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# Defense: FY2015 Authorization and Appropriations

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## Summary

In contrast with the debate over the FY2014 defense budget, congressional action on the FY2015 Department of Defense (DOD) budget request was not complicated by disputes over the total amount at issue. President Obama's FY2015 DOD budget request, the versions of the FY2015 National Defense Authorization Act (NDAA) drafted by the Armed Services Committees of both the House and the Senate, and the versions of the FY2015 DOD appropriations bill drafted by the House and Senate Appropriations Committees all were consistent with the binding cap on defense spending in FY2015 that had been established by the Balanced Budget Act of 2013 (P.L. 113-67).

For the NDAA (which includes defense-related nuclear programs conducted by the Energy Department as well as DOD), the President requested authorizations totaling \$495.5 billion for DOD's FY2015 so-called "base budget"—that is, the part of the budget not associated with operations in Afghanistan or other situations designated by the President as emergencies. The base budget amounts that would be authorized by the version of the FY2015 NDAA passed by the House (H.R. 4435) and the version reported by the Senate Armed Services Committee (S. 2410) each exceed the President's request by less than \$500 million—about one-tenth of 1%. (See **Table 11.**)

For so-called Overseas Contingency Operations (OCO)—principally operations in Afghanistan and related activities—the President included in his initial FY2015 budget request a placeholder amount (\$79.4 billion) pending a decision on the number of U.S. troops that would remain in Afghanistan for any part of FY2015. The House version of the bill would authorize the placeholder OCO amount while the Senate committee bill would authorize OCO appropriations without specifying an amount.

The House and Senate versions of the NDAA each would prohibit some of the cost-reduction initiatives incorporated into the Administration's budget request including a new round of base closures, the retirement of various types of Air Force planes (including the A-10 tank-buster), and changes in the military commissary system. However the Senate bill would allow some of the Administration proposals which the House bill would block, including reductions in the rate of increase of military basic pay and housing allowances, temporarily laying up some warships, and the transfer of Apache helicopters from the National Guard to active-duty Army units. (See **Table 12**, **Table 13**, and **Table 14.**)

For base budget programs covered by the annual DOD appropriations bill, the Administration requested \$484.3 billion in FY2015. The version of the bill (H.R. 4870) passed by the House would increase that total by \$166.3 million while the version reported by the Senate Appropriations Committee would reduce it by \$1.14 billion. (See **Table 18.**)

The House passed its version of the bill before the President sent Congress his revised FY2015 OCO budget request, so the House bill would appropriate for OCO \$79.45 billion—a total equal to the placeholder amount in the original budget request. The version of H.R. 4870 reported July 17, 2014, by the Senate Appropriations Committee, would provide \$58.52 billion in OCO funds for DOD—\$213 million less than the President requested for DOD in his revised OCO budget sent to Congress in June. The June request also included \$1.35 billion for State Department OCO operations, which the Senate committee included in its version of the DOD bill. (See **Table 22.**)

On November 5, 2014, after the House had passed the FY2015 DOD appropriations bill and the Senate Appropriations Committee had reported its version of the measure to the Senate, the President requested \$6.18 billion in emergency appropriations to deal with the outbreak of Ebola in Africa and to beef up domestic public health systems to deal with such threats. That package included \$112 million for the Defense Advanced Research Projects Agency (DARPA) to speed development of medical technologies that would be useful in developing vaccines and other defenses against Ebola and other infectious diseases. The Office of Management and Budget categorized this request as an addition to the OCO budget.

On November 10, 2014, the President requested an additional \$5.0 billion in DOD budget authority for OCO to cover the cost of Operation Inherent Resolve, which includes operations conducted by U.S. forces against the Islamic State. The Islamic State is a transnational Sunni Islamist insurgent and terrorist group that has expanded its control over areas of parts of Iraq and Syria since 2013.

Taken together, the additional DOD funding requested for combatting Ebola and the Islamic State boosted the Administration's total FY2015 DOD request for OCO funding to \$63.63 billion in new budget authority.

The annual DOD appropriations bill does not fund military construction or the operation of military family housing, which is funded by H.R. 4486, the FY2015 Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill.

As is true of the companion NDAA, both the House and Senate versions of the DOD appropriations bill would reject several of the Administration's cost-reduction proposals, including another round of military base closures, the retirement of various types of Air Force planes, and changes in the military commissary system. However, as also is true of the NDAA, the Senate committee version of the appropriations bill would allow proposed reductions in the rate of increase for military basic pay and housing allowances, while the House bill would block them. (See **Table 19**, **Table 20**, and **Table 21**.)

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## Introduction

Fiscal year 2015 (FY2015) is the fourth consecutive year for which discretionary appropriations for the Department of Defense (DOD) are subject to a legally binding cap on national defense-related spending, initially codified by P.L. 112-25, the Budget Control Act of 2011 (or BCA) and subsequently modified, most recently by P.L. 113-67, the Bipartisan Budget Act (BBA) of 2013.<sup>1</sup> President Obama's FY2015 DOD budget request, the versions of the FY2015 National Defense Authorization Act (NDAA) drafted by the Armed Services Committees of both the House and the Senate, and the versions of the FY2015 DOD Appropriations bill drafted by the House and Senate Appropriations Committees all were consistent with the defense spending cap then in force (i.e., BBA's cap for FY2015).

By contrast, congressional action on the FY2014 DOD budget had been prolonged by the fact that the Administration's DOD budget request for that year exceeded the spending cap then in force as did the FY2014 defense funding bills reported by the Armed Services and Appropriations Committees of both the House and Senate.<sup>2</sup>

For DOD's FY2015 "base budget"—that is, the annual budget exclusive of war-related costs—the Administration requested \$495.6 billion in discretionary budget authority. Combined with the amounts requested for national defense-related activities carried out by other agencies including the FBI and the Department of Energy, the Administration requested a total of \$522.6 billion for national defense related spending—a total which complies with the FY2015 cap on national defense discretionary budget authority set by the BBA.<sup>3</sup> Similarly, the versions of the National Defense Authorization Act (NDAA) and the DOD Appropriations Act for FY2015 drafted by the Armed Services and Appropriations Committees of the House and Senate each are consistent with the FY2015 spending cap. However, both the Administration's budget request and the House Armed Services Committee's version of the authorization bill (H.R. 4435) anticipate DOD budgets in the years after FY2015 that would be higher than the mandatory defense spending caps in current law that apply to those future years.<sup>4</sup>

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<sup>1</sup> Enacted in 2011 to resolve the crisis that summer about raising the debt limit, P.L. 112-25, the Budget Control Act of 2011 (BCA) required annual reductions in discretionary spending (compared with a projected spending baseline) totaling about \$2.1 trillion thru FY202, in return for raising the debt limit by the same amount. For each year in the decade FY2012-FY2021, the BCA caps require roughly equal reductions (from the projected baseline) in appropriations for defense agencies and non-defense agencies. For any year for which appropriations for either category exceed the BCA cap, appropriations are reduced to the level of the cap by a process of sequestration.

<sup>2</sup> President Obama's DOD budget request for FY2014 as well as the initial actions on the request by Armed Services and Appropriations Committees of the House and Senate all would have resulted in FY2014 defense appropriations that were substantially higher than the BCA spending cap in force at the time. Final action on FY2014 DOD appropriations occurred only in mid-January, 2014,—more than three months after the start of the fiscal year—after Congress enacted P.L. 113-67, the Bipartisan Budget Act of 2013 (BBA), which raised the FY2014 defense spending cap by more than \$20 billion, decreasing to that extent the amount Congress had to cut from the budget request in order to avoid sequestration. For background on the FY2014 DOD spending debate, see CRS Report R43323, *Defense: FY2014 Authorization and Appropriations*, by Pat Towell and Amy Belasco.

<sup>3</sup> The spending limits set by BCA and later modified by BBA apply to the "national defense budget function" (or Budget Function 050), which encompasses funding for all defense-related activities of the federal government, no matter what agency conducts them. In this report, references to the BCA or BBA spending cap relating to DOD are based on CRS analysis of DOD's share of discretionary funding in the broader function 050 category, which has averaged about 95.4% in recent years. For further elaboration, see the text box on p. 11.

<sup>4</sup> The statutory spending caps are binding on appropriation bills, not authorization bills. However, the Armed Services Committees of the House and Senate typically have tried to authorize in the annual NDAA a level of appropriations (continued...)

Although the President’s FY2015 budget request for DOD complied with the FY2015 cap, he also requested an additional \$27.7 billion in defense-related spending (including \$26.4 billion for DOD) as part of package called the Opportunity, Growth, and Security Initiative (OGSI). If those additional funds were appropriated, the current FY2015 defense cap would be exceeded. In that case, unless current law was amended, appropriations would be reduced to the level of the cap by a process of across-the-board reductions called “sequestration.”<sup>5</sup> Moreover, for each year from FY2016 through FY2019, the Administration’s projected DOD budget requests would exceed the statutory defense spending cap for that year by an average of nearly \$31 billion annually (see Table 7).

**Table 1. FY2015 National Defense Authorization Act (H.R. 4435; S. 2410)**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
4/30/14 and 5/1/14	5/20/14 and 5/21/14	H.Rept. 113-446 5/13/14	5/25/14 325-98	S.Rept. 113-176 6/2/14					

**Table 2. FY2015 DOD Appropriations Bill (H.R. 4870)**

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/29/14	7/15/14	H.Rept. 113-473 6/10/14	6/20/14 340-73	S.Rept. 113-211 7/17/2014					

## FY2015 Defense Budget Overview

Excluding war-related costs, President Obama’s FY2015 budget request for all national defense-related activities (comprising budget function 050) amounts to \$522.6 billion in discretionary budget authority. This so-called “base budget” (i.e., non-war cost) amount is consistent with the defense spending cap established by P.L. 113-67, the Bipartisan Budget Act (BBA) of 2013, which raised the BCA spending caps for FY2014 and FY2015 (see Table 3).

(...continued)

that would be consistent with any relevant, mandatory ceilings on defense spending.

<sup>5</sup> For additional information on the sequestration process see CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, by Megan S. Lynch.

**Table 3. National Defense Base Budget Discretionary Funding. FY2015 Request**  
(amounts in billions of dollars; totals may not add due to rounding)

	<b>Discretionary Spending</b>	<b>Mandatory Spending</b>	<b>Total</b>
Department of Defense	495.6	6.2 <sup>a</sup>	501.8
Atomic Energy Defense-Related Activities	18.0	1.4 <sup>b</sup>	19.3
Defense-Related Activities	8.3	0.6	8.9
<b>Total, Base Budget</b>	<b>521.9<sup>c</sup></b>	<b>8.2</b>	<b>530.0</b>
Opportunity, Growth, and Security Initiative (OGSI)	27.7	0.0	27.7
	<i>DOD share = 26.4</i>		

**Source:** CRS analysis of data in DOD Comptroller, *National Defense Budget Estimates for FY2015 [The Green Book]*( [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15\\_Green\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf)), Table I-9 “National Defense Budget Authority—Discretionary and Mandatory,” pp. 14-15.

**Notes:**

- a. This net amount, which reflects \$1.5 billion in offsetting receipts, also includes \$6.6 billion for concurrent receipt accrual payments to the military retirement trust fund. For additional information, see CRS Report RL33449, *Military Retirement, Concurrent Receipt, and Related Major Legislative Issues*, by Charles A. Henning.
- b. The largest element of this amount is the Energy Department’s occupational illness compensation program.
- c. This total includes certain amounts that are not subject to BBA’s statutory cap on defense spending for FY2015, which is \$521.3 billion.

Within the overall FY2015 national defense budget request for discretionary spending, the base budget for DOD military activities<sup>6</sup> is \$495.6 billion. (Table 4)

**Table 4. DOD Base Budget Discretionary Budget Authority**  
(amounts in billions of dollars)

	<b>FY2014 Enacted<sup>a</sup></b>	<b>FY2015 Request</b>
Military Personnel	135.9	135.2
Operation and Maintenance (O&M)	192.8 <sup>b</sup>	198.7
Procurement	92.4	90.4
Research, Development, Test & Engineering (RDT&E)	62.8	63.5
Revolving and Management Funds	2.2	1.2
Military Construction	8.4	5.4
Family Housing	1.4	1.2
<b>Total, DOD Base Budget</b> <i>(Discretionary)</i>	<b>495.9</b>	<b>495.6</b>

**Source:** CRS analysis of data in DOD Comptroller, *National Defense Budget Estimates for FY2015 [The Green Book]*( [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15\\_Green\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf)), Table I-9 “National Defense Budget Authority—Discretionary and Mandatory,” p. 14.

**Notes:**

<sup>6</sup>Certain civil functions performed by DOD components—the dredging of rivers and harbors and other civil works operations of the Army Corps of Engineers, for example—are not included in the “national defense” budget function.

- a. Because of details in the financing of certain DOD activities, and in the organization of the annual DOD funding bills, data in this table are not comparable to summary data regarding the annual authorization and appropriations bills. For example, in this table, the Military Personnel total includes an accrual payment for the so-called “TRICARE for Life” program (\$7.3 billion for FY2014 and \$6.2 billion for FY2015) that is scored as “discretionary” funding, but which occurs automatically each year through a permanent provision of law (10 U.S.C. 1116). Similarly, the totals in this table for O&M, Procurement, and RDT&E include amounts that Congress authorizes and appropriates as part of the Defense Health Program, a program to eliminate chemical weapons, and DOD’s drug interdiction and counter-drug program.
- b. The enacted FY2014 total for Operation and Maintenance (O&M) does not include \$9.15 billion for activities that DOD requested in its base budget, but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. In its FY2015 budget request, DOD again includes those activities in the base budget. If those funds are not counted as part of the FY2014 base budget O&M appropriation, then the FY2015 base budget O&M request amounts to an increase of 3.1% above the prior year. But if the \$9.15 billion is counted as part of the base budget O&M appropriation, then the FY2015 O&M request shows a decrease of 1.6%.

Consistent with national defense budgets in recent years, the DOD request thus amounts to roughly 95% of the discretionary national defense-related base budget for FY2015.

In addition to funding for DOD, the FY2015 discretionary base budget request for function 050 also includes \$18.0 billion for defense-related nuclear energy activities conducted by the Department of Energy, the largest share of which is \$8.3 billion for activities related to nuclear weapons. Other major components of the defense-related nuclear energy budget include \$4.9 billion for environmental cleanup at defense nuclear sites, \$1.6 billion for nuclear non-proliferation work, and \$1.4 billion for work on nuclear reactors that power Navy ships.

The remaining \$8.0 billion of the FY2015 base budget request for function 050 is for defense-related activities conducted by other agencies. Of this amount, the largest single component—\$4.9 billion—would go to the FBI for counterintelligence operations.

### **Opportunity, Growth, and Security Initiative (OGSI)**

In addition to its base budget request, the Administration has requested for FY2015 an additional \$27.7 billion as the national defense component of the so-called Opportunity, Growth, and Security Initiative (OGSI), a \$56 billion spending package split evenly between defense and non-defense programs. If Congress were to appropriate these funds in addition to the Administration’s total base budget request, it would exceed the FY2015 discretionary spending cap, thus triggering sequestration.

The OGSI package also included proposed changes in existing federal programs that would have cut spending by \$28 billion and proposed tax increases that would have boosted revenue by \$28 billion, thus offsetting the cost of the proposed new spending. Even if the proposed taxes were enacted, however, sequestration would occur because the spending caps apply to the amounts appropriated for defense and non-defense discretionary spending. Unless current law was amended, offsetting revenue increases would not eliminate the required sequestration.

Neither the Armed Services nor Appropriations Committees of the Senate or House has taken any action on the OGSI request in their respective FY2015 funding bills.

## **FY2015 OCO Budget Request Highlights**

The Administration’s original FY2015 DOD budget request, released on March 4, 2014, included \$79.4 billion for so-called Overseas Contingency Operations (OCO)—costs associated with combat operations in Afghanistan and related activities. However, DOD officials emphasized that the amount was a placeholder pending an amended request that would reflect then-ongoing negotiations with the Government of Afghanistan over the number of U.S. troops to be stationed in that country after the end of 2014.

## June 2014 OCO Request

On June 27, 2014, DOD released an amended OCO budget request that included \$53.8 million for activities in (and in the region around) Afghanistan and Iraq. (See **Table 5**.)

The budget amendment also included funds for two other programs:

- \$4.0 billion for a new Counterterrorism Partnerships Fund (CTPF), intended to support the counterterrorism efforts of partner states (with \$1.0 billion of this amount directed to support states bordering on Syria and to train and equip “properly vetted elements of the Syrian armed opposition.”<sup>7</sup>
- \$925 million for a new European Reassurance Initiative (ERI), intended to reassure NATO allies and bolster the defenses of NATO and non-NATO partners “that feel most threatened by Russia’s actions against Ukraine.”<sup>8</sup>

The FY2015 budget amendment that included DOD’s OCO funding also included increased funding for the Department of State and other federal agencies including \$1.0 billion for CTPF activities, \$75 million for ERI, and \$278 million for the U.S. share of UN peacekeeping operations in the Central African Republic.

**Table 5. FY2015 DOD Discretionary OCO Budget Request  
(including CTPF, ERI, Ebola, and operations against the Islamic State)**  
(amounts in millions of dollars)

	FY2014 Enacted (P.L. 113-76)	FY2015 Request
<b>OCO Related to Afghanistan and Iraq (as defined in previous budgets)</b>		
Military Personnel	7,972	5,395
Operation and Maintenance <i>[O&amp;M minus \$9,151 million congressional transfer in FY2014]</i>	68,397 <i>[59,246]</i>	41,570
Procurement	6,233	5,599
RDT&E	135	80
Military Construction	0	46
Revolving and Management Funds and Other DOD	2,165	926
<b>Subtotal: Afghanistan and Iraq</b>	<b>85,344</b>	<b>53,765</b>
<b><i>[minus \$9,151 million congressional transfer to O&amp;M in FY2014]</i></b>	<b><i>[76,193]</i></b>	
Counterterrorism Partnerships Funds (CTPF)	0	4,000
European Reassurance Initiative (ERI)	0	925

<sup>7</sup> DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, pp. 7-10.

<sup>8</sup> *Ibid.*, pp. 10-11.

	FY2014 Enacted (P.L. 113-76)	FY2015 Request
offset from prior-year cancellation	0	-117
<b>Total, (before additional funding requests related to Ebola and ISIL)</b>	<b>85,344</b>	<b>58,573</b>
DOD share of November 5, 2014, Ebola-related budget amendment	0	112
DOD share of November 10, 2014, ISIL-related budget amendment	0	5,000
<b>Total, DOD</b>	<b>85,344</b>	<b>63,685</b>

**Source:** DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, Table I, p. 12.

**Notes:** The enacted FY2014 total for Operation and Maintenance (O&M) includes \$9.15 billion for activities that DOD requested in its base budget but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. In its FY2015 budget request, DOD again includes those activities in the base budget.

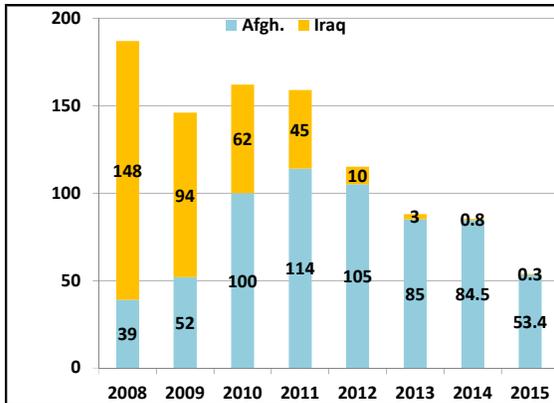
### Counterterrorism Partnerships Fund and European Reassurance Initiative

For more detailed analysis of the Administration's request for FY2015 funding for the Counterterrorism Partnerships Fund (CTPF), see CRS Report IN10103, *The Counterterrorism Partnerships Fund (CTPF) Proposal: Questions for Congress*, coordinated by Nina M. Serafino. For a more detailed analysis of the Administration's request for FY2015 funding for the European Reassurance Initiative (ERI), see CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by Paul Belkin.

The revised OCO request assumes that, between FY2014 and FY2015, the average number of U.S. troops in Afghanistan would drop by more than two-thirds while OCO funding would decline by slightly more than one-third. (See **Figure 1** and **Figure 2**.)

**Figure 1. OCO Funding for Operations in Iraq and Afghanistan**

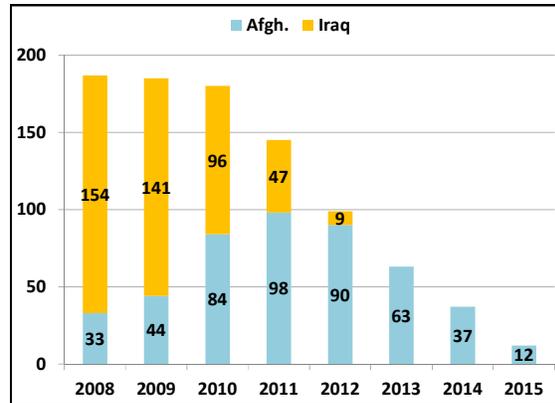
(amounts in billions of dollars)



**Notes:** The FY2015 column omits additional funds requested for the Counterterrorism Partnerships Fund (\$4.0 billion) and for the European Reassurance Initiative (\$0.9 billion). That column also assumes that the proposed new OCO budget authority is partly offset by the cancellation of \$117 million appropriated for Army helicopters in the FY2014 DOD appropriations bill. The FY2015 column does not reflect the November 10, 2014, request for an additional \$5 billion to combat the Islamic State.

**Figure 2. OCO Troops in Iraq and Afghanistan**

(numbers in thousands of personnel)



**Notes:** Data represent the average number of U.S. personnel in each country during a given fiscal year. The chart reports only personnel in each of the two countries. DOD estimates that operations in Afghanistan during FY2015 will be directly supported by – on average – 63,309 U.S. military personnel stationed elsewhere in the region.

The November 10, 2014, budget amendment assumes the average number of U.S. troops in Iraq associated with operations against the Islamic State during FY2015 would during 2,904. It assumes that the number of supporting personnel in the region would rise to 64,482.

**Source:** DOD Comptroller, United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations, June 2014, Figure 6, p. 6.

According to DOD, OCO funding is slated to decline more slowly than the number of troops on the ground for several reasons. These include

- the continued “forward presence” of substantial U.S. forces in the Middle East, outside of Afghanistan, to support the OCO mission;
- the cost of base closure, unexploded ordnance disposal, and return of equipment to the United States; and
- the costs of replacing munitions expended in the operation and of replacing or repairing equipment destroyed, worn out, or damaged in OCO.<sup>9</sup>

That contention is consistent with DOD’s functional breakdown of the FY2015 OCO request. On the one hand, the \$11.0 billion requested for the operation of U.S. forces in Afghanistan would decline by 60%, compared with the corresponding amount in the FY2014 budget. On the other hand, the request for funding in two categories that account for more half the spending related to

<sup>9</sup> DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, p. 2..

Afghanistan would decline by less than 10% compared with the amounts appropriated in FY2014, namely:

- the \$18.1 billion requested for activities outside Afghanistan to support operations in that country would amount to 91% of the corresponding expenditure in FY2014; and
- the \$9.2 billion requested for replacement or refurbishing of equipment and munitions would amount to a nearly 5% increase over the FY2014 amount.

See in **Table 6** the column “FY2015 Request: June 2014.”

### **November 2014 OCO Amendments**

On November 5, 2014, after the House had passed the FY2015 DOD appropriations bill and the Senate Appropriations Committee had reported its version of the measure to the Senate, the President requested \$6.18 billion in emergency appropriations to deal with the outbreak of Ebola in Africa and to beef up domestic public health systems to deal with such threats. That package included \$112 million for the Defense Advanced Research Projects Agency (DARPA) to speed development of medical technologies that would be useful in developing vaccines and other defenses against Ebola and other infectious diseases. The Office of Management and Budget categorized this request as an addition to the FY2015 OCO budget.

On November 10, 2014, the President requested an additional \$5.0 billion in DOD budget authority for OCO in FY2015 to cover the cost of Operation Inherent Resolve, the operations conducted by U.S. forces against the Islamic State. The Islamic State is a transnational Sunni Islamist insurgent and terrorist group that has expanded its control over areas of parts of Iraq and Syria since 2013.

The major components of that November request include

- \$1.62 billion to create an Iraq Train and Equip Fund through which the Iraqi military and Kurdish and tribal security forces would be provided equipment, supplies, training, services, and stipends to support their role in the fight against the Islamic State;
- \$2.46 billion to cover the military personnel and Operation and Maintenance (O&M) costs of U.S. forces engaged in Operation Inherent Resolve, aimed at eliminating the Islamic State; and
- \$972.5 million for procurement and development of equipment, including \$141.3 million to replenish missiles and other munitions expended in the operation and \$673.6 million for classified purposes.

**Table 6. OCO Funding Related to Afghanistan and Iraq by Mission Category**  
(amounts in billions of dollars; totals may not add due to rounding)

	<b>FY2014 Enacted (P.L. 113-76)</b>	<b>FY2015 Request (June 2014)</b>	<b>Additions to FY2015 Request (November 2014)</b>	<b>Amended FY2015 Request</b>
Operations and Force Protection in Afghanistan	26.2	11.0	-	11.0
In-Theater Support (outside Afghanistan)	19.9	18.1	2.0	20.1
Joint Improvised Explosive Defense (IED) Defeat	0.9	0.4	-	0.4
Afghanistan Security Forces Fund	4.7	4.1	-	4.1
Afghanistan Infrastructure Fund	0.2	0.0	-	0.0
Coalition Support Funds	1.7	1.7	-	1.7
Procurement and Equipment Reset	8.8	9.2	0.3	9.5
Temporary End-Strength	4.7	2.4	-	2.4
Unexploded Ordnance Removal	0.0	0.3	-	0.3
Iraq Train and Equip Fund	0.0	0.0	1.6	1.6
Non-DOD, Classified, and Other DOD	18.1	6.6	1.2	7.7
<b>subtotal: Afghanistan and Iraq-related</b>	<b>85.3</b>	<b>53.8</b>	<b>5.0</b>	<b>58.8</b>
Counterterrorism Partnerships Fund (CTPF)	0.0	4.0	-	4.0
European Reassurance Initiative (ERI)	0.0	0.9	-	0.9
<b>Total Budget Authority</b>	<b>85.3</b>	<b>58.7</b>	<b>5.0</b>	<b>63.7</b>
offset from prior-year cancellation	0	-117	-	-117
<b>Total, New Budget Authority</b>	<b>85.3</b>	<b>58.6</b>	<b>5.0</b>	<b>63.6</b>

**Source:** DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations Budget Amendment*, November 2014. Figure 3, p. 3;

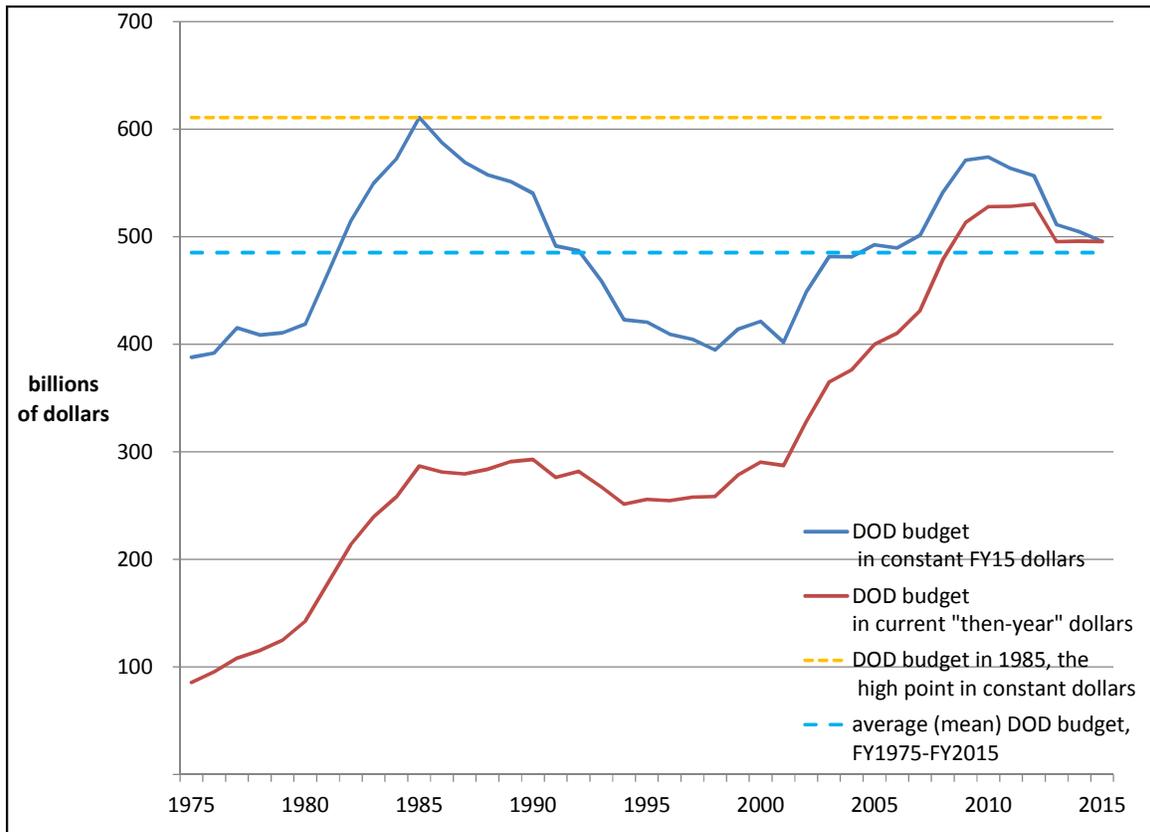
**Notes:** The enacted FY2014 total for Operation and Maintenance (O&M) includes \$9.15 billion for activities that DOD requested in its base budget but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. This table treats those funds as part of the FY2014 OCO appropriation. The table does not reflect the November 5, 2014, budget amendment requesting \$112 million for DOD research on dealing with Ebola and other infectious diseases.

## Historical Context

The President’s FY2015 request of \$495.6 billion in discretionary budget authority for DOD’s base budget is lower than the corresponding FY2014 appropriation by less than \$400 million. If Congress were to approve funding at that level, FY2015 would be the third consecutive year in

which DOD’s base budget hovered at between \$495 billion and \$496 billion after having dropped between FY2012 and FY2013 by \$35 billion, in nominal terms (that is, without taking account of inflation). The 7% reduction in DOD’s base budget in FY2013 was part of the government-wide spending reduction program initiated by the 2011 BCA. (See **Figure 3**.)

**Figure 3. DOD Budget Authority (excluding post-9/11 war costs), FY1975-FY2015**



**Source:** DOD Comptroller, *National Defense Budget Estimates for FY2015* (“The Green Book”), Table 6-10, pp. 143-149, except that, for 2001-2015, DOD budget in constant FY2015 dollars, is determined by CRS analysis of data in “The Green Book,” Table 2-1, pp. 31-33 and Table 5-6, pp. 58-59.

Based on DOD’s method of adjusting for the cost of inflation, the FY2015 base budget request is 1.8% below the FY2014 appropriation in real terms. It is about 19% lower, adjusting for inflation, than DOD’s budget in 1985, which marked the peak year (in real terms) of the Reagan-era Cold War buildup. But it is slightly more than 1% higher in real terms than the average (mean) DOD budget since the end of the Vietnam War (1975-2015) and 23% higher than the FY2000 budget, the last one enacted before the attacks of September 11, 2001.<sup>10</sup>

## Mandatory Spending Caps

Since 2011, the mandatory spending caps enacted as part of the BCA have been a significant factor in restraining the rate at which DOD spending has increased (as measured in current

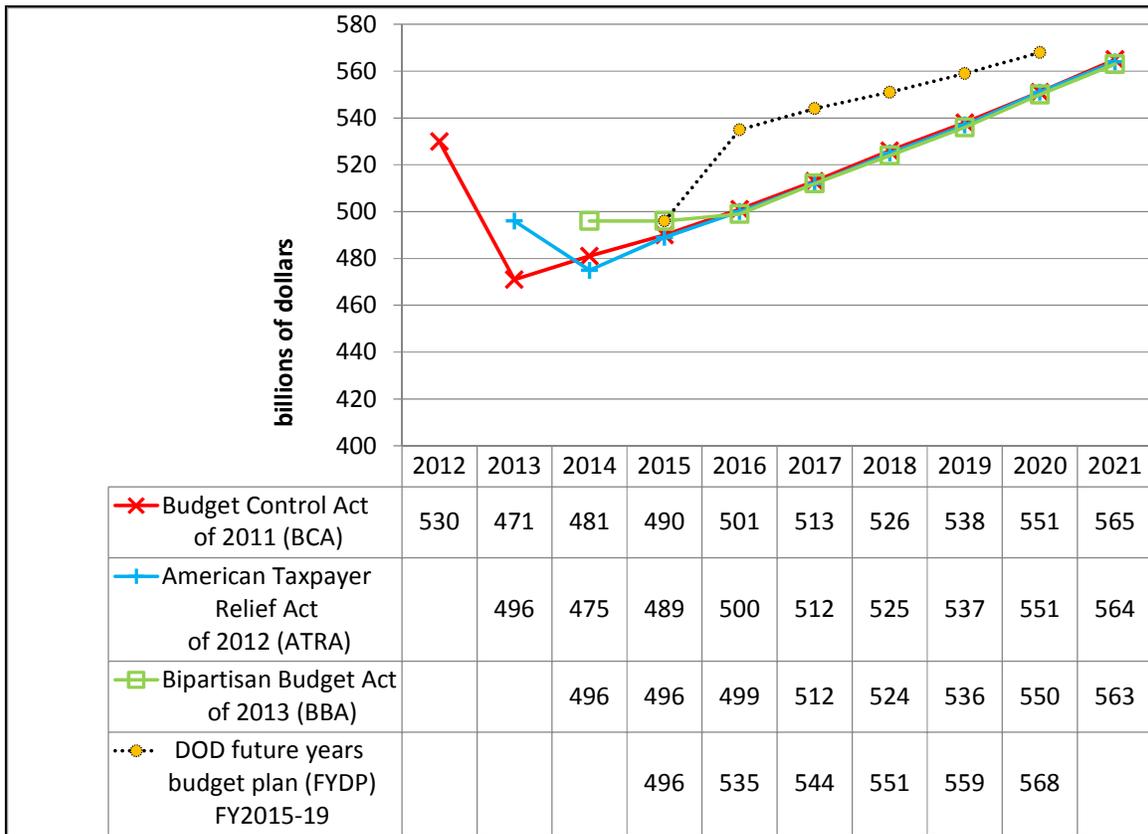
<sup>10</sup> These data exclude war-related costs in FY2001-FY2015.

dollars). The BCA required annual reductions in projected discretionary spending for FY2012-FY2021 totaling \$2.1 trillion, with the cuts falling equally on defense and non-defense programs.

Compared with the Administration’s 10-year projection of discretionary DOD funding published in March 2011, the amount provided for FY2012 was reduced by terms of the BCA and the amount provided for FY2013 was reduced by sequestration, but only after the spending caps for that year were raised by terms of P.L. 112-240, the American Taxpayer Relief Act (ATRA) of 2012. The DOD budget request for FY2014 exceeded that modified cap and final action on FY2014 appropriations came only after Congress enacted P.L. 113-67, the Bipartisan Budget Act of 2014, which further raised the spending caps for FY2014 and 2015. (See **Figure 4**.)

Based on projections by the Office of Management and Budget (OMB), the adjusted caps would increase at or slightly below the rate of inflation, thus keeping future DOD budgets flat in real terms.

**Figure 4. Successive Changes to the 2011 Defense Spending Caps**  
(amounts in billions of dollars)



**Source:** CRS analysis based on the relevant statutes as shown above and the table entitled, “Policy Budget Authority and Outlays by Function, Category, and Program,” in the OMB publications entitled *Analytical Perspectives* accompanying the President’s annual budget requests for FY2012 through FY2015. The table is labelled Table 32-I in the volumes for FY2012 and FY2013, Table 31-I in the volume for FY2014, and Table 28-I in the volume for FY2015.

Thus, one aspect of the interaction between DOD’s long-term budget projections and the spending reduction effort embodied in BCA is that, after their initial year in effect (2012, when

the FY2013 budget was at issue), Congress has twice modified the spending caps so as to reduce (but not eliminate) their impact on the then-pending budget request. (See **Table 7**.)

**Defense Spending “Caps” in Effect for FY2012-FY2021**

On August 2, 2011, the Budget Control Act of 2011 became law, setting annual spending limits for National Defense (budget function 050) and Non-Defense (all other) for FY2012-FY2021. If Congress does not enact appropriations that meet the annual limit, the President is required to order a sequestration that reduces spending by applying across-the-board cuts to each account to ensure compliance. In this report, “sequester caps” is used to refer to spending limits that must be met to avoid a sequester. In FY2012, the BCA limit was met.

On January 2, 2013, Congress adjusted the original BCA annual limits in the American Taxpayer Relief Act (ATRA)(H.R. 8/P.L. 112-240). The FY2013 limit was raised by \$26 billion and the FY2013 limit was lowered by \$4 billion. The adjusted FY2013 limit was met.

On December 23, 2013, the Bipartisan Budget Act of 2013 (H.J. Res 59/P.L. 113-67) raised the FY2014 limit by \$22 billion and the FY2015 limit by \$9 billion. The adjusted FY2014 limit was met. Adjustments to “sequester” caps are highlighted in the table below.

BCA limits are set for the National Defense budget function (050). CRS estimated the DOD share (generally about 95.4%) for the original BCA and ATRA using the shares shown in the table entitled “Policy Budget Authority and Outlay by Function, Category, and Program in OMB’s annual budget volume, *Analytical Perspectives* for FY2012, FY2013, FY2014, and FY2015.

**Table 7. Evolution of BCA “Sequester” Caps: FY2011-FY2014**

(in billions of dollars of discretionary budget authority)

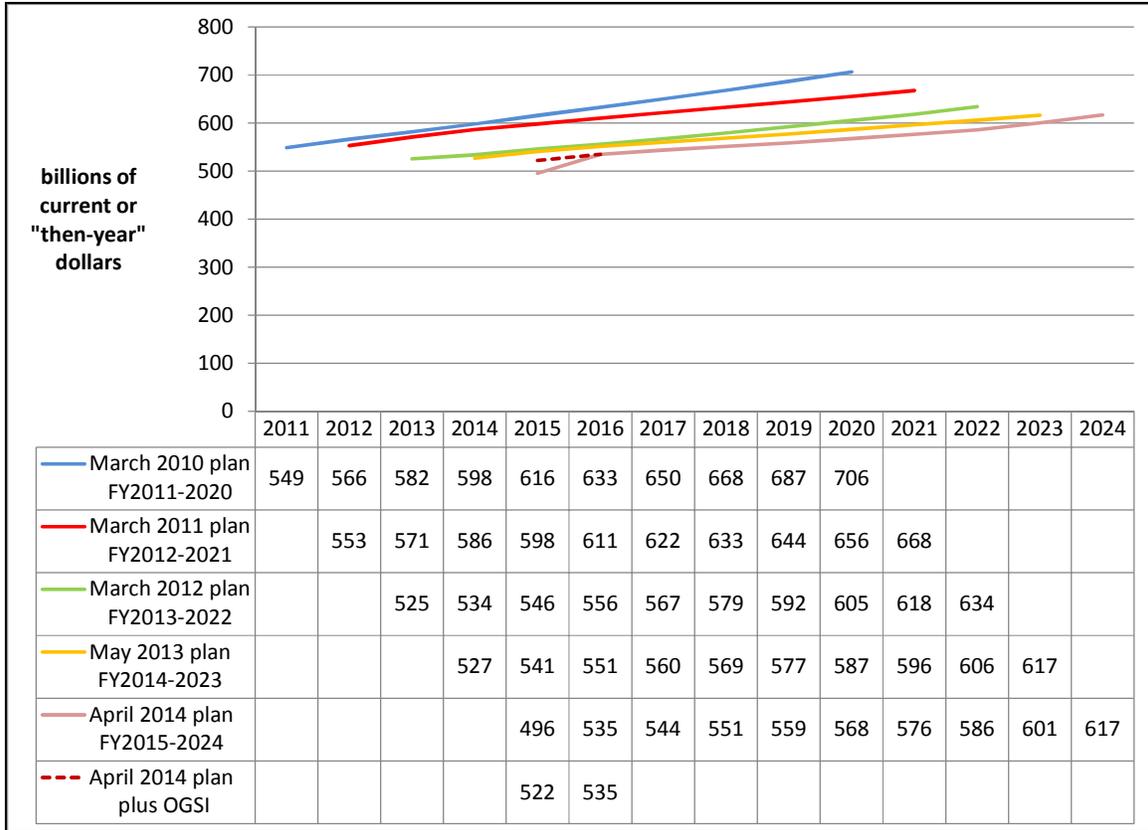
<b>Budget Control Act of 2011 (BCA): S. 365/P.L. 112-75</b>											
<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total: 12-21</b>
National Defense	555	492	502	512	523	536	549	562	576	590	<b>5,397</b>
DOD Estimate	530	471	481	490	501	513	526	538	551	565	<b>5,167</b>
<b>The American Taxpayer Relief Act of 2012 (ATRA): H.R. 8/P.L. 112-240</b>											
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total: 12-21</b>
National Defense	555	518	498	512	523	536	549	562	576	590	<b>5,419</b>
DOD Estimate	530	496	475	489	500	512	525	537	551	564	<b>5,179</b>
<b>Bipartisan Budget Act of 2013: H.J. Res 569/P.L. 113-67</b>											
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total: 12-21</b>
National Defense	555	518	520	521	523	536	549	562	576	590	<b>5,451</b>
DOD Estimate	530	495	496	496	499	512	524	536	550	563	<b>5,201</b>
<b>Sources:</b> Relevant laws as shown above. OMB Table 32-1 in FY2012 and FY2013 <i>Analytical Perspectives</i> , Table 31-1 in FY2014 and Table 28-1 in FY2015 volume. For OMB annual estimates, see OMB, <i>Sequestration Preview Report to the President and Congress for Fiscal Year 2015</i> , March 10, 2014; <a href="http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_preview_report_march2014.pdf">http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_preview_report_march2014.pdf</a> .											

On the other hand, since early 2011—months before the BCA was enacted—DOD’s long-range spending plans have been pared back each year as part of the spending reduction effort of which the BCA-created spending caps are the most prominent manifestation. As a result, the Administration’s FY2015 DOD request of \$496 billion in discretionary budget authority is lower

by more than 18% than the \$616 billion request for FY2015 that was projected in March 2010. (See **Figure 5**.)

Even if Congress were to amend the current defense spending cap for FY2015 and provide the additional \$26.4 billion requested for DOD as part of the OGSi package, discretionary DOD base budget authority for FY2015 would be 15% lower than was projected in 2010.

**Figure 5. 10-year DOD Discretionary Budget Plans, 2010-2014**  
(amounts in billions of dollars)



**Source:** OMB budget documentation for FY2011-FY2015, “Analytical Perspectives,” Table 32-I in the volumes for FY2011, FY2012, and FY2013, Table 31-I in the volume for FY2014, and Table 28-I in the volume for FY2015.

**DOD Estimate of Defense Spending Caps Impact in FY2016-FY2019**

In April 2014, DOD projected the impact on readiness, force structure, and selected procurement programs if the defense spending caps for future budgets currently in force were not lifted. The report, *Estimated Impacts of Sequestration-Level Funding—FY 2015 Defense Budget*, can be accessed at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/Sequestration\\_Impacts.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/Sequestration_Impacts.pdf).

## Internal Cost Pressures

Although DOD's FY2015 base budget request is 23% higher, in real terms, than the budget was in 2000 (the last full year before the terror attacks of 9/11), the department may face increasingly tough budget choices if there is no change in the current statutory caps restricting future defense budgets to increases that would match, or fall just short of the rate of inflation.

The basic reason for this is that within major segments of the DOD budget—excluding war costs—the annual cost-per-active-duty-troop (in inflation-adjusted terms) has been steadily increasing for many years:

- Military personnel funding per capita (excluding most of the cost of medical care) has increased by nearly 27% since 2000. Major contributing factors included annual pay raises that frequently exceeded the average rate of pay hikes in the private sector, increased housing allowances intended to eliminate out-of-pocket costs for personnel not living in government-provided housing, and various policy changes that have increased pay and medical benefits for military retirees.
- Operation and Maintenance (O&M) funding, which covers deployments, training, operation of bases, repair and maintenance of equipment and facilities and most of DOD's civilian payroll and health care costs, has been growing for more than three decades, relative to the size of the force, at an average annual rate of 2.7% above the cost of inflation.
- Spending on acquisition (procurement plus R&D) per troop has increased in real terms as developments in technology make each new generation of weaponry more expensive (as well as more capable) than the generation it replaces. Moreover, combat in Iraq and Afghanistan has fostered new requirements for procurement associated with force protection, communications and transportation.<sup>11</sup>

If DOD discretionary spending (adjusted for inflation) remains essentially flat through the early 2020s as current law (i.e., the BBA spending caps) requires, and if the real per capita costs of personnel, O&M, and procurement continue to increase, some combination of reductions in the size and/or readiness of the force and reductions in the scope of planned modernization will have to occur.

## FY2015 Base Budget Highlights

According to Administration officials, the \$495.6 billion request for discretionary budget authority in DOD's base budget is intended support the national strategy outlined in DOD's 2014 Quadrennial Defense Review (QDR) that was published concurrently with the funding request.<sup>12</sup>

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<sup>11</sup> Acquisition spending-per-troop has shown particularly sharp increases during the two most recent periods of sustained defense budget increases: the so-called "Reagan buildup" of the early and mid-1980s and the post-9/11 buildup that peaked in 2010.

<sup>12</sup> Department of Defense, *Quadrennial Defense Review, 2014*, at [http://www.defense.gov/pubs/2014\\_Quadrennial\\_Defense\\_Review.pdf](http://www.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf) (hereinafter cited as "2014 QDR").

In general terms, the request is presented as an effort to accommodate both changing security requirements and more constrained budgets by reducing the size of the force—particularly the Army and Marine Corps—while modernizing the force and keeping it trained for a broader range of missions.

Following are some major themes of the Administration’s FY2015 base budget request.

## Implementing the 2014 Quadrennial Defense Review (QDR)

A QDR, mandated by law<sup>13</sup> to be conducted during the first year of every four-year presidential term, is required to “delineate a national defense strategy”; to determine the force structure, modernization plans, and infrastructure required to implement that strategy; and to craft a budget plan that would fund it. The review is required by law to take a 20-year outlook, and to be fiscally unconstrained by the President’s budget request.

Some critics have faulted the 2014 QDR for focusing on near-term security issues and accepting the limitations imposed by the Administration’s budget:

[T]he 2014 QDR focused largely on the planned force structure associated with the five-year Future Years Defense Program [covering 2015-2019], and it contained a strategy that assumes increased risk to the force, without specifying the resources required to execute the strategy at a low-to-moderate level of risk.<sup>14</sup>

The Administration, on the other hand, characterizes the 2014 QDR as “strategy-driven and resource-informed.”<sup>15</sup>

The DOD priorities outlined in the 2014 QDR were based on the Defense Strategic Guidance<sup>16</sup> (DSG) issued by the Administration in January 2012. That earlier document was written as a blueprint for reshaping by 2020 a U.S. defense establishment that had been focused for more than a decade on very specific types of operations in Iraq and Afghanistan. Among the shifts proposed by DSG that are echoed in the 2014 QDR are the following:

- DOD will “rebalance” its global posture to emphasize operations in the Asia-Pacific region and the Middle East.
- DOD will maintain a large enough force to win a major conventional war in one region while, concurrently, being able to inflict enough damage on a potential aggressor in a second region to deter that country from launching a second attack.

<sup>13</sup> 10 U.S.C. §118. For additional background, see CRS Report R43403, *The 2014 Quadrennial Defense Review (QDR) and Defense Strategy: Issues for Congress*, by Catherine Dale.

<sup>14</sup> See U.S. Congress, House Armed Services, Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, report to accompany H.R. 4435, 113<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 13, 2014, H, Rept. 113-446 (Washington: GPO, 2014), p. 227.

<sup>15</sup> 2014 QDR, p. 1.

<sup>16</sup> For further analysis, see CRS Report R42146, *Assessing the January 2012 Defense Strategic Guidance (DSG): In Brief*, by Catherine Dale and Pat Towell.

- DOD will not maintain an active-duty force large enough to conduct large-scale stability operations on a prolonged basis such those conducted in Iraq and Afghanistan over the past decade.
- DOD will place more emphasis on being able to project military power in regions to which potential adversaries will try to deny them access with precision-guided missiles and other advanced weapons.
- In a departure from the practice in recent years of having forces concentrate on training for the types of missions being carried out in Iraq and Afghanistan, forces will train for operating across the spectrum of conflict, from major conventional wars to peacekeeping and stability operations.
- DOD will invest in capabilities other than traditional combat forces, including Special Operations Forces, Intelligence, Surveillance, and Reconnaissance (ISR) capabilities, and cyberspace defenses.
- DOD will try to improve its ability to help other countries bolster their own security forces to partner more effectively with U.S. forces in missions of mutual interest.

## **Manpower Issues**

### **Size of the Force**

The Administration's FY2015 budget request would continue the reduction in the number of active-component personnel begun in FY2013, with the Army and Marine Corps slated to absorb most of the reduction. Originally, the plan was that, by FY2017, the Army would drop to 490,000 active-duty soldiers, while the size of the Marine Corps would drop to 182,100. In effect, the two services thus would give up the 92,000 personnel that had been added to their strength in 2007, ending up slightly larger than they had been in 2001, the last budget year before the terrorist attacks of 9/11.

With the FY2014 budget request, the planned drawdown was accelerated, with the two services slated to reach their new, lower ceilings by FY2015. However, the FY2015 budget request projects that, even if the BCA spending caps are removed, by FY2019 the Army will be further reduced, stabilizing at between 440,000 and 450,000 active-duty personnel. If the BCA caps remain in force, the projection is for an Army of 420,000 and a Marine Corps of 175,000. (See **Table 8**.)

**Table 8. Active Component End-Strength (Base Budget)**  
(numbers in thousands; totals may not add due to rounding)

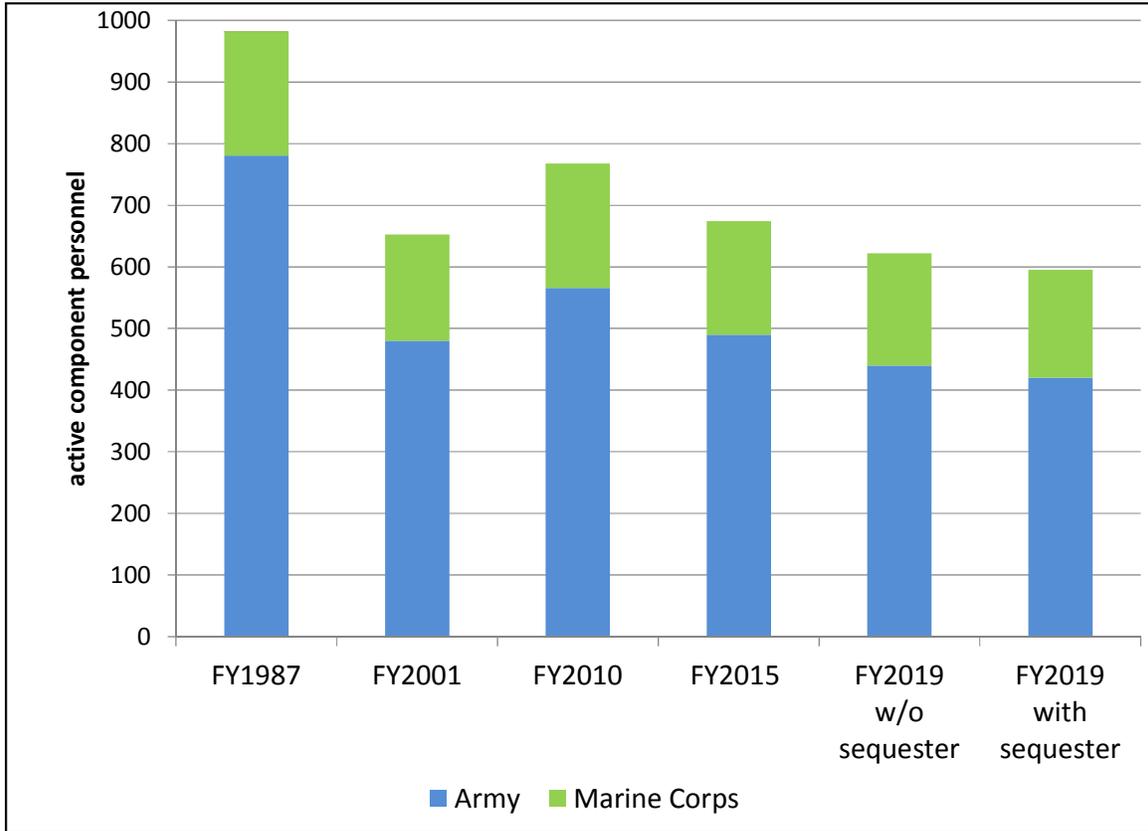
	FY2001	FY2010	FY2014	FY2015 request	Projected FY2019 (w/o sequester)	Projected FY2019 (with sequester)
Army	481	566	520	490	440 to 450	420
Marine Corps	173	202	190	183	182	175
Navy	372	328	324	324	n/a	n/a
Air Force	354	334	328	311	n/a	n/a
<b>Total</b>	<b>1,380</b>	<b>1,430</b>	<b>1,362</b>	<b>1,309</b>	<b>n/a</b>	<b>n/a</b>

**Source:** Data for 2001 and 2010 from DOD Comptroller, *National Defense Budget Estimates for FY2015* (“The Green Book”), Table 7-5, pp. 254-56; Data for FY2014 and 2015 from House Armed Services Committee, H. Rept. 113-446, *Report on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, p. 136; Projected data for 2019 from DOD Comptroller, “Briefing on the FY2015 Budget Request,” [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf).

**Notes:** The Administration request would fund in the base budget end strength of 182,700 for the Marine Corps, which is the level to which the Administration had planned to reduce that service prior to completion of the 2014 QDR. An additional 1,400 members of that service would be funded in the OCO budget.

In FY2001, the last budget year before the post-9/11 buildup of U.S. force, the combined end-strength of the active component Army and Marine Corps was about 653,000—roughly two-thirds of its FY1987 post-Vietnam, Cold War peak. Compared with their manpower in FY2001, the two services had grown by about 18% in FY2010, their peak year of their post-9/11 end-strength. Compared with that same baseline, the current plan would reduce their size by 5% if the spending caps were lifted and by 9% if the caps remained in force. (See **Figure 6**.)

**Figure 6. Army and Marine Corps end-strength**  
(intervals on the horizontal axis are not equal)



**Source:** Data for 1987, 2001, 2010, and 2015 from DOD Comptroller, *National Defense Budget Estimates for FY2015* (“The Green Book”), Table 7-5, pp. 254-56; Projected data for 2019 from DOD Comptroller, “Briefing on the FY2015 Budget Request,” [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf).

**Notes:** The Administration estimates that the Army’s end-strength in FY2019 will be between 440,000 and 450,000, if the sequestration-level budget caps are lifted. In this figure, the “FY2019 w/o sequester” column reflects Army end-strength of 440,000.

FY1987 marked the peak level of active-component Army and Marine strength during the Reagan buildup of the Cold War. FY2010 was the peak level for the two services during the period of operations in Iraq and Afghanistan.

The Administration’s request also assumes a reduction of 12,900 personnel in the reserve components. More than half that cut would be taken from the Army Reserve and Army National Guard which—taken together—account for two-thirds of Selected Reserve personnel.<sup>17</sup> As is the case with the Army’s active component, that service’s two reserve components would continue to shrink under the Administration’s budget plan. Compared with their FY2014 end-strength, the combined end-strength of the Army Reserve and Army National Guard would be reduced by 5%

<sup>17</sup> The Selected Reserve consists of personnel who are assigned to organized units that regularly assemble for training, a certain number of times in the course of a year. It does not include members of the Individual Ready Reserve (IRR), who are not assigned to units that regularly assemble for training, but who can be mobilized as individuals.

by FY2019 if DOD is granted relief from the current budget caps and by 10% if the caps remain in force. (See **Table 9**.)

**Table 9. Selected Reserve Component End-Strength**  
(numbers in thousands; totals may not add due to rounding)

	<b>FY2014 Authorized</b>	<b>FY2015 Request</b>	<b>Projected FY2019 w/o sequester</b>	<b>Projected FY2019 with sequester</b>
Army Reserve	205	202	195	185
Army National Guard	354	350	335	315
Navy Reserve	59	57	n/a	n/a
Marine Corps Reserve	40	39	n/a	n/a
Air Force Reserve	70	67	n/a	n/a
Air National Guard	105	105	n/a	n/a
<b>Total</b>	<b>834</b>	<b>821</b>		

**Source:** Data for 2014 and 2015 from Senate Armed Services Committee, Reprint on the Carl Levin National Defense Authorization Act for FY2015, S. Rept. 113-176, p. 99; projected data for 2019 from DOD Comptroller, “Briefing on the FY2015 Budget Request,” [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf).

## Compensation

By DOD’s accounting, more than one-third of the department’s annual budget funds pay and benefits for military personnel. Adding the cost of pay and benefits for DOD’s nearly 800,000 civilian employees—most of whose compensation is funded in the Operation and Maintenance accounts—brings the total cost of compensation to nearly one-half the annual DOD budget. (See **Table 10**.)

**Table 10. DOD Pay and Benefits as a Share of Total Budget Authority**  
(amounts in billions of dollars)

	<b>FY2001 enacted</b>	<b>% of 2001 DOD</b>	<b>FY2015 request</b>	<b>% of 2015 DOD</b>
Military Personnel Appropriations	77.3		129.0	
TRICARE for Life accrual	—		6.2	
Defense Health Program	13.7		32.5	
DOD dependents’ schools	1.5		3.0	
Military Family Housing	3.7		1.2	
Commissary Subsidy	1.0		1.1	
Other Benefit Programs	2.4		3.6	
<b>Subtotal: Military Pay and Benefits</b>	<b>99.5</b>	<b>34.6%</b>	<b>176.6</b>	<b>35.6%</b>
DOD civilian pay and benefits	39.8		69.8	
<b>TOTAL: DOD Pay and Benefits</b>	<b>139.3</b>	<b>48.5%</b>	<b>246.4</b>	<b>49.7%</b>

**Source:** DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, p. 5-1, [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request\\_Overview\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf).

**Note:** The decline in spending for government-provided housing for military families reflects a policy of paying servicemembers a housing allowance to cover the cost of acquiring housing in the private sector near their duty stations. The total for housing allowances (which are included in “Military Personnel Appropriations”) rose from \$6.4 billion in FY2001 to \$19.3 billion in the FY2015 request.

The FY2015 budget request proposes several changes in compensation policy which, the Administration maintains, would not reduce the compensation of any servicemember but would slow the rate at which compensation costs were rising year to year:

- Basic pay, which typically accounts for about two-thirds of the cash compensation of an active-duty servicemember, would be increased by 1% in FY2015 and FY2016. This is a lower rate than the expected increase in the Labor Department’s Employment Cost Index (ECI), which tracks changes in private sector pay.
- Generals and admirals would receive no increase in basic pay in FY2015.
- Servicemembers’ Basic Allowance for Housing (BAH)—a cash payment based on members’ rank, number of dependents, and housing costs in the area where they are stationed—is intended to cover housing rental expenses for personnel who are not provided with government-supplied housing. Under the Administration’s plan, the allowance would increase more slowly than rental costs until the allowance covers 95% of rent and utility costs, requiring servicemembers to cover the remaining 5%.<sup>18</sup>
- The subsidy for commissaries—a worldwide chain of 284 supermarkets in which servicemembers, retirees, and their dependents buy items at cost-plus-5%—would be reduced by a total of \$1 billion over three years (FY2015-FY2017).<sup>19</sup>
- As it had done in its budget requests for FY2013 and FY2014, the Administration included in its FY2015 DOD budget proposals to create some new fees and copayment requirements and to increase some existing fees for beneficiaries of TRICARE, DOD’s medical insurance program.

## Defense Health Program

The FY2015 budget request includes a total of \$47.4 billion for DOD’s health care system, which serves more than 9,600,000 active and retired services members, their dependents, and their survivors. Of that total, the Defense Health Program (DHP) is slated to receive \$32.0 billion, 97% of which is Operation and Maintenance funding that operates DOD’s 56 hospitals and 608 medical and dental clinics in addition to funding private sector medical care purchased by the TRICARE system under contract.<sup>20</sup> The DHP budget includes compensation for the health care system’s 67,000 civilian employees.

<sup>18</sup> The Administration’s proposal also would eliminate renters’ insurance from the costs to be covered by the housing allowance. In the 1990s, the housing allowance typically covered 82% of a servicemember’s housing costs.

<sup>19</sup> DOD estimates that commissary prices are about 30% lower than those in nearby commercial supermarkets. See Defense Commissary Agency, “History of U.S. Military Commissaries,” at <http://www.commissaries.com/history.cfm>.

<sup>20</sup> The DHP budget request also includes \$655 million for medical R&D, \$308 million for procurement and \$161 (continued...)

The other major components of DOD's noncombat health care budget are

- \$8.6 billion (included in the services' Military Personnel accounts) to fund pay and benefits for the 85,000 uniformed medical personnel, many of who support the noncombat health care mission directly or indirectly; and
- \$6.2 billion in payments to the Medicare-Eligible Retiree Health Care Fund, created in 2003 to provide for the future cost of post-retirement health care of personnel currently on active duty (and their dependents) under the so-called TRICARE-for-Life program.<sup>21</sup>

Like several previous DOD budget requests since 2005, the FY2015 request incorporates proposals intended to slow the rate of growth of DOD's health care costs. The health care system (including military personnel costs), which accounted for 6.0% of DOD's base budget in FY2001, accounts for 9.4% of the FY2015 base budget request.

Compared to what the FY2015 DOD health care budget would have been in the absence of the Administrations proposed TRICARE changes, the Administration request incorporates:

- an addition of \$88 million to cover the administrative cost of consolidating into a single TRICARE coverage plan the current menu of three TRICARE options;
- a reduction of \$180 million to reflect the higher copayment fees for pharmaceuticals that TRICARE beneficiaries would pay under one of the Administration's legislative proposals, which is intended to encourage the use of generic medications and mail-order refills; and
- a reduction of \$92 million in anticipation of savings that result from the consolidation and reorganization of some DOD health care facilities on the basis of a DOD study currently underway.

The Administration also proposed an enrollment fee for military retirees joining the TRICARE-for-Life program. Currently, there is no such fee.

### **Proposed TRICARE Changes**

For additional detail on the Administration's proposed changes to the TRICARE system, see CRS Report IN10004, *Defense Health Care: 2015 TRICARE Fee Change Proposals*, by Don J. Jansen.

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(...continued)

million in an unallocated reduction. In addition, the FY2015 military construction budget request includes \$486 million for medical facilities.

<sup>21</sup> Technically, DOD's annual accrual payment into the TRICARE-for-Life fund is discretionary (rather than mandatory) funding and thus is covered by the annual National Defense Authorization Act. However, by law (10 U.S.C. §1116), the payment is made automatically by a permanent appropriation on the basis of actuarial calculations so it is not included in the annual DOD appropriations bill.

## Force Structure

The Administration's FY2015 budget request and its projected requests through FY2019 assumed that reductions would be made in several components of the force in addition to some reorganizations. Moreover, the Administration said that deeper reductions would be necessary if the defense spending caps currently in force were not raised, officials said.

### Army Force Reductions

In the Army's active component, the number of brigade combat teams (BCTs)—ground combat units of 4,000 to 5,000 soldiers—would drop from 36 to 32. The remaining BCTs each would be assigned a third combat battalion in addition to the two battalions they currently contain.

The Army also would reduce from 13 to 11 the number of combat aviation brigades—each of which fields upwards of 100 combat and transport helicopters as well as pilotless drones. To save an estimated \$1.1 billion in annual operating costs, the service would dispose of nearly 800 of its almost 4,600 helicopters. In the process, the service hopes to economize on its aviation training and maintenance overhead by eliminating entire fleets of several older types of aircraft. More controversially, the plan would transfer to active-component Army units all 192 of the missile-armed Apache helicopters currently assigned to National Guard units, while transferring to Guard units 111 Blackhawk troop-carrying helicopters currently assigned to the active Army.

### Navy Force Reductions

The FY2015 budget request for the Navy would pay to remove spent nuclear fuel from the two reactors that power the 25-year-old aircraft carrier *U.S.S. George Washington*, for which the Navy long had planned a mid-life refueling and modernization to equip the ship for another 25 years of service. But Administration officials said that, if the defense spending caps currently in force were not removed, the Navy would retire the ship instead, reducing the carrier force to 10 ships.

To save money, the Navy's budget also would remove from service—but not scrap—half its fleet of 22 Aegis cruisers and 3 of its amphibious landing ships. The vessels would be modernized over several years and put back in service one-by-one to replace similar ships that had remained in service and had worn out.

### Air Force Reductions

Contending that the Air Force could not sustain its current force under the reduced budgets now in prospect, Administration officials planned to retire entire fleets of certain types of aircraft so they could shut down the associated training and maintenance pipelines. They planned to retire the U-2 long-range reconnaissance plane which, they said, could be replaced by long-range drones. They also planned to retire the A-10 ground attack plane, contending that many other types of aircraft could perform its missions using precision-guided bombs and missiles.

If the future defense spending caps remained in force, they said, the Service would propose in future budgets retiring its force of KC-10 mid-air refueling tankers and one version of the Global Hawk long-range reconnaissance drone.

## Modernization

According to the Administration, its FY2015 DOD budget request and plan for future DOD budgets would modernize the smaller force in prospect with an emphasis on systems that could prevail over a “near-peer competitor”—that is, another traditionally organized military force equipped with high-tech weaponry and communications. Compared with previously announced modernization plans, however, the request reflects tighter defense budgets both in reductions in the number of some items acquired and, in some cases, a shift to less technologically ambitious development efforts.

### *Strategic Nuclear Forces*

The budget request would sustain the existing “triad” of strategic nuclear weapons launchers: manned bombers, land-based ICBMs, and ballistic missile launching submarines. It includes \$913 million in FY2015 and an additional \$8.9 billion over the course of the following four years to develop a new long-range bomber to replace B-52s that have been in service since the early 1960s.<sup>22</sup> The request also includes \$1.22 billion to continue developing a new missile-launching sub (and its associated nuclear power plant) to replace the ten *Ohio*-class ships currently in service, which are slated to begin retiring in 2025.<sup>23</sup>

### *Ground Combat Systems*

Both the Army and the Marine Corps sidetracked efforts to push the technology envelope in developing a new generation of armored combat vehicles, putting emphasis, instead, on less technologically ambitious programs. The Army’s highest-priced R&D program, the Ground Combat Vehicle (GCV) program (intended as a successor to the Bradley armored troop carrier) was cancelled weeks before the FY2015 DOD budget was made public.<sup>24</sup> According to DOD, this single move will reduce by a total of \$3.7 billion the budgets requested in FY2015-FY2019.

The budget request includes \$92.4 million to continue development of an Advanced Multi-Purpose Vehicle (AMPV) intended to replace some 3,000 Vietnam War-era M-113 troop carriers currently used as mobile command posts and battlefield ambulances and supply carriers.<sup>25</sup>

In 2012, the Marine Corps had abandoned its Expeditionary Fighting Vehicle (EFV) program, an effort to develop an amphibious armored vehicle that would move from ship to shore at 50 mph and then would function as a troop carrier. Other efforts to develop less technologically ambitious combat vehicles for the Marines have been slow to gain momentum in recent years. With the existing fleet of AAV-7 amphibious troop carriers reaching 40 years of service, the Marine Corps FY2015 budget request includes \$105.5 million to develop an Amphibious Combat Vehicle

<sup>22</sup> For additional information and analysis, see CRS Report RL34406, *Air Force Next-Generation Bomber: Background and Issues for Congress*, by Jeremiah Gertler.

<sup>23</sup> For additional information and analysis, see CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by Ronald O’Rourke.

<sup>24</sup> FY2014 budget documents, published in April 2013, projected that DOD would request \$953.1 billion to continue the GCV program in FY2015. For additional information and analysis, see CRS Report R41597, *The Army’s Ground Combat Vehicle (GCV) Program: Background and Issues for Congress*, by Andrew Feickert.

<sup>25</sup> For additional information and analysis, see CRS Report R43240, *The Army’s Armored Multi-Purpose Vehicle (AMPV): Background and Issues for Congress*, by Andrew Feickert.

(ACV)—a conventional armored troop carrier that would replace some of the older AAV-7s. Unlike the vehicle it would replace, the ACV might travel on wheels rather than on tracks, and would be carried close to shore in a landing craft.<sup>26</sup>

## *Ships*

Reflecting the Administration's priority on forces that could hold their own in high-tech, conventional warfare, the FY2015 budget request continues the policy of funding annually two *Virginia*-class nuclear-powered submarines (requesting \$5.88 billion for the program) and two *Arleigh Burke*-class destroyers equipped with the Aegis anti-missile/anti-aircraft system (for which the budget includes \$2.81 billion).<sup>27</sup>

The emphasis on systems that can fight in intense conventional combat was the Administration's stated rationale for funding in FY2015 three Littoral Combat Ships [LCSs], rather than the four ships that had been planned. Although the Navy had planned to buy a total of 52 of the ships (two versions of which are being built), Defense Secretary Hagel directed the Navy to buy no more of either version and to come up with a design for a more robust and combat-capable ship—which might be a modified version of one of the current LCS designs.<sup>28</sup>

## *Aircraft*

The Administration's request would continue funding several major aircraft programs that have been among DOD's top priorities, though the amounts requested for FY2015 were less than had been projected in DOD's FY2014 budget documents.

For the three versions of the F-35 Joint Strike fighter used by the Navy, Marine Corps and Air Force, the budget requests \$5.82 billion for 34 planes. This would amount to a reduction of eight planes (\$1.15 billion) from the FY2015 request that was projected in DOD's FY2014 budget request.<sup>29</sup>

The request includes a total of \$2.31 billion to continue development and begin production of the KC-46A mid-air refueling tanker, a modification of the Boeing 767 jetliner intended to replace KC-135 tankers that date from the 1960s.<sup>30</sup>

No funds were requested by the Navy to continue production of either the F/A-18E/F carrier-based strike fighter or the EF-18G Growler, a variant of the fighter equipped to jam enemy radars.

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<sup>26</sup> For additional information and analysis, see CRS Report R42723, *Marine Corps Amphibious Combat Vehicle (ACV) and Marine Personnel Carrier (MPC): Background and Issues for Congress*, by Andrew Feickert.

<sup>27</sup> For additional information and analysis, see CRS Report RL32418, *Navy Virginia (SSN-774) Class Attack Submarine Procurement: Background and Issues for Congress*, by Ronald O'Rourke, and CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke.

<sup>28</sup> For additional information and analysis, see CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Background and Issues for Congress*, by Ronald O'Rourke.

<sup>29</sup> For additional information and analysis, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program*, by Jeremiah Gertler.

<sup>30</sup> For additional information and analysis, see CRS Report RL34398, *Air Force KC-46A Tanker Aircraft Program*, by Jeremiah Gertler.

Some critics of the F-35 view continued production of the F/A-18E/F as a possible alternative to the Navy's version of the F-35.<sup>31</sup>

## Readiness

DOD has characterized the FY2015 budget request as a blueprint for the revitalization of conventional warfighting capabilities that atrophied during a decade of counterinsurgency operations in Iraq and Afghanistan. DOD budget documents cite three factors as contributing to a shortfall in current readiness<sup>32</sup>:

- Mandatory deficit reduction measures enforced by sequestration in FY2013 and by spending caps in FY2012, FY2104, and FY2015, which have constrained budgets for training, equipment maintenance, and facilities upkeep.
- Maintenance of relatively large forces in Iraq and Afghanistan that required units to deploy frequently for operations in a demanding environment without adequate time between deployments for rest and rehabilitation of personnel and equipment.
- A constant need to devote available training time and equipment to preparing troops to fight a very specific, limited type of war at the expense of preparing for conventional combat against a technologically advanced adversary.

For FY2015, DOD's base budget request for operations and maintenance (O&M) accounts—which fund training, equipment maintenance, facilities upkeep and other activities contributing to readiness—amounts to \$198.7 billion. This is 3.1% more than was appropriated for base budget O&M funding in FY2014. However, in the FY2014 Consolidated Appropriations Act (P.L. 113-76), Congress shifted to the part of the bill funding war costs \$9.15 billion for O&M activities that DOD had presented as part of the base budget. If those funds are counted as part of the FY2014 base budget O&M appropriation, the FY2015 O&M request would represent a reduction of 1.6%.

## Efficiencies

In addition to proposed reductions in the size of the force and the pace of modernization, the FY2015 request—like the three budgets that preceded it—includes a number of organizational and management initiatives that are intended to further reduce DOD operating costs<sup>33</sup>:

- The FY2012 request projected savings totaling \$150 billion over the course of FY2012-FY2016.
- The FY2013 request projected savings of an additional \$60 billion in FY2013-FY2017.

<sup>31</sup> For additional information and analysis, see CRS Report RL30624, *Navy F/A-18E/F and EA-18G Aircraft Program*, by Jeremiah Gertler.

<sup>32</sup> DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, pp. 3-1 thru 3-22, at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request\\_Overview\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf).

<sup>33</sup> DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, pp. 4-1 thru 4-3, at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015\\_Budget\\_Request\\_Overview\\_Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf).

- The FY2014 request projected savings of an additional \$35 billion in FY2014-FY2018.

The FY2015 budget incorporates operational efficiencies that would reduce DOD costs in FY2015-FY2019 by an estimated \$73.3 billion, including the following savings:

- a 20% reduction in headquarters budgets would save an estimated \$5.3 billion.
- various proposed efficiencies in the Defense Health Program (aside from the proposed changes in the TRICARE medical insurance system) are projected to save \$17.3 billion.
- cuts to training, travel and other support costs would save \$21.0 billion; and
- various improved efficiencies in contracting would save \$29.9 billion.

The FY2015 budget request and five-year projection also assume reductions in manpower and in military facilities construction funds totaling \$12.2 billion. In addition, the budget request assumes a so-called “BRAC”-round of base-closures that would cost \$1.9 billion through FY2019 but would yield annual savings thereafter.

## FY2015 National Defense Authorization Act (NDAA): H.R. 4435, S. 2410

The versions of the National Defense Authorization Act (NDAA) for FY2015 that were passed by the House on May 25, 2014 (H.R. 4435) and reported on June 2, 2014, by the Senate Armed Services Committee (S. 2410) each would authorize total DOD base budget appropriations that would exceed the Administration’s base budget request by less than \$500 million. Viewing the defense authorization request as a whole—including funding for war costs (or OCO) and Energy Department nuclear programs—the only sizeable difference between the budget request and either bill was the fact that the Senate Armed Services Committee did not include in its bill the placeholder amounts for OCO that were included in the budget request. (See **Table 11.**)

**Table 11. FY2015 National Defense Authorization Act (H.R. 4435; S. 2410)**

(amounts in millions of dollars of discretionary budget authority)

	Administration Request	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
<b>Base Budget</b>				
Procurement	89,508	90,984	89,549	
Research and Development	63,534	63,791	63,484	
Operation and Maintenance	165,722	164,555	166,075	
Military Personnel	135,194	135,244	135,147	
Defense Health Program and Other Authorizations	35,029	34,742	35,266	
Military Construction and Family Housing	6,557	6,533	6,452	

	Administration Request	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
<b>Subtotal: DOD Base Budget</b>	<b>495,544</b>	<b>495,849</b>	<b>495,973</b>	
Atomic Energy Defense Activities (Energy Dept.)	17,873	17,565	17,687	
<b>TOTAL: National Defense Budget Function Base Budget</b>	<b>513,417</b>	<b>513,414</b>	<b>513,660</b>	
Subtotal: Overseas Contingency Operations	79,445	79,445	0	
<b>GRAND TOTAL: FY2015 NDAA</b>	<b>592,862</b>	<b>592,859</b>	<b>513,660</b>	

**Sources:** House Armed Services Committee, H.Rept. 113-446, *Report on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, pp. 372-75; Senate Armed Services Committee, S.Rept. 113-176, *Report on the Carl Levin National Defense Authorization Act for FY2015*, pp. 296-99.

**Notes:** Administration officials described the OCO total included in the FY2015 budget request as a “placeholder” The actual FY2015 OCO request was submitted in June—after the House passed H.R. 4435—as a budget amendment.

## NDAA Highlights

The House and Senate versions of the bill each rejected several of the cost-reduction initiatives that had been incorporated into the Administration’s budget request. Both bills included provisions that would bar Administration proposals for a new round of military base closures, the retirement of various Air Force planes (including A-10 tank-busters), and changes in the military commissary system. However, the Senate committee’s version of the bill would allow some Administration proposals which the House bill would block including reductions in the rate of increase of military basic pay and housing allowances, the temporary mothballing of some warships, and the transfer of Apache helicopters from the National Guard units to active-duty Army units. (See **Table 12.**)

**Table 12. Selected Administration Cost Cutting Proposals**

	Administration Proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
Annual Raise in Military Basic Pay	1.0%; freeze for generals and admirals	Authorizes 1.8% raise (added cost of \$534.9 million); Authorize freeze for generals and admirals (Section 602)	Supports the Administration proposal (Section 601)	
Annual Commissary Subsidy (\$1.4 billion in FY2014)	3-year phase-in of \$1 billion reduction, beginning with \$200 million reduction in FY2015	Adds \$100 ;million to reverse Administration proposal, pending study (Section 632)	Adds \$200 million to reverse Administration proposal; requires DOD report	

	<b>Administration Proposal</b>	<b>House-passed H.R. 4435</b>	<b>Senate Committee-reported S. 2410</b>	<b>Conference Report</b>
Housing Allowance for assignment in U.S. (currently covers 100% of cost)	Gradually reduce rate of growth until allowance covers 95% of cost	Rejects proposal; Includes no change in current law governing housing allowance	Authorizes the Administration proposal (Section 603)	
TRICARE medical insurance for active duty and retired servicemembers and their dependents	Proposes increased deductibles and enrollment and participation fees and pharmacy co-payments	Authorizes none of the proposed changes	Authorizes only the proposed increase in pharmacy co-payments (Section 702)	
Status of 11 Aegis cruisers and three amphibious landing ships near the midpoint of expected service life	Mothball the ships and gradually modernize them and put them back into service to replace similar ships as they wear out	Prohibits inactivation of any of the ships; Requires that 2 cruisers be modernized in FY2016 (Section 1026)	Establishes rules for the Administration's phased modernization plan; Requires that all ships be kept in active service for full expected lifetime (Section 1022)	
Army/National Guard helicopter missions	Move all Apache attack helicopters from National Guard units to Army units; Re-equip some of those Guard units with Black Hawk troop carriers	Prohibits removing Apaches from National Guard units; Adds \$105.2 million to buy new Black Hawks and modernize older ones.	Prohibits moving more than 48 Apaches from National Guard units (Section 1703); Creates commission to study Army/National Guard structure (Secs. 1701-09) Adds \$145.0 million for new Black Hawks for National Guard units.	
Tomahawk cruise missile production (projected in 2013 to continue thru 2018 at rate of 196 missiles per year)	Reduce total purchase, buying the last 100 missiles in FY2015 (\$194.3 million)	Adds \$82.0 million for 96 additional Tomahawks	Adds \$82 million for 100 additional Tomahawks	
A-10 ground attack planes.	Retire all A-10s	Prohibits retirement of A-10s (Section 132); Adds \$635.0 million in OCO account to continue operating, and upgrading A-10s	Prohibits retirement of any A-10s (Section 134); Adds \$339.3 million to continue operating A-10s	

	Administration Proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
U-2 intelligence collection planes	Replace U-2s with Global Hawk drones	Prohibits retirement of U-2s (Section 133)	Adds \$70.1 million to keep U-2s in service; Cuts \$136.0 million requested to equip Global Hawks with capability of U-2s	
E-3A AWACS radar planes	Retire seven (of 31) AWACS	Prohibits retirement of more than four AWACS until AF reports how it will meet requirements with planned force of 24 planes (Section 135)	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 planes	
military base closures	Prepare for a Base Realignment and Closure (BRAC) process in FY2017	Prohibits planning for another BRAC round (Section 2711); Cuts \$4.8 million requested for BRAC planning	Prohibits planning for another BRAC round (Section 2702); Cuts \$4.8 million requested for BRAC planning	

The House and Senate bills each would authorize billions of dollars more than the budget requests for various purposes (with those gross increases offset by proposed cuts to the request). Taken as a whole, however, the Senate add-ons were less ambitious: In some cases, the Senate bill would make smaller increases for a particular purpose; and for two big-ticket Navy items—refueling an aircraft carrier and buying an amphibious landing ship—the House bill would authorize additional funds while the Senate bill would allow the Navy to use for those purposes funds that had been appropriated in earlier budgets. (See **Table 13.**)

**Table 13. Selected Congressional Additions to the Administration Request**

	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
Operation and Maintenance (O&M) “readiness” funding	Adds \$346.6 million for depot maintenance and \$885.1 for other “readiness”	Adds \$309.5 million for depot maintenance, \$284.5 million for facilities maintenance, and \$158.1 million for other “readiness”	
EF-18G Growler electronic warfare planes (Navy)	Adds \$450.0 million for five Growlers	Directs the Navy to retain the option of buying additional Growlers; For that purpose, adds \$25.0 million and authorizes the use of \$75.0 million appropriated in FY2014 (Section 121)	

	<b>House-passed H.R. 4435</b>	<b>Senate Committee-reported S. 2410</b>	<b>Conference Report</b>
FY2015 request defers until 2016 decision to retire or refuel the aircraft carrier <i>USS George Washington</i> (previously slated for refueling and modernization in FY2016 to provide 23 years of additional service); DOD five-year budget plan assumes ship would be retired in FY2016	Adds \$979.0 million for refueling and modernization; bars use of 50% of Section of Defense office budget until funds are obligated to upgrade the ship (Section 1024)	Authorizes transfer of up to \$650 million from other accounts to refuel the ship (Section 123); Bar use of funds for any action regarding the ship that are not necessary for refueling and modernization (Section 1021)	
<i>San Antonio</i> -class (LPD-17) amphibious landing ship (most recently funded of which—the 11 <sup>th</sup> of the class—cost \$2.09 billion in FY2012)	Adds \$800.0 million for a 12 <sup>th</sup> ship of this class; Authorizes incremental funding for the ship (Section 122)	Authorize the Navy to transfer up to \$650 million from procurement accounts to fund an additional LPD-17 (Section 123)	
C-130 Hercules modernization	Prohibits cancellation of avionics upgrade for older planes (Section 131); Adds \$73.8 million to upgrade avionics and engines	Adds \$73.8 million to upgrade avionics and engines on older planes	
Armored combat vehicles	Adds \$192.0 million to modernize M-1 tanks and buy armored tank tow vehicles, to sustain the armored vehicle industrial base	Adds \$136.9 million to modernize tanks and Bradley troop carriers and buy tank tow vehicles to sustain the industrial base.	
Accrual payments to Military Retired Pay account; (Budget includes \$18.9 billion to cover estimated future payments to current servicemembers.)	No change	Adds \$500 million to cover the cost of P.L. 113-82, exempting persons who joined the service before 1/1/2014 from the BBA's reduction in the retired pay COLA formula; Also extends that exemption through 1/1/2016 (Section 621)	
Israeli missile defense systems	Adds \$348.0 million for various Israeli missile defense systems	Adds \$176.0 million for the Iron Dome defense against short-range rockets and mortars	
Develop a replacement for Russian RD-180 satellite booster	Adds \$197.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine used to launch heavy DOD satellites	None	

To compensate for the added cost of rejecting at least some Administration-proposed savings and making some sizeable additions to the budget request, the House and Senate versions of the

NDAA each incorporate reductions, some of which amount to hundreds of millions of dollars. While some of the proposed reductions were aimed at slowing down certain acquisition programs, others were justified on grounds that they reflected fact-of-life developments (such as changes in foreign currency exchange rates) and would have no adverse impact on DOD’s FY2015 activities. (See **Table 14.**)

**Table 14. Selected Congressional Reductions to the Administration’s FY2015 Request**

	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference Report
Littoral Combat Ships; Budget requests 3 ships (\$1.43 billion)	Cuts 1 ship (\$450.0 million); Adds \$100.0 million for long lead-time components	No change to request	
KC-46 tanker plane; Budget requests 7 planes (\$1.58 billion)	Cuts 1 plane (\$229.7 million) because of budget constraints	No change to request	
UCLASS carrier-based, long-range drone; Budget requests \$403.0 million	Cuts \$203.0 million	No change to request	
Army radios and radars	Cuts \$230.0 million from four programs	Cuts \$301.0 million from the same four programs	
Anticipated cost reductions due to fluctuations in currency exchange rates	Cuts \$427.2 million	Cuts \$492.0 million	
Smaller civilian workforce than budget assumed	Cuts \$315.0 million	Cuts 250.0 million	
Overestimated military personnel costs in previous budgets	No change to request	Cut’s \$761.1 million	
Use “unobligated balances” left over from earlier budget years to fund part of the FY2015 DOD program (thus reducing need for new budget authority)	Cuts \$2.38 billion	Cuts \$37.8 million	
Rescission of funds appropriated in prior budgets (and use of those funds to cover part of the cost of FY2015 request)	Cuts \$265.7 million	Cuts \$265.7 million	
Reduction of funding for service contractors	Cuts \$817.5 million	No change to request	
Unspecified program reductions	Cuts \$188.2 million	Cuts \$433.0 million	
Funds deemed excess to requirements in FY2015	Cuts \$474.9 million	Cuts \$362.2 million	

## Quadrennial Defense Review (QDR)

In its report on H.R. 4435, the House Armed Services Committee criticized the Administration’s most recent QDR, submitted with the FY2015 budget request, contending that the review did not comply with some of its statutory requirements. By law,<sup>34</sup> the QDR is required to devise a strategy to meet U.S. national security requirements 20 years into the future and to outline a force structure and budget plan, which is not constrained by the Administration’s current budget, and which could implement that strategy with a “low-to-moderate level of risk.”

[T]he 2014 QDR focused largely on the planned force structure associated with the 5-year Future Years Defense Program, and it contained a strategy that assumes increased risk to the force, without specifying the resources required to execute the strategy at a low-to-moderate level of risk.<sup>35</sup>

Section 1078 of the House bill would require DOD to re-do the 2014 QDR to “fully address” several of the statutory criteria—including the 20-year time-horizon—and to submit the revised report to Congress by October 1, 2014. Pending submission of the required revision, 25% of the funds appropriated for the office of the Undersecretary of Defense for Policy would be withheld.

Section 1077 of the House bill would revise the statutory mandate for the QDR by amending 10 U.S.C. 118 to rename the QDR the “defense strategy review” (DSR), and revise both the focus of the review and the contents of the report that DOD is required to submit to Congress on the basis of that review. Among other things, the provision would:

- require that DOD submit to Congress, prior to preparation of the DSR, an unclassified Quadrennial National Security Threats and Trends Report (QNSTTR), addressing U.S. national security interests, the security environment, and potential threats to U.S. interests;
- repeal the mandate for a separate Quadrennial Roles and Missions Review, folding that substantive requirement into the DSR; and
- revise the role of the National Defense Panel (NDP), a body of senior outside experts that provides a counterpoint to the QDR, tasking them to review and assess both the new QNSTTR and the DSR while outlining their own proposed defense strategy, with its associated risks.

## Military Personnel Issues (*Authorization*)<sup>36</sup>

The House and Senate versions of the FY2014 NDAA each would authorize the Administration-proposed reductions in the size of the active and reserve components of the services. This would reduce active component end-strength by 52,800 to a total of 1,361,400 personnel (**Table 8**) while reducing reserve component end-strength by 12,900 to a total of 820,800 personnel (**Table 9**).<sup>37</sup>

<sup>34</sup> 10 U.S.C. §118.

<sup>35</sup> H.Rept. 113-446, p. 227.

<sup>36</sup> For background and additional detail on personnel-related aspects of the Administration’s FY2015 budget request, see “Manpower Issues,” above.)

<sup>37</sup> The NDAA also authorizes the annual end-strength of the Coast Guard Reserve, for which both bills would maintain the current end-strength of 9,000 personnel, as requested.

In its report on H.R. 4435, the House Armed Services Committee expressed concern that, considering ongoing commitments of U.S. forces, the additional reductions that will be necessary if the budget caps are not lifted, “may have serious implications on the capacity and capability of the All-Volunteer Force and the ability for the services to meet the National Defense Strategy.”<sup>38</sup>

The House committee also directed the Government Accountability Office (GAO) to investigate why 25% of the Army Reserve and 30% of the Army National Guard are not available for mobilization at any given time, mostly for medical reasons.

### **Compensation Changes (*Authorization*)**

The House-passed version of the FY2015 NDAA would block each of the Administration’s proposals to slow the rate of growth in military pay and benefits, while the version reported by the Senate Armed Services Committee would authorize some of those initiatives.<sup>39</sup>

In its report on H.R. 4435, the House Armed Services Committee warned of the cumulative effect on relatively junior enlisted personnel of the proposed changes in pay and benefits, recommending that any changes be deferred until Congress receives the recommendations of the legislatively mandated Military Compensation and Retirement Modernization Commission (MCRMC). This group, established by a provision of the NDAA for FY 2013,<sup>40</sup> is due to report by February 1, 2015.

The Senate Armed Services Committee, in its report on S. 2410, said it “reluctantly” supported proposed restraints on the increase for FY2015 in servicemembers’ basic pay and housing allowances, as well as a proposed increase in certain pharmacy co-payment requirements under TRICARE. However, the Senate committee, too, called for deferring other proposed changes in TRICARE and the commissary system pending receipt of the MCRMC recommendations. It also urged the commission to conduct a survey of servicemembers.

### ***Military Basic Pay Authorization***

Section 602 of the House bill and section 601 of the Senate bill each would authorize a freeze in basic pay for generals and admirals during 2015, as proposed by the Administration.

For personnel of all other ranks, Section 601 of the Senate Committee’s bill would authorize a 1% raise in basic pay, beginning January 1, 2015, as called for by the budget request. In its report on H.R. 4435, the House Armed Services Committee endorsed the 1.8% increase in basic pay that would occur on that date under existing law<sup>41</sup> which ties the annual increase in military basic pay to the Labor Department’s Employment Cost Index (ECI), a measure of private sector compensation. The House-passed bill includes no provision relating to the annual increase in basic pay (except for Section 602, which would freeze basic pay for generals and admirals). The House bill would increase the amount authorized for military personnel spending by \$534.9 million to fund the higher pay increase.

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<sup>38</sup> H.Rept. 113-446, p. 135

<sup>39</sup> See “Compensation,” above.

<sup>40</sup> P.L. 112-229, Section 671.

<sup>41</sup> 37 U.S.C. §109.

The President has asserted that the law that ties pay raises to the ECI also includes a provision authorizing him to specify an alternative pay raise, as he did by setting the FY2014 pay raise at 1% rather than by 1.8%, as the ECI formula would have done.

### ***Military Retired Pay COLA***

The Senate bill includes a provision (Section 621) that would delay until January 1, 2016 the effective date of a reduction in the annual cost-of-living adjustment (COLA) for military retired pay. The provision's roots lay in the Bipartisan Budget Act (BBA) of 2013 (P.L. 113-67) enacted late in December 2013.

In addition to raising mandatory budget caps in FY2014 and FY2015, that law reduced the cost of living adjustments (COLAs) provided to military retirees under the age of 62 from a percentage equal to the increase in the Consumer Price Index (CPI) to a percentage that was 1% lower than the CPI change. Subsequent legislation (P.L. 113-76 and P.L. 113-82) exempted from that provision all currently serving military personnel who joined prior to January 1, 2014.

Section 621 of the Senate bill would extend that exemption to cover all who joined the service prior to January 1, 2016. In its report on S. 2410, the Senate Armed Services Committee said this would defer any change in the retirees' COLA until Congress had time to review the report of the legislatively mandated compensation review commission (MCRMC), which is due to report early in 2015.

### ***Housing Allowance (BAH) Authorization***

Section 603 of the Senate bill (S. 2410) would authorize, as requested, a change in the method for computing servicemembers' Basic Allowance for Housing (BAH) in order to allow DOD to reduce the rate of growth in those payments until they cover 95% of housing and utility costs in a particular region rather than 100%, as currently is the policy.

The House bill includes no provision relating to the proposed change in the housing allowance. However, in its report, the committee asked DOD to share with the Military Compensation Commission any analysis it had carried out concerning the likely effects on the force of the proposed change in the housing allowance.

### ***Commissary Subsidy Authorization***

The House and Senate versions of the NDAA each would reject the Administration proposal to reduce by \$200 million the annual operating subsidy to the military commissary system. The subsidy amounted to \$1.37 billion in FY2014 and the Administration requested \$1.11 billion in FY2015.

The Senate bill would restore to the commissary budget request the \$200 million the Administration had deducted. In its report on the bill, the Senate committee directed the Secretary of Defense to present to the military compensation commission an analysis of the impact of the commissary proposal on the purchasing power of the families of younger enlisted personnel and an assessment of other business models for the commissary system.

The House bill would add \$100 million to the commissary budget request and, in Section 632, would require a review of the commissary system by an independent organization “experienced in grocery retail analysis.”

**TRICARE Authorization**

The House bill rejected the Administration’s proposed increases in TRICARE fees and pharmacy copays, including the proposed enrollment fee for retirees joining TRICARE-for-Life. The bill included a provision (Section 736) barring the closure or realignment of any DOD medical facility pending a report to Congress by the Government Accountability Office (GAO) on a currently ongoing DOD study that is expected to recommend such changes. The House bill would add to the budget \$92 million to make up for cost reductions the Administration budget assumed would result from such closures and consolidations.

The House bill also would cut from the request \$88 million that was intended to cover the cost of the proposed consolidation into one plan of the three options currently available in the TRICARE program.

The Senate bill would authorize the Administration’s proposal to increase pharmacy copayments under TRICARE in ways designed to encourage the use of generic medications and mail-order refills (Section 702). However, like the House bill, the Senate bill would deny authorization of the \$88 million requested to cover the cost of TRICARE consolidation.

**Sexual Assault Prevention and Response**

The House and Senate bills each included provisions that built on elements of the FY2014 NDAA (P.L. 113-66) that changed DOD policy and military law regarding cases of sexual assault within the armed forces.

Following are selected aspects of the sexual assault issue that are addressed in one or another version of the FY2015 NDAA:

**Table 15. Selected Sexual Assault-related Provisions: H.R. 4435 and S. 2410**

	<b>House-passed H.R. 4435</b>	<b>Senate Committee- reported S. 2410</b>	<b>Conference report</b>
Provisions of the FY2014 NDAA relating to sexual assault apply to the military academies	Section 533	Section 550	
Consultation with alleged victims as to whether they prefer an accusation of sexual assault to be tried in a civilian court or by court-martial	Section 534	Sections 545a and 545b	
Ability of victims of a sex-related offense can appeal, on a confidential basis, the terms of their separation or discharge from the service	Section 538	Section 545e	
Use of the “general military character” of the accused to establish probability of innocence in a sexual assault case (the so-called “good soldier” defense)	Section 537	Section 545g	

	House-passed H.R. 4435	Senate Committee- reported S. 2410	Conference report
Minimum sentence in sexual assault cases includes dishonorable discharge and two years imprisonment	Section 536	none	
Service secretary review (at the request of the service's chief prosecutor) of any decision by a convening authority not to take a case to court-martial	none	Section 546	

**Note:** Corresponding provisions of the two bills differ in some respects.

## Proposed Force Structure Changes

H.R. 4435 would block each of the Administration's proposals to retire or reorganize the deployment of several major systems although, in some cases, it would not add funds to the budget request to compensate for the foregone savings the budget assumed as a result of retiring the equipment. The House bill would add to the budget \$979 million to refuel and modernize the carrier *U.S.S. George Washington* whereas the Administration would defer until FY2016 a decision as to whether the ship would be refueled or retired. It also would add \$635.0 million (in the OCO account) to continue operating and upgrading Air Force A-10 ground attack planes.

The Senate bill would give the Administration more leeway to proceed with some of its restructuring initiatives. Moreover, it would authorize the addition of upwards of \$600 million to the FY2015 budget to cover the cost of continuing to operate systems the budget assumed would be retired. In the case of the *U.S.S. George Washington*, the Senate bill would give DOD discretion to fund the refueling with up to \$650 million previously appropriated for other purposes. The Senate bill also would add to the base budget \$339.3 million to continue operating A-10 aircraft.

Congressional actions on specific proposals are treated below in the sections of this report dealing with acquisition of various types of weaponry.

## Ground Combat Systems (Authorization)

Congressional action on authorization of funding for selected ground force equipment is summarized in **Table A-4**. Following are some highlights.

### Army and National Guard Helicopters

The House bill would prohibit during FY2015 the transfer to active Army units of Apache attack helicopters currently assigned to National Guard units many of which, in turn, would be equipped with relatively modern Black Hawk troop-carrying helicopters drawn from Army units (Section 1050). The same provision would direct the GAO to review the analysis that was the basis of the Army's decision to transfer the Apaches. In its report on the bill, however, the committee allowed for the possibility that such a transfer eventually might occur, stating: "The committee expects

that those units that transfer AH-64 Apache attack helicopters to the active Army would receive priority for modernized Black Hawks.”<sup>42</sup>

The House bill also would add to the budget \$96.4 million to buy six new Black Hawks for the National Guard plus \$45.4 million to modernize early-model Black Hawks currently equipping National Guard units.

The Senate bill would allow DOD to transfer to the active Army as many as 48 of the National Guard’s 192 Apaches (Section 1703). In addition, it would add to the budget \$145 million for eight additional Black Hawks for the National Guard.

S. 2410 also would mandate creation of an independent commission to make recommendations on the organization of the Army and on the allocation of missions among the active Army, the Army Reserve and the Army National Guard (Title XVII). The bill also would require the Secretary of the Air Force to report each year from 2016 to 2019 on that service’s implementation of recommendations made early in 2014 by a legislatively mandated panel set up to review the structure of the Air Force, including the allocation of missions between active and reserve components (Section 1061).

### **Armored Vehicle Industrial Base**

The House and Senate Armed Services Committees, in the reports on their respective versions of the FY2015 NDAA, each warned that the Army’s budget request for tanks and other armored combat vehicles was inadequate to sustain the specialized network of suppliers and assembly plants that produce such equipment. The House committee explicitly discounted DOD’s contention that sales to foreign governments would keep the armored industrial base intact until late in this decade, when DOD projects a surge in procurement of such vehicles.

For the stated purpose of shoring up the armored vehicle industrial base, the Senate bill would

- add \$37 million to the \$107.5 million requested for modifications to existing Bradley armored troop carriers, while the House bill would approve the request;
- add \$24 million to the \$237 million requested for modification of existing M-1 tanks, while the House bill would add \$120 million to continue a more elaborate process of upgrading the communications, night-vision electronics, and power plants of existing M-1s;
- add \$76 million to the \$50 million requested to purchase so-called armored recovery vehicles, designed to tow disabled 70-ton tanks off the battlefield, while the House bill would add \$71 million.

### **Amphibious Combat Vehicle (ACV)**

The House and Senate bills took different approaches to the Marine Corps’ effort to replace its fleet of 1970s-vintage amphibious landing vehicles, which not only to carry Marines from ship to shore but also to operate ashore as armored troop carriers. For more than two decades, DOD had funded an effort to develop an armored troop carrier (designated the Expeditionary Fighting

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<sup>42</sup> H.Rept. 113-446, p. 199.

Vehicle or EFV) that could travel over water at relatively high speed, before abandoning the program in 2011 because of technical challenges and cost. The FY2015 budget request included \$105.7 million to fund what was described as a step toward fielding a new generation of troop carriers for the Marines, the first increment of which would consist of wheeled armored vehicles that would be carried to the shore by landing craft rather than motoring from ship to shore by themselves.

The House bill would add \$85.1 million to the request authorizing a total of \$190.8 million for the so-called Amphibious Combat Vehicle (ACV), Increment 1.1. In its report, the House Armed Services Committee noted that its recommendation was based on assurances by the Marine Corps that the new vehicles would be based on mature technologies and stable design requirements.

By contrast, the Senate Armed Services Committee, saying that it was acting at the Marine Corps' behest, cut the \$105.7 million ACV request to \$38.0 million. Of the amounts the Senate bill would take from the ACV request: \$45.0 million would go to extend the service life of the 1980s-vintage air-cushion landing craft (designated LCACs) that would haul the new vehicles ashore; \$7.0 million would go to develop additional LCAC improvements; and \$15.7 million would be added to the account that funds off-duty education for Marines.

## Naval Systems (Authorization)

Congressional action on authorization of funding for selected naval equipment is summarized in **Table A-6**. Following are some highlights.

### Refueling a Nuclear-powered Carrier

The House bill would require the Navy to begin a mid-life refueling and modernization of *U.S.S. George Washington*, adding to the budget \$785 million to begin the four-year-long project. It also would embargo use of 50% of the funds appropriated for the Office of the Secretary of Defense in FY2015 until contracts are signed for the refueling (Section 1024).

The Senate bill would authorize the Navy to begin work on the carrier using in FY2015 up to \$650 million in funds that had been appropriated in prior budgets but had not been spent (Section 123). It also would bar the Navy from using those funds to perform any work on the carrier that was not a part of the refueling and modernization work (Section 1021). This would be consistent with DOD's announced plan to perform only work that would be needed whether the ship was to be refueled or retired. Officials had said that the FY2016 budget request would fund one course or the other depending on whether Congress had indicated a willingness to provide more funding for DOD in future years than the budget caps currently in force would allow.

### Unmanned Carrier-based Aircraft

The House bill would deny the request for \$403.0 million to continue the Unmanned Carrier-Launched Surveillance and Strike (UCLASS) program, an effort to develop a long-range, unmanned aircraft for carrier use. In its report on H.R. 4435, the House Armed Services Committee contended that the Navy's most recent specifications for the program placed too high

a premium on the UAV's ability to stay aloft for long periods carrying intelligence-gathering sensors at the expense of its ability to attack heavily defended targets.<sup>43</sup>

The Senate bill authorized the full amount requested for UCLASS.

## Temporary Lay-up of Aegis Cruisers and Amphibious Ships

The House and Senate bills take opposing positions on the Navy's plan to

- keep in service 11 Aegis cruisers and 9 LSD-type amphibious landing transports;
- tie up 11 other cruisers and 3 LSDs;
- modernize the retired ships while they are laid up; and
- return the modernized ships to service as one-for-one replacements as their sister ships (those that remained in service) retire.

The House bill would bar the inactivation of any of the ships the Navy plans to tie up, and requires the Navy to begin modernizing two of the cruisers in FY2016 (Section 1026).

The Senate bill establishes rules under which the Navy could proceed with its plan, one of which is a requirement that all ships involved be kept in service for their full, planned service lives (Section 1022). For purposes of that calculation, any years a ship was not in active service would not count against its expected life-span.

## Missile-launching Submarines

The House and Senate bills each would authorize the \$1.22 billion requested to develop a new class of ballistic missile-launching submarines to replace the current fleet of *Ohio*-class subs, which are slated to begin retiring in 2027. That total includes \$849.3 million for design work related to the new ship and \$370.0 million to continue development of the new sub's nuclear power plant.

The House bill (Section 1022) and the Senate bill (Section 1002) each would create a new budget account—the National Sea-Based Deterrent Fund—to fund the new class of missile subs. In its report on S. 2410, the Senate Armed Services Committee said the separate fund would facilitate oversight of the program by DOD and Congress. Navy officials have said that, if the cost of the new subs—estimated at \$6 billion apiece in FY2013 dollars—has to be absorbed within projected shipbuilding budgets, many other ships will be squeezed out.<sup>44</sup>

## Air Force Programs (Authorization)

Congressional action on authorization of funding for selected types of fixed-wing aircraft is summarized in **Table A-10**. Following are some highlights.

<sup>43</sup> H.Rept. 113-446, pp. 65-67.

<sup>44</sup> CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by Ronald O'Rourke.

## Ground-Attack Aircraft

The House bill (in Section 132)<sup>45</sup> and the Senate bill (in 134) would block the Air Force’s plan to retire its fleet of A-10 ground-attack planes and the Senate bill would add to the budget \$339 million to continue operating the aircraft. The House provision also would require the GAO to evaluate the contention by the Air Force that other planes, including long-range bombers carrying precision-guided weapons, could perform the A-10’s mission of supporting ground troops engaged with enemy forces in addition to carrying out other missions that the A-10 could not perform.

## Intelligence, Reconnaissance, and Surveillance Aircraft

The House and Senate Armed Services Committees each expressed concerns about Air Force plans to retire several of the service’s surveillance and reconnaissance planes, in some cases, before a planned replacement would be ready for service. Following is a summary of House and Senate action on those issues:

**Table 16. ISR Aircraft Issues in FY2015 NDAA**

Administration proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Conference report
Replace U-2s with Global Hawk drones equipped with upgraded sensors	Prohibits retirement of U-2s (Section 133); requires report on cost and timetable to replace U-2s without loss of capability pending deployment of the proposed replacement.	Adds \$70.1 million to keep U-2s in service; Cuts \$136.0 million requested to equip Global Hawks with capability of U-2s; Report cites provision of FY2012 NDAA as prohibiting U-2 retirements (Section 133 of P.L. 112-81)	
Retire seven (of 31) AWACS radar planes	Prohibits retirement of more than four AWACS until AF reports how it will meet requirements with the residual force of 24 planes (Section 135)	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 planes	
Retire 5 (of 16) JSTARS ground-scanning radar planes; begin developing a replacement with new technology, to enter service in 2022.	Requires report to Congress on the overall military requirement for ground-scanning radar planes and on how consistent the Air Force plan is	Prohibits retirement of any JSTARS planes until Air Force reports to Congress the cost and timetable of alternatives (Section 213); Urges Air Force to base JSTARS replacement on existing technology and cuts \$63 million from the \$73 million requested to develop replacement.	

## Active/Reserve Component Air Force Mix

S. 2410 includes a provision (Section 132) barring the retirement of any Air Force aircraft until 60 days after the Air Force submits to the Armed Services and Appropriations Committees of the House and Senate a report on the allocation among the active Air Force, the Air Force Reserve,

<sup>45</sup> The House Armed Services Committee adopted the A-10 provision as an amendment to the draft bill by a vote of 41-20.

and the Air National Guard of at least 80% of the service's missions and aircraft. In its report on the bill, the Senate Armed Services Committee said that the Secretary of the Air Force and the Air Force Chief of Staff had testified that such an analysis was slated for completion by the end of calendar year 2014.

## **Missile Defense Programs**

The FY2015 budget request includes \$7.46 billion for the Missile Defense Agency (MDA), about three-quarters of which would go to R&D efforts to develop sensors to detect ballistic missiles in flight and weapons to destroy them. The House bill would increase the MDA authorization by a total of \$363 million—about 4.9%. The Senate bill would add a net total of \$190 million to the request. In each case, the bulk of the proposed increase would go to several Israeli-developed defense systems.

Congressional action on authorization of funding for selected missile defense programs is summarized in **Table A-2**. Following are some highlights.

### **Ground-based Midcourse Defense (GMD)**

The budget request includes \$1.00 billion for the Ground-Based Midcourse Defense (GMD), which includes Ground-Based Interceptor (GBI) missiles currently deployed in Alaska and California to protect U.S. territory against a small number of intercontinental ballistic missiles (ICBMs) launched from North Korea or Iran. The House bill would add \$40 million to the requested GMD amount while the Senate bill would add \$30 million.

The House bill also would add \$20 million for planning and design of a third GBI deployment site to be located on the East Coast. In its report on the bill, the House Armed Services Committee directed MDA to provide it with regular updates on the cost and planning estimates associated with a third site and an assessment of which of several potential East Coast sites would provide the best protection against missiles launched from Iran.<sup>46</sup>

### **Israeli Defense Systems**

The budget request includes a total of \$253.0 million for various Israeli-designed systems: \$96.8 million for three systems designed to intercept short-range and medium-range ballistic missiles and \$176.0 million to continue acquiring for Israel's use a fourth system called "Iron Dome," designed to intercept short-range rockets and artillery shells.

The House bill would add a total of \$348.0 million: \$172.0 million for the three missile defense programs and \$176.0 million for Iron Dome. The Senate bill would add \$175.0 million for Iron Dome but includes a provision (Section 1613) that would allow Israel to use any or all of the additional funds for any of the three missile defense programs.

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<sup>46</sup> H.Rept. 113-446, pp. 280-81.

## Provisions Relating to War-time Detainees

The House version of the NDAA would extend through December 31, 2015 restrictions in current law that prohibit the transfer to the United States of detainees held at the U.S. Naval Station at Guantanamo Bay, Cuba. By contrast, the Senate bill would allow such transfers, under certain conditions, as well as requiring a report on actions taken to facilitate the transfer of Guantanamo detainees to other countries.

### Transfer of Detainees of U.S. Territory

The House bill would extend through December 31, 2015 the current prohibitions on

- use of authorized funds to construct facilities in the United States to house detainees currently held at Guantanamo Bay (Section 1032); and
- transfers to U.S. territory of any Guantanamo Bay detainee (Section 1033);

The Senate bill (Section 1031) would allow a detainee to be brought to U.S. territory for continued detention and/or trial if:

- the Secretary of Defense submits to Congress a plan to close the Guantanamo Bay detention facility;
- Congress does not pass (under fast-track procedures) a joint resolution of disapproval;
- the Secretary of Defense determines that the transfer served U.S. security interests and that steps had been or would be taken to reduce any public safety risks that would result; and
- Congress received at least 30 days prior notice of the proposed transfer.

### Transfer of Detainees to Other Countries

The Senate bill (Section 1032) would require a report to Congress on impediments to the transfer of detainees to other countries using the greater discretion given to the executive branch by Section 1035 of the FY2014 NDAA (P.L. 113-66). However, the bill also would prohibit the transfer of any detainees to Yemen (Section 1034).

### Detainee Facilities at Guantanamo Bay

No funds for constructing detainee facilities were included in the FY2015 budget request, but the House bill would add \$69.0 million for construction at Guantanamo Bay of a “high value detainee complex.” The Senate bill (Section 2806) would prohibit funding the construction of any detainee facility “unless it has enduring military value independent of a high value detention mission.”

#### Detainee-Related Provisions

For background and additional analysis of detainee-related provisions in the FY2015 National Defense Authorization Act, see CRS Report R42143, *Wartime Detention Provisions in Recent Defense Authorization Legislation*, by Jennifer K. Elsea and Michael John Garcia.

## House Floor Action on H.R. 4435

The House passed H.R. 4435, the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015, on May 25, 2014 by a vote of 325-98. Following is a summary of House action on selected amendments considered during floor debate on the bill:

**Table 17. Selected House Floor Amendments to FY2015 NDAA (H.R. 4435)**

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Final Bill
<b>War on Terror</b>				
Lambert	667	Require DOD to establish plan with Afghan government for reimbursement of U.S. contractors who paid <b>illegal taxes to Afghan government</b>	agreed voice vote	
Schiff	680	Sunset, 12 months after enactment of the bill, the Authorization of Use of Military Force ( <b>AUMF</b> ) resolution adopted in 2001	rejected 191-233	
Broun	687 <i>en bloc 6</i>	Prohibit use of unmanned aerial vehicle (“ <b>drone</b> ”) to kill a U.S. citizen except one who is actively engaged in combat against the United States	agreed voice vote	
Gibson	687 <i>en bloc 6</i>	Provided that nothing in this bill shall be construed as authorizing the use of military force against <b>Syria or Iran</b>	agreed voice vote	
<b>Detainee Issues</b>				
Smith (Wash.)	675	Provide a framework for closure of the detention facility at U.S. Naval Station <b>Guantanamo Bay</b> , Cuba	rejected 177-247	
Smith (Wash.)	676	Eliminate indefinite detention of persons under authority of the AUMF and provide for transfer of detainees to <b>trial by federal or state courts</b>	rejected 191-230	
Ross	686 <i>en bloc 5</i>	Prohibit use of taxpayer funds to provide additional or upgraded <b>recreational facilities</b> for detainees at Guantanamo Bay	agreed voice vote	
<b>Strategic Arms, Arms Control, and Russia</b>				
Daines	669	Eliminate the expiration date (2021) from Section 1634 of the bill which requires DOD to <b>retain ICBM launch silos</b> from which missiles have been removed in a “warm” status that would facilitate their reactivation	agreed 222-196	
Lamborn	679	Prohibit the use of funds to implement the New <b>START arms reduction treaty</b> until Secretary of Defense certifies that Russia no longer is occupying Ukrainian territory and is complying with the INF and CFE treaties	agreed 233-191	
Blumenauer	681	Require Congressional Budget Office to update annually its report on <b>the projected cost of U.S. nuclear forces</b>	agreed 224-199	

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Final Bill
Turner	686 <i>en bloc 6</i>	Prohibit the use of funds to remove <b>nuclear-weapons capable aircraft from Europe</b> unless Secretary of Defense certifies that Russia no longer is occupying Ukrainian territory and is complying with the INF and CFE treaties; Also require report on cost and burden-sharing arrangements with NATO of U.S. nuclear weapons “forward-based” in Europe	agreed voice vote	
Franks	688 <i>en bloc 7</i>	Increase by \$99 million the authorization for <b>Aegis missile defense</b> (offset by reductions in other programs)	agreed voice vote	
Kelly	685 <i>en bloc 4</i>	Express sense of Congress opposing <b>sale by France</b> to Russia of two <i>Mistral</i> -class amphibious assault ships	agreed voice vote	
deLauro	687 <i>en bloc 6</i>	Prohibit DOD contracts with Russian arms export agency <b>Rosoboronexport</b> unless Secretary of Defense certifies that the agency has ceased transferring arms to Syria and that Russia has withdrawn its forces from Crimea	agreed voice vote	
Engel	687 <i>en bloc 6</i>	Establish a policy of opposing the <b>transfer to Russia</b> , by any NATO member, of defense articles or services while Russian forces occupy the territory of Ukraine	agreed voice vote	
<b>Other Issues</b>				
Gingrey	688 <i>en bloc 7</i>	Express sense of Congress that military personnel on active duty who live in or are stationed in Washington, D.C. should be exempt from local gun-control restrictions	agreed voice vote	
McKinley	671	Prohibit the use of funds to implement certain climate-change assessments and reports	agreed 231-192	
Connolly	685 <i>en bloc 4</i>	Direct the President to sell F-16 fighters to Taiwan	agreed voice vote	
Hastings	683	Increase amount authorized for defense environmental cleanup by \$20 million (offset by reductions in Energy Department nuclear programs)	agreed voice vote	
Jenkins	678	Create a moratorium on insourcing of previously contracted DOD activities, unless an activity is “inherently governmental” or DOD can document specific savings from insourcing	rejected 179-244	
Kilmer	672 <i>en bloc 1</i>	Prohibit furloughs for budgetary reasons of DOD civilians paid by working capital funds	agreed voice vote	
Griffith	682 <i>en bloc 2</i>	Reduce (by attrition) the number of generals and admirals by 33 by the end of 2015	agreed voice vote	
Langevin	684 <i>en bloc 3</i>	Require the National Institute of Mental Health to conduct a study of the mental, behavioral and psychological health of Special Operations Forces	agreed voice vote	

## FY2015 DOD Appropriations Bill (H.R. 4870)

The version of H.R. 4870, the FY2015 DOD appropriations bill, passed by the House on June 20, 2014, would add \$166.3 million to the \$484.3 billion President Obama requested for base budget DOD activities funded by the bill.<sup>47</sup> The version of the bill reported by the Senate Appropriations Committee on July 16, 2014 would provide \$1.14 billion less than the Administration proposed. (See **Table 18.**)

### Adjustments to DOD Appropriations Summary Table for Comparability

The House and Senate versions of H.R. 4870 each would allocate some appropriations among the titles of the bill in ways that differ between the two versions and/or that differ from the titles in which the Administration requested the funds. For ease of comparison, Table 18 (below) allocates among the appropriate parts of the bill all funds that either version of the bill would add in General Provisions.

In the case of the Senate version, the table also reallocates to the O&M, Procurement, and RDT&E sections of the bill funds relating to sealift that the bill would consolidate in the Revolving and Management Funds section.

**Table A-1** in the Appendix displays the way the House and Senate versions of the bill each allocate funds among the sections of the bill and the way funds were reallocated for the sake of comparability to produce Table 18.

**Table 18. FY2015 DOD Appropriations Bill (H.R. 4870):  
House and Senate Versions Adjusted for Comparison**  
(amounts in thousands of dollars)

	Amended FY2015 Budget Request	House-passed H.R. 4870 (adjusted)	Senate Committee- reported H.R. 4870 (adjusted)	Conference Report
<b>DOD BASE BUDGET</b>				
Military Personnel	128,957,593	128,905,840	128,430,543	
Operation and Maintenance (O&M)	166,002,818	165,672,638	166,368,274	
Procurement	89,660,299	91,228,819	91,426,993	
Research, Development, Test and Evaluation (RDT&E)	63,533,947	63,352,890	62,596,844	
Revolving and Management Funds	1,234,468	1,334,468	1,659,468	
Defense Health Program and Other DOD Programs	34,101,361	33,851,219	33,641,680	
Related Agencies	1,024,194	1,015,194	1,023,374	

<sup>47</sup> DOD's budget for the construction of most facilities and for the operation of military family housing is funded by H.R. 4486, the FY2015 Military Construction, Veterans Affairs and Related Agencies appropriations bill.

	Amended FY2015 Budget Request	House-passed H.R. 4870 (adjusted)	Senate Committee- reported H.R. 4870 (adjusted)	Conference Report
General Provisions (including rescissions)	-260,685	-940,748	-1,752,348	
<b>Subtotal: DOD Base Budget</b>	<b>484,253,995</b>	<b>484,420,320</b>	<b>483,116,857</b>	
<b>OVERSEAS CONTINGENCY OPERATIONS (OCO)</b>				
Overseas Contingency Operations (OCO) for DOD (except construction)	58,469,030	79,445,000	58,255,711	
<b>Subtotal: DOD: Base Budget and OCO (except construction)</b>	<b>542,723,025</b>	<b>563,865,320</b>	<b>541,372,568</b>	
OCO DOD construction	46,000	0	46,000	
OCO Department of State; other international activities	1,353,000	0	1,353,000	
<b>TOTAL</b>	<b>544,122,025</b>	<b>563,865,320</b>	<b>542,771,568</b>	

**Source:** H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

The House passed its version of the bill before the Administration amended its FY2015 DOD budget request (on June 27, 2014) to include a detailed request for war costs, officially designated Overseas Contingency Operations (OCO). Accordingly, the House bill would provide for OCO \$79.45 billion, which is the placeholder amount the Administration had included in its original budget request. The Senate bill was drafted after Congress received the amended OCO request which included \$58.26 billion for DOD activities that have been funded in previous OCO appropriations plus \$1.40 billion for other activities. The Senate bill would provide a total of \$213 million less than the request. (For further analysis of OCO funding in H.R. 4870, see “FY2015 OCO ,” below.)

## DOD Appropriations Overview

As is the case with the companion NDAA, the House and Senate versions of the DOD appropriations bill each would reject several of the cost-reduction initiatives contained in the Administration’s budget request. Both versions include provisions that would bar proposals for another round of military base closures, the retirement of various types of Air Force planes, the retirement of an aircraft carrier, and changes in the military commissary system.

As with the NDAA, so in the case of H.R. 4870, the Senate version would allow two of the Administration’s other controversial Administration proposals which the House bill would block: reductions in the rate of increase of military basic pay and of housing allowances. The House and Senate bills each would allow the Administration to proceed with the temporary lay-up of some warships, with restrictions. (See **Table 19**.)

**Table 19. Selected Administration Budget and Policy Initiatives**

	<b>Administration Proposal</b>	<b>House-passed H.R. 4870</b>	<b>Senate Committee-reported H.R. 4870</b>	<b>Conference Report</b>
Annual Raise in Military Basic Pay	1.0% for all except generals and admirals, whose basic pay would be frozen	Funds 1.8% raise for all except generals and admirals; added cost of \$533.5 million provided by Section 8130	conforms with Administration proposal	
Annual Commissary Subsidy (\$1.4 billion in FY2014)	3-year phase-in of \$1 billion reduction, beginning with \$200 million reduction in FY2015	Adds \$100 million to reverse Administration proposal	Adds \$200 million to reverse Administration proposal	
Housing Allowance for assignment in U.S. (currently covers 100% of cost)	Gradually reduce rate of growth until allowance covers 95% of cost	Adds \$244.7 million to reverse Administration proposal (Section 8136)	conforms with Administration proposal	
Status of 11 Aegis cruisers and three amphibious landing ships near the midpoint of expected service life	Mothball the ships and gradually modernize them and put them back into service to replace similar ships as they wear out	Adds \$540.0 million for the Administration's program but requires that no more than six cruisers be sidelined at a time and for no more than four years each (Section 8105)	Provides that no more than six cruisers at a time be laid up for modernization (Section 8105)	
Army/National Guard helicopter missions	Move all Apache attack helicopters from National Guard units to Army units; Re-equip some of those Guard units with Black Hawk troop carriers	Prohibits removing Apaches from National Guard units until FY2015 NDAA is enacted (Section 8136)	Adds \$144 million to buy six Apaches for National Guard (included in OCO funds)	
Tomahawk cruise missile production (projected in 2013 to continue thru 2018 at rate of 196 missiles per year)	Reduce total purchase, buying the last 100 missiles in FY2015 (\$194.3 million)	Adds \$81.7 million for 96 additional Tomahawks	Adds \$82 million for 100 additional Tomahawks	
A-10 ground attack planes.	Retire all A-10s.	Prohibits retirement of A-10s (Section 10028)	Adds \$325.7 million to continue operating A-10s	
E-3A AWACS radar planes	Retire seven (of 31) AWACS	Adds \$90.5 million to continue operating all 31 planes	Adds \$69.5 million to continue operating all 31 planes	

	Administration Proposal	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Conference Report
military base closures	Prepare for a Base Realignment and Closure (BRAC) process in FY2017	Cuts \$4.8 million requested for BRAC planning	Cuts \$4.8 million requested for BRAC planning	

The House and Senate versions of H.R. 4870 each would appropriate billions of dollars more than the budget requests for various purposes, with those gross increases offset by proposed cuts to the request. (See **Table 20**.)

**Table 20. Selected Congressional Additions to the Administration’s Request**

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Conference Report
Operation and Maintenance (O&M) “readiness” funding	Adds \$1 billion for “readiness” (Section 8137), plus \$194.7 million for Special Operations flying hours	Adds \$239 million for “readiness” including \$23 million for two National Guard deployments to National Training Center	
Depot maintenance (requested \$14.0 billion)	Adds \$90.0 million	Adds \$363.7 million	
Facilities maintenance, modernization and repair (requested \$8.2 billion)	Adds \$870 million (including \$150 million for medical facilities)	Adds \$977.3 million	
EF-18G Growler electronic warfare aircraft (Navy)	Adds \$975.0 million for 12 Growlers	Adds \$1.3 billion for 12 Growlers and sustainment of production line	
F-35 Joint Strike Fighter (requested \$5.4 billion for 36 aircraft)	Adds \$879 million for four aircraft	Cuts \$296 million for anticipated contract savings	
Prospective retirement of the aircraft carrier <i>U.S.S. George Washington</i> (DOD five-year budget plan assumes the ship would be retired instead of being refueled as previously planned)	Adds \$789.3 million to begin refueling and modernizing the ship	Adds \$849.0 million to begin refueling and modernizing the ship	
transport ships for troops and combat equipment		Adds \$800.0 million for incremental funding of a \$2.0 billion LPD amphibious landing transport and \$200 million for a JHSV high-speed transport	

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Conference Report
C-130 Hercules modernization	Adds \$88.4 million to upgrade older C-130s including avionics modernization	Adds \$22.6 million to upgrade engines; directs Air Force to spend funds provided in earlier budgets for avionics upgrade	
Armored combat vehicles	Adds \$192.0 million to modernize M-1 tanks and buy armored tank tow vehicles, to sustain the armored vehicle industrial base	Adds \$232 million to modernize tanks and Bradley troop carriers and buy armored tow vehicles to sustain industrial base	
Accrual payments to Military Retired Pay account; (Budget includes \$18.7 billion to cover estimated future payments to current servicemembers.)	No change.	Adds \$507 million to cover the cost of deferring a change in the retired pay COLA formula	
Israeli missile defense systems	Adds \$443.8 million for various Israeli missile defense systems	Adds \$348.8 million for various Israeli missile defense systems	
Develop a replacement for Russian RD-180 satellite booster	Adds \$227.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine used to launch heavy DOD satellites	Adds \$25.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine used to launch heavy DOD satellites	
Equipment for National Guard and reserve components	Adds \$2.0 billion in OCO funding	Adds \$1.0 billion plus \$144 million for National Guard Apache helicopters, all in OCO funding	
Productivity Improvements at government-owned arsenals		Adds \$225.0 million (Section 8043)	
Medical R&D projects	Adds \$667.8 million	Adds \$781.2 million	

To compensate for the added cost of rejecting some Administration-proposed savings and making some sizeable additions to the budget request, the House and Senate versions of the defense appropriations bill each incorporate several reductions, some of which amount to hundreds of millions of dollars. While some of the proposed reductions would be taken from the amounts requested for specific acquisition programs, others were justified on grounds that they reflected fact-of-life developments (such as changes in foreign currency exchange rates) and would have no adverse impact on DOD's FY2015 activities. (See **Table 21**.)

**Table 21. Selected Congressional Reductions to the Administration’s FY2015 Request**

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Conference Report
Littoral Combat Ships; Budget requests 3 ships (\$1.43 billion)	Cuts 1 ship (\$475.0 million)	Adds \$80.0 million for long lead-time components for future construction	
Army radios and radars	Cuts \$204.0 million from four programs	Cuts \$431.4 million from the same four programs	
Anticipated cost reductions due to revised economic assumptions (rate of inflation, etc.)	Cuts \$545.1 million	Cuts \$300.0 million	
Smaller civilian workforce than budget assumed	Cuts \$592.3million	Cuts 497.9 million	
Use “unobligated balances” left over from earlier budget years to fund part of the FY2015 DOD program thus reducing need for new budget authority (budget request assumed \$265.7 million in base budget and \$117.0 million in OCO)	Cuts \$1.60 billion, including \$850 million from the Defense Health Program	Cuts \$2.19 billion, including \$855 million from the Defense Health Program	
Rescission of funds appropriated in prior budgets (and use of those funds to cover part of the cost of FY2015 request)	Rescinds \$964.6 million in the base budget (Section 8039)	Rescinds \$1.71 billion in the base budget (Section 8039) and 581.8 million in OCO (Section 9012)	
Reductions not linked to specific changes to the a program but justified by the Appropriations Committee as eliminating from the budget funds that are excess to program requirements in FY2015	Cuts \$5.80 billion	Cuts \$6.11 billion	

**FY2015 OCO Appropriations**

In its report on H.R. 4870, the House Appropriations Committee noted that the \$79.45 billion the bill would appropriate for OCO was “subject to change,” since it was—essentially—the placeholder amount the Administration had included in its original FY2015 budget request. The only departure from the request in the OCO section of the House bill was the inclusion of \$2.0 billion for equipment that would be issued to National Guard and reserve component units.

The version of H.R. 4870 reported by the Senate Appropriations Committee on July 17, 2014—three weeks after the Administration unveiled its actual OCO budget request—would provide \$58.26 billion for those activities that have been funded through DOD’s OCO accounts in recent years, a reduction of \$213.3 million from the Administration’s request. Within the similar OCO

totals requested by the Administration and approved by the Senate committee, there were some substantial differences. For instance, the Senate bill would make a \$2.1 billion reduction to a \$4.0 billion request for a Counterterrorism Partnerships Fund. But this cut was largely offset by additions of \$1.0 billion to other OCO accounts to serve the same purpose as the proposed fund and \$1.1 billion for equipment for the National Guard and reserve components. (See **Table 22.**)

In addition to funds for DOD operations that have been covered by OCO appropriations in previous years, the Administration’s FY2015 OCO request included \$1.35 billion for various State Department-related programs and \$46.0 million for military construction. Those amounts would be provided by the Senate bill.

In contrast to the FY2014 Omnibus Appropriations Bill (P.L. 113-76), neither the House-passed nor the Senate committee-reported versions of H.R. 4870 would fund in the OCO accounts billions of dollars’ worth of programs for which funding had been requested in DOD’s base budget. The FY2014 bill provided \$9.1 billion for base budget activities in the part of the bill that funded OCO, thus exempting that amount from the statutory cap on defense spending.

**Table 22. FY2015 Funding for OCO in H.R. 4870**  
(amounts in thousands of dollars)

	<b>Amended FY2015 Budget Request</b>	<b>House-passed H.R. 4870</b>	<b>Senate Committee- reported H.R. 4870</b>	<b>Conference Report</b>
<b>DOD</b>				
Military Personnel	926,499	1,450,000	961,962	
Operation and Maintenance	46,494,661	58,675,000	45,271,342	
Procurement	5,598,560	12,220,000	5,755,240	
National Guard and Reserve equipment	0	2,000,000	1,000,000	
RDT&E	79,977	0	82,677	
Other DOD Programs	1,017,849	0	1,053,312	
General Provisions	-117,000	0	-331,843	
<b>Subtotal: “Traditional” DOD OCO</b>	<b>58,469,030</b>	<b>79,445,000</b>	<b>58,255,711</b>	
Military Construction	46,000	0	46,000	
<b>Subtotal: DOD</b>	<b>58,515,030</b>	<b>79,445,000</b>	<b>58,301,711</b>	
Department of State and Other	1,353,000	0	1,353,000	
<b>Total</b>	<b>59,868,030</b>	<b>79,445,000</b>	<b>59,654,711</b>	

**Source:** Senate Appropriations Committee. S. Rept. 113-211, Report on H.R. 4870, the Department of Defense Appropriations Bill for 2015, pp. 315-19.

Following are other highlights of OCO funding in H.R. 4870:

### ***Counterterrorism Partnerships Fund (CTPF)***

The OCO funding request included \$4.0 billion for DOD and \$1.0 billion for the State Department to be spent over the course of three years through a Counterterrorism Partnerships Fund (CTPF) with broad authority to undertake counterterrorism activities, including building up the counterterrorism capability of partner governments. In its report on H.R. 4870, the Senate Appropriations Committee faulted the Administration's proposal on three grounds:

- It included broad exemptions from current laws that bar DOD from training foreign military forces that violate certain standards of conduct regarding human rights.
- It was not accompanied by a sufficiently specific plan as to how DOD would spend \$4.0 billion over the course of three years.
- It did not address the question of whether DOD or the State Department should take the lead in training and equipping partner states' forces.

As reported by the committee, the Senate bill would provide the \$1.0 billion requested for the State Department, but would cut \$2.1 billion from the \$4.0 billion requested for DOD. The \$1.9 billion approved for DOD's CTPF would be available for two years (rather than three years, as requested) and would be subject to existing law requiring that aid could be given only to those foreign security services that were vetted for compliance with human rights standards.

But that reduction was partly offset by the committee's addition of \$1.0 billion to the amount requested for the Defense-wide Operation and Maintenance (O&M) account, money which the committee said was intended for counterterrorism partnership activities funded through existing budgetary channels.

### ***Syrian Opposition Support***

The Senate version of H.R. 4870 would authorize DOD to use up to \$500.0 million of the Defense-wide O & M funds to train and equip Syrian opposition groups that had been vetted for human right compliance (Section 9015). It also contains a provision (Section 9013) stipulating that nothing in the bill should be construed to authorize action relating to Syria that would violate the War Powers Resolution.<sup>48</sup>

The Senate bill's authorization of support to the Syrian opposition would run through FY2015 or until enactment of an for FY2015. The version of the NDAA (S. 2410) reported by the Senate Armed Services Committee would authorize such assistance.

### ***European Reassurance Initiative***

The Senate bill would provide \$1.0 billion, \$75.0 million more than was requested, for the European Reassurance Initiative, intended to fund countries that might be threatened by Russian

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<sup>48</sup> 50 U.S.C.A. §1541.

actions regarding the Ukraine. In its report, the Senate Appropriations Committee recommended that \$30.0 million of that amount be made available to Estonia, Latvia, and Lithuania. The Senate bill did not include a provision requested by the Administration that would have allowed use of up to \$175.0 million of ERI funds for military construction.

### **Counterterrorism Partnerships Fund and European Reassurance Initiative**

For more detailed analysis of the Administration's request for FY2015 funding for the Counterterrorism Partnerships Fund (CTPF) and the European Reassurance Initiative (ERI), see CRS Report IN10103, *The Counterterrorism Partnerships Fund (CTPF) Proposal: Questions for Congress*, coordinated by Nina M. Serafino, and CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by Paul Belkin.

## **FY2015 Base Budget Appropriations Highlights**

Following are selected highlights of the House-passed and Senate committee-reported versions of H.R. 4870, the FY2015 DOD appropriations bill.

### **Military Personnel Issues**

To restrain the rate of increase in military compensation costs, the Administration proposed:

- a 1% raise in military basic pay for all but the most senior personnel, rather than the 1.8% raise (based on a Labor Department survey of wage increases in the private sector) which would take effect under existing law unless some other rate of increase were mandated;
- a gradual reduction in the rate at which housing allowances increase; and
- the phasing-out over three years of the subsidy for military commissaries.

The Senate bill would concur in the Administration's proposals for basic pay and housing while the House bill would reject both and would add to the amount requested \$533.5 million to pay for the larger pay increase and \$244.7 million to restore the amount that had been cut from the housing allowance.

Both bills would reject the proposed reduction in the commissary subsidy. For that purpose, the House added \$100.0 million to its bill and the Senate \$200.0 million to its version.

Both versions of the bill would accept the Administration proposal to freeze basic pay for generals and admirals.

### ***Retired Pay Accrual Payment***

The Senate version of H.R. 4870 would add \$507.0 million to \$18.9 billion requested for the FY2015 accrual payment to the military retired pay fund, a payment that is calculated by Pentagon actuaries to cover the anticipated future retired pay of currently active personnel. The additional funds would compensate for the fact that legislation enacted in February (P.L. 113-82) nullified a provision of the 2013 Balanced Budget Act (P.L. 113-67) that reduced by one percentage point future annual cost of living increases in military retired pay. The retired pay accrual payment in the budget request assumed the lower

future retired pay increases that would have resulted if the BBA provision had remained in force.

### ***Sexual Assault Prevention and Response***

In their reports on H.R. 4870, the House and Senate Appropriations Committees each expressed over the reported incidence of sexual assault in the military services. Each committee noted with approval the fact that the FY2014 Omnibus Appropriations Act (P.L. 113-76) added \$25.0 million to the \$25.1 million requested for DOD's Sexual Assault Prevention and Response Office (SAPRO). The additional funds were intended to expand the Special Victims Counsel program, which provides legal representatives to provide advice and representation to sexual assault victims.

In order to further expand the Special Victims Counsel program, the Senate bill would add \$25.0 million to the \$25.1 million requested for SAPRO in the FY2015 budget (Section 8053).

### **Defense Health Program Appropriations**

The House and Senate versions of H.R. 4870 each would make a net reduction of about 1% to the \$31.99 billion requested in the FY2015 base budget for the DOD health care program, which serves 9.6 million beneficiaries (active and retired military personnel and their dependents). The House bill would provide \$31.69 billion while the Senate bill would provide \$31.57 billion.

Both versions of the bill would make generally similar changes to the request:

- The House bill would cut \$750.0 million and the Senate bill \$855.0 million from the amount requested for the Defense Health Program, on grounds of "historic underexecution," that is, because in recent years, DOD has requested more money than the program spent.
- To compensate for Congress' rejection of the Administration's proposed TRICARE changes, the House bill would add \$66.0 million while the Senate bill would cut \$88.0 million.
- For R&D projects aimed at specific diseases or treatments, the House bill would add \$667.8 million and the Senate bill would add \$781.2 million.

### **Proposed Force Structure Changes**

#### ***Army/National Guard Helicopters***

Section 8136 of the House version of H.R. 4870 would prohibit outright the proposed shift of Apache attack helicopters from National Guard units to active-duty Army units. The Senate version of the bill includes no such prohibition. However, the Senate bill would add to the section of the bill providing OCO funding \$144.0 million for additional Apaches to equip National Guard units.

In its report on the bill, the Senate Appropriations Committee directed DOD's Cost Analysis and Program Evaluation (CAPE) office to review the conflicting estimates by the Army and the

National Guard of the long-term costs of the proposed shift. The committee directed the Army to maintain the status quo with the helicopters pending receipt of that report.

### *Nuclear-powered Aircraft Carrier Refueling*

Each version of the bill would add to the request funds—\$789.3 million in the House bill and \$849.0 million in the Senate bill—to begin refueling and modernizing the carrier *U.S.S. George Washington*, as had long been scheduled to occur midway through the ship’s planned 50-year operating life. The Administration budget would have deferred a choice between refueling the ship and retiring it, pending indications that Congress would provide more money for defense in future years than the currently binding budget caps would allow.

### *Aegis Cruisers Lay-up*

Each version of the bill would substantially modify the Navy’s plan to tie-up 11 Aegis cruisers and three amphibious landing transports with the promise that they would be gradually updated and then put back into service to replace their sister ships that had remained in active service. In each bill, Section 8195 provided that no more than six of the cruisers be out of service at any one time. In its report on the bill the House Appropriations Committee further directed the Navy to keep none of the ships out of service for more than four years.

According to the Senate Appropriations Committee, a “Ship Modernization, Operations, and Sustainment Fund,” created by Congress to modernize these ships and keep them in service, has a balance of more than \$1.7 billion with which to fund this plan in the near term. The House bill would add \$540 million to this fund.

### *A-10 Attack Plane Retirement*

On June 19, 2014, the House adopted by a vote of 300-114 an amendment to H.R. 4870 prohibiting the use of funds provided by the bill to retire A-10 ground-attack airplanes, as the Air Force had proposed. The House bill did not add funds to H.R. 4870 to cover the cost of operating the aircraft through FY2015.

As reported by the Senate Appropriations committee, the Senate version of H.R. 4870 included no such prohibition. However, the bill would add to the requested amount a total of \$325.7 million in the military personnel and O&M accounts of the Air Force, Air Force Reserve and Air National Guard to continue operating the A-10s through FY2015.

## **Ground Combat Systems**

Congressional action on appropriations for selected ground combat vehicles is summarized in **Table A-5** while action on selected communications systems is summarized in **Table A-9**. Following are some highlights.

### *Armored Combat Vehicles*

Both versions of the bill added funds to increase the production of armored combat vehicles:

- The Senate version of H.R. 4870 would add \$37.0 million to the \$107.5 million requested (and approved by the House version of the bill) to upgrade Bradley armored troop carriers.
- The House bill would add \$72.0 million and the Senate bill \$75.9 million to the \$50.5 million requested to buy armored recovery vehicles, designed to tow disabled tanks off the battlefield.
- Continuing the pattern of several recent years, both versions of the bill would add to the budget \$120.0 million to continue a program to upgrade the communications, night vision equipment, and powerplants of M-1 tanks—a program which Congress has sustained for several years in the absence of Administration funding requests.

### *Trucks*

The House and Senate versions of H.R. 4870 each would add funds to upgrade the Army's fleet of cargo trucks and jeep-like HMMWVs:

- The House bill would add \$50.0 million and the Senate bill would add \$250.0 for the purchase of medium trucks—vehicles with a cargo capacity of 2.5 tons to 5 tons, for which the Administration requested no funds.
- The House bill also would add \$50.0 million to the \$28.4 million requested for procurement of vehicles DOD classifies as “heavy” trucks—those with a cargo capacity of 10 tons or more.
- Both versions would add funds—\$100.0 million in the House bill and \$50.0 million in the Senate bill—to upgrade the National Guard's HMMWVs.
- The Senate bill would provide \$229.3 million—as requested—to continue developing and begin procuring the Joint Light Tactical Vehicle (JLTV), intended as the for the HMMWV, while the House bill would cut \$2 million from that amount.

### *Communications Equipment*

Each version of the bill would make cuts totaling upwards of a third of a billion dollars from two Army communications programs, reductions the defense committees say are justified by unspent funds from prior budgets and contract delays in each program.

For the Warfighter Information Network-Tactical (WIN-T), a digital communications system intended to link small combat units with global U.S. assets, the House bill would cut \$99.0 million from the \$763.1 million requested for FY2015 in addition to rescinding \$100 million that had been appropriated for the program in FY2014. The Senate bill would cut \$208.0 million from the FY2015 request.

For the Joint Tactical Radio System (JTRS), a family of “users’ terminals” for the network, the House bill would cut \$50.0 million from the \$175.7 million requested while rescinding an additional \$100.0 million appropriated in FY2014. The Senate bill would cut the FY2015 request by \$135.0 million.

## Shipbuilding

Congressional action on appropriations for selected shipbuilding programs is summarized in **Table A-7**. Following are some highlights:

Of the \$1.30 billion requested for the FY2015 increment of funding for an aircraft carrier expected to cost \$11.5 billion by the time it enters service in 2023, the House version of H.R. 4870 would cut \$10.6 million on grounds of unjustified “cost growth” in several components of the ship. The Senate version of the bill would cut \$70.0 million in anticipation of unspecified “contracting efficiencies.

The Senate bill would approve the \$5.88 billion requested for nuclear-powered attack submarines—\$3.51 billion for two of the ships and \$2.30 billion for long lead-time components to be used in future construction. The House bill would cut a total of \$74.6 million from the request on grounds that some budgeted cost growth is not justified.

For DDG-51-class destroyers equipped with the Aegis anti-missile system, the Senate bill would approve, as requested, \$2.67 billion for two ships and \$134.0 million for long lead-time components. The House bill would cut \$15.6 million from the request on grounds of excessive cost growth.

The House bill would cut \$475.7 million from the \$1.43 billion requested for Littoral Combat Ships, which would eliminate one of the three ships requested on grounds that the Secretary of Defense is considering whether to continue procurement of these ships. The Senate bill would approve the request and would add \$80.0 million for long-leadtime components to be used in future procurement.

The Senate bill also would add to the request \$800.0 million to cover roughly half the cost of an LPD-class amphibious landing transport and \$200.0 million to add a JHSV-class fast transport ship to the 10 JHSVs previously funded.

## Aircraft Procurement

Congressional action on appropriations for selected aircraft programs is summarized in **Table A-11**. Following are other highlights:

### *New Long-range Bomber and Tanker*

Both the House and Senate versions of H.R. 4870 would fully fund the \$913.7 million requested to continue developing a new long-range bomber and to buy seven KC-46A refueling tankers (\$1.58 billion). The House bill would cut \$10.0 million from the \$776.9 million requested and approved by the Senate bill to continue developing the new tanker, which is a modified version of the Boeing 757.

### *F-35 Joint Strike Fighter and EA-18G Growler*

The budget request included a total of \$7.96 billion for the F-35 Joint Strike Fighter Program:

- \$3.55 billion to 26 “A” model F-35s for the Air Force;

- \$1.20 billion to buy six “C” model aircraft for the Marine Corps adapted for short takeoff/vertical landing (STOVL) operations;
- \$610.7 million to buy two “B” model planes adapted to operate from aircraft carriers;
- \$465.2 million for long leadtime components for use in planes slated for purchase in future budgets;
- \$494.1 million for modifications to F-35s purchased in earlier budgets; and
- \$1.64 billion to continue development of the three models of the aircraft.

The House bill would provide a total of \$8.33 billion for the F-35 program, including additions of \$255.0 million to buy two additional Navy aircraft and \$224.0 million for two additional copies of the Air Force version. Those additions would be partly offset by various relatively small reductions.

The Senate version of H.R. 4870 would provide a total of \$7.53 billion for the F-35 program—a reduction of \$432 million from the request comprising mostly anticipated savings as a result of lower-than-budgeted prices and unspent funds from prior years.

The budget request did not include funds to continue production of the Navy’s EF-18G Growler, a version of the F/A-18E/F fighter that is modified to jam enemy radars. However, both versions of the bill would add funds to buy 12 Growlers in FY2015: \$975.0 million in the House bill and \$1.20 billion in the Senate bill (which also would add \$100.0 million to sustain the Growler production line).

According to the House Appropriations Committee, recent Navy studies conclude that it would be advantageous to increase from five to seven the number of Growlers typically aboard a carrier. In addition, sustaining the Growler production line at the Boeing plant in St. Louis, MO, would facilitate the Navy’s purchase of additional F/A-18E/F fighters, if the Navy reduced its purchase of F-35s because of the cost of technical problems.

## House Floor Action on H.R. 4870

The House passed H.R. 4870, FY2015 DOD Appropriations Bill, on June 20, 2014, by a vote of 340-73. Following is a summary of House action on selected amendments considered during floor debate on the bill:

**Table 23. Selected Floor Amendments to H.R. 4870**

Principal sponsor		Summary	Disposition in House	Disposition in Final Bill
<b>Iraq, Afghanistan, and Pakistan</b>				
Lee	908	Prohibit the use of funds for <b>combat operations in Iraq</b>	Rejected 165-250	
Lee	912	Prohibit use of funds pursuant to Authorization for Use of Military Force Against Iraq Resolution of 2002 ( <b>AUMF</b> )	Rejected 182-231	

Principal sponsor		Summary	Disposition in House	Disposition in Final Bill
Hanabusa	916	Prohibit use of funds with respect to Iraq contrary to the <b>War Powers Resolution</b>	Agreed to voice vote	
Lee	922	Prohibit use of funds pursuant to <b>AUMF</b> after December 31, 2014	Rejected 157-260	
Lee	928	Prohibit the use of funds for <b>combat operations in Afghanistan</b> after December 31, 2014	Rejected 153-260	
Rohrbacher	938	Prohibit the use of funds for Pakistan		
<b>Syria and Other Middle East Trouble Spots</b>				
Conyers	914	Prohibit transfer of shoulder-fired antiaircraft missiles to any organization in <b>Syria</b>	Agreed to voice vote	
Fortenberry	917	Prohibit transfer of any weapons to organizations in <b>Syria</b>	Rejected 167-244	
King (IA)	933	Prohibit transfer of weapons to the <b>Palestinian Authority</b>	Agreed to voice vote	
Gosar	945	Prohibit the use of funds for the Governments of <b>Iran and Syria, the Palestinian Authority</b> and certain other entities	Agreed to 280-133	
<b>Guantanamo Bay Detainees</b>				
Walorski	901	Prohibit the transfer of detainees to <b>Yemen</b>	Agreed to 238-179	
Cotton	905	Prohibit the <b>transfer or release</b> of any detainee to any foreign country	Agreed to 230-184	
Moran	907	Nullify provisions of the bill that <b>prohibit release</b> of detainees into U.S. territory (Section 8107) and the <b>modification of facilities</b> to hold detainees at any location other than Guantanamo Bay (Section 8108)	Rejected 163-249	
Grayson	934	Prohibit the use of funds to detain any person not convicted at Guantanamo Bay for <b>more than 15 years</b>	Rejected voice vote	
<b>Environmental Policy-Related Amendments</b>				
Flores	913	exempt DOD from Section 526 of the Energy Independence and Security Act of 2007 (P.L. 110-140), which requires all alternative fuels purchased by the federal government for operational use to have lifecycle <b>greenhouse gas emissions</b> less than or equal to those from conventional fuels	Agreed to voice vote	
McKinley	915	prohibit the use of funds to carry out several climate-related policies, including the Global Climate Research Program National Climate Assessment	Agreed to voice vote	
McClintock	929	Prohibit the use of funds to carry out several executive orders and provisions of law relating to <b>“green” energy</b>	Agreed to voice vote	
Conaway	937	Prohibit the use of funds to design or build a <b>biofuels refinery</b> unless specifically authorized by law	Agreed to voice vote	

Principal sponsor		Summary	Disposition in House	Disposition in Final Bill
Gosar	942	Prohibit the use of funds to procure non-petroleum-based fuel as a <b>“drop-in”</b> substitute for petroleum-based fuels	Rejected 205-208	
<b>Arms Control Agreements</b>				
Daines	895	Makes permanent the effect of Section 8032 which prohibits the use of funds appropriated by this bill to retire any <b>Minuteman III</b> ICBMs or launch silos	Agreed to voice vote	
Nadler	896	Strike from the bill Section 8032 which prohibits the use of funds appropriated by this bill to retire any <b>Minuteman III</b> ICBMs or launch silos	Rejected 187-233	
Rogers	923	Prohibit the use of funds to implement the <b>Open Skies Treaty</b> of 1992	Agreed to voice vote	
Forbes	927	Prohibit the use of funds to implement the treaty banning <b>anti-personnel landmines</b>	Agreed to 212-204	
<b>Contractors’ Behavior</b>				
Grayson	899	Prohibit contracting with <b>firms indicted for or convicted of certain crimes or delinquent in federal taxes</b> by more than \$3,000	Agreed to voice vote	
DeLauro	910	Prohibits contracting with firms formerly incorporated in the United States but <b>currently incorporated in Bermuda or the Cayman Islands</b>	Agreed to voice vote	
Ellison	926	Prohibits contracting with firms found in violation of the <b>Fair Labor Standards Act</b>	Agreed to 212-204	
<b>Medical R&amp;D, Treatment, and Support</b>				
Lee	869	Shift \$5 million to increase research on <b>multiple sclerosis</b>	Agreed to voice vote	
Jackson Lee	871	Shift \$500,000 to expand <b>PTSD outreach</b>	Agreed to voice vote	
Jeffries	873	Shift \$10 million to increase research on <b>TBI, PTSD, and psychological health</b>	Agreed to voice vote	
McGovern	875	Shift \$3 million to fund competitive grants to nonprofits that assist veterans with trained <b>service dogs</b>	Agreed to voice vote	
Benishek	876	Shift \$2 million to expand research on <b>Alzheimer’s disease</b>	Agreed to voice vote	
Delaney	881	Shift \$16 million to increase funding for <b>Fisher Houses</b> (located near military medical centers to house families of hospitalized veterans)	Agreed to voice vote	
Grayson	883	Shift \$10 million to expand research on <b>Gulf War Illness</b>	Agreed to voice vote	
Murphy	884	Shift \$10 million to expand <b>mental health care</b>	Agreed to voice vote	
Kildee	886	Reduce Navy aircraft procurement funding by \$20 million and add same amount for an independent study of <b>wounded warrior</b> health care challenges	Rejected voice vote	
Jackson Lee	887	Shift \$5 million to expand research on <b>breast cancer</b>	Agreed to voice vote	

Principal sponsor		Summary	Disposition in House	Disposition in Final Bill
Grayson	891	Shift \$10 million to expand research on <b>prostate cancer</b>	Agreed to voice vote	
Holt	892	Designate \$1 million to study the relationship between financial stress and <b>military suicide</b>	Agreed to voice vote	
Langevin	893	Designate \$30 million for <b>Spinal Cord Injury Research</b> Program	Agreed to voice vote	
<b>Other Issues</b>				
Grayson	918	Prohibit the transfer of aircraft, armored vehicles and selected other types of surplus DOD equipment to state and local police agencies	Rejected 62-355	
Miller (MI)	903	Prohibit the use of funds to retire A-10 aircraft	Agreed to 300-114	
Wittman	931	Prohibit the use of funds to plan a BRAC military base closure round	Agreed to voice vote	
Lamborn	872	Shift \$5 million to Army National Guard border protection mission	Agreed to voice vote	
Fleming	911	Prohibit the use of funds to appoint military chaplains unless not approved by a tax-exempt church	Agreed to voice vote	
Speier	920	Prohibit the use of funds to implement a DOD policy that would expand the range of circumstances under which an alleged assault victim's previous sexual history would be admissible in a court-martial	Agreed to voice vote	
Coffman	889	Cut \$15.7 million from Air Force R&D program to develop a new jet fighter	Agreed to voice vote	
Gohmert	878	Shift \$36.0 million to increase funding for the National Guard counter-drug program	Agreed to voice vote	

# Appendix. Selected Program Funding Tables

**Table A-I. FY2015 DOD Appropriations Bill (H.R. 4870): House and Senate Versions Adjusted for Comparison**

amounts in thousands of dollars

	<b>House-passed H.R. 4870 as drafted</b>	Reallocation of funds provided in Title VIII that increase the totals provided in Titles I and II	<b>House-passed H.R. 4870 as summarized in Table 18</b>	<b>Senate Committee- reported H.R. 4870 as drafted</b>	Reallocation of funds provided in Title V that the budget request and House bill include in Titles II, III, and IV  Also, reallocation of funds provided in Title VIII that increase the total provided in Title II	<b>Senate Committee- reported H.R. 4870 as summarized in Table 18</b>
Military Personnel	128,127,640	add 533,500 for pay raise (Section 8130) and 244,700 for housing allowance (Section 8131)	128,905,840	128,430,543		128,430,543
O&M	164,533,638	add 139,000 for school repairs (Section 8135) and 1,000,000 for readiness improvements (Section 8137)	165,672,638	165,786,003	add 139,000 for school repairs (Section 8135) and 443,271 from Sealift Fund	166,368,274
Procurement	91,228,819		91,228,819	91,409,693	add 17,300 from Sealift Fund	91,426,993
R&D	63,352,890		63,352,890	62,566,834	add 30,010 from Sealift Fund	62,596,844
Revolving and Management Funds	1,334,468		1,334,468	2,150,078	deduct from Sealift Fund 490,610 for funds allocated to O&M, procurement and R&D	1,659,468
Other DOD programs	33,851,219		33,851,219	33,641,680		33,641,680
Related Agencies	1,015,194		1,015,194	1,023,374		1,023,374
General Provisions	976,452	deduct 1,917,200 for funds allocated to Military Personnel (Sections 8131 and 8132) and to O&M (Section 8135)	-940,748	-1,891,348	deduct 139,000 for funds allocated to O&M (Section 8135)	-1,752,348
<b>Subtotal: DOD Base Budget</b>	<b>484,420,320</b>		<b>484,420,320</b>	<b>483,116,857</b>		<b>483,116,857</b>
<b>OCO funding</b>	<b>79,445,000</b>		<b>79,445,000</b>	<b>59,654,711</b>		<b>59,654,711</b>

	<b>House-passed H.R. 4870 as drafted</b>	Reallocation of funds provided in Title VIII that increase the totals provided in Titles I and II	<b>House-passed H.R. 4870 as summarized in Table 18</b>	<b>Senate Committee- reported H.R. 4870 as drafted</b>	Reallocation of funds provided in Title V that the budget request and House bill include in Titles II, III, and IV  Also, reallocation of funds provided in Title VIII that increase the total provided in Title II	<b>Senate Committee- reported H.R. 4870 as summarized in Table 18</b>
<b>TOTAL</b>	<b>563,865,320</b>		<b>563,865,320</b>	<b>542,771,568</b>		<b>542,771,568</b>

**Source:** CRS analysis based on H. Rept. 113-474, Report of the Committee on Appropriations to Accompany H.R. 4870, June 13, 2014; and S. Rept. 113-211, Department of Defense Appropriations Bill, 2015, July 17, 2014.

**Table A-2. Congressional Authorization Action on Selected FY2015 Missile Defense Agency Request**  
(amounts in millions of dollars)

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House- Passed NDAA H.R. 4435</b>	<b>Senate Committee -Reported NDAA S. 2410</b>	<b>Conference Report</b>	<b>Notes</b>
Advanced Concepts and Performance Assessment <i>0603176C</i>	8.5	8.5	8.5		
Discrimination Sensor Technology <i>0603177C</i>	45.1	45.1	45.1		
Weapons Technology <i>0603178C</i>	14.1	27.4	14.1		
Advanced C4ISR <i>0603179C</i>	15.3	15.3	15.3		
Advanced Research <i>0603180C</i>	16.6	16.6	16.6		

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House-Passed NDAA H.R. 4435</b>	<b>Senate Committee -Reported NDAA S. 2410</b>	<b>Conference Report</b>	<b>Notes</b>
Special Programs <i>0603274C</i>	51.0	51.0	51.0		
Common Kill Vehicle Technology <i>0603294C</i>	25.6	25.6	25.6		
BMD Terminal Defense Segment <i>0603881C</i>	299.6	299.6	284.6		
BMD Midcourse Defense Segment <i>0603882C</i>	1,003.8	1,043.8	1,033.8		
BMD Sensors <i>0603884C</i>	392.9	392.9	392.9		
BMD Enabling Programs <i>0603890C</i>	410.9	410.9	410.9		
Special Programs <i>0603891C</i>	310.3	310.3	310.3		
AEGIS BMD <i>0603892C</i>	929.2	929.2	929.2		
Space Tracking & Surveillance System <i>0603893C</i>	31.3	31.3	31.3		
BMD System Space Programs <i>0603895C</i>	6.4	6.4	6.4		
BMD Command and Control, Battle Management and Communications <i>0603896C</i>	443.5	443.5	443.5		

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House- Passed NDAA H.R. 4435</b>	<b>Senate Committee -Reported NDAA S. 2410</b>	<b>Conference Report</b>	<b>Notes</b>
BMD Joint Warfighter Support <i>0603898C</i>	46.4	46.4	46.4		
Missile Defense Integration & Operations Center (MDIOC) <i>0603904C</i>	58.5	58.5	58.5		
Regarding Trench <i>0603906C</i>	16.2	16.2	16.2		
Sea-Based X-Band Radar (SBX) <i>0603907C</i>	64.4	64.4	64.4		
Israeli Cooperative Programs <i>0603913C</i>	96.8	268.8	447.8		House would add \$172 million to amount requested for three joint U.S.-Israeli missile defense programs; Senate would add \$175 million plus \$176 million requested for procurement of a fourth system, Iron Dome.
BMD Tests <i>0603914C</i>	386.5	386.5	386.5		
BMD Targets <i>0603915C</i>	485.3	485.3	485.3		
Land-based SM-3 <i>0604880C</i>	123.4	123.4	123.4		
Aegis SM-3 Block IIA Co-Development <i>0604881C</i>	263.7	263.7	263.7		
Cyber Security Initiative <i>0305103C</i>	1.0	1.0	1.0		

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House- Passed NDAA H.R. 4435</b>	<b>Senate Committee -Reported NDAA S. 2410</b>	<b>Conference Report</b>	<b>Notes</b>
Management HQ-MDA <i>0901598C</i>	37.0	37.0	37.0		
<b>Subtotal, MDA RDT&amp;E</b>	<b>5,583.2</b>	<b>5,808.5</b>	<b>5,949.2</b>		
THAAD, Fielding	464.4	464.4	464.4		
Aegis BMD long lead-time procurement	68.9	68.9	68.9		
Aegis BMD procurement	435.4	435.4	435.4		
AN/TPY-2 radar	48.1	48.1	48.1		
Aegis Ashore, Phase III	225.8	225.8	225.8		
Iron Dome	176.0	352.0	0.0		House would double funding for procurement. Senate would shift procurement request to R&D funding for Israeli Cooperative Programs.
<b>Subtotal, MDA Procurement</b>	<b>1,418.6</b>	<b>1,594.6</b>	<b>1,242.6</b>		
THAAD O&M	75.7	75.7	75.7		
BMD Mid-Course Defense O&M	146.2	146.2	146.2		
Aegis BMD O&M	11.7	11.7	11.7		
Ballistic Missile Defense Radars. O&M (reduction in contracts)	183.0 —	183.0 -1.5	183.0 —		
<b>Subtotal, MDA, O&amp;M</b>	<b>416.6</b>	<b>415.1</b>	<b>416.6</b>		
<b>Subtotal, Military Construction</b>	<b>40.7</b>	<b>40.7</b>	<b>40.7</b>		
<b>Total, Missile Defense Agency</b>	<b>7,459.2</b>	<b>7,858.9</b>	<b>7,649.1</b>		

**Sources:** H. Rept. 113-446, *Report of the House Armed Services Committee on H.R. 4435, the Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on S. 2410, the Carl Levin National Defense Authorization Act for Fiscal Year 2015*, June 2, 2014.

**Table A-3. Congressional Appropriations Action on FY2015 Missile Defense Agency Request**

(amounts in millions of dollars)

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House- Passed DOD Approps. Bill H.R. 4870</b>	<b>Senate Committee- Reported DOD Approps. Bill H.R. 4870</b>	<b>Conference Report</b>	<b>Notes</b>
Advanced Concepts and Performance Assessment <i>0603176C</i>	8.5	8.5	8.5		
Discrimination Sensor Technology <i>0603177C</i>	45.1	43.1	15.3		
Weapons Technology <i>0603178C</i>	14.1	34.1	14.1		
Advanced C4ISR <i>0603179C</i>	15.3	13.3	15.3		
Advanced Research <i>0603180C</i>	16.6	16.6	16.6		
Special Programs <i>0603274C</i>	51.0	40.4	51.0		
Common Kill Vehicle Technology <i>0603294C</i>	25.6	22.6	25.6		
BMD Terminal Defense Segment <i>0603881C</i>	299.6	292.8	170.8		

<b>Program Element Title</b> <i>PE Number for R&amp;D projects</i>	<b>FY2015 Request</b>	<b>House- Passed DOD Approps. Bill H.R. 4870</b>	<b>Senate Committee- Reported DOD Approps. Bill H.R. 4870</b>	<b>Conference Report</b>	<b>Notes</b>
BMD Terminal Defense Segment Test	—	—	111.4		
BMD Midcourse Defense Segment 0603882C	1,003.8	1,047.2	854.4		
BMD Midcourse Defense Segment Test	—	—	79.9		
Improved Homeland Defense Interceptors	—	—	99.5		
BMD Sensors 0603884C	392.9	392.9	271.1		
BMD Sensors Test	—	—	71.3		
Long-range Discrimination Radar	—	—	50.5		
BMD Enabling Programs 0603890C	410.9	398.2	410.9		
Special Programs 0603891C	310.3	295.3	310.3		
AEGIS BMD 0603892C	929.2	880.7	753.8		
AEGIS BMD Test			89.6		
Space Tracking & Surveillance System 0603893C	31.3	31.3	31.3		

<b>Program Element Title</b>	<b>FY2015 Request</b>	<b>House- Passed DOD Approps. Bill H.R. 4870</b>	<b>Senate Committee- Reported DOD Approps. Bill H.R. 4870</b>	<b>Conference Report</b>	<b>Notes</b>
<i>PE Number for R&amp;D projects</i>					
BMD System Space Programs 0603895C	6.4	6.4	6.4		
BMD Command and Control, Battle Management and Communications 0603896C	443.5	431.5	413.5		
BMD Joint Warfighter Support 0603898C	46.4	46.4	46.4		
Missile Defense Integration & Operations Center (MDIOC) 0603904C	58.5	58.5	58.5		
Regarding Trench 0603906C	16.2	16.2	16.2		
Sea-Based X-Band Radar (SBX) 0603907C	64.4	64.4	64.4		
Israeli Cooperative Programs 0603913C	96.8	268.8	270.6		House would add \$172 million to amount requested for three joint U.S.-Israeli missile defense programs. Senate would add \$174 million.
BMD Tests 0603914C	386.5	350.6	366.5		
BMD Targets 0603915C	485.3	446.8	465.3		

<b>Program Element Title</b>	<b>FY2015 Request</b>	<b>House- Passed DOD Approps. Bill H.R. 4870</b>	<b>Senate Committee- Reported DOD Approps. Bill H.R. 4870</b>	<b>Conference Report</b>	<b>Notes</b>
Land-based SM-3 <i>0604880C</i>	123.4	123.4	123.4		
Aegis SM-3 Block IIA Co- Development <i>0604881C</i>	263.7	263.7	283.7		
Cyber Security Initiative <i>0305103C</i>	1.0	1.0	1.0		
Management HQ-MDA <i>0901598C</i>	37.0	0.0	37.0		
<b>Subtotal, MDA RDT&amp;E</b>	<b>5,583.2</b>	<b>5,594.7</b>	<b>5,604.1</b>		
THAAD, Fielding	464.4	414.6	464.4		
AEGIS BMD long lead-time procurement	68.9	68.9	0.0		
Aegis BMD procurement	435.4	556.1	504.3		
AN/TPY-2 radar	48.1	48.1	88.1		
Aegis Ashore, Phase III	225.8	225.8	225.8		
Iron Dome	176.0	351.0	351.0		Both bills would add \$175 million, nearly doubling the request for procurement of the joint U.S.-Israeli Iron Dome system.
<b>Subtotal, MDA Procurement</b>	<b>1,418.6</b>	<b>1,664.4</b>	<b>1,633.6</b>		
THAAD, O&M	75.7	75.7	75.7		
BMD Mid-Course Defense O&M	146.2	146.2	146.2		
Aegis BMD O&M	11.7	11.7	11.7		
BMD Radars. O&M	183.0	183.0	170.0		

<b>Program Element Title</b>	<b>FY2015 Request</b>	<b>House- Passed DOD Approps. Bill H.R. 4870</b>	<b>Senate Committee- Reported DOD Approps. Bill H.R. 4870</b>	<b>Conference Report</b>	<b>Notes</b>
<i>PE Number for R&amp;D projects</i>					
MDA Mgmt. Headquarters	—	37.0	0.0		
(reduction, unjustified growth)	—	-1.4	0.0		
<b>Subtotal, MDA, O&amp;M</b>	<b>416.6</b>	<b>452.2</b>	<b>403.6</b>		
<b>Subtotal, MDA Military Construction (in H.R. 4486)</b>	<b>40.7</b>	<b>20.7</b>	<b>40.7</b>		
<b>Total, Missile Defense Agency</b>	<b>7,459.2</b>	<b>7,752.0</b>	<b>7,662.0</b>		

Source: H. Rept. 113-474, Report of the Committee on Appropriations to Accompany H.R. 4870, June 13, 2014; and S. Rept. 113-211, Department of Defense Appropriations Bill, 2015, July 17, 2014.

**Table A-4. FY2015 Authorization Action on Selected Ground Vehicles**  
(dollar amounts in millions)

	<b>FY2015 Request</b>			<b>House-passed Authorization H.R. 4435</b>			<b>Senate Committee- reported Authorization S. 2410</b>			<b>Conference Report</b>			<b>Notes</b>
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley mods	-	107.5	92.4	107.5	92.4	-	144.5	92.4					
M-1 Abrams tank mods	-	237.0	112.5	-	237.0	112.5	-	261.0	112.5				Senate would add \$24 million to request for routine modifications.
M-1 Abrams tank upgrade	-	0.0	—	-	120.0	—	-	0.0	—				House would add \$120 million for more extensive upgrades to electronics and engines.
Stryker Armored Vehicle and mods	-	424.8	90.2	-	474.8	90.2	-	424.8	90.2				

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Conference Report			Notes
Armored Multi-Purpose Vehicle	-	-	92.4	-	-	92.4	-	-	92.4				
Amphibious Combat Vehicle	-	-	105.7	-	-	190.8	-	-	105.7				
Joint Light Tactical Vehicle	183	172.1	57.2	183	172.1	57.2	183	172.1	57.2				
Paladin howitzer upgrade	18	247.4	83.3	18	247.4	83.3	18	247.4	83.3				
Hercules tank recovery vehicle and mods	15	52.5	—	15	124.4	—	15	126.4	—				

**Source:** H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

**Table A-5. FY2015 Appropriation Action on Selected Ground Combat Vehicles**

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R.F. 44870			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley mods	-	107.5	92.4	-	107.5	92.4	-	144.5	76.2				
M-1 Abrams tank mods	-	237.0	112.5	-	237.0	112.5	-	237.0	102.5				
M-1 Abrams tank upgrade	-	0.0	—	-	120.0	—	—	120.0	—				

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	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R.F. 44870			Conference Report	Notes
Stryker Armored Vehicle and mods	-	424.8	90.2	-	474.8	115.2	-	449.8	156.4		
Armored Multi-Purpose Vehicle	-	-	92.4	-	-	92.4	-	-	92.4		
Amphibious Combat Vehicle	-	-	105.7	-	-	105.7	-	-	105.7		
Joint Light Tactical Vehicle	183	172.1	57.2	183	172.1	55.2	183	172.1	57.2		
Paladin howitzer upgrade	18	247.4	83.3	18	247.4	83.3	18	247.4	71.3		
Hercules tank recovery vehicle and mods	15	52.5	—	40	122.5	—	15	126.4	—		

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**Source:** H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

**Table A-6. FY2015 Authorization Action on Selected Ship Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-71 Carrier	-	1,300.0	104.1	-	1,300.0	104.1	-	1,300.0	104.1				This amount is one increment of payment for an \$11.50 billion carrier slated for completion in 2023
Carrier Refueling and Overhaul (U.S.S. George Washington)	-	46.0 <i>(in O&amp;M funding)</i>	-	-	483.6 <i>(offset by cut of 46.0 in O&amp;M request)</i>	-	46.0 <i>(in O&amp;M funds) plus up to 650.0 million from prior budgets</i>	-					Senate would give Navy discretion to use for this purpose up to \$650 million previously appropriated for other purposes
Virginia-class submarine	2	5,883.6	72.7	2	5,883.6	72.7	2	5,883.6	72.7				
Virginia payload module	-	-	132.6	-	-	132.6	-	-	132.6				
Missile-launching Submarine - SSBN(X)	-	-	1,219.2	-	-	1,219.2	-	-	1,219.2				
DDG-1000 destroyer	-	419.5	202.5	-	365.5	202.5	-	419.5	202.5				
DDG-51 destroyer	2	2,805.4	-	2	2,805.4	-	2	2,805.4	-				
Air and Missile Defense Radar (AMDR)	-	-	144.7	-	-	144.7	-	-	144.7				
Destroyer modernization	-	338.6	189.1	-	338.6	189.1	-	338.6	189.1				
Littoral Combat Ship (LCS)	3	1,427.0	88.7	2	1,077.0	88.7	3	1,427.0	88.7				
LCS Combat Modules	-	141.9	196.9	-	141.9	196.9	-	141.9	196.9				

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Conference Report	Notes
LPD-17 amphibious landing transport	-	12.6	-	-	812.6	-	-	12.6 plus up to 650.0 million from prior budgets	-		House would add 800 million for incremental funding of a ship. Senate would give Navy discretion to use for this purpose up to \$650 million previously appropriated for other purposes
Joint High Speed Vessel	-	4.6	-	-	4.6	-	-	4.6	-		
Moored Training Ship	1	801.6	-	1	581.6	-	1	801.6	-		Conversion of 2 retired attack submarines into training platforms for naval nuclear reactor crews
Ship-to-shore Connector	2	123.2	67.8	2	123.2	67.8	2	123.2	67.8		Replacement for the LCAC air-cushion landing craft in service since the 1980s
LCAC rebuilding	2	40.5	-	2	40.5	-	4	85.5			Installation of more powerful engines and other improvements in the tank-carrying air-cushion landing craft currently in service
Completion of prior-year shipbuilding programs	-	1,007.3	-	-	1,007.3	-	-	1,007.3	-		More than three-fourths of this amount is to cover cost increases on a previously funded aircraft carrier (\$663 million) and a destroyer (\$129 million)

**Source:** H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

**Note:** In some cases, the procurement amount includes so-called “advance procurement” funds to buy long lead-time components slated for use in ships scheduled for full-funding in future budgets.

**Table A-7. FY2015 Appropriation Action on Selected Ship Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee-reported Appropriation H.R. 4870			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-71 Carrier	-	1,300.0	104.1	-	1,289.4	104.1	-	1,230.0	104.1				The request is for the FY2015 increment of payment for an \$11.50 billion carrier slated for completion in 2023.
Carrier Refueling and Overhaul	-	0.0	-	-	-	-	-	773.1	-				
Virginia-class submarine	2	5,883.6	72.7	2	5,809.0	87.7	2	5,883.6	72.7				
Virginia payload module	-	-	132.6	-	-	132.6	-	-	112.6				
Ballistic Missile Submarine SSBN(X)	-	-	1,182.8	-	-	1,182.8	-	-	1,186.8				
DDG-1000 destroyer	-	419.5	202.5	-	419.5	202.5	-	419.5	202.5				
DDG-51 destroyer	2	2,805.4	-	2	2,789.8	-	2	2,805.4	-				
Air and Missile Defense Radar (AMDR)	-	-	144.7	-	-	127.6	-	-	144.7				
cruiser modernization	-	-	189.1		540.0	179.1	-	-	189.1				
Destroyer modernization	-	338.6		-	324.2		-	338.6					

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R. 4870			Conference Report	Notes
Littoral Combat Ship (LCS)	3	1,427.0	88.7	2	951.4	86.7	3	1,507.0	88.7		
LCS Combat Modules	-	141.9	196.9	-		124.2	-	70.6	173.3		
LPD-17 amphibious landing transport	-	12.6	-	-	12.6	-	-	800.0	-		
Joint High Speed Vessel	-	4.6	-	-	0.0	-	1	200.0			
Moored Training Ship	1	801.6	-	1	801.6	-	1	801.6	-		Conversion of 2 retired attack submarines into training platforms for naval nuclear reactor crews
Ship-to-shore Connector	2	123.2	67.8	2	123.2	55.0	2	184.2	23.1		Replacement for the LCAC air-cushion landing craft in service since the 1980s
LCAC rebuilding	2	40.5	-	2	40.5	-	2	40.5	-		Installation of more powerful engines and other improvements in the tank-carrying air-cushion landing craft currently in service
Completion of prior-year shipbuilding programs	-	1,007.3	-	-	1,007.3	-	-	1,007.3	-		More than three-fourths of this amount is to cover cost increases on a previously funded aircraft carrier (\$663 million) and a destroyer (\$129 million)

**Source:** H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

**Note:** In some cases, the procurement amount includes so-called “advance procurement” funds to buy long lead-time components slated for use in ships scheduled for full-funding in future budgets.

**Table A-8. FY2015 Authorization Action on Selected Space and Communications Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Comm. Satellite	-	298.9	314.4	-	298.9	314.4	-	298.9	298.4				
GPS III Satellite System	1	292.4	512.4	1	292.4	512.4	1	292.4	512.4				R&D includes \$299.8 for satellite and \$212.6 for ground equipment
Evolved Expendable Launch Vehicle (EELV)	3	1,381.0	-	3	1,516.0	-	3	1,381.0	100.0				House bill adds \$135 million to increase the number of launches that would be competed
SBIRS High missile-detection satellite	-	450.9	319.5	-	450.9	319.5	-	450.9	311.5				
Space Fence	-	-	214.1	-	-	214.1	-	-	214.1				
WIN-T Army communications network	-	763.1	116.5	-	638.1	116.5	-	638.1	116.5				
JTRS tactical radio	-	175.7	6.9	-	125.7	6.9	-	87.7	6.9				
Consolidated Afloat Networks and Enterprise Services (CANES)	-	422.6	22.8	-	422.6	22.8	-	379.4	22.8				

**Source:** H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

**Table A-9. FY2015 Appropriation Action on Selected Space and Communications Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R. 4870			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Comm. Satellite	-	298.9	314.4	-	298.9	296.0	-	298.9	308.6				
GPS III Satellite System	1	292.4	512.3	1	374.6	512.3	1	368.0	512.3				
Evolved Expendable Launch Vehicle (EELV)	3	1,381.0	-	3	1,346.0	-	3	1,421.7	7.0				
Rocket Engine Development	-	-	-	-	-	220.0	-	-	-				
SBIRS High missile- detection satellite	-	450.9	319.5	-	444.9	309.5	-	450.9	319.5				
Space Fence	-	-	214.1	-	-	200.1	-	-	154.1				
WIN-T Army communications network	-	763.1	116.5	-	664.1	116.5	-	555.1	116.5				
JTRS tactical radio	-	175.7	6.9	-	125.7	6.9	-	40.7	6.9				
Consolidated Afloat Networks and Enterprise Services (CANES)	-	422.6	22.8	-	422.6	22.8	-	379.4	22.8				

**Source:** H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

**Table A-10. FY2015 Authorization Action on Selected Aircraft Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
<b>Fixed Wing Tactical Combat Aircraft</b>													
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	26	3,844.9	563.0	26	3,844.9	563.0	26	3,844.9	563.0				
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,344.3	513.0	6	1,344.3	513.0	6	1,344.3	513.0				
F-35C Joint Strike Fighter, Navy (Carrier-based version)	2	640.1	516.5	2	640.1	516.5	2	640.1	516.5				
F-35 Fighter Mods	-	494.1	43.7	-	494.1	43.7	-	494.1	43.7				
<b>[F-35 Joint Strike Fighter, total]</b>	34	6,323.4	1,592.5	34	6,323.4	1,592.5	34	6,323.4	1,592.5				
F-22 Fighter Mods	-	208.7	330.6	-	208.7	330.6		208.7	330.6				
F-15 Fighter Mods	-	387.3	330.9	-	387.3	315.4		387.3	311.4				
F-16 Fighter Mods	-	12.3	133.1	-	12.3	133.1		12.3	133.1				
EA-18G Electronic Warfare Acft.	-	43.7	18.7	5	493.5	18.7	-	68.5	18.7				
F/A-18 Fighter Mods	-	679.2	76.2	-	679.2	76.2	-	679.2	76.2				

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Conference Report	Notes
<b>Long-Range Strike Aircraft and Missiles</b>											
Long-Range Strike (Aircraft)	-	0.0	913.7	-	0.0	913.7	-	0.0	913.7		
B-1B Bomber Mods	-	140.3	5.4	-	140.3	5.4	-	140.3	5.4		
B-2A Bomber Mods	-	23.9	230.4	-	23.9	201.0	-	23.9	230.4		
B-52 Bomber Mods	-	180.1	55.5	-	180.1	55.5	-	180.1	55.5		
Trident II Missile Mods	-	1,190.5	96.9	-	1,190.5	96.9	-	1,190.5	96.9		
Conventional Prompt Global Strike	-	0.0	70.8	-	0.0	70.8	-	0.0	70.8		
<b>Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft</b>											
C-130 variants, including Mods	14	1,453.8	34.2	14	1,527.6	34.2	14	1,501.4	34.2		
C-5 Mods,	-	346.2	38.8	-	296.2	38.8	-	296.2	38.8		
C-17 Mods	-	127.5	83.8	-	127.5	83.8	-	127.5	83.8		
KC-46 tanker	7	1,582.7	776.9	6	1,356.6	776.9	7	1,582.7	776.9		
V-22 Osprey, including Mods	19	1,769.0	99.9	19	1,769.0	99.9	19	1,769.0	99.9		
<b>Fixed Wing Surveillance Aircraft</b>											
Next-Generation JSTARS	-	-	73.1	-	-	73.1	-	-	10.0		
P-8A Poseidon	8	2,051.8	308.0	8	2,051.8	323.0		2,051.8	308.0		
E-2D Hawkeye	4	1,045.6	193.2	4	1,045.6	193.2		1,045.6	193.2		

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Conference Report	Notes
E-3A AWACS Mods	-	160.3	180.8	-	160.3	180.8	-	160.3	180.8		
U-2 Mods	-	0.0	5.5	-	0.0	5.5	-	64.3	11.3		
<b>Unmanned Aerial Vehicles (UAVs) including mods.</b>											
Predator and Reaper	31	633.6	228.0	39	802.6	228.0	31	595.8	233.2		
Global Hawk	-	113.3	975.4	-	103.2	1,007.8	-	103.2	839.4		
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	403.0	-	-	200.0	-	-	493.0		
Fire Scout		49.4	47.3	-	49.4	47.3	-	49.4	47.3		
<b>Helicopters (including SOF)</b>											
UH-60 Blackhawk	79	1,372.1	65.2	85	1,372.1	65.2	87	1,517.1	65.2		
Blackhawk Mods	-	76.5	-	-	76.5	-	-	76.5	-		
AH-64 Apache Block III	25	651.3	124.1	25	651.3	124.1	25	651.3	124.1		
Apache Mods	-	181.9	-	-	181.9	-	-	181.9	-		
CH-47 Chinook	32	994.4	35.4	32	994.4	35.4	32	994.4	35.4		
Chinook Mods	-	54.3	-	-	54.3	-	-	54.3	-		
Light Utility Helicopter	55	416.6	-	55	416.6	—	90	612.6	-		
Huey/SuperCobra Upgrades	26	859.7	44.1	26	859.7	44.1	26	859.7	44.1		
MH-60R/S Seahawk	37	1,250.8	37.3	37	1,197.4	37.3	37	1,250.8	37.3		

	FY2015 Request			House-passed Authorization H.R. 4435		Senate Committee- reported Authorization S. 2410			Conference Report	Notes
CH-53K	-	-	573.3	-	-	-	-	573.3		
Presidential helicopter	-	-	388.1	-	-	-	-	388.1		

**Source:** H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. "Buck" McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

**Table A-11. FY2015 Appropriation Action on Selected Aircraft Programs**

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Conference Report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
<b>Fixed Wing Tactical Combat Aircraft</b>													
F-35A Joint Strike Fighter Air Force (conventional takeoff version)	26	3,844.9	563.0	28	4,068.9	563.0	26	3,622.9	568.0				
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,344.3	513.0	6	1,344.3	513.0	6	1,287.5	509.5				
F-35C Joint Strike Fighter, Navy (Carrier-based version)	2	640.1	516.5	4	995.1	516.5	2	623.0	512.9				
F-35 Fighter Mods	-	494.1	43.7	-	386.1	43.7	-	394.5	43.7				
<b>[F-35 Joint Strike Fighter, total]</b>	34	6,323.4	1,636.2	38	6,794.4	1,636.2	34	5,927.9	1,634.1				
F-22 Fighter Mods	-	208.7	330.6	-	208.7	325.0	-	180.2	308.3				
F-15 Fighter Mods	-	387.3	330.9	-	498.2	320.9	-	387.3	275.9				
F-16 Fighter Mods	-	12.3	133.1	-	9.0	133.1	-	12.3	133.1				
EA-18G Electronic Warfare Acft.	-	43.7	18.7	12	1,018.4	18.7	12	1,343.5	18.7				

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870		Conference Report	Notes
F/A-18 Fighter Mods	-	679.2	76.2	-	636.0	86.2	-	750.2	76.2	
<b>Long-Range Strike Aircraft and Missiles</b>										
Long-Range Strike (Aircraft)	-	0.0	913.7	-	0.0	913.7	-	0.0	913.7	
B-1B Bomber Mods	-	140.3	5.4	-	140.3	4.4	-	128.0	2.4	
B-2A Bomber Mods	-	23.9	230.3	-	24.4	204.3	-	23.9	210.3	
B-52 Bomber Mods	-	180.1	55.5	-	180.1	55.5	-	172.4	33.9	
Trident II Missile Mods	-	1,190.5	96.9	-	1,166.9	94.5	-	1,185.5	89.9	
Conventional Prompt Global Strike	-	0.0	70.8	-	0.0	90.8	-	0.0	95.8	
<b>Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft</b>										
C-130 variants, including Mods	14	1,738.6	34.2	14	1,611.5	34.2	15	1,777.0	26.9	
C-5 Mods,	-	346.2	38.8	-	346.2	38.8	-	240.9	38.8	
C-17 Mods	-	127.5	83.8	-	89.4	83.8	-	127.5	83.8	
KC-46 tanker	7	1,582.7	776.9	7	1,582.7	776.9	7	1,582.7	776.9	
V-22 Osprey, including Mods	19	1,769.0	99.9		1,770.9	92.9		1,762.3	99.9	
<b>Fixed Wing Surveillance Aircraft</b>										
Next Joint Stars	-	0.0	73.1	-	0.0	73.1	-	0.0	10.0	

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Conference Report	Notes
P-8A Poseidon	8	2,051.8	308.0	9	2,177.2	319.0	8	2,034.4	278.0		
E-2D Hawkeye	4	1,045.6	193.2	5	1,080.8	146.2	4	1,045.6	193.2		
E-3A AWACS Mods	-	160.3	180.8	-	191.3	180.8	-	191.3	180.8		
U-2	-	0.0	5.5	-	0.0	5.5	-	0.0	5.5		
<b>Unmanned Aerial Vehicles (UAVs) including mods.</b>											
Predator and Reaper including Mods	-	825.6	228.0	-	812.8	219.6	-	624.4	205.3		
Global Hawk	-	113.3	975.4	-	143.5	940.4	-	65.8	906.6		
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	403.0	-	-	403.0	-	-	403.0		
Fire Scout	-	90.3	47.3	-	48.4	43.3	-	119.4	47.3		
<b>Helicopters (including SOF)</b>											
UH-60 Blackhawk	79	1,372.2	65.2	87	1,508.2	65.2	79	1,373.4	48.4		
Blackhawk Mods	-	76.5	-	-	76.5	-	-	76.5	-		
AH-64 Apache Block III	25	651.3	124.1	28	729.3	124.1	25	723.3	90.1		
Apache Mods	-	181.9	-	-	181.9	-	-	181.9	-		
CH-47 Chinook	32	994.9	35.4	32	994.9	35.4	32	994.9	35.4		
Chinook Mods	-	54.3	-	-	54.3	-	-	54.3	-		

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Conference Report	Notes
Light Utility Helicopter	55	416.6	-	55	416.6	-	55	391.6	-		
Huey/SuperCobra Upgrades	26	889.7	44.1	27	872.4	44.1	26	880.4	44.1		
MH-60R/S Seahawk	37	1,250.8	37.3	37	1,165.2	34.3	37	1,224.5	37.3		
CH-53K	-	-	573.3	-	-	573.3	-	-	563.3		
Presidential helicopter	-	-	388.1	-	-	388.1	-	-	348.1		

**Source:** H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

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