



PRESS RELEASE

House Armed Services Committee

Floyd D. Spence, Chairman

FOR IMMEDIATE RELEASE

May 19, 1999

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ARMED SERVICES COMMITTEE REPORTS

DEFENSE BILL OUT OF COMMITTEE

Tonight, the House Armed Services Committee reported H.R. 1401, the Fiscal Year 2000 National Defense Authorization Act, out of committee on a strong, bipartisan 55 to 1 vote. Upon final passage, committee Chairman Floyd Spence (R-SC) issued the following statement:

“This bill reflects the committee’s continuing effort to address systemic quality of life, readiness and modernization shortfalls confronting the military services. The widening gap between the nation’s global security obligations and the resources necessary to meet these obligations – readily apparent as the U.S. moves forces from all over the globe just to sustain on-going operations in the Balkans – has thrown into stark relief the reality and the danger of what it means for our military forces to have to do more with less.

“For the last five years, Congress has had to increase the President’s defense budget to address important unfunded priorities. Last fall, Congress passed a large defense supplemental, and we are once again on the verge of sending a second large defense supplemental to the White House to address mounting shortfalls. The first obvious truth is that the Administration has consistently underfunded defense for years. The second, is that despite the approximately \$50 billion dollars that Congress will have added to the defense budget over the past five years, debilitating shortfalls continue to mount across the entire force.

“The additional funds provided in this bill, when combined with the additional funds in the Kosovo supplemental, will cover a large percentage of the critical unfunded priorities that the Joint Chiefs identified in the Administration’s defense budget for next fiscal year. However, revitalizing our military forces will take an even more aggressive and sustained effort in the years ahead – years during which we will be left to manage the growing risks associated with the U.S. armed forces’ ability to protect and promote our interests around the world.”

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The committee used the fiscal year 2000 defense spending recommendation contained in the concurrent resolution on the budget (H.Con.Res. 68), \$288.8 billion in budget authority (\$8.3 billion more than the President’s request). A summary of the bill’s major provisions is available on the committee’s homepage at <http://www.house.gov/hasc/>.

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SUMMARY OF MAJOR PROVISIONS

H.R. 1401: NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000

**AS REPORTED BY THE
HOUSE ARMED SERVICES COMMITTEE**

MAY 19, 1999



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IMPROVING U.S. MILITARY READINESS

America's military is undermanned, over-extended, and suffering the strain of too many years of "doing more with less." After years of testifying that the armed services were on the "razor's edge" of a readiness problem, the Joint Chiefs of Staff stated in the fall of 1998 that the military services were indeed suffering from severe readiness shortfalls ranging from recruiting and retention to spare parts shortages and deteriorating infrastructure.

The service chiefs then testified in early 1999 that the Administration's fiscal year 2000 proposed defense budget is at least \$3.3 billion short of meeting critical readiness requirements. The fact that the chiefs' testimony did not take into account the billions of dollars of direct and indirect readiness shortfalls being created by the high pace and costs of operations in the Balkans only compounds the problem. The committee remains deeply concerned with the continued underfunding of key readiness accounts, and recommends a comprehensive approach to addressing the military's readiness problems that includes: enhancing military pay, benefits, and reforming the retirement system; improving both recruiting and retention; and increasing funds for key readiness and training accounts.

Retention

Heavy personal workloads resulting from an increased pace of operations, combined with declining defense budgets and a shrinking force structure, are forcing American military personnel and their families to make great personal sacrifices. The result is a noticeable decline in the quality of military life, and one of the primary reasons that the U.S. military is having difficulty recruiting and retaining quality military personnel.

The committee took an aggressive approach toward solving the retention problem. In addition to a number of broad quality of life initiatives (see page 10), the committee recommends a series of provisions aimed at improving those programs that have the most noticeable and direct effects on service personnel and their families, including:

Basic Military Pay. The committee recommends a 4.8 percent military pay raise (.4 percent more than the President's request), effective January 1, 2000. This pay raise is .5 percent above the Employment Cost Index (ECI), and will reduce the "pay gap" between military and civilian pay as measured by the ECI to approximately 13 percent.

Future Military Pay Increases. The committee recommends a provision to require that future military pay raises be calculated using the full ECI. Current law provides for military pay raises of .5 percent less than the ECI, a system that allows the gap between military and civilian pay to grow over time. The committee's recommendation will ensure that future military pay increases keep pace with private sector pay increases.

Pay Table Reform. The committee recommends restructuring the pay table to further increase pay for mid-grade officers and non-commissioned officers, eliminate inconsistencies, and increase incentives for promotion by providing greater pay increases for advances in rank.

Retirement Pay Reform. In 1986, Congress passed the Military Retirement Reform Act (P.L. 99-348), commonly known as “Redux.” Under Redux, service members who entered service after 1986 and retired at 20 years of service would receive retirement pay equal to approximately one-fourth of their total pay and allowances. This program represented a significant change in the retirement benefit, which, prior to Redux, provided service members who retired at 20 years of service with retirement pay equal to approximately one-third of their total pay and allowances. As the Redux system is no longer sufficient to encourage mid-career personnel to continue to serve for 20-years or more, the committee recommends a provision to allow personnel covered by Redux to choose between:

- retiring under the pre-1986 military retirement plan at 2.5 percent of basic pay per year of service over 20 years (up to a maximum of 75 percent of basic pay). This program would use the same cost-of-living adjustment (COLA) mechanism used under the Federal Employees Retirement System; or
- accepting a one-time \$30,000 bonus after 15 years of service and remaining under the Redux retirement plan that reduces the percentage of base pay paid to retirees before age 62 by one percent for each year the member retires with less than 30 years of service. This program would provide cost-of-living adjustments equal to the COLA calculated using the mechanism under the pre-1986 retirement plan minus one percent, but would provide a one-time catch-up COLA at age 62. Service members accepting the \$30,000 would be obligated to serve the remaining five years to become retirement eligible.

The committee also directs the Secretary of Defense to report to Congress by September 30, 2000, on the potential for establishing tax deferred savings plans (including options for government matching contributions and time-delayed vesting schemes) as supplements and alternatives to current military retirement systems.

Housing Allowance. The committee is concerned that military families are not receiving sufficient reimbursement for housing, thereby forcing many to live in less than adequate housing. Of additional concern, the Secretary of Defense has abandoned a congressionally-supported, multi-year strategy to reduce out-of-pocket housing costs to 15 percent. In an effort to reduce the burden of housing costs on military personnel, the committee recommends increasing the President’s housing allowance budget by \$442.5 million. This increase will reduce out-of-pocket housing costs and will accelerate implementation of the Basic Allowance for Housing (BAH) by three years (thereby increasing housing allowances for military families in high cost areas). This provision will reduce out-of-pocket housing costs borne by military personnel by approximately three percent – reaching a new low of approximately 16.5 percent.

Active Duty Special Pay and Bonuses. The committee recommends a provision that would extend the authority for several special pays and bonuses for active duty personnel through December 31, 2000, including:

- aviation officer retention bonus;
- reenlistment bonus for active members;
- special pay for nuclear qualified officers extending the period of active service;
- nuclear career accession bonus; and
- nuclear career annual incentive bonus.

For additional information on the committee's recommendations for active duty enlistment bonuses, see "Recruiting" on page 5.

Reserve Forces Special Pay and Bonuses. The committee recommends a provision that would extend certain special pays and bonuses for reserve personnel through December 31, 2000, including:

- special pay for health care professionals who serve in the selected reserve in critically short wartime specialties;
- selected reserve reenlistment bonuses;
- special pay for selected reserve enlisted who are assigned to certain high priority units;
- ready reserve reenlistment bonus; and
- authority for repayment of educational loans for certain health professionals who serve in the selected reserve (extended to January 1, 2001).

For additional information on the committee's recommendations for reserve enlistment bonuses, see "Recruiting" on page 4.

Reenlistment Bonus. The committee recommends a provision to reduce the number of months required to become eligible for a reenlistment bonus from 21 to 17. The provision would also increase the formula for determining the bonus amount from 10 to 15 times monthly pay and the maximum amount that could be paid from \$45,000 to \$60,000. In addition, the committee recommends a provision to authorize enlisted members to receive payment for unused accrued leave when reenlisting, regardless of the timing of reenlistment.

Other Special Pays and Bonuses. The committee recognizes the importance of special pays and bonuses to the military services' retention efforts. Therefore, the committee recommends provisions to:

- authorize either aviation career incentive pay or hazardous duty pay, whichever is greater, for air battle managers;
- expand the authority to pay Aviation Continuation Pay (ACP) to aviation officers in grades below O-7 through their 25th year of service. The provision would also extend the \$25,000 maximum annual amount of the bonus to all contracts, regardless of length;

- increase the amount of monthly pay for diving duty from \$200 to \$240 for officers, and from \$300 to \$340 for enlisted members. The provision would also authorize service members who perform diving duty to receive two hazardous duty pays;
- increase the amount of annual special pay for nuclear qualified officers who extend their active service period from \$15,000 to \$25,000, the maximum amount of the nuclear career accession bonus from \$10,000 to \$20,000, the maximum amount of the nuclear career annual incentive bonus for officers who receive naval nuclear power plant training as officers from \$12,000 to \$22,000, and the maximum amount of the nuclear career annual incentive bonus for officers who received naval nuclear power plant training as enlisted members from \$5,500 to \$10,000;
- increase the maximum amount of monthly foreign language proficiency pay from \$100 to \$300;
- authorize the annual payment of a maximum retention bonus of \$15,000 to special warfare qualified officers in the grades of O-3 or O-4 (not selected for promotion) for each year the officers agrees to serve on active duty from the sixth through fourteenth year of service;
- authorize the payment of a maximum retention bonus of \$50,000 in prorated annual payments to qualified surface warfare officers who agree to serve on active duty to complete tours of duty to which the officers may be ordered as department heads afloat;
- establish continuous payment of a maximum monthly incentive pay of \$400 to enlisted members who serve in skills that require career-long operational flying duties; and
- authorize payment of up to \$60,000 career continuation pay over a career to judge advocates.

Military Exit Survey. The committee remains concerned by the rate at which military personnel are leaving the military, and believes it important that Congress and the military services better understand their reasons for departing. Therefore, the committee recommends a provision to establish a comprehensive exit survey of all military personnel who have made the decision to leave the service between January 1, 2000, and June 30, 2000. The survey will gauge their attitudes about their time on active duty.

Meeting the Recruiting Challenge

Every year, the Department of Defense (DOD) faces the difficult challenge of recruiting approximately 200,000 young people for the active duty Armed Forces, and approximately 150,000 for the Selected Reserve. According to DOD testimony before the committee, the Army missed fiscal year 1998 recruiting goals by nearly 800 recruits (despite lowering recruiting standards) and the Navy fell short by nearly 7,000 recruits. Through the first four months of fiscal year 1999, the Army and Air Force missed recruiting goals by 2,479 and 696, respectively. In addition, several of the reserve components anticipate missing fiscal year 1999 recruiting objectives by substantial margins, namely: the Naval Reserve by at least 4,000, the Army Reserve by at least 7,000, and the Air Force Reserve by at least 3,000. These recruiting shortfalls are of particular concern as they occurred despite the reduction by some services of recruit quality objectives, an increased number of recruiters, and lower accession goals, and the committee's addition of over \$300 million to recruiting accounts over the past two years.

Compounding the problem, the military services recently reported to Congress that the President's budget request for recruiting programs in fiscal year 2000 is underfunded by \$198 million. The committee urges the military services to ensure that future budget requests better reflect recruiting needs and recommends erasing the military services' stated fiscal year 2000 shortfalls by adding nearly \$200 million to recruiting accounts:

- **Advertising.** The committee recognizes the value of advertising to the recruiting efforts of the military services. As such, the committee recommends an additional \$75.8 million for advertising (\$16.4 million for the Army, \$18 million for the Army National Guard, \$26.7 million for the Army Reserve, \$8.1 million for the Marine Corps, \$4.1 million for the Air National Guard, \$1.5 million for the Air Force Reserve, and \$1 million for the Naval Reserve).
- **Recruiter Support.** The committee recommends an additional \$36.5 million (\$15.5 million for the Army, \$13 million for the Army National Guard, \$2 million for the Army Reserve, \$1 million for the Marine Corps, and \$1 million for the Air Force Reserve and \$4 million for the Naval Reserve) for basic recruiter expenses (e.g., computers, brochures and other marketing supplies, etc.).
- **Recruit Standards.** The committee is concerned that further reductions to recruit quality standards present a costly and dangerous risk to military readiness. Accordingly, the committee directs the Secretary of Defense to review the minimum recruit quality standards established by DOD to determine if the standards remain valid and to report his findings to Congress by March 31, 2000.
- **Army Reserve Recruiting.** The committee is particularly concerned by the performance of the Army Recruiting Command (the organization responsible for recruiting personnel for both the Army and the Army Reserve), which is expected to miss fiscal year 1999 Army Reserve recruiting objectives by at least 7,000 soldiers, marking the second year in a row that the service has missed reserve recruiting goals. Therefore, the committee recommends a provision to require the Secretary of the Army to review the Army's system of recruiting for the Army Reserve, and to consider the merits of creating a separate Army Reserve Recruiting Command under the control of the Army Reserve Chief.
- **Enlistment Bonuses.** Enlistment bonuses make a tangible difference in attracting military recruits. Accordingly, the committee recommends an additional \$15 million for enlistment bonuses for the active Army, and an additional \$3.2 million for the Army Reserve. In addition, the committee recommends a provision to extend the authorities for enlistment bonuses for active duty personnel with critical skills, selected reserve, ready reserve, and for reserves with prior service through December 31, 2000. The committee's actions on other bonuses and pay are listed under "Special Pay and Bonuses" on page 3.

- Reserve Office Training Corps (ROTC).** In response to a growing problem with officer recruiting, the committee recommends adding nearly \$24 million to the President’s request for the Army Senior ROTC, and increasing the monthly subsistence allowance paid to Senior ROTC cadets of all services from \$150 to \$200. In addition, although Junior ROTC is not a recruiting tool *per se*, 40 percent of its graduates eventually serve in the military, thereby promoting the long term personnel readiness health of the armed forces. Therefore, the committee recommends increasing the President’s budget request for JROTC by \$24.4 million.

Shaping the Force

Active Duty End Strengths. The committee continues to believe it necessary to retain end strength floors, not only because of long-standing concerns that existing end strengths are inadequate to provide the forces necessary to carry out the national military strategy, support the current operations tempo, and provide a decent quality of life, but because of the services’ propensity to accelerate manpower reductions to achieve short-term budget savings. Therefore, the committee rejects the President’s request to allow the Secretary of Defense to waive the end strength floors, and retains the floors for the active forces at the end strengths contained in the budget request. The committee is also disturbed that the active armed forces will end fiscal year 1999 nearly 11,500 personnel below the floors established in the Fiscal Year 1999 National Defense Authorization Act (P.L. 105-261), and more than 4,500 below the permissible flexibility limits. These shortfalls are particularly surprising because Congress provided the funding level requested by DOD last year to sustain active endstrength levels. While recruiting challenges are in part responsible for personnel shortages, the fundamental cause of the personnel shortfall is the lack of commitment by the military services to sustain required manpower levels in the face of serious budget shortfalls. Accordingly, the committee urges the Secretary of Defense to ensure that future budget requests provide sufficient funding to support manpower levels. The committee recommends the following active duty end strength levels:

Fiscal Year 2000 Endstrength - Active Forces					
<i>Service</i>	<i>FY 1999 Level</i>	<i>FY 2000 Request</i>	<i>FY 2000 Recommendation</i>	<i>Change from FY 2000 Request</i>	<i>Change from 1999 Level</i>
Army	480,000	480,000	480,000	0	0
Navy*	372,696	371,781	372,037	256	-659
USMC*	172,200	172,148	172,518	370	318
Air Force	370,882	360,877	360,877	0	-10,005
Total	1,395,778	1,384,806	1,385,432	626	-10,346

*The fiscal year 2000 increases are in response to unfunded requirements identified by the Chief of Naval Operations and the Commandant of the Marine Corps, and will ease undermanning aboard Navy replenishment ships and provide additional guards at U.S. embassies. To support the added manpower, the committee recommends an increase of \$5 million for the Navy, and an increase of \$10.7 million for the Marine Corps.

Selected Reserve End Strengths. The committee recommends selected reserve end strengths as follows:

Fiscal Year 2000 Endstrength - Selected Reserve					
<i>Service</i>	<i>FY 1999 Level</i>	<i>FY 2000 Request</i>	<i>FY 2000 Recommendation</i>	<i>Change from FY 2000 Request</i>	<i>Change from 1999 Level</i>
ARNG	357,223	350,000	350,000	0	-7,223
USAR	208,003	205,000	205,000	0	-3,003
USNR	90,843	90,288	90,288	0	-555
USMCR	40,018	39,624	39,624	0	-394
ANG	106,992	106,678	106,678	0	-314
ASAFR	74,243	73,708	73,708	0	-535
USCGR	8,000	8,000	8,000	0	0
Total	885,322	873,298	873,298	0	-12,024

Army National Guard and Army Reserve Full Time Personnel. In response to validated shortfalls, the committee recommends increasing the President’s budget request for the Army National Guard by \$26 million for an additional 756 Active Guard and Reserve (AGR) personnel. These full-time personnel directly contribute to the readiness of the selected reserve, and enhance the ability of the national guard to assist, supplement, and substitute for the active components in meeting peacetime contingency requirements.

The committee also recommends fully funding the dual status technicians requested in the President’s budget by increasing the President’s request for Army National Guard military technicians by \$56.5 million, and the request for Army Reserve technicians by \$35 million. These technicians are critical to maintaining the readiness of Guard and Reserve forces.

Recall Authorities. In light of significant manning shortfalls in all of the military services, the committee believes it necessary to consider creative ways to meet the military’s personnel requirements. Therefore, the committee recommends a provision to permit the Secretary of Defense to recall up to 150 retired officers to active duty for up to 36 months. In addition, the committee notes that recent pilot shortages have caused numerous vacancies in staff positions requiring aviation expertise. Therefore, the committee recommends a provision to authorize the service secretaries to conduct a pilot program to recall officers with aviation expertise to active duty to serve in aviation staff billets. The provision would authorize the recall of up to 500 officers throughout DOD between October 1, 1999, and September 30, 2002. The provision would also require the Secretary of Defense to report to Congress on the results of the program by March 31, 2002.

Readiness and Training

Operations & Maintenance Accounts. In each of the most critical readiness accounts – real property maintenance and base operations funding, depot maintenance, spare parts, and major training center operations – the President’s fiscal year 2000 budget is well short of meeting even minimal military requirements. As it has done consistently over the past four years, the committee recommends increasing funding for these critical readiness accounts by over \$2 billion – increases that have been shaped by the service chiefs’ unfunded requirements. The committee recommends adding:

- \$1.6 billion for real property maintenance (RPM) and base operations funding. The committee notes that shortfalls in base operations accounts – accounts that are regularly used by commanders to address shortfalls in operations and training accounts during the fiscal year – are at or near the top of the service chiefs’ unfunded priority lists. Furthermore, the backlog for infrastructure repair at nearly all military facilities has grown to \$9.6 billion, forcing base commanders to use training and operations funds to pay for basic base operations and real property maintenance needs;
- \$340 million to reduce growing depot maintenance backlogs in the active and reserve components;
- \$271 million for aircraft spare parts, one of the service chiefs’ highest unfunded priorities. Prolonged contingency air operations in Southwest Asia and the Balkans have added significant unprogrammed flying hours to an aging fleet of combat aircraft which has nearly depleted normal on-hand stocks of aircraft spare parts. Such shortages forces units to cannibalize parts from working equipment to sustain operations, thereby reducing the available pool of functioning equipment and doubling the workload for maintenance personnel; and
- \$112 million more than the President’s request for improvements to the services’ premier training centers (see below for details).

Training Accounts. Insufficient funding, shortages of equipment, parts, decaying infrastructure, and personnel shortages are a significant underlying factor in the declining quality of training at the services’ major training centers. In light of increasing restrictions on the availability of local station training ranges, the committee considers the military service combat training centers to be national assets and believes that the training provided by these centers are directly related to ensuring the success of U.S. military combat units in war. Based on unfunded requirements and other training shortfalls identified by the military services, the committee recommends adding \$112.1 million to the President’s request for training accounts to improve training center operations, equipment, and facilities. Key additions include:

- \$28 million for equipment maintenance on equipment prepositioned at the Army’s National Training Center, Fort Irwin, California;

- \$25.7 million for the Marine Corps' Air/Ground Combat Center, Twenty Nine Palms, California;
- \$11.7 million for the Air Force's Utah Test and Training Range;
- \$14 million for equipment at the Air Education and Training Command, Randolph Air Force Base, Texas; and
- \$10.7 million for training range support at the Air Force's Air Warfare Center, Nellis Air Force Base, Nevada.

Reserve Component Readiness. The training and readiness construction accounts for the active and reserve components were inadequately funded because the President's budget request proposed to incrementally fund military construction projects (see page 11). As a result, the President's budget provided only \$78 million for a Guard and Reserve MILCON program that will actually cost \$251 million in fiscal year 2000. Therefore, the committee recommends providing the additional \$173 million in funding necessary to meet the Guard and Reserve construction requirements and an additional \$187 million in support of the reserve components. The total amount provided for each of the reserve components follows:

- \$124 million for the Army National Guard;
- \$151 million for the Air National Guard;
- \$93 million for the Army Reserve;
- \$22 million for the Navy and Marine Corps Reserves; and
- \$49 million for the Air Force Reserve.

Training Ammunition. Despite added funding last fiscal year, each of the military services continue to experience shortfalls in their stocks of training ammunition. In some instances, these shortfalls have forced the military services to use war reserve ammunition for training purposes. Accordingly, the committee recommends \$98.2 million more than the President's request for procurement of sufficient training ammunition for the Air Force and Marine Corps to ensure that military personnel are able to maintain an adequate level of readiness and, in some cases, the minimum level of training.

QUALITY OF LIFE

Military pay, bonuses, and retirement benefits are not the only factors affecting service members' decisions to stay in or leave the military. Military health care, morale, welfare, and recreation programs, and the quality of facilities in which military personnel live and work, also have a tangible effect on service members and their families and their career decisions. Ensuring a decent quality of life for military personnel and their families remains central to the committee's efforts to revitalize the all-volunteer U.S. armed forces.

Military Health Care

Over the past two years, the committee has worked to improve health care benefits available to military beneficiaries by establishing a wide range of legislative authorities and demonstration projects to test health care concepts. While the committee has generally been pleased with DOD's efforts to take advantage of these opportunities, the Department has not been responsive to congressional deadlines. As a result, the committee has faced an uphill battle in addressing some of the military's more difficult problems – including redesign of the pharmacy system. Nevertheless, the committee has continued its consistent approach towards improving the U.S. military health care system by recommending the following provisions:

- **Defense Health Program.** To meet unfunded requirements of the Defense Health Program, the committee recommends \$19 million in addition to the President's request.
- **Effects of TRICARE Cost Sharing.** The committee is concerned that the cost sharing requirements of the TRICARE program are placing undue financial burdens on some high risk military families – particularly those personnel in pay grades E-1 through E-4. Therefore, the committee directs the Secretary of Defense to report to Congress by March 31, 2000, on the effect of TRICARE cost sharing on low-ranking enlisted personnel.
- **Reform of the Military Pharmacy System.** The Fiscal Year 1999 National Defense Authorization Act (P.L. 105-261) included several provisions requiring DOD to report to Congress on plans for a system-wide redesign of the TRICARE pharmacy system that would incorporate private sector pharmacy “best practices” and provide all military beneficiaries, including those eligible for Medicare, with a universal, uniform pharmacy benefit. Unfortunately, the Department failed to supply a plan to Congress in time for the committee to consider legislative action in this bill. Nevertheless, the committee is pleased that DOD has moved forward with one aspect of pharmacy reform – the Pharmacy Data Transaction Service, which will reduce unnecessary health care costs and patient risk by managing the three separate programs of the pharmacy system (Military Treatment Facilities, TRICARE Retail, and Mail Order) as a single delivery system. To encourage further reform, and improve congressional oversight, the committee recommends a provision to require DOD to periodically report on its efforts to improve pharmacy system management.

- **Pharmacy Design for Some Medicare Eligible Beneficiaries.** The committee recommends the Secretary of Defense conduct a study of the design of a pharmacy benefit for Medicare eligible beneficiaries. The study should include design as well as cost estimates for initial start up and continuous operations.
- **TRICARE Claims Processing.** Earlier this year, the General Accounting Office (GAO) and TRICARE contractors testified before the committee that the TRICARE claims processing system is unable to process large and costly claims from providers and institutions in a timely manner, resulting in questionable payments. Therefore, the committee recommends a provision to direct the Secretary of Defense to implement changes in the TRICARE claims processing system as recommended by GAO, thereby bringing TRICARE claims processing in line with commercial best business practices and procedures used by Medicare.
- **Waiving TRICARE Deductibles.** TRICARE-eligible individuals and families are required to pay certain amounts of health care costs (called the TRICARE deductible) before TRICARE begins sharing the costs of medical care. Because the deductible is calculated on an annual basis, regardless of the amount of time spent on active duty by the service member, members and families of the national guard and reserve are unfairly penalized when called to active duty. Therefore, the committee recommends a provision to authorize the Secretary of Defense to waive the TRICARE deductible requirement for the families of guardsmen and reservists recalled to active duty for less than one year.
- **Expanding TRICARE to Remote Locations.** The committee recommends a provision to allow active duty service members assigned to duties in areas far from military treatment facilities – about 50 miles, or one-hour driving time – to enroll in managed care services offered by DOD’s designated provider organizations.

Military Construction

Once again, the President’s budget request severely underfunded the facilities requirements of the military services. This year, the Administration compounded an already inadequate military construction budget request by proposing a risky financial scheme to incrementally fund construction projects in fiscal year 2000. The committee rejects this fundamental change in military construction funding policy, and recommends \$8.6 billion (\$3.1 billion more than the President’s request) for DOD’s military construction programs. Unfortunately, the additional funds are almost entirely dedicated to fully funding the underfunded programs in the President’s budget request, rather than making progress in addressing the significant facilities shortfalls in the military services.

The committee’s recommendations will minimize risk to the most essential military construction projects and programs, and allow Congress to dedicate modest additional resources to meet the unfunded

requirements of the military services. On a bipartisan basis, the committee recognizes that additional resources will be necessary to repair the long-standing problems in the nation's enduring military infrastructure. Military facilities are not luxuries, nor should they be considered as overhead – they directly support the training and readiness of the armed forces, and are essential to ensuring a decent standard of living for military personnel and their families.

- **Military Family Housing.** The President's budget proposed to construct or renovate over 6,200 units of military family housing and begin the construction or renovation of 43 barracks and dormitories for single enlisted personnel. While such a program would cost nearly \$1.4 billion to complete, the Administration requested only \$313 million in fiscal year 2000 – approximately 22 cents on the dollar. The committee recommends adding nearly \$1.1 billion to the President's military housing request to ensure that these housing projects are built and available to be occupied as soon as possible. Furthermore, the committee recommends an additional \$75 million for five military family housing projects and four additional troop housing projects not contained in the President's request.

Morale, Welfare, and Recreation (MWR)

Commissaries, exchanges, libraries, and other MWR facilities represent important ways to ease the financial, physical, and mental stresses on military families. Therefore, the committee recommends the following provisions to protect and expand MWR benefits:

- **MWR Program Support.** The committee is disappointed by the military services' repeated failure to adequately fund MWR programs. For example, in the past four years, not one service has achieved the DOD goal of 65 percent appropriated fund support for community support programs such as child development programs. Furthermore, each of the services vary greatly in the level of MWR support they provide on a per member basis – an inherently unfair system in today's era of joint operations. To remedy these problems, the committee directs the Secretary of Defense to establish a plan for DOD funding goals and to achieve inter-service parity in per member MWR funding levels.
- **Combined Stores Near Closed Facilities.** Base closures continue to affect people in their communities, particularly retirees who lost commissary and exchange stores when their local bases were closed. To reduce the impact of base closures on communities, the Fiscal Year 1996 National Defense Authorization Act (P.L. 104-106) authorized the Secretary of Defense to open ten combined exchange and commissary stores in communities near closed bases. To date, DOD has only established three such stores, depriving thousands of military retirees across the nation access to a valuable MWR benefit. The committee directs the Secretary of Defense to review the process and criteria for establishing combined stores, while considering costs, the viability of such stores, and the views of the military services, retirees, and local communities, and to report to Congress by January 1, 2000 on his findings.

- **Exchange Privileges for Disabled Veterans.** The committee urges the Secretary of Defense to assess the implications of opening military exchanges to veterans with at least a 30 percent disability, and to report to Congress by January 1, 2000, on the effects of such a policy change.

Other Initiatives

Education Funding. The committee continues to place a priority on ensuring that the children of military families receive a quality education. One means of supporting this priority is through DOD Dependent Schools (DODDS), for which the committee recommends \$1.3 billion. However, in view of recent testimony critical of DODDS, the committee directs the Secretary of Defense to review the quality of schooling provided by DODDS, and report to Congress on his findings by March 31, 2000.

Impact Aid. The committee has also found the Department of Education's Impact Aid program – which provides supplementary funds to school districts nationwide to support the education of nearly 550,000 military children – to be an effective means of supporting the education of military children. Although the committee believes that assistance to local educational agencies should be funded through the Department of Education, Impact Aid funding is diminished by inflation and spending reductions every year. For this reason, the committee has annually authorized funds for DOD's contribution to educational assistance to local agencies. As such, the committee recommends \$35 million (the President's budget did not include any funding) for Impact Aid spending. The committee is concerned by reports that current Impact Aid distribution procedures are too cumbersome, and recommends a provision that would speed the distribution of these funds to local education agencies. Additionally, the committee is concerned that current procedures do not provide adequate funding to the local agencies most in need. Therefore, the committee directs the Secretary of Defense to adjust the distribution policy to ensure that funds are distributed equitably and expeditiously.

Overseas Supplemental Food Program. Title 10 of U.S. Code authorizes the Secretary of Defense to provide supplemental food benefits similar to those provided under the Women, Infants, and Children program (a Department of Agriculture program that provides food, nutrition counseling, and access to health services to low-income women, infants, and children) to members of the armed services, their families, and civilian employees of the armed forces who reside overseas. The committee is disappointed that the Secretary has not elected to implement such a program. Therefore, the committee recommends a provision to require the Secretary of Defense to implement an overseas supplemental food benefit program, and to allocate DOD funds to carry out the program.

Reserve Lodging. The committee recommends a provision to authorize the use of operations and maintenance funds to provide lodging to reservists performing active duty or inactive duty for training when government housing is not available.

Special Compensation for Severely Disabled Retirees. The committee recommends a provision to authorize the service secretaries to pay a monthly allowance to military retirees with service-connected disabilities rated at 70 percent or greater. The provision would authorize payments of \$300 per month to retirees with 100 percent disability, \$200 per month to retirees with 90 percent disability, and \$100 per month to retirees with 70 and 80 percent disability. The committee believes that the veterans with very severe disabilities facing significant daily challenges are deserving of additional compensation to offset some of the retired pay they forfeit upon qualification for disability compensation from the Department of Veterans Affairs.

Temporary Lodging Expenses. The committee recommends a provision to authorize payment of temporary lodging expenses to enlisted members upon assignment to their first permanent duty station from the member's home of record or training installation.

BUILDING TOMORROW'S MILITARY

For the fifth consecutive year, the President's modernization budget request fell well short of the \$60 billion that former Chairman of the Joint Chiefs General Shalikashvili testified was the minimal amount the military needs each year to modernize its aging equipment. In fact, the President's \$53 billion fiscal year 2000 procurement budget request is \$1.1 billion below the amount forecast in fiscal year 1999, and \$9.3 billion below the amount first forecast in fiscal year 1996. The Department of Defense readily acknowledges that reduced modernization budgets, combined with increased deployments, have taken a heavy toll on U.S. military equipment. Not only is the inventory of weapons aging chronologically, but they are aging technologically – draining increasing amounts of scarce resources as required maintenance becomes more frequent and expensive. The committee believes that the President's defense procurement budget is inadequate and recommends \$55.6 billion (\$2.6 billion more than the President's request) for procurement of weapons, ammunition, and equipment – marking the fifth consecutive year Congress has increased the President's procurement budget.

The research and development budget is in even worse condition. The President's fiscal year 2000 budget proposal for research and development is more than \$3 billion below the fiscal year 1999 level, and will decline by 14 percent over the next five years. In addition to the problems presented by declining R&D budgets, an increasingly large portion of these smaller R&D budgets is consumed by programs to modify existing systems, not researching new ones. Furthermore, an alarming number of high priority service programs are experiencing schedule delays and restructuring due to shortages of R&D funding. The committee does not believe that DOD has a coherent R&D funding strategy and therefore recommends \$35.8 billion (\$1.5 billion more than the President's request) for research and development accounts.

Ballistic Missile Defense (BMD)

Ballistic Missile Defense Organization (BMDO) Funding. Developing and fielding effective theater and national missile defenses to counter rapidly evolving ballistic missile threats remain among the committee's highest priorities. While DOD's long term spending plan shows an increase in funds for BMD, the fiscal year 2000 budget request for BMDO was slightly less than was projected last year, and many key missile defense programs remain fiscally constrained. The committee recommends \$3.7 billion for BMDO, \$417 million more than the President's request.

National Missile Defense (NMD). The committee recommends \$851.6 million for NMD (\$15 million more than the President's request). The additional funds will reduce schedule risk in the NMD program by supporting target launch capabilities and shifting funds to military construction to fund activities required for early deployment. The committee also recommends an additional \$8 million for modernization of the Kwajalein Missile Range needed for NMD testing, and a \$25 million increase for exoatmospheric intercept technology and near term technology insertion that will benefit NMD and

other BMD programs. While the committee is pleased that DOD has finally budgeted future year funding to support NMD deployment, the Administration's refusal to commit to NMD deployment is cause for continued concern.

Airborne Laser (ABL). The committee recommends \$308.6 million (matching the President's request) for ABL, a high-powered laser carried aboard an aircraft that would destroy ballistic missiles in their launch phase.

Space Based Laser (SBL). The committee recommends \$123.8 million (\$15 million less than the President's request) for SBL, a space-based platform intended to destroy ballistic missiles with a high-powered laser.

Atmospheric Interceptor Technology (AIT). The committee recommends \$31.1 million (\$10 million more than the President's request) for the AIT program, which develops advanced components of hit-to-kill vehicles.

Theater Missile Defense (TMD). Iran's continued development of medium range ballistic missiles and North Korean deployment of ballistic missiles capable of striking South Korea, Japan, and U.S. military forces deployed in northeast Asia underscore the importance of developing and fielding as rapidly as possible theater missile defenses capable of defeating these threats. Both the PAC-3 and Navy Area Defense programs have been delayed and have suffered cost growth, and DOD has not funded these programs adequately in its long term spending plan to overcome these difficulties. The committee recommends the following TMD programs:

- \$507 million (\$105 million less than the President's request) for the Theater High Altitude Air Defense (THAAD) program. The committee is concerned that the THAAD system failed its sixth consecutive attempt to intercept a ballistic missile target. The funding reduction reflects a \$15 million cost-sharing agreement between the THAAD contractor and BMDO as well as a \$90 million shift of funds from THAAD to a new upper tier program. These funds would be available for THAAD for continued intercept testing;
- \$48.6 million (matching the President's request) for the Medium Extended Air Defense System (MEADS);
- \$329.8 million (matching the President's request) for the Navy's Theater Wide program;
- \$323.4 million for development of the Navy Area Defense program, matching the President's request but redirecting procurement funds to help resolve continuing development challenges; and
- \$77.9 million (\$48.5 million more than the President's request) for research and development and \$300.9 million (matching the President's request) for procurement of the PAC-3.

Cooperative Programs. The committee also supports cooperative international BMD programs and recommends \$61.7 million (\$25 million more than the President's request) for these efforts. The additional funds will support the Russian American Observational Satellites (RAMOS) program.

Navy Theater Missile Defense and Fleet Defense Radar Upgrades. Upgraded radars are critical to both ship-based theater ballistic missile defense and improved fleet defense against cruise missiles and aircraft, and are one of the Chief of Naval Operations' unfunded priorities for fiscal year 2000. The Navy has been engaged in a number of efforts, including the High Power Discriminator, SPY-1 upgrades, and research and development on next generation radars. The committee recommends \$55.7 million (\$50 million more than the President's request) in ship self defense for a coordinated radar improvement program that meets future BMD and fleet air defense requirements. The committee also recommends that the Navy develop a comprehensive radar improvement roadmap.

BMD Technology. The committee remains concerned that efforts to develop advanced BMD technology are languishing as current generation BMD programs enter procurement. For example, BMDO's innovative science and technology funding has fallen from \$59 million two years ago to a budget request of \$7.9 million for fiscal year 2000. To help correct this deficiency, the committee recommends \$294 million (\$55 million more than the President's request) for BMD technology development.

Space Based Infrared System (SBIRS) High and SBIRS Low. SBIRS High is a next generation early warning satellite that will provide accurate estimates of launch and impact points and cues to BMD systems. SBIRS Low will be a larger constellation of satellites capable of tracking and discriminating warheads against the background of space. The committee recommends \$328.6 million (matching the President's request) for SBIRS High and \$229 million (matching the President's request) for SBIRS Low. To ensure that these programs are properly prioritized in the future, the committee recommends that funding responsibility be split between the Air Force and BMDO, and that BMDO exercise oversight responsibility over these programs.

Aircraft

Bomber Modernization. In 1998, the Long Range Airpower Review panel recommended that the Administration and Congress should fully support upgrades to the current U.S. bomber fleet, particularly improvements to the B-2 fleet. The committee supports this conclusion and recommends \$353.8 million for further development of the B-2 fleet (\$152 million more than the President's request). The additional funds will be used to further reduce the aircraft's radar cross section and to integrate Link 16 – an unfunded priority of the Air Force Chief of Staff that will increase aircraft responsiveness, enhance survivability, and allow real time targeting – into the aircraft. In addition, the committee recommends \$141.9 million (\$35 million more than the President's request) for post production support of the aircraft. These additional funds will be used to incorporate a system into the B-2 that will allow real-time flight planning.

C-17 Globemaster. The committee supports the President's request of \$3.4 billion for 15 C-17 aircraft and \$304.9 million for advance procurement of 15 C-17 aircraft in fiscal year 2001.

E-2 Hawkeye. The Hawkeye performs the Navy's airborne early warning and command and control functions for the carrier battle group. The committee recommends \$78.2 million (\$50 million more than the President's request) for E-2 Hawkeye modifications. The additional funds will upgrade two aircraft to the Hawkeye 2000 configuration, a more capable version that includes satellite communications, a commercial off-the-shelf, high-capacity computer, and cooperative engagement capability (CEC). The committee also recommends \$383.1 million (matching the President's request) for three new production E-2C aircraft. Finally, the committee recommends \$31.1 million for research and development for the E-2C maritime surveillance aircraft, including \$27.1 million for the E-2C radar modernization program (\$15 million more than the President's request), one of the Chief of Naval Operations' unfunded priorities.

E-8C Joint Surveillance and Target Attack Radar System (Joint STARS). Joint STARS is an E-8C aircraft equipped with a long-range, air-to-ground surveillance system designed to locate, classify and track ground targets in all weather conditions. The QDR recommended reducing procurement of Joint STARS aircraft from 19 to 13, based on the assumption that the North Atlantic Treaty Organization (NATO) would select Joint STARS as its ground surveillance aircraft and purchase six of the aircraft. When NATO did not select Joint STARS for its fleet, DOD did not update the QDR's recommendation, leaving a shortfall of six ground surveillance aircraft. To correct this problem, Congress appropriated funds in fiscal year 1999 for advance procurement of one additional Joint STARS in fiscal year 2000. While the Air Force funded procurement of the 14th Joint STARS aircraft in its fiscal year 2000 budget request, the service intends to shut down the Joint STARS production line after this aircraft is produced, even though it is still five Joint STARS short of requirements. Considering the proven demand for these aircraft in recent operations, the committee recommends \$326.3 million (\$46 million more than the President's request) for procurement of one Joint STARS aircraft in fiscal year 2000 and advance procurement of the 15th Joint STARS aircraft in fiscal year 2001. In addition, the committee recommends \$160.5 million (\$30 million more than the President's request) to accelerate the Radar Technology Insertion Program (RTIP), and \$19.5 million (\$8 million more than the President's request) to complete development of the secure data link for the Joint STARS ground station.

EA-6B Prowler. As both the Navy and Air Force's primary electronic warfare aircraft, the EA-6B protects U.S. aircraft and ships by jamming enemy radar and communications. However, the current fleet of EA-6Bs is not equipped to counter the latest family of radar systems. Therefore, the committee recommends \$206 million (\$45 million more than the President's request) for modifications to the EA-6B to improve the aircraft's ability to jam the latest radar systems, and \$5 million more than the President's R&D request to evaluate alternatives for a follow-on support jammer aircraft to replace the EA-6B.

F-15 Eagle. The committee recommends \$313.5 million (\$50 million more than the President's request) for F-15 modifications and upgrades. These upgrades will provide increased engine safety, reliability, and performance – allowing the F-15 to remain the Air Force's primary air superiority fighter until the F-22 enters service in the next decade.

F-16 Falcon. In an effort to reduce the Air Force's anticipated shortfall of 40 F-16C aircraft for attrition reserve, in each of the past three fiscal years, Congress has added funds to the President's request to procure additional F-16C aircraft. To continue to reduce this shortfall, the committee recommends \$250.1 million (\$2.5 million less than the President's request) to procure ten F-16C aircraft, as requested.

F/A-18 Hornet. The F/A-18 Hornet is the primary strike aircraft of both the Navy and the Marine Corps. While production of the F/A-18E/F started last year, the Marine Corps continues to utilize several older F/A-18As, which lack important avionics and weapons capabilities of later version Hornets. In support of the Marine Corps Commandant's unfunded requirement list, the committee recommends \$371.8 million for F-18 series modifications (\$63 million more than the President's request) to procure kits to upgrade 14 F/A-18As to more capable configurations. Furthermore, the committee recommends \$2.9 billion (matching the President's request) for procurement of 36 F/A-18E/F Superhornets, and a five-year, \$15.2 billion multiyear procurement contract for 222 Superhornets.

F-22 Raptor. The Air Force F-22 Raptor is the next-generation air dominance fighter. The committee supports the President's requests for \$1.2 billion for research and development, \$1.6 billion for six low-rate initial production (LRIP) aircraft, and \$277.1 million for advance procurement of ten LRIP aircraft in fiscal year 2001. However, the committee is concerned by significant increases in F-22 budgets, and is disturbed by the prospect of higher costs and increased program risks. As future budget requests for research and development are projected to decrease and procurement budget requests are likely to rise only modestly, problems with F-22 development could have a severe impact on other programs, require the Air Force to reduce the number of F-22s procured, or result in development of a less-capable F-22. Therefore, the committee directs the Secretary of the Air Force to report to Congress by February 1, 2000, on F-22 costs.

Joint Strike Fighter (JSF). The JSF is planned to be an affordable, next-generation, multi-role, single-engine combat aircraft based on a common airframe and components for use by the Air Force, Navy, and Marine Corps. The committee supports the President's requests for \$241.2 million for the Navy JSF development and \$235.4 million for Air Force JSF development. The committee continues to believe in the importance of alternate engine development for the JSF fleet, and recommends \$265.4 million (\$30 million more than the President's request) to accelerate development and flight testing of this effort.

KC-130J Hercules. The KC-130J is a transport plane that also serves as a refueling aircraft. The J-variant will replace the Marine Corps' older F-, R-, and T-models, providing increased range, cruise ceiling, maximum speed, and decreasing take-off distance. Not only does the J-variant provide greatly

enhanced performance, but the Marine Corps' inventory of KC-130s contains primarily F-variants, which are approaching 40 years of age and a recent assessment of the KC-130 fleet indicates that current KC-130J procurement plans will cause an inventory shortfall of 15 aircraft as early as 2001. As a result, the Marine Corps Commandant included procurement of KC-130Js on his unfunded priority list for fiscal year 2000. Consequently, the committee recommends \$252 million (the President did not request any funds) to procure four KC-130Js for the Marine Corps.

T-6A Joint Primary Air Training System (JPATS). The T-6A will replace the Air Force T-37 and the Navy T-34 as the primary pilot training aircraft for both services. The committee recommends \$88.2 million for 21 Air Force T-6A aircraft (matching the President's request), and \$43.8 million (\$1 million less than the President's request) for the eight T-6A aircraft requested by the Navy.

UC-35. The committee recommends \$18 million (the President did not request any funds) for three UC-35 aircraft, one of the Commandant of the Marine Corps' unfunded priorities. The UC-35 is a long-range, medium-lift aircraft that will replace the aging CT-39 for operational support airlift.

V-22 Osprey. The committee recommends \$987.4 million for 11 V-22s (\$60 million and one aircraft more than the President's request). The increase reflects the recommendations of the QDR as well as the Marine Corps Commandant's unfunded priorities list for fiscal year 2000. The Osprey will replace the Marine Corps' aging fleet of CH-46 Sea Knight helicopters as its primary means of transporting Marines and their equipment into combat by air. In addition, the committee recommends \$25 million (\$9 million more than the President's request) to accelerate development of the CV-22 Special Operations Variant.

Unmanned Aerial Vehicles (UAVs). The development of UAVs have allowed theater commanders to gain a "bird's eye" view without placing U.S. pilots at risk.

- **Hunter UAV.** The Hunter is the Army's only operational UAV system, and is currently deployed to the Balkans as part of Operation Allied Force. However, the deployed systems lack available hardware and software upgrades which would improve their effectiveness and reduce costs. To upgrade the Hunter UAV inventory, the committee recommends \$9 million (the President did not request any funds).
- **Predator UAV.** DOD also maintains an operational UAV – the Predator. Over the past three years, the Predator has been flying missions in the Balkans, and has proven its utility to theater commanders. However, existing Predators are in need of component upgrades, that will allow greater mission flexibility and range. Therefore, the committee recommends \$58 million to procure five Predator UAVs (\$20 million and two UAV's more than the President's request) and various upgrades.

Helicopters

AH-64D Apache Longbow. The AH-64D Apache Longbow is the Army's day/night, all-weather, heavy attack helicopter, designed to engage and destroy advanced armor targets on tomorrow's digital battlefield with minimum exposure time to the aircraft and the crew. Upgrading to the Longbow model requires electronic upgrades to the earlier AH-64A model, but many of the aircraft sensors and avionics were not designed to be compatible with future information technologies. Therefore, the committee recommends \$774.5 million (\$45 million more than the President's request for aircraft sensor and avionics integrated circuit (IC) redesign) to modify 60 AH-64As to the Longbow configuration and to replace ICs.

CH-47 Chinook Improved Cargo Helicopter. The CH-47D is the Army's only heavy-lift helicopter, but the average fleet age of CH-47s is 31 years old. As such, upgrading the Chinook has become increasingly important to the Army's cargo and personnel transport needs. This fact is reflected by the Army Chief of Staff's request to accelerate the fielding of improved CH-47Ds by meeting a \$56.1 million unfunded requirement in fiscal year 2000. The committee supports the Army Chief's request and recommends \$126.8 million (\$56.1 million more than the President's request) to upgrade existing CH-47 Chinook improved cargo helicopters and extend the system's life-span by 20 years.

CH-60S. The committee recommends \$320.3 million for 15 CH-60S helicopters (\$38 million and two helicopters more than the President's request). The CH-60S will replace the H-46, H-1, H-3, and HH-60 by meeting combat support requirements for vertical replenishment, cargo and personnel transfer, medical evacuation, and search and rescue.

Marine Corps Light/Attack Helicopter Upgrade. The committee recommends \$184.3 million (\$26.6 million more than the President's request) to continue the Marine Corps "4BN/4BW" program to upgrade its existing attack and light helicopter fleet, one of the Commandant's unfunded priorities for fiscal year 2000.

RAH-66 Comanche. Comanche development began in 1982 to fulfill the Army's requirement for an armed reconnaissance helicopter. While warfighting experiments at the National Training Center have validated the need for the Comanche in tomorrow's Army, funding limitations have continued to prevent Comanche from undergoing a robust test program or utilizing its second prototype. The committee recommends \$483 million (\$56 million more than the President's request) to accelerate the Comanche, the Army's top unfunded modernization priority.

UH-60 Blackhawk. The committee recommends \$112.8 million (\$26.7 million more than the President's request) for a total of 11 UH-60 Blackhawks (three more than the President's request), all of which are for the Army National Guard.

Munitions

Precision-Guided Munitions (PGMs). In military operations since the Gulf War, the services have increased their use of PGMs, reducing risk to U.S. military personnel, enhancing the effectiveness of U.S. weapons platforms, and reducing the risk of collateral damage around enemy targets. However, the recent operation in the Balkans has exposed shortfalls in several PGM stocks. Accordingly, the committee recommends the following:

- \$275.2 million (\$114 million more than the President's request) to accelerate procurement of Joint Direct Attack Munitions (JDAMs) (\$66 million for the Air Force and \$48 million for the Navy), weapons heavily used by the Air Force during the recent air operations over Yugoslavia;
- \$344.9 million (\$110 million more than the President's request) for the Joint Stand-off Weapon (JSOW), a precision guided, air-to-ground glide weapon;
- \$38 million for procurement (matching the President's request) of the Standoff Land Attack Missile – Expanded Response (SLAM-ER), the system that will meet the Navy's requirement for an advanced air-launched, standoff land attack system;
- \$52 million (the President did not request any funds) for Hellfire missiles ;
- \$12.8 million (\$10 million more than the President's request) to convert older Maverick missiles to an updated infra-red and electro-optical configuration;
- \$350.9 million (\$300 million more than the President's request) to remanufacture 326 Tomahawk anti-ship missiles to the latest Tomahawk Land Attack Missile (TLAM) Block III configuration, to restart the TLAM Block III production line, and to procure new TLAM Block III missiles. In the first half of fiscal year 1999, the Navy has fired over 500 TLAMs, substantially reducing the TLAM inventory below required levels; and
- \$209.3 million (matching the President's request) for 2682 Javelin anti-tank missiles, and a five-year, \$1.7 billion multiyear procurement contract for 17,626 missiles.

Naval Programs

Auxiliary Dry Cargo Ship (ADC(X)). The committee recommends \$440 million (matching the President's request) to procure the lead ship of the ADC(X) class of combat logistics force ships.

CVN-77 and CVN(X). The CVN-77 will serve as the transition ship from the Nimitz-class of nuclear aircraft carriers to the next-generation CVN(X) aircraft carrier. The committee recommends \$751.5 million (matching the President's request) for advance procurement of CVN-77. The committee also recommends fully funding the President's request for aircraft carrier research and development with

\$45.3 million for the CVN-77 and \$195.1 million for the CVN(X) (including \$69.1 million for advanced nuclear power system development).

LPD-17. The committee recommends \$1.5 billion (matching the President's request) for procurement of the third and fourth *San Antonio* class amphibious ships.

LHD-8. The Navy plans to procure one LHD amphibious assault ship in 2005, but has not yet decided whether to upgrade older LHA amphibious assault ships to meet its amphibious assault ship requirements. While the upgrade approach would cost nearly \$1 billion per ship, and add only 15 years of service life, the committee notes that the alternative approach of purchasing new LHD-class ships may provide a more cost-effective and capable ship. Therefore, the committee recommends \$15 million (the President's budget did not include any funds) for advance procurement of materials for the LHD-8.

New Attack Submarine (NSSN). The committee recommends \$753.5 million (\$5 million more than the President's request) for advance procurement of the third boat in the *Virginia* class of submarines, which will replace retiring *Los Angeles* class submarines and will constitute the bulk of the future attack submarine force. The additional funds will support insertion of advanced technologies into follow-on submarines. The committee also supported the Navy Chief's unfunded priority request by recommending \$192.5 million (\$25 million more than the President's request) for development of advanced technologies for *Virginia* class.

Future Navy Surface Combatants. The committee supports the program and acquisition strategy for the Navy's next-generation surface combatant, the DD-21 land attack destroyer, and recommends \$270.4 million (matching the President's request) for the program. The committee also recommends \$115.5 million (\$14 million more than the President's request) to develop advanced munitions for the DD-21, including \$21.8 million for development of a near-term land attack missile and \$14 million for development of the Extended Range Guided Munition (ERGM) and advanced, miniaturized guidance and controls for use in the ERGM and other Army and Navy projectiles. These additional funds for the ERGM were one of the Chief of Naval Operations' unfunded priorities for fiscal year 2000. Finally, the committee recommends that the Navy establish a competitive development program for an advanced land attack missile for the DD-21.

Ground Weapons and Vehicles

Advanced Amphibious Assault Vehicle (AAAV). The committee recommends \$121.2 million (\$26.4 million more than the President's request) to accelerate development of the AAAV and advance the initial operational capability date from fiscal year 2006 to fiscal year 2005. The AAAV will be a high-water speed, amphibious, armored personnel carrier that will replace the Marine Corps' aging fleet of amphibious assault vehicles.

Future Combat Vehicle. The committee is encouraged by the Army's vision for the Army After Next, particularly the attributes and capabilities of future combat vehicles as described by both the Army and the Quadrennial Defense Review. In light of the exponentially increasing costs of sustaining the existing fleet of combat vehicles, the committee believes that decisive action must be taken now to redress the armored systems modernization dilemma. Therefore, the committee recommends a provision to direct the Secretary of Defense to establish a collaborative combat vehicle demonstration program between the Defense Advanced Research Projects Agency (DARPA) and the Army. This program would be supported by \$67 million of requested Army funding and by specifying \$56 million of DARPA's requested funding only for this program. The committee also recommends increasing the President's request for Army science and technology efforts by \$12 million to focus on critical enabling technologies for future combat vehicles.

Hercules Improved Recovery Vehicle (IRV). The committee recommends \$72.3 million (\$49.4 million more than the President's request) to procure various modifications to tracked vehicles. The additional funds will be used to upgrade 24 M88A1 recovery vehicles to the more capable M88A2 Hercules Improved Recovery Vehicle (IRV) variant for the Marine Corps. Because the 56-ton M88A1 is capable of towing only vehicles weighing less than 60 tons, two M88A1s are required to safely tow an Abrams tank if it is rendered immobile due to combat damage or mechanical failure. The A2 upgrade, on the other hand, has greater engine horsepower, as well as braking, steering, winch, lift, and suspension capabilities that permit it to recover Abrams tanks and other heavy combat systems.

High Mobility Artillery Rocket Systems (HIMARS). The committee recommends \$37 million (\$31 million more than the President's request) to accelerate HIMARS, a highly mobile and transportable rocket artillery system.

Lightweight Howitzer. The lightweight 155mm towed howitzer will be the Marine Corps' sole artillery weapon once it replaces the aging M198 Howitzer. The committee recommends \$27.4 million (\$4.2 million more than the President's request) for this program.

M113A3 Carrier. One of the Army Chief's highest unfunded priorities for fiscal year 2000 was to upgrade the M113A3 troop carrier. The committee recommends \$78.5 million (\$25 million more than the President's request) for the upgrade program, which will add 20 years of service life to the system while enhancing safety, maintenance, and operation of the vehicles.

National Guard and Reserve Equipment. The committee recommends \$60 million (the President did not separately request any funds) for miscellaneous National Guard and Reserve equipment. In addition, the committee recommends \$2.3 billion (\$557 million more than the President's request) for National Guard and Reserve modernization programs funded elsewhere in the bill, including:

- **Advanced Surgical Suite for Trauma Casualties (ASSTC).** The ASSTC is a lightweight self-contained medical facility that can be used for life-saving, resuscitative surgery for 20 casualties. In light of the Army National Guard's role as "first responders" to weapons of mass destruction, domestic terrorism, and natural disasters, the committee recommends \$15 million (the President did not request any funds) for ASSTCs for the Army National Guard.
- **Enhanced Position Location Reporting System (EPLRS) Radios.** The EPLRS radio system provides secure, jam-resistant communications to ground units while allowing battlefield commanders to track the location of their forces. Although the EPLRS radio is the Army's and Marine Corps' primary position location reporting system, the President's budget request included no funds for the system for the Army National Guard. As additional EPLRS radios appeared on the Army Chief of Staff's fiscal year 2000 unfunded requirement list, and in light of the increasing role of the Army National Guard in the Army's force structure plans, the committee recommends \$64.7 million (\$25.9 million more than the President's request) to procure EPLRS radios for the Army National Guard. The Commandant of the Marine Corps also identified EPLRS radios as an unfunded requirement in fiscal year 2000; accordingly, the committee also recommends \$20.3 million (the President did not request any funds) to procure additional EPLRS radios for the Marine Corps.
- **Bradley Fighting Vehicle Modifications.** Both the Army and the Army National Guard rely upon the Bradley Fighting Vehicle as their primary infantry support vehicle. While the Army plans to upgrade its entire Bradley fleet to highly-survivable A3, A2, and ODS variants, the Army National Guard continues to rely upon the far less-survivable first-generation Bradley A0-variant. This plan is of particular concern considering that the Army's intention to use Army National Guard enhanced brigades will inevitably result in the deployment of Bradley A0s. Therefore, the committee recommends \$72 million (the President did not request any funds) to upgrade Army National Guard Bradley vehicles to combat-capable specifications. In addition, the committee recommends \$281.1 million (matching the President's request) to upgrade active-Army Bradleys;
- **Radio Systems.** The Single Channel Ground and Airborne Radio Systems (SINCGARS) family provides military commanders with a reliable, secure command and control capability. The recent Advanced System Improvement Program (ASIP) upgrades older SINCGARS to allow both voice and data capabilities. The Army Chief of Staff has identified an unfunded requirement for 5,100 SINCGARS ASIP radios for the Army National Guard, which will be unable to fully communicate with their active Army components without them. Therefore, the committee recommends \$47.2 million (the President did not request any funds) for SINCGARS ASIP radios for the Army National Guard; and

- **UH-60 Blackhawk Helicopters.** The committee recommends \$26.7 million to procure three additional Blackhawks for the Army National Guard, for a total of 11 ARNG Blackhawks as noted under “Helicopters” on page 21.

Innovative Technologies

Anti-Submarine Warfare Surveillance. The committee recommends increasing the President’s budgets for development of key anti-submarine warfare surveillance systems by providing \$33.9 million for the Navy’s distributed surveillance system (\$19.9 million more than the President’s request) and an additional \$10 million for the development of advanced optical array technology. Additional funds for the distributed surveillance system were one of the Chief of Naval Operations’ unfunded priorities.

Chemical Agents and Munitions Demilitarization Program. The committee recommends \$1.01 billion (\$157 million less than the President’s request) for destruction of DOD’s stockpiles of lethal chemical agents and munitions. The committee also recommends a provision to require the Secretary of Defense to assess measures that could reduce the cost of the program while ensuring completion of the destruction program by 2007 without compromising protection of the environment, the general public, and the personnel involved in the munition destruction process. The provision also contains measures which may reduce costs and increase the participation of state and local jurisdictions in programmatic and policy decisions relating to the program.

Defense Manufacturing Technology Program (ManTech). The ManTech program integrates new manufacturing technologies into basic components of military machinery and weapons. The resulting improvements have the potential to cut the cost, weight, and complexity of DOD’s equipment and weapons. The committee recommends \$171.3 million (\$38.8 million more than the President’s request) for ManTech. The committee also recommends a provision which would focus the program on development of advanced manufacturing technologies which address broad, defense-related manufacturing inefficiencies and requirements.

Flat Panel Displays. The committee recommends \$40 million (\$8.7 million more than the President’s request) for development and demonstration of advanced technologies for high definition displays.

Geo-Positioning Inertial Measurement System Integration. In light of the increased use of global positioning system (GPS) data for personnel, weapons, and non-weapons platforms, the committee believes that development of a low-cost, high-performance GPS and inertial measurement chip could yield significant cost savings and enhanced performance. Therefore, the committee recommends \$1 million (the President did not request any funds) for the Army to commence such a development program. The committee expects that the Army will leverage the efforts of industry, government laboratories, and academia to develop chip that can effectively be used in systems ranging from artillery shells to aerial vehicles.

Information Systems Technology, Superiority, and Security. The budget request contained over a billion dollars for information technology, including \$279.0 million for research and development in support of the DOD information systems security program. DOD has established an effective information assurance strategy and taken a number of actions that should improve information assurance for defense information systems, but continued commitment and investment will be necessary to ensure success. As defense and domestic information infrastructures are closely linked, government and industry must work together to protect the nation's critical information systems infrastructure. Therefore, the committee recommends an increase of \$45 million for critical information superiority research and development, and directs the Secretary of Defense to report to Congress on DOD's information superiority program and identify critical information security challenges and shortfalls.

Joint Warfighting Experimentation Program. The committee endorses the role of joint experimentation in the development of new operational concepts, doctrine, organizations, training, and system technologies for U.S. armed forces and recommends \$49.1 million (\$8 million more than the President's request) for the Joint Warfighting Experimentation Program.

Land Information Warfare Activity. The Army's Intelligence Command's Land Information Warfare Activity (LIWA) is recognized as being in the lead of security technology and information dominance for computer-based information systems. Most importantly, LIWA has provided valuable assistance to DOD in identifying and countering global security threats to the DOD computer infrastructure. In support of LIWA, the committee recommends \$10 million (the President did not request any funds) to develop and operate LIWA.

Marine Corps Base Telecommunications. For each of the last three years, the Commandant of the Marine Corps has designated base telecommunications upgrades to the Marine Corps Enterprise Network as his number one non-aviation unfunded priority. Consistent with its past actions to support the Marine Corps' demands for transfer of all types of data among its bases and forward deployed forces, the committee recommends \$131.8 million (\$50 million more than the President's request) for communications and electronic infrastructure support equipment. The additional funds will be used to upgrade telecommunications infrastructure at Marine Corps Base Camp Pendleton, Marine Corps Mountain Warfare Training Center Bridgeport, and Marine Corps Air Station Miramar.

Safety and Survivability

Aircraft Survivability Equipment (ASE). Continued proliferation of anti-aircraft weapons has raised the importance of teaching U.S. aircrews to recognize, avoid, and counter ground-to-air threats. The Aircraft Survivability Equipment Trainer IV (ASET IV), a mobile ground-based system that replicates anti-aircraft threats for crews in training, has proven to be a particularly effective teaching tool, even though all the systems have not yet been upgraded to reflect current threats. To ensure that aircrews

are able to train in realistic environments, the committee recommends \$18.1 million (the President did not request any funds) to upgrade ASET IV systems with current infrared and radar-guided surface-to-air threat simulators.

C-12 Modifications. The C-12 is one of the Army's primary passenger-carrying aircraft, and is expected to remain in service for at least the next 20 years. Because the majority of these aircraft were purchased in the 1970s and 1980s, they are equipped with avionics and navigation equipment that is obsolete today. To ensure safe operations, the committee recommends \$9.3 million (\$3 million more than the President's request) for avionics and cockpit upgrades to the C-12 fleet.

Chemical-Biological Defense. The committee recommends \$731 million (\$14 million more than the President's request) for the chemical/biological defense program, including \$377.4 million for procurement of chemical and biological defense materiel and \$353.5 million for research and development. The committee also recommends \$133.9 million for the Defense Advanced Research Projects Agency's (DARPA) biological warfare defense program. While significant progress has been made the nuclear, biological, and chemical (NBC) defense capabilities of U.S. armed forces under the leadership of the Joint NBC Defense Board, continued emphasis will be required in chemical-biological defense development and acquisition programs, logistics, training, and readiness.

Night Vision Devices. Each of the military services have indicated an increasing need for night vision devices, systems that provide U.S. forces with a pivotal "force multiplier." In fact, the Army Chief of Staff identified \$33 million in unfunded requirements for night vision devices alone. The committee agrees that night vision devices provide an important combat edge, and recommends \$54 million (\$33 million more than the President's request) for night vision devices and improvements for the Army, and \$8.5 million for night vision upgrades for the Marine Corps. In addition, the committee recommends \$16 million in addition to the President's request for development of improved night vision equipment.

Product Improved (PI) Combat Vehicle Crewman (CVC) Headset. In late fiscal year 1998, testing and evaluation of the Force XXI Battle Command Brigade and Below (FBCB2) – a digital, battle command information system that is intended to provide commanders, leaders, and soldiers improved command and control and situational awareness information – revealed that electromagnetic interference created by new, high powered radio systems can disrupt CVC communications. Such a disruption in communications poses a safety problem as well as an important interruption of data from FBCB2. As the PI CVC headset is not affected by new radio systems like SINCGARS, the committee recommends \$15 million (the President did not request any funds) to procure PI CVC headsets.

Shortstop Electronic Protection System (SEPS). SEPS is an electronic "umbrella" that detects and causes detonation of incoming artillery, mortar, and rocket rounds before they reach friendly troops and facilities. Despite a 100 percent success rate in a test of 5,000 incoming mortar rounds, and similar successes with artillery and rockets, the Army failed for the fourth straight year to fund SEPS in its budget request. In support of the Commander of U.S. Army Forces Europe, as well as the Army

Chief's unfunded requirements list, the committee recommends \$40 million to procure SEPS. The committee also recommends \$4 million to procure SEPS for the Marine Corps.

Terrain Awareness and Warning System (TAWS). The committee recognizes that many of the Air Force's passenger and cargo carrying aircraft currently operate without state-of-the-art terrain avoidance systems. Accordingly, the committee recommends \$81 million (\$45.3 million more than the President's request) to install TAWS in C-135, KC-10, C-20, and T-43 aircraft. TAWS projects an aircraft's position relative to the ground, and warns the pilot of potential ground impact.

OTHER INITIATIVES

Auxiliary Fleet Acquisition Program. The Navy currently operates a fleet of aging strategic sealift and combat logistics force ships. Although these ships are needed to support the operation of forward deployed naval forces, they are not always afforded the same priority as warships when acquisition decisions are made. To support the replacement of these ships, the committee recommends a provision to allow the Secretary of the Navy to enter into long-term leases of newly constructed ships for the combat logistics and sealift missions if it is more cost effective than purchasing these vessels.

Arlington Cemetery. According to the Army, Arlington Cemetery will run out of space for burial plots in approximately 2025. In an effort to extend the availability of burial space at Arlington, the committee recommends a provision to authorize the transfer of 36.5 acres, located at the Navy Annex of the Pentagon, to the Cemetery. The provision would also require the Secretary of the Army to modify the boundary of Arlington National Cemetery to include approximately eight acres situated in Fort Myer, Virginia, and would authorize the Secretary to enter into negotiations with the appropriate State and local officials to acquire any additional property that separates any of the federal acreage from Arlington National Cemetery.

Operations in Federal Republic of Yugoslavia. The committee has long been concerned by the Administration's use of funds authorized and appropriated for defense readiness, quality of life, and modernization programs to fund unbudgeted peacekeeping, humanitarian, and contingency operations. While NATO operations in the Federal Republic of Yugoslavia (FRY) appear likely to continue into the next fiscal year, the Administration did not request funding for such operations in the fiscal year 2000 budget. In an effort to preclude the Administration from raiding the fiscal year 2000 defense budget to pay for the unbudgeted costs of any potential operations in the FRY next fiscal year, the committee recommends a provision that prohibits the use of funds authorized by this bill for such operations and directs the Administration to submit a supplemental budget request in the event that military operations continue into fiscal year 2000.

Honor Guard Details. The Fiscal Year 1999 National Defense Authorization Act (P.L. 105-261) required the Secretary of Defense to convene a conference to look at improving and increasing the availability of military burial honors for veterans. The Secretary convened the conference in November 1998, and reported his recommendations to Congress. The committee believes that the Secretary's recommendations reflect his earnest interest in taking charge of the program and will result in a program that will meet the high standard for providing appropriate honors to those Americans who served in the U.S. military. Accordingly, the committee recommends a provision which implements the Secretary's plan, requiring the military services, upon request, to provide honor guard details for veterans' funerals.

Counter-Drug Activities. Illegal drug use results in over \$110 billion annually in social costs and more than 15,000 American deaths each year. The committee continues to endorse the goal of a drug-free America and supports the military's participation in a combined interagency effort to detect, disrupt, and curtail the flow of drugs into the United States.

As such, the committee recommends a variety of initiatives intended to more effectively utilize DOD assets in support of the counter-drug mission. Specifically, the committee recommends \$812 million (\$24 million more than the President's request), as well as \$167 million contained within the operating budgets of the military services, for these activities. Highlights include:

- \$36.1 million (matching the President's request) to establish forward operating locations in Ecuador and Curacao. As the military no longer has access to bases in Panama, operating from these locations will significantly reduce transit time of surveillance aircraft to source and transit zones;
- \$17.5 million (the President did not request any funds) to make operational a test-bed over-the-horizon radar system to monitor the eastern Pacific Ocean transit zone. Funding this program could ease the requirement for P-3 maritime patrol aircraft in the eastern Pacific area; and
- \$2.7 million (the President did not request any funds) to upgrade the forward looking infrared radar capability of three Navy P-3 Orion aircraft. This initiative will greatly expand the patrol coverage per aircraft.

Military-to-Military Contacts with the People's Republic of China. In recent years, the Chinese People's Liberation Army (PLA) has begun a concerted effort to modernize its armed forces by obtaining advanced technologies and developing and applying more advanced military operational concepts and organizations. In this context, the committee is concerned by the pattern of military-to-military contacts between U.S. armed forces and members of the PLA in which critical U.S. military operational and technological advantages may not have been adequately protected. Of further concern, the principles of transparency and reciprocity have not been observed in the Chinese, making past and existing military exchange programs with the PLA too one-sided – to the detriment of U.S. national security interests. Therefore, the committee recommends a provision, based on DOD policy, to establish a clear policy for the conduct of military-to-military contacts between the U.S. military and the PLA that would:

- be governed by the principles of reciprocity and transparency;
- prevent inappropriate exposure of U.S. advanced technologies and capabilities to the PLA;
- require the Secretary of Defense to certify annually that military-to-military contacts with the PLA would be conducted in accordance with the principles of reciprocity and transparency;
- prohibit members of the U.S. armed forces from participating in any military-to-military contacts until the Secretary of Defense has made this annual certification; and
- require the Secretary of Defense to provide an annual assessment of military-to-military contacts with China to Congress.

Center for the Study of Chinese Military Affairs. DOD currently lacks an organization whose mission is to provide comprehensive analysis and promote broader understanding of Chinese military affairs and strategy. Furthermore, few in the academic or intelligence community combine a

comprehensive knowledge of military affairs and strategy with a genuine expertise in Chinese language, history, and culture. In the expectation that an organization dedicated to the subject will fill an increasingly important need to understand China's security and military objectives in the 21st century, the committee recommends a provision to establish the Center for the Study of Chinese Military Affairs at the National Defense University.

Cooperative Threat Reduction (CTR). The committee maintains its historically strong support for the core purposes of CTR – the accelerated dismantlement of former Soviet strategic offensive arms that threaten the United States. Therefore, the committee recommends \$444.1 million (\$31.4 million less than the President's request, but \$3.7 million more than the amount appropriated for fiscal year 1999) for CTR activities in fiscal year 2000. Specific recommendations include:

- \$177.3 million (\$20 million more than the President's request) for the elimination of strategic offensive arms in Russia;
- \$43 million (\$10 million more than the President's request) for elimination of ICBMs, ICBM silos, and heavy bombers in Ukraine;
- \$90 million (\$50 million more than the President's request) to improve security at nuclear weapons storage facilities in Russia;
- \$24.6 million (\$63.8 million less than the fiscal year 1999 appropriated level and \$105.8 million less than the President's request) for chemical weapons-related activities in Russia; and
- \$60.9 million (matching the fiscal year 1999 appropriated level, but \$3.6 million less than the President's request) to build a storage facility for nuclear weapons materials in Russia.

The reduction in funding for chemical weapons-related activities reflects the committee's intention to refocus the CTR chemical weapons effort in Russia away from construction of a long-term and expensive elimination facility and toward the more immediate non-proliferation priority of securing Russia's chemical weapons stockpile against the risk of theft or diversion. This recommendation resulted in part from a recent General Accounting Office (GAO) study, which concluded that without a "large infusion of additional funding" the chemical weapons destruction facility project "cannot achieve its broader national security objectives."

Finally, continuing the committee's position that CTR funds are most effectively used to support the core purposes of the CTR program, the committee recommends that a provision prohibiting the use of CTR funding for peacekeeping-related activities in Russia, or for housing, environmental restoration, defense conversion, or job retraining be made permanent law. While this provision has been annually legislated for a number of years, the committee believes that it is sensible policy that should not be subject to yearly reauthorization.

Notification of Compromise of Classified Information. The committee recommends that the Secretaries of Defense and Energy notify the Senate and House Armed Services Committees whenever they obtain information on the unauthorized transfer of classified information to a foreign power if the

compromised information involves defense operations, systems, or technologies, or nuclear energy defense programs. The Armed Services Committees are the congressional committees that authorize these programs, and prompt notification of the compromise of this sensitive information is important for the committees' conduct of oversight activities.

Declassification of Records at DOD. The President's Executive Order 12958 requires the declassification of all records 25 or more years old. However, the process of reviewing the records to ensure that highly sensitive information, such as nuclear weapons design data, is not automatically declassified, is very costly. In fact, DOD reports that they annually spend \$200 million of operations and maintenance funds to implement Executive Order 12958. As there are more important defense readiness uses for O&M funds, the committee recommends a provision to limit DOD operations and maintenance spending for record declassification to no more than \$20 million during fiscal year 2000.

Department of Energy (DOE) Funding Levels. DOE is responsible for many programs critical to our nation's defense, including production and protection of nuclear materials and management of radioactive defense waste and environmental restoration. The committee recommends \$12.3 billion (\$76 million less than the President's request) for DOE programs including the following:

- **DOE Weapons Activities.** The committee recommends \$4.5 billion (\$10.5 million more than the President's request) for DOE defense programs. The committee's recommendation for key DOE defense programs includes:
 - **Accelerated Strategic Computing Initiative (ASCI).** ASCI is an effort to develop a computer capable of 100 trillion operations per second by 2004, allowing it to conduct three dimensional simulations of nuclear explosions as a means of ensuring the safety, reliability, and effectiveness of U.S. nuclear weapons without actual testing. While the committee is supportive of the technical progress of the ASCI program to date, the President's fiscal year 2000 budget request represents a 14 percent increase over funding appropriated in fiscal year 1999. Considering project needs in fiscal year 2000, the committee feels such a significant increase is unjustified, and recommends \$316 million (\$25 million less than the President's request) for ASCI;
 - **Production Complex.** The DOE production complex embodies the manufacturing capabilities required to sustain a nuclear stockpile. As the nuclear stockpile is reduced, the committee is concerned that the requested funding level will not be sufficient to meet weapons maintenance requirements. Therefore, the committee recommends:

- \$270.8 million (\$30 million more than the President's request) for weapons surveillance, maintenance, and disassembly performed at the Pantex (Texas) plant;
 - \$317.5 million (\$30 million more than the President's request) for work at the Kansas City (Missouri) plant;
 - \$404.2 million (\$30 million more than the President's request) for work at the Y-12 (Tennessee) plant; and
 - \$134.4 million (\$7 million more than the President's request) to support tritium reservoir testing and capital investments at the Savannah River Site (South Carolina).
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- **Ballistic Missile Defense Research and Development.** The committee believes the development of effective ballistic missile defenses is one of the highest national priorities, and that DOE's national laboratories are valuable, multi-mission, national security assets that can and should contribute to this effort. The committee recommends an increase of \$30 million in stockpile stewardship for ballistic missile defense research and development.
 - **Tritium Production.** Tritium is a radioactive isotope of hydrogen necessary for the proper functioning of U.S. nuclear weapons. Because it has a short half life, it must be periodically replenished, but the United States hasn't produced any tritium in over a decade. Last December, the Secretary of Energy selected commercial light water reactor technology to be the nation's primary tritium production technology. Because the Nuclear Regulatory Commission (NRC) will have to issue amended licenses to the preferred commercial reactors, and the NRC licensing process can be lengthy, the committee recommends a provision that would require the Secretary to designate particle accelerator technology to be the primary tritium production technology if the NRC licenses have not been issued to the commercial nuclear power plants by December 31, 2002.
 - **Defense Programs Reorganization.** The Commission on Sustaining United States Nuclear Weapons Expertise recently noted that the lines of authority with DOE Defense Programs were overlapping and confused. The commission, as well as many other studies dating back many years, recommended that these lines of authority be clarified. To do this, the committee recommends a provision that would give the Assistant Secretary for Defense Programs direct authority over the nuclear weapons production complex, the national security laboratories, and the Nevada test site and remove the operations offices from the reporting chain for the plants and laboratories.
 - **Inertial Confinement Fusion (ICF).** ICF is a key part of the DOE's effort to develop a set of science tools to understand the physics of nuclear weapons. When completed, the national ignition facility will focus a large bank of powerful lasers on a hydrogen target to

achieve a fusion reaction. However, the request this year failed to provide funds for target design work and necessary diagnostics. The committee recommends \$227.6 million, \$10 million more than the President's request.

- **Construction Projects.** Last year, Congress mandated that DOE get independent assessments of construction projects at the national laboratories. However, the committee has not received most of these assessments. Therefore, the committee recommends \$271.8 million for the projects (\$20 million less than the President's request).
- **Other DOE Defense Programs.**
 - **Counterintelligence.** In response to reports of Chinese espionage at the DOE labs and the illicit transfer of nuclear weapon design information, the committee recommends \$31.2 million (\$12.6 million more than the President's request) for DOE counterintelligence efforts.
 - **Use of Funds for Initiatives for Proliferation Prevention (IPP) Funds.** The IPP program was established in 1994 to employ thousands of underemployed Russian nuclear weapon scientists, with the intent of discouraging these scientists from sharing nuclear weapon knowledge with nations of proliferation concern. However, a November 1998 DOE report indicates that 51 percent of the funds appropriated for the IPP program are spent at DOE labs and 12 percent is used by U.S. companies in support of the program. According to information from DOE, an additional 20 percent of the appropriated funds goes to Russian taxes and fees. To rectify the situation and increase the amount of money that the Russian scientists receive, the committee recommends a 25 percent limit on the appropriated IPP funds that can be spent at DOE labs and prohibits the expenditure of IPP funds for Russian taxation.
- **DOE Environmental Management Programs.** The committee recommends \$5.9 billion (\$83.5 million more than the President's request) for DOE's environmental cleanup and management programs including:
 - \$1.1 billion (\$38 million more than the President's request) for the Defense Facilities Closure Project. By providing additional funding for this program, the committee believes that DOE will be able to accelerate the closing of facilities that are nearing cleanup completion and reduce the maintenance costs of the nuclear complex;
 - \$1 billion (\$25.5 million more than the President's request) to facilitate construction and site completion at facilities DOE will close by 2006;
 - \$3 billion (\$52.3 million more than the President's request) for construction and project work at facilities with complex and extensive environmental issues that DOE will close after 2006;
 - \$228 million (matching the President's request) for Defense Environmental Management Privatization; and

- \$240.5 million (\$10 million more than the President's request) for the Defense Environmental Restoration and Waste Management Science and Technology program, which develops new technologies for nuclear waste cleanup.

DOD Environmental Funding Levels. The committee recommends \$3.9 billion (matching the President's request) for DOD environmental programs.

Modification to Abortion Regulation. The committee recommends a provision to allow the use of appropriated funds to support abortions for military beneficiaries whose pregnancy is the result of an act of forcible rape or incest which has been reported to a law enforcement agency. Current law restricts abortions at military facilities at government expense to cases where the woman's life is in danger.

DOD Organization and Business Practices. Even after four consecutive years of aggressive congressional efforts to make DOD a less costly and more efficient organization, DOD's basic support and administrative functions continue to cost American taxpayers billions of dollars every year. In light of the increased readiness, retention, recruiting, and modernization challenges confronting the military services today, reforming the way DOD conducts its business must remain a congressional priority. Therefore, the committee recommends a number of provisions that will continue this reform process:

- **Acquisition Workforce Reductions.** Despite several years of congressional efforts to encourage fundamental reform of the defense acquisition infrastructure, reforms continue to be necessary to address inefficiencies and to free up resources to be reprioritized to combat-mission areas. Therefore, the committee once again recommends a provision to reduce the defense acquisition workforce by 25,000 personnel in fiscal year 2000.
- **Administrative and Support Accounts.** While the President's recent budget requests have underfunded readiness accounts, the President's budget request proposed funding increases in a number of administrative and support accounts that have no, or minimal, impact on military readiness. Furthermore, DOD continues to maintain unnecessary overhead as it refuses to comply with a provision in the Fiscal Year 1998 National Defense Authorization Act (P.L. 105-85) that requires an annual five percent cut in all headquarters and headquarters support activities. Therefore, in an effort to better balance the readiness needs of the U.S. military, the committee recommends reducing administrative and support accounts by approximately \$232 million.
- **Consulting Services.** Incorrect reporting of the costs of consulting services in past years as "miscellaneous services" has resulted in underreporting of consultant fees and frustrated Congress' ability to conduct its oversight responsibilities. The committee notes the dramatic reductions within the budget request for fiscal year 2000 in miscellaneous contract services, even as the budget request increased funding for consulting services by \$1.4 billion over last year's request.

Therefore, the committee recommends reducing consulting accounts by \$100 million and a provision to withhold an additional 10 percent of consulting services funds until DOD complies with existing statutory reporting requirements on these services.

- **Management Headquarters.** Despite direction in the Fiscal Year 1998 National Defense Authorization Act (P.L. 105-85) to reduce its management headquarters personnel levels, DOD continues to oppose reductions. According to a recent GAO report, “DOD does not have a plan to reduce management headquarters and headquarters support personnel . . . as required by the National Defense Authorization Act for Fiscal Year 1998.” The committee reiterates its support for the statutorily required personnel reductions, and is disturbed by DOD’s repeated failure to comply with requirements and deadlines on management headquarters. The committee continues to believe that DOD guidelines dramatically underestimate the actual size of the Department’s management headquarters staff; according to a February 1999 GAO report, “. . . nearly three of every four [subordinate organizations examined] were primarily performing management or headquarters support functions and should have been reported to Congress by the DOD.” Therefore, the committee recommends a provision to require DOD to implement a revised directive that accounts for management headquarters personnel by function, rather than organization, and once again reminds DOD that it is required to comply with reductions in headquarters personnel as mandated by law.

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Actions on Major Programs in the Fiscal Year 2000 Defense Authorization Act
(dollars in millions)

	Major Army Programs					
	FY 2000 Budget Request			H.R. 1401		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
M1A2 Abrams	\$9.4	120	\$636.4	\$9.4	120	\$636.4
Bradley A2 ODS	\$70.4	0	\$0.0	\$70.4	60	\$72.0
M113 Carrier Mods			\$53.5			\$78.5
RAH-66 Comanche	\$427.1			\$483.1		
Crusader	\$282.9			\$282.9		
MLRS Launchers	\$36.5	47	\$130.6	\$67.4	57	\$186.1
Javelin Missiles	\$0.4	2,682	\$307.7	\$0.4	2,682	\$307.7
Small Arms			\$30.0			\$78.4
CH-47F Upgrades			\$70.7			\$126.8
Night Vision Devices			\$21.0			\$54.0
Shortstop			\$0.0			\$40.0
UH-60 Blackhawk		8	\$86.1		11	\$112.8

	Major Navy and Marine Corps Programs					
	FY 2000 Budget Request			H.R. 1401		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
V-22 Osprey	\$182.9	10	\$867.4	\$182.9	11	\$987.4
AAAV	\$94.8			\$121.2		
Joint Strike Fighter	\$241.2			\$241.2		
F/A-18E/F	\$206.5	36	\$2,854.2	\$206.5	36	\$2,854.2
E-2C Hawkeye	\$16.1	3	\$383.1	\$31.1	3	\$383.1
JPATS	\$44.5	8	\$44.8	\$44.5	8	\$43.8
NSSN	\$358.4		\$748.5 *	\$383.4		\$753.5 *
CVN-77	\$45.3		\$751.5 *	\$45.3		\$751.5 *
CVN(X)	\$195.1			\$195.1		
DDG-51	\$155.9	3	\$2,681.7	\$155.9	3	\$2,681.7
CH-60	\$33.9	13	\$282.3	\$33.9	15	\$320.3
Hercules IRV		0	\$0.0		24	\$49.4
USMC Base Telecomm			\$81.8			\$131.8
KC-130J		0	\$0.0		4	\$252.0
Tomahawk	\$165.7	-	\$50.9	\$165.7	-	\$350.9
ADC (X)		1	\$440.0		1	\$440.0
UC-35		0	\$0.0		3	\$18.0
DD-21	\$270.4			\$270.4		
SH-60R	\$226.4	7	\$216.7	\$226.4	7	\$216.7
AV-8B		12	\$291.2		12	\$291.2
LPD-17	\$1.3	2	\$1,508.3	\$1.3	2	\$1,508.3

	Major Air Force Programs					
	FY 2000 Budget Request			H.R. 1401		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
F-22	\$1,222.2	6	\$1,852.1	\$1,222.2	6	\$1,852.1
E-8C Joint STARS	\$130.5	1	\$280.3	\$160.5	1	\$280.3
E-8C Joint STARS Adv. Proc.			\$0.0			\$46.0
F-16C/D Fighting Falcon	\$112.5	10	\$252.6	\$112.5	10	\$250.1
JPATS		21	\$88.2		21	\$88.2
C-17 Globemaster	\$170.7	15	\$3,385.0	\$170.7	15	\$3,388.5
Joint Strike Fighter	\$235.4			\$265.4		
JASSM	\$166.4			\$166.4		
Global Hawk UAV	\$48.0			\$73.0		
B1-B Bomber	\$203.5			\$203.5		
B-2 Stealth Bomber	\$201.8			\$353.8		

	Major Defense-wide Programs					
	FY 2000 Budget Request			H.R. 1401		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
Ammunition (all services)			\$1,941.9			\$2,260.9
Ballistic Missile Defense	\$3,307.0			\$3,724.0		
THAAD	\$611.6			\$506.6		
Navy Theater Wide	\$329.8			\$329.8		
PAC-3	\$29.1		\$300.9	\$77.6		\$300.9
National Missile Defense	\$836.6			\$851.6		
Nat. Guard and Res. Equipt.			\$0.0			\$60.0
Upper Tier	-			\$90.0		
BMD Technology	\$239.0			\$294.0		

* Advance Procurement

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