in response to a natural disaster or domestic disturbance. It also would require the Army to submit to Congress a report on the desirability of equipping additional National Guard units with Stryker vehicles.
- **Training.** The bill would authorize an additional \$250 million for training not covered by the budget request. The committee warned that the readiness of ground combat forces in particular was suffering because their training was focused heavily on the type of mission they would perform in Iraq and Afghanistan, rather than on the full spectrum of missions they might have to execute.
- **Maintenance and Readiness.** The bill would add to the budget request \$165 million for additional major overhauls of ships, planes, vehicles and electronic equipment beyond what the budget would cover. It also would create a \$1 billion Strategic Readiness Fund to

allow the services to address equipment shortages that resulted in critical readiness shortfalls. To better focus attention on readiness problems, the bill would create a Defense Readiness Production Board to identify shortages of equipment or supplies anticipated to last for two years or longer. It also requires DOD to report the current readiness of ground forces and prioritize the steps that will be taken to improve the state of readiness.

- **Special Forces Priorities.** Several provisions of the bill reflect a concern by some Members that the services' special operations forces have been emphasizing "direct action" (efforts to kill or capture terrorists) at the expense of "indirect action" (training other countries' security forces and developing working relationships with them to help set conditions that inhibit the spread of terrorism). The bill would require the Special Operations Command to send Congress an annual report on its plan to meet its requirements for indirect action. It also would authorize additional funds for "irregular warfare support" research aimed at better understanding radical Islamist strategies and the cultures in which terrorists seek a foothold.
- **Civilian Employees.** The bill would change the rules governing so-called A-76 cost competitions to determine whether functions currently performed by federal employees should be contracted out to private companies. The House Armed Services Committee said that the changes, which would tend to advantage federal employees in such a contest, were needed to ensure a fair and balanced cost comparison. The bill also would require a recently created personnel system for civilian DOD employees to provide rights of collective bargaining and appeal rights which are provided by the civil service system. It also would impose limits on the new system's "pay for performance" compensation rules.
- **Armored Troop Carriers.** The bill would increase by \$4.1 billion — to \$4.6 billion — the amount authorized to equip Army, Marine Corps and Special Operations units with Mine Resistant Ambush Protected (MRAP) vehicles, shaped and armored to better protect troops from roadside bombs. It approved the requests for \$2.3 billion to buy armored HMMWV vehicles and \$1.1 billion for add-on armor to protect personnel in other vehicles from roadside bombs.
- **Ground Combat Vehicles.** The bill would cut \$857 million from the \$3.56 billion requested to continue developing the Army's Future Combat System (FCS), a networked set of ground vehicles, unmanned aircraft and sensors that would make up the next generation of ground combat equipment. FCS supporters contended that the cut would cripple the program; but proponents of the reduction contended that the cuts were aimed at more exotic components not slated to enter service for years, sparing elements of FCS that would be available sooner. The bill also approved the request for \$4 billion to upgrade M-1 tanks and Bradley armored

troops carriers currently in service. It would authorize \$88 million of the \$288 million requested for the Expeditionary Fighting Vehicle, a Marine Corps effort to develop a new amphibious combat vehicle, work on which has been suspended pending a DOD review.

- **Communication Programs Slowed.** The bill would cut \$2.1 billion from the \$2.6 billion requested for the Joint Network Node (JNN), an effort to develop for ground troops an internet-based mobile voice, video and data link that would be used pending development of a more ambitious communications network system designated Warfighter Information Network - Tactical (WIN-T). The House Armed Services Committee contended that JNN could not usefully absorb the amount requested. Moreover, the committee insisted that JNN, which had been launched as an interim system start managed under relatively informal procedures, begin to operate under the more demanding procedures applied to major systems purchases and that the procurement of future lots of the system be competed. The bill also would cut \$102 million from the \$222 million requested to develop the follow-on communication system, WIN-T. On the other hand, the bill authorized the \$964 million requested to develop a satellite-based, long-range communications network linked by lasers.
- **Combat Jets.** The bill would authorize production 11 of the 12 F-35 tri-service fighters requested. It would use the \$230 million thus saved from the \$2.7 billion F-35 procurement request plus \$250 million diverted from the \$3.5 billion R&D request to continue development of an alternative jet engine, a project the budget would terminate. The bill also would authorize the amounts requested for 20 Air Force F-22 fighters (\$3.2 billion, plus \$744 million for R&D) and 18 EA-18Gs, which are electronic-jamming versions of the Navy's F/A-18E/F fighter (\$1.3 billion, plus \$273 million for R&D). It would authorize 33 of the 36 F/A-18E/Fs requested (\$2.6 billion, a \$182 million reduction from the request).
- **Long-Range Cargo Jets.** The bill would add to the budget \$2.4 billion for 10 additional C-17 wide-body, long-range cargo jets. DOD's budget would have ended production of the planes, as would its FY2007 budget, which Congress also overrode to keep the C-17 production line running. In addition, the bill would repeal existing law that bars DOD from retiring any of its C-5 cargo jets. The bill would allow the Air Force to begin retiring older C-5s once the production of C-17s, plus remaining C-5s comprised a total long-range cargo fleet of 299 planes.
- **Shipbuilding.** The bill included a provision requiring that all new classes of cruisers, submarines and aircraft carriers be nuclear-powered, although the requirement could be waived in any case in which the Secretary of Defense determined it not to be in the national interest. The bill added to the budget request \$1.7 billion for a San Antonio-class amphibious landing transport (in addition to the

\$1.4 billion requested for one of the ships), \$400 million for a T-AKE class supply ship (in addition to the \$456 million requested for one), and \$588 million to buy the nuclear power plant and other components of an additional Virginia-class submarine, for which the bulk of the funds would have to be provided in a future budget (in addition to the \$1.8 billion approved as requested for one sub and the \$703 million requested for another set of long-leadtime sub components). The bill also authorized \$711 million for two smaller warships, designated LCS, which is what the Navy wanted after it dropped from its FY2008 budget request funding for a third ship of the class because of escalating costs in construction of earlier ships of the type. The committee also directed the Navy to report on the underlying causes of the LCS cost-overruns and on steps that were being taken to prevent their recurrence. The bill also authorized the amounts requested to begin work on a nuclear-powered carrier (\$2.7 billion), to complete two DDG-1000-class destroyers that were partly funded in the FY2007 budget and to buy components for use in future ships of this type (\$2.8 billion), and to complete a helicopter carrier designed to support amphibious landings, some funds for which were provided in the FY2007 budget (\$1.4 billion).

- **Missile Defense.** The bill would cut a total of \$764 million from the \$8.8 billion requested for the Missile Defense Agency. The largest cut in a single missile defense program was \$250 million cut from the \$548 million requested to continue development of an airborne laser (ABL). The bill also would cut \$160 million from the \$300 million requested to field in Eastern Europe a third cluster of anti-missile interceptor rockets. The cut would block construction of the planned launch silos in Poland. The bill also would authorize a total of \$2.5 billion, slightly more than was requested, for Patriot and Aegis systems designed to protect U.S. forces and allies against short-range and medium-range missiles currently deployed by North Korea, Iran and many other countries. It would deny \$10 million requested to begin development of space-based anti-missile interceptor missiles.
- **Nuclear Weapons and Non-proliferation.** The bill would cut \$45 million from the \$119 million requested to develop a new nuclear warhead — the Reliable Replacement Warhead (RRW) — to replace aging warheads current deployed. The House Armed Services Committee said it wanted to slow development of the new weapon pending a report on future U.S. nuclear weapons deployments, which the bill would create a blue-ribbon panel to prepare. The bill also would authorize \$142 million of the \$175 million requested to develop a non-nuclear warhead for the Trident submarine-launched missile. The committee wanted to defer production of the weapon pending study of how it would be used and how the risk could be minimized that launch of a conventionally-armed Trident would be misinterpreted as nuclear attack.

- **Roles and Missions.** The bill would require the Defense Department to review every four years the division of labor — the allocation of “roles and missions” — among the four armed services and other Pentagon agencies, identifying the “core competencies” of each service or agency. It also would make several changes in the Defense Department’s long-range budget and weapons planning processes with the aim of ensuring that future weapons programs be given the go-ahead only if they met the requirements of an agreed-on mission and were to be used by an organization with the appropriate core competency to perform that mission. The bill also would direct the Secretary of Defense to decide whether or not to designate one of the armed services to manage all medium altitude and high altitude unmanned aerial vehicle (UAV) programs, for the sake of efficiency. Air Force officials have contended that their service should get that role, a move the other services have strongly opposed.
- **Prospective Ban on Future Use of LSIs.** The bill would prohibit the awarding of new contracts for any Lead System Integrator (LSI) on a major system, as of the start of FY2011. The bill would require the Secretary of Defense to send Congress by October 1, 2008 a plan to develop among government acquisition employees the skills needed to perform “inherently governmental functions” in managing major acquisition programs.
- **Environmental Issues.** The bill would require future periodic revisions of long-range national strategic plans to take account of the impact on U.S. interests of global climate change. The committee said that the strategic, social, political and economic consequences of climate change could increase political instability in parts of the world. The bill also would require GAO to report on the extent to which the readiness of U.S. forces has improved as the result of several waivers from various environmental laws granted to the Defense Department.

Defense Authorization: Highlights of House Floor Action

House debate on H.R. 1585, which began on May 16 and was concluded May 17, was governed by a rule (H.Res. 403) that allowed consideration of 50 amendments covering a wide range of subjects.

Iran Policy. The House rejected two amendments that would have restricted the use of funds authorized by the bill to plan or carry out military operations against Iran. An amendment by Representative Andrews of New Jersey that would have prohibited the use of funds authorized for the military operations in Iraq and Afghanistan to plan military operations in Iran was rejected by a vote of 202-216. An amendment by Representative DeFazio, rejected by a vote of 136-288, would have prohibited the use of funds authorized by the bill from being used for military action against Iraq unless (1) Congress specifically authorized such an attack or (2) there was a national emergency resulting from an Iranian attack on U.S. territory, forces or allies.

Ballistic Missile Defense. The House also rejected (1) an amendment by Representative Tierney that would have cut an additional \$1.1 billion from the \$8.1 billion authorized for ballistic missile defense (rejected 127-299) and (2) an amendment by Representative Franks that would have added \$764 million to the missile defense authorization (rejected 199-226). Immediately before it passed the bill, however, the House adopted by a vote of 394-30 a motion to recommit the bill to committee with instructions that it be amended to increase the missile defense authorization by \$205 million for projects that would integrate U.S. and Israeli missile defense programs. A motion to “recommit with instructions” has the practical effect of an amendment.

Guantanamo Detainees. An amendment by Representative Moran, requiring the Pentagon to report to Congress on the capacity of detention facilities at Guantanamo Bay, Cuba, and on the number and status of detainees at that facility, was adopted by a vote of 220-208. An amendment by Representative Holt requiring that the interrogation of detainees by military personnel be videotaped was rejected by a vote of 199-229.

BRAC Consequences. An amendment by Representative Moran, specifically overriding the deadline set by the BRAC process for completing all job relocations resulting from the most recent round of base closures and realignments, would prohibit any movement of military or civilian personnel from leased office space in Arlington, Virginia to Fort Belvoir, Virginia until the secretary of the Army certifies to Congress that the necessary improvements have been made in the transportation infrastructure near the latter site.

Following (**Table 8**) is a summary of House action on selected amendments offered during floor action on H.R. 1585.

**Table 8. House Floor Action on Selected Amendments:
FY2008 Defense Authorization Bill, H.R. 1585**

Sponsor	Summary	Outcome
Saxton, LoBiondo, Smith, Andrews	Requires DOD to perform federal background checks for all unescorted visitors who seek entry to a military installation or facility, and employees of vendors and/or contractors who do business on a military installation or facility. The background checks will require a search in the FBI’s National Crime Information Center (NCIC) database, confirmation that they are not on a terrorist watch list, and collaboration with DHS to verify US citizenship status.	Included in an en bloc amendment; Agreed, voice vote
Snyder	Increases the funding for the Army National Guard military personnel account to fund the Yellow Ribbon Reintegration Program by \$50,000,000, with an offsetting reduction of \$50,000,000 from the Air Force JSTARS program.	Included in an en bloc amendment; Agreed, voice vote

Sponsor	Summary	Outcome
Andrews	Requires DOD to use renewable energy to meet at least 25% of its electricity needs by 2025, unless the Secretary determines a waiver is in the best interest of DOD.	Included in an en bloc amendment; Agreed, voice vote
Andrews	Prohibits funds authorized in the bill for the wars in Iraq and Afghanistan from being obligated or expended to plan a contingency operation in Iran .	Rejected, 202-216
Franks, Cantor, Putnam	Increases by \$764 million the amount authorized for ballistic missile defense.	Rejected, 199-226
Johnson, Jr., Hank (GA)	Increases by \$169,000,000 the amount authorized for construction of medical support facilities at Fort Belvoir, VA, and Bethesda (MD) Naval Medical Center, to be offset by unspecified reductions in other construction authorized by the bill.	Included in an en bloc amendment; Agreed, voice vote
DeFazio, Paul, Hinchey, Lee	Prohibits funding authorized by the bill or any other act from being used to take military action against Iran without specific authorization from Congress unless there is a “national emergency created by an attack by Iran upon the United States, its territories or possessions or its armed forces.”	Rejected, 136-288
Moran	Requires the Office of the Secretary of Defense to submit a report identifying the current capacity at Department of Defense facilities to securely hold and try before a military commission the detainees currently held at Guantanamo Bay. The report shall include the Department’s estimated number of detainees that will be 1) charged with a crime, 2) subject to a release or transfer, or 3) held without being charged with a crime, but whom the Department wishes to detain. The report shall also describe actions required by the Secretary and Congress to ensure that detainees who are scheduled for release are released no later than December 31, 2007.	Agreed, 220-208
Woolsey	Requires the Secretary of Defense to issue a report on the continued use, need, relevance, and cost of weapons systems designed to fight the Cold War and the former Soviet Union .	Rejected, 119-303
Moran	Requires that the transportation infrastructure necessary to accommodate the large influx of military personnel and civilian employees to be assigned to Fort Belvoir, VA, as part of the BRAC process, be substantially completed before the relocation of these employees.	Included in an en bloc amendment; Agreed, voice vote
Jackson-Lee	Requires the Secretary of Defense to study and report back to Congress on the financial and emotional impact of multiple deployments on the families of those soldiers who serve multiple tours as part of Operation Iraqi Freedom and Operation Enduring Freedom.	Included in an en bloc amendment; Agreed, voice vote

Sponsor	Summary	Outcome
Jackson-Lee	Requires the Secretary of Defense to take the necessary steps to ensure that Army National Guard and Reserve ROTC scholarships are available to students attending historically black colleges and universities, and Hispanic-serving institutions.	Included in an en bloc amendment; Agreed, voice vote
LaHood	Allows a member of the Armed Forces to request a deferment of a deployment to a combat zone if their spouse also is deployed to a combat zone and the couple has minor dependent children.	Included in an en bloc amendment; Agreed, voice vote
Allen	Requires the Secretary of Defense to report to Congress on the Department's policies on administering and evaluating multiple vaccinations within a 24-hour period to active duty members and members of the reserve components and to perform a study on the safety and effectiveness of multiple vaccinations within a 24-hour period.	Included in an en bloc amendment; Agreed, voice vote
Tierney	Reduces the \$8.1 billion authorized for Missile Defense Agency (MDA) activities by \$1.084 billion from specified programs.	Rejected, 127-299
Holt	Requires the videotaping of interrogations and other pertinent interactions between military personnel and/or contractors and detainees arrested and held. Provides access to detainees for representatives of the International Red Cross and Red Crescent, the UN High Commissioner for Human Rights, and the UN Special Rapporteur on Torture.	Rejected, 199-229
King	Stipulates that the bill's prohibition on the establishment of permanent military bases in Iraq in should not be construed to prohibit the from establishing a temporary military base or installation by entering into basing rights agreements with Iraq.	Rejected, 201-219
Michaud, Langevin, Ryan, Harman , Shays, Davis, Sanchez (Loretta)	Includes emergency contraception in the Basic Core Formulary, a list of drugs that must be included at all military health care facilities.	Included in an en bloc amendment; Agreed, voice vote
Lipinski	Requires the Department of Defense, to the maximum extent deemed feasible, to install energy efficient lighting during the normal course of building maintenance or whenever a building is significantly altered or constructed.	Included in an en bloc amendment; Agreed, voice vote
Braley	Requires the Secretary of Defense to conduct a study of (1) the feasibility of a pilot program on family support services for National Guard and Reserve members, and (2) the feasibility of entering into a contract with a private sector entity to enhance support services for children of National Guard and Reserve members who are deployed.	Included in an en bloc amendment; Agreed, voice vote

Sponsor	Summary	Outcome
Walz	Requires the Department of Defense to study and report back to the House and Senate Armed Services Committees within nine months on the participation rate of service members in the federal tuition assistance program and to assess the extent to which the program affects retention rates.	Included in an en bloc amendment; Agreed, voice vote

Administration Objections to the House Version of H.R. 1585

In a Statement of Administration Policy issued May 16, the Office of Management and Budget objected to several features of H.R. 1585 including the addition of funds for C-17 cargo planes and other systems not requested, the reduction in the amounts requested for the Army's FCS program and others systems, and the increase from 3% to 3.5% in the annual military pay increase.

The Administration statement specifically warned that the President's senior advisers would recommend he veto the final version of the authorization bill if it included provisions in the House-passed bill that would restore some of the collective bargaining and grievance rights for DOD civilian employees that had been eliminated in a recently created personnel system. In the same terms, the statement warned of a veto if the final bill included provisions of H.R. 1585 that would tighten some existing restrictions and impose additional restrictions on the Defense Department's purchases from foreign companies.

The statement, which was released before House passage of the bill, also warned of a veto if the House adopted amendments to the bill that would limit the Administration's options for dealing with Iran or with detainees at Guantanamo. It did not specifically say that a veto would be triggered by the amendments regarding Iran and Guantanamo that the House adopted.

FY2008 Defense Authorization: Highlights of the Senate Armed Services Committee Bill

The version of the FY2008 defense authorization bill reported June 5 by the Senate Armed Services Committee (S. 1547) would trim \$481.9 million from the President's budget, authorizing \$648.3 billion. Unlike its House counterpart, however, the Senate committee shifted billions of dollars between those parts of the bill funding the Pentagon's "base budget" — its routine, peacetime expenses — and those parts funding current combat operations in Iraq and Afghanistan (namely, Titles XV and XXIX).

Saying it wanted to clearly identify the cost of the war, the committee transferred from the cost-of-war sections of the bill to the base budget sections a total of \$16 billion. Most of those funds are to cover procurement and military personnel activities

associate with the planned expansion and modernization of the Army and Marine Corps over the next several years.

On the other hand, the committee shifted from the base budget to Title XV nearly \$4.7 billion to cover expenses it said should be attributed to the cost of war. That amount included \$4 billion to accelerate production of MRAP vehicles intended to better protect troops against roadside bombs and \$500 million (in addition to the \$4 billion requested) for the Joint IED Defeat Organization (JIEDDO).

The Senate committee's bill also would make \$2.5 billion in cuts which, the panel said, would have no adverse impact on Pentagon operations. These reductions included the following.

- \$1.6 billion based on the assumption that lower-than-anticipated inflation would result in lower-than budgeted costs;
- \$682 million which, the committee said, agencies could offset with funds drawn from unobligated funds left over from prior appropriations; and
- \$208 million intended to reduce the cash balances carried by the revolving funds that are used to operate several maintenance and other support activities.

Operations in Iraq and Afghanistan. Although the bill includes no provisions calling for the withdrawal of U.S. forces from Iraq, it would require reports on several aspects of the U.S. involvement in that region. One provision would expand the scope of a provision of the John Warner National Defense Authorization Act for Fiscal Year 2007 that requires the Pentagon to report to Congress the estimated cost of "resetting" Army units that have been deployed in Iraq of Afghanistan. The new provision would require that report to include the cost of resetting the additional units deployed in recent months as part of the troop "surge." Another provision of S. 1547 would require that the effect of the troop surge be factored into another report that was mandated by the FY2007 authorization bill, an analysis by the GAO of the impact of the deployments to Iraq and Afghanistan on the ability of the Army and Marine Corps to provide the forces needed to carry out the plans of regional commanders for other contingencies.

S. 1547 would require that DOD report to Congress every six months on the strategy for achieving U.S. goals in Afghanistan. It also would require reports on (a) U.S. strategy for encouraging Pakistan to eliminate safe havens for violent Islamist extremists near its border with Afghanistan and (b) DOD's efforts to ensure that the governments of Iraq and neighboring states will protect Iraqi refugees as well as DOD's plans to promote protection of such refugees after a drawdown of U.S. troops.

In addition, the bill would require the secretaries of State and Defense, in coordination with the Director of National Intelligence, to report on the threat posed to the United States by ungoverned areas as well as on the intelligence capabilities and skills needed to manage that threat, and what needs to be done to improve the two departments' capabilities for that purpose.

Force Expansion and Pay Raise. Like H.R. 1585, the Senate Committee's bill supports the Administration's proposal to expand the active duty Army and Marine Corps by a total of 92,000 active-duty personnel (compared with their pre-9/11 end-strength) by 2012. The Senate committee bill also would authorize \$12.3 billion in the DOD base budget requested to pay, train, and equip the additional troops brought into the services by the end of FY2008.

But the Senate Armed Services Committee also expressed concern that the planned increase might be completed too late to ease the burden imposed on U.S. forces by deployments to Iraq and that by the time the additional combat units were ready to deploy, they might no longer be required. On the other hand, the committee warned, planned manpower reductions in the Navy and Air Force might go too far and too fast, with those services sacrificing needed personnel to free up funds for new weapons.

Like the House bill, S. 1547 would compensate the troops more generously than the budget recommended, authorizing a military pay raise of 3.5% rather than the 3% raise the administration proposed, at an additional cost of \$302 million. In its formal Statement of Administration Position on H.R. 1585, the Office of Management and Budget (OMB) cited the House bill's authorization of a 3.5% pay raise as one of many features of that bill to which it objected.

Tricare and other Health Issues. The Senate committee bill also rejected the Administration's proposal to increase Tricare medical insurance fees and copayments and pharmacy fees for military retirees. It would add \$1.9 billion to the budget for the DOD health care system to compensate for the loss of revenue from higher fees, which the budget had assumed. The committee said the proposed fee hikes were premature, pending the report of a DOD Task Force on the Future of Military Health Care and a GAO audit of DOD health care costs and proposed cost-saving measures, both of which were mandated by the FY2007 defense authorization bill. The committee included in the bill a provision requiring that drugs sold through the Tricare retail pharmacy system be priced at federally discounted prices.

The committee also directed the Secretary of Defense to reevaluate the Navy's plan to reduce its corps of medical professionals by more than 900 billets in 2008-12, in light of the planned addition of 26,000 active-duty personnel to the Marine Corps.

H.R. 1585 incorporated the provisions of H.R. 1538, the Wounded Warrior Assistance Act of 2007, a bill passed by the House March 28, 2007 that was intended to correct shortcomings in DOD's medical care for outpatients which had been spotlighted by news reports of problems at Walter Reed Army Medical Center. The Senate Armed Services Committee reported its counterpart to the House

Wounded Warrior bill — the Dignified Treatment of Wounded Warriors Act (S. 1606) on June 14 (*See box*). Chairman Levin reportedly said Senate leaders would decide whether the measure would be offered as an amendment to S. 1547 or would be taken up by the Senate as a free-standing bill.⁵⁸

The committee expressed concern over the results of an Army study of the mental health of soldiers and Marines deployed in Iraq which found that soldiers deployed more than once experienced higher levels of stress, that lengthy deployments were associated with higher rates of mental illness and marital problems, that the suicide rate among soldiers who had been deployed to Iraq in 2003-06 was nearly half again as high as the Army-wide suicide rate, and that approximately 10% of soldiers and Marines interviewed reported mistreating non-combatants in Iraq or damaging their property needlessly.

In its report on S. 1547, the panel directed DOD to report what it was doing to address the Army study's findings. The committee also instructed the Secretary of Defense to assess the effectiveness of assigning mental health professionals to combat battalions, in hopes of reducing the stigma associated with seeking mental health services in the military.

“Dignified Care” Bill. The Senate Armed Services Committee's response to press accounts of poor treatment of outpatients at Walter Reed Army Medical Center is S. 1606, the “Dignified Treatment for Wounded Warriors Act.” Among its provisions are these:

The bill would require the secretaries of Defense and Veterans Affairs to develop a comprehensive policy on the care of service members transitioning from the DOD health care system to VA's and would establish an interagency office to implement a system of electronic medical records used by both departments.

It also would require various pilot projects to test alternative systems for rating the level of disability of wounded service members and veterans, which could replace the separate rating systems currently used by DOD and VA. Service members who are retired because of medical disability, who receive a DOD disability rating of 50% or more would be authorized to continue receiving the medical benefits accorded active duty personnel for three years after leaving active duty.

To develop improved methods for diagnosis, treatment and rehabilitation of service members with Traumatic Brain Injury or Post Traumatic Stress Disorder, the bill would authorize \$50 million.

⁵⁸ “Senate Moves Bill Requiring Better Care Coordination Between Defense, VA, “ by Lydia Gensheimer, *CQ Today*, June 15, 2007, p. 13.

In addition, the committee directed the Joint Improvised Explosive Device Defeat Office (JIEDDO) to spend at least \$50 million in FY2008 to fund research on the diagnosis and treatment of blast injuries.

Ballistic Missile Defense. Like the House bill, S. 1547 would reduce overall funding for ballistic missile defense and would reduce funds for more technologically advanced defenses against prospective long-range threats while adding funds for defenses against short-range and medium-range missiles currently deployed by some hostile countries and capable of striking U.S. forces and allies overseas.

Within a total of \$10.1 billion authorized for anti-missile defense (a reduction of \$231 million from the request), the bill would add a total of \$315 million to the amounts requested for systems several defenses against current missile threats, including the Army's Patriot PAC-3 and THAAD and the Navy's Aegis Standard Missile-3. The largest of several reductions that bill would make to the amounts requested for more technologically challenging systems was a cut of \$200 million from the \$548.8 million requested for the Airborne Laser. The bill also would deny \$10 million requested as an initial step toward developing space-based anti-missile interceptors.

The bill also would deny the \$85 million of the \$310 million requested to begin deployment of anti-missile interceptors in Poland and an associated radar in the Czech Republic. Calling the proposed deployment "premature," the committee included in the bill a provision requiring a federally funded research and development center (FFRDC) to assess the options for missile defense on Europe. (For a summary of actions taken on funding levels for principal missile defense programs, see **Table A4** in **Appendix A**)

Another provision would bar deployment in Alaska of more anti-missile interceptors than the 40 already authorized until the secretary of Defense certifies to Congress that the anti-missile system has demonstrated in realistic flight tests that it has a high probability of being operationally effective. Other provisions would require that the Pentagon's director of Operational Test and Evaluation have the same access to test data for missile defenses as for other weapons and that the GAO continue to report to Congress annually on the missile defense system's progress toward meeting its cost, performance and schedule goals.

FCS and other Ground Combat Systems. In contrast to H.R. 1585, which would cut \$867 million from the \$3.7 billion requested for the Army's Future Combat Systems program, S. 1547 not only approved the request for FCS, but added to it \$115 million. Most of the increase was earmarked to resume work on a armed and cargo-carrying robot vehicles that the Army had dropped from the project, a change the Senate Armed Services Committee criticized as being budget-driven.

FCS, currently envisioned as a set of 14 types of manned and robotic ground vehicles, unmanned aircraft and sensors knit into an integrated fighting unit by a dense web of data links, embodies the thrust of the Army's plan to modernize its combat force. The wide divergence between the House and Senate bills over the FCS funding level for FY2008 apparently is rooted in a profound disagreement between the House and Senate Armed Services committees over the program's future.

In its report on H.R. 1585, the House panel said that the Army might not be able to afford FCS given the cost of enlarging the force, resetting combat units that have been fighting in Iraq and paying for other improvements launched in the context of the post-9/11 world — large costs that were not foreseen when the Army launched FCS in 1999. On the other hand, the Senate committee, in its report on S. 1547, hailed FCS as the answer to the Army's need for lethal combat units that could quickly be transported to distant trouble spots, and warned against relying on “marginal modernization of the current force.”

The Senate committee's bill also would authorize the \$1.4 billion requested to upgrade existing Bradley troop carriers and the \$1.3 billion requested to upgrade M-1 tanks. It would add \$775 million to the \$1.4 billion requested to buy new Strykers — large wheeled fighting vehicles more lightly armored than Bradleys.

In addition, the bill would cut \$100 million from the \$288 million requested to continue development of the Marine Corps' Expeditionary Fighting Vehicle, an amphibious troop carrier. The House bill cut \$200 million from the request for the program, which DOD has suspended for review.

Nuclear Weapons and Long-range Strike. The Senate committee bill would authorize \$195 million of the \$238 million requested to develop a the Reliable Replacement Warhead (RRW), a nuclear warhead for the Trident II submarine-launched missile that is intended to be easier to maintain than the weapons currently in service. But the committee emphasized that this did not mark a commitment to acquire the new warhead and the bill would allow the funds to be used only for preliminary design work and cost estimation.

A decision whether to proceed with the new warhead, the committee said, should await a fundamental review of U.S. nuclear weapons policy and should be made only in the context of actions to reaffirm a U.S. commitment to nuclear nonproliferation. The bill would require the next presidential administration to conduct a nuclear posture review, which would be the first one since 2001. It also would express the sense of Congress that the United States should take several steps to assert its commitment to nonproliferation, including ratifying the Comprehensive Test Ban Treaty, which the Senate rejected on October 13, 1999.

S. 1547 denied a total of \$208 million requested for two efforts to develop long-range, non-nuclear weapons intended to quickly strike targets anywhere around the globe. One of the projects was an effort to develop a non-nuclear warhead for the Trident submarine-launched missile and the other was to develop a Common Aero Vehicle, a rocket-launched, unmanned, maneuverable space craft intended to carry a half-ton payload thousands of miles in 30 minutes. A launch of either of those weapons might easily be confused with the launch of a nuclear-armed missile, the committee said. As an alternative, the committee added to the budget the same amount it had cut from the two programs — \$208 million — for a new program, Prompt Global Strike, to explore a wide range of non-nuclear options for carrying out that mission. But the committee insisted that any such weapon be distinctively different from existing U.S. nuclear weapons.

Acquisition Reform. The bill includes several provisions intended to reduce the risk of weapons acquisition programs running over budget or behind schedule. For example, one provision could potentially limit the use of multi-year contracts for weapons programs. Many Pentagon managers and defense industry officials argue that a multi-year contract yields a lower unit-price because the contractor can plan for a stable production run over several years. But critics say they are hard to oversee and make it difficult for DOD to put pressure on poorly performing contractors. S. 1547 would allow a multi-year acquisition contract only if it resulted in savings of 10% (in most cases) compared to the anticipated cost of purchasing the same number of items in a series of annual contracts.

Another provision would require the manager of a major acquisition program to notify senior DOD officials of any changes in the program that call into question the rationale for those officials' prior certification that the program had reached "Milestone B" in the Pentagon's acquisition process. Milestone B certification is, in effect, the point at which DOD leaders authorize development of a specific product with the aim of purchasing it.

The bill would designate DOD's senior civilian acquisition and budget officials as advisors to the Joint Requirements Oversight Council, a committee comprising the second ranking officers in each service under the chairmanship of the vice-chairman of the Joint Chiefs of Staff, which reviews the criteria set for major acquisitions.

It also would require GAO to report to the Armed Services and Appropriations committees on any recommended changes in DOD's acquisition process.

Other Provisions. Other highlights of S. 1547 include the following.

- The bill would require a comprehensive review of the "space posture" of the United States for the period 2009-2019. The committee expressed concern that most military space capabilities are undergoing modernization simultaneously and that all of them are behind schedule and over budget.
- It would increase from lieutenant general to general the rank of the Chief of the National Guard Bureau, as recommended by a congressionally-chartered Commission on the National Guard and Reserves.
- It would require DOD to assess the risks of projected climate change to the department's facilities, capabilities and missions.
- It would require within 90 days of enactment a technical assessment by DOD's senior civilian technology and weapons testing officials of commercially available body armor. Press reports have highlighted claims by one manufacturer that his body armor, called Dragon Skin, is superior to the armor currently purchased by the Army.
- It would require the secretary of defense to contract with a non-profit, non-partisan organization to conduct a study of the process for

interagency coordination among government agencies concerned with national security.

For Additional Reading

Overall Defense Budget

CRS Report 98-756, *Defense Authorization and Appropriations Bills: FY1970-FY2007*, by Thomas Coipuram Jr.

FY2008 Defense Budget: Issues for Congress - Seminar Slides, by Stephen Daggett, Ronald O'Rourke, David F. Burrelli, and Amy Belasco. February 12, 2007, MM70099, [<http://www.crs.gov/products/multimedia/MM70099.shtml>].

CRS Report RL33405, *Defense: FY2007 Authorization and Appropriations*, by Stephen Daggett.

CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Connie Veillette, Curt Tarnoff, Pat Towell, Rhoda Margesson, Susan B. Epstein, and Bart Elias.

CRS Report RL33427, *Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations*, by Daniel H. Else, Christine Scott, and Sidath Viranga Panangala.

Military Operations: Iraq, Afghanistan, and Elsewhere

CRS Report RL33837, *Congressional Authority To Limit U.S. Military Operations in Iraq*, by Jennifer K. Elsea, Michael John Garcia, and Thomas J. Nicola.

CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding Approaches*, by Amy Belasco, Hannah Fischer, Lynn J. Cunningham, and Larry A. Nicksch.

CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard F. Grimmett.

CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

CRS Report RL33298, *FY2006 Supplemental Appropriations: Iraq and Other International Activities; Additional Hurricane Katrina Relief*, by Paul M. Irwin and Larry Nowels.

CRS Report RL32170, *Instances of Use of United States Armed Forces Abroad, 1798-2006*, by Richard F. Grimmett.

CRS Report RL33532, *War Powers Resolution: Presidential Compliance*, by Richard F. Grimmett.

U.S. Military Personnel and Compensation

CRS Report RL33571, *The FY2007 National Defense Authorization Act: Selected Military Personnel Policy Issues*, by Charles A. Henning, David F. Burrelli, Lawrence Kapp, and Richard A. Best Jr.

CRS Report RL33537, *Military Medical Care: Questions and Answers*, by Richard A. Best Jr.

CRS Report RL33446, *Military Pay and Benefits: Key Questions and Answers*, by Charles A. Henning.

CRS Report RL33449, *Military Retirement, Concurrent Receipt, and Related Major Legislative Issues*, coordinated by Charles A. Henning.

CRS Report RL31334, *Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom: Questions and Answers About U.S. Military Personnel, Compensation, and Force Structure*, by Lawrence Kapp and Charles A. Henning.

Defense Policy Issues

CRS Report RS22443, *Border Security and Military Support: Legal Authorizations and Restrictions*, by Stephen R. Vina.

CRS Report RL33153, *China Naval Modernization: Implications for U.S. Navy Capabilities - Background and Issues for Congress*, by Ronald O'Rourke.

CRS Report RL31404, *Defense Procurement: Full Funding Policy - Background, Issues, and Options for Congress*, by Ronald O'Rourke and Stephen Daggett.

CRS Report RS22149, *Exemptions from Environmental Law for the Department of Defense: Background and Issues for Congress*, by David M. Bearden.

CRS Report RS21754, *Military Forces: What is the Appropriate Size for the United States?*, by Edward F. Bruner.

CRS Report RS22266, *The Use of Federal Troops for Disaster Assistance: Legal Issues*, by Jennifer K. Elsea.

Defense Program Issues

CRS Report RL32123, *Airborne Laser (ABL): Issues for Congress*, by Christopher Bolkcom and Steven A. Hildreth.

CRS Report RL32888, *The Army's Future Combat System (FCS): Background and Issues for Congress*, by Andrew Feickert.

- CRS Report RS22120, *Ballistic Missile Defense: Historical Overview*, by Steven A. Hildreth.
- CRS Report RL32347, “*Bunker Busters*”: *Robust Nuclear Earth Penetrator Issues, FY2005-FY2007*, by Jonathan Medalia.
- CRS Report RL33067, *Conventional Warheads for Long-Range Ballistic Missiles: Background and Issues for Congress*, by Amy F. Woolf.
- CRS Report RL31673, *F-22A Raptor*, by Christopher Bolkcom.
- CRS Report RL33240, *Kinetic Energy Kill for Ballistic Missile Defense: A Status Overview*, by Steven A. Hildreth.
- CRS Report RS20851, *Naval Transformation: Background and Issues for Congress*, by Ronald O’Rourke.
- CRS Report RL32418, *Navy Attack Submarine Force-Level Goal and Procurement Rate: Background and Issues for Congress*, by Ronald O’Rourke.
- CRS Report RL32109, *Navy DDG-1000 (DD(X)) and CG(X) Ship Acquisition Programs: Oversight Issues and Options for Congress*, by Ronald O’Rourke.
- CRS Report RL33955, *Navy Force Structure: Alternative Force Structure Studies of 2005 - Background for Congress*, by Ronald O’Rourke.
- CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O’Rourke.
- CRS Report RS20643, *Navy Ford (CVN-78) Class (CVN-21) Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O’Rourke.
- CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Oversight Issues and Options for Congress*, by Ronald O’Rourke.
- CRS Report RL32513, *Navy-Marine Corps Amphibious and Maritime Prepositioning Ship Programs: Background and Oversight Issues for Congress*, by Ronald O’Rourke.
- CRS Report RL31957, *Nonproliferation and Threat Reduction Assistance: U.S. Programs in the Former Soviet Union*, by Amy F. Woolf.
- CRS Report RL32572, *Nonstrategic Nuclear Weapons*, by Amy F. Woolf.
- CRS Report RL32929, *The Reliable Replacement Warhead Program: Background and Current Developments*, by Jonathan Medalia.
- CRS Report RL33745, *Sea-Based Ballistic Missile Defense - Background and Issues for Congress*, by Ronald O’Rourke.

CRS Report RL33543, *Tactical Aircraft Modernization: Issues for Congress*, by Christopher Bolkcom.

CRS Report RL32476, *U.S. Army's Modular Redesign: Issues for Congress*, by Andrew Feickert.

CRS Report RL31623, *U.S. Nuclear Weapons: Changes in Policy and Force Structure*, by Amy F. Woolf.

CRS Report RS21048, *U.S. Special Operations Forces (SOF): Background and Issues for Congress*, by Andrew Feickert.

CRS Report RL33640, *U.S. Strategic Nuclear Forces: Background, Developments, and Issues*, by Amy F. Woolf.

Appendix: Funding Tables

Table A1. Congressional Action on Selected Army and Marine Corps Programs: FY2008 Authorization
(amounts in millions of dollars)

	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Helicopters													
Armed Reconnaissance Helicopter	--	468.3	82.3	--	--	32.3	--	337.3	182.3	--	--	--	House deletes proc \$ and recommends terminating program. Senate shifts \$131 mn from proc, with \$31 mn going to OH-58D program and \$100 for ARH R&D.
<i>Title XV</i>	29	222.6	--	--	--	--	--	--	--	--	--	--	House and Senate delete funds
Light Utility Helicopter	--	230.5	--	--	230.5	--	--	230.5	--	--	--	--	House eliminates Title XV requested funds as well
UH-60 Blackhawk Helicopter	42	705.4	87.9	42	705.4	87.9	52	1,257.9	87.9	--	--	--	Senate shifts \$370 mn from Title XV to base budget
<i>Title XV</i>	39	527.4	--	39	527.4	--	39	157.0	--	--	--	--	Senate shifts \$370 mn from Title XV to base budget
CH-47 Helicopter	6	190.9	11.2	6	190.9	11.2	6	196.9	11.2	--	--	--	—
CH-47 Helicopter Mods	23	579.8	--	23	579.8	--	23	1,110.4	--	--	--	--	Senate shifts \$516 mn from Title XV to base budget
<i>Title XV</i>	21	635.6	--	21	635.6	--	21	121.1	--	--	--	--	—
AH-64 Apache Helo Mods	--	711.7	193.7	--	711.7	193.7	--	711.7	193.7	--	--	--	—
<i>Title XV</i>	--	25.0	--	--	--	25.0	12	417.8	--	--	--	--	—

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	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Weapons & Tracked Combat Vehicles													
M-2 Bradley Vehicle Mods	--	182.6	--	--	182.6	--	--	1,585.1	--	--	--	--	Senate transfers \$1.4 bn from Title XV to base budget
<i>Title XV</i>	--	1,450.5	--	--	1,402.5	--	--	48.0	--	--	--	--	—
M -1 Abrams Tank Mods	18	641.9	27.6	18	641.9	27.6	253	1,892.1	27.6	--	--	--	Senate cuts \$53 mn from SEP, shifts \$1.3 bn from Title XV to base budget
<i>Title XV</i>	--	1,640.7	--	--	1,640.7	--	--	337.6	--	--	--	--	—
Stryker Armored Vehicle	127	1,039.0	142.5	--	1,104.9	142.5	127	2,099.9	182.5	--	--	--	House cuts \$228 mn for gun production delay, adds \$294 mn program increase. Senate transfers \$403 mn from Title XV to base budget, adds \$658 mn for additional vehicles in base budget. Senate adds \$40 mn in R&D for active protection system.
<i>Title XV</i>	--	402.8	--	--	402.8	--	29	117.0	--	--	--	--	Senate shifts \$403 mn for 100 vehicles from Title XV to base budget, adds \$117 mn for 29 vehicles to Title XV
Future Combat System	--	99.6	3,563.4	--	99.6	2,696.1	--	99.6	3,678.4	--	--	--	House cuts \$867 mn, 24%, from R&D; Senate adds \$115 mn
Wheeled Vehicles													
Hi Mob Multi-Purpose Veh.	--	986.4	--	--	986.4	--	--	986.4	--	--	--	--	—
<i>Title XV</i>	--	1,321.6	--	--	1,321.6	--	6,690	1,321.6	--	--	--	--	—
HMMWV Recapitalization Program	--	--	--	--	--	--	--	--	--	--	--	--	—
<i>Title XV</i>	--	455.0	--	--	455.0	--	--	455.0	--	--	--	--	—
Family of Medium Tact. Veh.	--	1,852.8	2.0	--	1,852.8	2.0	--	1,852.8	2.0	--	--	--	—
<i>Title XV</i>	--	185.1	2.0	--	185.1	2.0	3,181	185.1	2.0	--	--	--	—
Firetrucks & Associated Equipment	--	36.0	--	--	36.0	--	--	36.0	--	--	--	--	—

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	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
<i>Title XV</i>	--	9.0	--	--	9.0	--	10	9.0	--	--	--	--	—
Family of Heavy Tactical Veh.	--	483.0	1.9	--	483.0	1.9	--	563.7	6.9	--	--	--	Senate adds \$5 mn R&D
<i>Title XV</i>	--	1,136.5	1.9	--	1,136.5	1.9	2,747	1,136.5	1.9	--	--	--	—
Armored Security Vehicle	--	155.1	--	--	155.1	--	--	592.3	--	--	--	--	Senate shifts \$302 mn from Title XV to base budget
<i>Title XV</i>	--	301.9	--	--	228.3	--	--	--	--	--	--	--	—
Mine Protection Vehicle Family	--	199.1	--	--	133.1	--	--	199.1	--	--	--	--	House shifts \$66 mn in proc to Title XV
<i>Title XV</i>	--	174.4	--	--	87.2	--	155	174.4	--	--	--	--	—
Mine Resistant Ambush Protected Veh	--	--	--	--	--	--	--	--	--	--	--	--	—
<i>Title XV</i>	--	--	--	--	1,552.0	--	1,552	1,552.0	--	--	--	--	House and Senate add \$1.5 bn for Army MRAPs
Truck, Tactor, Line Haul	--	83.9	--	--	83.9	--	--	83.9	--	--	--	--	—
<i>Title XV</i>	--	276.0	--	--	228.1	--	--	276.0	--	--	--	--	—
Modification of In-Service Equipment	--	32.7	--	--	32.7	--	--	32.7	--	--	--	--	—
<i>Title XV</i>	--	1,094.8	--	--	1,094.8	--	--	1,094.8	--	--	--	--	—
Radios													
SINCGARS Family	--	137.1	--	--	137.1	--	--	1,143.0	--	--	--	--	Senate shifts \$1.4 bn from Title XV to base budget, but trims \$375 mn from total
<i>Title XV</i>	--	1,370.3	--	--	615.8	--	--	--	--	--	--	--	House cuts \$754 mn
Bridge to Future Networks	--	499.1	16.5	--	471.6	16.5	--	2,125.2	16.5	--	--	--	House cuts \$28 mn as Joint Network Node not ready for full production. Senate shifts \$2.6 bn from Title XV to base budget, but cuts \$1 bn from Joint Network Node.
<i>Title XV</i>	--	2,560.6	--	--	445.3	--	--	--	--	--	--	--	House cuts \$2.1 bn as Joint Network Node not ready for full production

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	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Radio, Improved HF Family	--	81.4	--	--	61.0	--	--	81.4	--	--	--	--	House cuts \$20 mn, in part to reflect revised request
<i>Title XV</i>	--	433.4	--	--	325.0	--	--	433.4	--	--	--	--	House cuts \$108 mn
Joint Tactical Radio System (JTRS)	--	--	853.7	--	--	853.7	--	--	853.7	--	--	--	R&D in Navy
Marine Corps													
Mine Resistant Ambush Protected Veh	--	--	--	--	--	--	--	--	--	--	--	--	—
<i>Title XV</i>	--	--	--	--	1,989.0	35.8	--	1,939.0	--	--	--	--	House and Senate add \$2 bn proc, House adds \$36 mn R&D
Light Armor Vehicle Product Improvement Program	--	32.1	--	--	32.1	--	--	32.1	--	--	--	--	—
<i>Title XV</i>	--	113.0	--	--	113.0	--	--	113.0	--	--	--	--	—
155 mm Towed Howitzer	--	200.9	--	--	200.9	--	--	200.9	--	--	--	--	—
<i>Title XV</i>	--	36.0	--	--	36.0	--	--	36.0	--	--	--	--	—
Combat Vehicle Modification Kits	--	194.9	--	--	194.9	--	--	194.9	--	--	--	--	—
<i>Title XV</i>	--	4.9	--	--	1.1	--	--	4.9	--	--	--	--	—
Night Vision Equipment	--	42.5	--	--	42.5	--	--	42.5	--	--	--	--	—
<i>Title XV</i>	--	142.7	--	--	107.7	--	--	142.7	--	--	--	--	House cuts \$35 mn to transfer to MRAP

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	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Radio Systems	--	179.8	--	--	89.4	--	--	179.8	--	--	--	--	House cuts \$90 mn
<i>Title XV</i>	--	464.6	--	--	429.6	--	--	299.6	--	--	--	--	House cuts \$35 mn to transfer to MRAP, Senate cuts \$165 mn due to slow execution
5/4 Ton Truck HMMWV	--	160.7	--	--	160.7	--	--	180.7	--	--	--	--	—
<i>Title XV</i>	--	46.7	--	--	46.7	--	--	46.7	--	--	--	--	—
Physical Security Equipment	--	12.4	--	--	12.4	--	--	12.4	--	--	--	--	—
<i>Title XV</i>	--	640.0	--	--	340.0	--	--	640.0	--	--	--	--	House cuts \$300 mn for transfer to MRAP

Sources: CRS from Department of Defense, *Procurement Programs (P-1), FY2008*, February 2007; Department of Defense, *RDT&E Programs (R-1), FY2008*, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System, FY2008*, February 2007; House Armed Service Committee Report on H.R. 1585, H.Rept. 110-146, May 11, 2007; Senate Armed Services Committee Report on S. 1547, S.Rept. 110-77, June 5, 2007.

Table A2. Congressional Action on Shipbuilding: FY2008 Authorization

(amounts in millions of dollars)

	Request			House			Senate			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-21 Carrier Replacement	1	2,848.4	232.2	1	2,848.4	232.2	1	2,828.4	232.2	--	--	--	—
Virginia Class Submarine	1	2,498.9	224.0	1	3,086.9	224.0	1	2,968.9	224.0	--	--	--	House adds \$588 mn adv proc, Senate adds \$470 mn in adv proc for building 2 boats in FY2010
Carrier Refueling Overhaul	—	297.3	—	—	297.3	—	--	297.3	--	--	--	--	—
Missile Submarine Refueling Overhaul	—	230.4	—	—	230.4	—	--	230.4	--	--	--	--	—
DD(X)/DDG-1000 Destroyer	—	2,953.5	503.4	—	2,953.5	512.4	--	2,953.5	503.4	--	--	--	Request is for 2nd increment of funding for 2 ships started in FY2007.
DDG-51 Destroyer	—	78.1	—	—	78.1	—	--	48.1	--	--	--	--	Senate cuts \$30 mn for premature request for close out costs
LCS Littoral Combat Ship	3	910.5	217.5	2	710.5	217.5	2	480.0	217.5	--	--	--	House cuts 1 ship, \$200 mn, Senate cuts 1 ship, \$431 mn
LPD-17 Amphibious Ship	1	1,398.9	4.3	2	3,098.9	4.3	1	1,398.9	4.3	--	--	--	House adds \$1.7 bn for 2nd ship
LHA(R) Amphibious Ship	—	1,377.4	5.9	—	1,377.4	5.9	--	1,377.4	5.9	--	--	--	Request is for 2nd increment of funding to complete 1st ship of class.
Outfitting	—	419.8	—	—	419.8	—	--	379.8	--	--	--	--	Senate cuts \$40 mn
Service Craft	—	32.9	—	—	32.9	—	--	32.9	--	--	--	--	—
LCAC Service Life Extension	—	98.5	—	—	98.5	—	--	98.5	--	--	--	--	—
Prior Year Shipbuilding	—	511.5	—	—	511.5	—	--	511.5	--	--	--	--	—
T-AKE Cargo Ship	1	456.1	—	2	912.2	—	2	912.2	--	--	--	--	In National Defense Sealift Fund. House adds \$456 mn for 2nd ship
Total Navy Shipbuilding	7	14,112.2	1,187.3	8	16,656.3	1,196.3	7	14,517.8	1,187.3	--	--	--	—

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	Request			House			Senate			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Joint High Speed Vessel (Army)	1	210.0	24.0	1	210.0	24.0	1	210.0	24.1	--	--	--	—

Sources: CRS from Department of Defense, *Procurement Programs (P-1)*, FY2008, February 2007; Department of Defense, *RDT&E Programs (R-1)*, FY2008, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System*, FY2008, February 2007; House Armed Service Committee Report on H.R. 1585, H.Rept. 110-146, May 11, 2007; Senate Armed Services Committee Report on S. 1547, S.Rept. 110-77, June 5, 2007.

Table A3. Congressional Action on Selected Aircraft Programs: FY2008 Authorization
(amounts in millions of dollars)

	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-35 Joint Strike Fighter, AF	6	1,421.7	1,780.9	6	1,421.7	1,895.9	6	1,421.7	2,001.2	--	--	--	House adds \$240 mn in R&D for 2nd engine, cuts \$125 mn program decrease. Senate adds \$240 mn for 2nd engine, cuts \$20 mn for excess fee
<i>Title XV</i>	1	230.0	--	--	--	--	--	--	--	--	--	--	House and Senate delete funds
F-35 Joint Strike Fighter, Navy	6	1,232.2	1,707.4	6	1,232.2	1,592.4	6	1,232.2	1,927.7	--	--	--	House adds \$240 mn in R&D for 2nd engine, cuts \$125 mn program decrease. Senate adds \$240 mn for 2nd engine, cuts \$20 mn for excess fee.
F-22 Fighter, AF	20	3,579.4	743.6	20	3,579.4	743.6	20	3,579.4	743.6	--	--	--	—
C-17 Cargo Aircraft & Mods, AF	--	471.8	181.7	--	471.8	181.7	--	471.8	181.7	--	--	--	—
<i>Title XV</i>	--	72.0	--	10	2,492.0	--	--	72.0	--	--	--	--	House adds \$2.4 billion for 10 aircraft
C-130J Cargo Aircraft, AF	9	686.1	74.2	9	686.1	74.2	9	686.1	74.2	--	--	--	—
<i>Title XV</i>	17	1,356.3	--	17	1,224.3	--	13	888.3	--	--	--	--	House cuts \$132 mn, Senate cuts \$468 mn for 4 aircraft
KC-130J Aircraft, Navy	4	256.4	--	4	256.4	--	4	256.4	--	--	--	--	—
<i>Title XV</i>	7	495.4	--	7	495.4	--	7	495.4	--	--	--	--	—
KC-135 Tanker Replacement (KC-X), AF	--	--	314.5	--	--	114.5	--	--	174.5	--	--	--	House cuts \$200 mn as program decrease. Senate cuts \$140 mn and directs use of prior year funds for execution.
F-15 Mods	--	19.2	--	--	19.2	--	--	19.2	--	--	--	--	—
<i>Title XV</i>	--	152.9	--	--	130.9	--	--	130.9	--	--	--	--	House cuts \$22 mn
C-130 Aircraft Mods, AF	--	522.4	--	--	534.4	--	--	536.4	--	--	--	--	—
<i>Title XV</i>	--	86.3	--	--	86.3	--	--	86.3	--	--	--	--	—

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	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
C-5 Cargo Aircraft Mods, AF	--	398.7	203.6	--	403.4	205.6	--	398.7	203.6	--	--	--	—
<i>Title XV</i>	--	75.0	--	--	75.0	--	--	75.0	--	--	--	--	—
Global Hawk UAV, AF	5	577.8	298.5	5	577.8	298.5	5	577.8	298.5	--	--	--	—
EA-18G Aircraft, Navy	18	1,318.8	272.7	18	1,318.8	272.7	18	1,318.8	272.7	--	--	--	—
F/A-18E/F Fighter, Navy	24	2,104.0	44.9	24	2,104.0	44.9	36	2,817.5	44.9	--	--	--	Senate shifts \$714 mn for 12 aircraft from Title XV to base budget
<i>Title XV</i>	12	713.5	--	--	531.5	--	--	--	--	--	--	--	House cuts \$182 mn
V-22 Tilt Rotor Aircraft, Navy	21	1,959.4	118.0	21	1,959.4	118.0	21	1,959.4	118.0	--	--	--	—
CV-22 Tilt Rotor Aircraft, AF	5	495.0	16.7	5	495.0	16.7	5	495.0	16.7	--	--	--	Senate deletes funds
<i>Title XV</i>	5	492.5	--	5	492.5	--	--	--	--	--	--	--	—
UH-1Y/AH-1Z	20	518.5	--	20	518.5	--	20	518.5	--	--	--	--	—
<i>Title XV</i>	6	123.4	--	6	123.4	--	--	--	--	--	--	--	Senate deletes -- says not to ramp up production rate
MH-60S Helicopter, Navy	18	503.6	44.0	18	503.6	44.0	18	503.6	44.0	--	--	--	—
<i>Title XV</i>	3	88.0	--	3	88.0	--	3	88.0	--	--	--	--	—
MH-60R Helicopter, Navy	27	997.6	78.2	27	997.6	78.2	27	997.6	78.2	--	--	--	—
<i>Title XV</i>	6	205.0	--	6	205.0	--	6	205.0	--	--	--	--	—
E-2C Hawkeye Aircraft, Navy	--	57.3	22.7	--	57.3	22.7	--	57.3	22.7	--	--	--	—
T-45 Goshawk Trainer, Navy	--	32.5	--	--	32.5	--	--	32.5	--	--	--	--	—
JPATS Trainer Aircraft, AF	39	245.9	12.6	39	245.9	12.6	39	245.9	12.6	--	--	--	—
JPATS Trainer Aircraft, Navy	44	295.3	--	44	295.3	--	44	295.3	--	--	--	--	—

Sources: CRS from Department of Defense, *Procurement Programs (P-1)*, FY2008, February 2007; Department of Defense, *RDT&E Programs (R-1)*, FY2008, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System*, FY2008, February 2007; House Armed Service Committee Report on H.R. 1585, H.Rept. 110-146, May 11, 2007; Senate Armed Services Committee Report on S. 1547, S.Rept. 110-77, June 5, 2007.

Table A4. Congressional Action on Missile Defense Funding: FY2008 Authorization
(millions of dollars)

	FY2008 Request	House- Passed	House vs Request	Senate Reported	Senate vs Request	Comments
RDT&E Missile Defense Agency						
0603175C Ballistic Missile Defense Technology	118.6	108.6	-10.0	122.6	+4.0	Senate adds \$4 mn for printed components
0603881C Ballistic Missile Defense Terminal Defense Segment	962.6	962.6	—	1,127.6	+165.0	Senate adds \$105 mn for THAAD, \$35 mn for Arrow, \$25 mn for short-range missile
0603882C Ballistic Missile Defense Midcourse Defense Segment	2,520.1	2,360.1	-160.0	2,435.1	-85.0	House cuts \$160 mn and Senate cuts \$85 mn from European site
0603883C Ballistic Missile Defense Boost Defense Segment	548.8	298.8	-250.0	348.8	-200.0	House cuts \$250 mn and Senate cuts \$200 mn from Airborne Laser
0603884C Ballistic Missile Defense Sensors	778.2	728.2	-50.0	778.2	—	House cuts \$50 mn for excessive cost
0603886C Ballistic Missile Defense System Interceptor	227.5	177.5	-50.0	227.5	—	House cuts \$50 mn as program reduction
0603888C Ballistic Missile Defense Test & Targets	586.2	586.2	—	586.2	—	—
0603890C Ballistic Missile Defense Systems Core	482.0	432.0	-50.0	432.0	-50.0	House and Senate cut \$50 mn from BMDS Core
0603891C Special Programs - MDA	323.3	153.3	-170.0	173.3	-150.0	House cuts \$170 mn as program decrease, Senate cuts \$150 mn.
0603892C AEGIS BMD	1,059.1	1,137.1	+78.0	1,134.1	+75.0	House adds \$78 mn for production capability, interceptors, and BSP Upgrade, Senate adds \$75 mn.
0603893C Space Tracking & Surveillance System	331.5	331.5	—	276.5	-55.0	House cuts \$75 mn due to schedule, Senate cuts \$55 mn
0603894C Multiple Kill Vehicle	271.2	229.2	-42.0	271.2	—	House cuts \$42 mn as program reduction
0603895C Ballistic Missile Defense System Space Programs	27.7	17.7	-10.0	17.7	-10.0	House and Senate cut \$10 mn from space test bed

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	FY2008 Request	House-Passed	House vs Request	Senate Reported	Senate vs Request	Comments
0603896C Ballistic Missile Defense Command and Control, Battle Management, and Communication	258.9	258.9	—	258.9	—	—
0603897C Ballistic Missile Defense Hercules	53.7	53.7	—	53.7	--	—
0603898C Ballistic Missile Defense Joint Warfighter Support	48.8	54.8	+6.0	48.8	--	House adds \$6 mn as program increase
0603904C Ballistic Missile Defense Joint National Integration Center	104.0	104.0	—	104.0	--	—
0603906C Regarding Trench	2.0	2.0	—	2.0	--	—
0901585C Pentagon Reservation	6.1	6.1	—	6.1	--	—
0901598C Management HQ - MDA	85.9	85.9	—	85.9	--	—
Subtotal R&D, Missile Defense Agency	8,795.8	8,087.8	-708.0	8,489.8	-306.0	—
RDT&E Army/Joint Staff						
0604869A Patriot/MEADS Combined Aggregate Program (CAP)	372.1	372.1	—	372.1	—	—
0203801A Missile/Air Defense Product Improvement Program	30.2	30.2	—	30.2	—	—
0605126J Joint Theater Air and Missile Defense Organization	53.7	53.7	—	53.7	—	—
Subtotal R&D, Army, Joint Staff	402.4	402.4	—	402.4	—	—
Procurement Army						
7152C49100 Patriot System Summary	472.9	484.7	+11.8	547.9	+75.0	Senate adds \$75 mn for 25 extra missiles
0962C50700 Patriot Mods	570.0	570.0	—	570.0	—	—
Subtotal, Procurement	1,042.9	1,054.7	+11.8	1,054.7	+75.0	—
Total Missile Defense R&D & Procurement	10,241.1	9,544.9	-696.2	9,544.9	—	—

Sources: CRS from Department of Defense, *Procurement Programs (P-1)*, FY2008, February 2007; Department of Defense, *RDT&E Programs (R-1)*, FY2008, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System*, FY2008, February 2007; House Armed Service Committee Report on H.R. 1585, H.Rept. 110-146, May 11, 2007; Senate Armed Services Committee Report on S. 1547, S.Rept. 110-77, June 5, 2007.