



Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations

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Summary

The Military Construction, Veterans Affairs, and Related Agencies appropriations bill provides funding for the planning, design, construction, alteration, and improvement of facilities used by active and reserve military components worldwide. It capitalizes military family housing and the U.S. share of the NATO Security Investment Program and finances the implementation of installation closures and realignments. It underwrites veterans benefit and health care programs administered by the Department of Veterans Affairs (VA), provides for the creation and maintenance of U.S. cemeteries and battlefield monuments within the United States and abroad, and supports the U.S. Court of Appeals for Veterans Claims, Armed Forces Retirement Homes, and Arlington National Cemetery. The bill also funds advance appropriations for veterans' medical services.

President Barack Obama submitted his request to Congress for FY2012 appropriations on February 14, 2011. For the appropriations accounts included in this bill, his request totaled \$145.2 billion in new budget authority, divided into three major categories: Title I (military construction and family housing) at \$14.8 billion; Title II (veterans affairs) at \$130.2 billion; and Title III (related agencies) at \$246.4 million. Of the total, \$75.7 billion (52.1%) would be discretionary appropriations, with the remainder considered mandatory.

Military construction funding amounts requested by the President and enacted by Congress have fallen off as the 2005 Defense Base Closure and Realignment (BRAC) round has reached completion. Funding support for military family housing construction has also declined as the military departments (Army, Navy, and Air Force) continue their efforts to privatize formerly government-owned accommodations.

Funding for the VA between FY2011 and FY2012 in the Administration request, and both the House- and Senate-passed versions of H.R. 2055, reflects increases for veterans' benefits and health care and reductions in general administration. The largest percentage increases between FY2011 and FY2012 are for mandatory benefits—disability compensation and pension benefits, and readjustment benefits (where the largest component is for education benefits).

The House Committee on Appropriations reported its FY2012 bill (H.R. 2055) on May 31, 2011 (H.Rept. 112-94), and the House passed it on June 14. The Senate referred the bill to its Appropriations Committee, which reported it with an amendment in the form of a substitute on June 30 (S.Rept. 112-29). The Senate began debate on July 14 and passed the bill on July 20, 2011. Failing enactment before the beginning of the fiscal year, military construction was funded in the interim by temporary appropriations, including the First (H.R. 2017, P.L. 112-33, through October 4, 2011), Second (H.R. 2608, P.L. 112-36, through November 18, 2011), Third (H.R. 2112, P.L. 112-55, through December 16, 2011), Fourth (H.J.Res. 94, P.L. 112-67, through December 17, 2011) and Fifth Continuing Resolutions (H.J.Res. 95, through December 23, 2011). The conference on H.R. 2055 began on December 8, 2011, with conferees expected to use it as a vehicle for the incorporation of all unenacted annual appropriations bills. Conferees filed their report (H.Rept. 112-331) on what was now the "Consolidated Appropriations Act, 2012" on December 15, which was agreed to in the House on December 16 and in the Senate on December 17, 2011. The Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2012, formed Division H of the larger bill.

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Status of Legislation

Table 1. Status of FY2012 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act
(H.R. 2055)

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
05/13/2011	06/28/2011	H.Rept. 112-94	06/14/2011	S.Rept. 112-29	07/20/2011	H.Rept. 112-331	12/16/2011	12/17/2011	—

Source: CRS Legislative Information Service (LIS).

Table 2. Status of FY2011 National Defense Authorization Act
(H.R. 1540, S. 1253, S. 1867)

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
04/14/2011	06/16/2011	H.Rept. 112-78 ^a	05/26/11	S.Rept. 112-26	12/1/2011	H.Rept. 112-329	12/14/2011	12/15/2011	—

Source: CRS Legislative Information Service (LIS).

- a. The texts of a number of amendments to the reported bill are included in H.Rept. 112-88. See U.S. Congress, House Committee on Rules, *Providing for the Further Consideration of the Bill (H.R. 1540) to Authorize Appropriations for Fiscal Year 2012 for Military Activities of the Department of Defense and for Military Construction, to Prescribe Military Personnel Strengths for Fiscal Year 2012, and for Other Purposes*, 112th Congress, 1st session, May 24, 2010, H.Rept. 112-88 (Washington: GPO, 2011).

Appropriation

On February 14, 2011, President Barack Obama submitted to Congress his request for military construction appropriations to support federal government operations during FY2012, which will begin on October 1, 2011.

The House Committee on Appropriations introduced its Military Construction, Veterans Affairs, and Related Agencies Appropriations Act for 2012 (H.R. 2055) on May 31. The House began debate on June 2 and passed the bill on June 14, 2011. Debate and amendment on the House floor encompassed several provisions that could affect the cost of and competition for military construction projects. One debate centered on Section 415, which was eventually stricken by recorded vote, 204-203 (H.Amdt. 411, Roll no. 413). The section would have barred the use of military construction funds to enforce Executive Order 13502 (41 U.S.C. 251 note). This order permits executive agencies to specify that “project labor agreements” (PLAs) be used on construction costing \$25 million or more. These PLAs are pre-hire collective bargaining

agreements with labor organizations that establish the terms and conditions of employment on specific construction projects.¹ Another amendment, proposed on the floor, would have barred the imposition of Davis-Bacon prevailing wage standards on military construction projects. The motion was defeated in a recorded vote, 178-232 (H.Amdt. 413, Roll no. 414).²

H.R. 2055 was received in the Senate on June 15, 2011, and was referred to the Committee on Appropriations. On June 30, the committee reported the bill as an amendment in the form of a substitute (S.Rept. 112-29). A motion to proceed to consideration of the measure was made on July 11 (*Congressional Record*, S4478). Cloture on the motion to proceed was invoked on July 13 by yeay-nay vote, 89-11 (Recorded Vote No. 109), and H.R. 2055 was laid before the Senate by unanimous consent on July 14. A number of additional amendments were considered during debate, and H.R. 2055, as further amended was passed by yeay-nay vote, 97-2 (Record Vote No. 115). The Senate insisted on its amendment and appointed conferees.

Continuing Appropriations

Failing enactment of H.R. 2055 before the beginning of FY2012, Congress passed, and the President signed, a series of temporary funding bills that generally continued funding for military construction projects at levels consistent with those enacted for FY2011.³ Thus far, five continuing resolutions have been enacted, including the First FY2012 Continuing Resolution (H.R. 2017, P.L. 112-33, through October 4, 2011), the Second FY2012 Continuing Resolution (the Continuing Appropriations Act, 2012, H.R. 2608, P.L. 112-36, through November 18, 2011), the Third FY2012 Continuing Resolution (the Consolidated and Further Continuing Appropriations Act, 2012, H.R. 2112, P.L. 112-55, through December 16, 2011), the Fourth Continuing Resolution (H.J.Res. 94, P.L. 112-67, through December 17, 2011) and the Fifth Continuing Resolution (H.J.Res. 95, through December 23, 2011). The third act, because it funded the Agriculture, Commerce, Justice, and Science, and Transportation/HUD appropriations for the entire fiscal year, was commonly referred to as the “Minibus.”⁴

Sections 102 and 110 of P.L. 112-33 stipulate, in part, that

no appropriations or funds made available [to] ... the Department of Defense shall be used for ... the initiation, resumption, or continuation of any project ... for which appropriations, funds, or other authority were not available during fiscal year 2011.... This Act shall be implemented so that only the most limited funding action of that permitted in the Act shall be taken in order to provide for continuation of projects and activities.

This language continued in effect through the subsequent four temporary funding acts, preventing the initiation of any new military construction project during the time that these statutes remained in effect.

¹ For more information on project labor agreements, see CRS Report R41310, *Project Labor Agreements*, by Gerald Mayer.

² Broader discussions of the use of Davis-Bacon wage rates can be found in CRS Report R40663, *The Davis-Bacon Act and Changes in Prevailing Wage Rates, 2000 to 2008*, by Gerald Mayer, and CRS Report 94-408, *The Davis-Bacon Act: Institutional Evolution and Public Policy*, by William G. Whittaker.

³ For a comprehensive discussion of continuing resolutions, see CRS Report RL30343, *Continuing Resolutions: Latest Action and Brief Overview of Recent Practices*, by Sandy Streeter.

⁴ The term “minibus” in the appropriations context is a play on the standard term for an appropriations bill that incorporates all of the normal appropriations bills into a single piece of legislation, an “omnibus” act.

Use of H.R. 2055 as a “Megabus”

On December 7, 2011, Representative Hal Rogers, chair of the House Committee on Appropriations, asked unanimous consent that the House disagree with the Senate amendment to H.R. 2055. The motion was accepted without objection, and the Speaker appointed conferees. The conference began on December 8, 2011, and in their opening statements, conferees Senator Daniel K. Inouye, chair of the Senate Committee on Appropriations, and Representative Harold Rogers, his contemporary on the House committee, noted that the conference intended to pull the nine FY2012 appropriations bills remaining to be enacted into an amended H.R. 2055 that would be reported to both chambers for passage.⁵ Press coverage of the bill’s conference has used the term “Megabus” to describe the anticipated resulting appropriations bill.⁶

During the conference, the draft bills for the following regular annual appropriations were added to the text of H.R. 2055 as divisions within the basic bill:

- Division A: Defense⁷
- Division B: Energy and Water⁸
- Division C: Financial Services⁹
- Division D: Department of Homeland Security¹⁰
- Division E: Interior and Environment¹¹
- Division F: Labor, Health and Human Services, Department of Education¹²
- Division G: Legislative Branch¹³
- Division H: Military Construction, Veterans Affairs
- Division I: Department of State and Foreign Operations¹⁴

⁵ Press releases with the texts of both Members’ statements have been posted on the respective committees’ websites.

⁶ See, for example, Kerry Young, “House May Include CRs in ‘Megabus,’” *CQ Today*, December 8, 2011, p. 1.

⁷ Formerly H.R. 2219. See CRS Report R41861, *Defense: FY2012 Budget Request, Authorization and Appropriations*, by Pat Towell, for a detailed discussion of the issues related to the defense appropriation bill.

⁸ Formerly H.R. 2354. See CRS Report R41908, *Energy and Water Development: FY2012 Appropriations*, coordinated by Carl E. Behrens, for a detailed discussion of the issues related to the energy and water appropriation bill.

⁹ Formerly H.R. 2434. See CRS Report R42008, *Financial Services and General Government: FY2012 Appropriations*, coordinated by Garrett Hatch, for a detailed discussion of the issues related to the financial services appropriations bill.

¹⁰ Formerly H.R. 2017. See CRS Report R41982, *Homeland Security Department: FY2012 Appropriations*, coordinated by William L. Painter and Jennifer E. Lake, for a detailed discussion of the issues related to the Department of Homeland Security appropriations bill.

¹¹ Formerly H.R. 2584. See CRS Report R41896, *Interior, Environment, and Related Agencies: FY2012 Appropriations*, coordinated by Carol Hardy Vincent, for a detailed discussion of the issues related to the interior and environment appropriations bill.

¹² Formerly H.R. 3070. See CRS Report R42010, *Labor, Health and Human Services, and Education: FY2012 Appropriations*, coordinated by Karen E. Lynch, for a detailed discussion of the issues related to the labor, HHS, education appropriations bill.

¹³ Formerly H.R. 2551. See CRS Report R41870, *Legislative Branch: FY2012 Appropriations*, by Ida A. Brudnick, for a detailed discussion of the issues related to the legislative branch appropriations bill.

¹⁴ Formerly S. 1601, filed as a conference report under House Rule 500. See CRS Report R41905, *State, Foreign Operations, and Related Programs: FY2012 Budget and Appropriations*, by Susan B. Epstein and Marian Leonardo (continued...)

The conferees filed their report on December 15. The House agreed to the conference report by the Yeas and Nays (296-121, Roll No. 941) on December 16, 2011, and the Senate followed suit on December 17 by Yea-Nay vote (67-32, Record Vote No. 235) and sent a message of their action to the House on the same day.

National Defense Authorization

Section 114 of Title 10, *United States Code*, requires that Congress authorize the appropriation of funding to the Department of Defense (DOD) for certain purposes, including military construction, as part of the annual appropriations cycle. This authorization is effected through the enactment of the annual National Defense Authorization Act (NDAA), of which one division constitutes the Military Construction Authorization Act. While appropriations bills fall within the jurisdiction of the two chambers' Committees on Appropriations, writing the NDAA is the responsibility of the Committees on Armed Services.

The NDAA for FY2012 (H.R. 1540) was introduced in the House on April 14, 2011. The House Committee on Armed Services reported its amendment of the bill on May 17 (H.Rept. 112-78, with a supplemental report, H.Rept. 112-78, Part 2, submitted on May 23). The House passed the bill by recorded vote, 322-96 (Roll no. 375), on May 26, and the Senate received it on June 6, 2011.

The Senate version of the NDAA (S. 1253) was introduced to the Senate on June 22, 2011, accompanied by its report (S.Rept. 112-26), and was placed on the legislative calendar under general orders (Calendar No. 80). A second Senate version was of the FY2012 NDAA (S. 1867) was introduced by Senator Carl Levin, chair of the Senate Committee on Armed Services, was introduced without report on November 15. Taken up two days later, S. 1867 was debated on November 17 and 18 and again between November 28 and December 1, when its amended version was passed 93-7 (Record Vote No. 218). The Senate then incorporated S. 1867 into the House's bill as an amendment and passed the amended H.R. 1540 by Unanimous Consent.

Insisting on its amendment, the Senate called for a conference and appointed conferees, informing the House of its actions on December 5. By unanimous consent, the House disagreed with the Senate amendment on December 7, agreed to a conference, and the Speaker subsequently appointed conferees.¹⁵

The conferees filed their report (H.Rept. 112-329) on December 12. The House agreed to the report by recorded vote (283-136, Roll No. 932), and the Senate did the same by Yea-Nay vote (86-13, Record Vote No. 230) the next day, sending a message on their action to the House.

(...continued)

Lawson, for a detailed discussion of the issues related to the state-foreign operations appropriations bill.

¹⁵ For a detailed discussion of the NDAA, see CRS Report R41861, *Defense: FY2012 Budget Request, Authorization and Appropriations*, by Pat Towell.

Title I: Department of Defense

Military Construction

The military construction appropriations account includes a number of appropriations subaccounts:

- *Military Construction* accounts provide funds for new construction, construction improvements, and facility planning and design in support of active and reserve military forces and DOD agencies.
- The *North Atlantic Treaty Organization Security Investment Program* (NSIP) is the U.S. contribution to a common fund in which all NATO members participate to defray the costs of construction (airfields, fuel pipelines, military headquarters, etc.) needed to support major NATO commands.
- *Family housing* accounts fund new construction, construction improvements, federal government costs for family housing privatization, maintenance and repair, furnishings, management, services, utilities, and other expenses incurred in providing suitable accommodation for military personnel and their families where needed.
- The *DOD Housing Improvement Fund* is the vehicle by which DOD provides the seed money, both directly appropriated and transferred from other accounts, needed to initiate public-private arrangements for the privatization of military housing.
- The *Homeowners Assistance Fund* aids federal personnel stationed at or near an installation scheduled for closure or realignment who are unable to sell their homes by allowing the Secretary of Defense to subsidize the sale or to purchase homes outright. The American Recovery and Reinvestment Act of 2009 (P.L. 111-5), or ARRA (the Stimulus Bill), permanently expanded eligibility for the Homeowner Assistance Program to some classes of wounded and injured DOD and Coast Guard personnel or their surviving spouses.¹⁶
- The *Chemical Demilitarization Construction, Defense-Wide*, account provides for the design and construction of disposal facilities required for the destruction of chemical weapons stockpiles, as required under international treaty.
- The *Base Realignment and Closure Account 1990* funds the remaining environmental remediation requirements (including the disposal of unexploded ordnance) arising from the first four base realignment and closure (BRAC) rounds (1988, 1991, 1993, and 1995).
- The *Base Realignment and Closure Account 2005* provides funding for the military construction, relocation, and environmental requirements of the implementation of both the 2005 BRAC round and the DOD Integrated Global

¹⁶ The ARRA also authorized the Secretary of Defense to extend HAP eligibility to some military personnel ordered to change their permanent duty stations who found themselves having to sell their homes in a depressed housing market. Eligibility under those provisions expired on September 30, 2010.

Presence and Basing Strategy/Global Defense Posture Realignment (military construction only).

Funding of the various accounts included under Title I (Department of Defense) is listed in the **Appendix** to this report.

Key Budget Issues

Base Realignment and Closure (BRAC): Completing the 2005 Round

September 15, 2011, is the statutorily mandated completion date for implementing all of the recommendations made by the 2005 Defense Base Closure and Realignment Commission (also known as the BRAC Commission) and approved by President George W. Bush. Over the past six years, the defense agencies and military departments have carried out a highly complex—and often contentious—program of construction and movement to prepare new facilities at bases gaining military missions, to wind down operations and close facilities no longer needed by the military departments, and to transfer personnel and equipment to new locations. Though all implementation actions save for environmental cleanup and disposal of surplus real property were expected to be completed by the deadline, Congress has perceived that the military services may not be able to fully implement some of the more complex commission recommendations in time. Section 2704 of H.R. 1540, the House version of the NDAA for 2012, would permit the Secretary of Defense to extend the completion of as many as seven recommendations for up to a year.¹⁷ The Senate versions of the NDAA do not provide for such an extension.

In the detailed documentation submitted by DOD to accompany the President's FY2011 appropriations request, DOD estimated that its one-time implementation costs for BRAC 2005 will total \$34.5 billion.¹⁸

These cost estimates have increased over time as the military departments and DOD have developed plans to carry out the various required BRAC actions. In requesting military construction funds for FY2007, the first submission after the list of BRAC recommendations was created, DOD estimated the total one-time implementation cost to implement the 2005 BRAC round (the realignment and closure of a number of military installations on U.S. territory) and to redeploy approximately 70,000 troops and their families from overseas garrisons to bases within the United States at \$17.9 billion. Between the submission of the FY2007 request in February 2006 and the FY2008 request the next year, DOD estimates had matured considerably, causing the estimate of one-time implementation cost to rise to more than \$30.7 billion. The same estimate made by DOD in February 2008 for the FY2009 appropriations request rose again, to \$32.0 billion. DOD's FY2010 estimate for one-time implementation costs over the FY2006-FY2011 period reached \$34.2 billion.

¹⁷ The section specifies that the Secretary may not delegate this extension authority to any other person.

¹⁸ Office of the Secretary of Defense, *DOD Base Realignment and Closure, 2005, BRAC Commission Executive Summary, Fiscal Year (FY) 2011 Budget Estimates, Program Year 2011*, Exhibit BC-02, BRAC Implementation Costs and Savings, Washington, DC, February 2010, p. 8, http://comptroller.defense.gov/defbudget/fy2011/budget_justification/pdfs/05_BRAC/BRAC%202005%20Executive%20Summary/BRAC_2005_Exec_Sum_FY2011_PresBud_FINAL_26Jan10.pdf.

Issues raised during the 2005 round of base closures and realignments have prompted the inclusion of several additional BRAC-related provisions in the FY2012 appropriations and authorization bills. Section 2505 of the House NDAA would heighten the emphasis on costs and benefits in the future selection of bases to be closed or realigned and would eliminate the exemption from congressional notification of closures for “reduction in force” that exists in current statute. Section 2706 would add a requirement for future recommendations to include among the evaluation criteria of future closures “the ability of the infrastructure (including transportation infrastructure) of both the existing and receiving communities” and “the costs associated with community transportation infrastructure improvements” needed to absorb projected increased populations.

BRAC Commission Recommendation #160 provided for the closure of Umatilla Chemical Depot, OR. Umatilla is one of several defense installations that have been demilitarizing (rendering safe) chemical munitions in accordance with the Chemical Weapons Convention Treaty (CWCT). In 2005, the Secretary of Defense estimated that all work at Umatilla would be completed not later than the end of the second quarter of FY2011 and recommended that Umatilla be closed during the 2005 BRAC round. The commission, though, noting that international law in the form of the CWCT requires completion of the demilitarization mission prior to the closure of the depot, and anticipating slippage in the work schedule there, worded its recommendation to lend some flexibility to the date of closure, stating that “[o]n completion of the chemical demilitarization mission in accordance with Treaty obligations, close Umatilla Chemical Depot, OR.”¹⁹ Nevertheless, with work at Umatilla now expected to continue beyond the September 15, 2011, statutory limit on BRAC closure authority, the Department of the Army indicated its intention to remove Umatilla from the BRAC closure process and transfer responsibility for disposal of the property to the General Services Administration.²⁰ Section 127 of the Senate-engrossed version of H.R. 2055 would permit the Secretary of the Army to continue Umatilla’s closure under BRAC authority.

Overseas Installations

Japan: The Futenma Replacement Facility, Redeployment within Japan, and Marine Movement to Guam

As the result of intergovernmental agreements, Japan has undertaken the construction of a new air facility in the Prefecture of Okinawa for the use of U.S. Marine Corps aviation units now operating from Marine Corps Air Station (MCAS) Futenma, near the prefecture capital of Naha. Upon completion of the new station, the existing facility is to be returned to Japanese control.

The selection of a new site for the Futenma Replacement Facility (FRF) and other Japanese domestic political considerations have delayed initiation of construction of the new facility.²¹ Nevertheless, the Japanese press recently announced agreement between the two national governments on a potential site and runway configuration.²² These plans were formalized at a

¹⁹ 2005 Defense Base Closure and Realignment Commission, *Report*, Washington, DC, September 8, 2005, p. 239.

²⁰ Richard Cockle, “Local Plan for Depot Suddenly is in Peril,” *The Oregonian*, July 10, 2011, Sunrise edition.

²¹ For additional information and analysis of U.S.-Japanese security relations, see CRS Report RL33436, *Japan-U.S. Relations: Issues for Congress*, coordinated by Emma Chanlett-Avery.

²² “Minister Tells Okinawa Gov. of Plan to Proceed with Futenma Relocation,” *Kyodo News*, June 13, 2011.

joint U.S.-Japan ministerial meeting on June 21, 2011, though both governments concluded that adherence to the original 2014 completion date would be impossible, announcing afterward that the FRF would be completed “at the earliest possible date after 2014.”²³ Nevertheless, the Senate Committee on Armed Services, in its report on the NDAA for 2012, has expressed considerable concern, stating that the “committee believes that the proposed plan for the relocation of Marine Corps Air Station (MCAS) Futenma, located on the island of Okinawa, has become untenable and must be resolved sooner and more economically than the current plan will allow,” estimating that “even under the most reasonable circumstances, the FRF ... would likely take at least 7 to 10 years to complete at a cost to the Government of Japan of approximately \$5.0–10.0 billion dollars.”²⁴ That committee would direct the Secretary of Defense to report on the feasibility of relocating Marine aviation assets from MCAS Futenma to the nearby Kadena Air Base instead of to the projected new facility. In addition, Section 1079 of S. 1253, the Senate’s version of the NDAA, would create an independent panel to assess U.S. force posture in East Asia and the Pacific Region, emphasizing examination of the current plans for force realignments on Okinawa and Guam.

The two governments have also agreed to move approximately 8,000 Marines from their present garrisons in Okinawa to facilities in the U.S. Territory of Guam, approximately 1,400 miles to the east. Japan has pledged to provide approximately \$6 billion of the estimated \$10 billion needed for the relocation.²⁵

Congress has criticized the pace of DOD planning for the move. During consideration of FY2011 appropriations, the Senate Committee on Appropriations recommended deferring \$464.6 million in requested construction funding from overseas projects in Guam, Europe, Korea, and other locations pending the completion of a DOD review of its global posture.²⁶ Nevertheless, the redeployment is inextricably linked to the FRF project. DOD is awaiting “tangible progress” on the part of the Japanese in constructing the FRF before commencing the construction necessary to house the Marines relocating from Okinawa.²⁷

While noting that official DOD plans continued to adhere to a 2014 deadline for completion of the Guam redeployment, the House Committee on Appropriations stated, “The Committee remains supportive of the realignment of Marine Corps forces from Okinawa to Guam. At the same time, the Committee has serious concerns about the Department of Defense’s (DOD) ability to adequately fund and complete construction on time and within budget.”²⁸ In its report on H.R.

²³ William Wan, “U.S., Japan Agree to Delay Relocation of Air Base on Okinawa,” *The Washington Post*, June 22, 2011, p. A9.

²⁴ U.S. Congress, Senate Committee on Armed Services, *National Defense Authorization Act for Fiscal Year 2012*, report to accompany S. 1253, 112th Cong., 1st sess., June 22, 2011, S.Rept. 112-26, p. 241.

²⁵ Of this sum, the government of Japan has committed to provide \$2.8 billion in cash, with the remainder taking the form of recoverable financial instruments.

²⁶ U.S. Congress, Senate Committee on Appropriations, Subcommittee on Military Construction and Veterans Affairs, and Related Agencies, *Military Construction and Veterans Affairs, and Related Agencies Appropriations Bill, 2010*, Report to accompany S. 3615, 111th Cong., 2nd sess., July 19, 2010, S.Rept. 111-226, p. 9.

²⁷ Additional information on and analysis of the Marine relocation can be found in CRS Report RS22570, *Guam: U.S. Defense Deployments*, by Shirley A. Kan.

²⁸ U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2012*, report, together with Minority Views, to accompany H.R. 2055, 112th Cong., 1st sess., May 31, 2011, H.Rept. 112-94 (Washington: GPO, 2011), p. 15.

2055, the FY2012 military construction appropriation bill, the Senate Committee on Appropriations reiterated its concerns, stating that

Due to the lack of verifiable cost estimates for the Guam buildup, the failure of DOD to submit to the congressional defense committees a comprehensive master plan for the initiative, and continuing uncertainty over the ability of the Government of Japan to fulfill its commitment to relocate United States troops on Okinawa, the Committee has deferred funding for fiscal year 2012 military construction projects associated with the relocation of United States Marines to Guam.²⁹

This included two major Navy projects, a \$77.2 million improvement of water utility services to the planned cantonment area at Finegayan and a \$78.6 million increment for the development of utility services to the north ramp area on Andersen Air Force Base, a site used by the Navy and planned to host Marine aviation units moved from Japan. The Senate version of the NDAA would also strike the requested funding for these construction projects.

The House version of the NDAA, H.R. 1540, authorized full funding of both construction projects. Nevertheless, Section 2208 of S. 1253, the Senate's version of the NDAA for 2012, would have barred the obligation or expenditure of any appropriated funds or funds provided to the United States by the government of Japan to implement the Marine relocation to Guam until the Commandant of the Marine Corps provided to the congressional defense committees his "preferred force lay-down" in the Pacific Region and the Secretary of Defense provided a master construction plan supporting that lay-down, certified that "tangible progress" had been made on the relocation of MCAS Futenma, and provided an interagency plan for the work necessary on Guam's non-military facilities to prepare for the relocation. This provision was carried into S. 1867 and the subsequent amendment of H.R. 1540.

At the end of bilateral consultations between the Secretary of State, the Secretary of Defense, and their Japanese counterparts on June 21, 2011, the Department of State issued a press release stating, in part, "The Ministers noted that completion of the FRF and the Marine relocation will not meet the previously targeted date of 2014 and confirmed their commitment to complete the above projects at the earliest possible date after 2014 in order to avoid the indefinite use of the Marine Corps Air Station (MCAS) Futenma, while maintaining Alliance capabilities."³⁰

South Korea: Tour Normalization and Relocation

Since the Armistice on the Korean Peninsula ended combat in 1954, U.S. ground forces have been concentrated in a number of forward bases distributed along the demarcation line between South Korea and North Korea, with a major headquarters complex at Yongsan, adjacent to the capital of Seoul.

Following agreements between South Korea and the United States, the headquarters of U.S. Forces, Korea (USFK) and U.S. Army and Air Force units are being concentrated into two large military communities centered on Osan Air Base and Camp Humphreys, south of the capital.

²⁹ U.S. Congress, Senate Committee on Appropriations, Subcommittee on Military Construction and Veterans Affairs, and Related Agencies, *Military Construction and Veterans Affairs, and Related Agencies Appropriation Bill, 2012*, report to accompany H.R. 2055, 112th Cong., 1st sess., June 30, 2011, S.Rept. 112-29 (Washington: GPO, 2011), p. 9.

³⁰ "Security Consultative Committee Document Progress on the Realignment of US Forces in Japan," *Department of State Press Release*, June 21, 2011.

Additionally, tours of duty for military personnel are being lengthened, and servicemembers will soon be permitted to bring their families with them, significantly increasing the size of those communities. In its May 2011 report on the military posture in Asia, the GAO noted that it

obtained DOD cost estimates that total \$17.6 billion through 2020 for initiatives in South Korea, but DOD cost estimates are incomplete. One initiative, to extend the tour length of military service members and move thousands of dependents to South Korea ... could cost DOD \$5 billion by 2020 and \$22 billion or more through 2050, but this initiative was not supported by a business case analysis that would have considered alternative courses of action and their associated costs and benefits. As a result, DOD is unable to demonstrate that tour normalization is the most cost-effective approach to meeting its strategic objectives. This omission raises concerns about the investments being made in a \$13 billion construction program at Camp Humphreys, where tour normalization is largely being implemented.³¹

The House Committee on Appropriations expressed its views on the issue of “tour normalization” in its report on the military construction appropriations bill, stating

The Department of Defense has taken on an arduous and expensive task to normalize deployments to Korea by establishing a two-year tour for single members of the service and three-year tours for married servicemembers to include their families. The task will require great investment in military construction for schools, family housing and child development centers just to name a few. The Committee is concerned that this investment may be an expense that the United States should not incur. The Committee directs the Secretary of Defense to report to the Committee on Appropriations within 60 days of enactment of this Act the total cost and plan for Tour Normalization in Korea.³²

The Senate Committee on Appropriations voiced its concerns with both tour normalization and the redeployment of U.S. forces on the peninsula in its report on H.R. 2055.

This lack of a business case analysis ... raises concerns about the investments being made in a \$13,000,000,000 construction program at Camp Humphreys, Korea, to accommodate the relocation of United States troops south of Seoul and the first phase of tour normalization. Full tour normalization would require additional land, housing, schools and other facilities at Camp Humphreys, which would require a revised master plan for the base and would likely require changes to the current construction program. Given the extent of construction currently underway at Camp Humphreys, any substantive change in the plan could impact efficiency and drive up costs considerably.... No funding was requested in the fiscal year 2012 budget for military construction related to tour normalization in Korea, but the Committee will expect detailed cost information and a completed business case analysis, approved by the Secretary of Defense, for the strategic objectives that to this point have driven the decision to implement tour normalization, before approving any funding requests in future years. This business case analysis should clearly articulate the strategic objectives, identify and evaluate alternative courses of action to achieve those objectives, and recommend the most cost-effective alternative.³³

Finally, the Senate Committee on Armed Services included Section 2113 into S. 1253, its version of the NDAA for FY2012, which would bar any funds from being obligated or expended in

³¹ GAO-11-316, frontispiece. Additional details on the relocation of U.S. forces on the Korean Peninsula may be found in CRS Report R41481, *U.S.-South Korea Relations*, coordinated by Mark E. Manyin.

³² H.Rept. 112-94, pp. 21-22.

³³ S.Rept. 112-29, pp. 8, 10.

support of tour normalization until DOD's Director of Cost Assessment and Program Evaluation (CAPE) conducts an appropriate analysis of alternatives to the program being pursued by the Army, the Secretary of the Army submits a master plan detailing the schedule and costs for the needed facility and infrastructure construction, and subsequent legislation authorizes such obligation. This section was carried over into S. 1867 and thence into the Senate amendment to H.R. 1540.

Europe: Consolidation within Germany and Troop Redeployment to the United States

Army and Air Force personnel in the Federal Republic of Germany are being consolidated into two large military communities centered at Kaiserslautern (known to many servicemembers as "K-Town") in the country's southwest near Frankfurt, and Grafenwöhr-Vilseck in eastern Bavaria near the Czech border. For the past several years, military construction supporting this relocation has been concentrated in these areas.

A significant portion of the combat power remaining in the Army portion of EUCOM was scheduled to redeploy to new posts in the southwestern United States as part of an ongoing defense-wide reevaluation of troop garrisoning strategy, but the Secretary of Defense agreed to reconsider the movement of two brigade combat teams (BCT) from Germany to the United States after the most recent Quadrennial Defense Review reconsidered the U.S. interest in supporting NATO.³⁴

The President's FY2012 request includes \$563 million for construction in Germany. It includes \$249 million for Army construction of the relocated European Army and Air Force Exchange Central Distribution Facility (later not funded in the House version of the appropriations bill),³⁵ various training and communications facilities, barracks, and family housing. The DOD Education Agency (DODEA) is requesting \$207 million to build, expand, or replace elementary, middle, and high schools at several locations. The Tricare Management Agency plans to replace the military medical center at Rhine Ordnance Barracks at a total cost of \$1.2 billion and is requesting \$71 million for the first increment of funding.³⁶ The Air Force is asking for \$35 million to build a new airman's dormitory at Ramstein Air Base, and the Defense Information Systems Agency (DISA) is asking for \$2.4 million to upgrade its facility serving the U.S. Army headquarters near Stuttgart.

The Senate Committee on Appropriations took note of the potential impact of efficiency initiatives announced by the Secretary of Defense during August of 2010 when it wrote,

³⁴ Jason Sherman, "QDR Reconsidering Plan to Move Two Brigades from Europe to U.S.," *Inside the Pentagon*, August 13, 2009, vol. 25, no. 32.

³⁵ The current Army and Air Force Exchange Service (AAFES) distribution facility at Giessen, Germany, is being closed and its operations are to be transferred to newly rehabilitated facilities at Germersheim. The Giessen site is being returned to the government of Germany.

³⁶ Rhine Ordnance Barracks, part of the Kaiserslautern Military Community, is a major deployment terminus for U.S. forces stationed in the European Central Region. Located adjacent to Ramstein Air Base and near major ammunition storage sites, the barracks will act as a major outfitting and processing station for any unit being deployed from the region on a military operation.

The Committee remains concerned with the United States Army transformation and realignment plans in Europe. This year, DOD announced the restructuring of headquarters commands in Europe from four-star to three-star staff billets to reduce overhead as part of the Secretary of Defense’s efficiency initiative. Subsequently, the Army announced its decision to reduce Army Brigade Combat Teams [BCTs] in Europe from four to three after 2015. In light of these developments, the Army continues to have challenges articulating its long term plans and justification for its forces and installations in Europe. ... In order to better understand future requirements for military construction in Germany, the Committee directs that no later than 90 days after enactment of this act, the Army and European Command provide a report on installations and properties in Germany that they intend to return to the host nation.³⁷

In passing H.R. 2055, the Senate adopted an amendment (Section 129 of the bill as engrossed by the Senate) that prevents any military construction funding from being expended at the Army garrisons in Grafenwöhr or Baumholder, Germany, “until the Secretary of the Army submits to Congress, in writing, a report on installations and properties in Germany that the Army intends to return to the host nation” and identifies the BCT to be moved to the United States.

Extension of Authority to Use Operation and Maintenance (O&M) Funds for Military Construction

The various Senate versions of the NDAA include a provision (Section 2802) that extends for a year the Secretary of Defense’s authority to use up to \$200 million in O&M funds from the defense appropriation for the construction of facilities in the geographic areas of responsibility of U.S. Central Command (USCENTCOM) and those areas on the continent of Africa formerly under CENTCOM responsibility. For construction in Afghanistan, the Secretary may use up to an additional \$300 million in O&M funding for construction if he certifies the need. Congress originally granted this authority in FY2004 and has renewed it for each subsequent year.³⁸

Title II: Department of Veterans Affairs

Table 3. Department of Veterans Affairs Appropriations, FY2005-FY2011
(budget authority in billions of \$)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
VA	65.84	71.46	79.55	88.11	95.95	122.99	120.64

Source: Amounts shown are from reports of the appropriations committees accompanying the appropriations bills for the years noted above. FY2010 includes \$13.4 billion in supplemental funding provided by P.L. 111-212. FY2011 reflects 0.2% reductions required by P.L. 112-10.

³⁷ S.Rept. 112-29, p. 14.

³⁸ More detailed discussions of this so-called “Section 2808” or “Contingency Construction Authority” are laid out in CRS Report R41232, *FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs*, coordinated by Amy Belasco and CRS Report R41345, *Military Construction, Veterans Affairs, and Related Agencies: FY2011 Appropriations*, by Daniel H. Else, Christine Scott, and Sidath Viranga Panangala.

Agency Overview

The Department of Veterans Affairs (VA) administers directly, or in conjunction with other federal agencies, programs that provide benefits and other services to veterans and their spouses, dependents, and beneficiaries. The VA has three primary organizations to provide these benefits: the Veterans Benefits Administration (VBA), the Veterans Health Administration (VHA), and the National Cemetery Administration (NCA). Benefits available to veterans include service-connected disability compensation; a pension for low-income veterans who are elderly or have a nonservice-connected disability; vocational rehabilitation for disabled veterans; medical care; life insurance; home loan guarantees; burial benefits; and educational and training benefits to help in the transition of active servicemembers to civilian life. As shown in **Table 3**, VA appropriations for benefits and services have increased from \$65.84 billion in FY2005 to \$120.64 billion in FY2011.

Appropriation Highlights

The FY2012 budget submitted by the Administration called for funding the VA at a level of \$128.27 billion for FY2012 (see **Table 4**). This is an increase of \$7.63 billion, or 6.3%, compared to the FY2011-enacted appropriation (including the 0.2% reductions required by P.L. 112-10).

In addition to the request for FY2012, as required by law, the Administration requested \$52.54 billion in advance FY2013 funding for VA medical care.

H.R. 2055, as passed by the House, provides total funding for the VA of \$127.80 billion for FY2012 (of which \$50.61 billion was advance funding), and advance funding for FY2013 of \$52.54 billion. As passed by the Senate, H.R. 2055 provides total VA funding of \$128.09 billion for FY2012 (of which \$50.61 billion was advance funding), and advance funding for FY2013 of \$52.54 billion. Both the House passed and Senate Appropriations Committee versions of H.R. 2055 provides lower administration funding than the Administration request for FY2012, and separated the General operating expenses category into two separate categories: General administration; and General operating expenses, VBA (Veterans Benefits Administration).

The Conference Agreement for H.R. 2055, as passed by both the House and Senate, provides \$122.23 billion for FY2012 (of which \$50.61 was advance funding), and advance funding for FY2013 of \$52.54 billion.

As shown in **Table 5**, mandatory funding is higher than discretionary funding for the VA. In the FY2011 appropriation, mandatory funding was 53.3%, while for FY2012 mandatory funding is 54.4% of total funding for the VA in the House-passed version of H.R. 2055, and 54.3% in the Senate-passed version of H.R. 2055. For the Conference Agreement for H.R. 2055, as passed by both the House and Senate, 52.2% of total funding for FY2012 is mandatory funding. For FY2013, all of the advance funding is discretionary funding.

Table 4. Appropriations: Department of Veterans Affairs, FY2011-FY2013

(billions of \$)

Program	FY2011 Enacted		Administration Request		H.R. 2055 (House)		H.R. 2055 (Senate)		H.R. 2055 (Conference Agreement)	
	FY2011 ^a	FY2012	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance
Compensation and pensions	53.978		58.067		58.067		58.067		51.238	
Readjustment benefits	10.396		11.011		11.011		11.011		12.108	
Insurance and indemnities	0.078		0.100		0.100		0.100		0.100	
Housing programs (net, indefinite) ^b	-0.145		0.320		0.320		0.320		0.320	
Housing programs administration	0.165		0.155		0.155		0.155		0.155	
<i>Total, Veterans Benefits Administration (VBA)</i>	<i>64.472</i>		<i>69.653</i>		<i>69.653</i>		<i>69.653</i>		<i>63.921</i>	
National Cemetery Administration	0.250		0.251		0.251		0.251		0.251	
<i>Total, National Cemetery Administration (NCA)</i>	<i>0.250</i>		<i>0.251</i>		<i>0.251</i>		<i>0.251</i>		<i>0.251</i>	
Medical Services	37.062		39.650		39.650		39.650		39.650	
Advance appropriations		39.650		41.354		41.354		41.354		41.354
Rescission			-0.713							
Contingency Fund			0.953							
Medical support and compliance	5.262		5.535		5.535		5.535		5.535	
Advance appropriations		5.535		5.746		5.746		5.746		5.746
Medical facilities	5.714		5.426		5.426		5.426		5.426	
Advance appropriations		5.426		5.441		5.441		5.441		5.441
Medical and prosthetic research	0.580		0.509		0.531		0.581		0.581	
Medical Care Collection Fund ^c	-3.393		-3.326		-3.326		-3.326		-3.326	
(Offsetting receipts)	3.393		3.326		3.326		3.326		3.326	
(Appropriations - indefinite)	48.618		51.360		51.142		51.192		51.192	
<i>Total, Veterans Health Administration (VHA)</i>	<i>48.618</i>		<i>51.360</i>		<i>51.142</i>		<i>51.192</i>		<i>51.192</i>	
<i>Total, VHA advance appropriations</i>	<i>48.038</i>	<i>50.611</i>	<i>50.611</i>	<i>52.541</i>	<i>50.611</i>	<i>52.541</i>	<i>50.611</i>	<i>52.541</i>	<i>50.611</i>	<i>52.541</i>
<i>Total, VHA non-advance appropriations</i>	<i>0.580</i>		<i>0.509</i>		<i>0.531</i>		<i>0.581</i>		<i>0.581</i>	

Program	FY2011 Enacted		Administration Request		H.R. 2055 (House)		H.R. 2055 (Senate)		H.R. 2055 (Conference Agreement)	
	FY2011 ^a	FY2012	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance
<i>Available to VHA (includes collections)</i>	52.011		54.686		54.468		54.518		54.518	
General operating expenses ^d	2.529		2.467							
General administration					0.401		0.431		0.417	
General operating expenses, VBA					2.020		2.019		2.019	
Information technology	2.994		3.161		3.025		3.161		3.111	
Inspector General	0.109		0.109		0.109		0.112		0.112	
Construction, major projects	1.074		0.590		0.590		0.590		0.590	
Construction, minor projects	0.467		0.550		0.475		0.550		0.482	
Grants for state extended care facilities	0.085		0.085		0.085		0.085		0.085	
Grants for state veterans cemeteries	0.046		0.046		0.046		0.046		0.046	
<i>Total, Departmental Administration</i>	7.303		7.008		6.751		6.994		6.862	
Total, Department of Veterans Affairs	120.642		128.273		127.797		128.091		122.226	
Total, VA advance appropriations	48.038	50.611	50.611	52.541	50.611	52.541	50.611	52.541	50.611	52.541
Total, VA non-advance appropriations	72.604		77.662		77.186		77.480		71.615	

Source: Table prepared by the Congressional Research Service (CRS) based on reports of the House and Senate Appropriations Committees, and Office of Management and Budget (OMB) report on 0.2% reductions required by P.L. 112-10. Information for the Conference Report on H.R. 2055 is from H.Rept. 112-331, *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 Conference Report to Accompany H.R. 2055*.

Notes: Table shows appropriation amount (new budget authority), and not total budget authority for the Department of Veterans Affairs (VA). Total budget authority for the VA is the amount of money the VA can spend or obligate to spend by law, and has several forms including appropriations; authority to borrow; contract authority; and authority to spend from offsetting collections. For more information see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by Bill Heniff Jr.

- a. Amounts include the 0.2% across-the-board reductions required by P.L. 112-10.
- b. Negative budget authority is the result of combining the loans subsidy payments needed with the offsetting receipts expected to be collected. Includes Vocation Rehabilitation loans.
- c. Medical Care Collections (MCCF) receipts are restored to the Veterans Health Administration (VHA) as an indefinite budget authority equal to the revenue collected.

- d. Beginning with FY2012, H.R. 2055 splits the General operating expenses category into General administration and General operating expenses, VBA (Veterans Benefit Administration)

**Table 5. Mandatory and Discretionary Appropriations:
Department of Veterans Affairs, FY2011-FY2013**

(billions of \$)

	FY2011 Enacted		Administration Request		H.R. 2055 (House)		H.R. 2055 (Senate)		H.R. 2055 (Conference Agreement)	
	FY2011 ^a	FY2012	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance	FY2012	FY2013 Advance
<i>Mandatory</i>										
Benefits (VBA)	64.306		69.497		69.497		69.497		63.765	
<i>Discretionary</i>										
Medical (VHA)	48.618		51.360		51.142		51.192		51.192	
Advance appropriations		50.611		52.541		52.541		52.541		52.541
National Cemetery Administration (NCA)	0.250		0.251		0.251		0.251		0.251	
Departmental administration	7.303		7.008		6.751		6.994		6.862	
Housing administration (VBA)	0.166		0.156		0.156		0.156		0.156	
Total, discretionary	56.336		58.775		58.300		58.594		58.461	
Discretionary, advance appropriations		50.611		52.541		52.541		52.541		52.541
Total, Department of Veterans Affairs	120.642		128.273		127.797		128.091		122.226	
Total, VA advance appropriations		50.611		52.541		52.541		52.541		52.541
Percentages of Total										
Mandatory	53.3%		54.2%		54.4%		54.3%		52.2%	
Discretionary	46.7%	100.0%	45.8%	100.0%	45.6%	100.0%	45.7%	100.0%	47.8%	100.0%

Source: Table prepared by the Congressional Research Service (CRS) based on reports of the House and Senate Appropriations Committee, and Office of Management and Budget (OMB) report on 0.2% reductions required by P.L. 112-10. Table shows appropriation amount (new budget authority), and not total budget authority for the Department of Veterans Affairs (VA). Total budget authority for the VA is the amount of money the VA can spend or obligate to spend by law and has several forms, including appropriations; authority to borrow; contract authority; and authority to spend from offsetting collections. For more information see CRS Report 98-721, *Introduction to the Federal Budget Process*. Information for the Conference Report on H.R. 2055 is from H.Rept. 112-331, *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 Conference Report to Accompany H.R. 2055*.

Notes: Table shows appropriation amount (new budget authority), and not total budget authority for the Department of Veterans Affairs (VA). Total budget authority for the VA is the amount of money the VA can spend or obligate to spend by law, and has several forms including appropriations; authority to borrow; contract authority; and authority to spend from offsetting collections. For more information see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by Bill Heniff Jr.

a. Amounts include the 0.2% across-the-board reductions required by P.L. 112-10.

Title III: Related Agencies

American Battle Monuments Commission

The American Battle Monuments Commission (ABMC) is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of U.S. Armed Forces since the nation's entry into World War I; the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and the design, construction, and maintenance of permanent cemeteries and memorials in foreign countries. The commission maintains 24 cemeteries and 25 memorials in foreign countries and on U.S. soil.

U.S. Court of Appeals for Veterans Claims

The U.S. Court of Appeals for Veterans Claims was established by the Veterans' Administration Adjudication Procedure and Judicial Review Act of 1988 (P.L. 100-687). The court is an independent judicial tribunal with exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law; interpret constitutional, statutory, and regulatory provisions; and determine the meaning or applicability of the terms of an action by the VA. It is authorized to compel action by the VA. It is authorized to hold unconstitutional or otherwise unlawful and set aside decisions, findings, conclusions, rules and regulations issued or adopted by the VA or the Board of Veterans' Appeals.³⁹

Department of Defense: Civil (Army Cemeterial Expenses)

The Secretary of the Army is responsible for the administration, operation, and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. In addition to its principal function as a national cemetery, Arlington is the site of approximately 3,100 non-funeral ceremonies each year and has approximately 4 million visitors annually. The Senate-passed version of H.R. 2055 requires that the executive director of Arlington Cemetery report to Congress within 90 days of enactment on the detailed plan, and timetable, for modernization of the information technology system, including burial records.

Armed Forces Retirement Home (AFRH)

The Armed Forces Retirement Home Trust Fund provides funds to operate and maintain the Armed Forces Retirement Home in Washington, DC (also known as the United States Soldiers' and Airmen's Home), and the Armed Forces Retirement Home in Gulfport, MS (originally located in Philadelphia, PA, and known as the United States Naval Home). These two facilities provide long-term housing and medical care for approximately 1,600 needy veterans. The Gulfport campus was severely damaged by Hurricane Katrina at the end of August 2005, and residents of the facility were transferred to the Washington, DC, location immediately after the

³⁹ For more information on the U.S. Court of Appeals for Veterans Claims, see CRS Report RS22561, *Veterans Affairs: The U.S. Court of Appeals for Veterans Claims—Judicial Review of VA Decision Making*, by Douglas Reid Weimer.

storm. The rebuilding of the Gulfport facility was completed, with residents returning, on October 4, 2010.

The appropriation for the AFRH facilities is normally all from the Armed Forces Retirement Home Trust Fund. The trust fund is maintained through gifts, bequests, and a \$0.50 per month assessment on the pay of active duty enlisted military personnel and warrant officers.

For FY2012, the Conference Agreement on H.R. 2055 includes \$14.62 million (as a general fund transfer) for repairs to the Washington, DC campus as a result of damage incurred due to the earthquake on August 12, 2011.

Table 6 shows the FY2011 enacted appropriations, the Administration request, and H.R. 2055 funding for FY2012 for each of the related agencies.

Table 6. Appropriations: Related Agencies, FY2011-FY2012

(thousands of \$)

	FY2011 Enacted	Administration Request	H.R. 2055 (House)	H.R. 2055 (Senate)	H.R. 2055 (Conference Agreement)
<i>American Battle Monuments Commission (ABMC)</i>					
Salaries and expenses	64,072	61,100	61,100	61,100	61,100
Foreign currency fluctuations account	20,168	16,000	16,000	16,000	16,000
<i>Total, ABMC</i>	<i>84,240</i>	<i>77,100</i>	<i>77,100</i>	<i>77,100</i>	<i>77,100</i>
<i>U.S. Court of Appeals for Veterans Claims</i>	<i>27,560</i>	<i>55,770</i>	<i>30,770</i>	<i>30,770</i>	<i>30,770</i>
<i>Army Cemeterial Expenses</i>	<i>45,010</i>	<i>45,800</i>	<i>45,800</i>	<i>45,800</i>	<i>45,800</i>
<i>Armed Forces Retirement Home (AFRH)</i>					
Operation and maintenance	69,058	65,700	65,700	65,700	65,700
Capital program	2,000	2,000	2,000	2,000	2,000
General Fund					14,630
<i>Total, AFRH</i>	<i>71,058</i>	<i>67,700</i>	<i>67,700</i>	<i>67,700</i>	<i>82,330</i>
Total, All Related Agencies	227,868	246,370	221,370	221,370	236,000

Source: Table prepared by the Congressional Research Service (CRS) based on reports of the House and Senate Appropriations Committees, and Office of Management and Budget (OMB) report on 0.2% reductions required by P.L. 112-10. Information for the Conference Report on H.R. 2055 is from H.Rept. 112-331, *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 Conference Report to Accompany H.R. 2055*.

Notes:

- a. Amounts include the 0.2% across-the-board reductions required by P.L. 112-10.

Appendix. Military Construction Appropriations, FY2010-FY2012

Table A-1. Title I Military Construction Appropriations Accounts, FY2010-FY2012
(budget authority in thousands of dollars)

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Full-Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Military Construction, Army	3,719,419	3,787,598	3,235,991	3,141,491	3,066,891	3,006,491
Rescissions	-33,000	-263,000	—	-100,000	—	—
Reduction	-230,000	-7,575	—	—	—	—
Total New BA	3,456,419	3,517,023	3,235,991	3,041,491	3,066,891	3,006,491
Military Construction, Navy and Marine Corps	3,769,003	3,303,611	2,461,547	2,461,547	2,187,622	2,112,823
Rescissions	-51,468	-61,050	—	-25,000	—	—
Reduction	-235,000	-6,607	—	—	—	—
Total New BA	3,482,535	3,235,954	2,461,547	2,436,547	2,187,622	2,112,823
Military Construction, Air Force	1,450,426	1,106,995	1,364,858	1,279,358	1,227,058	1,227,058
Rescissions	-130,768	-121,700	—	-32,000	—	—
Reduction	—	-2,214	—	—	—	—
Total New BA	1,255,567	983,081	1,364,858	1,247,358	1,227,058	1,227,058
Military Construction, Defense-wide	3,093,679	2,873,062	3,848,757	3,665,157	3,380,917	3,431,957
Rescissions	-151,160	-148,500	—	-131,400	—	—
Reduction	—	-5,746	—	—	—	—
Total New BA	2,942,519	2,718,816	3,848,757	3,533,757	3,380,917	3,431,957
Total, Active Components	11,137,040	10,454,874	10,911,153	10,259,153	9,862,488	9,778,329
Military Construction, Army National Guard	582,056	873,664	773,592	773,592	773,592	773,592
Rescissions	-33,000	—	—	—	—	—

Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Full- Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Reduction	—	-1,747	—	—	—	—
Total New BA	549,056	871,917	773,592	773,592	773,592	773,592
Military Construction, Air National Guard	371,226	194,986	116,246	116,246	116,246	116,246
Rescissions	-7,000	—	—	—	—	—
Reduction	—	-390	—	—	—	—
Total New BA	364,226	194,596	116,246	116,246	116,246	116,246
Military Construction, Army Reserve	431,566	318,175	280,549	280,549	280,549	280,549
Reduction	—	-636	—	—	—	—
Total New BA	431,566	317,539	280,549	280,549	280,549	280,549
Military Construction, Navy Reserve	125,874	61,557	26,299	26,299	26,299	26,299
Reduction	—	-123	—	—	—	—
Total New BA	125,874	61,434	26,299	26,299	26,299	26,299
Military Construction, Air Force Reserve	112,269	7,832	33,620	33,620	33,620	33,620
Reduction	—	-16	—	—	—	—
Total New BA	112,269	7,816	33,620	33,620	33,620	33,620
Total, Reserve Components	1,582,991	1,453,302	1,230,306	1,230,306	1,230,306	1,230,306
Total, Military Construction	12,720,031	11,908,176	12,141,459	11,489,459	11,092,794	11,008,635
(Appropriations)	13,655,518	12,527,480	12,141,459	11,777,859	11,092,794	11,008,635
(Rescissions)	-406,396	-594,250	—	-288,400	—	—
(Reductions)	-529,091	-25,054	—	—	—	—
NATO Security Investment Program	197,414	258,884	272,611	272,611	272,611	247,611
Reduction	—	-518	—	—	—	—
Total New BA	197,414	258,366	272,611	272,611	272,611	247,611
Family Housing Construction, Army	273,236	92,369	186,897	186,897	186,897	176,897

Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Full-Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Reduction	—	-185	—	—	—	—
Total New BA	273,236	92,184	186,897	186,897	186,897	176,897
Family Housing Ops and Debt, Army	523,418	518,140	494,858	494,858	494,858	493,458
Reduction	—	-1,036	—	—	—	—
Total New BA	523,418	517,104	494,858	494,858	494,858	493,458
Family Housing Construction, Navy and Marine Corps	146,569	186,444	100,972	100,972	100,972	110,972
Reduction	—	-373	—	—	—	—
Total New BA	146,569	186,071	100,972	100,972	100,972	110,972
Family Housing Ops and Debt, Navy and Marine Corps	368,540	366,346	367,863	367,863	367,863	367,863
Reduction	—	-733	—	—	—	—
Total New BA	368,540	365,613	367,863	367,863	367,863	367,863
Family Housing Construction, Air Force	66,101	78,025	84,804	84,804	84,804	60,042
Reduction	—	-156	—	—	—	—
Total New BA	66,101	77,869	84,804	84,804	84,804	60,042
Family Housing Ops and Debt, Air Force	502,936	513,792	404,761	404,761	404,761	429,523
Reduction	—	-1,028	—	—	—	—
Total New BA	502,936	512,764	404,761	404,761	404,761	429,523
Family Housing Construction, Defense-Wide	2,859	—	—	—	—	—
Family Housing Ops and Debt, Defense-Wide	49,214	50,464	50,723	50,723	50,723	50,723
Reduction	—	-101	—	—	—	—
Total New BA	49,214	50,363	50,723	50,723	50,723	50,723

Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Full- Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
DOD Family Housing Improvement Fund	2,600	1,096	2,184	2,184	2,184	2,184
Reduction	—	-2	—	—	—	—
Total New BA	2,600	1,094	2,184	2,184	2,184	2,184
Homeowners Assistance Fund	323,225	16,515	1,284	1,284	1,284	1,284
Reduction	—	-33	—	—	—	—
Total New BA	323,225	16,482	1,284	1,284	1,284	1,284
Total, Family Housing	2,258,698	1,819,544	1,694,346	1,694,346	1,694,346	1,682,946
(Appropriations)	2,258,698	1,823,191	1,694,346	1,694,346	1,694,346	1,682,946
(Reductions)	0	-3,647	0	0	0	0
Chemical Demilitarization Construction, Defense-wide	151,541	124,971	75,312	75,312	75,312	75,312
Reduction	—	-250	—	—	—	—
Total New BA	151,541	124,721	75,312	75,312	75,312	75,312
Base Realignment and Closure						
BRAC,1990	496,768	360,474	323,543	323,543	323,543	323,543
Rescissions	—	—	—	-100,000	—	—
Reduction	—	-721	—	—	—	—
Total New BA	496,768	359,753	323,543	223,543	323,543	323,543
BRAC,2005	7,455,498	2,354,285	258,776	258,776	258,776	258,776
Rescissions	—	-232,363	—	—	—	—
Reduction	—	-4,709	—	—	—	—
Total New BA	7,455,498	2,117,213	258,776	258,776	258,776	258,776
Total, BRAC	7,952,266	2,476,966	582,319	482,319	582,319	582,319
(Appropriations)	7,952,266	2,714,759	582,319	582,319	582,319	
(Rescissions)	—	-232,363	—	-100,000	—	—
(Reductions)	—	-5,430	—	—	—	—
Rescissions (Sec. 131)						

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Full-Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Military Construction, Army	—	—	—	—	—	-100,000
Military Construction, Navy and Marine Corps	—	—	—	—	—	-25,000
Military Construction, Air Force	—	—	—	—	—	-32,000
Military Construction, Defense-Wide	—	—	—	—	—	-131,400
Rescissions (Sec. 132)						
Base Realignment and Closure, 2005	—	—	—	—	—	-258,776
Grand Total, Title I	23,279,950	16,587,773	14,766,047	14,014,047	13,717,382	13,049,647
(Appropriations)	24,215,437	17,449,285	14,766,047	14,402,447	13,717,382	13,595,823
(Rescissions)	-406,396	-826,613	—	-388,400	—	-547,176
(Reductions)	-529,091	-34,899	—	—	—	—

Source: H.Rept. 111-366; P.L. 112-10; DOD Budget Justification Material, FY2012; H.R. 2055; S.Rept. 112-29, H.Rept. 112-331.

Table A-2. OCO Military Construction Appropriations Act Counts, FY2010-FY2012
(budget authority in thousands of dollars)

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Full-Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Military Construction, Army	924,484	981,346	—	—	—	—
Military Construction, Army (Emergency)	—	—	—	—	—	—
Military Construction, Air Force	474,500	195,006	—	—	—	—
Military Construction, Air Force (Emergency)	—	—	—	—	—	—

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Full- Year Continuing Appropriation (P.L. 112-10, Div B, Title X)	FY2012 Request	FY2012 House Bill (H.R. 2055)	FY2012 Senate Bill (H.R. 2055)	Consolidated Appropriations Act (H.R. 2055, Div. H)
Military Construction, Defense-wide	—	46,500	—	—	—	—
Military Construction, Defense-wide (Emergency)	—	—	—	—	—	—
Grand Total, Title IV	1,398,984	1,222,852	—	—	—	—

Source: H.Rept. 111-366; P.L. 112-10; DOD Budget Justification Material, FY2012; H.R. 2055; S.Rept. 112-29, H.Rept. 112-331.

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