

# Report for Congress

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## Appropriations for FY2003: Military Construction

Updated October 7, 2002

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Defense Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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# Appropriations for FY2003: Military Construction

## Summary

The military construction (MilCon) appropriations bill provides funding for (1) military construction projects in the United States and overseas; (2) military family housing operations and construction; (3) U.S. contributions to the NATO Security Investment Program; and (4) the bulk of base realignment and closure (BRAC) costs.

On February 4, 2002, the Administration submitted a \$379 billion FY2003 defense budget request. \$9.0 billion of this was designated for accounts falling within the jurisdiction of the Appropriations Committees' subcommittees on military construction. This request was approximately \$1.7 billion less than the amount appropriated for FY2002. The decrease resulted from a \$2.1 billion reduction in domestic military construction that was offset somewhat by increases for family housing and for building at military installations overseas. The Department of Defense justified the reduction by stating that some projects were being held in abeyance anticipating the FY2005 round of base realignments and closures (BRAC). To offset the \$2.1 billion decrease in construction, DOD increased its request for funds used to maintain and rehabilitate existing defense property (funded from accounts outside the military construction appropriation) by approximately \$677 million above the amount enacted in FY2002 (a section of this report discusses overall and specific account funding). \$4.2 billion of this year's request is devoted to military construction projects. According to the President's current national defense budget estimate, requests for these same accounts are expected to rise to \$12.7 billion by FY2007.

In a separate appropriation submission for the Defense Emergency Response Fund (DERF), the Administration requested an additional \$594 million (subsequently raised to \$717 million) in military construction budget authority. This report contains information on how this has been apportioned between the services. For the current status of DERF legislation, see CRS Report RL31305, *Authorization and Appropriations for FY2003: Defense*, by Stephen Daggett and Amy Belasco.

Authorization of military construction is included within the defense authorization bill. The House passed its version of the FY2003 defense authorization bill (H.R. 4546) on May 10. The Senate Armed Services Committee marked its authorization bill (S. 2514) and reported it on May 15. The Senate substituted the text of S. 2514, passed the amended bill, and appointed conferees on June 27, 2002. The House further amended the bill and appointed conferees on July 26. Conferees began meeting on September 5, 2002.

Military construction appropriations markup by the House Appropriations Committee occurred on June 24. The bill (H.R. 5011) was introduced on June 25 and passed on June 26. The Senate Appropriations Committee marked its version of the bill (S. 2709) on June 27. On July 17, the Senate substituted the language of S. 2709 for that of H.R. 5011, passed the amended bill on July 18 and appointed conferees. The House rejected the Senate amendment on September 10. Conferees are expected to meet during the week beginning October 7. This report will be updated frequently until the military construction appropriations bill is enacted.

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# Appropriations for FY2003: Military Construction

## Most Recent Developments

The President submitted his fiscal year 2003 budget request to Congress on February 4, 2002. The House Subcommittee on Military Construction forwarded its markup to the full Appropriations Committee on June 12, which completed its mark on June 24. The bill (H.R. 5011, H.Rept. 107-533) was introduced to the House on June 25. The bill was considered on June 27 and passed 426-1 (Roll No. 277). The Senate received the bill on June 28. The Senate Appropriations Committee marked its version of the bill (S. 2709, S.Rept. 107-202) on June 27. This bill was reported on July 3. The Senate substituted the text of S. 2709 and passed the amended H.R. 5011 on July 18 (96-3), appointed conferees, and informed the House of its action. The House rejected the Senate amendment on September 10, 2002, and appointed conferees. Conferees are expected to meet during the week beginning October 7.

Defense authorization legislation (H.R. 4546) cleared the House Committee on Armed Services and was passed by recorded vote (359-58) on May 10.<sup>1</sup> It was received by the Senate on May 14. Equivalent authorization legislation (S. 2514) was marked up by the Senate Committee on the Armed Services on May 9 and reported with additional and minority views on May 15 (S.Rept. 107-151). S. 2514 was debated and amended in the Senate between June 19 and June 27, when it was passed with amendments 97-2 (Record Vote No. 165). Its text was incorporated into H.R. 4546 as an amendment, passed by unanimous consent. On July 25, the House amended the Senate amendment and appointed conferees. The next day, the Senate disagreed to the amendment and appointed conferees. The conferees met on September 5 and are scheduled to continue meeting on September 11 through 13.

## Background

### Content of Annual Military Construction Appropriations and Defense Authorization Bills

The Department of Defense (DOD) manages the world's largest dedicated infrastructure, covering more than 40,000 square miles of land and a physical plant worth more than \$500 billion. The military construction appropriations bill provides

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<sup>1</sup> A companion bill, H.R. 4547, authorizing the \$10.0 billion incremental funding for ongoing operations in the war on terrorism (the "war reserve fund") specified in H.Con.Res. 353 remains in committee awaiting a specific and detailed administration budget request.

a large part of the funding to enhance and maintain this infrastructure. The bill funds construction projects and some of the facility sustainment, restoration and modernization of the active Army, Navy and Marine Corps, Air Force, and their reserve components;<sup>2</sup> additional defense-wide construction; U.S. contributions to the NATO Security Investment Program (formerly known as the NATO Infrastructure Program);<sup>3</sup> and military family housing operations and construction. The bill also provides funding for the Base Realignment and Closure (BRAC) account, which finances most base realignment and closure costs, including construction of new facilities for transferred personnel and functions and environmental cleanup at closing sites.<sup>4</sup>

The military construction appropriations bill is one of several annual pieces of legislation that provide funding for national defense. Other major appropriation legislation includes the defense appropriations bill, which provides funds for all non-construction military activities of the Department of Defense and constitutes more than 90% of national security-related spending, and the energy and water development appropriations bill, which provides funding for atomic energy defense activities of the Department of Energy and for civil projects carried out by the U.S. Army Corps of Engineers. Two other appropriations bills, VA-HUD-Independent Agencies and Commerce-Justice-State, also include small amounts for national defense.<sup>5</sup>

No funds may be expended by any agency of the federal government before they are appropriated.<sup>6</sup> In addition, for nearly half a century Congress has forbidden the Department of Defense to obligate funds for any project or program until specific

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<sup>2</sup> Facility sustainment, restoration, and modernization (SRM) includes the repair and maintenance of buildings, structures, warehouses, roadways, runways, aprons, railway tracks, utility plants, and their associated distribution systems, plus minor construction (cost not to exceed \$500 thousand) to create new facilities or expand, alter, or convert existing facilities. A large part of the funding dedicated to the SRM function is requested not as part of the military construction appropriation, but rather as part of the Operations and Maintenance account within the annual defense appropriation.

<sup>3</sup> The NATO Security Investment program is the U.S. contribution to Alliance funds for the construction of facilities and the procurement of equipment essential to the wartime support of operational forces in the common defense of the NATO area. Facilities funded by this program include airfields, naval bases, signal and telecom installations, pipelines, war headquarters, as well as early warning radar and missile installations. The U.S. contributes approximately 25% of the total annual NSIP assessment, with the rest coming from the other members of the North Atlantic Alliance.

<sup>4</sup> Virtually all costs associated with the latest completed BRAC round (that of FY1995) have been funded. The bulk of current BRAC appropriations (before the next round commences in FY2005) will be dedicated to environmental remediation of closed military installations.

<sup>5</sup> See CRS Report RL31005, *Appropriations and Authorization for FY2002: Defense*, by Amy Belasco, Mary Tyszkiewicz, and Stephen Daggett, for details on the defense authorization and appropriation process.

<sup>6</sup> Article I, Section 9, Clause 7 of the U.S. Constitution.

authorization is granted.<sup>7</sup> This explains why, for defense funds, both authorization and appropriations bills are required. Two separate defense appropriations bills are written annually, a “Military Construction Appropriations Act” dedicated to military construction, and a “National Defense Appropriations Act” covering all other defense appropriations.<sup>8</sup> Normally only one “National Defense Authorization Act” is passed each year to authorize both of these appropriations.<sup>9</sup> Therefore, major debates over defense policy and funding issues, including military construction, can be associated with any of these bills. Because issues in the defense authorization and appropriations bills intertwine, this report includes salient parts of the authorization bill in its discussion of the military construction appropriation process.

The separate military construction appropriations bill dates to the late 1950s. Traditionally, military construction was funded through annual defense or supplemental appropriations bills. However, the Korean War prompted a surge of military construction, followed by a steady increase in military construction appropriations. Given the strong and enduring security threat posed by the Soviet Union, a relatively high level of spending on military infrastructure appeared likely to continue. The appropriations committees established military construction subcommittees and created a separate military construction bill. The first stand-alone military construction bill was written for FY1959 (P.L. 85-852).

Military construction appropriations are not the sole source of funds available to defense agencies for facility investment. The defense appropriations bill funds so-called minor construction and property maintenance within its operations and maintenance accounts. In addition, construction and maintenance of Morale, Welfare, and Recreation-related facilities are partially funded through proceeds of commissaries, recreation user fees, and other non-appropriated income.

Several special accounts are included within the military construction appropriation. Among these are the Homeowners Assistance Fund (Defense),<sup>10</sup> and

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<sup>7</sup> See 10 USC 114.

<sup>8</sup> The relevant subcommittees of the House and Senate Appropriations Committees are Military Construction (for the military construction appropriation) and Defense (for the national defense appropriation).

<sup>9</sup> The Subcommittee on Military Installations and Facilities in the House Armed Services Committee and the Subcommittee on Readiness and Management Support in the Senate Armed Services Committee draft legislation to authorize military construction appropriations.

<sup>10</sup> The Homeowners Assistance Fund (Defense) was established by the Demonstration Cities and Metropolitan Development Act of 1966 (42 USC 3374). It authorizes the Secretary of Defense to acquire the title to, or to reimburse for certain losses upon the sale of, one- and two-family homes owned by federal employees located at or near military installations ordered closed in whole or in part.

the Department of Defense Family Housing Improvement Fund,<sup>11</sup> both of which perform functions ancillary to the direct building of military infrastructure.

Most funds appropriated by Congress each year must be obligated in that fiscal year. Military construction appropriations, though, are an exception. Because of the long-term nature of construction projects, these funds can generally be obligated for up to five fiscal years.

Consideration of the military construction budget begins when the President's budget is delivered to Congress each year, usually in early February. This year, the President submitted his budget request on February 4, 2002.

## Status of Ongoing Initiatives

**Elective Quality of Life Construction.** In recent years, attention has been focused on funding improvements to military housing, workplaces, and installation infrastructure (such as roads, utility services, and the like). Subcommittee hearings during previous congressional sessions contained lengthy discussions of the leveraging of appropriated funds through the privatization of utility services at military installations and of some military family housing.<sup>12</sup> Subcommittees have also addressed the allocation of sufficient budget authority to support improved housing and workplace quality at overseas bases.

During the mid-1990s, the Department of Defense evaluated more than half of its existing family housing as being substandard. In 1996, then-Secretary of Defense William Cohen set FY2010 as the target date for the elimination of all substandard military housing. Private development was seen as a way to speed refurbishment or replacement while concurrently reducing the burden on appropriated funds, and Congress authorized DOD to use a set of "alternative" business practices in its negotiations with private contractors, to include the creation of long-term public-private joint ventures at locations where they might prove beneficial.

Since 1996, when the first agreement was concluded at Naval Air Station Corpus Christi/Naval Air Station Kingsville, Texas, contracts for sixteen separate

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<sup>11</sup> 10 USC 2883 (Department of Defense Housing Funds) is part of subchapter IV (Alternative Authority for Acquisition and Improvement of Military Housing) of the basic law governing the armed forces. It establishes two independent funds: the Department of Defense Family Housing Improvement Fund and the Department of Defense Military Unaccompanied Housing Improvement Fund (unaccompanied members of the military are either unmarried or are married but separated geographically from their families). The funds are sustained by direct appropriation, fund transfers made by the Secretary of Defense or the Secretary of the Navy from other accounts, proceeds from certain title conveyances or the lease of federal military family housing property, or other financial activity associated with either military family or unaccompanied housing. These funds may be used for the planning, construction, or improvement of military housing as provided for under this particular subchapter of Title 10.

<sup>12</sup> CRS Report RL31039, *Military Housing Privatization Initiative: Background and Issues for Congress*, by Daniel H. Else, provides a background to the military's housing privatization program.

projects have been awarded under this “Military Housing Privatization Initiative.” These range in size from 150 housing units in Phase II of the venture at Naval Air Station Kingsville, Texas, to 5,912 units at Fort Hood, Texas. Projects covering 24,518 housing units are now underway at installations operated by all four military services. An additional 41,503 units in 26 projects are currently pending solicitation, and another 32 projects with 54,193 units are being planned.<sup>13</sup> DOD is exploring ways to extend the privatization program to include the improvement of some unaccompanied housing.<sup>14</sup>

In 1996, DOD set a target of FY2010 for the elimination of all substandard military housing. With recent increases in budget authority appropriated by Congress, DOD has revised this target date to bring it forward to FY2007. The FY2003 budget authority request of \$4.25 billion for military family housing exceeds the FY2002 enactment by \$151 million.

DOD also created a Defense Reform Initiative (DRI) during the 1990s in order to remove itself from ownership, management, and responsibility for the operation of the public utilities at as many military bases as feasible.<sup>15</sup> Congress authorized the service secretaries to do this by conveying these utilities to private ownership by a local utility company or other entity.<sup>16</sup> The award of privatization contracts is expected to be completed by September 30, 2003.<sup>17</sup>

Integrated with quality of life construction is the consolidation of overseas military facilities. By reducing the number of small installations and combining personnel onto fewer large bases, DOD expects to improve living and working conditions for those stationed overseas through more efficient utilization of its funds. Consolidation agreements have been concluded with both the Federal Republic of Germany and the Republic of Korea. The commander of U.S. forces in Europe has requested funds for three construction projects to increase the capacity of the U.S. installation at Grafenwoehr, Germany. “Graf” is expected to accept personnel from 13 separate smaller facilities that will be closed as part of the command’s “Efficient Basing East” plan. A similar program, called the “Land Partnership Plan,” has been negotiated between the commander of U.S. forces in Korea and the government of

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<sup>13</sup> Information on the privatization of military housing is found on the World Wide Web at [<http://www.defenselink.mil/acq/installation/hrso/>].

<sup>14</sup> Unaccompanied housing is also referred to as bachelor officer or enlisted quarters, barracks, etc. It lodges unmarried or geographically separated military personnel who live on military installations.

<sup>15</sup> These include electric, water, waste water, and natural gas, as well as steam, hot and chilled water, and telecommunications systems at active duty, reserve, and National Guard installations. Privatization is not contemplated for locations where it is economically infeasible or where privatization may create a risk to security.

<sup>16</sup> See 10 USC 2688.

<sup>17</sup> More information on the privatization of utilities at U.S. military installations is available on the Internet at [<http://www.acq.osd.mil/ie/utilities/privatization.htm>].

the Republic of Korea.<sup>18</sup> This 10-year plan will close approximately half of the U.S. facilities currently located in South Korea and consolidate U.S. military personnel onto the remaining installations, which will be upgraded to accept them.

**Environmental Remediation on Closed Military Bases.** Through legislation passed during its first session, the 107<sup>th</sup> Congress authorized a new round of military base realignments and closures (BRAC). Criteria to select bases for inclusion in the new BRAC will be created and members will be appointed to a BRAC review commission during FY2003, with realignment and closure action scheduled to begin during FY2005.<sup>19</sup>

A significant portion of the federal property at closed installations during the 1995 BRAC round has been cleaned under the Defense Environmental Restoration Program (DERP) and title has been transferred, but the process is not yet complete. For example, the 1995 BRAC round tasked the Department of the Army with closing and conveying title to approximately 248,800 acres of Army property. As of February, 2002, the Army had disposed of 115,000 acres, or 46% of its total. Department of the Army has cited environmental remediation requirements as the principal reason that more property had not been conveyed.<sup>20</sup> DOD maintains as its goal the transfer of all 1995 BRAC property before beginning the 2005 round and has requested \$545 million in FY2003 BRAC funds.<sup>21</sup>

The President requested \$545.1 million in BRAC funding for FY2003, which the House passed. The Senate Appropriations Committee has recommended that an additional \$100.0 million be appropriated in a BRAC Environmental Cleanup Acceleration Initiative in order to speed the transfer of ownership of former military property to local authorities. Of this additional funding, \$20 million is to be allocated to the Army, \$55 million to the Navy, and \$25 million to the Air Force for their use at the most pressing unfunded environmental cleanup sites.

**Efficient Facilities Initiative.** On August 3, 2001, the General Counsel of Department of Defense submitted legislative language to Congress for a program termed the "Efficient Facilities Initiative," or EFI. The EFI included DOD's plan for a round of base realignments and closures during FY2003 and the permanent authorization and expansion to all services of the Brooks Air Force Base

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<sup>18</sup> See Franklin Fisher, "With Accord Signed, Planners Get To Work On Details Of S. Korea Land Return," *Pacific Stars and Stripes*, April 16, 2002.

<sup>19</sup> See CRS Report RL30051, *Military Base Closures: Time for Another Round?*, by David E. Lockwood, and CRS Report RL30440, *Military Base Closures: Where Do We Stand?*, by David E. Lockwood, for more information on the FY2005 BRAC round.

<sup>20</sup> See the testimony of Gen. Robert van Antwerp, Assistant Chief of Staff of the Army for Fort Installation Management before the House Committee on Appropriations Subcommittee on Military Construction of February 17, 2002.

<sup>21</sup> For more information on defense-related environmental programs, see CRS Report RL31198, *Defense Cleanup and Environmental Programs: Authorization and Appropriations for FY2002*, by David M. Bearden. DOD maintains a web site with extensive additional information on its environmental cleanup efforts at [<http://www.dtic.mil/envirodod/COOffice/CleanupO.htm>].

Development Demonstration Project.<sup>22</sup> This language would have granted the service secretaries the authority to convey title to some or all of the federal property on a military installation to a non-federal entity (such as a local economic development authority) with the intention of leasing back only those facilities needed to support the base's military mission.

Congress incorporated the authority for both base realignment and closure and the EFI in the National Defense Authorization Act for FY2002 (S.1438, P.L. 107-107). Title XXX of the Act established the procedure for carrying out a FY2005 (vice FY2003) BRAC round. Section 2813, instead of granting the requested permanent authority for conveyance and lease-back, permitted the three service secretaries to nominate two military installations in each military department for a 4-year pilot project aimed at determining its potential for increasing the efficiency and effectiveness of operations. To date, no facilities have been nominated for the pilot project.

## Bill Status

**Table 1** shows the key legislative steps necessary for the enactment of the FY2003 military construction appropriations. It will be updated as the appropriation process moves forward.

**Table 1. Status of Military Construction Appropriations, FY2003**

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
06/24/02	06/27/02	H.Rept. 107-533	06/27/02	S.Rept. 107-202	07/18/02	—	—	—	—

Dashes indicate no action yet taken.

## Appropriations Action

**House Appropriations Action.** The House Subcommittee on Military Appropriations held a series of hearings on the budget request dealing with the construction and family housing requirements of the individual services, both active and reserve components, and the European and Pacific commands between February 6 and April 17, 2002. The Subcommittee marked its bill June 12, and the full Committee followed on June 24. The bill (H.R. 5011, H.Rept 107-533) was introduced on June 25, and the Rules Committee introduced a rule (H.Res. 462) on June 26. H.R. 5011 was considered, amended, and passed on a vote of 426-1 (Roll No. 277) on June 27, 2002. The bill was received in the Senate on June 28.

<sup>22</sup> A fuller description of the Brooks Demonstration Project is given in CRS Report RL31010, *Appropriations for FY2002: Military Construction*, by Daniel H. Else.

**Senate Appropriations Action.** The Senate Committee on Appropriations Subcommittee on Military Construction held hearings during March. Committee markup on its version of the bill was completed on June 27, 2002. The bill (S. 2709, S.Rept. 107-202) was reported on July 3 and placed on the Legislative Calendar under General Orders (Order No. 479). The bill was read twice in the Senate and placed on the Legislative Calendar under General Orders on July 8, 2002 (Calendar No. 486). On July 17, the Senate substituted the language of S. 2709 for that of H.R. 5011. The Senate passed the amended H.R. 5011 (96-3, Roll No. 181) in lieu of S. 2709 and appointed conferees on July 18, 2002.

**Conference Action.** Senate conferees have been appointed.

## Key Policy Issues

Several issues regarding military construction have gained visibility during the legislative deliberations of the current session of Congress. Among these are: overall and specific account funding levels requested by the Administration; congressional additions to the military construction budget request; military housing (including the encouragement of private sector financing of housing construction and maintenance); and funding requested through the Defense Emergency Response Fund.

**Overall and Specific Account Funding Levels.** The FY2003 budget submitted by the President on February 4, 2002, requested \$8.987 billion in new budget authority, an amount \$1.62 billion below the 2002 enactment. Subsequent additional requests included in the Defense Emergency Response Fund (DERF) raised the total request to \$9.578 billion in time for House consideration of its bill. An additional \$122.5 million in Army DERF requests was later received by Congress and will be considered by the Senate. This raises the total Presidential budget request for FY2003 to \$9.66 billion. The Senate is also expected to consider a \$200 million Army and Air Force Transformation Initiative intended to appropriate a funding pool to accelerate the creation of infrastructure to support the Army's Interim Brigade Combat Team and Air Force C-17 aircraft mobility programs. This and the upward adjustment of BRAC environmental cleanup funding was not reckoned with by the House. The Senate Appropriations Committee has recommended a total of \$10.62 billion in new military construction budget authority for FY2003.

Within the overall military construction appropriation, there was a substantial change in how budget authority was allocated between the FY2002 enactment, the FY2003 request, and the bills as passed by the House and the Senate as reflected in **Table 2**.

Increases in budget authority are evident in the construction and renovation of military family housing both within the United States and at overseas installations, offset somewhat by a reduction in the unspecified location accounts devoted to maintenance, management, provision of utilities, etc. Likewise, there is an increase in funding requested for general military construction overseas, reflecting a DOD effort to increase the quality of life in the workplace for military personnel stationed there.

The most noticeable reduction in budget authority is seen in domestic military construction. **Table 3** compares military construction budget authority between FY2002 and FY2003 for military construction projects located within the United States, divided between the active duty and reserve (National Guard and federal reserves) components.

**Table 2. Budget Authority by Location**  
(\$000)

	<b>FY2002 Enacted</b>	<b>FY2003 Request <sup>a</sup></b>	<b>House Passed <sup>a</sup></b>	<b>Senate Passed <sup>a</sup></b>
Military Construction, Domestic	4,700,849	3,189,151	3,555,398	3,742,568
Military Construction, Overseas	692,480	988,390	955,568	970,700
Military Construction, Location Unspecified <sup>a</sup>	556,377	611,204	569,261	904,147
<b>Total Military Construction</b>	<b>5,949,706</b>	<b>4,788,745</b>	<b>5,080,227</b>	<b>5,617,415</b>
Family Housing, Domestic	321,202	603,639	622,569	603,639
Family Housing, Overseas	28,112	71,122	69,890	69,400
Family Housing, Location Unspecified <sup>a</sup>	3,682,713	3,578,433	3,578,433	3,578,433
<b>Total Family Housing</b>	<b>4,032,027</b>	<b>4,253,194</b>	<b>4,270,892</b>	<b>4,251,472</b>
Total, Domestic	5,022,051	3,792,790	4,177,967	4,346,207
Total, Overseas	720,592	1,059,512	1,025,458	1,040,100
Total, Location Unspecified <sup>b</sup>	4,239,090	4,189,637	4,147,694	4,482,580
Defense-Wide Special Accounts <sup>c</sup>	807,295	715,338	715,338	815,338
<b>Grand Total</b>	<b>10,789,028</b>	<b>9,757,277</b>	<b>10,066,457</b>	<b>10,684,225</b>

**Sources:** Calculated by project from DOD Comptroller, *Construction Programs (C-1)*, *Department of Defense Budget, Fiscal Year 2003*, February 2002, H.Rept. 107-323, and S.Rept. 107-202.

- a. These figures include the additional requests of the FY2003 DERF as considered by the House and Senate, respectively, but do not deduct recisions recommended by committees. They do not include the four projects included in a floor amendment made prior to Senate passage.
- b. Examples of location unspecified projects are energy conservation funding, some major and minor construction projects, and classified projects for military construction; and maintenance, furnishings and utilities accounts for family housing, among others.
- c. Special accounts include BRAC, the NATO Security Investment Fund, the Homeowners Assistance Fund, Defense, and the DOD Family Housing Improvement Fund.

**Table 3. Domestic Military Construction,  
Active Duty and Reserves**  
(\$000)

	FY2002 Enacted	FY2003 Request <sup>a</sup>	Change
Military Construction, Active Duty	3,878,692	2,372,175	-1,506,517
Military Construction, National Guard and Reserve	822,157	231,154	-591,003
<b>Total, Active and Reserve</b>	<b>4,700,849</b>	<b>2,603,329</b>	<b>-2,097,520</b>

**Source:** DOD Comptroller, *Construction Programs (C-1), Department of Defense Budget, Fiscal Year 2003*, February 2002.

a. These figures *do not* include the additional funds requested for the FY2003 DERF.

These figures represent decreases of 38.8% in active duty and 71.9% in reserve construction funding between FY2002 and FY2003. Secretary of Defense Donald Rumsfeld and DOD Comptroller Dov Zakheim stated in a press briefing on February 4, 2002, that they expected a 20 to 25 percent reduction in military bases during the FY2005 BRAC round and anticipated this with a reduced construction request.<sup>23</sup> This decrease in construction was to be offset by an increase in sustainment funds.<sup>24</sup> **Table 4** compares the DOD sustainment funds requested for FY2003 with those actually expended in FY2001 and appropriated for FY2002.<sup>25</sup>

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<sup>23</sup> See Political Transcripts, "Secretary Rumsfeld and Comptroller Zakheim Hold a Briefing on the FY 2003 Defense Budget." *Federal Document Clearing House*, February 4, 2002, or at [[http://www.defenselink.mil/news/Feb2002/t02042002\\_t0204sd.html](http://www.defenselink.mil/news/Feb2002/t02042002_t0204sd.html)]. The additional force protection and anti-terrorism funding requested for the DERF raised the total military construction request for active duty components to \$4.262 billion and for the reserves to \$319 million.

<sup>24</sup> Sustainment includes the maintenance, restoration, and modernization of existing structures and is part of the operations and maintenance budget activity of the defense budget. It therefore falls within the jurisdiction of the Appropriations Committees' Subcommittees on Defense, not Military Construction.

<sup>25</sup> Operations & Maintenance funds are tracked as "total obligational authority" (TOA). TOA is an accounting term unique to DOD and equals appropriated budget authority adjusted to include credits (transfers) from other accounts and funds left unused from prior years. See CRS Report RL30002, *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett, for a more comprehensive explanation of defense budget terms.

**Table 4. Sustainment Funding Trend, FY2001-FY2003**  
(Current \$000)

	<b>FY2001 Actual</b>	<b>FY2002 Estimate</b>	<b>FY2003 Request*</b>
<b>Total Sustainment</b>	5,543,955	5,810,492	6,487,642
<b>Change from previous year</b>		266,537	677,150

\* These figures *do not* include additional funds requested for the FY2003 DERF.

**Source:** DOD Comptroller, *Operation and Maintenance Programs (O-1): Department of Defense Budget for Fiscal Year 2003*, February 2002.

**Note:** Total Obligational Authority (TOA). Sustainment includes all DOD facilities sustainment, restoration, and modernization (FSRM) accounts.

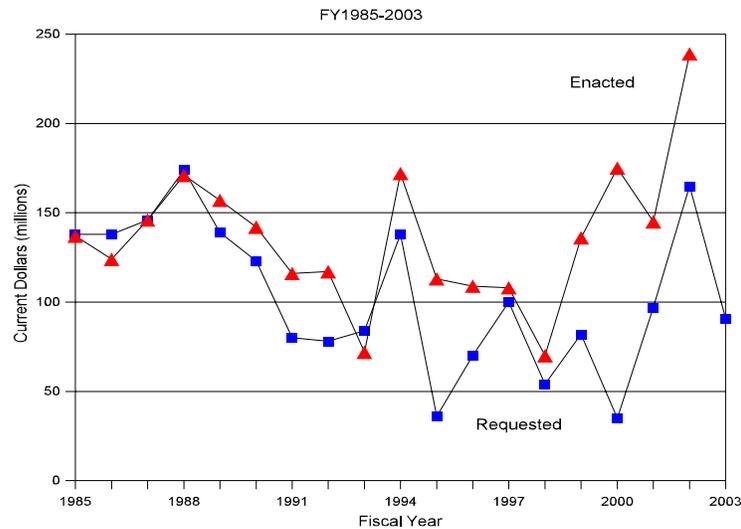
The table shows that sustainment funding rose \$267 million between FY2001 and FY2002. If the same rate of increase (4.8%) occurred between FY2002 and FY2003, DOD would have been expected to request \$6.089 billion. Instead, DOD requested \$6.488 billion, or approximately \$398 million beyond the normal expectation. This increase may be considered to constitute the substantive additional funds devoted to maintaining existing property.

In addition, some Members have deemed DOD funding requests for the Army National Guard, the Air National Guard, and the federal reserves particularly inadequate.<sup>26</sup> Until the late 1980s, the amount of military construction funding appropriated by Congress for the Guard and Reserve rose steadily, closely matching the amounts requested by DOD. For FY1989, though, the Administration began to decrease its requests for Guard and Reserve construction. Congress responded by appropriating funds in excess of the request (see **Figure 1**). Senator Christopher Bond commented during floor debate on FY1996 military construction appropriations that “National Guard forces traditionally have been underfunded” in construction requests submitted by the Pentagon.<sup>27</sup> Since FY1989, Congress has consistently appropriated more than the Administration request, and the gap between request and enactment has grown considerably. The House, after including the DERF request, passed an appropriation for Guard and Reserve construction \$210 million above that asked for by the Administration. The Senate Appropriations Committee recommended adding \$290 million to the Administration’s Guard and Reserve construction request.

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<sup>26</sup> Senator Dianne Feinstein, in questioning the Deputy Director of the Army National Guard at a military construction hearing, remarked, “Many people believe that [deliberate underfunding is] the game that is played in this institution with this particular budget, that they really look at the Congress to kind of plus it up after it’s been requested.” See the Senate Committee on Appropriations Subcommittee on Military Construction hearing of March 5, 2002. The Army, Navy, Air Force, and Marine Corps Reserves are permanently under the control of the Department of Defense. The Army and Air National Guards are state-controlled organizations until such time as they are called into federal service.

<sup>27</sup> *Congressional Record*, July 21, 1995, S10454.

**Figure 1. Guard and Reserve Funding**

Source: Department of Defense, *Financial Summary Tables*, successive years

**Military Housing.** Military housing for both families and unaccompanied has been a highly visible military construction issue for several years. In the mid 1990s, then-Secretary of Defense William Cohen announced a goal of the elimination of substandard military housing by 2010. He proposed to do this using an increase in traditional DOD-funded construction and renovation, plus less orthodox methods such as partnering with private enterprise to build and maintain housing and increasing the military Basic Allowance for Housing (BAH) to cover the cost of off-base housing.<sup>28</sup> At the present time, approximately one-third of military families live in government-owned housing.

At the outset of the effort, DOD estimated that more than half of existing military family housing did not meet its own minimum housing standards with respect to living space, amenities, etc. In addition, BAH compensation covered only 85% of the cost (accommodation and utilities) of living off-base. DOD and Congress then initiated several programs to encourage private investment and to increase funding of traditional housing construction for both families and unaccompanied members, and to increase the percentage of off-base housing costs covered by military allowances. DOD now estimates that substandard housing will disappear for all military members and their families by 2007 and that out-of-pocket expenses associated with living on the local economy will be eliminated by 2005.<sup>29</sup>

<sup>28</sup> For a description of the privatization of military family housing, see CRS Report RL31039, *Military Housing Privatization Initiative: Background and Issues*, by Daniel H. Else. The Basic Allowance for Housing (BAH) is money added to a military member's base pay when he or she is authorized to live outside of government-furnished quarters, or "off-base." The domicile is usually established in a privately-owned apartment or house rented or purchased on the local economy.

<sup>29</sup> The calculated BAH shortfall is being reduced incrementally in annual budget requests (continued...)

Because improvement and expansion of adequate housing on military installations may encourage the movement of significant numbers of military families onto bases, some members have expressed concern that local school districts serving large military communities may find their facility and personnel plans unexpectedly disrupted. Language included in the House report for the Bob Stump National Defense Authorization Act (H.Rept. 107-436 accompanying H.R. 4546) directs DOD to report by March 1, 2003, on the situations at three Army and Air Force installations (Ft. Bragg, North Carolina, Ft. Hood, Texas, and Lackland Air Force Base, Texas) where large housing privatization projects are underway.<sup>30</sup>

**Defense Emergency Response Fund.** The Administration defense budget request for operations and maintenance (considered part of the defense appropriation, not the military construction appropriation) contained a single new entry for \$20.1 billion entitled the Defense Emergency Response Fund (DERF).<sup>31</sup> This is intended for use by DOD to respond to or protect against acts of terrorism. The request contained detailed justification for \$10.1 billion, or about half of the total request, of which DOD identified approximately \$594 million as appropriate for consideration as military construction to enhance physical security at military installations.<sup>32</sup> The DERF is a transfer fund, which is used to shift appropriations between accounts without adherence to normal congressional reprogramming or notification requirements. The House Appropriations Committee considered \$594 million of the DERF to be part of the Administration's military construction appropriation request and added it to the suitable appropriations accounts. Too late for House consideration, the Administration forwarded an additional Army DERF request for \$122.5 million. This will be considered by the Senate. The DERF request, the appropriations bill as passed by the House, and the subsequent Senate Committee recommendation, are shown in **Table 5**.

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<sup>29</sup> (...continued)

in order to eliminate service members' out-of-pocket housing and utility costs by 2005.

<sup>30</sup> See Title XXXVIII—General Provisions, Items of Special Interest, p. 383.

<sup>31</sup> Like facility sustainment, renovation, and modernization accounts, the DERF is part of the defense appropriation. The \$20.1 billion requested for the DERF is not included in the budgetary analyses in this report. The DERF itself was created as a "transfer fund," which means its function is to act as an accounting vehicle for redistributing sums from one account to another. Therefore, it normally does not receive its own appropriation. See CRS Report RL31187, *Terrorism Funding: Congressional Debate on Emergency Supplemental Allocations*, by Amy Belasco and Larry Q. Nowels, and CRS Report RL31305, *Authorization and Appropriations for FY2003: Defense*, by Stephen Daggett and Amy Belasco.

<sup>32</sup> The remaining \$10.0 billion of the request was not accompanied by detailed justification. This was funding designated by the Budget Resolution for FY2003 (H.Con.Res. 353) as a "war reserve fund" to support ongoing military operations in and around Afghanistan. A second defense authorization bill (H.R. 4547, see below under *Legislation, Defense Authorization*) has been created to accommodate an anticipated detailed budget request for this \$10.0 billion war reserve.

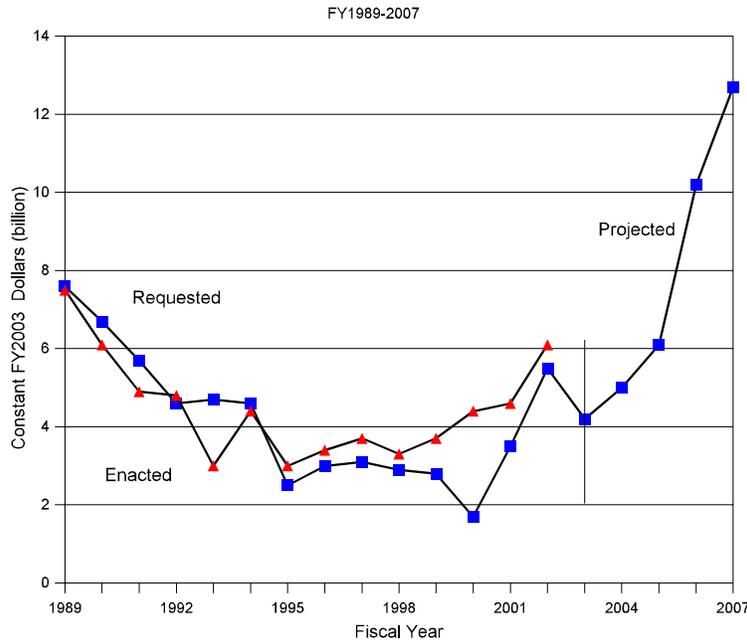
**Table 5. DERF Military Construction Allocation by Account**  
(\$000)

Account	Request*	House Passed	Senate recommend
Army	222,465	100,000	222,465
Navy	220,730	209,430	220,730
Air Force	190,597	180,597	188,297
Defense-Wide	31,300	24,700	31,300
Air National Guard	8,933	8,933	8,933
Naval Reserve	7,117	7,117	7,117
Air Force Reserve	6,076	6,076	3,576
Family Housing O&M, Air Force	29,631	29,631	29,631
<b>TOTAL</b>	<b>716,849</b>	<b>566,484</b>	<b>712,049</b>

\* As reported by the Senate Committee on Appropriations in S.Rept. 107-202. The House did not consider a late submission of \$122.5 million by the Army.

## Major Funding Trends

Between FY1985 and FY1998, funding devoted to military construction declined steadily as DOD and Congress struggled with a changing strategic environment, a shrinking military force, and the uncertainties associated with several rounds of base realignments and closures. Appropriations began to rise with FY1998 as Congress sought to replace outdated facilities and improve the quality of life for military personnel at home and in the workplace. Administration requests for military construction funding (not including BRAC and family housing) continued to decline until FY2000, but have risen for FY2001 and 2002. The request for FY2003 dips, but DOD projects that its annual construction requests will approximately triple between FY2003 and FY2007 (see **Figure 2**).

**Figure 2. Military Construction Funding**

**Note:** Does not include BRAC, Family Housing, or DERF funding

**Source:** Department of Defense, *Financial Summary Tables*, successive years

Prior to FY1994, Congress considered Administration requests to exceed real construction requirements, typically appropriating less new budget authority than requested. This pattern reversed with the FY1995 budget. Every year since then, Congress has added to Administration requests, countering what Members have termed “inadequate” funding for military construction. The DOD request for construction funds for FY2003 fell relative to both its FY2002 request and the subsequent enactment, anticipating the FY2005 round of base realignments and closures, according to statements made by Secretary of Defense Donald Rumsfeld and DOD Comptroller Dov Zakheim. DOD projects that future requests for military construction will rise steadily and rapidly.

**Table 6** shows overall military construction program funding since FY1999 (including BRAC and Family Housing). **Table 7** breaks down the FY2003 request by appropriations account and compares it to FY2002 levels. **Table 8** shows congressional action on current military construction appropriations by account. **Table 9** compares Administration military construction requests and enactments for Guard and Reserve projects from FY1993-2003.

## Legislation

### Supplemental Legislation for FY2002

**H.R. 4775 (Young).** Making supplemental appropriations for the fiscal year ending September 30, 2002, and for other purposes. This bill does not contain significant military construction funding. Introduced as an original bill on May 20, 2002, by the House Committee on Appropriations with H.Rept. 107-480 and placed on the Union Calendar (Calendar No. 289). Passed in the House on May 24, 2002, 280-138 (Roll No. 206), and laid before the Senate on June 3. The Senate struck all after the Enacting Clause and substituted the text of S. 2551 in its place. It was then placed on the Legislative Calendar under General Orders (Calendar No. 405). Debate and amendment of the bill began on June 4, 2002, and continued through June 6. On June 7, the Senate passed the bill with an amendment, substituting the text of its own version of the bill (S. 2551), by a vote of 71-22 (Record Vote No. 145), insisted on its amendment, and appointed conferees. The House disagreed with the amendment and appointed its own conferees on June 12 (CR H3459-H3461). A conference report was filed on July 19 (H.Rept. 107-593, CR H4935-H4985). The House took up the conference report as unfinished business on July 23 (CR H5201-H5229, H5289) and agreed with it on a roll call vote (397-32, Roll no. 328). The Senate considered the conference report on July 24 (S7263-S7282) and agreed with a 92-7 vote (Record Vote Number 188). The action was reported to the House and the bill was cleared for the President. The bill was enacted by the President on August 2, 2002 (P.L. 107-206).

### Military Construction Appropriations

**H.R. 5011 (Hobson).** Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes. The House Committee on Appropriations Subcommittee on Military Construction held a series of hearings between February 6 and April 17, 2002. The Subcommittee markup was forwarded to the full Committee on June 12. The full Committee mark took place on June 24. The bill was reported on June 25 (H.Rept. 107-533, CR H3914, H3927). A rule was reported (H.Res. 462) on the bill on June 26 (CR H4039, H4064, H4067). H.R. 5011 was considered and passed on a 426-1 vote (Roll No. 277). The bill was read twice in the Senate and placed on the Legislative Calendar under General Orders on July 8, 2002 (Calendar No. 486). On July 17, the Senate substituted the language of S. 2709 for that of H.R. 5011 (CR S6931-S6934). The Senate passed the amended H.R. 5011 (96-3, Roll No. 181) and appointed conferees on July 18, 2002 (CR S6972-S6976). The House rejected the Senate amendment and appointed its conferees on September 10, 2002. Conferees are expected to meet during the week beginning October 7.

**S. 2709 (Feinstein).** The Senate Committee on Appropriations Subcommittee on Military Construction held hearings during March. The Senate received the House Military Construction Appropriations Bill (H.R. 5011) on June 28 (CR S6317). The Senate Appropriations Committee marked its version of the bill, recommending \$10.62 billion in new budget authority, on June 27. The bill was reported on July 3

(S.Rept. 107-202, CR July 8, 2002, S6361) and placed on the Legislative Calendar under General Orders (Calendar No. 479). The Senate amended H.R. 5011 by substituting the language of S. 2709 on July 18, 2002, and passed the amended H.R. 5011 in lieu of S. 2709 (see paragraph above).

## Defense Authorization

**H.R. 4546 (Stump, by request).**<sup>33</sup> To authorize appropriations for FY2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for FY2003, and for other purposes. Introduced on April 23, 2002, and referred to the Committee on Armed Services, it was further referred to the Subcommittees on Military Personnel, Military Installations and Facilities, and Military Readiness (amendment added) on April 25 and returned to the full Committee on the same day. The Subcommittee on Military Installations and Facilities, which exercises jurisdiction over the military construction portion of the authorization bill, defeated (3-13-2) an amendment that would have repealed existing authority to conduct an FY2005 round of base realignments and closures (BRAC). The bill was referred to the Subcommittees on Military Procurement and Military Research and Development on April 30 and returned to the full Committee the same day. The full Committee considered the bill on May 1, 2002, and ordered it reported, rejecting an identical BRAC-stopping amendment (19-38). The bill was reported on May 3, 2002 (H.Rept. 107-436, CR H2104-2105), and placed on the Union Calendar (Calendar No. 258). A supplemental report (a dissenting opinion, H.Rept 107-436, Part II, CR H2108) was filed on May 6. Brought to the floor on May 9, 2002, subject to a rule (H.Res.415, H.Rept.107-450). H.R. 4546 was debated, amended, and passed by recorded vote (359-58, Roll no 158) on May 10. The bill was received in the Senate on May 14, 2002, and on May 16 was placed on the Legislative Calendar under General Orders (Calendar No. 379). The bill was amended in the Senate on June 27 by the substitution of the text of S. 2514 (see below) after the enabling clause CR S6225). The bill was passed by unanimous consent and the Senate appointed conferees. A message on the Senate action was sent to the House on July 8. On July 25, the Rules Committee reported to the House (H.Res. 500) the rule for consideration of the amended bill. The House amended the Senate amendment and appointed conferees and voted to instruct them (419-2, Roll no. 349). The Senate disagreed by Unanimous Consent to the House amendment on July 26 and appointed conferees. The conferees began meeting on September 5, 2002.

**H.R. 4547 (Stump, by request).** To authorize appropriations for FY2003 for military activities of the Department of Defense and to prescribe military personnel strengths for FY2003. Companion bill to H.R. 4546, introduced on April 23, to authorize the \$10.0 billion designated as incremental funding for ongoing operations in the war on terrorism (the “war reserve fund”), as specified in the Budget Resolution for FY2003 (H.Con.Res. 353). Also known as the Costs of War/Substitute Amendment, the original bill was amended on May 1 to authorize the war reserve fund. Of this, \$3.7 billion would be used to replace equipment destroyed

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<sup>33</sup> S. 2225 corresponds to the Administration’s budget request and was introduced by request. H.R. 4546 and S. 2514 are the defense authorization bills from the House and Senate Armed Services Committees respectively.

in the war in Afghanistan, upgrade equipment and defray other war-related costs, and offer war-related pay to military personnel. House Armed Services Committee held its markup on July 18, 2002, and reported the bill (H.Rept. 107-603) on July 23 (Union Calendar, Calendar No. 365). On a motion to suspend the rules and pass the bill (2/3 required), the bill was passed (413-3, Roll no. 335) early on July 24. The bill was received in the Senate on July 24 and referred to the Committee on Armed Services.

**S. 2514 (Levin).**<sup>34</sup> An original bill to authorize appropriations for FY2003 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. Introduced as an original measure by the Senate Committee on Armed Forces on May 15, 2002 (S.Rept. 107-151, CR S4387). Placed on the Legislative Calendar under General Orders (Calendar No. 370). Debate on the defense authorization bill began in the Senate on June 19 (CR beginning S5727). S. 2514 was passed on June 27 with amendments on a vote of 97-2 (Record Vote No. 165). It was then incorporated into H.R. 4546 and passed by unanimous consent (CR S6178-80, S6182).

**Table 6. Military Construction Appropriations, FY1999-FY2003**  
(new budget authority in millions of dollars)

	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Estimate	FY2003 Request*	FY2003 House Passed	FY2003 Senate Passed*
Military Construction	5,405	4,793	5,423	6,745	5,249	4,248	6,225
Family Housing	3,592	3,597	3,683	4,050	4,246	5,835	4,228
<b>Total</b>	<b>8,997</b>	<b>8,390</b>	<b>9,106</b>	<b>10,795</b>	<b>9,495</b>	<b>10,083</b>	<b>10,453</b>

\* Includes \$717 million in added DERF requests, as considered by the Senate, which is \$123 million above the request considered by the House. Does not include the floor amendment made just prior to Senate passage.

**Source:** Actual FY1999-2001 data, Estimate FY2002 and Request FY2003 from Department of Defense (DOD), *Financial Summary Tables*, February 2002 and previous years' reports, H.Rept. 107-533, and S.Rept. 107-202.

**Notes:** "Actual" and "Estimated" budget authority differs from "Enacted" amounts by funds reprogrammed (transferred) by the Department of Defense between appropriations accounts. Military Construction in this table includes BRAC funding, but not NSIP.

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<sup>34</sup> S. 2515, S. 2516, and S. 2517 originated with the Senate Armed Services Committee and correspond to S. 2514 Division A (Department of Defense authorization), S. 2514 Division B (Military Construction authorization), and S. 2514 Division C (Department of Energy and other national security authorizations) respectively. When S. 2514 was considered by the Senate on June 27, Divisions A, B, and C were separated and substituted for the original language in S. 2515, S. 2516, and S. 2517, respectively. These three bills were then passed by unanimous consent. See CR S6225 for June 27, 2002. They were sent to the House on July 8.

**Table 7. Military Construction Appropriations by Account:  
FY2002-FY2003**

(new budget authority in thousands of dollars)

Account	FY2002 Enacted	FY2003 Request*	FY2003 House Passed	FY2003 Senate Passed*
MilCon, Army	1,742,512	1,672,903	1,495,881	1,665,536
MilCon, Navy	1,113,736	1,105,391	1,244,425	1,215,303
MilCon, Air Force	1,224,112	834,687	954,021	1,165,336
MilCon, Defense-wide	796,804	771,835	898,090	924,266
MilCon, Army National Guard	400,994	101,595	159,672	208,482
MilCon, Air National Guard	250,530	62,406	119,613	217,988
MilCon, Army Reserve	165,136	58,779	99,059	66,487
MilCon, Navy Reserve	51,676	58,671	75,821	58,671
MilCon, Air Force Reserve	74,013	37,976	75,276	58,209
BRAC Acct., Total	632,713	545,138	545,138	645,138
NATO Security Investment Program	162,600	168,200	168,200	168,200
Foreign Curr. Fluct., Constr., Def.	(60,000)	)	)	)
<b>Total: Military Construction</b>	<b>6,554,826</b>	<b>5,417,581</b>	<b>5,835,196</b>	<b>6,393,616</b>
Family Housing Const., Army	309,217	283,346	278,426	277,936
Family Housing Operation & Debt, Army	1,077,292	1,119,007	1,119,007	1,119,007
Family Housing Const., Navy & Marine Corps	328,040	375,700	377,616	371,816
Family Housing Operation & Debt, Navy & Marine Corps	899,837	867,788	867,788	867,788
Family Housing Const., AF	544,496	676,694	681,042	667,912
Family Housing Operation & Debt, AF	835,194	874,050	874,050	874,050
Family Housing Const., Def-wide	247	5,480	5,480	5,480
Family Housing Operation & Debt, Def-wide	43,269	42,395	42,395	42,395
Homeowners Assist. Fund, Def.	10,005	)	)	)
DOD Family Housing Improvement Fund	1,977	2,000	2,000	2,000
<b>Total: Family Housing</b>	<b>4,049,574</b>	<b>4,246,460</b>	<b>4,247,804</b>	<b>4,228,384</b>
<b>GRAND TOTAL</b>	<b>10,604,400</b>	<b>9,664,041</b>	<b>10,083,000</b>	<b>10,622,000</b>

\* Includes \$717 million in added DERF request, as considered by the Senate. Does not include floor amendment made just prior to Senate passage.

**Source:** Data for FY2002 Enacted from FY2003 Budget Request, House Passed from H.Rept. 107-533, Request and Senate Recommend from S.Rept 107-202.

**Note:** FY2002 Enacted includes P.L. 107-64 Sec. 130 (here listed as "Foreign Curr. Fluct.") and 132 rescissions.

**Table 8. Military Construction FY2003 Appropriations by Account; Congressional Action**  
(in thousands of dollars)

Account	FY2003 Request*	House Bill	Senate Bill*	Conf. Report
MilCon, Army	1,672,903	1,495,881	1,665,536	)
MilCon, Navy	1,105,391	1,244,425	1,215,303	)
MilCon, Air Force	834,687	954,021	1,165,336	)
MilCon, Defense-wide	771,835	898,090	924,266	)
MilCon, Army Nat'l. Guard	101,595	159,672	208,482	)
MilCon, Air National Guard	62,406	119,613	217,988	)
MilCon, Army Reserve	58,779	99,059	66,487	)
MilCon, Navy Reserve	58,671	75,821	51,554	)
MilCon, Air Force Reserve	37,976	75,276	58,209	)
BRAC Acct.	545,138	545,138	645,138	)
NATO Security Investment Program	168,200	168,200	168,200	)
<b>Total: Military Construction</b>	<b>5,417,581</b>	<b>5,835,196</b>	<b>6,386,499</b>	)
Family Housing Const., Army	283,346	278,426	277,936	)
Family Housing Ops & Debt, Army	1,119,007	1,119,007	1,119,007	)
Family Housing Const., Navy and Marine Corps	375,700	377,616	371,816	)
Family Housing Ops & Debt, Navy and Marine Corps	867,788	867,788	867,788	)
Family Housing Const., Air Force	676,694	681,042	667,912	)
Family Housing Ops & Debt, Air Force	874,050	874,050	874,050	)
Family Housing Const, Defense-wide	5,480	5,480	5,480	)
Family Housing Ops & Debt, Defense-wide	42,395	42,395	42,395	)
Homeowners Assist. Fund, Def.	)	)	)	)
DOD Family Housing Improvement Fund	2,000	2,000	2,000	)
<b>Total: Family Housing</b>	<b>4,246,460</b>	<b>4,247,804</b>	<b>4,228,384</b>	)
<b>GRAND TOTAL</b>	<b>9,664,041</b>	<b>10,083,000</b>	<b>10,614,883</b>	)

\* Includes \$717 million in added DERF request, as considered by the Senate. Does not include floor amendment made just prior to Senate passage.

Sources: H.Rept. 107-533, S.Rept. 107-202.

**Table 9. Congressional Additions to Annual DOD Budget Requests for National Guard and Reserve Military Construction, FY1993-FY2003**

(current year dollars in thousands)

Fiscal Year	Army National Guard	Air National Guard	Army Reserve	Naval Reserve	Air Force Reserve	Total	Total Change from Request
1993 Req.	46,700	173,270	31,500	37,772	52,880	342,122	–
1993 Enacted	214,989	305,759	42,150	15,400	29,900	608,198	+266,076
1994 Req.	50,865	142,353	82,233	20,591	55,727	351,769	–
1994 Enacted	302,719	247,491	102,040	25,029	74,486	751,765	+399,996
1995 Req.	9,929	122,770	7,910	2,355	28,190	171,154	–
1995 Enacted	187,500	248,591	57,193	22,748	56,958	572,990	+401,836
1996 Req.	18,480	85,647	42,963	7,920	27,002	182,012	–
1996 Enacted	137,110	171,272	72,728	19,055	36,482	436,647	+254,635
1997 Req.	7,600	75,394	48,459	10,983	51,655	194,091	–
1997 Enacted	78,086	189,855	55,543	37,579	52,805	413,868	+219,777
1998 Req.	45,098	60,225	39,112	13,921	14,530	172,886	–
1998 Enacted	102,499	190,444	55,453	26,659	15,030	390,085	+217,199
1999 Req.	47,675	34,761	71,287	15,271	10,535	179,529	–
1999 Enacted	144,903	185,701	102,119	31,621	34,371	498,715	+319,186
2000 Req.	57,402	73,300	77,626	14,953	27,320	250,601	–
2000 Enacted	236,228	262,360	110,764	28,310	64,071	701,733	+451,132
2001 Req.	59,130	50,179	81,713	16,103	14,851	221,976	–
2001 Enacted	285,587	203,381	108,499	61,931	36,510	695,908	+473,932
2002 Req.	267,389	149,072	111,404	33,641	53,732	615,238	–
2002 Enacted	400,994	250,530	165,136	51,676	74,013	942,349	+327,112
2003 Req.*	101,595	62,406	58,779	58,671	37,976	319,427	–
2003 Hse*	159,672	119,613	99,059	75,821	75,276	529,441	+210,014
2003 Sen*	208,482	217,988	66,487	58,671	58,209	609,837	+290,410

\* Includes DERF requests of \$594 million (House) and \$717 million (Request and Senate).

Source: Department of Defense, *Financial Summary Tables*, successive years.

## For Additional Information

### CRS Products

CRS Report RL31010. *Appropriations for FY2002: Military Construction*, by Daniel Else.

CRS Report RL31305. *Authorization and Appropriations for FY2003: Defense*, by Stephen Daggett and Amy Belasco.

CRS Report RL31349. *Defense Budget for FY2003: Data Summary*, by Stephen Daggett and Amy Belasco.

CRS Report RL31187. *Terrorism Funding: Congressional Debate on Emergency Supplemental Allocations*, by Amy Belasco and Larry Q. Nowels,

CRS Report RL31005. *Appropriations and Authorization for FY2002: Defense*, coordinated by Stephen Daggett and Amy Belasco.

CRS Report RL30002. *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

CRS Report RL30440. *Military Base Closures: Where Do We Stand*, by David E. Lockwood.

CRS Report RL30051. *Military Base Closures: Time for Another Round?*, by David E. Lockwood.

CRS Issue Brief IB96022. *Defense Acquisition Reform: Status and Current Issues*, by Valerie Bailey Grasso.

### Selected World Wide Web Sites

#### Legislative Branch Sites

House Committee on Appropriations  
[<http://www.house.gov/appropriations/>]

Senate Committee on Appropriations  
[<http://www.senate.gov/~appropriations/>]

CRS Appropriations Products Guide  
[<http://www.crs.gov/products/appropriations/apppage.shtml>]

Congressional Budget Office  
[<http://www.cbo.gov/>]

General Accounting Office  
[<http://www.gao.gov/>]

**U.S. Department of Defense Sites**

U.S. Department of Defense, Office of the Under Secretary of Defense (Comptroller),  
FY2003 Budget Materials

[<http://www.dtic.mil/comptroller/fy2003budget/>]

U.S. Department of Defense, Installations Home Page

[<http://www.acq.osd.mil/installation/>]

**White House Sites**

Executive Office of the President, Office of Management and Budget, Budget  
Materials

[<http://www.whitehouse.gov/omb/budget/>]

Office of Management & Budget

[<http://www.whitehouse.gov/omb/>]