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CRS Report for Congress

Defense: FY2008 Authorization and Appropriations

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Prepared for Members and
Committees of Congress

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

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

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

Defense: FY2008 Authorization and Appropriations

Summary

The President's FY2008 federal budget request, released February 5, 2007, included $647.2 billion in new budget authority for national defense. In addition to $483.2 billion for the regular operations of the Department of Defense (DOD), the request included $141.7 billion for continued military operations, primarily to fund the campaigns in Iraq and Afghanistan, $17.4 billion for the nuclear weapons and other defense-related programs of the Department of Energy, and $5.2 billion for defense-related activities of other agencies. On July 31, 2007, the President requested an additional $5.3 billion for war-fighting costs, increasing the total request for ongoing military operations to $147 billion.

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

Congress is in the process of acting on the FY2008 defense authorization and appropriations bills. The House passed on May 17 its version of the authorization bill, H.R. 1585, approving $1.2 billion more than the President's request. The bill would cut hundreds of millions of dollars from some technologically advanced weapons programs while increasing funds to improve U.S. forces' near-term combat capabilities.

The Senate Armed Services Committee reported its counterpart bill, S. 1547, on June 5. The Senate substituted the text of that measure for the House-passed text of H.R. 1585 when it began debating the latter bill on July 9. After several days of debate dominated by Democratic-led efforts to force a vote on a measure requiring withdrawal of U.S. combat troops from Iraq, the Majority Leader, Senator Reid, set the bill aside on July 18. The Senate will resume consideration of the bill September 17 with additional amendments anticipated on Iraq policy and related issues..

In related action, the House passed its version of the FY2008 defense appropriations bill on August 5. The bill, H.R. 3222, would appropriate $448.7 billion in discretionary budget authority for DOD's "base" budget, excluding the cost of military construction which is funded in a separate bill (H.R. 2642, S. 1645) and excluding projected FY2008 war costs, which the House plans to deal with a separate bill. The bill would provide $3.5 billion less in discretionary budget authority than the President requested for operations within the scope of that legislation.

The Senate Appropriations Committee marked up its version of H.R. 3222 on September 12. The Senate version would also would provide $448.7 billion in discretionary budget authority. The Senate is expected to take up the bill later in September.

This report will be updated as events warrant.

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Defense: FY2008 Authorization and Appropriations

Most Recent Developments

The House passed its version of the FY2008 Defense Appropriations Bill (H.R. 3222) in the early hours of August 5 by a vote of 395-13, approving a total spending figure of $459.6 billion, which is $3.5 billion less than the President's request for programs covered by this legislation. That total includes $459.3 billion in discretionary budget authority, which equals the discretionary spending ceiling allocated to the Defense Subcommittee by the House Appropriations Committee by a resolution adopted June 5 pursuant to Section 302 (b) of the Congressional Budget Act.

The bill does not address the President's amended request for an additional $147 billion to fund ongoing military operations in Iraq and Afghanistan, which will be dealt with in a separate bill.

The Senate Appropriations Committee approved September 12, by a vote of 29-0, its version of H.R. 3222, the FY2008 defense appropriations bill which provides $448.7 billion in discretionary budget authority. The Senate is expected to act on the bill before the end of September. Like the House-passed measure, the Senate committee's bill does not include funds for ongoing operations in Iraq and Afghanistan, which will be dealt with in separate legislation.

The Senate began debating the FY2008 National Defense Authorization Act, H.R. 1585, on July 9, after substituting for the House-passed language, the language of S. 1547, the version of the defense authorization bill reported by the Senate Armed Services Committee on June 5. After several days of debate focused on amendments related to the deployment of U.S. forces in Iraq, Senator Reid, the Majority Leader, pulled the defense bill from the floor after the Minority Leader, Senator McConnell, insisted that Republicans would not agree to votes on the most controversial Iraq-related amendments unless Democrats agreed that the amendments would be adopted only if they got 60 votes – the number that would be needed to invoke cloture and force a vote on any of the amendments.

The Senate will resume debate on the authorization bill on September 17 with additional amendments anticipated dealing with the deployment of U.S. troops in Iraq and related issues..

Earlier, the House passed its version of the FY2008 defense authorization bill (H.R. 1585) on May 17, by a vote of 397-27.

Action has also begun on related appropriations bills. The House approved the FY2008 Military Construction and Veterans Affairs appropriations bill, H.R. 2642, on June 15. The bill includes $21.4 billion for DOD military construction and family housing programs. The Senate approved its version of the bill on September 6. (For full coverage, see CRS Report RL34038, *Military Construction, Veterans Affairs, and Related Agencies: FY2008 Appropriations*, by Daniel H. Else, Christine Scott, and Sidath Viranga Panangala.)

Defense Authorization: Highlights of Senate Floor Action

The Senate had the FY2008 defense authorization bill under consideration July 9-13 and July 16-18 when the legislation before it was H.R. 1585, the version of the bill passed May 17 by the House. However, for all practical purposes, the legislative text the Senate was debating during that period was a not-yet-adopted amendment to the bill (S.Amdt. 2011) which would substitute for the House-passed language of H.R. 1585, the language of S. 1547, the version of the defense authorization bill reported June 5 by the Senate Armed Services Committee.[1] Although the Senate had not yet adopted the substitute amendment during this period, the other amendments it considered all were drafted as amendments to the substitute amendment (i.e., as amendments to the text of S. 1547).

Debate over the deployment of U.S. forces in Iraq dominated the early days of Senate action on H.R. 1585. The context for the Senate's consideration of Iraq-related amendments to the bill was an administration report on the Iraqi government's progress toward 18 benchmarks of progress toward improved domestic security and political reconciliation in that country. The report, which was released by the White House on July 12 but had been the subject of widespread press coverage for some days before its publication, was the first of two mandated by the FY2007 supplemental funding bill (H.R. 2206/P.L. 110-28).[2]

The report concluded that the Iraqi government had made "satisfactory progress" toward eight of the 18 specified benchmarks, including constitutional reform, the creation of regional governments and the allocation of $10 billion for economic reconstruction, among others. But it also found that the Iraqi government had not made satisfactory progress toward eight other benchmarks, including several that are related to political reconciliation, such as liberalization of the "de-Ba'athification" process, enactment of legislation that would fairly distribute revenue from the country's petroleum resources, and disarmament of sectarian militias.[3]

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[1] For highlights of the bill reported by the Senate Armed Services Committee, see pp. xx-xx, below.

[2] See CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, et al, pp. 18-22.

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

(continued...)

The President and supporters of the Administration's Iraq policy said there were signs that the U.S. strategy in Iraq is succeeding and that, in any case, Congress should take no action prejudicial to the strategy until it receives the second report on Iraqi progress toward the benchmarks, due September 15.[4]

Also contributing to the context in which the Senate considered Iraq-related amendments to the defense bill was a CRS analysis which concluded that the Defense Department's monthly obligations to pay for operations in Iraq, Afghanistan and related areas had risen from an average of $8.7 billion in FY2006 to $12.0 billion in the first half of FY2007.[5]

During Senate debate on the authorization bill (July 9-13, 16-18), the Senate agreed by unanimous consent that several controversial, Iraq-related amendments would require 60 votes for adoption — in effect anticipating that the amendments would not come to a vote without the 60 votes needed to win a cloture vote. However, on July 18, after the Senate rejected 52-47 a motion to invoke cloture on an amendment by Senators Levin and Reed that would have mandated the withdrawal of most U.S. troops from Iraq by April 30, 2008, Senator Reid sought unanimous consent for the Senate to take up the Levin-Reed proposal and other Iraq-related amendment with each to be the subject of an up-or-down vote to be decided by a simple majority. When that proposal was objected to, Senator Reid set aside the authorization bill.

The Levin-Reed amendment would have required the President to begin withdrawing most U.S. forces from Iraq 120 days after enactment of the bill with most of the troops out of the country by April 30, 2008. U.S. troops would be allowed to remain in Iraq as a "limited presence" (of unspecified size) only to train Iraqi Security Forces, to protect U.S. personnel and installations, and to conduct targeted counterterrorism operations.[6]

Following are highlights of other Senate floor action on the Defense Authorization bill:

Troop Deployment Duration Amendments. While the Senate was debating the defense authorization bill, it considered several amendments that dealt with the fact that Army units are being deployed in Iraq for longer tours of duty (and

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[3] (...continued)
Iraq: Post-Saddam Governance and Security, by Kenneth Katzman.

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

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

[6] On the motion to invoke cloture on the Levin-Reed amendment, 53 senators voted aye, but the Majority Leader, Senator Reid, subsequently changed his vote to "nay" so that, under the Senate's rules, he would be eligible to offer a motion to reconsider the vote, if and when the Senate resumes action on the defense authorization bill.

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

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

- An amendment by Senator Webb that would have required that service members be allowed a dwell time of at least the same duration as their preceding deployment and reserve component units be allowed a dwell time at least three times as long as their deployment was withdrawn after a cloture motion failed on a vote of 56-41, with 60 votes required for approval.

- An amendment by Senator Hagel that would have required that Army troops (including reserve component personnel) be deployed for no more than 12 months at a time and that active-duty and reserve Marines deploy for no more than seven months at a time (which is the Marine Corps goal) was rejected by a vote of 52-45, the Senate having agreed that the amendment would require 60 votes for adoption.

- An amendment by Senator Graham, expressing the sense of Congress that Army personnel should be deployed for no more than 15 months at a time was rejected by a simple majority vote of 41-55.

Improving Health Care for Wounded Warriors. By a vote of 94-0, the Senate adopted an amendment by Senator Levin and others that incorporated a modified version of S. 1606, the Dignified Treatment for Wounded Warriors Act," which the Senate Armed Services Committee had reported on June 18. The bill was the committee's response to press accounts of poor treatment of outpatients at Walter Reed Army Medical Center in Washington, D.C. Among the provisions of this amendment (which was modified, prior to its adoption, by the Senate's adoption of eight second-degree amendments), are these.

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

- The bill would require various pilot projects to test alternative systems for rating the level of disability of wounded service members and veterans, which could replace the separate disability rating systems currently used by DOD and VA.

- In addition, the amendment provides that service members who are retired because of medical disability, and who receive a DOD disability rating of 50% or more, would be authorized to continue receiving the medical benefits available to active duty personnel for three years after the retired member leaves active duty.

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

On July 25, the Senate passed as a freestanding bill, by unanimous consent, the Wounded Warrior amendment to the defense bill, as it had been amended on the Senate floor. The language of the Senate amendment was substituted for the text of H.R. 1538, a House-passed bill that was similar in scope to S. 1606, the freestanding Senate bill that had been the basis for the Senate's Wounded Warriors amendment.[7] As passed by the Senate, H.R. 1538 also was amended to authorize a 3.5% military pay raise effective October 1, 2007, as would be authorized by the Senate version of the defense authorization bill.

Other Amendments Acted Upon. The Senate also adopted the following amendments to the defense authorization bill.

- An amendment by Senator Sessions declaring it to be U.S. policy to deploy, as soon as technologically possible, a defense against ballistic missiles launched from Iran was adopted by a vote of 90-5.

- An amendment by Senator Lieberman requiring a report on the Iranian government's support for attacks against coalition forces in Iraq was adopted by a vote of 97-0.

- An amendment by Senator Dorgan that would increase to $50 million the reward offered for the capture of Osama bin Laden was adopted by a vote of 87-1.

- An amendment by Senator Cornyn expressing the sense of the Senate that it is in the national security interests of the United States that Iraq not become a failed state and a haven for terrorists was adopted by a vote of 94-3.

Prospective Senate Floor Action in September. The Senate is slated to resume debate on the FY2008 authorization bill one week after Gen. David Petraeus, the commander of U.S. forces in Iraq, and U.S. ambassador to Baghdad Ryan Crocker testified before the Armed Services and foreign affairs committees of the

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[7] See CRS Report RL34110, *Comparison of "Wounded Warrior" Legislation: H.R. 1538 as Passed in the House and the Senate*, by Sarah A. Lister, Sidath Viranga Panangala, and Richard A. Best Jr.

House and Senate on the situation in Iraq following the "surge" of some 30,000 additional U.S. troops in the spring. The thrust of their testimony was the increase in U.S. troops had improved security in some parts of the country. However, they acknowledged that there was little evidence so far of the political reconciliation that the increased security had been intended to foster. They warned that too hasty a withdrawal of U.S. troops would vitiate what progress had been achieved, and Petraeus told the committees he would recommend that size of the U.S. force be reduced to its "pre-surge" level by the summer of 2008.

In a televised address on September 13, President Bush announced that he planned to accept Gen. Petraeus' recommendation to gradually reduce the size of the U.S. force in Iraq. Democratic Party leaders in the Senate and House said they would try to accelerate the pace at which U.S. forces disengaged from combat in Iraq.

When the Senate resumes consideration of H.R. 1585, it may take up again the amendment by Senator Webb, debated and then withdrawn July 11, which would bar any service member from being deployed to Iraq unless his "dwell time" at his home station had lasted at least as long as his previous deployment to Iraq.[8]

The Senate also may consider amendments that would take various approaches to setting a deadline for beginning (and in some cases concluding) a withdrawal of U.S. troops from combat roles in Iraq. Senators Levin and Reed reportedly are preparing an amendment that would require that the withdrawal of combat troops begin within 120 days of enactment. The amendment reportedly also will include a date by which the withdrawal is to be completed, but whether that deadline is mandatory or advisory is not settled.

The Senate also could take up any of several other amendments already filed that would address various aspects of the Administration's Iraq policy:

- An amendment by Senators Warner and Lugar would require the President to prepare by October 16, 2007 a plan that would "refocus" U.S. force in Iraq away from policing sectarian violence and toward protecting Iraq's borders, conducting counterterrorism missions against al-Qaeda in Iraq, protecting U.S. forces and facilities, and training Iraqi Security Forces "to assume full responsibility for their own security."

- An amendment by Senators Clinton and Byrd would sunset the current legislative authorization for the use of military force in Iraq.

- An amendment by Senators Salazar and Alexander that would revise the mission of U.S. forces in Iraq along the lines recommended by the Iraq Study Group.

- An amendment by Senator Feinstein and others that would close the Guantanamo Bay detention facility.

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[8] For a summary of earlier Senate action on this amendment, see pp. 3-4, above.

- An amendment by Senators Leahy and Spector that would grant detainees the right of habeas corpus.[9]

- An amendment by Senators Graham and Kyl that would delete from the bill a provision (Section 1023) that would revise the procedures for judicial treatment of detainees.[10]

The Senate also may consider an amendment by Senators Spector and Kerry barring courts from using presidential signing statements as a source of authority in interpreting acts of Congress.[11]

Administration Objections to the Senate Committee-Reported Authorization Bill. In a Statement of Administration Policy issued July 10, the Office of Management and Budget objected to several features of S. 1547, which the Senate was debating as the text of H.R. 1585. It stated that the President would veto any bill that mandated withdrawal of U.S. troops from Iraq by a date certain.

The OMB statement also said the president's advisors would recommend a veto if the final version of the bill included any of several other provisions including a provision that would revise procedures for judicial disposition of detainees (the provision that would be eliminated by the Kyl/Graham amendment), and any provision that would grant detainees the right of habeas corpus.

Defense Appropriations: Highlights of Senate Committee Action

The version of H.R. 3222, the FY2008 defense appropriations bill, approved September 12 by the Senate Appropriations Committee would provide $448.7 billion in discretionary budget authority, a reduction of $3.5 billion from the President's request for programs falling within the scope of this bill.

The Committee is expected to act on a separate funding bill to cover the cost of ongoing military operations in Iraq and Afghanistan after the Administration submits an anticipated amendment to its $147 billion budget request for that purpose. The budget amendment, which may add $50 billion or more to the request, is expected to come to Congress later in September.

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

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

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

Personnel Increase and Pay Raise. The Senate Committee's version of H.R. 3222 would support the President's plan to increase the active-duty end-strength of the Army and Marine Corps by a total of 92,000 troops by FY2012.

The Committee bill would fund a 3.5 percent pay raise for military personnel and civilian Defense Department employees, effective January 1, 2008 instead of the 3 percent pay raise requested by the President. The bill would add a total of $489 million to various accounts to cover the additional cost.

Tricare Fees and the Defense Health Program. The $23.49 billion the Senate Committee's bill would provide for the Defense Health Program is $949 million more than was requested. The Committee added to the request $1.86 billion for operating expenses the budget assumed would be covered by an increase in the fees and pharmacy co-payments charged to some military retirees participating in the Tricare medical program. Congress has rejected those proposed increases.

The bill also would provide $486 million Pentagon officials had cut from the health program's budget as an "efficiency wedge". In its report on the bill, the Committee said it "strongly encourages" DOD not to impose on the health program's FY2009 budget request a planned "efficiency wedge" of $785 million.

To fund initiatives in the Senate-passed version of H.R. 1538, the Dignified Treatment of Wounded Warriors Act, the Committee bill would add to the budget $73 million to improve treatment of Post-Traumatic Stress Disorder and Traumatic Brain Injury. Many of the initiatives created by H.R. 1538 would require mandatory funding that would not be included in the annual defense authorization bills but would have to be offset by reductions to other mandatory spending programs under the jurisdiction of the defense authorizing committees.[12]

Long-range Strike and Nuclear Weapons. The Committee bill cut from the request a total of $261 million requested for two programs that would develop long-range, non-nuclear weapons intended to quickly strike targets anywhere around the world. The amounts cut were: $211 million to develop a non-nuclear warhead for the Trident, submarine-launched ballistic missile; and $50 million for the so-called Falcon program being managed by the Defense Advanced Research Projects Agency.

The Committee said the conventional Trident project had the disadvantage that the launch of a conventionally-armed missile might be mistaken by an adversary as a nuclear attack. Instead, the Committee added to the budget request $125 million to develop alternatives for rapid, precise non-nuclear attack on distant targets.

The Committee also cut $15 million from the amount requested to equip Trident missiles with the first of a family of new nuclear warheads that are intended

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[12] In addition to passing different versions of the "wounded warriors" bill (H.R. 1538) the House and Senate each have attached their versions of that bill to their respective versions of the defense authorization bill (H.R. 1585). So Congress might clear a compromise version of the "wounded warriors" legislation either as free-standing legislation or as a component of the defense authorization bill. For discussion of the provisions, see pp. 4-5, above.

to be easier to maintain than those currently in service. This is consistent with action taken by the Senate Armed Services Committee in its version of the FY2008 defense authorization bill, a reduction that committee said was intended to slow the controversial program to develop a so-called Reliable Replacement Warhead.[13]

Shipbuilding Costs and the Littoral Combat Ship. The Senate Committee bill would cut $451 million from the $14.3 billion requested for ships in the FY2008 budget.[14] By contrast, the House-passed version of H.R. 3222 added nearly $3 billion (and four ships) to the request. (See Table A6, below)

The Senate Committee endorsed the Navy's goal of maintaining a fleet of 313 ships. But it decried the chronic cost growth and delays in Navy shipbuilding programs, blaming those problems on poor management by the service. Whereas the House Appropriations Committee tried to ease the shipbuilding crunch by adding to the bill funds for four more ships than the President requested, the Senate Committee contended that any it would not be possible to build any more ships than currently were scheduled..

The Senate Committee singled out for special criticism the Navy's management of its program to build Littoral Combat Ships (LCS), relatively small vessels that could be equipped for various missions using modular weapons systems. Of four LCSs funded in previous budgets, DOD has cancelled one. The FY2008 budget request includes $910 million for three additional ships. But, while endorsing the potential military value of the ships, the Senate Committee said the Navy would have to fundamentally change its acquisition strategy to address problems of cost increases, delays and performance shortfalls. In addition to denying the requested $910 million, the Committee included in its bill a provision that would rescind $300 million appropriated in FY2007 for one of the three LCSs still under construction, thus cancelling a second of the four ships already funded.

On the other hand, the Committee added to the request $81 million to complete construction of the two remaining ships of the four previously funded and an additional $75 million to buy components for use an another LCS for which funding would be included in the FY2009 budget. In effect, the Committee endorsed the construction of small, low-cost surface combatants, but directed the Navy to restructure the entire program.

Selected Other Weapons Programs. The Senate Committee bill would fully fund the President's $3.56 billion request to continue development of the Army's Future Combat System (FCS), a networked set of ground vehicles, unmanned aircraft and sensors that would comprise the next generation of ground combat

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[13] For additional information on the Reliable Replacement Warhead see CRS Report PL32929, *The Reliable Replacement Warhead: Background and Current Development*, by Jonathan Medalia.

[14] The President's budget requested $13.7 billion in the Navy's shipbuilding account. But it also requested an additional $210 million in Army funds for a high-speed troop transport and an additional $456 million in a separate sealift fund for a supply ship.

equipment. The House-passed version of H.R. 3222 would cut $434 million from the Army's request for FCS development funding.

Some other highlights of the Senate Appropriations Committee's version of H.R. 3222 include the following:

- Citing uncertainty in the Air Force and DOD about the future of a program to replace the engines on early-model C-5 cargo planes, the bill would cut $25 million from the $191 million requested for the program in FY2008 and would rescind $40 million appropriated for the project in FY2007.

- Noting that the Air Force's F-22 fighter is just entering service and appears to far outstrip any other country's fighters, the Committee said Air Force plans to develop upgrades for the plane were premature. The Committee cut $132 million from the $744 million requested for additional development work on the F-22.

- The Committee approved the request for $2.4 billion to buy 12 F-35 Joint Strike Fighters, six apiece for the Navy and Air Force. It also added to the $3.5 billion requested to continue development of the plane $480 million to continue development of a General Electric jet engine as an alternative to the Pratt & Whitney engine selected to power the plane. The increase was partially offset by reductions totaling $283 million, leaving the Committee bill's total appropriation for F-35 development at $3.7 billion.

- The Committee approved $300 million of the $500 million requested for the so-called Global Train and Equip program which was authorized in FY2006 as a pilot program to allow the Defense Department to train and equip allied country's forces for counterterrorism missions. The Committee said that this mission should be funded through the State Department's budget.

- The bill would provide $242 million of the $468 million requested for the Armed Reconnaissance Helicopter (ARH) program, funding procurement of 16 of the new craft instead of the 26 in the budget. The new aircraft are intended to replace aging OH-58 choppers currently used for reconnaissance,. The Committee said that the program's growing costs, slipping schedule and continued technical problems resulted from an overly ambitious production schedule. The bill also would add to the request $100 million to develop improvements for the OH-58. The House version of the appropriations bill would eliminate funding for the ARH.

- Citing technical problems in an Air Force program to replace the radar on B-2 stealth bombers, the Committee cut $111 million from the $271 million requested to modify the planes in FY2008 and rescinded $32 million of the funds appropriated for that purpose in FY2007. The cuts were partly offset by the Committee's addition of

$38 million to the Air Force research and development budget to fix the problems with the program. The bombers' current radar must be replaced because it operates in a band of the electromagnetic spectrum that the increasingly is being used by the private sector.

- The bill would provide $120 million of the $500 million requested in the based defense appropriations bill for the Joint Improvised Explosive Device Defeat Organization (JIEDDO), enough to fund the agency through the first quarter of FY2008. The Committee said that DOD had not produced a requested report defining the relationship between JIEDDO – set up to coordinate efforts to defeat the roadside bombs that are a major source of U.S. casualties in Iraq – and other defense and intelligence agencies. Noting that the President has requested an additional $4 billion for JIEDDO in the FY2008 war-fighting budget which Congress will take up in separate legislation, the Committee told DOD to provide the congressional defense committees with a comprehensive and detailed strategic plan for the organization by September 30, 2007.

Overview of Administration FY2008 Budget Request

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

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

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

Status of Legislation

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

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

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

Table 1B. Status of FY2008 Defense Appropriations Bill

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
7/12/07	9/11/07	H. Rept. 110-279 7/30/07	8/5/07 395-13	S.Rept. 110-155 9/14/07					

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

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

- **Table 2** shows the Administration's FY2008 national defense budget request by budget subfunction and, for the Department of Defense, by appropriations title. The total for FY2007 also represents, in part, requested funding. It includes $93.4 billion in FY2007 supplemental appropriations that the Administration requested in February 2007. In May, however, Congress actually approved $99.4 billion for the Department of Defense, $6.0 billion more than the Administration had asked for.

- **Table 3** shows the recommendations on defense budget authority and outlays in the House and Senate versions of the annual budget resolution, H.Con.Res. 99 and S.Con.Res. 21. These amounts are not binding on the Armed Services or Appropriations committees.

- **Table 4** shows congressional action on the FY2008 defense authorization bill by title. Technically, this table shows the budget authority implications of the provisions of the bill. For mandatory programs, the budget authority implication is the amount of budget authority projected to be required under standing law. The table also follows the common practice of the House and Senate Armed Services Committees, which is to show as the "budget authority implication" of the bill, the amounts expected to be available for programs within the national defense budget function not subject to authorization in the annual defense authorization bill. Except for some mandatory programs, the authorization bill does not provide funds but rather authorizes their appropriation. Appropriations bills may provide more than authorized, less than authorized, or the same as authorized, either in total or for specific programs. Appropriations bills may provide no funds for programs authorized and may provide funds for programs not authorized. In practice, defense appropriations bills often follow the amounts authorized, however.

- **Table 5** shows congressional action on the FY2008 defense and military construction appropriations bills. The table does not show funding for defense-related activities of agencies other than the Defense Department, except for about $1.0 billion for the intelligence community. In particular, it does not include $17.4 billion requested for defense-related nuclear energy programs (nuclear weapons and warship propulsion) of the Energy Department.

- **Table 6** shows House and Senate Appropriations Committee allocations of funds under Section 302(b) of the Congressional Budget Act, for defense and military construction/veterans affairs appropriations bills compared to allocations for other, non-defense bills. The "302(b)" allocations are a key part of the appropriations and budget process. A point of order holds against any bill that exceeds its 402(b) allocation. In recent years, appropriations have trimmed allocations for the defense appropriations bill, freeing up more money for non-defense appropriations. The effect on defense was mitigated by the available of emergency appropriations for defense. In effect, emergency appropriations for war costs have been used indirectly to finance higher non-defense appropriations.

Table 2. FY2008 National Defense Budget Request

(billions of dollars)

	FY2007 Enacted	FY2007 Supp Request*	FY2007 Total with Supp	FY2008 Request
Department of Defense				
Base Budget				
Military Personnel	111.1	—	111.1	118.9
Operation and Maintenance	127.7	—	127.7	143.5
Procurement	81.1	—	81.1	100.2
Research, Development, Test, & Evaluation	75.7	—	75.7	75.1
Military Construction	8.8	—	8.8	18.2
Family Housing	4.0	—	4.0	2.9
Revolving & Management Funds	2.4	—	2.4	2.5
Other Defense Programs*	23.7	—	23.7	23.3
Offsetting Receipts/Interfund Transactions	-1.8		-1.8	-1.4
General Provisions/Allowances	3.6	—	3.6	-0.3
Subtotal — DOD Base Budget	**436.4**	**—**	**436.4**	**483.2**
War-Related Funding				
Military Personnel	5.4	12.1	17.5	17.1
Operation and Maintenance	39.1	37.5	76.6	73.1
Procurement	19.8	25.3	45.2	36.0
Research, Development, Test, & Evaluation	0.4	1.4	1.9	2.9
Military Construction	—	1.9	1.9	0.9
Family Housing	—	—	—	0.0
Revolving & Management Funds	—	1.3	1.3	1.7
Other Defense Programs*	0.1	1.3	1.4	1.3
Intelligence Community Management	0.0	0.1	0.1	—
Iraqi Freedom Fund	0.1	0.2	0.3	0.1
Afghanistan Security Forces Fund	1.5	5.9	7.4	2.7
Iraq Security Forces Fund	1.7	3.8	5.5	2.0
Joint IED Defeat Fund*	1.9	2.4	4.4	4.0
Subtotal — DOD War-Related	**70.0**	**93.4**	**163.4**	**141.7**
OMB vs DOD Scorekeeping Adjustment	—	—	—	-0.3
Total DOD (Base and War-Related)	**506.4**	**93.4**	**599.8**	**624.6**
Department of Energy Defense Related	**17.0**	**—**	**17.0**	**17.4**
Department of Energy	15.8	—	15.8	15.9
Formerly utilized sites remedial action	0.1	—	0.1	0.1
Defense nuclear facilities safety board	0.0	—	0.0	0.0
Energy employees occupational illness comp.	1.1	—	1.1	1.4
Other Defense Related	**5.2**	**—**	**5.2**	**5.2**
FBI Counter-Intelligence	2.5	—	2.5	2.5
Intelligence Community Management	0.9	—	0.9	1.0
Homeland Security	1.5	—	1.5	1.4
Other	0.3	—	0.3	0.3
Total National Defense	**528.6**	**93.4**	**622.0**	**647.2**

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

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

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

(billions of dollars)

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

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

Table 4. FY2008 Defense Authorization, House and Senate Action by Title

(budget authority in millions of dollars)

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

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

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

Table 5. FY2008 Department of Defense and Military Construction Appropriations, House and Senate Action by Title

(budget authority in millions of dollars)

	Request	House	House vs Request	Senate	Senate vs Request	Conference
Defense Appropriations Bill						
Title I: Military Personnel	105,403.7	105,017.8	-385.9	105,522.3	+118.6	—
Title II: Operation and Maintenance	142,854.0	137,134.5	-5,719.5	141,892.3	-961.7	—
Title III: Procurement	99,623.0	99,604.6	-18.4	98,211.6	-1,411.4	—
Title IV: Research, Development, Test, & Evaluation	75,117.2	76,229.1	+1,111.9	75,386.0	+268.8	—
Title V: Revolving & Management Funds	2,453.8	3,841.8	+1,388.0	2,396.9	-56.9	—
Title VI: Other Programs*	25,749.7	26,098.7	+349.0	26,316.4	+566.7	—
Title VII: Related Agencies	967.9	945.8	-22.1	971.9	+4.0	—
Title VIII: General Provisions (Net)	53.0	-198.8	-251.8	-2,024.0	-2,077.0	—
Title IX: Additional Appropriations (War-Related)	146,098.0	—	-146,098.0	—	-146,098.0	—
Subtotal	**598,320.3**	**448,673.5**	**-146,646.8**	**448,673.5**	**-149,646.8**	**—**
Subtotal Excluding Title IX	**452,222.3**	**448,673.5**	**-3,548.8**	**448,673.5**	**-3,548.8**	**—**
Scorekeeping (Health Accrual)	10,921.0	10,921.0	—	10,921.0	—	—
Subtotal with Health Accrual	**463,143.3**	**459,594.5**	**-3,548.8**	**459,594.5**	**-3,548.8**	**—**
Military Construction Appropriations in Military Construction/VA Bill						
Military Construction	18,232.7	18,439.5	+206..8	18,634.2	+401.5	—
Family Housing	2,932.5	2,932.5	—	2,922.5	-10.0	—
Subtotal — Military Construction	**21,165.2**	**21,371.9**	**+206.8**	**21,566.7**	**+391.5**	**—**

Sources: Department of Defense, *National Defense Budget Estimates, Fiscal Year 2008*, March 2007, Table 3-1; House Appropriations Committee report on FY2008 Military Construction/VA Appropriations bill, H.R. 2642, H.Rept. 110-186, June 11, 2007; House Appropriations Committee, report on FY2008 Defense Appropriations bill, H.R. 3222, H.Rept. 110-279, July 30, 2007; Senate Appropriations Committee, report on FY2008 Military Construction/VA Appropriations bill, S. 1645, S.Rept. 110-85, June 18, 2007; Senate Appropriations Committee, pre-markup draft of report on FY2008 Defense Appropriations bill, H.R. 3222, September 12, 2007.

***Note:** "Other Programs" include defense health, chemical agents and munitions destruction, drug interdiction, joint improvised explosive device defeat fund, rapid acquisition fund, and office of the inspector general. Title IX total shown here includes July 31, 2007, budget amendment requesting $5.3 billion for Mine Resistant Ambush Protected (MRAP) vehicles.

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

(millions of dollars)

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

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

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

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

(1) DOD's funding plan for FY2008-FY2013, excluding the cost of military operations in Iraq and Afghanistan, projects that the department's base budget will increase in real purchasing power, after adjusting for inflation, by 8.0% between FY2007 and FY2008 and by another 3.5% in FY2009 before declining slightly over each of the following four years. But the tightening fiscal squeeze on the federal government may put strong downward pressure on the defense budget; and the unbudgeted funds needed for ongoing military operations abroad may compound the problem. The Office of Management and Budget (OMB), the Congressional Budget Office (CBO) and the Government Accountability Office (GAO) agree that the current mix of federal programs is fiscally unsustainable for the long term.[15] The nation's aging population combined with rising health costs are driving an increase in spending for federal entitlement programs which, in turn, will fuel rising deficits compounded by a steadily increasing interest on the national debt. The upshot is that, if total federal outlays continue to account for about 20% of the GDP and federal

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

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

To protect DOD from this fiscal vise, some have recommended that the defense budget (excluding the cost of ongoing operations in Iraq and Afghanistan) be sustained at 4% of GDP — a share of the national wealth that DOD last claimed in FY1994.[16] But that proposal would have to overcome the thus far intractable political challenges of increasing federal revenues, reducing discretionary non-defense spending, and/or restraining the growth of entitlement costs.

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

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

(3) DOD projects that its total budget will remain approximately constant, in real terms, from FY2009 through FY2013. But for years, most of the major components of the defense budget have shown a steady cost growth, in excess of the cost of inflation. Thus, the relatively flat defense budgets planned would have to accommodate other types of costs that also seem to be escalating almost uncontrollably, notably including (1) the rising cost of health care for personnel still on active service, retirees and their dependents, (2) operations and maintenance costs that have been increasing since the Korean War at an average of 2.5% per year above

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[16] Baker Spring, "Defense FY2008 Budget Analysis: Four Percent for Freedom," The Heritage Foundation, *Backgrounder* no. 2012, March 5, 2007.

the cost of inflation, and (3) new weapons that are expected to dramatically enhance the effectiveness of U.S. forces, but which carry high price tags to begin with and then, all too often, substantially overrun their initial cost-estimates.[17]

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

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

(5) The Navy's ability to sustain a fleet of the current size within realistically foreseeable budgets may especially problematic. After years of criticism from Members of Congress who contended that the Navy was buying too few ships to replace vessels being retired, the service released in February a long-range shipbuilding plan that would fall just short of the Navy's current goal of maintaining a fleet of 313 ships. But the plan assumes that the Defense Department, which bought seven ships in FY2007 and is requesting the same number in FY2008, would buy between 11 and 13 ships in each of the following five years. The plan assumes that amount appropriated for new ship construction would rise from a requested $12.5 billion in FY2008 to $17.5 billion in FY2013 (in current-year dollars).[18]

Considering the fiscal demands likely to put downward pressure on future defense budgets, funding the Navy's plan may be challenging. But even if the Navy got the annual shipbuilding budgets it plans to request, it might not be able to buy all

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

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

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

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

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

> The military services accord new systems higher funding priority, and the legacy systems tend to get whatever funding is remaining after the new systems' budget needs are met. If new aircraft consume more of the investment dollars than planned, the buying power and budgets for legacy systems are further reduced to remain within DOD budget limits. However, as quantities of new systems have been cut and deliveries to the warfighter delayed, more legacy aircraft are required to stay in the inventory and for longer periods of time than planned, requiring more dollars to modernize and maintain aging aircraft.[19]

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

Issues in the FY2008 Global War on Terror Request[20]

For the seventh year of war operations since the 9/11 attacks, DOD originally requested $141.7 billion, 29% of the amount it is requesting for all routine DOD activity in FY2008. For the first time since the 9/11 attacks, the Administration has submitted a request for war funding for the full year to meet a new requirement levied in the FY2007 John Warner National Defense Authorization Act (P.L. 109-364).[21] Since FY2003, Congress has funded war costs in two bills, typically a bridge fund included in the regular DOD Appropriations Act to cover the first part of the fiscal year and a supplemental enacted after the fiscal year has begun.[22]

The Administration's FY2008 Global War on Terror (GWOT) original request of $141.7 billion is similar to its FY2007 funding request for FY2007 war costs with certain exceptions: funds are not included to support the higher troop levels announced by the president in January 2007 or to increase the size of the Army and Navy (included in the baseline) and lesser amounts are requested to train Afghan and Iraqi security force (see **Table 7**). In testimony, Secretary of Defense Gates characterized the FY2008 GWOT request as "a straightline projection for forces of 140,000 in Iraq" because funding for the surge is only included through September 30, 2007, the end of FY2007.[23] This could prove to be an issue if the Administration decides to extend the current troop increase of about 36,000 past this fall or if troop levels fall later in the year.

According to DOD, the FY2008 war request includes $109.7 billion for Iraq and $26.0 billion for Afghanistan and other counter-terror operations.[24] According to DOD, the request supports a total of 320,000 deployed personnel including 140,000 in Iraq and 20,000 in Afghanistan. DOD does not explain the difference between the 160,000 military personnel deployed in Iraq and in Afghanistan and the additional 160,000 deployed elsewhere supporting those missions.[25]

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[20] Prepared by Amy Belasco, Specialist in the U.S. Defense Budget.

[21] Section 1008, P.L. 109-364.

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

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

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

[25] DOD, *FY2007 Emergency Supplemental Request for the Global war on Terror*, February 2007, pp. 15-16, pp. 76-80; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_

(continued...)

Congressional Action and Administration's Amended Request

Both the House and Senate include funds for DOD's war or Global War on Terror (GWOT) request in a separate title in their respective versions FY2008 authorization bills (H.R. 1585 and S. 1547). The House passed its bill on May 17, 2007 and the Senate began consideration of the bill on July 9th but then pulled the bill from the floor after several days of debate over Iraq amendments.

House Appropriations Committee Chair Congressman Murtha has announced that the House will consider war funding in a separate bill in September. In its report on DOD's FY2008 Appropriation (H.Rept. 110-279), however, the Committee addressed war funding indirectly by did defer consideration of some $2.0 billion in DOD's baseline request to the GWOT bill on the grounds that these war-related requests, a move that could increase the amount of emergency war funding.

On July 31, 2007, the Administration requested an additional $4.6 billion for the FY2008 Global War on Terror (GWOT) in order to purchase an additional 1,520 Mine Resistant Ambush Protected (MRAP) vehicles, a troop transport with a V-shaped hull that has proven effective in withstanding IED attacks now considered an urgent new war requirement. This would bring the total GWOT request in FY2008 to $147.0 billion.

In a July 31, 2007 hearing before the House Budget Committee, Deputy Secretary of Defense Gordon England also agreed that the size of DOD's FY2008 war request could increase if the "plus-up" or troop increase continues beyond FY2007.[26] The increase of over 30,000 troops in FY2007, which reached its full strength by June, was estimated to cost about $5.6 billion. These higher troop levels are not funded in the FY2008 GWOT request. If the higher troop levels persist throughout FY2008, additional funds could be needed. On the other hand, if troop levels were to fall later in the year, more funds might not be needed. The Administration is expected to amend its GWOT request again in the fall when decisions about troop levels in FY2008 become clearer.

House and Senate Categorize "War" Funding Differently. The House and Senate bills adopt different approaches to war funding. The House accepts DOD's designation of funds requested for GWOT and provides the full $141.7 billion requested while the Senate bill approves the full amount but transfers some $13.4 billion of the GWOT-requested funds to DOD's baseline program. Thus, the Senate-reported version – currently on hold after several days of floor consideration in July – provides $128.3 billion for GWOT, ostensibly a cut of some $13.4 billion

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[25] (...continued)
supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]; DOD, *FY2008 Global War on Terror Request*, February 2007, pp. 15-16, and pp. 63-67; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request.pdf].

[26] House Budget Committee, Transcript of hearing on Cost of Military Operations in Iraq and Afghanistan," July 31, 2007.

to the GWOT request. In fact, however, almost all of the programs in DOD's GWOT request are included in the baseline program.

The SASC report recommends the transfer from GWOT to the baseline program on the grounds that funds provided for military personnel, procurement, and military construction that are dedicated to "growing the force," and funds for weapon system upgrades that pre-date the Afghan and Iraq conflicts should both be considered part of DOD's baseline or regular program rather than valid war-related requirements.

According to its report, the SASC transfers are intended to identify the full amount of funding for the expansion of the Army and Marine Corps that was originally justified by the Administration as a way to meet the need for more military personnel for the conflicts in Iraq and Afghanistan. Originally rationalized as a way to lengthen periods between deployments, it is now being proposed as a permanent long-term expansion of the Army and Marine Corps.

The FY2008 GWOT request includes $4.1 billion for military personnel, $689 million in operating and maintenance costs, and $169 million for military construction to pay, equip and house an increase of 92,000 Army and Marine Corps troops by 2012.[27] If the United States significantly decreases the number of troops in Iraq, it is not clear that the Army and Marine Corps would need to be larger unless additional large-scale deployments are anticipated for the future.

The weapon system upgrades transferred by the Senate authorizers – for example, $515 million for upgrades to CH-47 Army helicopters, $1.4 billion for Bradley fighting vehicles, and $1.3 billion for Abrams tanks – are programs that were underway before 9/11 and could be considered part of the Army's ongoing modernization efforts. DOD also includes funds for these programs in its baseline request. DOD has argued that much of its war-related procurement request is for reconstitution or reset – the replacement of equipment that is expected to wear out sooner because of the stress of combat action. These replacements are typically upgraded versions rather than strictly replacements and hence contribute to modernization.

At the same time as the SASC transfers GWOT funds to the baseline program, the Committee expresses some concern that growth in the size of the Army and Marine Corps may "come too late to impact the war in Iraq." Nevertheless, the SASC endorses the transfers to the base budget as a way to capture "integrated" costs and not obscure the "true cost that the actual end strength presents."[28]

Authorizers Shift Funds to Mine-Resistant Ambush Protected Vehicles. The two authorizing bills largely endorse DOD's request with one major exception – both recommend an increase of $4.1 billion for Mine Resistant Ambush Protected Vehicles (MRAP), a troop transport vehicle considered to be more effective than uparmored HMMWVs in withstanding attacks from Improvised Explosive Devices (IEDs) and now deemed an urgent new war requirement. This

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[27] CRS calculations based on *S.Rept. 110-77*.

[28] *S.Rept. 110-77*, pp. 433 and 325.

increase would be offset by cuts to GWOT programs deemed of lower priority. On July 31, 2007 – after the House and Senate authorizers reported – the Administration requested an additional $5.36 billion for MRAP – including testing and transportation as well as procurement costs – but did not propose any offsets from either DOD's baseline or GWOT requests.

Although there appears to be widespread agreement that the MRAP is more effective against IED attacks, the vehicle is still undergoing operational testing and the first 100 vehicles produced failed testing. Testing is continuing on the original configuration and a second phase of testing is underway at Aberdeen Test Center for MRAP II that is to be capable of stopping explosively formed projectiles (EFPs), the newest threat in Iraq.

About 200 vehicles are currently in theater. According to press reports, the services are planning a rapid expansion of production to meet a requirement estimated to be from 18,000 to 23,000 vehicles, enough to replace every uparmored HMMWV in theater. Several variants are being tested and as many as 20 contractors may compete for the large buy. Of the estimated requirement in theater, about 60% are slated for the Army and 30% for the Marine Corps. The Army and Marine Corps have not yet decided whether MRAPs are a long-term or temporary requirement.[29]

Administration's Proposes More Funding for MRAP Vehicles. On July 31, 2007, the Administration requested an additional $5.3 billion for the FY2008 Global War on Terror (GWOT) in order to purchase 1,520 Mine Resistant Ambush Protected (MRAP) vehicles and provide additional parts for other MRAPs already on order. According to the Administration, this would enable DOD to ramp up to the maximum feasible production rate and deliver about 8,000 vehicles in theater by May 2008.[30]

Currently, DOD has a total of about $4.3 billion in funding for MRAP vehicles and associated testing and support including some $3.2 billion in the FY2007 Supplemental (including $1.2 billion added by Congress) and a recently-approved $1.1 billion reprogramming of FY2007 funds. If the Administration's new request for FY2008 is approved, DOD would have a total of $10.2 billion for MRAP vehicles.[31] DOD has not yet indicated the total number of MRAPs, presumably because the services have not yet decided the mix of the different variants undergoing testing to be purchased; current figures suggest that an individual MRAP would cost over $1 million apiece compared to about $350,000 for an uparmored HMMWV.

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[29] *Inside the Navy*, "CENTCOM, SOCOM and Pentagon Direct Bulk of New MRAP fleet to Army," August 6, 2007; *Inside the Navy*, "Aberdeen Commander Says MRAP II won't Slow Ongoing MRAP I Testing," August 6, 2007; Inside Defense, "Congress OKs MRAP Reprogramming; Additional production orders Expected;" Inside Defense, "Pentagon Eyes More than A Dozen New Potential Vendors for MRAP II," August 1, 2007.

[30] White House, Letter from President George W. Bush to Speaker of the House, Nancy Pelosi transmitting OMB Estimate No. 5, "FY2008 Revised Emergency Proposals," July 31, 2007.

[31] CRS calculations based on *H.Rept. 110-279, H.Rept. 110-146, and S.Rept. 110-77*, and OMB request of July 31, 2007.

Appropriations Action. As passed by the House on August 5, 2007, the FY2008 DOD Appropriations Act, H.R. 3222, does not address DOD's war request. House leaders plan to propose a separate bill in September that may or may not ultimately be combined with DOD's baseline program in a single bill. In their report, the House appropriators promises to address the following issues as part of its consideration of FY2008 war funding:

- funding for additional C-17 transport aircraft (included in earlier supplementals but not considered a war cost by DOD);
- funding for Mine Resistant Ambush Protected vehicles;
- Funding for additional Blackhawk MEDEVAC helicopters;
- Funding for the Global train and Equip Program, a new program to train foreign security forces facing insurgencies in countries other than Iraq or Afghanistan;
- Funding to enhance the readiness of stateside units in the strategic reserve that would be available for contingencies other than Iraq and Afghanistan;
- Shortfalls in funding for the Defense Health Program because of "efficiency" wedges included in DOD's request;
- Shortfalls in funding for Basic Allowance for Housing.[32]

The House appropriators did, however, defer some $2.0 billion in baseline requests to the war bill slated for September, characterizing some requests for ammunition, modifications and tactical vehicles as war rather than baseline requirements, a mirror image of Senate authorization action that transferred funds from DOD's war request to its baseline program.

The actions by Senate authorizers and House appropriators underline one of the dilemmas in war funding that has continued for several years – how to distinguish between programs that are necessary because of war requirements and those that are dedicated to enhancing capabilities that DOD considers necessary to meet longer-term requirements, including potential future counter-insurgency struggles. One sign of this concern is the requirement by the HAC for a DOD report that outlines the assumptions underlying reset requirements to repair and replace war-worn equipment and explains "how recapitalization and upgrade requirements are related to war needs rather than ongoing modernization."[33]

Both the Senate authorizers and the HAC appropriators show concern about potential overlaps between war and baseline requirements, with the Senate authorizers concerned that DOD's definition of war costs is too broad and the House appropriators suggesting that DOD defined war requirements too narrowly. The HAC cut $2.0 billion from DOD's baseline request, arguing these items should be considered war-related. The items include:

- $180 million for special pay for language skills and hardship duty;

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[32] *H.Rept. 110-279*, p. 3.

[33] *H.Rept. 110-279*, p. 163.

- $1.1 billion in procurement for heavy Army trucks and night vision devices, Marine Corps Unmanned Aerial Vehicles (UAV), upgrades to C-130 aircraft and war consummables, Hellfire missiles for Predator (armed) UAVs, Air Force ammunition and trucks;
- $500 million for the Global Train and Equip program, a program to equip and train foreign security forces other than Iraq or Afghanistan who face counter-insurgency threats; and
- $100 million for a "Rapid Acquisition Fund," intended to make it easier for DOD to procure urgently needed items.

This $2.0 billion that the HAC proposes to transfer from DOD's baseline request to GWOT effectively frees up funding for other programs desired by the appropriators and makes it easier for DOD to cut $3.5 billion from the DOD request as is required by each appropriation committee to comply with the overall caps on discretionary spending set in S.Con.Res. 21, the FY2008 Budget Resolution (see **Table 3**).[34] Although DOD's GWOT request is also addressed in the budget resolution, the amount can be adjusted more easily than for DOD's baseline program.

Other War-Related Provisions. As part of its markup of the H.R. 3222, the House appropriators include several general provisions related to war, several of which have been included in previous appropriations acts. These provisions include:

- a prohibition on spending any funds in the act to train foreign security forces who engage in gross violations of human rights (Sec. 8060);
- a requirement for separate budget justification materials for named operations costing more than $100 million (Sec. 8085);
- a requirement for written notification of the period of mobilization for all activated reservists (Sec. 8089);
- a provision prohibiting spending funds for permanent bases in Iraq or to control Iraqi oil resources (Sec. 8103);
- a 90% limitation on operation and maintenance obligations until DOD submits a report on contractor services; and
- a requirement that the cost of ongoing operations be included in the budget request; and
- a new requirement that DOD provide monthly reports of "boots on the ground," in Iraq and Afghanistan or military personnel deployed in-country.[35]

FY2008 GWOT Request: Assumptions Similar to FY2007

DOD's justification language and funding levels for the FY2008 GWOT request are almost identical to those included in its FY2007 Supplemental request in several categories such as military operations and reconstitution of war-worn equipment, citing the same force levels and the same examples. For example, DOD's request for

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[34] Each appropriation committee sets 302 (b) allocations for its subcommittees that together meet the total for discretionary spending set by the 302(a) levels set in the budget resolution.

[35] See sections of H.R. 3222 listed and *H.Rept. 110-279*, p. 27.

$70.6 billion in FY2008 funds special pays, benefits, subsistence, the cost of activating reservists, and the cost of conducting operations and providing support for about 320,000 deployed military personnel serving in and around Iraq and Afghanistan assuming the same operating tempo as in FY2007.[36] The FY2008 GWOT request, however, does not include the $5.6 billion additional cost for the "plus-up" or increase of about 36,000 troops announced by the president on January 10, 2007 that is now complete.

Assuming no funding for additional troops in FY2008 could become an issue should it become clear that the higher force levels will persist into the fall and the new fiscal year as appears to be expected by commanders in the field according to recent press reports.[37] On the other hand, should force levels begin to decline, additional funds would not be necessary. Earlier this year, the Congressional Budget Office projected that the President's troop increase proposal could cost between $11 billion and $15 billion in FY2008 if the higher troop levels were sustained for 12 months — about half way through FY2008 — and if more support troops were required than the several thousand that DOD anticipated.[38]

Congressional Action. The House authorizers cut $881 million from DOD's $6 billion request for the Logistics Civil Augmentation Program, or LOGCAP, which provides base camp services on the grounds that a 14% increase was not justified given the fact that the FY2008 request is predicated on a straight-line projection from FY2007 — without the temporary increase in military personnel this year. At the same time, the HASC added $401 million to the Military Personnel request to cover the cost of an additional 36,000 Army and 9,000 Marine Corps personnel suggesting that the committee expects the higher levels in FY2007 to persist.[39]

Reflecting readiness concerns, the HASC sets up a Defense Readiness Production Board whose mission is to identify critical readiness requirements. DOD is also given authority to use multiyear procurement contracts of up to $500 million authority for items deemed of critical readiness importance without statutory approval and even if DOD would not save money (Section 1701 to Section 1708, H.R. 1585). The bill also authorizes $1 billion for these purposes.[40]

The SASC transfers $4.1 billion from DOD's GWOT request in Title XV for higher Army and Marine Corps force levels adopted originally to meet OIF/OEF needs to the base budget, with the rationale that these increases or "over strength" are no longer appropriately considered temporary emergency expenses. The committee

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

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

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

[39] *H.Rept. 110-146,* p. 469.

[40] *H.Rept. 110-146,* pp. 481-482.

reduces the DOD O&M request from $72. 9 billion to $72.0 billion with the change reflecting a transfer of $712 million to the base budget to "grow the force."[41]

Table 7. DOD's Global War on Terror, FY2006-FY2008 by Function

(billions of dollars)

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

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

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

Broad Definition of Reconstitution or Reset

As in FY2007, DOD is requesting $37.6 billion for reconstitution which appears to encompass a broader set of requirements than the standard definition of reset — the repair and replacement of war-worn equipment when troops and equipment are re-deployed or rotated.[42] Within reconstitution, DOD includes not only equipment repair and replacement of battle losses and munitions, but also replacement of "stressed" equipment, upgrading of equipment with new models, additional modifications, and new or upgraded equipment as well an expansion of the supply inventory ($900 million) that assumes that currently high stock levels will need to be continued.

Of the $37.6 billion reconstitution request, $8.9 billion is for equipment repair including $7.8 billion for the Army $1.3 billion for the Marine Corps, amounts similar to DOD's request in FY2007 and fairly similar to earlier DOD projections.[43] The remaining $28.7 billion is for procurement. In a report to Congress in September 2006, DOD estimated that equipment replacement in FY2008 would be about $5.0 billion for the Army and about $500 million for the Marine Corps, levels substantially below the $21.1 billion for the Army and $7.2 billion for the Marine Corps requested for FY2008.

This four-fold increase in Army and ten-fold increase in Marine Corps reconstitution requirements in FY2008 may reflect both an expanded definition of what constitutes war-related equipment replacement and a DOD decision to request more than one year's requirement in FY2008 as occurred in the FY2007 Supplemental where requirements were front loaded according to OMB Director, Rob Portman.[44] With the exception of force protection equipment (much of which is funded in O&M), DOD appears to characterize all of its FY2008 war procurement request as reconstitution (see **Table 7**) including upgrades and replacement of current equipment that would normally considered part of peacetime modernization.

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

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

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

With over $8 billion in war-related procurement funds from previous years still to be put on contract, Congress could choose to delay some of the items requested by DOD, as was the case in Congressional action on the FY2007 where some requests were deemed "premature" or not emergencies.[45] The FY2008 war request may also reflect a response to the concerns of Service witnesses raised in testimony over the last year or two that Congress would need to appropriate funds for equipment replacement for two years after forces are withdrawn.[46]

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

Another issue is whether replacing older aircraft no longer in production with new aircraft just entering or scheduled to enter production is a legitimate emergency requirement since systems would not be available for several years. Under their expanded definition, DOD's request includes replacement of MH-53 and H-46 helicopters with the new V-22 tilt rotor aircraft, replacement of an F-16 with the new F-35 JSF, and replacement of older helicopters with the Armed Reconnaissance Helicopter, a troubled program not yet in production which the Army is considering terminating.[47] In addition, the FY2008 request includes replacement of stressed aircraft with 17 new C-130Js, modification upgrades to C-130 aircraft, F-18 aircraft, AH-1W and CH-46 helicopters.

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

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

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

[47] House Armed Services Committee, Air Land Subcommittee, "Opening Statement at Markup by Chair Neil Abercrombie," May 2, 2007.

for additional C-17 cargo aircraft that will keep the production line open, an issue raised in previous years.

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

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

The programmatic cuts also reflect committee questions about DOD's plan for rapid production buildups for these programs.[48] The committee's transfer of procurement to the base budget may be designed to give greater visibility to the full spending on individual programs. Since most of DOD's FY2008 GWOT procurement request reflects anticipated replacement needs and upgrades rather than war losses, and with production lead times of two to three years, the committee may believe that the war-related connection for the requests are less clear.

Force Protection Funding

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

- $3.5 billion to purchase an additional 320,000 body armor sets reaching a cumulative total of 1.7 million original and upgraded sets meeting 100% of total requirements as well as the new Advanced Combat helmet, earplugs, gloves and other protective gear;

- $7.0 billion for protection equipment and activities including munitions clearance, fire-retardant NOMEX uniforms, unmanned aerial vehicles, aircraft survivability modifications, route clearance vehicles; and

- funding for more uparmored HMMWVs ($1.3 billion), armored security ($301 million) and mine protection vehicles ($174 million); and

[48] *S.Rept. 110-77*, pp. 511 and 513.

- $585 million for Mine-Resistant Ambush Protected Vehicles (MRAPs), a truck with a V-shaped hull which has proven effective against IEDs.[49]

There has been considerable controversy in Congress about whether DOD has provided adequate force protection in a timely fashion with Congress typically adding funds for more body armor, more uparmored HMWWVs, and other force protection gear. In the FY2007 Supplemental, Congress added $1.2 billion to DOD's request for the Mine Resistant Ambush Protected Vehicles (MRAP) providing a total of $3.0 billion.[50] In response to this controversy, the Administration recently submitted an amended GWOT request for an additional $5.3 billion for MRAPS in order to ramp up production sooner (see discussion above).

Congressional Action. The House bill authorizes $4.6 billion for MRAPS, an increase of $4.1 billion over the request to be financed by taking funds from programs deemed lower priority such as a $1 billion transfer from Bridge to Future Networks, an upgraded command and communication support system that has experienced problems. In addition, the HASC requires DOD to submit reports every 30 days on MRAP requirements, contracting strategy, and other matters.[51]

Like the House, the SASC adds $4.1 billion to DOD's request for MRAP. At the same time, the committee raises concerns about the differences between the Army and Marine Corps MRAP strategies with the Army envisioning 1:7 replacements of MRAPS for uparmored HMMWVs and the Marine Corps 1:1 replacements. The SASC endorses most of DOD's force protection request and increases funding for night vision devices to meet an unfunded Army requirement.[52]

Questions Likely About Funding For Joint Improvised Explosive Device Defeat Fund

In FY2008, DOD is requesting an additional $4.0 billion for the Joint Improvised Explosive Device Defeat Fund, similar to the FY2007 level, for a special new transfer

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[49] DOD lists $700 million in force protection funding for armored vehicles in its justification but this appears to be an understatement; see FY2008, *Exhibit P-1* for listing of individual items; DOD, *Fiscal Year (FY) 2008, Global War on Terror Request, Exhibits for FY2008, all appropriations*, February 2007; [http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_(All_Appropriations).pdf]. For MRAP funding, see Other Procurement accounts of each service and Defensewide and Procurement, Marine Corps in Office of the Secretary of Defense, *Fiscal Year (FY) 2008 Global War on Terror Request, Exhibits for FY2008*, Exhibit P-1, Procurement, February 2007; [http://www.defenselink.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2008_Global_War_On_Terror_Request/FY_2008_GWOT_Request_-_Funding_Summary_(All_Appropriations).pdf].

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

[51] *H.Rept. 110-146*, pp. 427 and 466-467.

[52] *S.Rept. 110-77*, pp. 509-510.

account set up in recent years to coordinate research, production and training of ways to combat Improvised Explosive Devices (IEDs), the chief threat to U.S. forces. With the funding approved in the FY2007 Supplemental (H.R. 2206/P.L.110-28), the Joint IED Defeat Fund would receive a total of $7.6 billion. If the FY2008 request is approved, the total would reach $12.1 billion, including both the $500 million in DOD's base budget and $4 billion in the GWOT request..

Although Congress has been supportive of this area and endorsed DOD's request in the FY2007 Supplemental, both houses have raised concerns about the management practices of the Joint Improvised Explosive Device Defeat Organization (JIEDDO) including its financial practices, its lack of a spending plan, service requests that duplicate JIEDDO work, and its inability to provide specific information to Congress. In the original FY2007 Supplemental conference report, the conferees note that Congress "will be hard-pressed to fully fund future budget requests unless the JIEDDO improves its financial management practices and its responses" suggesting that the FY2008 request could be met with some skepticism.[53] The FY2008 GWOT justification is almost identical to that for the FY2007 Supplemental.

Congressional Action. The House authorizers endorse DOD's request for an additional $4 billion for the Joint IED Defeat Fund included in the GWOT request. At the same time, the SASC also transfers $500 million funded in the base budget for that fund to Title XV classifying all JIEDD funds as war-related. In response to concerns raised by the GAO as well as the appropriators about the management of the funds, including duplication with service programs, lack of an overall strategy, and organizational structure, the SASC requires a management plan for the office from DOD within 60 days of enactment. The SASC also calls on the office to provide $50 million in funds and work with other DOD offices on blast injury research and treatment on medical responses to IEDs as well as requiring a report on these efforts by March 1, 2008.[54]

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

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

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

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

[54] *S.Rept. 110-77*, pp. 516-517 and Sec. 1510, *S. 1510*.

billion for Afghanistan — Congress has voiced concerns about the progress and the total cost to complete this training. While the final version of the FY2007 supplemental dropped a House-proposal to set a 50% limit on obligations until various reports were submitted, OMB is required to submit report every 90 days on the use of funds and estimate of the total cost to train Iraq and Afghan Security forces within 120 days of enactment. The FY2007 Supplemental also requires that an independent organization assess the readiness and capability of Iraqi forces to bring "greater security to Iraq's 18 provinces in the next 12 -18 months...." [55]

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

Like the House, the SASC approves DOD's funding request but requires quarterly reports, prior congressional notification of transfers from the funds, and the concurrence of the Secretary of State for assistance provided from the Afghanistan Security Forces Fund or the Iraq Security Forces Fund.[56]

Coalition Support and Commanders Emergency Response Program

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

While Congress has consistently supported the CERP program, it has voiced skepticism about the amounts requested for coalition support. In FY2007, for example, Congress has proposed cutting the Administration's request for $950 million to $500 million on the grounds that DOD has not defined the use of these funds for a new "Global train and equip" program authorized in FY2006.[57]

Congressional Action. In H.R. 1585, the House reauthorize CERP but do not set a funding limit on the program and do not address coalition support limits.

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

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

[56] *S.Rept. 110-77*, p.506, sections 1511 and 1512.

[57] *H.Rept. 110-107*, p. 126; see also *H.Rept. 110-37*, p. 22.

Military Construction Overseas and Permanent Basing Concerns

For war-related military construction and family housing, DOD requests $908 million in FY2008 compared to $1.8 billion in FY2007. Although the funding level is lower than the previous year, the same concerns about permanent basing in Iraq continue to be voiced. Some of the FY2008 projects requested — such as building bypass roads, power plants and wastewater treatment plants in Iraq and providing relocatable barracks to replace temporary housing and constructing fuel storage facilities to replace temporary fuel bladders — have been rejected previously as either lacking sufficient justification.[58]

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

Congressional Action. In H.R. 1585, the House reduces the FY2008 GWOT request for military construction by $212 million, rejecting utility projects such as power plants and wastewater collection facilities perceived as indicating a permanent presence.[59] The House also extends the congressional prohibition on using funds for permanent basing in Iraq or to control Iraqi oil resources (Sec. 1222, H.R. 1585).

The SASC approves all DOD's requests for projects in Iraq and Afghanistan but transfers $169 million requested for state-side projects to the base budget.[60] Like the House, the SASC also extends the provision prohibiting the United States from establishing permanent bases in Iraq or taking control of Iraqi oil resources (Sec. 1531, S. 1547). In its appropriations bill, the House includes the same prohibition.

Potential issues in the FY2008 Base Budget Request

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

- **Military Pay Raise.** The budget request would give military personnel a 3% pay raise effective January 1, 2008, thus keeping pace

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

[59] *H.Rept. 110-146*, p. 470.

[60] *S.Rept. 110-77*, pp. 587-588.

with the average increase in private-sector wages as measured by the Department of Labor's Employment Cost Index (ECI). Some, contending that military pay increases have lagged civilian pay hikes by a cumulative total of 4% over the past two decades or so, have called for a 3.5% raise to close that so-called pay-gap. Defense Department officials deny any such pay-gap exists, maintaining that their proposed 3% increase would sustain their policy of keeping military pay at about the 70th percentile of pay for civilians of comparable education and experience. Congress mandated military pay-raises of ECI plus ½% in FY2000-2006. But for FY2007, the Administration requested an increase of 2.2%, equivalent to ECI, and Congress ultimately approved it, rejecting a House-passed increase to 2.7%.

- **Army and Marine Corps End-Strength Increases.** The budget request includes $12.1 billion in the FY2008 base budget and an additional $4.9 billion in the FY2008 war-fighting budget toward the Administration's $112.3 billion plan to increase active-duty end-strength by 65,000 Army personnel and 27,000 Marines by 2013. Most of the additional personnel are slated for assignment to newly created combat brigades and regiments, which would expand the pool of units that could be rotated through overseas deployments, thus making it easier for the services to sustain overseas roughly the number of troops currently deployed in Iraq and Afghanistan. This recommendation marks a new departure for the Administration, which has resisted for several years calls by the congressional defense committees for such an increase in troop-strength. On the other hand, the proposal might be challenged by Members who wonder how the services, in a time of tightening budgets, will afford the roughly $13 billion annual cost of the additional troops. The proposal also might be opposed by Members skeptical of future extended deployments on the scale of the current missions in Iraq and Afghanistan.

- **Tricare Fees and Co-pays.** For the second year in a row, the Administration's budget proposes to increase fees, co-payments and deductibles charged retirees under the age of 65 by Tricare, the Defense Department's medical insurance program for active and retired service members and their dependents. The increases are intended to restrain the rapid increase in the annual cost of the Defense Health Program, which is projected to reach $64 billion by FY2015. The budget request also reduces the health program budget by $1.9 billion, the amount the higher fees are expected to generate. The administration contends that these one-time increases would compensate for the fact that the fees have not be adjusted since they were set in 1995. The Administration also is requesting a provision of law that would index future increases in Tricare fees to the average rate of increase in health care premiums nationwide. As was the case last year, the Administration proposal is vehemently opposed by organizations representing service members and retirees, which contend that the Defense Department has failed to adequately

consider other cost-saving moves and that retiree medical care on favorable terms is appropriate, considering the unique burdens that have been borne by career soldiers and their dependents. Any future Tricare fee increases, some groups contend, should be indexed to increases in the Consumer Price Index (CPI) rather than to the much more rapid rise in health insurance premiums. Last year, Congress blocked the proposed fee increases for one year and established a study group to consider alternative solutions to the problem of rising defense health costs. That panel is slated to issue interim recommendations in May, 2007.[61]

- **National Guard Representation on the Joint Chiefs of Staff.** A number of National Guard units have been stripped of equipment needed for other units deploying to Iraq, leaving the units at home ill-prepared either to train for their military mission or to execute their domestic emergency role as the agent of their state governor. Some Members of Congress and organizations that speak for the Guard contend that this situation reflects the regular forces' dismissive attitude toward Guard units, which should be counterbalanced by making the Chief of the National Guard Bureau a member of the Joint Chiefs of Staff, and elevating him to highest military rank — general (4 stars) — from his current rank of lieutenant general (3 stars). Congress has rejected these proposals before, but in March a congressionally chartered commission studying National Guard and reserve component issues endorsed the higher rank, while opposing the Joint Chiefs membership.

- **National Guard Stryker Brigades.** Governors, Members of Congress and National Guard officials from several states have called on Congress to equip additional Guard combat units with the Stryker armored combat vehicle, which currently equips five active-duty Army brigades and one National Guard brigade (based in Pennsylvania). Stryker brigades deployed in Iraq report the eight-wheeled armored cars to be rugged under fire and agile; and because they move on oversize tires rather than metal caterpillar tracks like the big M-1 tanks and Bradley troop carriers that equip some Guard units, Strykers would be more versatile in domestic disaster-response missions, since they could travel on streets and roads without tearing them up. Perhaps as important as the Stryker units' vehicular capability is the surveillance and information network that is part of a Stryker brigade. It cost about $1.2 billion to equip the Pennsylvania Guard unit as a Stryker brigade.

- **Future Combat Systems.** The FY2008 budget request contains $3.7 billion to continue development of the Army's Future Combat System (FCS), a $164 billion program to develop a new generation of

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

networked combat vehicles and sensors that GAO and other critics repeatedly have cited as technologically risky. That critique may account for the fact that, last year, Congress cut $326 million from the Administration's $3.7 billion FY2007 request for the program. Ongoing operations in Iraq and Afghanistan also highlight the concern of some that FCS will be a more efficient way to fight the kind of armored warfare at which U.S. forces already excel while offering no clear advantage in fighting the sort of counter-insurgency operations that may be a major focus of U.S. ground operations for some time to come.[62] Particularly because the FY2008 request includes the first installment of procurement money for FCS ($100 million), critics may try once again to slow the project's pace, at least for the more technologically exotic components not slated for deployment within the next five years.

- **Nuclear Power for Warships.** Congress may use the FY2008 bills to continue pressing the Navy to resume the construction of nuclear-powered surface warships. All U.S. subs commissioned since 1959 have had nuclear-powerplants because they give subs the extremely useful ability to remain submerged, and thus hard to detect, for weeks at a time. All aircraft carriers commissioned since 1967 also have been nuclear-powered ships. But because nuclear-powered surface ships cost significantly more to build and operate than oil-powered ships of comparable size, the Navy has built no nuclear-powered surface vessels since 1980, and has had none in commission since 1999. Proponents of nuclear power long have contended that this focus on construction costs has unwisely discounted the operational advantages of surface combatants that could steam at high speed for long distances, without having to worry about fuel consumption. In recent years, they have cited rising oil prices to argue that nuclear-powered ships may not be much more expensive to operate than oil-fueled vessels. In 2006, a Navy study mandated by the FY2006 defense authorization bill (P.L. 109-163, Section 130) concluded that nuclear power would add about $600 million to $700 million to the cost of a medium-sized warship, like the Navy's planned CG(X) cruiser, and that such a ship's operating cost would be only 0-10% higher than an oil-powered counterpart, provided crude oil costs $74.15 or more, per barrel (as it did a various times during 2006).[63] Congress might add to the FY2008 bills provisions that would require certain kinds of warships to be nuclear-powered in the future. Alternatively, it might require the Navy to design both oil-powered and nuclear-powered versions of the CG(X), the first of which is slated for funding in the FY2011 budget.

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

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

- **Littoral Combat Ships.** Congress will closely scrutinize the Navy's most recent restructuring of its plan to bulk up the fleet with a large number of small, fast Littoral Combat Ships (LCS) intended to use modular packages of weapons and equipment to perform various missions. In FY2005-FY2007, Navy budgets funded six LCSs being built to two different designs by two contractors, Lockheed and Northrop Grumman. The Navy plans to select one of the two designs which would account for all the LCSs built beginning in FY2010. But in March 2007, responding to escalating costs in the first few LCS ships under construction, the Navy restructured the program, cancelling contracts for three of the ships already funded and reducing the number of LCS ships requested in the FY2008 budget from three to two. In the FY2008 defense bills, Congress might endorse the Navy's action, add funds for additional ships in FY2008, or take additional steps to ensure that LCS construction costs are under control before additional ships are funded.[64]

- **Virginia-Class Submarines.** Members may try to accelerate the Navy's plan to begin in FY2012 stepping up the production rate of *Virginia*-class nuclear-powered attack submarines from one ship per year to two. Because of the scheduled retirement after 30 years of service of the large number of *Los Angeles*-class subs commissioned in the 1980 and 1990s, the Navy's sub fleet will fall short of the desired 48 ships (out of a total fleet of 313 Navy vessels) from 2020 until 2033. In addition to approving the Navy's FY2008 request for $1.8 billion to build a sub for which nuclear reactors and other components were funded in earlier years and $703 million for reactors and components that would be used in subs slated for funding in future budgets, Congress may add more so-called "long lead" funding for an additional sub for which most of the funding would come in FY2009 or FY2010. The Navy says it would need an additional $400 million down payment in FY2008 to make it feasible to fund an additional sub in FY2010.[65] But Navy officials also argue that buying an additional sub before 2012 could throw future Navy budgets out of balance.

- **F-35 (Joint Strike Fighter).** Congress may reject the Administration's proposal to drop development of the General Electric F-136 jet engine being developed as a potential alternative to the Pratt & Whitney F-135 engine slated to power the F-35 Joint Strike Fighter. Congress has backed development of an alternate engine for the F-35 since 1996 and last year rejected the Administration's proposal to terminate the program, adding $340 million to the FY2007 defense funding bills to continue the alternate

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

[65] See CRS Report RL32418, *Navy Attack Submarine Force-Level Goal and Procurement Rate: Background and Issues for Congress,* by Ronald O'Rourke.

engine program.[66] Defense Department officials, noting that they would save $1.8 billion by ending the alternate engine program, contend that because of improvements in the process of designing and developing jet engines, it would not be imprudent to rely on a single type of engine to power what likely will be the only U.S. fighter plane in production after about 2015. Many Members are skeptical of that argument, citing the poor reliability demonstrated in the late 1970s by the Pratt & Whitney F-100 engine that powered both the F-15 and F-16, a problem the caused Congress to mandate development of an alternative (GE-built) engine. Supporters of the dual engine approach also contend that competition between the two engine manufacturers produced significant savings in F-15 and F-16 engine costs, a claim disputed by some analyses.

- **C-17 Production and C-5 Upgrades.** There appears to be strong support in Congress for fielding a larger fleet of long-range cargo jets big enough to heavy Army combat gear than Defense Department plans would fund. As in past years, the result may be a combination of congressional actions that would (1) restrict the ability of the Air Force to retire older C-5A planes and (2) fund additional C-17 planes, beyond the 190 the Air Force plans to buy. In March 2006, the Defense Department's first "post 9/11" review of its long-range transportation needs concluded that the services' long-range airlift needs could be met, with acceptable risk, by the Air Force's plan to upgrade fleet of 109 C-5s (divided between "A" and newer "B" models) and to buy a total of 180 C-17s. Rejecting the department's analysis on several grounds, Congress barred retirement of any C-5s and added 10 C-17s to the FY2007 defense funding bills. The most conspicuous change in this issue since then has been the Administration's decision to enlarge the Army and Marine Corps, a move which, arguably, requires a larger airlift fleet.[67]

- **Air Force Tanker Procurement.** The $315 million requested in FY2008 to develop a new mid-air refueling tanker to replace the Air Force KC-135s well into their fifth decade of service may become a vehicle for congressional action intended to bolster the position of either Boeing or the team of Northrop Grumman and Airbus, who are competing for the contract in a contest scheduled to be decided late in 2007. Immediately at issue is a contract for 179 refueling planes. But follow-on contracts may bring the number of planes ultimately purchased to 540. [68]

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[66] See CRS Report RL33390, *Proposed Termination of Joint Strike Fighter (JSF) F136 Alternate Engine*, by Christopher Bolkcom.

[67] See CRS Report RS20915, *Strategic Airlift Modernization*, by Christopher Bolkcom.

[68] See CRS Report RS20941, *Air Force Aerial Refueling*, by Christopher Bolkcom.

- **New Nuclear Warhead.** Differences over the future role of nuclear weapons in U.S. national security planning may crystalize into a debate over the $119 million requested in the FY2008 national defense budget to continue development of a so-called Reliable Replacement Warhead (RRW), which is intended to replace warheads that were built in the 1970s and 1980s and have been kept in service longer than initially planned. That total includes $89 million for the National Nuclear Security Administration of the Department of Energy and $30 million for the Navy. The new warhead is intended to be easier to maintain than aging types now in service and to be deployable without breaking the moratorium on nuclear test explosions the U.S. government has observed since 1992. Supporters argue that RRW is needed because of concerns that maintenance of currently deployed warheads may prove increasingly difficult in the long term. On the other hand, critics of the RRW program contend that fielding new warheads of an untested type might build political pressure to resume testing eventually. Moreover, they contend, that the program to extend the service life of existing warheads without testing has proven successful for more than a decade and should become even more reliable because of advances in understanding of the physics of current weapons. Since the funds requested in FY2008 would allow the RRW program to cross a critical threshold, from design and cost analysis to the start of detailed development work, Members who want to rein in the program have a strong incentive to use the FY2008 funding bills to do it.[69]

- **Non-Nuclear Trident Missile Warhead.** Months after Congress denied most of the $127 million requested in FY2007 to develop a non-nuclear warhead for the Trident long-range, submarine-launched ballistic missile, the administration has requested $175 million for the program in FY2008. The argument in favor of the program is that it would allow U.S. forces to quickly strike urgent or mobile targets anywhere in the world, even if no U.S. forces were located nearby. On the other hand, some skeptics of the program argue that the system would require precise, virtually real-time intelligence about targets that may not be available and that other countries — including some like Russia and China that are armed with long-range, nuclear-armed missiles — might misinterpret the launch of a conventionally-armed U.S. missile as an indication that they were under nuclear attack. Some Members may try to slow the program, as Congress did last year.[70]

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

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

- **Missile Defense Budget.** If only because it is the largest acquisition program in the budget, the $8.9 billion requested in FY2008 for the Missile Defense Agency would draw close scrutiny because of the stringent budget limits within which the defense committees are working. But there also may be some efforts to cut that request that are rooted in the long-running debate that continues over how soon missile defense would be needed, and over the relative effectiveness of the many anti-missile systems under development. Efforts are likely to reduce funding for some of the more technologically challenging programs, such as the Airborne Laser (ABL), which has encountered several delays and for which the Administration has requested $549 million in FY2008.[71] Another possible target for congressional cuts is the $300 million requested to begin work on a third anti-missile site in Eastern Europe. Touted by the Administration as a defense against a possible threat from Iran, the proposal to field anti-missile interceptors in Poland has been denounced by Russia.

- **Revisiting BRAC**. Because of well-publicized cases of inadequate care received by some Iraq War veterans at Walter Reed Army Medical Center, which is slated for realignment as one of the recommendations made by the 2005 Base Realignment and Closure (BRAC) Commission, and approved by President George W. Bush, critics of some other BRAC actions may be encouraged to try to slow or reverse those decisions. If successful, such efforts might unravel the entire base closure process, which was designed to prevent Members from politicking to save any one particular base from closure. Since 1989, the requirement that Congress and the President deal with each of the four sets of recommended closures as a package, on a "take it or leave it" basis, has highlighted the potential savings of the entire package of closures while preventing supporters of any one base from rounding up support for saving their site from closure on the grounds that, considered in isolation, closing it would save very little. But since the furor over Walter Reed has at least prompted some public calls for reconsidering that particular BRAC decision, critics of other closures may argue that changes in circumstance since 2005 require a re-look at other parts of the BRAC package. In addition, jurisdictions anticipating a large population influx as they acquire organizations formerly housed at installations being closed, may seek impact assistance to expand their transportation, utility, housing and education infrastructures.

- **Contract Oversight.** Because of several recent cases in which high profile weapons acquisition programs have been hobbled by escalating costs and technical shortcomings, Members may want to review the management of individual programs and the evolution

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[71] See CRS Report RL32123, *Airborne Laser (ABL): Issue for Congress*, by Christopher Bolkcom and Stephen A. Hildreth.

over the past decade or so of the Defense Department's acquisition management process with an eye toward using the FY2008 funding bills to strengthen the government's hand in dealing with industry. Secretary of the Navy Donald C. Winter and Chief of Naval Operations Adm. Michael G. Mullen have declared that the Navy intends to reclaim some of the authority over ship design it has ceded to industry and Members may look for ways to jump-start that effort as they deal with, for instance, the troubled Littoral Combat Ship (LCS) program. Similarly, Members intent on imposing congressional priorities on the Army's Future Combat System (FCS) may question the amount of managerial discretion the Army has vested in the Lead System Integrator: a private entity — in this case, a team of Boeing and SAID — hired to manage a large, complex program that consists of more than a dozen vehicles and sensors linked by a computer network. One rationale for the outsourcing to industry of management roles previously filled by Pentagon acquisition managers is that the Defense Department no longer has the in-house expertise needed to manage such complicated acquisitions. Some Members may want the Defense Department to come up with a long-term plan to restore enough in-house expertise to make the government a smarter customer.[72]

Bill-by-Bill Synopsis of Congressional Action to Date

Congressional Budget Resolution

Congress has completed, work on the annual congressional budget resolution, which includes recommended ceilings for FY2008 and the following four fiscal years on budget authority and outlays for national defense and other broad categories (or "functions") of the federal government. These functional ceilings are neither binding on the Appropriations committees nor do they formally constrain the authorizing committees in any way. But the budget resolution's ceiling on the so-called "050 function" — the budget accounts funding the military activities of DOD and the defense-related activities of the Department of Energy and other agencies — may indicate the general level of support in each chamber for the President's overall defense budget proposal.

The House version of the budget resolution (H.Con.Res. 99), adopted March 29, 2007 by a vote of 216-210 that broke basically along party lines, recommended for FY2008 a ceiling of $507 billion in budget authority for the 050 function and an additional allowance of $145 billion for "overseas deployments and other activities." Together, the two amounts add up to an overall ceiling on defense-related budget authority in FY2008 of $652 billion, essentially the amount the President requested.

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

The House budget resolution also included non-binding policy recommendations that (1) opposed the Administration's request to increase retirees' medical fees and (2) called for a reduction in the administration's $9.8 billion budget request for missile defense.

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

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

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

FY2008 Defense Authorization: Highlights of the House Bill

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

The bill would require the top U.S. military commander in Iraq and the U.S. ambassador to provide Congress with a detailed assessment of the situation in that country covering various issues, including an assessment of Iraqi security forces and a review of trends in attacks by insurgents and Al Qaeda fighters on U.S. and allied forces.

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

In addition, the bill would require the Government Accountability Office (GAO) to review the Joint Improvised Explosive Device Organization, created to coordinate efforts to neutralize roadside bombs and car bombs, which have been responsible for more U.S. troop fatalities in Iraq than any other factor. The bill also would cut from

the military construction request $212 million for facilities such as powerplants and wastewater treatment plants which, the House Armed Services Committee said in its report on H.R. 1585 (H.Rept. 110-146), implied an intention to continue U.S. deployments for a prolonged period.

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

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

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

The bill would shore up current combat capabilities, in part with funds diverted from the budget request for technologically advanced weapons programs that promise increased military capability in the future. It would add funds to the requests for anti-missile systems designed to protect forces in the field from the sort of short-range and medium-range missiles deployed (or nearly deployed) by potential adversaries such as North Korea and Iran. At the same time, it would slice funding from the amounts requested for the Airborne Laser and for development of space-based anti-missile weapons, more innovative weapons intended for use against long-range missiles that those adversaries have not yet fielded. Similarly, it would cut several hundred million dollars from the request for the Army's Future Combat System program, targeting some of its more exotic elements, while adding funds to expand production of Stryker armored combat vehicles and Mine Resistant Ambush Protected (MRAP) troop carriers. It also would extend production of the C-17, long-range, wide-body cargo jet, adding funds for 10 more airplanes.

The House bill would slow some acquisition programs to allow a more orderly process of setting their requirements and testing their effectiveness. For instance, the bill would require an operationally realistic test of the communications and sensor network that is essential to the Army's FCS program before the system goes into production. It also would defer production of a medium-range cargo plan, the Joint Cargo Aircraft, until the Pentagon completes a study of its requirement for aircraft of

that type. In addition, the bill would slow development of a new troop carrier, slated to replace the High-Mobility, Multi-purpose, Wheeled Vehicle (HMMWV), until some of the technologies slated for use in the new vehicle are more mature.

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

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

- **Tricare Fee Freeze**. As the FY2007 authorization bill did, this bill would bar for one year proposed increases in Tricare fees (including pharmacy fees). The House Armed Services Committee noted that a commission appointed to study alternative Tricare cost controls is not scheduled to complete its work until the end of the year. The bill also would authorize an increase in Tricare funding by $1.9 billion, the amount by which Pentagon officials reduced the Tricare budget request in anticipation of the higher fees.

- **Health Care Improvements**. The bill would create an initiative to improve care of service members suffering traumatic brain injury, which is a relatively frequent result of roadside bomb attacks on U.S. vehicles in Iraq. It also would allow the Navy to reduce its number of medical personnel by only 410, rather than the reduction of 900 the budget assumed. The bill also incorporates the provisions of H.R. 1538, the Wounded Warrior Assistance Act of 2007, passed by the House March 28 which, among many other provisions, would do the following: mandate the assignment of case managers to outpatient service members and require regular reviews of their cases; create toll-free hotlines on which service members and their families can report deficiencies in military-support facilities; establish standardized training programs for Defense Department personnel engaged in evaluating wounded service members for possible discharge on grounds of disability; establish a separate fund to support the treatment of wounded or injured service members and their return to service or their transition to civilian life; mandate development of policies to reduce the likelihood that personnel in combat will experience post-traumatic stress disorder (PTSD) or other stress-related illnesses; require regular inspections of all living quarters occupied by service members recovering from wounds; and prohibit for one year any effort to convert jobs at a military medical facility from military to civilian positions. In addition, the bill would require a long-term longitudinal study of health and behavioral problems experienced by service members deployed in Iraq and

Afghanistan. It also would require that the annual budget for Walter Reed Army Medical Center not be reduced below the level spent in FY2006 until replacement facilities are available to provide the same level of care provided at Walter Reed in that year.

- **National Guard and Reserve Issues.** The bill would elevate the chief of the National Guard Bureau, a position that currently carries with it the rank of lieutenant general, to the rank of general, and would designate that officer as an advisor to the Secretary of Defense and the Secretary of Homeland Security. However, the bill would not make the Guard Bureau chief a member of the Joint Chiefs of Staff, as some supporters of the National Guard have advocated. The bill also would authorize an addition of $1.1 billion to the $1.1 billion requested for equipment for the National Guard and reserve component forces, an increase intended to address equipment shortfalls. budget in order to fill Guard and reserve equipment shortages. The chief of the National Guard Bureau has estimated that, for the Guard alone, equipment shortfalls would cost $2 billion to fill. In addition, the bill would authorize the addition of $30 million to upgrade the engines on F-16s flown by National Guard squadrons. The bill also would require the Secretary of Defense to send Congress quarterly reports on the readiness of National Guard units to perform both their wartime mission and the domestic missions the would be called on in response to a natural disaster or domestic disturbance. It also would require the Army to submit to Congress a report on the desirability of equipping additional National Guard units with Stryker vehicles.

- **Training.** The bill would authorize an additional $250 million for training not covered by the budget request. The committee warned that the readiness of ground combat forces in particular was suffering because their training was focused heavily on the type of mission they would perform in Iraq and Afghanistan, rather than on the full spectrum of missions they might have to execute.

- **Maintenance and Readiness**. The bill would add to the budget request $165 million for additional major overhauls of ships, planes, vehicles and electronic equipment beyond what the budget would cover. It also would create a $1 billion Strategic Readiness Fund to allow the services to address equipment shortages that resulted in critical readiness shortfalls. To better focus attention on readiness problems, the bill would create a Defense Readiness Production Board to identify shortages of equipment or supplies anticipated to last for two years or longer. It also requires DOD to report the current readiness of ground forces and prioritize the steps that will be taken to improve the state of readiness.

- **Special Forces Priorities.** Several provisions of the bill reflect a concern by some Members that the services' special operations forces have been emphasizing "direct action" (efforts to kill or capture

terrorists) at the expense of "indirect action" (training other countries' security forces and developing working relationships with them to help set conditions that inhibit the spread of terrorism). The bill would require the Special Operations Command to send Congress an annual report on its plan to meet its requirements for indirect action. It also would authorize additional funds for "irregular warfare support" research aimed at better understanding radical Islamist strategies and the cultures in which terrorists seek a foothold.

- **Civilian Employees**. The bill would change the rules governing so-called A-76 cost competitions to determine whether functions currently performed by federal employees should be contracted out to private companies. The House Armed Services Committee said that the changes, which would tend to advantage federal employees in such a contest, were needed to ensure a fair and balanced cost comparison. The bill also would require a recently created personnel system for civilian DOD employees to provide rights of collective bargaining and appeal rights which are provided by the civil service system. It also would impose limits on the new system's "pay for performance" compensation rules.

- **Armored Troop Carriers.** The bill would increase by $4.1 billion — to $4.6 billion — the amount authorized to equip Army, Marine Corps and Special Operations units with Mine Resistant Ambush Protected (MRAP) vehicles, shaped and armored to better protect troops from roadside bombs. It approved the requests for $2.3 billion to buy armored HMMWV vehicles and $1.1 billion for add-on armor to protect personnel in other vehicles from roadside bombs.

- **Ground Combat Vehicles**. The bill would cut $857 million from the $3.56 billion requested to continue developing the Army's Future Combat System (FCS), a networked set of ground vehicles, unmanned aircraft and sensors that would make up the next generation of ground combat equipment. FCS supporters contended that the cut would cripple the program; but proponents of the reduction contended that the cuts were aimed at more exotic components not slated to enter service for years, sparing elements of FCS that would be available sooner. The bill also approved the request for $4 billion to upgrade M-1 tanks and Bradley armored troops carriers currently in service. It would authorize $88 million of the $288 million requested for the Expeditionary Fighting Vehicle, a Marine Corps effort to develop a new amphibious combat vehicle, work on which has been suspended pending a DOD review.

- **Communication Programs Slowed**. The bill would cut $2.1 billion from the $2.6 billion requested for the Joint Network Node (JNN), an effort to develop for ground troops an internet-based mobile voice, video and data link that would be used pending development of a more ambitious communications network system designated Warfighter Information Network - Tactical (WIN-T). The House

Armed Services Committee contended that JNN could not usefully absorb the amount requested. Moreover, the committee insisted that JNN, which had been launched as an interim system start managed under relatively informal procedures, begin to operate under the more demanding procedures applied to major systems purchases and that the procurement of future lots of the system by competed. The bill also would cut $102 million from the $222 million requested to develop the follow-on communication system, WIN-T. On the other hand, the bill authorized the $964 million requested to develop a satellite-based, long-range communications network linked by lasers.

- **Combat Jets**. The bill would authorize production 11 of the 12 F-35 tri-service fighters requested. It would use the $230 million thus saved from the $2.7 billion F-35 procurement request plus $250 million diverted from the $3.5 billion R&D request to continue development of an alternative jet engine, a project the budget would terminate. The bill also would authorize the amounts requested for 20 Air Force F-22 fighters ($3.2 billion, plus $744 million for R&D) and 18 EA-18Gs, which are electronic-jamming versions of the Navy's F/A-18E/F fighter ($1.3 billion, plus $273 million for R&D). It would authorize 33 of the 36 F/A-18E/Fs requested ($2.6 billion, a $182 million reduction from the request).

- **Long-Range Cargo Jets.** The bill would add to the budget $2.4 billion for 10 additional C-17 wide-body, long-range cargo jets. DOD's budget would have ended production of the planes, as would its FY2007 budget, which Congress also overrode to keep the C-17 production line running. In addition, the bill would repeal existing law that bars DOD from retiring any of its C-5 cargo jets. The bill would allow the Air Force to begin retiring older C-5s once the production of C-17s, plus remaining C-5s comprised a total long-range cargo fleet of 299 planes.

- **Shipbuilding.** The bill included a provision requiring that all new classes of cruisers, submarines and aircraft carriers be nuclear-powered, although the requirement could be waived in any case in which the Secretary of Defense determined it not to be in the national interest. The bill added to the budget request $1.7 billion for a San Antonio-class amphibious landing transport (in addition to the $1.4 billion requested for one of the ships), $400 million for a T-AKE class supply ship (in addition to the $456 million requested for one), and $588 million to buy the nuclear power plant and other components of an additional Virginia-class submarine, for which the bulk of the funds would have to be provided in a future budget (in addition to the $1.8 billion approved as requested for one sub and the $703 million requested for another set of long-leadtime sub components). The bill also authorized $711 million for two smaller warships, designated LCS, which is what the Navy wanted after it dropped from its FY2008 budget request funding for a third ship of the class because of escalating costs in construction of earlier ships

of the type. The committee also directed the Navy to report on the underlying causes of the LCS cost-overruns and on steps that were being taken to prevent their recurrence. The bill also authorized the amounts requested to begin work on a nuclear-powered carrier ($2.7 billion), to complete two DDG-1000-class destroyers that were partly funded in the FY2007 budget and to buy components for use in future ships of this type ($2.8 billion), and to complete a helicopter carrier designed to support amphibious landings, some funds for which were provided in the FY2007 budget ($1.4 billion).

- **Missile Defense**. The bill would cut a total of $764 million from the $8.8 billion requested for the Missile Defense Agency. The largest cut in a single missile defense program was $250 million cut from the $548 million requested to continue development of an airborne laser (ABL). The bill also would cut $160 million from the $300 million requested to field in Eastern Europe a third cluster of anti-missile interceptor rockets. The cut would block construction of the planned launch silos in Poland. The bill also would authorize a total of $2.5 billion, slightly more than was requested, for Patriot and Aegis systems designed to protect U.S. forces and allies against short-range and medium-range missiles currently deployed by North Korea, Iran and many other countries. It would deny $10 million requested to begin development of space-based anti-missile interceptor missiles.

- **Nuclear Weapons and Non-proliferation.** The bill would cut $45 million from the $119 million requested to develop a new nuclear warhead — the Reliable Replacement Warhead (RRW) — to replace aging warheads current deployed. The House Armed Services Committee said it wanted to slow development of the new weapon pending a report on future U.S. nuclear weapons deployments, which the bill would create a blue-ribbon panel to prepare. The bill also would authorize $142 million of the $175 million requested to develop a non-nuclear warhead for the Trident submarine-launched missile. The committee wanted to defer production of the weapon pending study of how it would be used and how the risk could be minimized that launch of a conventionally-armed Trident would be misinterpreted as nuclear attack.

- **Roles and Missions.** The bill would require the Defense Department to review every four years the division of labor — the allocation of "roles and missions" — among the four armed services and other Pentagon agencies, identifying the "core competencies" of each service or agency. It also would make several changes in the Defense Department's long-range budget and weapons planning processes with the aim of ensuring that future weapons programs be given the go-ahead only if they met the requirements of an agreed-on mission and were to be used by an organization with the appropriate core competency to perform that mission. The bill also would direct the Secretary of Defense to decide whether or not to designate one of the armed services to manage all medium altitude and high altitude

unmanned aerial vehicle (UAV) programs, for the sake of efficiency. Air Force officials have contended that their service should get that role, a move the other services have strongly opposed.

- **Prospective Ban on Future Use of LSIs.** The bill would prohibit the awarding of new contracts for any Lead System Integrator (LSI) on a major system, as of the start of FY2011. The bill would require the Secretary of Defense to send Congress by October 1, 2008 a plan to develop among government acquisition employees the skills needed to perform "inherently governmental functions" in managing major acquisition programs.

- **Environmental Issues.** The bill would require future periodic revisions of long-range national strategic plans to take account of the impact on U.S. interests of global climate change. The committee said that the strategic, social, political and economic consequences of climate change could increase political instability in parts of the world. The bill also would require GAO to report on the extent to which the readiness of U.S. forces has improved as the result of several waivers from various environmental laws granted to the Defense Department.

Defense Authorization: Highlights of House Floor Action

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

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

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

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

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

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

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

Sponsor	Summary	Outcome
Saxton, LoBiondo, Smith, Andrews	Requires DOD to perform federal background checks for all unescorted visitors who seek entry to a military installation or facility, and employees of vendors and/or contractors who do business on a military installation or facility. The background checks will require a search in the FBI's National Crime Information Center (NCIC) database, confirmation that they are not on a terrorist watch list, and collaboration with DHS to verify US citizenship status.	Included in an en bloc amendment; Agreed, voice vote
Snyder	Increases the funding for the Army National Guard military personnel account to fund the Yellow Ribbon Reintegration Program by $50,000,000, with an offsetting reduction of $50,000,000 from the Air Force JSTARS program.	Included in an en bloc amendment; Agreed, voice vote
Andrews	Requires DOD to use renewable energy to meet at least 25% of its electricity needs by 2025, unless the Secretary determines a waiver is in the best interest of DOD.	Included in an en bloc amendment; Agreed, voice vote
Andrews	Prohibits funds authorized in the bill for the wars in Iraq and Afghanistan from being obligated or expended to plan a contingency operation in Iran .	Rejected, 202-216
Franks, Cantor, Putnam	Increases by $764 million the amount authorized for ballistic missile defense.	Rejected, 199-226

Sponsor	Summary	Outcome
Johnson, Jr., Hank (GA)	Increases by $169,000,000 the amount authorized for construction of medical support facilities at Fort Belvoir, VA, and Bethesda (MD) Naval Medical Center, to be offset by unspecified reductions in other construction authorized by the bill.	Included in an en bloc amendment; Agreed, voice vote
DeFazio, Paul, Hinchey, Lee	Prohibits funding authorized by the bill or any other act from being used to take military action against Iran without specific authorization from Congress unless there is a "national emergency created by an attack by Iran upon the United States, its territories or possessions or its armed forces."	Rejected, 136-288
Moran	Requires the Office of the Secretary of Defense to submit a report identifying the current capacity at Department of Defense facilities to securely hold and try before a military commission the detainees currently held at Guantanamo Bay. The report shall include the Department's estimated number of detainees that will be 1) charged with a crime, 2) subject to a release or transfer, or 3) held without being charged with a crime, but whom the Department wishes to detain. The report shall also describe actions required by the Secretary and Congress to ensure that detainees who are scheduled for release are released no later than December 31, 2007.	Agreed, 220-208
Woolsey	Requires the Secretary of Defense to issue a report on the continued use, need, relevance, and cost of weapons systems designed to fight the Cold War and the former Soviet Union.	Rejected, 119-303
Moran	Requires that the transportation infrastructure necessary to accommodate the large influx of military personnel and civilian employees to be assigned to Fort Belvoir, VA, as part of the BRAC process, be substantially completed before the relocation of these employees.	Included in an en bloc amendment; Agreed, voice vote
Jackson-Lee	Requires the Secretary of Defense to study and report back to Congress on the financial and emotional impact of multiple deployments on the families of those soldiers who serve multiple tours as part of Operation Iraqi Freedom and Operation Enduring Freedom.	Included in an en bloc amendment; Agreed, voice vote
Jackson-Lee	Requires the Secretary of Defense to take the necessary steps to ensure that Army National Guard and Reserve ROTC scholarships are available to students attending historically black colleges and universities, and Hispanic-serving institutions.	Included in an en bloc amendment; Agreed, voice vote
LaHood	Allows a member of the Armed Forces to request a deferment of a deployment to a combat zone if their spouse also is deployed to a combat zone and the couple has minor dependent children.	Included in an en bloc amendment; Agreed, voice vote

Sponsor	Summary	Outcome
Allen	Requires the Secretary of Defense to report to Congress on the Department's policies on administering and evaluating multiple vaccinations within a 24-hour period to active duty members and members of the reserve components and to perform a study on the safety and effectiveness of multiple vaccinations within a 24-hour period.	Included in an en bloc amendment; Agreed, voice vote
Tierney	Reduces the $8.1 billion authorized for Missile Defense Agency (MDA) activities by $1.084 billion from specified programs.	Rejected, 127-299
Holt	Requires the videotaping of interrogations and other pertinent interactions between military personnel and/or contractors and detainees arrested and held. Provides access to detainees for representatives of the International Red Cross and Red Crescent, the UN High Commissioner for Human Rights, and the UN Special Rapporteur on Torture.	Rejected, 199-229
King	Stipulates that the bill's prohibition on the establishment of permanent military bases in Iraq in should not be construed to prohibit the from establishing a temporary military base or installation by entering into basing rights agreements with Iraq.	Rejected, 201-219
Michaud, Langevin, Ryan, Harman, Shays, Davis, Sanchez (Loretta)	Includes emergency contraception in the Basic Core Formulary, a list of drugs that must be included at all military health care facilities.	Included in an en bloc amendment; Agreed, voice vote
Lipinski	Requires the Department of Defense, to the maximum extent deemed feasible, to install energy efficient lighting during the normal course of building maintenance or whenever a building is significantly altered or constructed.	Included in an en bloc amendment; Agreed, voice vote
Braley	Requires the Secretary of Defense to conduct a study of (1) the feasability of a pilot program on family support services for National Guard and Reserve members, and (2) the feasibility of entering into a contract with a private sector entity to enhance support services for children of National Guard and Reserve members who are deployed.	Included in an en bloc amendment; Agreed, voice vote
Walz	Requires the Department of Defense to study and report back to the House and Senate Armed Services Committees within nine months on the participation rate of service members in the federal tuition assistance program and to assess the extent to which the program affects retention rates.	Included in an en bloc amendment; Agreed, voice vote

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

In a Statement of Administration Policy issued May 16, the Office of Management and Budget objected to several features of H.R. 1585 including the

addition of funds for C-17 cargo planes and other systems not requested, the reduction in the amounts requested for the Army's FCS program and others systems, and the increase from 3% to 3.5% in the annual military pay increase.

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

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

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

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

Saying it wanted to clearly identify the cost of the war, the committee transferred from the cost-of-war sections of the bill to the base budget sections a total of $16 billion. Most of those funds are to cover procurement and military personnel activities associate with the planned expansion and modernization of the Army and Marine Corps over the next several years.

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

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

- $1.6 billion based on the assumption that lower-than-anticipated inflation would result in lower-than budgeted costs;

- $682 million which, the committee said, agencies could offset with funds drawn from unobligated funds left over from prior appropriations; and

- $208 million intended to reduce the cash balances carried by the revolving funds that are used to operate several maintenance and other support activities.

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

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

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

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

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

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

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

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

The committee expressed concern over the results of an Army study of the mental health of soldiers and Marines deployed in Iraq which found that soldiers deployed more than once experienced higher levels of stress, that lengthy deployments were associated with higher rates of mental illness and marital problems, that the suicide rate among soldiers who had been deployed to Iraq in 2003-2006 was nearly half again as high as the Army-wide suicide rate, and that approximately 10% of soldiers and Marines interviewed reported mistreating non-combatants in Iraq or damaging their property needlessly.

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

On June 14, after it had reported the authorization bill, the Senate ArmedServices Committee reported the Dignified Treatment of Wounded Warriors Act (S. 1606), intended to correct shortcomings in DOD's medical care for outpatients which had been spotlighted by news reports of problems at Walter Reed Army Medical Center. On July 12, the Senate adopted by a vote of 94-0 an amendment to the defense authorization bill that consisted of a modified version of the text of S. 1606.

In its report on S. 1547, the Senate Armed Services Committee also directed the Joint Improvised Explosive Device Defeat Office (JIEDDO) to spend at least $50 million in FY2008 to fund research on the diagnosis and treatment of blast injuries.

Ballistic Missile Defense. Like the House bill, S. 1547 would reduce overall funding for ballistic missile defense and would reduce funds for more technologically

advanced defenses against prospective long-range threats while adding funds for defenses against short-range and medium-range missiles currently deployed by some hostile countries and capable of striking U.S. forces and allies overseas.

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

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

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

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

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

In its report on H.R. 1585, the House panel said that the Army might not be able to afford FCS given the cost of enlarging the force, resetting combat units that have been fighting in Iraq and paying for other improvements launched in the context of the post-9/11 world — large costs that were not foreseen when the Army launched FCS in 1999. On the other hand, the Senate committee, in its report on S. 1547, hailed

FCS as the answer to the Army's need for lethal combat units that could quickly be transported to distant trouble spots, and warned against relying on "marginal modernization of the current force."

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

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

Nuclear Weapons and Long-range Strike. The Senate committee cut from the budget request some of the funds requested to develop the Reliable Replacement Warhead (RRW), a program to develop a family of nuclear warheads intended to be easier to maintain than those currently in service. The first version would equip the Trident II submarine-launched missile. In addition to the $88.8 million in the Energy Department budget specifically assigned to RRW, the Committee said that funding in other parts of the Energy budget for RRW-associated activities brought the total requested to support the program to $238.1 million. In addition, the Navy's budget request included $30 million to begin modifying Trident missiles and submarines to carry the new warhead. The Senate Committee bill authorized a total of $195 million in Energy Department funds and $15 million in Navy funds to continue work on RRW. But the Committee emphasized that this did not mark a commitment to acquire the new warhead and that the funds were to be used only for preliminary design work and cost estimation.

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

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

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

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

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

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

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

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

Defense Appropriations: Highlights of the House Bill

The FY2008 defense appropriations bill passed August 5 by the House would provide a total of $459.6 billion for the DOD base budget (excluding funds for military construction), a reduction of $3.55 billion from the corresponding portion of the President's budget request. That total includes $10.9 billion in mandatory funding to cover the anticipated future cost of providing post-retirement medical care for current service members under the Tricare-for-life program.

Although the Appropriations Committee approved a smaller total amount than the President requested, it was able to include within its total several major initiatives, because it made cuts from the request totaling more than $9 billion which, the committee said, would not adversely affect Pentagon operations.

The funds excluded from the bill include $2 billion worth of requests the House Appropriations Committee put off for consideration as part of a separate bill to fund war-fighting costs, to be marked up in September. Among the items deferred, which the Committee said were more appropriately part of DOD's FY2008 war request, are requests for night vision equipment, ammunition, trucks and equipment to protect cargo planes from anti-aircraft missiles, special pay for language proficiency and hardship duty and $500 million requested for a "global train and equip" program to train the security forces of foreign countries other than Iraq and Afghanistan.

The Committee also made cuts in the President's request totaling nearly $7 billion which it described either as reflecting facts of life or as an incentive for the Pentagon to manage service contracts more aggressively, to reduce costs. Among the major reductions included in this total are:

- $1.6 billion cut from the Army's $28.9 billion request for operations and maintenance on grounds that the service managed its budget for FY2007 in ways that, according to the Committee, inflated its FY2008 budget request by that amount, without providing Congress any justification for the increase;

- $1.2 billion, a 5% reduction in the amount requested for service contracts, a savings the committee said could be achieved by more alert Pentagon oversight;

- $630 million in the Navy and Air Force training budgets for units that had been deployed in Iraq and Afghanistan;

- $510 million to reflect a Pentagon civilian payroll that was smaller than the budget assumed;

- $551 million trimmed from various budget accounts that had a track record of unspent funds at the end of a fiscal year;

- $300 million in the Marine Corps procurement budget that the Committee described as "excess to requirements;"

- $420 million to reduce the cash balance carried by the Army's revolving fund that is used to operate various maintenance and support activities.

Force Expansion. The Committee approved funds requested for the FY2008 portion of DOD's plan to add 92,000 active-duty personnel to the Army and Marine Corps by FY2012. The bill includes $1 billion to pay for adding to the force 7,000 soldiers, 5,000 Marines and 1,300 National Guard personnel in FY2008.

It also would provide $6.3 billion requested to buy equipment for the additional units that are being formed. However, the Committee warned the services to include in future budget requests only enough additional equipment for the additional troops funded in that year's budget.

Tricare Fee Hikes Rejected. The bill provides $22.1 billion for operating costs of the Defense Health Program, including $1.9 billion that the Administration wanted to cover by increased fees and co-payments charged to military retirees participating in the Tricare medical insurance program. Although the Administration requested approval of the proposed higher fees, its budget request for health program operations ($22.0 billion) did not assume that revenue would be forthcoming. So the action of the House, in appropriating funds to cover the entire cost of the program, rather than assuming that $1.9 billion of the costs would be covered by higher fees, does not constitute a congressional addition to the President's request.

Other Quality of Life Initiatives. The Committee's reductions to the President's request made room, within an overall spending total lower than the request, for several initiatives to improve the quality of life of the troops.

To provide a military pay raise of 3.5%, rather than the 3% in the budget request, the bill would provide $2.2 billion, which is $310 million more than requested.

It also would add $558 million to the amount requested for military family support programs, providing a total of $2.9 billion. The Committee's increase includes $439 million for family advocacy programs that assist service members and their families in the prevention and treatment of domestic violence and assists the families of severely wounded service members. The increase also includes $82 million (in addition to the $525 million requested) to increase the capacity of DOD's network of childcare centers and to extend their operating hours and an additional $38 million (in addition to the $1.6 billion requested) for DOD's network of schools for service members' dependents.

The Committee said that, in the course of cutting its personnel budget to pay for new weapons, the Air Force had made too large a reduction in the budget for routine personnel transfers, thus risking a decline in the quality of life and the availability of professional development opportunities for career service members. Accordingly, the Committee added $364 million to the Air Force's so-called "permanent change of station (PCS)" account, offsetting the cost by cutting the same amount from the $744 million requested to continue development of the F-22 fighter.

Facilities Improvements. The bill would add $1.25 billion to the Army's budget request for maintenance and upgrade of facilities and the improvement of community services at dozens of bases in the United States and overseas. The committee said the additional work was required to support the Army's wide-ranging program to reorganize its combat units and to reposition some of them.

The bill also would add $142 million to the $126 million requested to improve perimeter security at DOD facilities.

Shipbuilding Increase. The committee added $3.6 billion to the total of $14.4 billion requested for ships.[73] That net increase included $1.7 billion for an LPD-17-class amphibious landing transport, in addition to the one ship of that class in the budget. The increase also included $1.4 billion to buy three supply and ammunition ships designed to replenish Navy warships in mid-ocean. (See Table A6, below.)

The committee also added to the bill $588 million to buy a nuclear propulsion system to be used in a *Virginia*-class attack submarine funded in some future budget. The committee expressed the hope that this addition would help the Navy achieve its long-standing goal of buying two subs per year.

The bill would provide, as requested, $1.8 billion for a submarine, $2.7 billion to continue work on a nuclear-powered aircraft carrier the cost of which is being spread across several years, and all but $30 million of the $1.8 billion requested to continue building the first two of a new class of destroyers, designated DDG-1000.

The Committee's additions to the shipbuilding budget request were partly offset by funding only one of the three requested Littoral Combat Ships, a reduction of $571 million, and by providing $76 million of the $210 million requested in the Army's budget for a small, high-speed troop transport vessel.

Selected Other Major Weapons Program Changes. The Committee added to the budget request $1.1 billion to equip an eighth Army brigade with Stryker armored vehicles. That addition was partly offset by a cut of $228 million from the amount requested to buy a Stryker version equipped with a 105 mm. cannon. The committee said development and testing of that vehicle had been delayed. (See Table A5, below.)

The Committee also added $705 million to the $3.4 billion requested to continue development of the F-35 Joint Strike Fighter. The addition included $480 million to continue development of a alternative engine for the plane. The bill also would provide the $2.4 billion requested to buy 12 F-35s. (See Table A7, below.)

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[73] The budget request includes $13.7 billion in the Navy's shipbuilding account. But it also includes $456 in a separate fund to buy supply and cargo ships and $210 million in the Army's budget to buy a small, high-speed troop transport vessel.

The bill would add to the budget request $925 million for equipment for National Guard and reserve units.

Among the significant reductions to the President's request made by the Committee are the following:

- $406 million cut from the $3.6 billion requested to continue work on the Future Combat System, the Army's plan to renovate its combat units with 14 types of digitally-linked sensors and manned and unmanned vehicles;

- $468 million for production of a new, armed scout helicopter;

- $175 million requested to develop a conventional high-explosive warhead for the Trident II, submarine-launched ballistic missile (a reduction partially offset by the Committee's addition to the bill of $100 million to develop a weapon that could strike distant targets quickly and precisely);

- $100 million of the $290 million requested to develop a helicopter to rescue downed pilots behind enemy lines (because the Pentagon's selection of a winning bidder for the contract is under legal challenge);

- $298 million from the $8.8 billion requested to develop ballistic missile defenses, of which $236 million was taken from the $2.52 billion requested to continue work on the "mid-course" anti-missile system, elements of which have been fielded in Alaska and California.

Defense Appropriations: Highlights of House Floor Action

Although some critics of the deployment of U.S. troops in Iraq had debated various potential floor amendments to H.R. 3222, none of them were offered during House debate on the bill, which lasted just over two hours. The 395-13 vote by which the bill was passed came shortly after 1 a.m. on August 5 almost immediately following which the House adjourned until after Labor Day.

Selected Floor Amendments. Among the amendments to the FY2008 defense appropriations bill acted on by the House were the following:

- An amendment by Representative Franks that would have restored $97 million of the $286 million the bill cut from the "mid-course" anti-missile system, transferring that amount from other projects funded by the bill, was rejected 161-249.

- An amendment by Representative Sessions to drop a provision of the bill setting a time limit on cost-studies pursuant to OMB circular A-76 to determine whether an activity currently performed by federal

employees should be considered for contracting out to private industry was rejected 148-259.

- An amendment by Representative Inslee barring the use of funds appropriated by the bill to implement a new personnel system for civilian Pentagon employees, the National Security Personnel System, was adopted by voice vote.

- An amendment by Representative Issa, barring the use of funds appropriated by the bill to disclose the total intelligence budget for a fiscal year, was adopted by voice vote.

The House also rejected several amendments that would have prohibited the used of funds provided by the bill for specific projects not requested by the Administration.

For Additional Reading

Overall Defense Budget

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

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

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

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

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

Military Operations: Iraq, Afghanistan, and Elsewhere

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

CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding*

Approaches, by Amy Belasco, Hannah Fischer, Lynn J. Cunningham, and Larry A. Niksch.

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

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

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

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

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

U.S. Military Personnel and Compensation

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

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

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

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

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

Defense Policy Issues

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

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

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

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

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

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

Defense Program Issues

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

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

CRS Report RS22120, *Ballistic Missile Defense: Historical Overview*, by Steven A. Hildreth.

CRS Report RL32347, *"Bunker Busters": Robust Nuclear Earth Penetrator Issues, FY2005-FY2007*, by Jonathan Medalia.

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

CRS Report RL31673, *F-22A Raptor*, by Christopher Bolkcom.

CRS Report RL33240, *Kinetic Energy Kill for Ballistic Missile Defense: A Status Overview*, by Steven A. Hildreth.

CRS Report RS20851, *Naval Transformation: Background and Issues for Congress*, by Ronald O'Rourke.

CRS Report RL32418, *Navy Attack Submarine Force-Level Goal and Procurement Rate: Background and Issues for Congress*, by Ronald O'Rourke.

CRS Report RL32109, *Navy DDG-1000 (DD(X)) and CG(X) Ship Acquisition Programs: Oversight Issues and Options for Congress*, by Ronald O'Rourke.

CRS Report RL33955, *Navy Force Structure: Alternative Force Structure Studies of 2005 - Background for Congress*, by Ronald O'Rourke.

CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

CRS Report RS20643, *Navy Ford (CVN-78) Class (CVN-21) Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O'Rourke.

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

CRS Report RL32513, *Navy-Marine Corps Amphibious and Maritime Prepositioning Ship Programs: Background and Oversight Issues for Congress*, by Ronald O'Rourke.

CRS Report RL31957, *Nonproliferation and Threat Reduction Assistance: U.S. Programs in the Former Soviet Union*, by Amy F. Woolf.

CRS Report RL32572, *Nonstrategic Nuclear Weapons*, by Amy F. Woolf.

CRS Report RL32929, *The Reliable Replacement Warhead Program: Background and Current Developments*, by Jonathan Medalia.

CRS Report RL33745, *Sea-Based Ballistic Missile Defense - Background and Issues for Congress*, by Ronald O'Rourke.

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

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

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

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

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

Appendix: Funding Tables

Table A1. Congressional Action on Selected Army and Marine Corps Programs: FY2008 Authorization

(amounts in millions of dollars)

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

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

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

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

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

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

Table A2. Congressional Action on Shipbuilding: FY2008 Authorization

(amounts in millions of dollars)

	Request			House			Senate			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
CVN-21 Carrier Replacement	1	2,848.4	232.2	1	2,848.4	232.2	1	2,828.4	232.2	—	—	—	—
Virginia Class Submarine	1	2,498.9	224.0	1	3,086.9	224.0	1	2,968.9	224.0	—	—	—	House adds $588 mn adv proc, Senate adds $470 mn in adv proc for building 2 boats in FY2010
Carrier Refueling Overhaul	—	297.3	—	—	297.3	—	—	297.3	—	—	—	—	—
Missile Submarine Refueling Overhaul	—	230.4	—	—	230.4	—	—	230.4	—	—	—	—	—
DD(X)/DDG-1000 Destroyer	—	2,953.5	503.4	—	2,953.5	512.4	—	2,953.5	503.4	—	—	—	Request is for 2nd increment of funding for 2 ships started in FY2007.
DDG-51 Destroyer	—	78.1	—	—	78.1	—	—	48.1	—	—	—	—	Senate cuts $30 mn for premature request for close out costs
LCS Littoral Combat Ship	3	910.5	217.5	2	710.5	217.5	2	480.0	217.5	—	—	—	House cuts 1 ship, $200 mn, Senate cuts 1 ship, $431 mn
LPD-17 Amphibious Ship	1	1,398.9	4.3	2	3,098.9	4.3	1	1,398.9	4.3	—	—	—	House adds $1.7 bn for 2nd ship
LHA(R) Amphibious Ship	—	1,377.4	5.9	—	1,377.4	5.9	—	1,377.4	5.9	—	—	—	Request is for 2nd increment of funding to complete 1st ship of class.
Outfitting	—	419.8	—	—	419.8	—	—	379.8	—	—	—	—	Senate cuts $40 mn
Service Craft	—	32.9	—	—	32.9	—	—	32.9	—	—	—	—	—
LCAC Service Life Extension	—	98.5	—	—	98.5	—	—	98.5	—	—	—	—	—
Prior Year Shipbuilding	—	511.5	—	—	511.5	—	—	511.5	—	—	—	—	—
T-AKE Cargo Ship	1	456.1	—	2	912.2	—	1	456.1	—	—	—	—	In National Defense Sealift Fund. House adds $456 mn for 2nd ship
Total Navy Shipbuilding	**7**	**14,112.2**	**1,187.3**	**8**	**16,656.3**	**1,196.3**	**7**	**14,061.7**	**1,187.3**	**—**	**—**	**—**	**—**

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

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

Table A3. Congressional Action on Selected Aircraft Programs: FY2008 Authorization

(amounts in millions of dollars)

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

	Request			House			Senate			Conference			
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
Title XV	—	86.3	—	—	86.3	—	—	86.3	—	—	—	—	—
C-5 Cargo Aircraft Mods, AF	—	398.7	203.6	—	403.4	205.6	—	398.7	203.6	—	—	—	—
Title XV	—	75.0	—	—	75.0	—	—	75.0	—	—	—	—	—
Global Hawk UAV, AF	5	577.8	298.5	5	577.8	298.5	5	577.8	298.5	—	—	—	—
EA-18G Aircraft, Navy	18	1,318.8	272.7	18	1,318.8	272.7	18	1,318.8	272.7	—	—	—	—
F/A-18E/F Fighter, Navy	24	2,104.0	44.9	24	2,104.0	44.9	36	2,817.5	44.9	—	—	—	Senate shifts $714 mn for 12 aircraft from Title XV to base budget
Title XV	12	713.5	—	—	531.5	—	—	—	—	—	—	—	House cuts $182 mn
V-22 Tilt Rotor Aircraft, Navy	21	1,959.4	118.0	21	1,959.4	118.0	21	1,959.4	118.0	—	—	—	—
CV-22 Tilt Rotor Aircraft, AF	5	495.0	16.7	5	495.0	16.7	5	495.0	16.7	—	—	—	Senate deletes funds
Title XV	5	492.5	—	5	492.5	—	—	—	—	—	—	—	—
UH-1Y/AH-1Z	20	518.5	—	20	518.5	—	20	518.5	—	—	—	—	—
Title XV	6	123.4	—	6	123.4	—	—	—	—	—	—	—	Senate deletes — says not to ramp up production rate
MH-60S Helicopter, Navy	18	503.6	44.0	18	503.6	44.0	18	503.6	44.0	—	—	—	—
Title XV	3	88.0	—	3	88.0	—	3	88.0	—	—	—	—	—
MH-60R Helicopter, Navy	27	997.6	78.2	27	997.6	78.2	27	997.6	78.2	—	—	—	—
Title XV	6	205.0	—	6	205.0	—	6	205.0	—	—	—	—	—
E-2C Hawkeye Aircraft, Navy	—	57.3	22.7	—	57.3	22.7	—	57.3	22.7	—	—	—	—
T-45 Goshawk Trainer, Navy	—	32.5	—	—	32.5	—	—	32.5	—	—	—	—	—
JPATS Trainer Aircraft, AF	39	245.9	12.6	39	245.9	12.6	39	245.9	12.6	—	—	—	—
JPATS Trainer Aircraft, Navy	44	295.3	—	44	295.3	—	44	295.3	—	—	—	—	—

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

Table A4. Congressional Action on Missile Defense Funding: FY2008 Authorization

(millions of dollars)

	FY2008 Request	House-Passed	House vs Request	Senate Reported	Senate vs Request	Comments
RDT&E Missile Defense Agency						
0603175C Ballistic Missile Defense Technology	118.6	108.6	*-10.0*	122.6	*+4.0*	Senate adds $4 mn for printed components
0603881C Ballistic Missile Defense Terminal Defense Segment	962.6	962.6	—	1,127.6	*+165.0*	Senate adds $105 mn for THAAD, $35 mn for Arrow, $25 mn for short-range missile
0603882C Ballistic Missile Defense Midcourse Defense Segment	2,520.1	2,360.1	*-160.0*	2,435.1	*-85.0*	House cuts $160 mn and Senate cuts $85 mn from European site
0603883C Ballistic Missile Defense Boost Defense Segment	548.8	298.8	*-250.0*	348.8	*-200.0*	House cuts $250 mn and Senate cuts $200 mn from Airborne Laser
0603884C Ballistic Missile Defense Sensors	778.2	728.2	*-50.0*	778.2	—	House cuts $50 mn for excessive cost
0603886C Ballistic Missile Defense System Interceptor	227.5	177.5	*-50.0*	227.5	—	House cuts $50 mn as program reduction
0603888C Ballistic Missile Defense Test & Targets	586.2	586.2	—	586.2	—	—
0603890C Ballistic Missile Defense Systems Core	482.0	432.0	*-50.0*	432.0	*-50.0*	House and Senate cut $50 mn from BMDS Core
0603891C Special Programs - MDA	323.3	153.3	*-170.0*	173.3	*-150.0*	House cuts $170 mn as program decrease, Senate cuts $150 mn.
0603892C AEGIS BMD	1,059.1	1,137.1	*+78.0*	1,134.1	*+75.0*	House adds $78 mn for production capability, interceptors, and BSP Upgrade, Senate adds $75 mn.
0603893C Space Tracking & Surveillance System	331.5	331.5	—	276.5	*-55.0*	House cuts $75 mn due to schedule, Senate cuts $55 mn
0603894C Multiple Kill Vehicle	271.2	229.2	*-42.0*	271.2	—	House cuts $42 mn as program reduction
0603895C Ballistic Missile Defense System Space Programs	27.7	17.7	*-10.0*	17.7	*-10.0*	House and Senate cut $10 mn from space test bed
0603896C Ballistic Missile Defense Command and Control, Battle	258.9	258.9	—	258.9	—	—

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

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

Table A5. Congressional Action on Selected Army and Marine Corps Programs: FY2008 Appropriations

(amounts in millions of dollars)

	Request			House			Senate-Reorted			Conference			Comments
	Procurement		R&D	Procurementt		R&D	Procurement		R&D	Procurementt		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
Helicopters													
Armed Recon Helicopter	—	468.3	82.3	—	—	129.3	—	242.3	182.3	—	—	—	House deletes proc funding and terminates proc program. Shifts $47 mn to OH-58D helicopter R&D. Senate expresses support, shifts $100 mn to ARH R&D and $31 mn to OH-58D R&D, and cuts $95 mn due to delays
Light Utility Helicopter	—	230.5	—	—	230.5	—	—	230.5	--	—	—	—	—
UH-60 Blackhawk Helicopter	52	887.5	87.9	52	887.5	87.9	62	1,069.5	87.9	—	—	—	Senate adds $182 mn in proc for 10 aircraft and $5 mn in R&D for landing system
CH-47 Helicopter	6	190.9	11.2	6	190.9	11.2	6	190.9	21.2	—	—	—	Senate adds $10 mn in R&D for diagnostic system
CH-47 Helicopter Mods	—	579.8	—	—	579.8	—	—	579.8	—	—	—	—	—
AH-64 Apache Helo Mods	—	711.7	193.7	—	713.2	193.7	—	714.7	193.7	—	—	—	—
Weapons & Tracked Combat Vehicles													
M-2 Bradley Vehicle Mods	—	182.6	—	—	182.6	—	—	182.6	—	—	—	—	—
M -1 Abrams Tank Mods	18	641.9	27.6	18	589.0	35.1	—	589.0	36.4	—	—	—	House and Senate cut $52.9 mn in proc, House adds $7.5 mn and Senate adds $8.8 mn in R&D
Stryker Armored Vehicle	127	1,039.0	142.5	127	1,912.9	142.5	127	1,029.0	142.5	—	—	—	House adds $1.1 bn in proc for additional (10th) brigade, cuts $228 mn for delay in gun fielding. Senate trims $10 mn in proc.
Future Combat System	—	99.6	3,563.4	—	102.1	3,157.1	—	99.6	3,565.0	—	—	—	House cuts $406 mn from R&D, Senate adds $1.6 mn for non-line of sight launch

	Request			House			Senate-Reorted			Conference			Comments
	Procurement		R&D	Procurementt		R&D	Procurement		R&D	Procurementt		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
													system project
Wheeled Vehicles													
Hi Mob Multi-Purpose Veh.	—	986.4	—	—	987.4	—	—	909.1	—	—	—	—	House adds $1 mn, Senate cuts $77 mn
HMMWV Recapitalization Program	—	—	—	—	5.0	—	—	—	—	—	—	—	House adds $5 mn
Family of Medium Tact. Veh.	—	1,852.8	2.0	—	1,852.8	2.0	—	1,852.8	6.5	—	—	—	Senate adds $4.5 mn in R&D.
Firetrucks & Associated Equipment	—	36.0	—	—	36.0	—	—	36.0	—	—	—	—	—
Family of Heavy Tactical Veh.	—	563.7	1.9	—	563.7	2.9	—	563.7	11.9	—	—	—	Senate adds $10 mn in R&D
Armored Security Vehicle	—	281.4	—	—	283.9	—	—	284.9	—	—	—	—	House adds $2.5 mn, Senate adds $3.5 mn
Mine Protection Vehicle Family	—	199.1	—	—	199.1	—	—	199.1	—	—	—	—	—
Mine Resistant Ambush Protection Veh	—	—	—	—	—	—	—	—	—	—	—	—	—
Truck, Tactor, Line Haul	—	83.9	—	—	83.9	—	—	83.9	—	—	—	—	—
Modification of In-Service Equipment	—	32.7	—	—	32.7	—	—	32.7	—	—	—	—	—
Radios													
SINCGARS Family	—	137.1	—	—	150.1	—	—	148.6	--	—	—	—	House adds $13 mn
Bridge to Future Networks	—	499.1	16.5	—	368.1	16.5	—	365.1	16.5	—	—	—	House shifts $134 mn from proc to WIN-T R&D (not shown in this table) but trims $3 mn. Senate cuts $134 mn as excess to requirement, does not to add R&D
Radio, Improved HF Family	—	81.4	—	—	61.0	—	—	81.4	—	—	—	—	House cuts $20 mn in proc as in authorization
Joint Tactical Radio System (JTRS)	—	—	853.7	—	—	853.7	—	—	853.7	—	—	—	—
Marine Corps													

	Request			House			Senate-Reorted			Conference			Comments
	Procurement		R&D	Procurementt		R&D	Procurement		R&D	Procurementt		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
Mine Resistant Ambush Protected Veh	—	—	—	—	—	—	—	—	—	—	—	—	—
Light Armor Vehicle Product Improvement	—	32.1	—	—	32.1	—	—	32.1	—	—	—	—	—
155 mm Towed Howitzer	—	200.9	—	—	179.9	—	—	200.9	—	—	—	—	House cuts $21 mn for 6 units
Combat Vehicle Modification Kits	—	194.9	—	—	116.4	—	—	-4.4	—	—	—	—	House cuts $78 mn due to decreased tank company requirement. Senate does not agree to $199 mn request in added funds to support end-strength growth.
Night Vision Equipment	—	42.5	—	—	40.6	—	—	40.6	—	—	—	—	House and Senate cut $2 mn for decreased tank company rqmnt
Radio Systems	—	179.8	—	—	176.2	—	—	158.7	—	—	—	—	House cuts $3.6 mn for decreased tank company rqmnt. Senate trims $21 mn from amended request.
5/4 Ton Truck HMMWV	—	180.7	—	—	157.1	—	—	157.1	—	—	—	—	House and Senate cut $23.6 mn for decreased tank company rqmnt

Sources: CRS from Department of Defense, *Procurement Programs (P-1), FY2008*, February 2007; Department of Defense, *RDT&E Programs (R-1), FY2008*, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System, FY2008*, February 2007; House Appropriations Committee, Report on FY2008 Defense Appropriations, H.R. 3222, H.Rept. 110-279, July 30, 2007; Senate Appropriations Committee, pre-markup draft of committee report on FY2008 Defense Appropriations, September 12, 2007.

Table A6. Congressional Action on Shipbuilding: FY2008 Appropriations

(amounts in millions of dollars)

	Request			House			Senate-Reported			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
CVN-21 Carrier Replacement	1	2,848.4	232.2	1	2,828.4	234.7	1	2,828.4	232.2	—	—	—	House and Senate cut $20 mn
Virginia Class Submarine	1	2,498.9	224.0	1	3,086.9	250.0	1	2,968.9	229.0	—	—	—	House adds $588 mn in adv proc to buy 2 per year by 2012, $26 mn in R&D. Senate adds $470 mn in adv proc, $5 mn in R&D
Carrier Refueling Overhaul	—	297.3	—	—	297.3	—	—	297.3	—	—	—	—	—
Missile Submarine Refueiling Overhaul	—	230.4	—	—	230.4	—	—	230.4	—	—	—	—	—
DD(X)/DDG-1000 Destroyer	—	2,953.5	503.4	—	2,923.5	511.4	—	2,958.3	519.4	—	—	—	House cuts $30 mn in proc for dual band radar, adds $8 mn in R&D. Senate adds $4.8 mn in proc for AGS pallets, adds $16 mn in R&D.
DDG-51 Destroyer	—	78.1	—	—	78.1	—	—	48.1	—	—	—	—	Senate cuts $30 mn
LCS Littoral Combat Ship	3	910.5	217.5	2	339.5	229.0	—	75.0	300.5	—	—	—	House deletes $571 mn for 2nd ship, adds $11.5 mn R&D. Senate deletes $910 mn for 3 ships, mandated new program, adds $75 mn in adv proc for new ship in FY2009, adds $83 mn in R&D to fully fund construction of ships 1 and 2.
LPD-17 Amphibious Ship	1	1,398.9	4.3	2	3,091.9	4.3	1	1,398.9	4.3	—	—	—	House adds $1.7 bn for additional ship
LHA(R) Amphibious Ship	—	1,377.4	5.9	—	1,375.4	5.9	—	1,377.4	5.9	—	—	—	—
Special Purpose	—	—	—	—	4.5	—	—	0.0	—	—	—	—	—
Outfitting	—	419.8	—	—	405.0	—	—	379.8	—	—	—	—	Senate cuts $40 mn.
Service Craft	—	32.9	—	—	32.9	—	—	32.9	—	—	—	—	—
LCAC Service Life Extension	—	98.5	—	—	98.5	—	—	98.5	—	—	—	—	—

	Request			House			Senate-Reported			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
Prior Year Shipbuilding	—	511.5	—	—	511.5	—	—	511.5	—	—	—	—	—
Total Navy Shipbuilding	6	13,656.1	1,187.3	6	15,303.8	1,235.3	3	13,205.4	1,187.3	—	—	—	—
T-AKE Cargo Ship	1	456.1	—	4	1,866.1	—	1	456.1	—	—	—	—	House adds $1.4 bill for 3 ships -- funded in National Defense Sealift Fund in Title V
Joint High Speed Vessel, Army	1	210.0	24.1	1	76.0	24.1	1	210.0	24.1	—	—	—	House cuts $134 mn for funding in advance of need

Sources: CRS from Department of Defense, *Procurement Programs (P-1), FY2008*, February 2007; Department of Defense, *RDT&E Programs (R-1), FY2008*, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System, FY2008*, February 2007; House Appropriations Committee, Report on FY2008 Defense Appropriations, H.R. 3222, H.Rept. 110-279, July 30, 2007; Senate Appropriations Committee, pre-markup draft of committee report on FY2008 Defense Appropriations, September 12, 2007.

Table A7. Congressional Action on Selected Aircraft Programs: FY2008 Appropriations

(amounts in millions of dollars)

	Request			House			Senate-Reported			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
F-35 Joint Strike Fighter, AF	6	1,421.7	1,780.9	6	1,421.7	2,137.4	6	1,421.7	1,879.3	—	—	—	House adds $240 mn for alternative engine, $116 mn for other R&D adds. Senate adds $240 mn in R&D for 2nd engine, cuts $142 mn in R&D for overbilling and excess fee award.
F-35 Joint Strike Fighter, Navy	6	1,232.2	1,707.4	6	1,232.2	2,038.9	6	1,232.2	1,805.8	—	—	—	House adds $240 mn in R&D for alternative engine, $92 mn in other R&D. Senate addes $240 mn in R&D for 2nd engine, cuts $133 mn for overbilling.
F-22 Fighter, AF	20	3,579.4	743.6	20	3,579.4	379.6	20	3,579.4	611.4	—	—	—	House cuts $364 mn R&D, shifts to MilPers, Senate cuts $132 mn in R&D.
C-17 Cargo Aircraft & Mods, AF	—	471.8	181.7	—	375.8	181.7	—	471.8	181.7	—	—	—	House cuts $96 mn -- $50 mn deferred to FY08 supplemental, $46 mn provided in FY07 supplemental
C-130J Cargo Aircraft, AF	9	686.1	74.2	9	686.1	74.2	9	686.1	74.2	—	—	—	—
KC-130J Aircraft, Navy	4	256.4	—	4	253.5	—	4	256.4	—	—	—	—	—
KC-135 Tanker Replacement (KC-X), AF	—	—	314.5	—	—	314.5	—	--	314.5	—	—	—	—
F-15 Mods	—	19.2	—	—	19.2	—	—	19.2	—	—	—	—	—
C-130 Aircraft Mods, AF	—	522.4	—	—	332.4	—	—	413.1	—	—	—	—	House cuts net of $190 mn -- shifts $60 mn from proc to R&D, defers $97 mn to FY08 supplemental, says $36 mn provided in FY07 supplemental, Senate cuts $109 mn in proc.
C-5 Cargo Aircraft Mods, AF	—	398.7	203.6	—	344.4	203.6	—	341.0	203.6	—	—	—	House cuts $54 mn of which $49 mn in FY07 supplemental, Senate cuts $58 mn.

	Request			House			Senate-Reported			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	$	$	#	$	$	#	$	$	#	$	$	
Global Hawk UAV, AF	5	577.8	298.5	5	466.8	260.5	5	577.8	291.5	—	—	—	House cuts $111 mn proc for delay of initial production and $38 mn from R&D for execution delays. Senate cuts $7 mn in R&D.
EA-18G Aircraft, Navy	18	1,318.8	272.7	18	—	274.7	18	1,318.8	272.7	—	—	—	—
F/A-18E/F Fighter, Navy	24	2,104.0	44.9	24	2,089.1	50.9	24	2,104.0	48.9	—	—	—	Senated adds $4 mn R&D for upgrades and manual conversion.
V-22 Tilt Rotor Aircraft, Navy	21	1,959.4	118.0	21	1,959.4	118.0	21	1,959.4	118.0	—	—	—	—
CV-22 Tilt Rotor Aircraft, AF	5	495.0	16.7	5	495.0	16.7	5	495.0	16.7	—	—	—	—
UH-1Y/AH-1Z	20	518.5	—	20	414.5	—	20	440.9	—	—	—	—	House cuts $104 mn in proc due to new building strategy. Senat cuts $78 mn.
MH-60S Helicopter, Navy	18	503.6	44.0	18	503.6	40.0	18	503.6	39.0	—	—	—	Senate cuts $5 mn in R&D for program delay
MH-60R Helicopter, Navy	27	997.6	78.2	27	997.6	78.2	27	997.6	78.2	—	—	—	—
E-2C Hawkeye Aircraft, Navy	—	57.3	22.7	—	52.6	22.7	—	38.5	22.7	—	—	—	Senate cuts $19 mn in proc.
T-45 Goshawk Trainer, Navy	—	32.5	—	—	32.5	—	—	32.5	—	—	—	—	—
JPATS Trainer Aircraft, AF	39	245.9	12.6	39	245.9	12.6	39	245.9	15.6	—	—	—	Senate adds $3 mn in R&D for AT-6B.
JPATS Trainer Aircraft, Navy	44	295.3	—	44	295.3	—	44	295.3	—	—	—	—	—
VTUAV, Navy	3	37.7	—	—	—	—	3	37.7	—	—	—	—	House eliminates proc funds

Sources: CRS from Department of Defense, *Procurement Programs (P-1), FY2008*, February 2007; Department of Defense, *RDT&E Programs (R-1), FY2008*, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System, FY2008*, February 2007; House Appropriations Committee, Report on FY2008 Defense Appropriations, H.R. 3222, H.Rept. 110-279, July 30, 2007; Senate Appropriations Committee, pre-markup draft of committee report on FY2008 Defense Appropriations, September 12, 2007.

Table A8. Congressional Action on Missile Defense Funding: FY2008 Appropriations

(millions of dollars)

	FY2008 Request	House-Passed	House vs Request	Senate Reported	Senate vs Request	Comments
RDT&E Missile Defense Agency						
0603175C Ballistic Missile Defense Technology	118.6	101.6	-17.0	131.6	+13.0	House cuts $10 mn from program, shifts $12 mn to command and control, adds $5 mn for specific projects. Senate adds $13 mn for specific projects.
0603881C Ballistic Missile Defense Terminal Defense Segment	962.6	1,032.6	+70.0	1,037.6	+75.0	House adds $70 mn of which $25 mn for Arrow, $26 mn for upper-tier study, $19 mn for short range missile defense. Senate adds $75 mn of which $40 mn for Arrow, $35 mn for short-range missile defense.
0603882C Ballistic Missile Defense Midcourse Defense Segment	2,520.1	2,233.9	-286.2	2,318.8	-201.3	House shifts $50 mn to command and control, cuts $238 mn of which $85 mn for European site construction, $54 mn for European site equipment, $97 mn for schedule delay. Senate shitfs $166 mn for SBX radar to separate line, cuts $85 mn for European site construction, adds $50 mn for ground-based defense upgrades.
060XXXXC SBX Afloat X-Band Radar	—	—	—	166.3	+166.3	House shifts $166 mn from midcourse defense to separate SBX line.
0603883C Ballistic Missile Defense Boost Defense Segment	548.8	498.2	-50.6	548.8	—	House cuts $50 mn for program efficiencies, excess growth.
0603884C Ballistic Missile Defense Sensors	778.2	611.7	-166.5	753.2	-25.0	House cuts $50 mn for efficiencies, shifts $119 mn to command and control. Senate cuts $25 mn from program growth.

	FY2008 Request	House-Passed	House vs Request	Senate Reported	Senate vs Request	Comments
0603886C Ballistic Missile Defense System Interceptor	227.5	372.9	+145.4	197.5	-30.0	House adds $150 mn to acclerate program, trims overhead. Senate cuts $30 mn for Kinetic Energy Interceptor.
0603888C Ballistic Missile Defense Test & Targets	586.2	586.2	—	636.2	+50.0	Senate adds $50 mn for test range upgrades.
0603890C Ballistic Missile Defense Systems Core	482.0	431.8	-50.2	387.4	-94.6	House cuts $50 mn for excessive growth and to slow program. Senate cuts $50 mn for program growth, $22 mn for counterintelligence activities, $24 mn for manufacturing technology.
0603891C Special Programs - MDA	323.3	198.3	-125.0	198.9	-124.4	House cuts $125 mn in classified funding, Senate cuts $124 mn.
0603892C AEGIS BMD	1,059.1	1,116.1	+57.0	1,059.1	—	House adds $57 mn for 2 additional ships, and added projects.
0603893C Space Tracking & Surveillance System	331.5	286.2	-45.4	272.5	-59.0	House cuts $45 mn mainly to reduce risk in follow-on system. Senate cuts $50 mn for premature request, $5 mn for growth in management support, $4 mn for program-wide support.
0603894C Multiple Kill Vehicle	271.2	274.3	+3.1	221.2	-50.0	House adds $3 mn for long-life battery. Senate cuts $50 mn from program growth.
0603895C Ballistic Missile Defense System Space Programs	27.7	17.7	-10.0	12.7	-15.0	House and Senate cut $10 mn from space test bed, Senate cuts $5 mn from space experimentation center.
0603896C Ballistic Missile Defense Command and Control, Battle Management, and Communication	258.9	460.7	+201.8	248.9	-10.0	House shifts $200 mn from other lines. Senate cuts $10 mn from program growth.

	FY2008 Request	House-Passed	House vs Request	Senate Reported	Senate vs Request	Comments
0603897C Ballistic Missile Defense Hercules	53.7	52.8	-0.8	53.7	—	House cuts $.8 mn from overhead.
0603898C Ballistic Missile Defense Joint Warfighter Support	48.8	50.2	+1.4	48.8	—	House adds $1.4 mn for national integration center, trims overhead.
0603904C Ballistic Missile Defense Joint National Integration Center	104.0	79.1	-24.9	104.0	—	House shifts $24 mn to command and control.
0603906C Regarding Trench	2.0	2.0	—	2.0	—	—
0901585C Pentagon Reservation	6.1	6.1	—	6.1	—	—
0901598C Management HQ - MDA	85.9	85.9	—	80.9	-5.0	Senate cuts $5 mn.
Subtotal R&D, Missile Defense Agency	**8,795.8**	**8,497.9**	**-297.9**	**8,485.8**	**-310.0**	**—**
RDT&E Army/Joint Staff						
0604869A Patriot/MEADS Combined Aggregate Program (CAP)	372.1	372.1	—	372.1	—	—
0203801A Missile/Air Defense Product Improvement Program	30.2	30.2	—	30.2	—	—
0605126J Joint Theater Air and Missile Defense Organization	53.7	53.7	—	53.7	—	—
Subtotal R&D, Army, Joint Staff	**456.0**	**456.0**	**—**	**456.0**	—	**—**
Procurement Army						
7152C49100 Patriot System Summary	472.9	472.9	—	472.9	—	—
0962C50700 Patriot Mods	570.0	570.0	—	276.0	-294.0	Senate provides $208 mn for grow the force allocation rather than $502 mn requested.
Subtotal, Procurement	**1,042.9**	**1,042.9**	**—**	**748.9**	**-294.0**	**—**
Total Missile Defense R&D & Procurement	**10,294.8**	**9,996.9**	**-297.9**	**9,690.8**	**-604.0**	**—**

Sources: CRS from Department of Defense, *Procurement Programs (P-1), FY2008*, February 2007; Department of Defense, *RDT&E Programs (R-1), FY2008*, February 2007; Department of Defense, *Program Acquisition Costs by Weapon System, FY2008*, February 2007; House Appropriations Committee, Report on FY2008 Defense Appropriations, H.R. 3222, H.Rept. 110-279, July 30, 2007; Senate Appropriations Committee, pre-markup draft of committee report on FY2008 Defense Appropriations, September 12, 2007.