

**NATIONAL DEFENSE AUTHORIZATION  
ACT FOR FISCAL YEAR 1998**

**REPORT**

[TO ACCOMPANY S. 924]

ON

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1998 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

TOGETHER WITH

**ADDITIONAL VIEWS**

COMMITTEE ON ARMED SERVICES  
UNITED STATES SENATE



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AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1998 FOR MILITARY  
ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CON-  
STRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF  
ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL  
YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

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JUNE 17, 1997.—Ordered to be printed

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Mr. THURMOND, from the Committee on Armed Services,  
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 924]

The Committee on Armed Services reports favorably an original bill to authorize appropriations during the fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the armed forces, and for other purposes, and recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would:

- (1) authorize appropriations for (a) procurement, (b) research, development, test and evaluation, (c) operation and maintenance and the revolving and management funds of the Department of Defense for fiscal year 1998;
- (2) authorize the personnel end strengths for each military active duty component of the armed forces for fiscal year 1998;
- (3) authorize the personnel end strengths for the Selected Reserve of each of the reserve components of the armed forces for fiscal year 1998;
- (4) authorize the annual average military training student loads for the active and reserve components of the armed forces for fiscal year 1998;

- (5) impose certain reporting requirements;
- (6) impose certain limitations with regard to specific procurement and research, development, test and evaluation actions and manpower strengths; provide certain additional legislative authority, and make certain changes to existing law;
- (7) authorize appropriations for military construction programs of the Department of Defense for fiscal year 1998; and
- (8) authorize appropriations for national security programs of the Department of Energy for fiscal year 1998.

### **Committee overview and recommendations**

National security remains the federal government's most important obligation to its citizens. The Committee on Armed Services recognizes its critical role within the Senate in carrying out the powers relating to national security set out below which are granted to Congress in the Constitution:

To declare war.

To raise and support Armies.

To provide and maintain a Navy.

To make rules for the government and regulation of the Land and Naval forces.

To provide for organizing, arming and disciplining the militia.

To give its advice and consent to treaties and to the nominations of Officers of the United States.

The members of the committee further understand the importance of the committee's jurisdiction within the Senate over matters relating to the "common defense," the Department of Defense, the Military Departments, and the national security programs of the Department of Energy.

The budget agreement reached this year represents a historic endeavor by the Congress and the President to reach a balanced budget by fiscal year 2002. While the budget agreement protects our military forces from unrealistic and unwise cuts, the committee remains concerned that the funding levels for defense may not provide sufficient funds to adequately sustain over time the current force levels as well as the personnel, quality of life, readiness, and modernization programs critical to our military services. The committee intends that the achievement of a balanced budget will not adversely affect the readiness and capabilities of our military forces and will endeavor, within the funds agreed upon for defense in the budget agreement, to ensure their essential readiness and capabilities. Changes in the world situation or threat, and adverse impacts from funding shortfalls on general readiness or on vital operational capabilities, are among the trends that might indicate a requirement for additional funds for defense. In such cases, the committee believes that national security requirements must take precedence over lesser priorities within the budget.

As the committee embarked on its legislative responsibilities for the 105th Congress, the Chairman established a set of national security priorities to guide the committee through the authorization process for fiscal year 1998.

In the Defense Authorization Bill for Fiscal Year 1998, the committee worked to achieve an appropriate balance between near-

term and long-term readiness through investments in modernization, infrastructure and research; maintenance of sufficient end-strengths at all grade levels and policies supporting the recruitment and retention of high quality personnel; fielding of the types and quantities of weapons systems and equipment needed to fight and win decisively with minimal risk to our troops; and ensuring an adequate, safe and reliable nuclear weapons capability.

The committee modified the budget request to improve operations and achieve greater efficiencies and savings. The committee sought to eliminate defense spending that does not contribute directly to the national security of the United States. Savings were realized by accelerating programs where appropriate, and by limiting new program starts.

The committee worked to protect the quality of life of our military personnel and their families. Quality of life initiatives include provisions designed to provide equitable pay and benefits to military personnel, including a 2.8 percent pay raise to protect against inflation, and the restoration of appropriate levels of funding for the construction and maintenance of troop billets and military family housing. This year, the committee increased funding for the repair and maintenance of barracks and dormitories to help alleviate critical funding problems in these areas.

The committee remains concerned about military readiness, particularly with the underfunding of flying hours accounts in the Department of Defense. To ensure that U.S. armed forces remain the preeminent military power in the world, readiness requirements must be adequately funded, including sufficient opportunities to train.

The committee notes with concern the continuing migration of modernization funds to operations and maintenance accounts. The committee believes a more robust, progressive modernization effort will not only provide capabilities requisite for future military operations, but will lower future operational and maintenance costs as well.

The committee has increased investment in the broad spectrum of research and development activities to ensure that United States military forces remain superior in technology to any potential adversary. The committee believes that effective development of advanced technologies will be a key factor in determining the victors on future battlefields. A program of stable, long-term investment in science and technology will remain vital to United States dominance of combat on land, at sea, in the air, and in space.

The committee also directed a more detailed programming and budgeting process for the reserve components. Efforts by this committee over the last several years have been unsuccessful in requiring proper programming and budgeting for the reserve components. The Department of Defense continues to provide testimony on the importance of these components, but has failed to provide the necessary resources to ensure their effectiveness. The utilization and effectiveness of reserve component forces are dependent on proper funding to reduce the backlog in maintenance and repair of equipment; adequately fund an appropriate quantity and quality of training; enhance infrastructure and base operations programs;

and support efforts maintaining adequate stocks of supplies, repair parts, fuel, and ammunition.

The Department's Quadrennial Defense Review (QDR) is based on a strategy which retains the requirement for a capability to fight two concurrent major regional contingencies. However, even with the higher funding provided in the outyears of the budget agreement, the QDR recommends force structure reductions of up to 130,000 military personnel as well as reductions in key modernization programs in order to provide funds for essential modernization. The committee is concerned that a mismatch may develop between the strategy and actual force capability.

Finally, the committee sought to accelerate the development and deployment of theater missile defense systems and to provide adequate funding for a national missile defense system to preserve the option to deploy such a system in fiscal year 2003. This bill also supports expeditious deployment of land and sea-based theater missile defense systems to protect U.S. and allied forces against the growing threat of cruise and ballistic missiles.

The committee intends that, within the balanced budget agreement, we will provide adequately for our men and women in uniform to defend our nation. The committee will continue to examine the adequacy of the funds we allocate to our national security. At the same time, we must search for ways to improve the efficiency and effectiveness of our defense establishment—especially in the support structure—so that we can achieve savings to devote to the cutting edge of our military combat forces.

During the past several months, the committee has worked in its traditional bipartisan manner, placing the national security interests of the United States and the American people above other considerations. The National Defense Authorization Bill for Fiscal Year 1998 reflects a bipartisan approach to these priorities, and provides a clear basis and direction for U.S. national security policies and programs into the 21st century.

#### **Explanation of funding summary**

The administration's budget request for the national defense function of the federal budget for fiscal year 1998 was \$265.3 billion, of which \$195.8 billion was for programs which require specific funding authorization.

The committee's authorization recommendation is substantially larger (\$268.2 billion in budget authority) than the amount requested. The primary reason for this difference is that the committee authorized an additional \$4.2 billion in procurement and \$1.0 billion in Research and Development.

The following table summarizes both the direct authorizations and equivalent budget authority levels for fiscal year 1998 defense programs. The columns relating to the authorization request do not include funding for the following items: military personnel funding; military construction authorizations provided in prior years; and other small portions of the defense budget that are not within the jurisdiction of this committee or which do not require an annual authorization. As explained above, funding for military personnel is included in the amounts authorized by the committee, but not in the total funding requested for authorization.

Funding for all programs in the national defense function is reflected in the columns relating to the budget authority request and the total budget authority implication of the authorizations in this bill. The committee recommends funding for national defense programs totaling \$268.2 billion in budget authority, which is consistent with the fiscal year 1998 Budget Resolution, an increase of \$2.6 billion above the President's budget request.

**Summary of  
National Defense Authorization for FY 1998**  
(In Millions of \$'s)

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
<b>DIVISION A</b>					
<b>TITLE I</b>					
<b>PROCUREMENT</b>					
Aircraft Procurement, Army	1,162,459	232,000	1,394,459	1,162,459	1,394,459
Missile Procurement, Army	1,178,151	45,700	1,223,851	1,178,151	1,223,851
Procurement of Weapons and Tracked Combat Vehicles, Army	1,065,707	113,400	1,179,107	1,065,707	1,179,107
Procurement of Ammunition, Army	890,902	152,300	1,043,202	890,902	1,043,202
Other Procurement, Army	2,455,030	463,700	2,918,730	2,455,030	2,918,730
Aircraft Procurement, Navy	6,085,965	396,300	6,482,265	6,085,965	6,482,265
Weapons Procurement, Navy	1,136,293	64,100	1,200,393	1,136,293	1,200,393
Shipbuilding and Conversion, Navy	7,438,158	1,155,200	8,593,358	7,438,158	8,593,358
Procurement of Ammunition, Navy and Marine Corps	336,797	33,000	369,797	336,797	369,797
Other Procurement, Navy	2,825,500	352,200	3,177,700	2,825,500	3,177,700
Procurement, Marine Corps	374,306	180,500	554,806	374,306	554,806
Aircraft Procurement, Air Force	5,817,847	231,068	6,048,915	5,817,847	6,048,915
Missile Procurement, Air Force	2,557,741	(146,500)	2,411,241	2,557,741	2,411,241
Procurement of Ammunition, Air Force	403,984	16,800	420,784	403,984	420,784
Other Procurement, Air Force	6,561,253	237,200	6,798,453	6,561,253	6,798,453
Procurement, Defense-wide	1,695,085	54,200	1,749,285	1,695,085	1,749,285
Procurement, National Guard and Reserve Equipment	0	653,000	653,000	0	653,000
<i>Chemical Agents and Munitions Destruction, Army</i>					
Operation & Maintenance	472,200	(5,000)	467,200	472,200	467,200
Procurement	82,200	(5,000)	77,200	82,200	77,200
Research, Development, Test & Evaluation	66,300	4,000	70,300	66,300	70,300
Procurement, Defense Health Program	274,068	0	274,068	0	0
Procurement, Office of the Inspector General	1,800	0	1,800	0	0
Defense Export Loan Guarantee Program	1,231	1,231	1,231	1,231	1,231
<b>Total Procurement</b>	<b>42,882,977</b>	<b>4,228,168</b>	<b>47,111,145</b>	<b>42,607,109</b>	<b>46,835,277</b>

**Summary of  
National Defense Authorization for FY 1998**  
(In Millions of \$'s)

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
<b>TITLE II</b>					
<b>RESEARCH, DEVELOPMENT, TEST &amp; EVALUATION</b>					
Research, Development, Test & Evaluation, Army	4,510,843	239,619	4,750,462	4,510,843	4,750,462
Research, Development, Test & Evaluation, Navy	7,611,022	201,950	7,812,972	7,611,022	7,812,972
Research, Development, Test & Evaluation, Air Force	14,451,379	(149,115)	14,302,264	14,451,379	14,302,264
Research, Development, Test & Evaluation, Defense-wide	9,071,680	709,100	9,780,780	9,071,680	9,780,780
Operational Test & Evaluation, Defense	23,384	8,000	31,384	23,384	31,384
Developmental Test & Evaluation, Defense	268,183	0	268,183	268,183	268,183
<b>Total Research, Development, Test &amp; Evaluation</b>	<b>35,936,491</b>	<b>1,009,554</b>	<b>36,946,045</b>	<b>35,936,491</b>	<b>36,946,045</b>

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
<b>TITLE III</b>					
<b>OPERATION AND MAINTENANCE &amp; WORKING CAPITAL FUNDS</b>					
Operation and Maintenance, Army	17,215,484	(21,200)	17,194,284	17,215,484	17,194,284
Operation and Maintenance, Navy	21,581,130	100,200	21,681,330	21,581,130	21,681,330
Operation and Maintenance, Marine Corps	2,305,345	74,100	2,379,445	2,305,345	2,379,445
Operation and Maintenance, Air Force	18,910,785	(49,100)	18,861,685	18,910,785	18,861,685
Operation and Maintenance, Defense-wide	10,403,938	(123,100)	10,280,838	10,403,938	10,280,838
Operation and Maintenance, Army Reserve	1,192,891	20,000	1,212,891	1,192,891	1,212,891
Operation and Maintenance, Navy Reserve	834,711	0	834,711	834,711	834,711
Operation and Maintenance, Marine Corps Reserve	110,366	0	110,366	110,366	110,366
Operation and Maintenance, Air Force Reserve	1,624,420	0	1,624,420	1,624,420	1,624,420
Operation and Maintenance, Army National Guard	2,258,932	30,000	2,288,932	2,258,932	2,288,932
Operation and Maintenance, Air National Guard	2,991,219	0	2,991,219	2,991,219	2,991,219
Office of the Inspector General	136,580	0	136,580	138,380	138,380
United States Court of Appeals for the Armed Forces	6,952	0	6,952	6,952	6,952
Environmental Restoration, Army	377,337	(27,000)	350,337	377,337	350,337
Environmental Restoration, Navy	277,500	(20,000)	257,500	277,500	257,500
Environmental Restoration, Air Force	378,900	(27,000)	351,900	378,900	351,900
Environmental Restoration, Defense-Wide	27,900	(2,000)	25,900	27,900	25,900

**Summary of  
National Defense Authorization for FY 1998**

(In Millions of \$'s)

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
Environmental Restoration, Formerly Used Defense Sites	202,300	(14,000)	188,300	202,300	188,300
Overseas Humanitarian, Disaster, & Civic Aid	80,130	(40,000)	40,130	80,130	40,130
Drug Interdiction and Counter-drug Activities, Defense	652,582	8,300	660,882	652,582	660,882
Defense Health Program	9,766,582	188,200	9,954,782	10,040,650	10,228,850
Former Soviet Union Threat Reduction	382,200	(60,000)	322,200	382,200	322,200
Overseas Military Investment Recovery		0	0	30,322	30,322
Disposal of DoD Real Property		0	0	41,687	41,687
Lease of DoD Real Property		0	0	22,533	22,533
Payment to Kaho' Olawe Island Fund	10,000		10,000	10,000	10,000
Restoration of Rocky Mountain Arsenal		0	0	5,000	5,000
National Science Center, Army		0	0	120	120
Overseas Contingency Operation Transfer Fund	1,467,500		1,467,500	1,467,500	1,467,500
Defense Burdensharing-Allies/Nato		0	0	92,000	92,000
<b>Subtotal Operation and Maintenance</b>	<b>93,195,684</b>	<b>37,400</b>	<b>93,233,084</b>	<b>93,663,214</b>	<b>93,700,614</b>
<b>REVOLVING FUNDS</b>					
Defense Working Capital Fund (DECA)	33,400	0	33,400	33,400	33,400
Military Commissary Revolving Fund	938,552	0	938,552	938,552	938,552
National Defense Sealift Fund	1,191,426	(675,300)	516,126	1,191,426	516,126
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)			0	(150,000)	(150,000)
National Defense Stockpile Transaction Fund (Excess of Routine Sales)			0	(120,000)	(120,000)
<b>Subtotal Working Capital Funds</b>	<b>2,163,378</b>	<b>(675,300)</b>	<b>1,488,078</b>	<b>1,893,378</b>	<b>1,218,078</b>
<b>Total Operation and Maintenance &amp; Working Capital Funds</b>	<b>95,359,062</b>	<b>(637,900)</b>	<b>94,721,162</b>	<b>95,556,592</b>	<b>94,918,692</b>
<b>TITLES IV-V-VI</b>					
<b>MILITARY PERSONNEL</b>					
<b>Total Military Personnel</b>	<b>69,473,762</b>	<b>(208,800)</b>	<b>69,264,962</b>	<b>69,473,762</b>	<b>69,264,962</b>

**Summary of  
National Defense Authorization for FY 1998**

(In Millions of \$'s)

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
<b>GENERAL PROVISIONS</b>					
<b>DIVISION B</b>					
<b>MILITARY CONSTRUCTION</b>					
Military Construction, Army	595,277	36,000	631,277	595,277	631,277
Military Construction, Navy	540,106	70,508	610,614	540,106	610,614
Military Construction, Air Force	495,782	170,250	666,032	495,782	666,032
Military Construction, Defense-wide	673,633	6,370	680,003	673,633	680,003
Military Construction, Army National Guard	45,098	110,318	155,416	45,098	155,416
Military Construction, Air National Guard	60,225	133,044	193,269	60,225	193,269
Military Construction, Army Reserve	39,112	48,528	87,640	39,112	87,640
Military Construction, Naval Reserve	13,921	7,292	21,213	13,921	21,213
Military Construction, Air Force Reserve	14,530	20,050	34,580	14,530	34,580
Base Realignment and Closure II, III, IV	2,060,854	0	2,060,854	2,060,854	2,060,854
NATO Infrastructure	176,300	(23,700)	152,600	176,300	152,600
DoD Unaccompanied Housing Improvement Fund	4,714,838	578,660	5,293,498	4,714,838	5,293,498
<b>Total Military Construction</b>	<b>4,714,838</b>	<b>578,660</b>	<b>5,293,498</b>	<b>4,714,838</b>	<b>5,293,498</b>
<b>FAMILY HOUSING</b>					
Family Housing Construction, Army	143,000	33,915	176,915	143,000	176,915
Family Housing Support, Army	1,148,937	42,373	1,148,937	1,148,937	1,148,937
Family Housing Construction, Navy and Marine Corps	278,933	321,306	321,306	278,933	321,306
Family Housing Support, Navy and Marine Corps	976,504	44,555	976,504	976,504	976,504
Family Housing Construction, Air Force	253,128	0	253,128	253,128	253,128
Family Housing Support, Air Force	830,234	0	830,234	830,234	830,234
Family Housing Construction, Defense-wide	4,950	0	4,950	4,950	4,950
Family Housing Support, Defense-wide	32,724	0	32,724	32,724	32,724
Homeowners Assistance Fund	0	0	0	0	0
DoD Family Housing Improvement Fund	3,668,410	120,843	3,789,253	3,668,410	3,789,253
<b>Total Family Housing</b>	<b>3,668,410</b>	<b>120,843</b>	<b>3,789,253</b>	<b>3,668,410</b>	<b>3,789,253</b>

**Summary of  
National Defense Authorization for FY 1998**

(In Millions of \$'s)

	FY 1998 Authorization Request	Committee Change From Request	Committee Recommendation	FY 1998 BA Request	BA Implication Committee
<b>DIVISION C</b>					
<b>TITLE XXXI-XXXII</b>					
<b>ATOMIC ENERGY DEFENSE ACTIVITIES (053)</b>					
Weapons Activities	3,576,255	442,195	4,018,450	3,576,255	4,018,450
Defense Environmental Restoration and Waste Management	5,052,499	95,935	5,148,434	5,052,499	5,148,434
Defense Nuclear Waste Disposal	190,000	0	190,000	190,000	190,000
Other Defense Activities	1,605,981	(23,000)	1,582,981	1,605,981	1,582,981
Defense Asset Acquisition	2,166,859	(2,166,859)	0	2,166,859	0
Defense Environmental Privatization (Full Funding for Fixed Assets)	1,006,000	(791,000)	215,000	1,006,000	215,000
Defense Nuclear Facilities Safety Board	17,500	0	17,500	17,500	17,500
<b>Total Atomic Energy Defense Activities (053)</b>	<b>13,615,094</b>	<b>(2,442,729)</b>	<b>11,172,365</b>	<b>13,615,094</b>	<b>11,172,365</b>
<b>Recapitulation</b>					
Department of Defense (Division A)	243,652,292	4,391,022	248,043,314	243,573,954	247,964,976
Department of Defense (Division B)	8,383,248	699,503	9,082,751	8,383,248	9,082,751
Net Other Funds	6,000	(5,700)	300	282,000	276,300
Offsetting Receipts	0	0	0	(1,251,000)	(1,251,000)
<b>Total Department of Defense Military (051)</b>	<b>252,041,540</b>	<b>5,084,825</b>	<b>257,126,365</b>	<b>250,988,202</b>	<b>256,073,027</b>
<b>Total Atomic Energy Defense Activities (053)</b>	<b>13,615,094</b>	<b>(2,442,729)</b>	<b>11,172,365</b>	<b>13,615,094</b>	<b>11,172,365</b>
<b>Total Defense Related Activities (054)</b>	<b>42,000</b>	<b>(26,000)</b>	<b>16,000</b>	<b>978,881</b>	<b>952,881</b>
<b>TOTAL NATIONAL DEFENSE FUNCTION (050)</b>	<b>265,698,634</b>	<b>2,616,096</b>	<b>268,314,730</b>	<b>265,582,177</b>	<b>268,198,273</b>

**DIVISION A—DEPARTMENT OF DEFENSE  
AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

Last year the committee registered its concern over the continued deferral of procurement and again noted administration promises of a better future and the contrasting reality of each year's budget request. The fiscal year 1998 request has an altogether too familiar theme of a better future while requesting reductions and restructures for the current year. The defense budget has been reduced drastically since 1985 and the downward trend continues with no sign of improvement.

The recently released Quadrennial Defense Review (QDR) avoided the question of modernization in the near term by making program reductions beyond the future years defense program (FYDP). The committee notes with concern that the panel's proposal to meet future modernization requirements relies on savings and efficiencies that may never be realized.

The budget submitted by the administration does not provide the resources to equip the forces it says are needed for national security. This administration has once again prompted the committee to act to enhance modernization and future readiness of the military services.

Last year, the committee gave priority to buying basics, investing to achieve savings, and investing in the future. This year, the committee has again adhered to this strategy. The committee's emphasis on acquiring equipment in economic lots and on efficient schedules is evident throughout this report.

The committee continues to look for the Department of Defense and the individual services to provide essential modernization support to the reserve components. The committee has observed an apparent inability of the Department to include minimum reserve component modernization requirements in the FYDP. The committee believes it essential for both the active and reserve components to work together to identify and fund modernization of reserve component units that have served the Department and this nation so well in both domestic and overseas operations. As a result of the balanced budget agreement, future budgets will provide fewer opportunities for the Congress to supplement historically inadequate budget requests and address reserve component shortfalls. Both active and reserve components must recognize the criticality of a collective modernization plan in lieu of a segmented and unaffordable program, and take steps now toward that end.

**Explanation of tables**

The tables in this title display items requested by the administration for fiscal year 1998 for which the committee either in-

creased or decreased the requested amounts. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration request, as set forth in the Department of Defense's budget justification documents) without a reprogramming action in accordance with established procedures. Unless noted explicitly in the report, all changes are made without prejudice.

## **SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS**

### **Section 107. Chemical Demilitarization Program.**

The budget request included \$741.2 million for the chemical agents and munitions destruction program for operations and maintenance (\$472.2 million), procurement (\$82.2 million), research and development (\$66.3 million), and military construction (\$120.5 million).

The committee recommends a \$5.0 million reduction to the budget request for operations and maintenance, a \$5.0 million reduction to the budget request for procurement, and a \$4.0 million increase to the budget request for research and development to accelerate the development and fielding of the Army's mobile munitions assessment system.

#### *Chemical Weapons Convention (CWC)*

On April 29, 1997, the Chemical Weapons Convention (CWC) entered into force, with the United States as a party. With the entry into force of the CWC, the United States is now obligated by international law to destroy its unitary chemical stockpile, binary chemical weapons, recovered chemical weapons, and former chemical weapons production facilities by April 29, 2007, and its miscellaneous chemical warfare materiel by April 29, 2002. The United States is required by the Convention to declare, 180 days after entry into force to the Organization for the Prevention of Chemical Weapons (OPCW), the method of destruction that it will use to destroy its chemical weapons.

In 1985, the Congress directed the Army to destroy its unitary stockpile because it was obsolete and becoming unstable. As a result, the Army developed a plan to incinerate the chemical agents and munitions on-site at the eight sites in the United States and on Johnston Atoll in the Pacific.

The U.S. chemical stockpile also includes what is called "non-stockpile" chemical warfare materiel. Most of this materiel dates back as far as World War II and includes the binary chemical weapons, miscellaneous chemical warfare materiel, recovered chemical weapons, former production facilities, and buried chemical warfare materiel. Under direction by the Congress, in 1992 the Army established the Nonstockpile Chemical Materiel Program, a plan to dispose of the chemical weapons materiel not stored in the eight chemical stockpile sites.

The United States is committed to destroying its chemical stockpile and related warfare materiel. To date, of the 31,500 tons in the U.S. chemical stockpile, 1,600 tons in the stockpile located at Johnston Atoll and Tooele, Utah, have been destroyed. Despite the recent success, the Congress remains concerned about the cost and

schedule for the destruction program. A key factor in the progress of the program is the continuing disagreement between the affected states and localities and the Department of Defense on the method of destruction to be used.

The committee remains concerned about the program cost and the ability of the Army to meet the destruction deadline for the unitary and nonstockpile items by the time frame indicated in the CWC. The cost increases and schedule delays of the Chemical Stockpile Disposal Program are driven largely by the ability of the Army to obtain environmental permits for the construction and operation of the disposal facilities and compliance with environmental laws and regulations.

Currently, the combined life-cycle cost estimate for disposal of the unitary and nonstockpile programs is \$27.6 billion, which includes \$12.4 billion for the chemical stockpile disposal program and \$15.2 billion for the nonstockpile chemical materiel program. The estimated life-cycle cost for the two programs does not include the costs of dismantling the nine chemical destruction facilities, as required by the National Defense Authorization Act of Fiscal Year 1986 (P.L. 99-145).

It has historically taken the Army longer than anticipated to reach agreement with the states and local communities to obtain the necessary permits for construction and operation of the facilities. Of the nine proposed destruction facilities, two have been built and are operating: one is located on Johnston Atoll in the Pacific and the other facility is located at Tooele, Utah. For example, the Army originally anticipated that it would obtain permits for the systemization operation of the Tooele, Utah, facility by 1992. However, permits were not received and systemization operations at the Tooele Chemical Agent Disposal Facility did not begin until August 1993, 17 months later than anticipated. The actual destruction of the chemical stockpile located at Tooele began in August 1996.

Based on a report prepared by the General Accounting Office, the programs are likely to cost more than the estimated \$27.6 billion planned for the two programs, because of delays in obtaining the permits for construction and operation of the facilities. The Committee believes it is necessary for the President to become more involved in the process at the federal, state and local levels, to overcome the significant delays in obtaining the necessary permits. In this regard, the committee recommends a provision that expresses its concern that the United States ensures that it complies with its obligations under the CWC and not place the U.S. in anticipatory breach of its obligations. The committee also recommends that the President submit to Congress a report 180 days after enactment of this Act on the steps being taken to ensure compliance with the destruction obligations of the CWC. The report should also include a review of steps taken by the Army to minimize the escalating cost of the disposal program, as well as potential cost reduction initiatives.

#### *Russian Ratification of the Chemical Weapons Convention*

The committee is extremely disappointed by the failure of the Russian Duma to ratify the Chemical Weapons Convention, prior to its entry into force on April 29, 1997. To date, the Congress has

approved \$145.5 million in the Cooperative Threat Reduction (CTR) program to assist the Russian government in destroying its chemical weapons stockpile. The committee would emphasize that it does not believe it is the responsibility of the United States to provide substantial financial assistance, or financial guarantees, to Russia to entice it to ratify the CWC. In short, the committee believes it is Russia's responsibility to finance the implementation of its arms control agreements.

## SUBTITLE B—ARMY PROGRAMS

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
A AIRCRAFT PROCUREMENT, ARMY						
A AIRCRAFT						
A FIXED WING						
1 ARL (TIARA)		41,048	-	-	-	41,048
2 C-XX (MEDIUM RANGE) AIRCRAFT		-	5	23,000	5	23,000
3 GUARDRAIL COMMON SENSOR (TIARA)		3,388	-	-	-	3,388
A ROTARY						
4 AH-64 ATTACK HELICOPTER (APACHE)		-	-	-	-	-
5 UH-60 BLACKHAWK (MYP)	18	246,131	18	127,300	36	373,431
5 LESS: ADVANCE PROCUREMENT (PY)		(62,900)	-	-	-	(62,900)
6 ADVANCE PROCUREMENT (CY)		25,000	-	-	-	25,000
7 HELICOPTER NEW TRAINING		-	-	-	-	-
A MODIFICATION OF AIRCRAFT						
A GUARDRAIL MODS (TIARA)		15,613	-	-	-	15,613
9 AHIF MODS		451	-	-	-	451
10 AH-64 MODS		41,168	-	-	-	41,168
11 CH-47 CARGO HELICOPTER MODS (MYP)		63,854	-	-	-	63,854
11a CH-47 CARGO HELICOPTER (MYP)		-	2	45,000	-	-
12 C-12 CARGO AIRPLANE MODS		613	-	-	-	613
13 OH-58 MODS		748	-	-	-	748
14 C-20 AIRCRAFT MODS		853	-	-	-	853
15 LONGBOW		497,358	-	-	-	497,358
15 LESS: ADVANCE PROCUREMENT (PY)		(22,526)	-	-	-	(22,526)
16 ADVANCE PROCUREMENT (CY)		36,932	-	-	-	36,932
17 UH-1 MODS		4,679	-	(2,000)	-	2,679
18 UH-60 MODS		14,353	-	-	-	14,353
19 KIOWA WARRIOR		38,822	-	-	-	38,822
20 EH-60 QUICKFIX MODS		38,140	-	15,000	-	53,140
21 AIRBORNE AVIONICS		42,860	-	-	-	42,860

**TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS**

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
22 ASE MODS		4,578		8,100		12,678
23 MODIFICATIONS < \$2.0M		1,735		-		1,735
A SPARES AND REPAIR PARTS						
A SPARES AND REPAIR PARTS						
24 SPARES AND REPAIR PARTS		27,546		-		27,546
A SUPPORT EQUIPMENT AND FACILITIES						
A GROUND SUPPORT AVIONICS						
25 AIRCRAFT SURVIVABILITY EQUIPMENT		905		-		905
A OTHER SUPPORT						
26 AIRBORNE COMMAND & CONTROL		-		-		-
27 AVIONICS SUPPORT EQUIPMENT		2,701		-		2,701
28 TRAINING DEVICES		-		18,600		18,600
29 COMMON GROUND EQUIPMENT		30,636		(3,000)		27,636
30 AIRCREW INTEGRATED SYSTEMS		12,472		-		12,472
31 AIR TRAFFIC CONTROL		5,802		-		5,802
32 INDUSTRIAL FACILITIES		2,049		-		2,049
33 AIRBORNE COMMUNICATIONS		47,450		-		47,450
34 CLOSED ACCOUNT ADJUSTMENT		-		-		-
<b>TOTAL AIRCRAFT PROCUREMENT, ARMY</b>		<b>1,162,459</b>		<b>232,000</b>		<b>1,349,459</b>
A MISSILE PROCUREMENT, ARMY						
A OTHER MISSILES						
A SURFACE-TO-AIR MISSILE SYSTEM						
1 PATRIOT SYSTEM SUMMARY (MYP)	52	349,109		-	52	349,109
2 AVENGER SYSTEM SUMMARY		-		15,000		15,000
A AIR-TO-SURFACE MISSILE SYSTEM						
3 HELLFIRE SYS SUMMARY	1,465	279,687		(10,700)	1,465	268,987
A ANTI-TANK/ASSAULT MISSILE SYSTEM						
4 JAVELIN (AAWS-M) SYS SUM (MYP)	1,080	153,112		-	1,080	153,112
4 LESS: ADVANCE PROCUREMENT (PY)		(10,000)		-		(10,000)

**TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS**

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
5 ADVANCE PROCUREMENT (CY)						
6 TOW 2 SYSTEM SUMMARY		1,326	-	-	-	1,326
7 MLRS ROCKET		2,863	-	12,000	-	14,863
8 MLRS LAUNCHER SYSTEMS	29	102,649	-	25,100	29	127,749
9 ARMY TACTICAL MSL SYS (ATACMS) (MYP)	153	114,494	-	-	153	114,494
9 LESS: ADVANCE PROCUREMENT (PY)		(16,680)	-	-	-	(16,680)
10 ADVANCE PROCUREMENT (CY)		-	-	(5,000)	-	(5,000)
11 ATACMS/BAT		-	-	-	-	-
12 BAT	305	85,208	-	-	305	85,208
A MODIFICATION OF MISSILES						
A PATRIOT MODS		20,825	-	-	-	20,825
14 STINGER MODS		12,411	-	9,300	-	21,711
15 ITAS/TOW MODS		62,755	-	-	-	62,755
16 DRAGON MODS		-	-	-	-	-
17 MLRS MODS		2,188	-	-	-	2,188
A SPARES AND REPAIR PARTS						
A SPARES AND REPAIR PARTS		11,381	-	-	-	11,381
18 SPARES AND REPAIR PARTS						
A SUPPORT EQUIPMENT AND FACILITIES						
A SUPPORT EQUIPMENT AND FACILITIES						
19 AIR DEFENSE TARGETS		998	-	-	-	998
20 ITEMS LESS THAN \$2.0M (MISSILES)		954	-	-	-	954
21 MISSILE DEMILITARIZATION		1,507	-	-	-	1,507
22 PRODUCTION BASE SUPPORT		3,364	-	-	-	3,364
TOTAL MISSILE PROCUREMENT, ARMY		1,178,151		45,700		1,223,851
A PROCUREMENT OF W&TCV, ARMY						
A TRACKED COMBAT VEHICLES						
A TRACKED COMBAT VEHICLES						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
1 ABRAMS TRNG DEV MOD		2,222	-	-	-	2,222
2 BRADLEY BASE SUSTAINMENT		125,591	-	62,400	-	187,991
3 BRADLEY FVS TRAINING DEVICES		1,417	-	-	-	1,417
4 HAB TRAINING DEVICES		-	-	-	-	-
5 BRADLEY FVS TRAINING DEVICES (MOD)		-	-	-	-	-
6 FIELD ARTILLERY AMMUNITION SUPPORT VEH		-	-	-	-	-
7 ARMORED COMBAT EARJHMOVER		-	-	-	-	-
8 ABRAMS TANK TRAINING DEVICES		13,351	-	-	-	13,351
9 M1 ABRAMS TANK SERIES (MYP)		-	-	-	-	-
10 COMMAND & CONTROL VEHICLE	5	30,897	-	-	5	30,897
A <u>MODIFICATION OF TRACKED COMBAT VEHICLES</u>						
11 CARRIER, MOD		20,244	-	20,000	-	40,244
12 FIST VEHICLE (MOD)		14,656	-	-	-	14,656
13 BFVS SERIES (MOD)		61,232	-	-	-	61,232
14 HOWITZER, MED SP FT 155MM M109A6 (MOD)		18,706	-	-	-	18,706
15 HOWITZER, MED SP FT 155MM M109A5 (MOD)		-	-	-	-	-
16 FAASY PIP TO FLEET		1,922	-	-	-	1,922
17 IMPROVED RECOVERY VEHICLE (M88 MOD)		28,601	-	-	-	28,601
18 BREACHER SYSTEM (MOD)		-	-	-	-	-
19 HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)		42,205	-	-	-	42,205
20 M1 ABRAMS TANK (MOD)		29,843	-	3,000	-	32,843
21 ABRAMS UPGRADE PROGRAM		594,856	-	-	-	594,856
22 MODIFICATIONS LESS THAN \$2.0M (TCV-WTCV)		1,030	-	-	-	1,030
A <u>SUPPORT EQUIPMENT AND FACILITIES</u>						
23 ITEMS LESS THAN \$2.0M (TCV-WTCV)		139	-	-	-	139
24 PRODUCTION BASE SUPPORT (TCV-WTCV)		8,942	-	-	-	8,942
25 REGIONAL MAINTENANCE TRAINING SITES-EQUIP		-	-	-	-	-
A <u>WEAPONS AND OTHER COMBAT VEHICLES</u>						
A <u>WEAPONS AND OTHER COMBAT VEHICLES</u>						
26 PERSONAL DEFENSE WEAPON (ROLL)		-	-	-	-	-

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	FY 98 Request	Committee Change	Recommendation
	Qty	Cost	Qty
			Cost
27 ARMOR MACHINE GUN, 7.62MM M240 SERIES			
28 MACHINE GUN, 5.56MM (SAW)	406	5,569	406
29 GRENADE LAUNCHER, AUTO, 40MM, MK19-3	-	13,000	-
30 MORTAR, 120MM	-	-	-
31 M16 RIFLE	11,297	5,089	11,297
32 5.56 CARBINE M4	7,484	5,089	7,484
<b>A. MODIFICATION OF WEAPONS AND OTHER COMBAT VEHI</b>			
33 M4 CARBINE MODS	2,152	2,152	-
34 MEDIUM MACHINE GUNS (MODS)	-	15,000	-
35 M119 MODIFICATIONS	4,977	4,977	-
36 M16 RIFLE MODS	7,603	7,603	-
37 MODIFICATIONS LESS THAN \$2.0M (WOCV-WTCV)	1,406	1,406	-
<b>A. SUPPORT EQUIPMENT AND FACILITIES</b>			
38 ITEMS LESS THAN \$2.0M (WOCV-WTCV)	1,215	1,215	-
39 PRODUCTION BASE SUPPORT (WOCV-WTCV)	6,195	6,195	-
40 INDUSTRIAL PREPAREDNESS	5,758	5,758	-
41 SMALL ARMS (SOLDIER ENH PROG)	4,178	4,178	-
<b>A. SPARE AND REPAIR PARTS</b>			
<b>A. SPARES</b>			
42 SPARES AND REPAIR PARTS (WTCV)	20,622	20,622	-
<b>TOTAL PROCUREMENT OF W&amp;TCV, ARMY</b>	<b>1,065,707</b>	<b>113,400</b>	<b>1,179,107</b>
<b>A. PROCUREMENT OF AMMUNITION, ARMY</b>			
<b>A. AMMUNITION</b>			
<b>A. SMALL/MEDIUM CAL AMMUNITION</b>			
1 CTG, 5.56MM, ALL TYPES	63,588	2,500	-
2 CTG 5.56MM ARMOR PIERCING XM995	1,406	-	1,406
3 CTG, 7.62MM, ALL TYPES	1,136	500	-
4 CTG 7.62MM ARMOR PIERCING XM993	1,013	-	1,013
5 CTG, 9MM, ALL TYPES	4,229	-	-

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
6 CTG, .45 CAL, ALL TYPES		73				73
7 CTG, .50 CAL, ALL TYPES		19,977		100		20,077
8 CTG CAL .50 API MK211 MOD 0	286	1,994			286	1,994
9 CTG, 20MM, ALL TYPES		-				-
10 CTG, 25MM, ALL TYPES		88,166				88,166
11 CTG, 30MM, ALL TYPES		10,357				10,357
12 CTG, 40MM, ALL TYPES		26,203				26,203
A MORTAR AMMUNITION						
13 CTG MORTAR 60MM 1/10 PRAC M766		-				-
14 CTG MORTAR 60MM ILLUM M721/M767		-				-
15 CTG MORTAR 60MM SMOKE WP M722	23	4,744			23	4,744
16 CTG MORTAR 60MM HE M720		-				-
17 CTG MORTAR 81MM ILLUM M853A1		-				-
18 CTG MORTAR 81MM SMOKE RP M819		-				-
19 CTG MORTAR 81MM PRAC 1/10 RANGE M880		-				-
20 CTG MORTAR 120MM FULL RANGE PRACTICE M931	59	24,432			59	24,432
21 OCTG MORTAR 120MM HE M934 W/MO FUZE	32	29,908		20,000	32	49,908
22 CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		-				-
23 CTG MORTAR 120MM SMOKE M929 W/MO FUZE		-				-
A TANK AMMUNITION						
24 CTG 120MM APFSDS-T M829A2/M829E3	21	72,920			21	72,920
25 CTG 120MM HEAT-MP-T M830A1		-				-
26 CTG TANK 120MM TP-T M831/M831A1	80	52,226		9,800	80	62,026
27 CTG TANK 120MM TPCSDS-T M865	184	111,653		12,700	184	124,353
A ARTILLERY AMMUNITION						
28 CTG ARTY 75MM BLANK M337A1	70	2,964			70	2,964
29 CTG ARTY 105MM DPICM XM915		-				-
30 PROJ ARTY 155MM SMOKE WP M825		12,586				12,586
31 PROJ ARTY 155MM HE M795		-				-
32 PROJ ARTY 155MM SADARM M898	507	67,909			507	67,909

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
A ARTILLERY FUZES						
33 FUZE MULTI OPTION	-	-	-	-	-	20,000
33a FUZE ARTY M767	-	20,000	-	-	-	-
A MINES						
34 MINE, TRAINING, ALL TYPES	-	-	-	-	-	-
35 MINE AT/AP M87 (VOLCANO)	-	-	-	-	-	-
36 WIDE AREA MUNITIONS	215	15,323	-	-	215	15,323
A ROCKETS						
37 BUNKER DEFEATING MUNITION (BDM)	-	-	-	-	-	-
38 ROCKET, HYDRA 70, ALL TYPES	12,067	12,067	-	36,200	-	48,267
A OTHER AMMUNITION						
39 DEMOLITION MUNITIONS, ALL TYPES	-	18,766	-	-	-	18,766
40 GRENADES, ALL TYPES	-	14,637	-	-	-	14,637
41 SIGNALS, ALL TYPES	-	7,862	-	-	-	7,862
42 SIMULATORS, ALL TYPES	-	4,573	-	-	-	15,073
42a SELECTABLE LIGHTWEIGHT ATTACK MUNITION	-	10,000	-	-	-	-
42b SIMULATOR ANTI TANK M27	-	500	-	-	-	-
A MISCELLANEOUS						
43 AMMO COMPONENTS, ALL TYPES	4,823	4,823	-	-	-	4,823
44 CAD/PAD ALL TYPES	1,087	1,087	-	-	-	1,087
45 ITEMS LESS THAN \$2 MILLION	819	819	-	-	-	819
46 AMMUNITION PECULIAR EQUIPMENT	8,627	8,627	-	-	-	8,627
47 FIRST DESTINATION TRANSPORTATION (AMMO)	6,558	6,558	-	-	-	6,558
A AMMUNITION PRODUCTION BASE SUPPORT						
A PRODUCTION BASE SUPPORT						
48 PROVISION OF INDUSTRIAL FACILITIES	45,857	45,857	-	-	-	45,857
49 COMPONENTS FOR PROVE-OUT	-	-	-	-	-	-
50 LAYAWAY OF INDUSTRIAL FACILITIES	16,750	16,750	-	-	-	16,750
51 MAINTENANCE OF INACTIVE FACILITIES	23,000	23,000	-	-	-	23,000
52 CONVENTIONAL AMMO DEMILITARIZATION	106,118	106,118	-	-	-	106,118

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
53 ARMS INITIATIVE		5,000		40,000		45,000
<b>TOTAL PROCUREMENT OF AMMUNITION, ARMY</b>		890,902		152,300		1,043,202
<b>A OTHER PROCUREMENT, ARMY</b>						
<b>A TACTICAL AND SUPPORT VEHICLES</b>						
<b>A TACTICAL VEHICLES</b>						
1 TACTICAL TRAILERS/DOLLY SETS		8,053		-		8,053
2 SEMITRAILER FB BB/CONT TRANS 22 1/2 T	350	9,361		-	350	9,361
3 SEMITRAILER LB 40T M870A1 (CCE)	3	991		-	3	991
4 SEMITRAILER, TANK, 5000G	74	7,581		-	74	7,581
5 SEMITRAILER, TANK, 7500G, BULKHAUL	231	10,408		-	231	10,408
6 SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	51	4,296		-	51	4,296
7 HI MOB MULTI-PURP WHILD VEH (HMMWV)(MYP)	774	66,233		75,000	774	141,233
8 FAMILY OF MEDIUM TACTICAL VEH (MYP)	1,506	209,446		44,000	1,506	253,446
9 FAMILY OF HEAVY TACTICAL VEHICLES (MYP)		9,071		128,000		137,071
10 ARMORED SECURITY VEHICLES (COMBAT SPT) TACTIC		9,470		-	25	9,470
11 TRUCK, TRACTOR, LINE HAUL, M915/M916	25	9,470		-	25	9,470
12 TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	293	36,079		-	293	36,079
13 MEDIUM TRUCK EXTENDED SVC PGM(ESP) (PREV SLEP		-		-		-
14 HMMWV ESP		-		-		-
15 MODIFICATION OF IN SVC EQUIP		-		-		-
16 ITEMS LESS THAN \$2.0M (TAC VEH)		3,610		-		3,610
<b>A NON-TACTICAL VEHICLES</b>		189		-		189
17 HEAVY ARMORED SEDAN		-		-		-
18 PASSENGER CARRYING VEHICLES		-		-		-
19 GENERAL PURPOSE VEHICLES		-		-		-
20 SPECIAL PURPOSE VEHICLES		-		-		-
<b>A SUPPORT EQUIPMENT AND FACILITIES</b>						
21 SYSTEM FIELDING SUPPORT PEO		1,876		-		1,876
22 PROJECT MANAGEMENT SUPPORT		596		-		596

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
23 SYSTEM FIELDING SUPPORT (TACOM)		934				934
A COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
A COMM - JOINT COMMUNICATIONS						
24 JCSE EQUIPMENT (USREDCOM)		3,075				3,075
A COMM - SATELLITE COMMUNICATIONS						
25 DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC)		87,643				87,643
26 SAT TERM, EMUT (SPACE)	207	7,264			207	7,264
27 NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	17	6,796			17	6,796
28 GROUND COMMAND POST		589				589
29 SMART-T (SPACE)		22,762				22,762
30 SCAMP (SPACE)		4,305				4,305
31 0GLOBAL BRDCST SVC - GBS		4,967				4,967
32 MOD OF IN-SVC EQUIP (TAC SAT)		2,021				2,021
A COMM - COMBAT SUPPORT COMM						
33 MSE MOD IN SERVICE						
A COMM - C3 SYSTEM						
34 COMMAND CENTER IMPROVEMENT PROG (CCIP)						
35 SOUTHCOM HQ RELOCATION						
36 ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		17,315				17,315
A COMM - COMBAT COMMUNICATIONS						
37 ARMY DATA DISTRIBUTION SYSTEM (ADDS)		57,165		37,300		94,465
38 MOBILE SUBSCRIBER EQUIP (MSE)						
39 SINGARS FAMILY		290,164				290,164
40 JOINT TACTICAL AREA COMMS SYS		10,684				10,684
41 ACUS MOD PROGRAM (WIN-TT)		82,391		33,000		115,391
42 TAC RADIO						
43 C-E CONTINGENCY/FIELDING EQUIP		2,023				2,023
44 SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS		1,003				1,003
45 COMBAT SURVIVOR EVADER LOCATOR (CSEL)		5,677				5,677
46 MEDICAL COMMUNICATIONS FOR CBT CASUALTY CARE						

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
A COMM-INTELLIGENCE COMM						
47 JWICS CONNECTIVITY	-	-	-	-	-	-
48 CI AUTOMATION ARCHITECTURE	-	2,297	-	-	-	2,297
49 CI CONUS BASED LAN	-	-	-	-	-	-
A INFORMATION SECURITY						
50 TSEC - ARMY KEY MGT SYS (AKMS)	-	4,714	-	-	-	4,714
51 INFORMATION SYSTEM SECURITY PROGRAM - ISSP	-	10,208	-	5,500	-	15,708
A COMM-LONG HAUL COMMUNICATIONS						
52 TERRESTRIAL TRANSMISSION	-	20,811	-	-	-	20,811
53 BASE SUPPORT COMMUNICATIONS	-	1,053	-	-	-	1,053
54 ARMY DISN ROUTER	-	2,991	-	-	-	2,991
55 ELECTROMAG COMP PROG (EMCP)	-	469	-	-	-	469
56 WW TECH CON IMP PROG (WWTCIP)	-	944	-	-	-	944
A COMM-BASE COMMUNICATIONS						
57 INFORMATION SYSTEMS	-	20,498	-	-	-	20,498
58 DEFENSE MESSAGE SYSTEM (DMS)	-	7,962	-	-	-	7,962
59 LOCAL AREA NETWORK (LAN)	-	17,576	-	-	-	17,576
60 PENTAGON INFORMATION MGT AND TELECOM	-	28,249	-	-	-	28,249
A ELECT EQUIP - NAT FOR INT PROG (NFIP)						
61 FOREIGN COUNTERINTELLIGENCE PROG (FCI)	-	3,897	-	-	-	3,897
62 GENERAL DEFENSE INTELL PROG (GDIP)	-	18,856	-	-	-	18,856
63 ITEMS LESS THAN \$2.0M (INTEL SPT) - TIARA	-	-	-	-	-	-
A ELECT EQUIP - TACT INT RELACT (TIARA)						
64 ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	-	7,772	-	-	-	7,772
65 JTT/CIBS-M (TIARA)	56	11,438	-	-	56	11,438
66 IEW - GND BASE COMMON SENSORS (TIARA)	-	26,817	-	-	-	26,817
67 JOINT STARS (ARMY) (TIARA)	-	118,873	-	-	-	118,873
68 NATO-AGS	-	26,153	-	-	-	26,153
69 INTEGRATED BROADCAST TERMINAL MODS (TIARA)	-	3,294	-	-	-	3,294
70 DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	4	7,465	-	-	4	7,465

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
71 DRUG INTERDICTION PROGRAM (DIP) (TIARA)		1,679				1,679
72 TACTICAL EXPLOITATION OF NATIONAL CAPABILITE						
73 JOINT TACTICAL GROUND STATION		2,913				2,913
74 JOINT TACTICAL GROUND STATION MODS		3,828				3,828
75 TROJAN (TIARA)		1,676				1,676
76 MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)		526				526
77 ITEMS LESS THAN \$2.0M (TIARA)						
A ELECT EQUIP - ELECTRONIC WARFARE (EW)						
78 SHORTSTOP						
79 COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES		2,325				2,325
A ELECT EQUIP - TACTICAL SURV. (TAC SURV)						
80 SENTINEL	12	41,014		20,200	12	61,214
81 NIGHT VISION DEVICES		85,312		36,000		121,312
82 ARTILLERY ACCURACY EQUIP		4,548				4,548
83 MOD OF IN-SVC EQUIP (TAC SURV)		1,223				1,223
84 COMPUTER BALLISTICS: MORTAR XM-23						
85 INTEGRATED MET SYS SENSORS (IMETS) - TIARA	2	1,379			2	1,379
86 SHF TERM		14,328				14,328
A ELECT EQUIP - TACTICAL C2 SYSTEMS						
87 ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	253	33,245			253	33,245
88 FIRE SUPPORT ADA CONVERSION		3,306				3,306
89 CMBT SVC SUPT CONTROL SYS (CSCCS)	50	5,759			50	5,759
90 FAAD C2	3	13,080			3	13,080
91 FORWARD ENTRY DEVICE (FED)		2,382				2,382
92 LIFE CYCLE SOFTWARE SUPPORT (LCSS)		1,978				1,978
93 LOGTECH		3,358				3,358
94 TC AIMS II		2,197				2,197
95 ISYSCON EQUIPMENT		10,645				10,645
96 MANEUVER CONTROL SYSTEM (MCS)	145	15,699			145	15,699
97 STAMIS TACTICAL COMPUTERS (STACOMP)	1,615	36,124		33,000	1,615	69,124

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
98 STANDARD INTEGRATED CMD POST SYSTEM		26,551	-	-	-	26,551
A ELECT EQUIP - AUTOMATION						
99 ARMY TRAINING XX1 MODERNIZATION		25,238	-	-	-	25,238
100 AUTOMATED DATA PROCESSING EQUIP		125,099	-	-	-	125,099
101 RESERVE COMPONENT AUTOMATION SYS (RCAS)		114,323	-	(30,000)	-	84,323
A ELECT EQUIP - AUDIO VISUAL SYS (A/V)						
102 AFRTS		459	-	-	-	459
103 ITEMS LESS THAN \$2.0M (A/V)		2,624	-	-	-	2,624
A ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)						
104 CALIBRATION SETS EQUIPMENT		-	-	-	-	-
105 INTEGRATED FAMILY OF TEST EQUIP (IFTE)		-	-	-	-	-
106 TMDE MODERNIZATION (TMOD)		-	-	-	-	-
A ELECT EQUIP - SUPPORT						
107 INSTALLATION C4 UPGRADE (ICU)		-	-	-	-	-
108 PRODUCTION BASE SUPPORT (C-E)		418	-	-	-	418
A OTHER SUPPORT EQUIPMENT						
A CHEMICAL DEFENSIVE EQUIPMENT						
109 GEN SMK MECH:MRZD DUAL PURP M56	70	12,560	-	-	70	12,560
110 GENERATOR, SMOKE, MECH M58	34	9,159	-	-	34	9,159
111 GEN SET, SMOKE, MECH: PUL JET, M157 SERIES		-	-	-	-	-
112 LT VEH OBSCURANT SMK SYS	486	2,164	-	-	486	2,164
A BRIDGING EQUIPMENT						
113 RIBBON BRIDGE		4,200	-	-	-	4,200
A ENGINEER (NON-CONSTRUCTION) EQUIPMENT						
114 DISPENSER, MINE M139		-	-	-	-	-
115 METALLIC MINE DETECTOR, VEHICLE MOUNTED	10	12,574	-	-	10	12,574
116 BN COUNTERMINE SIP		3,357	-	-	-	3,357
A COMBAT SERVICE SUPPORT EQUIPMENT						
117 AIR CONDITIONERS VARIOUS SIZE/CAPACITY		1,468	-	-	-	1,468
118 KITCHEN, CONTAINERIZED, FIELD		-	-	-	-	-

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	Qty	Cost	Qty	Cost	Qty	Cost
119 SANITATION CENTER, FIELD FEEDING	-	-	-	-	-	-
120 TRUCK, FIREFIGHTING, MULTI-PURPOSE	-	-	-	-	-	-
121 ARMY SPACE HEATER, 120,000 BTU (ASH)	94	930	-	-	94	930
122 LAUNDRY ADVANCED SYSTEM (LADS)	-	-	-	-	-	-
123 CONTAINERIZED SELF SERVICE LAUNDRY	-	-	-	-	-	-
124 FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	-	-	-	-	-	-
125 SOLDIER ENHANCEMENT	-	1,709	-	-	-	1,709
126 LAND WARRIOR	-	-	-	-	-	-
127 FORCE PROVIDER	2	11,633	-	-	2	11,633
128 REFRIGERATION EQUIPMENT	-	-	-	-	-	-
129 ITEMS LESS THAN \$2.0M (CSS-EQ)	-	2,020	-	-	-	2,020
A PETROLEUM EQUIPMENT						
130 TANK ASSEMBLY FAB COLL POL 50000 G	-	-	-	-	-	-
131 FORWARD AREA REFUELING EQUIPMENT (FARE)	-	-	-	-	-	-
132 GROUND FUEL PETROLEUM TESTING KIT	-	-	-	-	-	-
133 TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	116	949	-	-	116	949
134 TANK ASSY, FAB COLLAPS, 20,000 GAL POL	-	-	-	-	-	-
135 TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING	-	-	-	-	-	-
136 TANK UNIT TRLR MTD 600 GAL	-	-	-	-	-	-
137 3000 GAL FABRIC TANK	-	-	-	-	-	-
138 AVIATION FUEL TESTING KIT	-	-	-	-	-	-
139 FILTER SEPARATOR, 350 GPM	-	-	-	-	-	-
140 LAB PETROLEUM MODULAR BASE	-	-	-	-	-	-
141 FUEL SYSTEM SUPPLY POINT, 60000 GALLON	-	-	-	-	-	-
142 PUMP ASSY, REGULATED, 350 GPM	-	-	-	-	-	-
143 50 GPM PUMP, AUXILIARY UTILITY	-	-	-	-	-	-
144 PUMP ASSY, UNREGULATED, 350 GPM	-	-	-	-	-	-
145 HOSELINE OUTFIT FUEL HANDLING	-	-	-	-	-	-
146 INLAND PETROLEUM DISTRIBUTION SYSTEM	-	1,037	-	-	-	1,037
147 FORWARD AREA REFUELING SYS ADV AVIATION	-	-	-	-	-	-

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
148 HEMTT AVIATION REFUELING SYSTEM						
149 ITEMS LESS THAN \$2.0M (POL)		6,275				6,275
A WATER EQUIPMENT						
150 WATER PURIF UNIT REV OS 3000 GPH						
151 FWD AREA WTR POINT SUP SYSTEM						
152 SMALL MOBILE WATER CHILLER (SMWC)						
153 ITEMS LESS THAN \$2.0M (WATER EQ)		2,862				2,862
A MEDICAL EQUIPMENT						
154 COMBAT SUPPORT MEDICAL		11,808				11,808
A MAINTENANCE EQUIPMENT						
155 SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	28	1,635			28	1,635
156 WELDING SHOP, TRAILER MTD						
157 ITEMS LESS THAN \$2.0M (MAINT EQ)		1,167				1,167
A CONSTRUCTION EQUIPMENT						
158 DIST, BITUM MATATERIAL 1500G TRK MTD (CC)						
159 ROLLER, VIBRATORY, SELF-PROPELLED (CCE)	90	6,072			90	6,072
160 HYDRAULIC EXCAVATOR	11	2,825			11	2,825
161 DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	8,885			23	8,885
162 TRUCK, DUMP, 20T (CCE)				39,000		39,000
163 TRUCK, CONCRETE, 8 CU YD (CCE)						
164 CRUSHING/SCREENING PLANT, 150 TPH						
165 CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT						
166 ITEMS LESS THAN \$2.0M (CONST EQUIP)	22	6,055			22	6,055
A RAIL FLOAT CONTAINERIZATION EQUIPMENT		845				845
167 PUSHER TUG, SMALL						
168 FLOATING CRANE, 100-250 TON	2	6,755			2	6,755
169 CONTAINERIZED MAINTENANCE FACILITY	1	14,073			1	14,073
170 CAUSEWAY SYSTEMS						
171 RAILWAY CAR, FLAT, 100 TON						
172 ITEMS LESS THAN \$2.0M (FLOAT/RAIL)	165	17,755			165	17,755
		9,165				9,165

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
A GENERATORS						
173 GENERATORS AND ASSOCIATED EQUIP		7,706	-	31,000	-	38,706
A MATERIAL HANDLING EQUIPMENT						
174 TRUCK, FORK LIFT, DE, PT, RT, 50000 LB		-	-	-	-	-
175 ALL TERRAIN LIFTING ARTICULATING SYSTEM	34	3,554	-	-	34	3,554
176 ROUGH TERRAIN CONTAINER CRANE		-	-	-	-	-
177 ITEMS LESS THAN \$2.0M (MHE)		1,724	-	-	-	1,724
A TRAINING EQUIPMENT						
178 COMBAT TRAINING CENTERS SUPPORT		26,724	-	-	-	26,724
179 TRAINING DEVICES, NONSYSTEM		49,668	-	-	-	49,668
180 SIMNET/CLOSE COMBAT TACTICAL TRAINER		92,968	-	(21,500)	-	71,468
181 FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER		19,860	-	-	-	19,860
A TEST MEASURE AND DIG EQUIPMENT (TMD)						
182 CALIBRATION SETS EQUIPMENT		6,572	-	-	-	6,572
183 INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)		14,828	-	-	-	14,828
184 TMDE MODERNIZATION (TMOD)		6,572	-	-	-	6,572
A OTHER SUPPORT EQUIPMENT						
185 RECONFIGURABLE SIMULATORS		13,823	-	-	-	13,823
186 PHYSICAL SECURITY SYSTEMS (OPA-3)		6,472	-	-	-	6,472
187 SYSTEM FIELDING SUPPORT (OPA-3)		4,941	-	-	-	4,941
188 BASE LEVEL COML EQUIPMENT		4,283	-	-	-	4,283
189 SHED PROFILOMETER		2,988	-	-	-	2,988
190 ELECTRONIC REPAIR SHELTER	3	5,678	-	-	3	5,678
191 MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		16,659	-	-	-	16,659
192 PRODUCTION BASE SUPPORT (OTH)		2,241	-	-	-	2,241
193 DEPOT MAINTENANCE OF OTHER END ITEMS		24,819	-	-	-	24,819
194 SPECIAL EQUIPMENT FOR USER TESTING		14,922	-	33,200	-	48,122
195 TRACTOR VAPOR		4,243	-	-	-	4,243
196 CLOSED ACCOUNT ADJUSTMENTS		-	-	-	-	-
A SPARE AND REPAIR PARTS						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
A <u>OPA1</u>						
197 INITIAL SPARES - TSV		101	-	-	-	101
A <u>OPA2</u>						
198 INITIAL SPARES - C&E		53,284	-	-	-	53,284
A <u>OPA3</u>						
199 INITIAL SPARES - OTHER SUPPORT EQUIP		852	-	-	-	852
TOTAL OTHER PROCUREMENT, ARMY		2,455,030		463,700		2,918,730
Total Procurement, Army		6,752,249		1,007,100		7,714,349

**Section 111. Army helicopter modernization plan.**

The Committee recommends a provision that would limit the expenditure of more than 25 percent of funds authorized for modifications or upgrades to aircraft until such time as the Army provides an assessment of aviation requirements and reports on future modernization programs. The committee is very concerned about the lack of a definitive modernization plan for the utility helicopter fleet. While the Army has outstanding requirements for Blackhawk utility helicopters, it has failed to ensure that modernization requirements are funded in the future years defense program (FYDP) and continues to look for the Congress to address modernization shortfalls each year.

The committee questions the Army's decision to cease procurement of Blackhawk helicopters without establishing a viable and funded plan to address an aging UH-1 Huey helicopter fleet. The committee notes proposals to buy an undetermined amount of additional Blackhawks, proposals to re-engine UH-1 aircraft with Comanche engines, and proposals to conduct a service life extent program (SLEP) for UH-1 aircraft. While the committee remains supportive of Army rotary wing aircraft modernization, the committee is hesitant to support any specific investment strategy until an overall budget plan is provided.

The recommended provision requires the Army to conduct an assessment of current and projected requirements, establish a baseline program for both new aircraft procurement and aircraft modification requirements, provide a plan for service extension programs, display aircraft retirement plans, and assess the implications of Army plans and funding for aircraft on the defense industrial base. Critical to this effort is the requirement for the Secretary of the Army to certify that the program highlighted in this report will be funded in the Future Years Defense Program (FYDP).

**Section 112. Multiyear procurement authority for AH-64D Longbow Apache fire control radar.**

The committee recommends a provision that would authorize the Army to enter into a multiyear procurement contract, beginning in fiscal year 1998, for procurement of the AH-64D Longbow Fire Control Radar. The committee understands that this action can be accomplished with existing funds for this program and that this multiyear authority will ultimately reduce program costs.

**OTHER ARMY PROGRAMS**

**Army Aircraft**

**C-XX(UC-35)**

The budget request did not include funds for UC-35A aircraft (formerly known as the C-XX). The UC-35A is a fast, medium range air transport aircraft. The Army has a requirement for 35 UC-35A's, and has a total of seven either on order or delivered.

Noting that there is an approved Mission Needs Statement and Operational Requirements Document to support the program, and that the Army has programmed for the procurement of the aircraft

in the outyears, the committee recommends an increase of \$23.0 million to procure an additional five UC-35A aircraft in fiscal year 1998.

#### **UH-60 Blackhawk helicopters**

The budget request included \$183.2 million to procure 18 UH-60 Blackhawk helicopters. The committee notes that there is an existing multiyear contract for 18 aircraft per year with an option for an additional 18 aircraft at significantly lower cost. The committee strongly supports an additional 18 aircraft in fiscal year 1998 to support the industrial base until end-state requirements can be identified after the Quadrennial Defense Review process is complete. If additional Blackhawk aircraft are required after the fiscal year 1998 buy, the pending Navy procurement along with supplemental Army participation could serve as a basis for increased procurement based on the currently authorized multi-year contract. In order to meet production rate requirements and span the gap between requirements and inventory, the committee recommends an additional \$127.3 million to procure a total of 36 aircraft in fiscal year 1998. It is expected that procurement of these aircraft will result in a corresponding fielding of 36 UH-60 aircraft from the Army to priority Army National Guard units.

#### **CH-47 cargo helicopter**

The committee is concerned about the significant funding shortfalls in aircraft modernization accounts. Given a priority unfunded medium cargo helicopter requirement for the Army Reserve, the committee recommends an increase of \$45.0 million to procure and support the fielding of two new CH-47 aircraft to the Army Reserve. The committee strongly encourages the Army to resource additional requirements in subsequent budget requests in accordance with its aircraft modernization plan.

#### **UH-1 modifications**

The budget request included \$4.7 million to resource new navigation and communication avionics for UH-1 helicopters. The committee continues to be very concerned about the current and projected state of the Army utility helicopter fleet and the lack of a definitive, funded modernization plan. The committee encourages the Army to develop a viable plan to meet future aviation modernization requirements for both active and reserve components and will closely review any funding requests for Army helicopters until this plan is provided. Therefore, the committee recommends a decrease of \$2.0 million for UH-1 modifications.

#### **OH-58D Kiowa Warrior**

The budget request included \$38.8 million for safety modifications to the existing Kiowa Warrior fleet. The committee recognizes the contribution that Kiowa Warriors provide as armed scouts for land forces. While the Army is in the process of developing a new armed scout helicopter, the Comanche, it is clear that Kiowa Warriors will be called on to perform the scout function for the Army well into the next century. The committee notes an outstanding requirement to apply safety modifications to these aircraft to ensure

the continued safe operation of the fleet and enhance existing capabilities. Therefore, the committee recommends an additional \$15.0 million to complete additional safety retrofit requirements.

#### **Aircraft survivability equipment**

The budget request included \$4.6 million to support fielding of self-protection equipment for Army aircraft. The committee strongly supports efforts to promote self-protection for aircraft and aircrews and believes that this area is not funded at an appropriate level. The committee recognizes continuing Army efforts to test and field the Suite of Integrated Radio Frequency Countermeasures (SIRFC) modular systems and Suite of Integrated Infrared Countermeasures (SIIRCM) designed to meet requirements for aircraft survivability systems. The committee also notes that there are significantly limited capabilities currently available in this area, and recommends an increase of \$8.1 million to support SIRFC and SIIRCM testing and integration efforts.

#### **Training devices**

The budget request did not include funding for aviation training devices. The committee is concerned about the non-availability of a geographically focused flight simulator data base for flight training in the Korean theater of operations. The committee recalls the international incident created when a helicopter flight crew strayed over the international border into North Korea and was shot down by North Korean military forces. It is very possible that this incident could have been avoided had a Korean terrain data base been available to train flight crews. The committee understands that the Army has recognized the requirement for modifying existing flight simulators in Korea to a geographically specific data base and that this requirement has not been supported due to a severely constricted defense budget. Therefore, the committee recommends an increase of \$18.6 million to support the fielding of this updated database for Army aviation training in Korea and hopes this will serve to improve flight safety and combat readiness.

#### **Common ground equipment**

The budget request included \$30.6 million to procure ground and aviation support equipment. While the committee recognizes the need to modernize Army airfield support equipment, the significant increase in the airfield support equipment account cannot be supported in light of current year budget constraints. Therefore, the committee recommends a decrease of \$3.0 million to bring funding in line with prior year spending levels.

### **Army Missile**

#### **Avenger modifications**

The budget request did not include funding for the Avenger slew-to-cue modification that enjoyed recent success during the Army's Advanced Warfighting Exercise (AWE) conducted at the National Training Center in April 1997. The slew-to-cue modification greatly enhances gunner effectiveness in acquiring and defeating air threats facing a ground force. The committee was pleased to note

the success of this system during the AWE and encourages the Army to field these modifications to existing Avenger systems as soon as possible. The committee also notes the Army effort to develop effective and affordable training devices for the Avenger system, and understands that a new Table Top Trainer (TTT) has been developed and is available at very low cost. The committee recommends an increase of \$2.0 million to begin procurement of these training devices and suggests the principal focus for initial fielding of these training devices should be for reserve component units who must make the most efficient use of available training time. The committee recommends an additional increase of \$13.0 million to begin the slew-to-cue modification effort and encourages the Army to resource outstanding requirements in future budget requests.

#### **Hellfire missile**

The budget request included \$279.7 million to procure Hellfire missiles. The committee understands that there are \$10.7 million in unobligated funds from both 1996 and 1997. Therefore, the committee recommends a decrease of \$10.7 million for this program.

#### **Extended range Multiple Launch Rocket System rockets**

The budget request included \$2.9 million for program support. No production has been funded for fiscal year 1998 and the Army is currently unable to exercise a fiscal year 1998 option for additional missiles while remaining several thousand missiles short of established requirements. The committee recommends an increase of \$12.0 million to support minimum production requirements for 1998 and notes the future year budget projections will maintain a baseline production effort.

#### **Multiple Launch Rocket System launchers**

The budget request included \$102.6 million to procure MLRS launchers necessary to meet Army requirements. The committee continues to support Army efforts to convert existing divisional MLRS structure to the new 2 x 9 configuration. This conversion resulted from lessons learned during the Gulf War and will enhance the organic fire support of division fire support units. The committee recommends an increase of \$25.1 million to accelerate the conversion process.

#### **Army Tactical Missile System**

The budget request included \$114.5 million to produce Army Tactical Missile System (ATACMS) missiles. The committee notes the recent decision by the Army to pursue annual procurements of the ATACMS missile in lieu of the multi-year contract authorized and funded in the National Defense Authorization Act for fiscal year 1997. The committee questions whether doubts expressed by the Department with respect to the ability of the ATACMS missile to destroy specific target sets will potentially lead to a future decrease in missile procurement. Given this uncertainty, the committee recommends a decrease of \$5.0 million from the fiscal year 1998 budget request, with the remaining funds to be used to resolve any outstanding issues associated with missile performance and procure-

ment. The committee also directs the Army to certify missile performance for projected target sets and report the results to congressional defense committees no later than 1 December 1997.

#### **Stinger modifications**

The budget request included \$12.4 million to conduct materiel upgrades of the Stinger surface to air missile system. Noting an outstanding requirement to conduct Stinger Block 1 upgrades to 549 missiles at an economic production rate, and recognizing the importance of these missiles, the committee recommends an increase of \$9.3 million to support additional upgrades necessary to field Block 1 missiles to Force Package 2 units.

### **Weapons and Tracked Combat Vehicles**

#### **Bradley base sustainment**

The budget request included \$125.6 million to continue low rate initial production of the A3 configured Bradley Fighting Vehicle. The committee is concerned about the slip in fielding the first unit with these new vehicles and believes the original schedule should be maintained. These new vehicles provide a digital command and control capability, increased lethality and survivability, and improved sustainability. Therefore, the committee recommends an increase of \$62.4 million to maintain a smooth low-rate initial production rate prior to full scale production in fiscal year 1999.

#### **Carrier modifications—M113A3**

The budget request included \$20.2 million for upgrades to existing tracked carrier systems. The committee recognizes the important role that these systems play in ensuring troop safety on the battlefield and notes the significant outstanding requirements for M113 upgrades. Therefore, the committee recommends an increase of \$20.0 million to maintain stable program funding.

#### **M1 Abrams tank modifications**

The budget request included \$29.8 million to apply modification kits to M1 Abrams tanks to improve lethality, survivability, and safety. The committee notes is an outstanding requirement for a safety interlock necessary to prevent tank drivers from being injured during turret movement. The committee believes this safety issue should be corrected and recommends an increase of \$3.0 million to modify existing M1 tanks with an interlock safety device.

#### **Small arms programs**

The committee remains concerned about the small arms industrial base and Department of Defense management of small arms industrial base issues. The committee believes it important to understand current and future requirements for small arms and industrial base implications in an era of declining resources. Therefore, the committee directs the Department of Defense to conduct an assessment of the small arms industrial base and to provide an update to the calendar year 1994 plan entitled, "Preservation of Critical Elements of the Small Arms Industrial Base," which was prepared by the Army Science Board. This assessment should in-

clude consideration of the recommendation in the 1994 Army Science Board report on procurement of small arms, spares and repairs from the small arms industrial base and should assess minimum industrial base requirements necessary to support current and projected procurement of small arms in both peace and war. Further, the assessment should provide a list of options for consideration by the Congress necessary to preserve the small arms industrial base. The results of this assessment shall be provided to the Congress no later than March 1, 1998. The Department of Defense is prohibited from entering into any contract that exceeds a one year period of performance, including options, for the procurement of small arms, modifications to small arms, or spares and repairs for small arms until 90 days after the report is completed and forwarded to the Congress.

The budget request did not include funding for either the MK-19 Grenade Launcher or the M240B Medium Machine Gun for fiscal year 1998, which could result in a break in production for these vital weapon systems, even though there are outstanding requirements for over 6,000 additional MK-19s and approximately 10,000 M240B Machine Guns. The committee believes that minimum production levels must be maintained and recommends an increase of \$13.0 million to span the MK-19 production funding gap and an additional \$15.0 million for M240B production. The committee directs the Army to ensure that future year budgets sustain minimum production requirements until such time as outstanding requirements have been satisfied.

### **Army Ammunition**

#### **Army ammunition**

The committee is concerned with the inadequate funding for ammunition procurement that was contained in the President's budget request. Ammunition is an important contributor to military readiness for training and in anticipation of conflict. The committee recommends the following adjustments to the budget request for Army ammunition procurement:

	<i>Millions</i>
Small Arms:	
5.56 mm .....	\$2.5
7.62 mm .....	0.5
50 cal .....	0.1
Mortar:	
120 mm HE, M734 .....	20.0
Tank:	
120 mm TP-T M831/M831A1 .....	9.8
120 mm TPCSDS-T M865 .....	12.7
Rockets:	
Hydra-70 .....	36.2
Fuze:	
Fuze ARTY M767 .....	20.0
Other:	
Selectable Lightweight Attack Munitions .....	10.0
Simulator Antitank M27 .....	0.5
Production Base:	
Armament Retooling & Manufacturing Support .....	40.0
Subtotal .....	152.3

### **Armament Retooling and Manufacturing Support**

The committee is aware that although the budget request includes \$5.0 million for the continuation of the Armament Retooling and Manufacturing Support (ARMS) program, a total of \$45.0 million is necessary for the program to remain viable in fiscal year 1998. Therefore, the committee recommends an increase of \$40.0 million for this program. The committee expects these funds to be utilized in the most effective manner to ensure preservation of those facilities most likely to be required to fulfill the military's needs to support the national military strategy. The committee expects the Army to provide adequate funding for this program in the future.

### **Other Army Procurement**

#### **High Mobility Multi-Purpose Wheeled Vehicle**

The budget request included \$66.2 million to procure 774 High Mobility Multi-Purpose Vehicles (HMMWVs). The committee is very concerned about the budget request funding level, which is \$96.5 million less than fiscal year 1997 and clearly insufficient to maintain minimum production rates. Realizing the large number of HMMWVs in the force, over 92,000 vehicles, and an outstanding requirement of over 18,000 additional vehicles, the committee does not understand the Army's apparent acceptance of a break in production in fiscal year 1998. Additionally, the committee understands the Army is developing the next generation vehicle which will go into production in fiscal year 2000. Clearly, an inactive production capability in fiscal years 1998 and 1999 will not be able to meet outstanding short-term HMMWV requirements and will increase the funding level necessary to begin production of the new vehicle as start-up costs will be significant. The Army has recognized this issue and acknowledged an unfunded requirement for this program. Therefore, the committee recommends an increase of \$75.0 million for the Army, along with a corresponding increase for the Marine Corps, to bridge the gap until the next generation system enters production. The committee strongly recommends the Army review fiscal year 1999 priorities and ensure that this vital production capability is adequately funded in future years. Additionally, the committee directs the Army to ensure that minimum production requirements for up-armored HMMWV's are maintained.

#### **Family of Medium Tactical Vehicles**

The budget request included \$209.4 million to procure 1506 Family of Medium Tactical Vehicles (FMTV) trucks. The committee notes that the funding level requested for fiscal year 1998 will not sustain minimum production rates, resulting in a production break for this vital truck modernization effort. Therefore, the committee recommends an increase of \$44.0 million to support this critical underfunded Army requirement.

#### **Family of Heavy Tactical Vehicles**

The committee, noting a request for additional funding to span a break in production for the heavy truck fleet, is very concerned

about the apparent inability of the Army to maintain sufficient funding required to field critical wheeled vehicle programs and maintain a viable production base. The committee is concerned about Army budget decisions in this arena and questions the ability of the Army to pay for restart costs that would be necessary as a result of inadequate funding in the budget request. The committee recommends the following increases necessary to support outstanding requirements and maintain a viable industrial base: \$50.0 million to procure 150 Palletized Load System (PLS) trucks and 50 trailers, which will support the fielding of two additional transportation companies; \$45.0 million to procure 96 Heavy Equipment Transporter Systems (HETS); to avoid a break in production, and to support fielding of an additional HETS transportation company; and \$33.0 million for 103 Heavy Expanded Mobility Tactical Truck (HEMTT) wreckers required for fielding shortages.

#### **Army data distribution systems**

The budget request included \$37.3 million to procure additional enhanced position location reporting systems (EPLRS). EPLRS serves as the digital backbone for the Army and is critical to ongoing digitization efforts. The committee supports the fielding of these critical systems and recommends an increase of \$37.3 million to meet Force Package 1 requirements.

#### **Echelon Above Corps Communications-Warfighter Information Network**

The budget request included \$82.4 million to support ongoing modifications to the Area Common User System (ACUS) and support its migration to the Army's Warfighter Information Network (WIN) systems architecture. The committee has consistently supported this effort, which greatly enhances the range and linkage between warfighters in the tactical arena. Therefore, the committee recommends an increase of \$33.0 million for this critical activity.

#### **Information system security program**

The budget request included \$10.2 million to procure information security systems for the Army. The committee is concerned that the budget submission does not fund Airterm KY-100 devices and that this will result in a break in production. The committee recognizes that some Force Package 1 requirements have not yet been filled and that secure communications are critical to any warfight effort. The committee recommends an increase of \$5.5 million to procure 400 Airterm (KY-100) devices.

#### **Sentinel**

The budget request included \$41.0 million to continue procurement of the AN/MPQ-64 Sentinel radar. These new air defense radars provide a ground sensor for deployed forces to ensure force protection. The committee notes an outstanding requirement for additional radars critical to preclude a fielding gap between these sensors and new communications equipment, and therefore recommends an increase of \$20.2 million to procure additional radars necessary to meet future fielding requirements.

**Night vision devices**

The budget request included \$85.3 million for night vision equipment vital to enhance combat effectiveness and save lives on the battlefield. The committee is encouraged by the Army effort to develop and field effective night vision equipment but remains concerned that sufficient quantities have not yet been obtained to meet warfighting and contingency requirements. The committee notes that there are outstanding requirements for this equipment and recommends the following increases:

- (1) \$8.0 million to procure Infrared Aiming Lights AN/PEQ-2;
- (2) \$17.0 million to procure AN/PVS-7D systems;
- (3) \$10.0 million to procure AN/PAS-13 Thermal Weapon Sights;
- (4) \$1.0 million to procure 2,900 borelights.

**Standard Army management information system tactical computer platform**

The budget request included \$36.1 million to continue efforts to automate various support functions for the Army. The committee has long supported work in this area and recognizes the efficiencies and savings that can be achieved through state-of-the-art automation support. Continued investment in this arena will serve to support warfighting capabilities and will save precious resources in peacetime. The committee understands that additional commercial equipment is available that is compatible with current generation software required for combat service support functions. Therefore, the committee recommends an increase of \$33.0 million to support this critical underfunded Army requirement.

**Reserve component automation system**

The budget request included \$114.3 million to fund the Reserve Component Automation System (RCAS) that will support administration and management of Army National Guard and Army Reserve forces. While the committee recognizes the importance of this program to the reserve components, fiscal constraints for 1998 call for steady program funding. Significant increases, such as the \$42.0 million budgeted for RCAS this fiscal year, cannot be supported. Therefore, the committee recommends a decrease of \$30.0 million for RCAS which still provides a funding increase for this program.

**Dump truck**

The budget request did not include funding for dump trucks. The committee has long supported the acquisition of some of the less glamorous items that enhance the ability of combat support units to perform critical functions both on and away from the battlefield. Noting the request from the Army for additional funding necessary to replace aging engineer equipment in both active and reserve components, the committee recommends an increase of \$39.0 million to accelerate procurement of 200 heavy dump trucks and to meet severe shortages throughout the fleet.

**Generators and associated equipment**

The budget request included \$7.7 million to procure generators to meet tactical electrical power requirements for the Army. The committee recognizes that requirements for new generators are significant and that current technology equipment provides greater operations and maintenance savings and enhances readiness. Clearly, new digitization initiatives require constant and reliable electrical power and the proper equipment is crucial to ensure the success of that effort. The committee recommends an increase of \$31.0 million to fund economic order quantities and procure new generators necessary in Korea and Europe.

**Simulation Network/Close Combat Tactical Trainer**

The budget request included \$92.7 million to procure additional training modules for fixed site and mobile platforms. The committee notes an Army request to change a portion of fiscal year 1998 procurement funding to a research, development, and acquisition line to resolve outstanding issues associated with system reliability. These difficulties were outlined in a February 1997 Operational Test Readiness Review (OTRR) that identified 50 system stability items as unresolved. The committee understands the importance of this training system, but is concerned about the existence of these issues after investing \$370.7 million in the program. The committee supports the transfer of \$11.5 million from Other Procurement-Army to PE 64780A (Combined Arms Trainer) to resolve reliability issues. The committee also recommends an additional decrement of \$10.0 million from procurement and directs the Army to ensure that software reliability problems are resolved before proceeding with large expenditures for procurement of additional modules.

**Special equipment for user testing**

The budget request included \$14.9 million to support equipment necessary for user testing. The committee recognizes the importance of testing as the Army accelerates the development of new equipment to support the Force XXI initiative. In recognition of the importance of this function, the Army has requested additional funding necessary to ensure the requisite equipment is available through a combined procurement in fiscal year 1998 instead of a five-year procurement strategy. The committee recommends an increase of \$33.2 million to support this important effort.

## SUBTITLE C—NAVY PROGRAMS

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
N AIRCRAFT PROCUREMENT, NAVY						
N COMBAT AIRCRAFT						
N COMBAT AIRCRAFT						
1 AV-8B (V/STOL)HARRIER	11	300,067		89,600	11	389,667
1 LESS: ADVANCE PROCUREMENT (PY)		(22,419)		-	-	(22,419)
2 ADVANCE PROCUREMENT (CY)		18,914		-	-	18,914
3 F/A-18C/D (FIGHTER) HORNET		-		-		-
3 LESS: ADVANCE PROCUREMENT (PY)		-		-		-
4 F/A-18E/F (FIGHTER) HORNET	20	2,389,793		-	20	2,389,793
4 LESS: ADVANCE PROCUREMENT (PY)		(288,693)		-		(288,693)
5 ADVANCE PROCUREMENT (CY)		90,475		-		90,475
6 V-22 (MEDIUM LIFT)	5	597,085		90,000	5	687,085
6 LESS: ADVANCE PROCUREMENT (PY)		(125,078)		-		(125,078)
7 ADVANCE PROCUREMENT (CY)		69,659		-		69,659
8 AH-1W (HELICOPTER) SEA COBRA		-		-		-
9 SH-60B (ASW HELICOPTER) SEAHAWK		-		-		-
10 E-2C (EARLY WARNING) HA WKEYE	3	257,009		68,000	4	325,009
10 LESS: ADVANCE PROCUREMENT (PY)		(20,535)		-		(20,535)
11 ADVANCE PROCUREMENT (CY)		19,481		-		19,481
N AIRLIFT AIRCRAFT						
N AIRLIFT AIRCRAFT						
12 CH-60 HELICOPTER		-		-		-
12 LESS: ADVANCE PROCUREMENT (PY)		-		-		-
13 ADVANCE PROCUREMENT (CY)		31,837		-		31,837
N TRAINER AIRCRAFT						
N TRAINER AIRCRAFT						
14 T-45TS (TRAINER) GOSHAWK	12	269,762	6	102,000	18	371,762
14 LESS: ADVANCE PROCUREMENT (PY)		(25,802)		-		(25,802)
15 ADVANCE PROCUREMENT (CY)		6,235		-		6,235
16 T-39		-		-		-

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
N OTHER AIRCRAFT						
N OTHER AIRCRAFT						
17 KC-130J	-	-	-	-	-	-
18 HH-60H (HELICOPTER)	-	-	-	-	-	-
N MODIFICATION OF AIRCRAFT						
N MODIFICATION OF AIRCRAFT						
19 EA-6 SERIES	86,783		-	25,000	-	111,783
20 AV-8 SERIES	32,647		-	-	-	32,647
21 F-14 SERIES	290,500		-	-	-	290,500
22 ADVERSARY	115		-	-	-	115
23 ES-3 SERIES	5,233		-	-	-	5,233
24 F-18 SERIES	156,213		-	-	-	156,213
25 H-46 SERIES	33,480		-	-	-	33,480
26 AH-1W SERIES	34,518		-	-	-	34,518
27 H-53 SERIES	35,704		-	10,000	-	45,704
28 SH-60 SERIES	74,300		-	-	-	74,300
29 H-1 SERIES	18,489		-	(5,600)	-	12,889
30 H-3 SERIES	1,417		-	-	-	1,417
31 EF-3 SERIES	4,386		-	-	-	4,386
32 P-3 SERIES	164,907		-	17,300	-	182,207
33 S-3 SERIES	44,606		-	-	-	44,606
34 E-2 SERIES	49,073		-	-	-	49,073
35 TRAINER A/C SERIES	7,919		-	-	-	7,919
36 C-2A	19,159		-	-	-	19,159
37 C-130 SERIES	12,645		-	-	-	12,645
38 FEWSG	537		-	-	-	537
39 CARGO/TRANSPORT A/C SERIES	29,911		-	-	-	29,911
40 E-6 SERIES	96,344		-	-	-	96,344
41 EXECUTIVE HELICOPTERS SERIES	22,763		-	-	-	22,763
42 SPECIAL PROJECT AIRCRAFT	16,527		-	-	-	16,527

**TITLE I - PROCUREMENT  
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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
43 T-45 SERIES		5,442	-	-	-	5,442
44 POWER PLANT CHANGES		13,972	-	-	-	13,972
45 MISC FLIGHT SAFETY CHANGES		-	-	-	-	-
46 COMMON ECM EQUIPMENT		32,855	-	-	-	32,855
47 COMMON AVIONICS CHANGES		131,599	-	-	-	131,599
<b>N AIRCRAFT SPARES AND REPAIR PARTS</b>						
<b>N AIRCRAFT SPARES AND REPAIR PARTS</b>		740,214	-	-	-	740,214
48 SPARES AND REPAIR PARTS						
<b>N AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES</b>						
<b>N AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES</b>						
49 CANCELLED ACCOUNT ADJUSTMENTS (M)		-	-	-	-	-
50 CANCELLED ACCOUNT ADJUSTMENTS (88)		-	-	-	-	-
51 COMMON GROUND EQUIPMENT		287,114	-	-	-	287,114
52 AIRCRAFT INDUSTRIAL FACILITIES		17,585	-	-	-	17,585
53 WAR CONSUMABLES		16,014	-	-	-	16,014
54 OTHER PRODUCTION CHARGES		10,185	-	-	-	10,185
55 SPECIAL SUPPORT EQUIPMENT		23,302	-	-	-	23,302
56 FIRST DESTINATION TRANSPORTATION		1,717	-	-	-	1,717
<b>TOTAL AIRCRAFT PROCUREMENT, NAVY</b>		6,085,965		396,300		6,482,265
<b>N WEAPONS PROCUREMENT, NAVY</b>						
<b>N BALLISTIC MISSILES</b>						
<b>N BALLISTIC MISSILES</b>						
1 TRIDENT II	7	309,130	-	-	7	309,130
1 LESS: ADVANCE PROCUREMENT (PY)		(16,882)	-	-	-	(16,882)
2 ADVANCE PROCUREMENT (CY)		47,021	-	-	-	47,021
<b>N SUPPORT EQUIPMENT AND FACILITIES</b>						
3 MISSILE INDUSTRIAL FACILITIES		2,143	-	-	-	2,143
<b>N OTHER MISSILES</b>						
<b>N STRATEGIC MISSILES</b>						

**TITLE I - PROCUREMENT  
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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
4 TOMAHAWK		51,820		40,000	65	91,820
5 ESSM	65	15,529		-	-	15,529
<b>N TACTICAL MISSILES</b>						
6 AMRAAM	100	57,066		-	100	57,066
7 HARPOON		-		-		-
8 JSOW	113	58,665		-	113	58,665
9 STANDARD MISSILE	127	196,492		-	127	196,492
10 RAM	100	44,082		-	100	44,082
11 PENGUIN		-		15,000		15,000
12 AERIAL TARGETS		72,923		(6,200)		66,723
13 DRONES AND DECOYS		298		-		298
14 OTHER MISSILE SUPPORT		18,294		-		18,294
<b>N MODIFICATION OF MISSILES</b>						
15 TOMAHAWK MODS		-		-		-
16 SPARROW MODS		-		-		-
17 SIDEWINDER MODS		333		-		333
18 HARPOON MODS		21,694		-		21,694
19 OTHER MISSILE MODS		-		-		-
20 STANDARD MISSILES MODS		35,601		15,300		50,901
<b>N SUPPORT EQUIPMENT AND FACILITIES</b>						
21 WEAPONS INDUSTRIAL FACILITIES		34,932		-		34,932
22 FLEET SATELLITE COMM (MYP) (SPACE)		-		-		-
<b>N ORDNANCE SUPPORT EQUIPMENT</b>						
23 ORDNANCE SUPPORT EQUIPMENT		5,264		-		5,264
<b>N TORPEDOES AND RELATED EQUIPMENT</b>						
24 ASW TARGETS		685		-		685
25 VERTICAL LAUNCHED ASROC (VLA)		-		-		-
<b>N MOD OF TORPEDOES AND RELATED EQUIP</b>						
26 MK-46 TORPEDO MODS		274		-		274

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	FY 98 Request	Committee Change	Recommendation
	Qty	Cost	Qty
	Cost	Cost	Cost
27 MK-48 TORPEDO ADCAP MODS	55,392	-	55,392
N SUPPORT EQUIPMENT			
28 TORPEDO SUPPORT EQUIPMENT	25,509	-	25,509
29 ASW RANGE SUPPORT	11,847	-	11,847
N DESTINATION TRANSPORTATION			
30 FIRST DESTINATION TRANSPORTATION	2,008	-	2,008
N OTHER WEAPONS			
N GUNS AND GUN MOUNTS			
31 SMALL ARMS AND WEAPONS	994	-	994
N MODIFICATION OF GUNS AND GUN MOUNTS			
32 CIWS MODS	9,990	-	9,990
33 5/54 GUN MOUNT MODS	241	-	241
34 MK-75 76MM GUN MOUNT MODS	-	-	-
35 MODS UNDER \$2 MILLION	1,320	-	1,320
N SUPPORT EQUIPMENT			
36 PIONEER	3,962	-	3,962
N OTHER			
37 PIONEER	42,723	-	42,723
38 CANCELLED ACCOUNT ADJUSTMENTS	-	-	-
39 PRIOR YEAR DEFICIENCIES	-	-	-
N SPARES AND REPAIR PARTS			
N SPARES AND REPAIR PARTS	26,943	-	26,943
40 SPARES AND REPAIR PARTS	1,136,293	64,100	1,200,393
TOTAL WEAPONS PROCUREMENT, NAVY			
N PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP			
N PROC AMMO, NAVY			
N NAVY AMMUNITION			
1 GENERAL PURPOSE BOMBS	668	-	668
2 JDAM	12,849	-	12,849
	38,520	-	38,520

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
3 2.75 INCH ROCKETS	15,833	-	-	-	-	15,833
4 MACHINE GUN AMMUNITION	7,823	-	-	-	-	7,823
5 PRACTICE BOMBS	41,766	-	-	-	-	41,766
6 CARTRIDGES & CART ACTUATED DEVICES	24,373	-	-	-	-	24,373
7 AIRCRAFT ESCAPE ROCKETS	8,544	-	-	-	-	8,544
8 AIR EXPENDABLE COUNTERMEASURES	22,724	-	-	-	-	22,724
9 MARINE LOCATION MARKERS	655	-	-	-	-	655
10 JATOS	4,517	-	-	-	-	4,517
11 5 INCH/54 GUN AMMUNITION	27,669	-	-	-	-	27,669
12 CIWS AMMUNITION	467	-	-	-	-	467
13 76MM GUN AMMUNITION	3,446	-	-	-	-	3,446
14 OTHER SHIP GUN AMMUNITION	4,499	-	-	-	-	4,499
15 SMALL ARMS & LANDING PARTY AMMO	7,756	-	-	-	-	7,756
16 PYROTECHNIC AND DEMOLITION	10,216	-	-	-	-	10,216
17 MINE NEUTRALIZATION DEVICES	6,321	-	-	-	-	6,321
18 SHIP EXPENDABLE COUNTERMEASURES	-	-	-	-	-	-
19 CANCELLED ACCOUNT ADJUSTMENTS (87)	-	-	-	-	-	-
N PROC AMMO, MC	-	-	-	-	-	-
N MARINE CORPS AMMUNITION	-	-	-	-	-	-
20 5.56 MM, ALL TYPES	33,060	3,000	-	-	-	36,060
21 7.62 MM, ALL TYPES	2,900	-	-	-	-	2,900
22 LINEAR CHARGES, ALL TYPES	2,290	-	-	-	-	17,290
22a CHARGE DEMO ASSEMBLY	-	15,000	-	-	-	-
23 .50 CALIBER	1,700	-	-	-	-	1,700
24 40 MM, ALL TYPES	5,701	5,000	-	-	-	10,701
25 60 MM HE M888	-	-	-	-	-	-
26 81 MM HE	-	-	-	-	-	-
27 81MM, ALL TYPES	-	-	-	-	-	-
28 81 MM SMOKE SCREEN	-	-	-	-	-	-
29 120MM, ALL TYPES	15,481	-	-	-	-	15,481

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
30 120MM TPCSDS-T M865	-	-	-	-	-	-
31 120MM TP-T M831	-	-	-	-	-	-
32 155MM CHG. PROP. RED BAG	-	-	-	-	-	-
33 FUZE, ET, XM762	-	-	-	-	-	-
34 CTG 25MM, ALL TYPES	-	2,181	-	-	-	2,181
35 9 MM ALL TYPES	-	3,684	-	-	-	3,684
36 GRENADES, ALL TYPES	-	2,882	-	-	-	2,882
37 ROCKETS, ALL TYPES	-	15,047	-	10,000	-	25,047
38 DEMOLITION MUNITIONS, ALL TYPES	-	600	-	-	-	600
39 FUZE, ALL TYPES	-	-	-	-	-	-
40 NON LETHALS	-	2,000	-	-	-	2,000
41 AMMO MODERNIZATION	-	9,888	-	-	-	9,888
42 ITEMS LESS THAN \$2 MIL	-	1,465	-	-	-	1,465
<b>TOTAL PROCUREMENT OF AMMUNITION, NAVY &amp; MARINE CORP</b>		<b>336,797</b>		<b>33,000</b>		<b>369,797</b>
<b>N SHIPBUILDING &amp; CONVERSION, NAVY</b>						
<b>N OTHER WARSHIPS</b>						
<b>N OTHER WARSHIPS</b>						
CARRIER REPLACEMENT PROGRAM						
ADVANCED PROCUREMENT/CONSTRUCTION CVN-77						
1 SSN-21 :		153,444				345,000
1 LESS: ADVANCE PROCUREMENT (PY)		-				153,444
2 NEW SSN	1	3,296,374		15,000	1	3,311,374
2 LESS: ADVANCE PROCUREMENT (PY)		(981,471)		-		(981,471)
3 ADVANCE PROCUREMENT (CY)		284,859		-		284,859
4 CVN REFUELING OVERHAULS	1	2,136,625		-	1	2,136,625
4 LESS: ADVANCE PROCUREMENT (PY)		(521,622)		-		(521,622)
5 ADVANCE PROCUREMENT (CY)		92,855		-		92,855
6 CGN REFUELING OVERHAULS		-		-		-
6 LESS: ADVANCE PROCUREMENT (PY)		-		-		-

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
7 DDG-51	3	2,788,839		720,000	3	3,508,839
7 LESS: ADVANCE PROCUREMENT (PY)		(123,072)		-		(123,072)
8 ADVANCE PROCUREMENT (CY)		157,806		-		157,806
N AMPHIBIOUS SHIPS						
N <u>AMPHIBIOUS SHIPS</u>						
9 COMPLETION OF LSD-52		-		-		-
10 LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)		-		-		-
10 LESS: ADVANCE PROCUREMENT (PY)		-		-		-
11 LPD-17		-		-		-
N AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAMS						
N <u>AUXILIARIES, CRAFT AND PRIOR-YEAR PROGRAMS</u>						
12 AE(CONV)		-		-		-
13 OCEANOGRAPHIC SHIPS		-		-		-
13 LESS: ADVANCE PROCUREMENT (PY)		-		-		-
14 ADVANCE PROCUREMENT (CY)		75,200		75,200		75,200
15 SERVICE CRAFT		33,859		-		33,859
16 LCAC LANDING CRAFT		-		-		-
17 OUTFITTING		28,140		-		28,140
18 FAST PATROL CRAFT		-		-		-
19 POST DELIVERY		90,177		-		90,177
20 AFS (CONV)		-		-		-
21 FIRST DESTINATION TRANSPORTATION		1,345		-		1,345
TOTAL SHIPBUILDING & CONVERSION, NAVY		7,438,158		1,155,200		8,593,358
N OTHER PROCUREMENT, NAVY						
N SHIPS SUPPORT EQUIPMENT						
N <u>SHIP PROPULSION EQUIPMENT</u>						
1 LM-2500 GAS TURBINE		7,548		-		7,548
2 ALLISON 501K GAS TURBINE		5,897		-		5,897
3 STEAM PROPULSION IMPROVEMENT		541		-		541

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	FY 98 Request	Committee Change	Recommendation
	Qty	Cost	Qty
	Cost	Cost	Cost
4 OTHER PROPULSION EQUIPMENT	12,077	-	12,077
N GENERATORS			
5 OTHER GENERATORS	1,810	-	1,810
N PUMPS			
6 OTHER PUMPS	444	-	444
N PROPELLERS			
7 SUBMARINE PROPELLERS	-	-	-
8 OTHER PROPELLERS AND SHAFTS	1,496	38,300	39,796
N NAVIGATION EQUIPMENT			
9 OTHER NAVIGATION EQUIPMENT	31,552	18,000	49,552
N UNDERWAY REPLENISHMENT EQUIPMENT			
10 UNDERWAY REPLENISHMENT EQUIPMENT	8,189	-	8,189
N PERISCOPES			
11 SUB PERISCOPES & IMAGING EQUIP	32,131	-	32,131
N OTHER SHIPBOARD EQUIPMENT			
12 FIREFIGHTING EQUIPMENT	14,081	-	14,081
13 COMMAND AND CONTROL SWITCHBOARD	8,049	-	8,049
14 POLLUTION CONTROL EQUIPMENT	156,775	(8,800)	147,975
15 SUBMARINE SILENCING EQUIPMENT	4,285	-	4,285
16 SUBMARINE BATTERIES	9,043	-	9,043
17 SSN21 CLASS SUPPORT EQUIPMENT	6,442	-	6,442
18 STRATEGIC PLATFORM SUPPORT EQUIP	6,435	-	6,435
19 DSSP EQUIPMENT	7,269	-	7,269
20 MINESWEEPING EQUIPMENT	4,940	-	4,940
21 HM&E ITEMS UNDER \$2 MILLION	51,059	-	51,059
22 SURFACE IMA	2,026	-	2,026
23 RADIOLOGICAL CONTROLS	163	-	163
24 MINI/MICROMINI ELECTRONIC REPAIR	495	-	495
N REACTOR PLANT EQUIPMENT			
25 REACTOR POWER UNITS	108,542	-	108,542

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
26 REACTOR COMPONENTS		193,880	-	-	-	193,880
N OCEAN ENGINEERING						
27 DIVING AND SALVAGE EQUIPMENT		4,860	-	-	-	4,860
28 EOD UNDERWATER EQUIPMENT		9,050	-	-	-	9,050
N SMALL BOATS						
29 STANDARD BOATS		4,932	-	-	-	4,932
N TRAINING EQUIPMENT						
30 OTHER SHIPS TRAINING EQUIPMENT		1,815	-	-	-	1,815
N PRODUCTION FACILITIES EQUIPMENT						
31 PRODUCTION SUPPORT FACILITIES		353	-	-	-	353
32 OPERATING FORCES IPE		888	-	-	-	888
N OTHER SHIP SUPPORT						
33 NUCLEAR ALTERATIONS		74,053	-	-	-	74,053
34 MODERNIZATION SUPPORT		-	-	-	-	-
N COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
N SHIP RADARS						
35 AN/SPS-40		669	-	-	-	669
36 AN/SPS-48		230	-	-	-	230
37 AN/SPS-49		13,401	-	-	-	13,401
38 AN/SYS-()		-	-	-	-	-
39 MK-23 TARGET ACQUISITION SYSTEM		1,923	-	-	-	1,923
40 RADAR SUPPORT		1,708	-	9,000	-	10,708
41 SURFACE ELECTRO-OPTICAL SYSTEM		-	-	-	-	-
42 TISS		13,703	-	-	-	13,703
N SHIP SONARS						
43 SURFACE SONAR SUPPORT EQUIPMENT		3,810	-	-	-	3,810
44 AN/SQQ-89 SURF ASW COMBAT SYSTEM		16,628	-	-	-	16,628
45 SSN ACOUSTICS		77,953	-	-	-	77,953
46 SURFACE SONAR WINDOWS AND DOME		-	-	-	-	-
47 SONAR SUPPORT EQUIPMENT		5,430	-	-	-	5,430

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
48 SONAR SWITCHES AND TRANSDUCERS		11,574	-	-	-	11,574
N ASW ELECTRONIC EQUIPMENT						
49 SUBMARINE ACOUSTIC WARFARE SYSTEM		4,259	-	-	-	4,259
50 SSTD		344	-	-	-	344
51 ACOUSTIC COMMUNICATIONS		412	-	-	-	412
52 FIXED SURVEILLANCE SYSTEM		15,175	-	-	-	15,175
53 SURTASS		7,108	-	-	-	7,108
54 ASW OPERATIONS CENTER		5,255	-	-	-	5,255
55 CARRIER ASW MODULE		16	-	-	-	16
N ELECTRONIC WARFARE EQUIPMENT						
56 AN/SIQ-32		2,119	-	-	-	2,119
57 AN/WLR-1		-	-	-	-	-
58 INFORMATION WARFARE SYSTEMS		3,781	-	-	-	3,781
59 EW SUPPORT EQUIPMENT		4,216	-	-	-	4,216
60 C-3 COUNTERMEASURES		6,891	-	-	-	6,891
N RECONNAISSANCE EQUIPMENT						
61 COMBAT DF		10,473	-	-	-	10,473
62 OUTBOARD		11,674	-	-	-	11,674
63 BATTLE GROUP PASSIVE HORIZON EXTEN		50,221	-	-	-	50,221
N SUBMARINE SURVEILLANCE EQUIPMENT						
64 AN/WLQ-4		4,479	-	-	-	4,479
65 SUBMARINE SUPPORT EQUIPMENT PROG		6,904	-	-	-	6,904
N OTHER SHIP ELECTRONIC EQUIPMENT						
66 NAVY TACTICAL DATA SYSTEM		14,335	-	-	-	14,335
67 COOPERATIVE ENGAGEMENT CAPABILITY		-	-	114,800	-	114,800
68 JMCIS AFLOAT		22,403	-	12,000	-	34,403
69 NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)		49,710	-	64,700	-	114,410
70 ATDLs		16,991	-	-	-	16,991
71 MINESWEEPING SYSTEM REPLACEMENT		15,848	-	-	-	15,848
72 SHALLOW WATER MCM		-	-	-	-	-

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
73 EMSP (MYP)	-	-	-	-	-	-
74 NAVSTAR GPS RECEIVERS (SPACE)	-	5,006	-	-	-	5,006
75 HF LINK-11 DATA TERMINALS	-	-	-	-	-	-
76 ARMED FORCES RADIO AND TV	-	15,665	-	-	-	15,665
77 STRATEGIC PLATFORM SUPPORT EQUIP	-	7,499	-	-	-	7,499
<u>N TRAINING EQUIPMENT</u>						
78 OTHER SPAWAR TRAINING EQUIPMENT	-	3,569	-	-	-	3,569
79 OTHER TRAINING EQUIPMENT	-	24,529	-	-	-	24,529
<u>N AVIATION ELECTRONIC EQUIPMENT</u>						
80 MATCALS	-	9,726	-	-	-	9,726
81 SHIPBOARD AIR TRAFFIC CONTROL	-	2,971	-	-	-	2,971
82 AUTOMATIC CARRIER LANDING SYSTEM	-	13,200	-	-	-	13,200
83 NATIONAL AIR SPACE SYSTEM	-	2,239	-	-	-	2,239
84 TACAN	-	-	-	-	-	-
85 AIR STATION SUPPORT EQUIPMENT	-	9,495	-	-	-	9,495
86 MICROWAVE LANDING SYSTEM	-	5,311	-	-	-	5,311
87 FACSFAC	-	7,001	-	-	-	7,001
88 ID SYSTEMS	-	11,293	-	-	-	11,293
89 SURFACE IDENTIFICATION SYSTEMS	-	-	-	-	-	-
90 TAC A/C MISSION PLANNING SYS(TAMPS)	-	15,722	-	-	-	15,722
<u>N OTHER SHORE ELECTRONIC EQUIPMENT</u>						
91 JMCIS ASHORE	-	3,393	-	-	-	3,393
92 JMCIS OED	-	343	-	-	-	343
93 TADIX-B	-	5,239	-	-	-	5,239
94 NATIONAL IMAGERY SUPPORT	-	-	-	-	-	-
95 JMCIS TACTICAL/MOBILE	-	2,888	-	-	-	2,888
96 RADIAC	-	6,093	-	-	-	6,093
97 GPETE	-	7,461	-	-	-	7,461
98 INTEG COMBAT SYSTEM TEST FACILITY	-	3,877	-	4,000	-	7,877
99 CALIBRATION STANDARDS	-	2,075	-	-	-	2,075

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	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
100 EMI CONTROL INSTRUMENTATION		4,984		-	-	4,984
101 SHORE ELEC ITEMS UNDER \$2 MILLION		3,425		-	-	3,425
N SHIPBOARD COMMUNICATIONS						
102 SHIPBOARD TACTICAL COMMUNICATIONS		24,497		-	-	24,497
103 PORTABLE RADIOS		2,375		-	-	2,375
104 SINGARS		7,426		-	-	7,426
105 SHIP COMMUNICATIONS AUTOMATION		25,799		24,000	-	49,799
106 SHIP COMM ITEMS UNDER \$2 MILLION		12,374		-	-	12,374
N SUBMARINE COMMUNICATIONS						
107 SHORE LF/VLF COMMUNICATIONS		7,751		-	-	7,751
108 SUBMARINE COMMUNICATION EQUIPMENT		37,239		-	-	37,239
109 ADVANCED VLF RECEIVER		7,643		-	-	7,643
N SATELLITE COMMUNICATIONS						
110 SATCOM SHIP TERMINALS (SPACE)		107,608		15,200	-	122,808
111 SATCOM SHORE TERMINALS (SPACE)		4,987		-	-	4,987
N SHORE COMMUNICATIONS						
112 JCS COMMUNICATIONS EQUIPMENT		2,603		-	-	2,603
113 NSIPS		-		-	-	-
114 JEDMICS		-		-	-	-
115 GCCS EQUIPMENT		1,560		-	-	1,560
116 NAVAL SHORE COMMUNICATIONS		72,465		24,000	-	96,465
N CRYPTOGRAPHIC EQUIPMENT						
117 SECURE VOICE SYSTEM		-		-	-	-
118 SECURE DATA SYSTEM		-		-	-	-
119 INFO SYSTEMS SECURITY PROGRAM (ISSP)		31,667		8,000	-	39,667
120 KEY MANAGEMENT SYSTEMS		-		-	-	-
N CRYPTOLOGIC EQUIPMENT						
121 CRYPTOLOGIC COMMUNICATIONS EQUIP		7,122		-	-	7,122
N OTHER ELECTRONIC SUPPORT						
122 ELEC ENGINEERED MAINT (NAVSEA)		-		-	-	-

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
N <u>DRUG INTERDICTION SUPPORT</u>						
123 OTHER DRUG INTERDICTION SUPPORT						
N <u>AVIATION SUPPORT EQUIPMENT</u>						
N <u>SONOBUOYS</u>						
124 AN/SSQ-36 (BT)	1,402	1,402				1,402
125 AN/SSQ-33 (DIFAR)	28,382	28,382		19,000		47,382
126 AN/SSQ-62 (DICASS)	24,291	24,291		7,000		31,291
127 AN/SSQ-101 (ADAR)	-	-		-		-
128 AN/SSQ-110	-	-		-		-
129 SIGNAL, UNDERWATER SOUND (SUS)	672	672		-		672
N <u>AIRCRAFT SUPPORT EQUIPMENT</u>						
130 WEAPONS RANGE SUPPORT EQUIPMENT	4,858	4,858		-		4,858
131 EXPEDITIONARY AIRFIELDS	1,252	1,252		-		1,252
132 AIRCRAFT REARMING EQUIPMENT	10,356	10,356		-		10,356
133 AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	29,630	29,630		-		29,630
134 PREDATOR UAV (DARP)	-	-		-		-
135 PIONEER UAV (DARP)	-	-		-		-
136 METEOROLOGICAL EQUIPMENT	17,816	17,816		-		17,816
137 OTHER PHOTOGRAPHIC EQUIPMENT	805	805		-		805
138 AVIATION LIFE SUPPORT	15,345	15,345		-		15,345
139 AIRBORNE MINE COUNTERMEASURES	20,192	20,192		-		20,192
140 LAMPS MK III SHIPBOARD EQUIPMENT	5,805	5,805		-		5,805
141 REWSON PHOTOGRAPHIC EQUIPMENT	693	693		-		693
142 STOCK SURVEILLANCE EQUIPMENT	1,586	1,586		-		1,586
143 OTHER AVIATION SUPPORT EQUIPMENT	6,165	6,165		-		6,165
144 SAFETY & SURVIVABILITY ITEMS	-	-		-		-
N <u>ORDNANCE SUPPORT EQUIPMENT</u>						
N <u>SHIP GUN SYSTEM EQUIPMENT</u>						
145 GUN FIRE CONTROL EQUIPMENT	9,753	9,753		-		9,753
N <u>SHIP MISSILE SYSTEMS EQUIPMENT</u>						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
146 MK-92 FIRE CONTROL SYSTEM		906				906
147 HARPOON SUPPORT EQUIPMENT		243				243
148 TARTAR SUPPORT EQUIPMENT		-				-
149 POINT DEFENSE SUPPORT EQUIPMENT		-				-
150 AIRBORNE ECM/ECCM		-				-
151 ENGAGEMENT SYSTEMS SUPPORT		6,881				6,881
152 NATO SEASPARROW		6,866		8,000		14,866
153 RAM GMLS		68,292				68,292
154 SHIP SELF DEFENSE SYSTEM		5,841				5,841
155 AEGIS SUPPORT EQUIPMENT		26,813				26,813
156 SURFACE TOMAHAWK SUPPORT EQUIPMENT		65,502				65,502
157 SUBMARINE TOMAHAWK SUPPORT EQUIP		1,425				1,425
158 VERTICAL LAUNCH SYSTEMS		7,591				7,591
N FBM SUPPORT EQUIPMENT						
159 STRATEGIC PLATFORM SUPPORT EQUIP		2,312				2,312
160 STRATEGIC MISSILE SYSTEMS EQUIP		231,528				231,528
N ASW SUPPORT EQUIPMENT						
161 SSN COMBAT CONTROL SYSTEMS		20,511				20,511
162 SUBMARINE ASW SUPPORT EQUIPMENT		3,442				3,442
163 SURFACE ASW SUPPORT EQUIPMENT		5,929				5,929
164 ASW RANGE SUPPORT EQUIPMENT		3,551				3,551
N OTHER ORDNANCE SUPPORT EQUIPMENT						
165 EXPLOSIVE ORDNANCE DISPOSAL EQUIP		7,521				7,521
166 UNMANNED SEABORNE TARGET		4,271				4,271
167 ANTI-SHIP MISSILE DECOY SYSTEM		24,696		9,000		33,696
168 INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT)		1,373				1,373
169 STOCK SURVEILLANCE EQUIPMENT		1,292				1,292
N OTHER EXPENDABLE ORDNANCE						
170 PYROTECHNIC AND DEMOLITION (SOF)		-				-
171 FLEET MINE SUPPORT EQUIPMENT		5,269				5,269

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
172 SURFACE TRAINING DEVICE MODS		4,829				4,829
173 SUBMARINE TRAINING DEVICE MODS		23,025				23,025
174 INDUSTRIAL DEPOT MAINTENANCE		-				-
N CIVIL ENGINEERING SUPPORT EQUIPMENT						
N CIVIL ENGINEERING SUPPORT EQUIPMENT						
175 ARMORED SEDANS		274				274
176 PASSENGER CARRYING VEHICLES	194	5,689			194	5,689
177 SPECIAL PURPOSE VEHICLES		2,795				2,795
178 GENERAL PURPOSE TRUCKS		-				-
179 TRAILERS/TRUCK TRACTORS		-				-
180 EARTH MOVING EQUIPMENT		-				-
181 CONSTRUCTION & MAINTENANCE EQUIP		3,700				3,700
182 FIRE FIGHTING EQUIPMENT		1,543				1,543
183 TACTICAL VEHICLES		2,459				2,459
184 WEIGHT HANDLING EQUIPMENT		-				-
185 AMPHIBIOUS EQUIPMENT		6,233				6,233
186 COMBAT CONSTRUCTION SUPPORT EQUIP		245				245
187 MOBILE UTILITIES SUPPORT EQUIPMENT		1,160				1,160
188 COLLATERAL EQUIPMENT		530				530
189 OCEAN CONSTRUCTION EQUIPMENT		332				332
190 POLLUTION CONTROL EQUIPMENT		28,650				28,650
191 OTHER CIVIL ENG SUPPORT EQUIPMENT		-				-
N SUPPLY SUPPORT EQUIPMENT						
N SUPPLY SUPPORT EQUIPMENT						
192 FORKLIFT TRUCKS		6,328				6,328
193 OTHER MATERIALS HANDLING EQUIPMENT		2,063				2,063
194 OTHER SUPPLY SUPPORT EQUIPMENT		-				-
195 FIRST DESTINATION TRANSPORTATION		3,930				3,930
196 SPECIAL PURPOSE SUPPLY SYSTEMS		44,207				44,207
N PERSONNEL AND COMMAND SUPPORT EQUIPMENT						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request	Committee Change	Recommendation
	Qty	Cost	Qty
		Cost	Cost
N TRAINING DEVICES			
197 TRAINING SUPPORT EQUIPMENT	2,065	-	2,065
198 TRAINING DEVICE MODIFICATIONS	-	-	-
N COMMAND SUPPORT EQUIPMENT			
199 COMMAND SUPPORT EQUIPMENT	15,915	-	15,915
200 EDUCATION SUPPORT EQUIPMENT	-	-	-
201 MEDICAL SUPPORT EQUIPMENT	-	-	-
202 INTELLIGENCE SUPPORT EQUIPMENT	22,449	-	22,449
203 OPERATING FORCES SUPPORT EQUIPMENT	4,743	-	4,743
204 NAVAL RESERVE SUPPORT EQUIPMENT	-	-	-
205 ENVIRONMENTAL SUPPORT EQUIPMENT	15,678	6,000	21,678
206 PHYSICAL SECURITY EQUIPMENT	-	-	-
207 INDUSTRIAL DEPOT MAINTENANCE EQUIP	-	-	-
N OTHER			
208 CANCELLED ACCOUNT ADJUSTMENTS	-	-	-
209 CANCELLED ACCOUNT ADJUSTMENT (88)	-	-	-
N SPARES AND REPAIR PARTS			
N SPARES AND REPAIR PARTS			
210 SPARES AND REPAIR PARTS	248,717	(20,000)	228,717
TOTAL OTHER PROCUREMENT, NAVY	2,825,500	352,200	3,177,700
N PROCUREMENT, MARINE CORPS			
N WEAPONS AND COMBAT VEHICLES			
N TRACKED COMBAT VEHICLES			
1 AAV7A1 PIP	13,520	-	13,520
2 LAV PIP	600	-	600
3 LIGHT ARMORED VEHICLE	6,727	-	6,727
4 MODIFICATION KITS (TRKD VEH)	4,483	-	4,483
5 ITEMS UNDER \$2M (TRKD VEH)	99	-	99
N ARTILLERY AND OTHER WEAPONS			

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
6 MOD KITS (ARTILLERY)		1,787				1,787
7 ITEMS UNDER \$2M (ALL OTHER)		810				810
8 MARINE ENHANCEMENT PROGRAM		1,513				1,513
N WEAPONS						
9 155MM LIGHTWEIGHT TOWED HOWITZER						
N GUIDED MISSILES AND EQUIPMENT						
N GUIDED MISSILES						
10 HAWK MOD		3,475				3,475
.11 JAVELIN (MYP)	194	44,146		17,000	194	61,146
11 LESS: ADVANCE PROCUREMENT (PY)		(2,000)				(2,000)
12 ADVANCE PROCUREMENT (CY)						
13 PEDESTAL MOUNTED STINGER (PMS) (MYP)		217				217
14 PREDATOR (SRAW)						
N OTHER SUPPORT						
15 MODIFICATION KITS		842				842
16 ITEMS LESS THAN \$2 MILLION						
N COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
N MANPACK RADIOS						
17 MANPACK RADIOS AND EQUIP						
N TELEPHONE AND TELETYPE EQUIPMENT						
18 JOINT TACT INFO DIST SYS (CL I)						
N REPAIR AND TEST EQUIPMENT						
19 AUTO TEST EQUIP SYS		12,121				12,121
20 GENERAL PURPOSE ELECTRONIC TEST EQUIP.		9,142				9,142
N OTHER COMM/ELEC EQUIPMENT						
21 SINGLE CHAN GRD & AIR RADIO						
N OTHER SUPPORT (TEL)						
22 MODIFICATION KITS (TEL)						
23 ITEMS LESS THAN \$2M (TEL)						
N COMMAND AND CONTROL SYSTEM (NON-TEL)						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
24 TACTICAL AIR OPER MODULE (TAOM)	-	-	-	-	-	-
25 ADVANCED TACT AIR COMMAND CENTER	-	-	-	-	-	-
26 MULTI-SERV ADF FIELD ART TACTICAL DATA SYS	-	-	-	-	-	-
27 TACTICAL COMBAT OPERATIONS SYS	-	-	-	-	-	-
N INTELL/COMM EQUIPMENT (NON-TEL)						
28 AN/TPQ-36 FIRE FINDER RADAR UPGRADE	172	172	-	-	-	172
29 INTELLIGENCE SUPPORT EQUIPMENT	16,413	16,413	-	-	-	16,413
30 MOD KITS (INTEL)	5,824	5,824	-	-	-	5,824
31 ITEMS LESS THAN \$2M (INTEL)	631	631	-	-	-	631
N REPAIR AND TEST EQUIPMENT (NON-TEL)						
32 GENERAL PURPOSE MECHANICAL TMDE	2,179	2,179	-	-	-	2,179
N OTHER COMM/ELEC EQUIPMENT (NON-TEL)						
33 NIGHT VISION EQUIPMENT	-	-	7,000	7,000	-	7,000
34 ADP EQUIPMENT	-	-	-	-	-	-
N OTHER SUPPORT (NON-TEL)						
35 COMMAND POST SYSTEMS	13,923	13,923	-	-	-	13,923
36 MANUEVER C2 SYSTEMS	15,690	15,690	-	-	-	15,690
37 RADIO SYSTEMS	16,907	16,907	-	-	-	16,907
38 COMM SWITCHING & CONTROL SYSTEMS	44,741	44,741	-	-	-	44,741
39 COMM & ELEC INFRASTRUCTURE SUPPORT	41,809	41,809	-	24,800	-	66,609
40 MOD KITS MAGTF C4I	22,974	22,974	-	400	-	23,374
41 ITEMS < \$2M MAGTF C4I	371	371	-	-	-	371
42 MODIFICATION KITS (OTHER)	1,734	1,734	-	-	-	1,734
43 ITEMS < \$2M (OTHER)	3,018	3,018	-	-	-	3,018
44 AIR OPERATIONS C2 SYSTEMS	9,371	9,371	-	-	-	9,371
45 MARINE ENHANCEMENT PROGRAM	-	-	-	-	-	-
46 MODIFICATION KITS (NONTEL)	-	-	-	-	-	-
47 ITEMS LESS THAN \$2M (NONTEL)	-	-	-	-	-	-
N SUPPORT VEHICLES						
N ADMINISTRATIVE VEHICLES						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
48 COMMERCIAL PASSENGER VEHICLES						
49 COMMERCIAL CARGO VEHICLES	40	1,276	-	-	40	1,276
N TACTICAL VEHICLES		6,946	-	-	-	6,946
50 5/4T TRUCK HMMVV (MYP)	696	696	55,000	55,000	-	55,696
51 MEDIUM TACTICAL VEHICLE REPLACEMENT	-	-	-	-	-	-
52 LOGISTICS VEHICLE SYSTEM REP	-	-	-	-	-	-
53 TRAILERS	-	-	-	-	-	-
N OTHER SUPPORT						
54 MODIFICATION KITS	-	-	6,200	6,200	-	6,200
55 ITEMS LESS THAN \$2 MIL	594	594	-	-	-	594
N ENGINEER AND OTHER EQUIPMENT						
N ENGINEER AND OTHER EQUIPMENT						
56 ENVIRONMENTAL CONTROL EQUIP ASSORT	1,968	1,968	-	-	-	1,968
57 BULK LIQUID EQUIPMENT	7,913	7,913	-	-	-	7,913
58 ADVANCED DEMOLITION KITS	-	-	-	-	-	-
59 POWER EQUIPMENT ASSORTED	3,627	3,627	22,100	22,100	-	25,727
60 SHOP EQ CONTACT MAINTENANCE (SECM)	-	-	12,200	12,200	-	12,200
61 CANCELLED ACCOUNT ADJUSTMENT (87)	-	-	-	-	-	-
62 CANCELLED ACCOUNT ADJUSTMENTS (88)	-	-	-	-	-	-
N MATERIALS HANDLING EQUIPMENT						
63 COMMAND SUPPORT EQUIPMENT	613	613	-	-	-	613
64 AMPHIBIOUS RAID EQUIPMENT	-	-	1,600	1,600	-	1,600
65 PHYSICAL SECURITY EQUIPMENT	1,514	1,514	-	-	-	1,514
66 GARRISON MOBILE ENGR EQUIP	2,998	2,998	-	-	-	2,998
67 TELEPHONE SYSTEM	-	-	-	-	-	-
68 WAREHOUSE MODERNIZATION	1,584	1,584	-	-	-	1,584
69 MATERIAL HANDLING EQUIP	5,241	5,241	-	-	-	5,241
70 FIRST DESTINATION TRANSPORTATION	1,396	1,396	-	-	-	1,396
N GENERAL PROPERTY						
71 FIELD MEDICAL EQUIPMENT	1,081	1,081	15,000	15,000	-	16,081

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
72 TRAINING DEVICES		10,585		9,200	-	19,785
73 CONTAINER FAMILY		6,191		-	-	6,191
N OTHER SUPPORT						
74 MODIFICATION KITS		1,215		-	-	1,215
75 ITEMS LESS THAN \$2 MIL		714		10,000	-	10,714
76 DRUG INTERDICTION		-		-	-	-
N SPARES AND REPAIR PARTS						
N SPARES AND REPAIR PARTS		24,915		-	-	24,915
77 SPARES AND REPAIR PARTS		374,306		180,500		554,806
<b>Total Procurement, Marine Corps</b>						

**Section 121. New attack submarine program.**

In the National Defense Authorization Act for Fiscal Year 1996, Congress mandated competition for the future procurement of nuclear attack submarines, overruling a Department of Defense recommendation that would have assigned all future submarine construction to Electric Boat Corporation (one of the two contractors then capable of building nuclear submarines). Additionally, Congress established the framework for an advanced submarine technology program that would ensure Navy submarines remain technologically superior to any potential threat and directed the Secretary of Defense to develop a comprehensive plan for insertion of new technology into future nuclear attack submarines.

The National Defense Authorization Act for Fiscal Year 1997 reaffirmed congressional direction for competition in the procurement of future nuclear attack submarines. Confronted with a budget request that did not reflect its intent with respect to competition, Congress added additional funding for advance procurement and construction of nuclear attack submarines that would be authorized for construction at Electric Boat Corporation in fiscal year 1998 and at Newport News Shipbuilding and Dry Dock Company in fiscal year 1999. Congress also drew upon reports submitted by the Department of Defense and an independent technology review panel to substantially increase funding for advanced submarine technology.

During the intervening period before submission of the budget request, informal discussions between the Navy and the committee made clear that the Navy was having great difficulty in developing its fiscal year 1998 budget proposal. Unfulfilled expectations about ship construction resources that would be available were disrupting the Navy's ability to carry out congressional direction for construction of nuclear attack submarines and still provide sufficient funds for other, high priority ships.

Against this backdrop senior leaders of the Defense Department and the Navy called on members of the committee in February 1997 to describe an agreement between the two shipbuilders and the Navy on a new production teaming arrangement that would link Electric Boat and Newport News cooperatively rather than through competition. They reported that cost savings from the teaming arrangement would permit the Navy to present a balanced shipbuilding plan in the budget request with all ships fully funded. The Under Secretary of Defense for Acquisition and Technology also advised the committee that the Department of Defense (DOD) now considers it vital to national security to maintain two shipyards that are capable of building nuclear submarines.

As structured, the production teaming arrangement and the Navy's proposed funding of it during the period from fiscal year 1998 to fiscal year 2002 would:

- (1) establish the framework for a contractual relationship between the Navy, Electric Boat, and Newport News for cooperative submarine construction;
- (2) eliminate the need for design transfer by creating a single design database that will be used by both shipyards;
- (3) provide for a production process in which learning is enhanced by each shipyard repetitively producing the same mod-

ules, such as bow, stern, command and control, and propulsion machinery;

(4) alternate assembly and outfitting of submarines between the two yards;

(5) construct four submarines over the five year period on a schedule that will permit efficient level loading of workload in each shipyard; and

(6) reinforce a competition for ideas that will encourage both shipyards to propose new technologies for insertion into future nuclear submarine designs.

The Navy projects that cost savings from the teaming arrangement relative to the present production plan for the first four submarines will be substantial. The Navy's procurement plan, comparing the costs of annual procurement of four submarines with those of the teaming arrangement, projects the following cost savings:

Item and Opportunity	Estimated savings (millions)
Learning Curve and Change Order Improvement—Construction of modules by a single builder and avoidance of production gaps .....	\$385
Material Procurement—Block buy of ships allows more cost effective purchase .....	40
Reduced Profit—Teaming produces lower overall fees .....	45
Design Transfer Cost Avoidance—Single design database available to both shipyards .....	15
Stable Employment Levels at Hull Cylinder Facility—Continuous manufacture vice fluctuating employment profile .....	75
Facilities—Reduces duplication of most facilities and sets of special equipment; minimizes non-recurring cost	300
Overhead Rate—Reduced labor increases rate .....	(220)
Net Estimated Savings .....	640

In summary, the budget request and associated draft legislative provisions submitted by the DOD proposed a teaming arrangement between Electric Boat Corporation and Newport News Shipbuilding and Dry Dock Company for construction of the next four nuclear attack submarines and a congressional commitment sufficient to begin execution of this plan. Such a commitment would be necessary to achieve the cost savings from economic order quantities of material and would markedly enhance workload and workforce planning and stability.

While the committee has strongly supported competition for future procurement of nuclear attack submarines, it finds that the Navy and the shipbuilders have made a persuasive case for a production teaming arrangement for the first four submarines. Consequently, the committee recommends authorization of \$2.3 billion, the budget request, for the construction of a nuclear attack submarine and \$284.8 million, also the budget request, for advance procurement of components for future nuclear attack submarines. The committee also recommends a provision that would authorize the Secretary of the Navy to enter into a contract or contracts for the construction of four nuclear attack submarines under the terms of the teaming arrangement that have been negotiated between Electric Boat and Newport News Shipbuilding. In order to ensure that maximum cost savings can be achieved for the fiscal year 1998 submarine, the committee directs the Secretary of the Navy to take the necessary actions to be prepared to enter into contracts under this provision as soon as it is enacted.

**Sec. 122. Nuclear aircraft carrier program.**

During a hearing on Navy shipbuilding programs this year, the committee reviewed the current status of the Navy's aircraft carrier program. The post-Cold War carrier force structure includes 12 aircraft carriers, 11 in the active force and one in the reserves. Of these 12 aircraft carriers, three are conventionally-powered and nine are nuclear-powered. In fiscal year 1998 the average age of the conventional carriers of the active force will be 37 years, and the average age of the nuclear carriers will be 14 years. To maintain this force structure, the Navy must begin construction of its next carrier, CVN-77, by fiscal year 2002 in order to complete it by fiscal year 2008. Completion in this year is necessary to replace the last conventional carrier, USS *Kitty Hawk* (CV-73), that will still be in service in the active force. *Kitty Hawk* will be 47 years old at that time. Based on experience with the USS *Midway* (CV-41), which was also 47 years of age when decommissioned in 1992, maintaining aircraft carriers in an operational status to such an age is achievable, but at greatly increasing expense in the latter years.

Driven by a strong operational requirement to sustain carrier force structure and a need to complete construction of CVN-77 in time for it to replace *Kitty Hawk*, senior leadership in the Navy and the Office of the Secretary of Defense mounted an intensive effort during preparation of the budget request and its associated Future Years Defense Program (FYDP) to identify sufficient resources for the task. The effort was successful, but it demanded that some very difficult choices be made. Funding was reduced for a number of other programs, some very important in their own right but of lesser priority. As presently structured, the FYDP submitted with the budget request would fund CVN-77 in the traditional manner by means of advance procurement funding of \$695.0 million in fiscal year 2000, with the remaining balance of \$4.5 billion included in fiscal year 2002.

Hearing testimony has made it clear that the planned construction schedule for CVN-77 has been primarily driven by resource constraints and has not been determined by cost or operational effectiveness considerations. The last nuclear aircraft carrier, CVN-76, was authorized in fiscal year 1995. The seven year gap between CVN-76 and CVN-77 exceeds any construction interval between individual carriers in the past thirty years. The longest previous gap was six years between USS *Carl Vinson* (CVN-70), a fiscal year 1974 ship, and USS *Theodore Roosevelt* (CVN-71), a fiscal year 1980 ship. Data points of note when considering the planned seven year gap between CVN-76 and CVN-77 are the facts that: (1) *Theodore Roosevelt* required more man-hours to complete, because of turnover and skill deterioration of the workforce; and (2) produced higher vendor costs than any other carrier of the class built to date.

To explore the force structure, cost, and industrial base implications of the current plan, the Navy commissioned the RAND Corporation of Santa Monica, California, to perform an independent, quantitative analysis of the aircraft carrier industrial base with a focus on CVN-77. The study involved consultations with the Director of Naval Nuclear Propulsion and a detailed analysis of condi-

tions at Newport News Shipbuilding and Drydock Company (NNS), the only shipyard now capable of building nuclear aircraft carriers. The results of this study were presented as testimony by a senior RAND analyst at the committee's fiscal year 1998 shipbuilding hearing. Principal findings were as follows:

(1) without CVN-77, shipyard capabilities will be reduced in scale, but remain viable;

(2) current plans for construction of CVN-77 and the following carrier, CVX, will maintain aircraft carrier force structure at 12 if the USS *Enterprise* (CVN-65) remains in service until age 52 when her nuclear fuel will be exhausted;

(3) a carrier has never been retained in active service for 52 years, but the Navy is confident that it can do so with *Enterprise*;

(4) delaying CVN-77 would increase its cost by more than \$300 million in fiscal year 1998 constant dollars if the delay were one year, rising to \$400 million for a three year delay;

(5) delaying CVN-77 by one year would dictate the start of two carriers, CVN-77 and CVX, within three years of each other because of the need to complete CVX before *Enterprise's* nuclear fuel is exhausted; and

(6) starting advance procurement and construction of components for CVN-77 in fiscal year 1998 without altering the fiscal year 2008 delivery date can reduce construction costs by about \$390 million in fiscal year 1998 constant dollars and reduce vendor costs by about \$80 million, a potential total savings approaching \$470 million in constant dollars from which inflation has been excluded.

In parallel with the RAND effort, the Navy conducted its own independent review of the potential cost benefits of accelerating the start date of CVN-77 while holding its delivery date constant. The Navy also evaluated a proposal for a "smart buy" funding profile that was submitted to the Navy by NNS. The NNS proposal asserts that approximately \$450 million in labor and material costs and \$150 million in inflation costs could be saved by initiating advance procurement and construction for CVN-77 in fiscal year 1998. The NNS proposal identifies several reasons, also identified by the RAND study, that costs will be greater if the FYDP construction schedule prevails:

(1) loss of learning;

(2) layoff, rehiring, and retraining costs;

(3) laying up and subsequent non-recurring cost of reconstituting vendor production lines; and

(4) loss of opportunity to achieve economic order quantities for CVN-77 components by combining them with procurement of materials for CVN-76.

As an alternative to the current FYDP, the "smart buy" proposal would employ a tailored approach to procure major material items in conjunction with purchases for CVN-76 or in a manner that would allow principal suppliers to level load their production lines and avoid costly shutdowns. Similarly, an earlier start on construction of selected structural components would eliminate the need for costly layoffs and loss of learning at NNS.

Correspondence from the Chief of Naval Operations to the committee summarizes the results of the Navy's independent review of potential savings that could be realized in construction of CVN-77. That correspondence states that the Navy's cost analysis of the underlying assumptions and methods used by NNS in developing its "smart buy" proposal shows that implementing the plan could produce savings of as much as \$400 million in constant dollars.

As a separate but related matter, the committee evaluated a new initiative in the budget request to develop and insert new technologies into future carrier designs. During testimony in support of the fiscal year 1997 budget request, a Navy witness deplored the limited amount, \$6.0 million, being invested in research and development of carriers that would serve into the second half of the next century and characterized it as indicative of a persistent lack of intelligent investment by the Navy that has existed for over thirty years. The fiscal year 1998 budget request addresses this issue directly. It includes \$125.1 million to develop new technologies for CVX and an additional \$18.0 million designated for CVN-77 to realize CVN-77 as a transition carrier. The emphasis of this effort would be to evaluate new technologies that could reduce CVN-77's life-cycle cost, identify technology that could cost-effectively backfit into other carriers of the Nimitz class, and mature technology that could also be included in the design for CVX.

The Chief of Naval Operations has emphasized the importance of using CVN-77 as a transition in correspondence to the committee. Technologies that have been identified for evaluation on CVN-77 include improved launch and recovery equipment, weapons handling upgrades, information system management upgrades, reduced manning initiatives, and combat systems technologies aimed directly at the CVX design.

In evaluating the merits of accelerating the start of construction of CVN-77, it was necessary for the committee to determine whether an early start would have an unfavorable impact on CVN-77 as a transition carrier. In response to specific committee inquiries on this matter, the Navy thoroughly reviewed the advance procurement and construction proposed for CVN-77 against the timelines of its technology insertion program for the carrier, determined that there will be no conflict, and advised the committee to that effect.

Based on its review of the Navy's aircraft carrier program, both in the short and long term, the committee recommends a provision that would authorize:

- (1) an increase of \$345.0 million above the budget request for the procurement and construction of nuclear and non-nuclear components for the CVN-77 program;
- (2) the Secretary of the Navy to enter into a contract or contracts with the shipbuilder for the procurement and construction of such components; and
- (3) \$35.0 million, an increase of \$17.0 million, in PE 63512N for research, development, test, and evaluation of technologies that are candidates for inclusion in CVN-77.

The committee directs the Navy to develop its future budgets for CVN-77 in a manner that phases funding for its construction and produces the savings predicted by the contractor's "smart buy" proposal, RAND's analysis, and the Navy's own internal analysis. The

committee expects the Navy to take the following table as a statement of the committee's intent:

CVN-77 ANNUAL FUNDING

[In millions of dollars]

	Fiscal year—					Total
	1998	1999	2000	2001	2002	
FYDP .....	0	0	695	0	4,505	5,200
Committee .....	345	170	875	135	3,074	4,600
Difference .....	+345	+170	+180	+135	-1,430	-600

**Section 123. Exception to cost limitation for Seawolf submarine program.**

In the National Defense Authorization Act for Fiscal Year 1996, Congress established a cost cap on procurement of the three *Seawolf* class submarines (SSN-21, SSN-22, and SSN-23) that Congress has authorized. The cost cap was put in place to impose discipline on a program that had experienced large amounts of cost growth and had yet to implement the financial and management controls needed to arrest them. The cost cap was discussed thoroughly with the Navy before its adoption, and its final dollar amount was based on cost estimates and projections provided to Congress by the Navy.

This year the Navy has called the committee's attention to a concern that emerged as a result of the independent monitoring and review established by the Navy to verify that it is remaining within the cap. The issue derives from the fact that the *Seawolf* program went through an abrupt cancellation when the President submitted the budget request for fiscal year 1993. Although six *Seawolf* submarines had been authorized and money had been spent on all six, the President chose to continue construction only on the lead ship of the class, SSN-21.

In subsequent years, Congress partially restored the program, eventually authorizing three *Seawolf* submarines. The last of the three, SSN-23, was authorized in fiscal year 1996, the same year in which Congress imposed the current cost cap. When the Navy assisted in developing the cost cap amount, it did not propose inclusion of the sunk costs that had been incurred on canceled submarines. However, unresolved questions have emerged as to whether some portion of these costs, such as those for detail design or for components that may eventually be used in the three *Seawolf* submarines, should be included in the cost cap. These are not hidden costs that have suddenly appeared. The Navy has routinely reported them as part of total program cost. Rather, the issue is their categorization.

The committee became aware of this accounting issue for the first time in May 1996, at a point when the committee had almost completed its final review of the fiscal year 1997 budget request. The committee chose to deal with the matter by acknowledging in the committee report on S. 1745 (S. Rept. 104-267) that certain costs had not been included in the cost cap amount. This report language reflected the committee's judgement that the cost cap had

been put in place to safeguard against future cost growth, not as an accounting tool to document sunk cost.

During its review of the fiscal year 1998 budget request, the committee has analyzed the wording of the cost cap and discussed the legal issues involved with the Navy. The committee has concluded that an amendment of the cost cap provision to clarify congressional intent with respect to sunk costs associated with now canceled submarines would be appropriate. The committee believes that the cost cap should be stringent and require constant vigilance, but should not be an impossible goal to achieve. Consequently, the committee recommends a provision that would reaffirm the existing cost cap but make clear that certain costs associated with now canceled *Seawolf* submarines should not be taken into account.

#### **Section 124. Airborne self-protection jammer program.**

The statement of managers language accompanying the National Defense Authorization Act for Fiscal Year 1997 (H. Rept. 104-724) noted that the fiscal year 1997 authorization for the procurement of 36 airborne self protection jammer (ASPJ) systems was intended to provide a contingency response capability, and did not reflect the conferees' commitment to additional procurement of ASPJ systems or to restarting series production for U.S. government customers at that time. Accordingly, the committee recommends a provision to end ASPJ procurement.

The committee recognizes the contribution that the ASPJ has made to the continuing mission in Bosnia. However, the committee does not support restarting serial production of the ASPJ due to its past testing failures and the nature of its rapidly aging technology. The committee instead encourages the Department to continue its efforts in the development of the integrated defensive electronics countermeasure (IDECM) system for the F/A-18E/F, and a spinoff capability for the F/A-18C/D to capitalize on emerging technology and commonality.

### **OTHER NAVY PROGRAMS**

#### **Navy Aircraft**

##### **AV-8B Harrier remanufacture**

The budget request included \$300.1 million to procure 11 AV-8B remanufactured aircraft for the Marine Corps. The fiscal year 1997 plan for AV-8B remanufacture called for a procurement of 12 aircraft in fiscal year 1998. However, the budget request for fiscal year 1998 only included 11 aircraft, a further indication of the Department of Defense's inability to execute its own previously stated procurement program.

In order to provide for the Department's own plan from last year, the committee is persuaded to recommend an increase in the budget request for AV-8B Harrier remanufacture of \$24.6 million in order to restore the procurement quantity to 12 aircraft.

**Aircrew trainer/simulators**

The committee continues to support the use of simulators to enhance training necessary for aircrew proficiency. The committee received a request for additional funding to buy a mobile aircrew procedures trainer (APT) and to upgrade an operational flight trainer (OFT), AV-8B weapons system trainer (WST) and a maintenance trainer at Cherry Point. These simulators are key elements of the Marine Corps aviation campaign plan. Therefore, the committee recommends an increase of \$65.0 million to procure and upgrade these essential training devices.

**V-22 Osprey**

The budget request for the V-22 was \$597.1 million for 5 MV-22 aircraft.

In fiscal year 1997 the committee encouraged the Department of Defense to accelerate the procurement of the MV-22 to reap the savings available from a more efficient rate of production. Unfortunately, the budget request for fiscal year 1998 did not follow the committee's encouragement, but followed its previous course of inefficient production and had to reprogram additional funds authorized and appropriated for advanced procurement into development to provide for a sufficient management reserve to continue the program on schedule more efficiently.

Noting the constrained circumstances in the near and far term, the committee is still persuaded that an addition to the procurement of MV-22s will result in efficiencies and increased capabilities for deployed Marines. Accordingly, the committee recommends an increase of \$90.0 million to the budget request to procure an additional MV-22 in fiscal year 1998.

**EC Hawkeye early warning aircraft**

The budget request included \$257.0 million for the procurement of three Ec aircraft. The Ec is a carrier-based aircraft designed for early warning, interceptor and strike control, as well as other missions. The Navy resumed production of the Ec in 1995, with the intent of purchasing four aircraft per year for a total of 36 aircraft. However, the fiscal year 1998 budget request only included three aircraft, with the rationale that there were not enough funds for the planned buy. The effect of this cut in the administration's own plan is an increase in the unit cost of the aircraft, so that restoring the fourth aircraft provides a \$4.4 million per aircraft savings.

Realizing that the Ec is a proven aircraft in its second production run, and not a developmental program, the committee recommends an increase of \$68.0 million to acquire a total of four Ec aircraft for fiscal year 1998.

**T-45 trainers**

The budget request included \$269.7 million for 12 T-45 trainer aircraft for the Navy. The committee notes with concern the recent grounding of the T-2 trainers because of flight control malfunctions. The T-2s are being replaced by the T-45. The committee has been informed that acceleration of fielding the T-45 will reap significant savings by avoiding up to \$93.3 million in shut down costs.

Accordingly, the committee recommends an increase of \$102.0 million to procure six additional T-45 trainer aircraft to achieve operational and support cost savings.

#### **EA-6B support jamming upgrade**

The budget request included \$86.8 million for modifications to the EA-6B Prowler airborne electronic warfare aircraft. Subsequent to the budget request the committee learned of an emergent requirement to counter recently detected special radar techniques. Evidence indicates that a new family of threats has the potential to operate effectively in the presence of EA-6B or EF-111A jamming. However, there is now an opportunity to incorporate a low risk, affordable upgrade to the EA-6B in conjunction along with modifications already underway to counter the new family of threats.

Accordingly, the committee recommends a increase of \$25.0 million to the budget request for EA-6B modifications, with \$13.0 million to be used for nonrecurring costs including integration and test prototypes, and \$12.0 million to produce the modified Band 9/10 transmitters to provide an initial capability for one carrier air wing.

#### **Helicopter crash attenuating seats**

Section 136 of the National Defense Authorization Act for Fiscal Year 1996 directed the initiation of a program to provide crash attenuating troop seats for CH-53E helicopters, using commercially developed, energy absorbent seats. The committee recommended an increase of \$14.0 million in fiscal year 1997 to continue the program and recommends an increase of \$10.0 million to provide for the integration of crash attenuating troop seats into the CH-53E aircraft and for the procurement and retrofit of seats in 81 of the 165 helicopters now in the inventory.

#### **P-3C anti-surface warfare improvement program**

The budget request contained \$74.7 million for the procurement of four P-3C anti-surface warfare improvement program (AIP) kits and for associated installation, logistics support, engineering change proposals and training.

In order to meet requirements set by the unified commanders in chief (CINCs) to provide 40 forward-deployed P-3C maritime patrol aircraft, the Navy has adopted a plan that demands a significant and continuous contribution from its reserve squadrons and also pursued a plan to modify its fleet of P-3C aircraft to a configuration that better meets the operational mission the aircraft are expected to perform. While the primary mission of the aircraft during the Cold War was anti-submarine warfare, its role as a surveillance asset is now emphasized. The P-3C anti-surface warfare improvement program (AIP), begun in fiscal year 1994, is designed to provide a commercial off-the-shelf (COTS)/non-developmental item (NDI) upgrade to the Navy's existing fleet of P-3C aircraft to improve its capability to conduct anti-surface warfare (ASUW), over the horizon (OTH) targeting, and command and control interface with other command centers and fleet units. The P-3C AIP gives

the aircraft a much better capability to execute littoral warfare missions at a reasonable price.

Unfortunately, while the CINCs continue to strongly support the P-3C AIP program, the fierce competition for declining defense resources has produced persistent underfunding of this modernization program by the Navy. An operational requirement calls for the procurement of 68 kits between fiscal years 1996 and 2001 at an economical procurement rate of 12 kits per year. However, the Navy budgeted resources for only one kit in fiscal year 1997. Exacerbating the impact of this underfunding is the price schedule of the modernization contract, which was optimized for a procurement rate of 12 aircraft per year at the expense of greatly increased unit cost for quantities less than 12.

In the committee report that accompanied S. 1745 (S. Rept. 104-267), the committee expressed strong reservations about the Navy's increasing reliance on Congress to support a program with well-documented requirements. The committee also expressed concern about the concurrent Navy plan, also reflected in the fiscal year 1997 budget request, to further reduce its maritime patrol force structure from 13 active and 9 reserve (13/9) squadrons to 12 active and 8 (12/8) reserve. Based on its evaluation of the maritime patrol requirements being imposed by the CINCs and their desire for only the most capable aircraft to satisfy them, the committee recommended increases in funding to: (1) sustain the P-3C AIP program at a cost effective rate of 12 aircraft per year with a reduction in unit cost of more than 70 percent; and (2) maintain the Navy's maritime patrol force structure at 13/9. The committee also directed the Secretary of the Navy to submit a report to Congress on how he proposed to satisfy CINC requirements if the fiscal year 1998 budget request funded less than 12 kits. In fact, the budget request continues the underfunding pattern of the recent past. It requests four kits vice 12 at a cost penalty of a 25 percent increase in unit cost. The Secretary of the Navy's report that accompanied the budget request acknowledges the difficulty the Navy is having in executing its original plan for modifying P-3Cs to the AIP configuration and lays out a plan that will require an unprecedented commitment on the part of its reserve maritime patrol force structure to support the CINCs' forward deployed requirements.

After reviewing the Navy's plan, the committee is skeptical about the Navy's ability to successfully execute it over the long-term. The plan requires a full commitment by two reserve squadrons to maintain one aircraft forward deployed on a continuous basis, has the potential for a relatively small cadre of modernized aircraft to rapidly accumulate flight hours far in excess of projections, and appears to have only limited ability to surge in response to an emergent requirement.

The Navy has informed the committee that the four kits included in this year's budget request are insufficient to maintain a minimum sustaining production level. This would appear yet another indication that the Navy is unwilling to budget adequately for a priority CINC requirement. Consequently, the committee has chosen to recommend only a modest increment of additional funding, sufficient only to procure two additional AIP kits. Although there is a valid requirement for additional kits, and production at a high-

er rate would be more cost effective, the committee made clear in S. 1745 that there are many other programs in the queue with equally strong but unfunded requirements. The committee reiterates that it does not believe it appropriate that Congress become a primary funding source for the P-3C AIP, nor does the committee intend to take the program on as a continuing entitlement. Consequently, the committee will closely monitor the Navy's execution of the P-3C AIP program during fiscal year 1998 and revisit the matter during its review of the fiscal year 1999 budget request. During the intervening period, the committee will seek additional input from the CINCs on their method of establishing requirements for deployed P-3Cs and the priority of this requirement relative to others that they have levied for forward deployed forces.

In summary the committee:

- (1) recommends an increase of \$17.3 million above the budget request for the procurement of two P-3C AIP kits; and
- (2) directs the Secretary of the Navy to formally evaluate the advisability of renegotiating the P-3C AIP contract to eliminate the cost penalties that are being incurred as a consequence of current Navy budgeting practices.

## **Navy Weapons**

### **Tomahawk land attack missile**

Tomahawk is a long range, autonomous, precision strike weapon launched from either surface ships or submarines. It has been used in Desert Storm, twice in Iraq in 1993, in Bosnia in September 1995, and in Iraq in September 1996. To maintain missile inventories and provide them with upgraded capability, the Navy has been remanufacturing older Block II and Tomahawk anti-ship missiles (TASM) to the newer Block III configuration. In correspondence to the committee, the Chief of Naval Operations has indicated that fiscal constraints have prevented the Navy from funding this remanufacture program at the rate needed to maintain afloat inventories.

The committee has supported the Tomahawk program in the past for both new production and the remanufacturing of existing missiles. Tomahawk, with its proven performance, continues to make an enormous contribution to our national security and long-range, world-wide power projection, as demonstrated in Desert Storm, Iraq, and Bosnia.

The committee notes that the budget plan would stop buying new missiles at the end of fiscal year 1998. Considering the likelihood that there could be additional demands for these land attack missiles to outfit a much greater number of vertical launch cells in the fleet, the cessation of new production may not be a prudent course of action. The committee is aware that the Navy is also considering innovative operational concepts that would involve:

- (1) firing missiles without having designated a specific target and allowing forces deployed closer to the target set to provide final guidance information, or
- (2) launching missiles to allow them to loiter in a target area until needed by on-scene forces.

The capabilities of Tomahawk for both strategic and tactical missions, centered around its very long range and accuracy at an affordable cost, are unique in the inventory. The committee is concerned that the Navy may not have given adequate attention to continuing the new production program while pursuing guidance, sensor, munitions, long-range propulsion, reliability, and affordability enhancements or exploring the full effects of these innovative operational concepts on inventory objectives.

The committee recommends an increase of \$40.0 million to accelerate the remanufacture of approximately 115 Tomahawk missiles to the Block III configuration.

Additionally, the committee directs the Secretary of the Navy to conduct a review of overall inventory objectives for Tomahawk missiles that takes into account:

- (1) potential new applications of warhead technologies;
- (2) additional demands for missiles to fill an expanding inventory of vertical launch cells; and
- (3) planned technology enhancements emphasizing extended range and loitering and retargeting capability.

The Secretary should provide a report on this review prior to the submission of the fiscal year 1999 defense budget.

#### **Penguin missile program**

Neither the budget request nor the Future Years Defense Program contained funding for additional procurement of Penguin missiles.

The National Defense Authorization Act for Fiscal Year 1997 included a provision that authorized the Navy to enter into a contract for multiyear procurement of not more than 106 Penguin missiles and limited the amount that could be expended for such procurement to \$84.8 million. This provision was based on the existing shortfall in Penguin missile inventory and the premise that the Navy would be able to negotiate a very favorable price, about 55 percent of the average unit procurement cost for previous lots. Congress subsequently appropriated \$7.0 million to procure Penguin missiles in fiscal year 1997.

Penguin is the only operational Navy helicopter-launched missile in the Navy's weapon inventory. It provides Navy surface combatants with a defense against surface threats armed with anti-ship missiles. A principal operational advantage of Penguin is its relatively long operational range, which permits a helicopter armed with Penguin to remain outside the launch envelopes of potential targets.

The committee has learned that, while final contract negotiations on the fiscal year 1997 procurement are not yet complete, the proposed price submitted to the Navy by the contractor was even lower than the projected savings that motivated last year's congressional action. The committee has concluded that additional funding in fiscal year 1998 could produce even greater cost reductions through labor learning and production stability. To sustain procurement of the Penguin missile during fiscal year 1998, the committee recommends an increase in funding of \$15.0 million for procurement of additional missiles to satisfy outstanding inventory objectives for both the tactical and telemetry variants.

### Standard missile modification

The budget request included \$35.6 million for the modification of 80 Standard SM-2 Block II missiles to the Block IIIB configuration. These missiles are being modified to provide homing improvements for operations in a hostile electromagnetic countermeasures environment. The current shortfall versus inventory objective exceeds 700 missiles. Production of modified missiles began in fiscal year 1997 with an initial production lot of 40. Acceleration of procurement would not only provide the fleet with the capability to counter a threat that is already deployed, but would also produce savings through a more efficient production rate.

The committee considered various options for accelerating procurement of Standard missile modification kits using improved operational capability, funding availability, and risk associated with the slope of the production ramp as variables. The committee recommends an increase of \$15.3 million for the modification of 40 additional Standard SM-2 Block II missiles to the Block IIIB configuration. This increase would result in a total procurement for fiscal year 1998 of 120 missile modification kits and produce a resulting production increase between fiscal year 1997, the first year of limited rate initial production, and fiscal year 1998 of 80 missiles. The committee believes that this increase represents a prudent balance between production risk and increased operational capability.

### Navy and Marine Corps Ammunition

#### Marine Corps ammunition

The committee is concerned with the inadequate funding for ammunition procurement that was contained in the budget request. Ammunition is an important contributor to military readiness; for training and in anticipation of conflict. The committee recommends the following adjustments to the budget request for Marine Corps ammunition procurement:

<i>Item</i>	<i>Millions</i>
5.56 mm .....	3.0
40 mm .....	5.0
Charge, Demolition Assembly .....	15.0
SMAW .....	10.0
Subtotal .....	33.0

#### Shoulder Launched Multi-Purpose Assault Weapon

The budget request did not include funding for the Shoulder Launched Multi-Purpose Assault Weapon (SMAW). The committee is aware of growing problems associated with Marine Corps SMAW system. Three problems are of particular concern to the committee. First, the existing SMAW launcher is becoming unreliable and unmaintainable. Second, the Marine Corps requires an improved high explosive dual purpose (HEDP) round with double the range of the existing round in the inventory. Third, the Marine Corps inventory currently includes over 46,000 HEDP rounds which are restricted from use due to age and deficient design. Therefore, the committee recommends an increase of \$10.0 million to address these concerns. Of the funds provided, \$2.2 million shall be avail-

able for improvements to SMAW launchers, \$2.2 million shall be available for procurement of improved HEDP rounds, and \$5.6 million shall be for the repair of existing, restricted HEDP rounds within the current inventory.

### **Navy Shipbuilding and Conversion**

#### **Advanced submarine technology insertion**

The budget request contained \$150.1 million in fiscal year 1998 and \$172.5 million in fiscal year 1999 in various program elements for advanced submarine technology.

The committee has learned that, while the Navy has maintained its commitment to fund advanced submarine technology at a robust level relative to historic norms, the budget request included no funding for the detailed design necessary to insert technologies that will mature in the near-term into nuclear attack submarines that are scheduled to begin construction in fiscal years 1998 and 1999.

The committee recommends an increase of \$15.0 million above the budget request for the detailed design necessary to insert near-term technologies into nuclear attack submarines scheduled for authorization in fiscal years 1998 and 1999.

#### ***Arleigh Burke* class destroyer program.**

The budget request contained \$2.7 billion for the procurement of three *Arleigh Burke* class guided missile destroyers and \$157.8 million of advance procurement for an additional destroyer. These funds have been requested under authority provided in the National Defense Authorization Act for Fiscal Year 1997 for the Navy to enter into a multiyear contract for the procurement of a total of 12 destroyers at a procurement rate of three destroyers per year during the four year period from fiscal year 1998 to fiscal year 2001. This authorization for multiyear procurement was made after the Navy provided compelling testimony that a stable, predictable procurement profile over the four year period would produce savings of \$1.0 billion.

The DDG-51 destroyer is a centerpiece of the Navy's surface combatant force. It provides power projection, fleet air defense, and a formidable antisubmarine warfare capability. At committee hearings this year, Navy witnesses strongly affirmed the significant improvement in the Navy's readiness and warfighting capability that could be achieved by the authorization of a fourth DDG-51 class destroyer in fiscal year 1998. They also stated that, as a result of the stability provided by the multiyear contract, the Navy could buy a fourth destroyer at a very favorable price. In subsequent correspondence to the committee, the Chief of Naval Operations reiterated the cost savings that could be achieved by buying a fourth DDG-51 in fiscal year 1998 to address validated surface combatant requirements. By way of specific example, he noted that, before Congress authorized the multiyear buy, the average constant year cost for a single DDG-51 destroyer was \$950.0 million. Conversely, his estimate of the marginal cost of an additional destroyer in fiscal year 1998 is \$720.0 million, a 25 percent reduction.

The committee has been extremely concerned for several years about the low rate at which the Navy is procuring ships, including DDG-51 class destroyers. As funding in the procurement accounts has declined, building programs have been extended and annual quantities reduced. Inefficient procurement rates have caused unit costs to soar. The number of ships under construction in U.S. shipyards has declined by over 70 percent in the past 15 years and private-sector shipyard employment has fallen by over 60 percent in the same period of time. Ships are not being acquired at a rate necessary to sustain the Navy's long-term force structure. The committee is particularly concerned about the lack of a clear upward trend in procurement rates in the latter years of the Future Years Defense Program. The number of new ships in the Navy's budget this year is the lowest in a generation.

In an effort to partially offset this trend, the committee has pursued a policy of accelerating planned ship construction to satisfy outstanding operational requirements and achieve cost savings through more efficient procurement. Based on strong Navy testimony on the improvements in readiness, warfighting capability, and cost savings that would result, the committee recommends an increase of \$720.0 million above the budget request for the procurement of a fourth DDG-51 class destroyer in fiscal year 1998.

#### **Oceanographic survey ship**

The budget request contained no funding for an additional oceanographic survey ship. The Navy has been procuring a new class, the TAGS-60 class, of oceanographic survey ships. The mission of this multi-purpose class is to collect deep ocean, littoral, and coastal oceanographic data essential for meeting existing and emerging requirements for precise survey data.

In a 1995 report to Congress regarding the state of oceanography, the Navy confirmed a backlog of 360 ship-years of data collection requirements. Of this amount, 240 ship-year equivalents need to be accomplished by oceanographic survey ships. The remaining 120 ship-years can be accomplished by alternate means, such as remote sensing, international agreements, and cooperative data exchange. The Navy analysis also noted that a survey fleet of eight oceanographic ships could fulfill existing data collections requirements. To date, only seven relatively modern oceanographic survey ships are in service or under construction.

Based on a well-documented requirement, the committee recommends an increase of \$75.2 million above the budget request for procurement of an additional oceanographic ship, TAGS-65. Construction of this ship will satisfy the Navy's requirement for modern oceanographic survey ships.

### **Other Navy Procurement**

#### **Submarine propulsor**

The budget request contained no funding to complete procurement of a spare propulsor and an additional rotor assembly for the *Seawolf* class submarine. A propulsor consists of three major sub-assemblies: the forward fixed assembly; the aft fixed assembly; and the rotor. The Navy began procurement of a spare propulsor in fis-

cal year 1997 by contracting for an aft fixed assembly and a rotor. Funding constraints have caused the Navy to delay budgeting for the remaining components until fiscal years 1999 and 2000. Given the extensive schedule of tests planned for SSN-21, the lead ship of the class, the committee believes that earlier procurement of a complete spare propulsor and an additional spare rotor would be prudent.

The committee recommends an increase of \$38.3 million above the budget request for the procurement of a spare forward fixed propulsor assembly and an additional spare rotor in fiscal year 1998.

#### **AN/WSN-7 inertial navigation system**

The budget request included \$12.3 million for procurement of additional AN/WSN-7 ring laser inertial navigation systems. The AN/WSN-7 continuously and automatically determines and indicates a ship's position, attitude (heading, roll, and pitch), and velocity. This system replaces three legacy navigation systems, providing equipment commonality between surface combatants, submarines, and aircraft carriers. The annual operating cost of the AN/WSN-7 is projected to be only ten percent of the cost of operating the legacy navigation systems it replaces. Accelerated procurement of the AN/WSN-7 could produce a substantial savings in maintenance costs.

The committee recommends an increase of \$18.0 million above the budget request for the procurement of additional AN/WSN-7 navigation sets. If this recommendation is adopted, the estimated savings in maintenance costs over the period of the Future Years Defense Program between fiscal years 1998 and 2003 would be about \$27 million.

#### **Integrated combat weapons system**

The combat systems presently installed on the Navy's mine countermeasures ships are comprised of an assortment of independent subsystems developed by various manufacturers using technology that is now more than 20 years old. Financial constraints at the time of procurement prevented the Navy from employing a systems engineering and integration approach that could have provided for easy electronic communication between various combat systems sub-elements. Consequently, combat systems' performance falls short of requirement and expectations. Further, the fleet is experiencing an above average number of equipment failures with these systems, resulting in high maintenance costs.

To resolve these maintenance and performance issues, the Navy is developing an integrated combat weapons system for its mine countermeasures ships. The system will establish one standard architecture for both the MCM and MHC classes of ships, reduce unique equipment racks and stations from 13 to 2, reduce line replaceable units from 788 to 53, provide digital data exchange via a fiber optic local area network, provide for easy connection to the Navy's battle force tactical trainer (BFTT), and permit easy access and operation of the fleet's joint combat information standard.

The committee has previously encouraged the Navy to improve its mine countermeasures capabilities and has determined that additional funding in fiscal year 1998 would permit acceleration of

the integrated combat weapons system by about one year. Accordingly, the committee recommends an increase of \$10.3 million in PE 63502N to accelerate the following developmental efforts:

- (1) rehosting of mine countermeasures ship combat systems to open architecture standards;
- (2) linkage of the mine warfare onboard trainers on the mine countermeasures ships to the BFTT; and
- (3) development of needed modifications to the AN/SQQ-32 mine detection sonar towed body.

#### **AN/BPS-15H submarine navigation radar**

There was no funding in the budget request for the procurement of AN/BPS-15H submarine radar navigation sets. The Navy has been procuring the AN/BPS-15H, a commercial off-the-shelf (COTS) variant of the AN/BPS-15 radar navigation set, and its associated mast assembly for installation on new construction submarines and for backfit on SSN-688 class submarines. Procurement of the COTS variant has produced a substantial cost savings over a comparable system built to military specifications, has enhanced operational performance, and has improved navigational safety. Using funds provided in prior years, the Navy will be able to complete radar upgrades for the SSN-688 class. Continued procurement of additional AN/BPS-15H radar sets in fiscal year 1998 would avoid a production break with its associated restart costs, and permit the Navy to complete an upgrade of 15 *Trident* class submarines.

The committee recommends an increase of \$9.0 million for the procurement of additional AN/BPS-15H radar sets for installation into *Trident* class submarines and for use as training and refit facility assets.

#### **Cooperative engagement capability**

The cooperative engagement capability (CEC) has been developed to provide a major improvement in the Navy's battle force anti-air warfare (AAW) capability by coordinating information from all air and ship sensors into a single, real time, composite track picture that possesses fire control quality. CEC entered the engineering and manufacturing phase of development in May 1995. It achieved initial operational capability (IOC) in September 1996 and was approved for limited rate initial production beginning in fiscal year 1998. The Department of Defense has accorded high priority to development and fielding of CEC. In testimony to the committee in support of the fiscal year 1997 budget request, the Secretary of Defense singled it out as an important program with great potential for widespread joint application, particularly in satisfying requirements for theater ballistic missile defense.

The budget request does not satisfy the previous timeline for CEC development and procurement, nor does it reflect the elevated priority accorded it by the Secretary of Defense. Despite the successful performance of CEC during IOC evaluation, there is no procurement funding for it in the budget request. The consequence will be at least a one year delay in providing the fleet with a very important operational capability. This importance has been empha-

sized by the Chief of Naval Operations in correspondence addressed to the committee.

As an additional item for consideration, the committee received a report from the Secretary of the Navy on spectrum interference between CEC and other fleet weapons systems and data links. Among other matters, this report provided proposed options for resolving interference between CEC and the data link used by the SH-60B helicopter. The report concluded that the most effective method for eliminating this interference would be to shift the SH-60B data link to an alternate frequency band.

The committee's review has determined that the Navy's decision to omit funding in the budget request was not caused by any emerging technical problems that could have increased the risk associated with production or performance. Rather, it appears that the elimination of procurement funding predicted in the fiscal year 1997 Future Years Defense Program occurred as the result of a diversion to satisfy the resource demands of contingency operations. The committee believes this budgeting approach is short-sighted, particularly when high priority programs with urgent operational requirements are decimated as a result. Accordingly, the committee recommends an increase of \$114.8 million to restore the funds needed to keep CEC on schedule. The committee also recommends an increase of \$14.5 million in PE 63658N to:

- (1) \$5.0 million to initiate development of a Ku-band data link kit for the SH-60B helicopter;
- (2) \$5.0 million to continue the transition of design responsibility from its developer to the CEC procurement contractor; and
- (3) \$4.5 million to continue integration of CEC into the Marine Corps Hawk missile system.

### **Information Technology-21**

The Navy has informed the committee of a new, fleet-driven initiative, Information Technology-21 (IT-21), that has emerged since formulation of the budget request. IT-21 will provide for accelerated introduction of command, control, communications, and computer (C4I) innovations that have been developed in the commercial marketplace and for merging them with existing systems and capabilities.

As described by the Navy, the goal of IT-21 is to enable the warfighter to exchange classified and unclassified tactical and non-tactical information from a single desktop computer, shorten decision timelines, and increase combat power through more effective and coordinated use of relevant information. Through the IT-21 initiative the Navy intends to adapt and develop new operational concepts at a pace that remains abreast of the explosion of information technology that prevails in the commercial sector. The Navy's objective is to shift from platform-centric to network-centric warfare. The focus of platform-centric warfare tends to be mass on mass, extensive physical infrastructure, large overhead, and immense capital expenditure. Conversely, the Navy has concluded that a network-centric approach will allow it to leverage intellectual capital, focus specific information on relevant tasks, and produce reductions in infrastructure and overhead.

While the IT-21 concept evolved and was formulated too late to be incorporated into the budget request and its associated Future Years Defense Program (FYDP) as a coordinated budget initiative, numerous programs with existing budget lines will be drawn together as IT-21 sub-elements. Existing programs that would be accelerated, and to some extent redirected, include the joint maritime command information system (JMCIS), the Navy tactical command support system (NTCSS), the Navy switch and cable plant modernization program (NASCAMP), the Navy information systems security program (ISSP), the Challenge Athena commercial wideband satellite program, and the afloat telecommunications service (ATS). New capabilities, all available in commercial off-the-shelf (COTS) systems, such as the automated digital network system (a UHF modem upgrade to ensure adequate bandwidth for each ship) and asynchronous transmission mode (ATM) local area networks (LAN), represent emerging technologies that will make vital contributions to the IT-21 initiative.

The Navy has informed the committee that it is in the process of realigning the C4I resources in its FYDP to bring them into consonance with IT-21 and provide strong out-year support for the initiative. The Chairman of the Joint Chiefs of Staff has also written to the committee to endorse the IT-21 initiative.

The Navy's goal is to have every battle group and amphibious ready group, including cruisers and guided missile destroyers, deploy with IT-21 capability by the year 2000.

The committee is impressed with the Navy's vision for IT-21 and the emphasis it places on the use of actual commercial products, vice the use of COTS technology that must still be adapted for specialized Navy use. However, the committee urges the Navy to use caution before committing significant resources to massive software reprogramming efforts that would simply convert from one programming language to another with little, if any, improvement in capability. To provide an initial impetus to the IT-21 initiative and to assist the Navy to achieve its goal of a fully outfitted fleet by the year 2000, the committee recommends an increase of \$157.2 million above the budget request. Of this amount \$147.9 would be for procurement and \$9.3 million would be operations and maintenance funding.

#### **Integration and test facility command and control initiative**

The Navy is pursuing a continuing initiative to provide fully integrated and supportable command, control, communications, computer, and intelligence (C4I) systems at its integration and test facilities. These facilities are used for architecture design, systems engineering, integration, and to provide life-cycle support for the fleet's C4I systems.

The committee has learned that additional funding at the Navy in-service engineering (NISE) East facility would enhance the facility's ability to incorporate its integration facilities and laboratories into a baseline network that will allow much more effective application of its full product line. Additional communication nodes and terminal devices, as well as an increase in existing network bandwidth to accommodate additional users, would permit the facility to support the wide variety of operational protocols and phys-

ical interfaces associated with new fleet tactical C4I systems. Additional funding would also give NISE East the means to deliver fully integrated and tested systems to various shipbuilding programs and support integration strategies such as the Navy's Information Technology-21 initiative.

The committee recommends an increase of \$4.0 million above the budget request for engineering design; hardware and software procurement; and installation, testing, and documentation of the additional technical networking infrastructure that will enhance NISE East's ability to integrate all of its C4I product line laboratories. Of this amount \$2.0 million would be for procurement and \$2.0 million would be operations and maintenance funding.

#### **Sonobuoy procurement**

The budget request contained \$28.4 million for the procurement of AN/SSQ-53E passive sonobuoys and \$24.3 million for the procurement of AN/SSQ-62E active sonobuoys.

Use of sonobuoys during antisubmarine warfare (ASW) training and additional loss of inventory caused by expiring shelf-life have caused consumption to outstrip annual procurement for several years. Despite previous efforts by the committee to maintain sonobuoy inventory levels through additional funding and despite both an overall reduction in the Navy's ASW force structure and two year extensions beyond contract shelf-life, available inventories of the AN/SSQ-53E and AN/SSN-62E have fallen inexorably. The Navy's projected inventory of AN-SSQ-53 sonobuoys at the end of fiscal year 1998 would not meet the inventory requirements of a single major regional crisis. The projected shortfall for the AN/SSQ-62E would be less critical, but would impose a major constraint on training expenditures. In correspondence with the committee, the Navy has stressed the importance of resolving shortages in these two types of sonobuoys.

The committee recommends an increase of \$19.0 million for the procurement of additional AN/SSQ-53E and \$7.0 million for the procurement of additional AN/SSQ-62E sonobuoys.

#### **NATO Sea Sparrow missile system low light level television**

The Navy has been upgrading the fire control systems of fleet ships equipped with the NATO Sea Sparrow missile. The change involves replacing the existing isocon-based low light level television (LLTV) with solid state multi-spectral electro-optics. This charge coupled device (CCD) ordnance alteration (ORDALT) has produced a three fold reduction in mean time between failure, reducing maintenance costs. The multi-spectral capability provided by the CCD ORDALT significantly improves the ability of the NATO Sea Sparrow's fire control system to detect and engage modern cruise missiles. It also provides an improved capability for real-time threat identification, particularly at night, and manual target tracking in an emissions controlled environment.

The committee has learned that funding constraints encountered by the Navy in developing the budget request caused it to terminate the CCD ORDALT upgrade program before it will be completed. Aside from the increased maintenance costs and reduced operational performance implicit in this decision, the Navy will be

forced to maintain, at an additional expense, supply support for the old isocon-based LLTV. Consequently, to reduce future costs and improve the fleet's operational performance, the committee recommends an increase of \$8.0 million above the budget request for the procurement of additional CCD ORDALT kits.

#### **NULKA anti-ship missile decoy system**

The budget request included \$8.2 million for continued development of the NULKA active countermeasures decoy. It also contained \$24.7 million to procure NULKA decoys, launch subsystems, and training systems.

The NULKA decoy is scheduled to begin production during fiscal year 1997. It has been developed to improve surface ship survivability against anti-ship missiles (ASM). The ASM threat is growing rapidly. By the year 2000 an estimated 100 nations will possess more than 40,000 ASMs. These missiles will pose a potent threat to surface combatants and amphibious ships involved in littoral operations.

In its review of the budget request, the committee has determined that additional procurement funding in fiscal year 1998 would permit the Navy to acquire NULKA decoys at a more efficient rate and permit more complete outfitting of deploying battle groups. Additional development funding would accelerate fielding an electromagnetic capability, which will permit a more rapid upgrade of the NULKA round to accommodate new friendly emitters as they enter the fleet, and also deal with the evolving ASM threat.

The committee recommends an increase of \$9.0 million for procurement of additional NULKA decoys and for installation of their launching subsystems. The committee also recommends an increase of \$2.0 million in PE 64755N for continued development of the NULKA decoy to improve the ease with which it may be adapted to the future electromagnetic spectrum associated with fleet operations.

The committee has also learned that in November 1996, based on successful developmental testing and a concern about the proliferating ASM threat, the Navy designated NULKA as a cornerstone program that will lead surface electronic warfare into the next generation of combat systems and made a policy decision to accelerate its procurement and fleet introduction. This decision appears consistent with an overall strategy of maximizing surface ship combat capability in littoral operations and validates the priority that the committee has on the decoy's development for the past several years. However, the same policy decision that accelerated NULKA also rearranged its installation priority on Navy ships. Originally developed to provide protection to ships, such as amphibious ships, that are relatively poorly equipped to engage advanced ASMs, the Navy has now decided to give first priority to installation of NULKA on its most powerful surface combatants, guided missile cruisers, and destroyers, while assigning amphibious and fleet support ships the lowest priority. The reason for this decision remains unclear and is inconsistent with prior threat analysis.

Further, the committee has become aware of cost growth that has occurred in the projected unit cost of the NULKA round. While some of this cost growth can be reasonably attributed to a decrease

in projected yearly procurement quantities imposed by lower than expected procurement resources, the cause of the balance remains unclear. The committee is very concerned that the Navy did not inform the committee when this cost growth became apparent and also failed to acknowledge it in documentation submitted with the budget request.

To ensure that all information needed for an informed decision is available, the committee directs the Secretary of the Navy to provide the analysis and rationale that led it to rearrange its priorities for installation of NULKA in Navy ships and to also provide a detailed report on cost growth that has occurred in the projected unit cost for NULKA rounds. These reports should be submitted no later than August 15, 1997.

#### **Oceanographic equipment**

During its review of the fiscal year 1998 budget request, the committee determined that investment funding for oceanographic equipment was reduced significantly in fiscal years 1996 and 1997. Based on prior experience, the committee believes that regular funding for oceanographic equipment is necessary to keep up with commercial advances in technology, to routinely replace damaged equipment or equipment lost at sea, and to adjust to mission changes, such as a recent emphasis on littoral surveys, bottom characterization for mine countermeasures, and precise bottom imagery to support undersea war requirements. It would appear that funding in fiscal years 1996 and 1997 and in the budget request is insufficient to maintain an adequate replacement program.

The committee recommends an increase of \$6.0 million above the budget request to provide additional funding for procurement of oceanographic survey equipment, such as shallow-water multibeam systems, outfitting of hydrographic survey launches, high resolution acoustic imagery systems, upgraded survey and navigation equipment suites for use in cooperative international hydrographic programs, digital side-scan sonars, "fly away" survey suites that can be mounted aboard small vessels for surveys of opportunity, and unmanned undersea vehicles used for ocean data collection.

### **Marine Corps Procurement**

#### **Javelin**

The budget request included \$42.1 million to procure 194 Javelin missiles. The committee supports the Marine Corps effort to replace aging Dragon missiles and has been pleased with the progress of this joint Army/Marine Corps program that has resulted in the production of an extremely capable anti-armor missile system. The committee recommends an increase of \$17.0 million to procure an additional 186 missiles in fiscal year 1998 and allow the Marine Corps to reach its acquisition objective with the projected funding in the Future Years Defense Program.

#### **Night vision equipment**

The budget request did not include any funding for night vision equipment. The committee continues to support efforts to field night vision equipment to the armed forces to allow them to fight and win at night. The committee is concerned about the inadequate

funding in fiscal year 1998 for unmet night vision requirements. The committee recommends an increase of \$7.0 million to procure the following:

- (1) 1.2 million for AN/PEQ-4 infrared aiming lights;
- (2) 2.2 million for 6,250 borelights;
- (3) 2.7 million for high power laser pointers;
- (4) 0.9 million for mounting brackets.

#### **Base telecommunications infrastructure**

The budget request included \$17.5 million to upgrade Marine Corps base telecommunications infrastructure, including completion of work at Camp Pendleton and Camp Butler. The committee recognizes the numerous outstanding requirements for infrastructure upgrades and the capabilities and efficiencies that these upgrades bring to an installation. The committee recommends an increase of \$24.8 million to support additional work at Marine Corps Air Station Cherry Point and Marine Corps Air Station Beaufort while allowing the Marine Corps to use an existing contract to facilitate these efforts.

#### **Improved direct air support center**

The committee received a request for additional funding to field new satellite communication equipment. Such equipment is necessary to enhance future interoperability and capability as reliance on digital communications increases. These devices will also provide greater flexibility for Direct Air Support Central (DASC) operations. The committee recommends an increase of \$0.4 million to support this fielding.

#### **Light Tactical Vehicle Replacement program**

The budget request did not include any funding for the Light Tactical Vehicle Replacement (LTVR) program, which is currently scheduled to begin in 2000. The committee is very concerned about the current state of Marine Corps High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet that has aged considerably due to corrosion and wear. The committee notes the operational success of HMMWVs and strongly supports the LTVR program. The committee recommends an increase of \$55.0 million to begin the critical LTVR program in fiscal year 1998.

#### **International standards organization truck beds**

The committee recognizes Marine Corps efforts to improve deployment capabilities and the progress made to date toward fielding efficient International Standards Organization (ISO) beds for transporting cargo. The Marine Corps has successfully fielded 86 percent of requirements and can complete fielding of these beds for a modest investment. The committee recommends an increase of \$6.2 million to support final fielding of ISO truck beds.

#### **Power equipment assorted**

The committee notes ongoing efforts by the Marine Corps to field critical power generation equipment to the force. The Army has current contracts to acquire a variety of generators. The committee

recommends an increase of \$22.1 million to support an increasing demand for power generation equipment.

#### **Shop equipment contact maintenance system**

The committee understands that current Marine Corps contact maintenance vehicles have reached the end of their service life. The Marine Corps has established a program to replace these vehicles with equipment that supports maintenance efforts for forward deployed forces. The committee believes that this critical equipment should be replaced as soon as practicable, and recommends an increase of \$12.2 million to procure 122 shop equipment contact maintenance (SECM) systems.

#### **Combat rubber reconnaissance craft**

The committee supports Marine Corps efforts to procure combat rubber reconnaissance craft (CRRC) capable of transporting eight combat loaded Marines from amphibious shipping to shore. The committee recommends an additional \$1.6 million to procure 72 boats and achieve the acquisition objective.

#### **Chemical/biological incident response force equipment**

The committee supports the ongoing Marine Corps effort to field a well-equipped and capable force that can respond to chemical/biological incidents worldwide and assist in detection, decontamination, and medical missions associated with such an event. Marine efforts in fiscal year 1997 were successful in providing an initial core capability and the committee noted the successful deployment of this capability to the 1996 Olympic Games in Atlanta. The committee is concerned, however, that much of the equipment used by the Chemical/Biological Incident Response Force has been diverted from other Marine units and believes that this equipment should be replaced. The committee, therefore recommends an increase of \$15.0 million to provide for replacement equipment.

#### **Combat vehicle appended trainer**

The committee supports training device programs that enhance combat readiness at low cost. The committee understands that there is an opportunity to modify existing Army training devices that could be used to train Marine crews on Marine Corps armored vehicles. The committee recommends an increase of \$9.2 million to initiate the requisite changes that would accelerate fielding of these devices.

#### **Items less than \$2 million**

The committee was provided a list of miscellaneous equipment that the Commandant of the Marine Corps recommended for consideration should additional funds become available. These items included such equipment as underwater breathing equipment, advanced demolition kits, and logistics information systems.

The committee believes that these types of lower visibility hardware are too often lost in the discussions of defense priorities, although such gear can make a significant contribution to war fighting capability.

Therefore, the committee recommends an increase of \$10.0 million for these items in the Procurement, Marine Corps account.

## SUBTITLE D—AIR FORCE PROGRAMS

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
F AIRCRAFT PROCUREMENT, AIR FORCE						
F COMBAT AIRCRAFT						
F STRATEGIC OFFENSIVE						
1 B-1B		10,851		-	-	10,851
2 B-2A		174,086		-	-	174,086
F TACTICAL FORCES						
3 ADVANCED TACTICAL FIGHTER						
3 LESS: ADVANCE PROCUREMENT (PY)						
4 ADVANCE PROCUREMENT (CY)		80,864		(80,864)		
5 F-15A	3	159,000	3	100,800	6	259,800
5 LESS: ADVANCE PROCUREMENT (PY)						
6 ADVANCE PROCUREMENT (CY)		11,000		-		11,000
7 F-16 C/D (MYP)						
F AIRLIFT AIRCRAFT						
F TACTICAL AIRLIFT						
8 C-17 (MYP)	9	2,169,111		-	9	2,169,111
8 LESS: ADVANCE PROCUREMENT (PY)		(245,800)		-		(245,800)
9 ADVANCE PROCUREMENT (CY)		278,200		-		278,200
10 EC-130J						
F OTHER AIRLIFT						
11 C-130J	1	49,928		(49,928)	1	-
12 WC-130J						
12a C-130J Logistics						
F TRAINER AIRCRAFT						
F OPERATIONAL TRAINERS						
13 JPATS	18	65,415	4	12,200	22	77,615
14 TANKER, TRANSPORT, TRAINER SYSTEM						
F OTHER AIRCRAFT						
F HELICOPTERS						
15 HH-60G						

**TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS**

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
<b>F MISSION SUPPORT AIRCRAFT</b>						
16 CIVIL AIR PATROL A/C	27	2,645	-	-	27	2,645
17 SMALL VCX (C-37)	-	-	-	-	-	-
18 LARGE VCX (C-32A)	2	190,116	-	-	2	190,116
19 DRUG INTERDICTION	-	-	-	-	-	-
<b>F OTHER AIRCRAFT</b>						
20 E-8C	1	380,949	-	-	1	380,949
20 LESS: ADVANCE PROCUREMENT (PY)	-	(66,958)	-	-	-	(66,958)
21 ADVANCE PROCUREMENT (CY)	-	22,400	-	-	-	22,400
22 PREDATOR UAV	15	116,506	-	-	15	116,506
<b>F MODIFICATION OF INSERVICE AIRCRAFT</b>						
<b>F STRATEGIC AIRCRAFT</b>						
23 B-2A MODS	-	13,853	-	-	-	13,853
24 B-1B MODS	-	114,245	-	-	-	114,245
25 B-52 MODS	-	28,907	-	-	-	28,907
26 F-117 MODS	-	28,296	-	-	-	28,296
<b>F TACTICAL AIRCRAFT</b>						
27 A-10 MODS	-	24,971	-	-	-	24,971
28 F/RF-4 MODS	-	-	-	-	-	-
29 F-15 MODS	-	169,568	-	95,400	-	264,968
30 F-16 MODS	-	216,158	-	8,660	-	224,818
31 EF-111 MODS	-	236	-	-	-	236
32 T/AT-37 MODS	-	95	-	-	-	95
<b>F AIRLIFT AIRCRAFT</b>						
33 C-5 MODS	-	83,036	-	-	-	83,036
34 C-9 MODS	-	16,323	-	-	-	16,323
35 C-17 MODS	-	59,053	-	-	-	59,053
36 C-21 MODS	-	6,911	-	-	-	6,911
37 C-22 MODS	-	276	-	-	-	276
38 C-STOL MODS	-	51	-	-	-	51

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
39 C-137 MODS		2,262		-		2,262
40 C-141 MODS		30,705		-		30,705
<b>F TRAINER AIRCRAFT</b>						
41 T-1 MODS		6,974		-		6,974
42 T-3 MODS		100		-		100
43 T-38 MODS		14,806		-		14,806
44 T-41 MODS		100		-		100
45 T-43 MODS		10,256		-		10,256
<b>F OTHER AIRCRAFT</b>						
46 KC-10 MODS		14,533		-		14,533
47 C-12 MODS		4,680		-		4,680
48 C-18 MODS		272		-		272
49 C-20 MODS		6,535		-		6,535
50 VC-25A MOD		10,760		-		10,760
51 C-130 MODS		94,511		-		94,511
52 C-135 MODS		137,861		-		137,861
53 E-3 MODS		134,659		-		134,659
54 E-4 MODS		11,385		-		11,385
55 E-8 MODS		-		-		-
56 H-1 MODS		2,778		-		2,778
57 H-60 MODS		16,852		-		16,852
58 OTHER AIRCRAFT MODS		33,065		-		33,065
<b>F OTHER MODIFICATIONS</b>						
59 CLASSIFIED PROJECTS MODS						
60 DARP MODS		7,552		-		7,552
<b>F AIRCRAFT SPARES AND REPAIR PARTS</b>						
<b>F AIRCRAFT SPARES + REPAIR PARTS</b>						
61 SPARES AND REPAIR PARTS		67,136		29,000		96,136
<b>F AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE</b>						
<b>F COMMON SUPPORT EQUIPMENT</b>						
		350,010		-		350,010

**TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS**

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
62 COMMON SUPPORT EQUIPMENT		151,238				151,238
F POST PRODUCTION SUPPORT						
63 A-10 POST PROD SUPP		2,753				2,753
64 B-2A POST PROD SUPP		-				-
65 C-5 POST PROD SUPP		-				-
66 F-15 POST PROD SUPP		8,089				8,089
67 F-16 POST PROD SUPP		22,402				22,402
F INDUSTRIAL PREPAREDNESS						
68 INDUSTRIAL PREPAREDNESS		25,855				25,855
F WAR CONSUMABLES						
69 WAR CONSUMABLES		67,565				67,565
F OTHER PRODUCTION CHARGES						
70 MISC PRODUCTION CHARGES		275,804				275,804
71 CANCELLED ACCOUNT ADJUSTMENTS		-				-
F COMMON ECM EQUIPMENT						
72 COMMON ECM EQUIPMENT		4,564				4,564
F DARP						
73 DARP		141,493		67,800		209,293
TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		5,817,847		231,068		6,048,915
F PROCUREMENT OF AMMUNITION, AIR FORCE						
F PROCUREMENT OF AMMO, AIR FORCE						
F ROCKETS						
1 2.75 INCH ROCKET MOTOR	23,718	8,856			23,718	8,856
2 2.75" ROCKET HEAD SIGNATURE	13,940	919			13,940	919
3 ITEMS LESS THAN \$2,000,000		50				50
F CARTRIDGES						
4 5.56 MM	23,273	7,590			23,273	7,590
5 20MM TRAINING		-				-
6 30 MM TRAINING	3,278	27,447			3,278	27,447

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
7 CARTRIDGE CHAFF RR-180	845	12,088	-	-	845	12,088
8 CARTRIDGE CHAFF RR-188	-	-	-	-	-	-
9 SIGNAL MK-4 MOD 3	596	1,122	-	-	596	1,122
10 ITEMS LESS THAN \$2,000,000	-	4,097	-	-	-	4,097
<b>F BOMBS</b>						
11 MK-82 INERT/BDU-50	30,672	22,218	-	-	30,672	22,218
12 TIMER ACTUATOR FIN FUZE	-	-	-	-	-	-
13 GBU-28 HARD TARGET PENETRATOR	-	-	16,800	16,800	-	16,800
14 BOMB PRACTICE 25 POUND	397,760	5,613	-	-	397,760	5,613
15 2000 LB HE BOMB MK-84	-	-	-	-	-	-
16 MK-84 BOMB-EMPTY	994	2,482	-	-	994	2,482
17 SENSOR FUZED WEAPON	556	153,861	-	-	556	153,861
18 CBU-87(COMBINED EFFECTS MUNITIONS)	-	-	-	-	-	-
19 TTU-373A DIGITAL TEST SET	-	-	-	-	-	-
20 JOINT DIRECT ATTACK MUNITION	2,673	61,307	-	-	2,673	61,307
21 WIND CORRECTED MUNITIONS DISPENSER	280	19,871	-	-	280	19,871
22 CBU-89 GATOR INERT	-	-	-	-	-	-
23 ITEMS LESS THAN \$2,000,000	-	167	-	-	-	167
<b>F ITEMS LESS THAN \$2,000,000</b>						
24 ITEMS LESS THAN \$2,000,000	-	-	-	-	-	-
<b>F FLARE, JR. MJU-7B</b>						
25 ASTE (INFRARED EXPENDABLE)	-	-	-	-	-	-
26 FLARE, IR MJU-7B	662,280	14,698	-	-	662,280	14,698
27 PARACHUTE FLARE LUU-2 B/B	-	-	-	-	-	-
28 MJU-23 FLARE	-	-	-	-	-	-
29 MJU-108	190,824	11,477	-	-	190,824	11,477
30 M-206 CARTRIDGE FLARE	1,099,600	17,507	-	-	1,099,600	17,507
31 CAD/PAD	-	12,821	-	-	-	12,821
32 INITIAL SPARES	-	-	-	-	-	-
33 REPLENISHMENT SPARES	-	979	-	-	-	979

TITLE 1 - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
34 MODIFICATIONS						
35 ITEMS LESS THAN \$2,000,000		149				149
F FUZES		4,608				4,608
36 JOINT PROGRAMMABLE FUSE(JPF)						
37 HARD TARGET SMART FUZE	1,170	5,880			1,170	5,880
F WEAPONS						
F SMALL ARMS						
38 M-16 A2 RIFLE		6,009				6,009
39 9MM COMPACT PISTOL	260	183			260	183
40 M-9 PISTOL	2,265	1,127			2,265	1,127
41 ITEMS LESS THAN \$2M		858				858
TOTAL PROCUREMENT OF AMMUNITION, AIR FORCE		403,984		16,800		420,784
F MISSILE PROCUREMENT, AIR FORCE						
F BALLISTIC MISSILES						
F MISSILE REPLACEMENT EQUIPMENT - BALLISTIC						
1 MISSILE REPLACEMENT EQ-BALLISTIC		27,604				27,604
F OTHER MISSILES						
F STRATEGIC						
2 HAVE NAP						
3 ADVANCED CRUISE MISSILE		843				843
F TACTICAL						
4 JOINT STANDOFF WEAPON		1,139				1,139
5 AMRAAM	173	117,768			173	117,768
6 AGM-130 POWERED GBU-15		1,539				1,539
F TARGET DRONES						
7 TARGET DRONES		25,718				25,718
F INDUSTRIAL FACILITIES						
8 MISSILE INDUSTRIAL FACILITIES		3,492				3,492
F MISSILE REPLACEMENT EQUIPMENT - OTHER						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
9 MISSILE REPLACEMENT EQ-OTHER						
F CLASS IV						
10 CONVENTIONAL ALCM						
11 PEACEKEEPER(M-X)		5,250				5,250
12 AIM-9 SIDEWINDER						
13 MM III MODIFICATIONS		106,899				106,899
14 AGM-88A HARM						
15 MODIFICATIONS UNDER \$2.0M		199				199
F SPARES AND REPAIR PARTS						
F MISSILE SPARES + REPAIR PARTS						
16 SPARES AND REPAIR PARTS		28,808				28,808
F OTHER SUPPORT						
F SPACE PROGRAMS						
17 SPACEBORNE EQUIP (COMSEC)		9,304				9,304
18 GLOBAL POSITIONING (MYP) SPACE		191,312			3	191,312
18 LESS: ADVANCE PROCUREMENT (PY)	3	(27,475)				(27,475)
19 ADVANCE PROCUREMENT (CY)						
20 NUDET DETECTION SYSTEM		1,194				1,194
20 LESS: ADVANCE PROCUREMENT (PY)						
21 INERTIAL UPPER STAGES SPACE		49,990				49,990
22 TITAN SPACE BOOSTERS SPACE		555,304				455,304
23 MEDIUM LAUNCH VEHICLE SPACE		205,983		(100,000)	4	205,983
23 LESS: ADVANCE PROCUREMENT (PY)	4	(40,200)				(40,200)
24 ADVANCE PROCUREMENT (CY)		52,715				52,715
25 DEF METEOROLOGICAL SAT PROG SPACE		35,243				35,243
26 DEFENSE SUPPORT PROGRAM (MYP) SPACE		113,708				113,708
27 DEFENSE SATELLITE COMM SYSTEM SPACE		89,930				89,930
27 LESS: ADVANCE PROCUREMENT (PY)		(13,496)				(13,496)
28 ADVANCE PROCUREMENT (CY)						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
29 M-16 A2 RIFLE						
F SPECIAL PROGRAMS						
30 SPECIAL UPDATE PROGRAMS		241,570		-	-	241,570
31 SPECIAL PROGRAMS		773,400		(46,500)	-	726,900
TOTAL MISSILE PROCUREMENT, AIR FORCE		2,557,741		(146,500)		2,411,241
F OTHER PROCUREMENT, AIR FORCE						
F VEHICULAR EQUIPMENT						
F PASSENGER CARRYING VEHICLES						
1 SEDAN, 4 DR 4X2	88	1,520	-	-	88	1,520
2 STATION WAGON, 4X2	7	120	-	-	7	120
3 BUSES	17	929	-	-	17	929
4 AMBULANCES	3	247	-	-	3	247
5 LAW ENFORCEMENT VEHICLE	80	1,603	-	-	80	1,603
6 ARMORED SEDAN	1	232	-	-	1	232
F CARGO + UTILITY VEHICLES						
7 TRUCK, CARGO-UTILITY, 3/4T, 4X4	154	4,414	-	-	154	4,414
8 TRUCK, CARGO-UTILITY, 1/2T, 4X2	106	2,575	-	-	106	2,575
9 TRUCK, PICKUP, 1/2T, 4X2	292	4,006	-	-	292	4,006
10 TRUCK, PICKUP, COMPACT	206	2,681	-	-	206	2,681
11 TRUCK MULTI-STOP 1 TON 4X2	301	8,219	-	-	301	8,219
12 TRUCK CARRYALL	150	3,548	-	-	150	3,548
13 COMMERCIAL UTILITY CARGO VEHICLE	43	1,451	-	-	43	1,451
14 TRUCK, CARGO, M-35, SLEP						
15 MEDIUM TACTICAL VEHICLE	21	2,594	-	-	21	2,594
16 HIGH MOBILITY VEHICLE (MYP)	100	5,165	-	-	100	5,165
17 TRUCK TRACTOR, OVER 5T	27	1,916	-	-	27	1,916
18 CAP VEHICLES		746	-	-		746
19 ITEMS LESS THAN \$2,000,000		5,025	-	-		5,025
F SPECIAL PURPOSE VEHICLES						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
20 TRUCK TANK FUEL R-11						
21 HMMV, ARMORED	125	24,181	-	-	125	24,181
22 TRACTOR, TOW, FLIGHTLINE	124	3,837	-	-	124	3,837
23 ITEMS LESS THAN \$2,000,000		6,738	-	-	-	6,738
<b>F FIRE FIGHTING EQUIPMENT</b>						
24 TRUCK CRASH P-19	7	2,048	-	-	7	2,048
25 TRUCK CRASH P-23		-	-	-	-	-
26 HEAVY RESCUE VEHICLE		-	-	-	-	-
27 ITEMS LESS THAN \$2,000,000		3,652	-	-	-	3,652
<b>F MATERIALS HANDLING EQUIPMENT</b>						
28 TRUCK, F/L 10,000 LB	26	1,758	-	-	26	1,758
29 60K A/C LOADER	60	83,143	-	-	60	83,143
30 NEXT GENERATION SMALL LOADER(NGSL)		-	-	-	-	-
31 ITEMS LESS THAN \$2,000,000		2,148	-	-	-	2,148
<b>F BASE MAINTENANCE SUPPORT</b>						
32 TRUCK, DUMP 5CY	32	2,087	-	-	32	2,087
33 MODIFICATIONS		200	-	-	-	200
34 ITEMS LESS THAN \$2,000,000		3,833	-	-	-	3,833
<b>F CANCELLED ACCOUNT ADJUST</b>						
35 CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-	-
<b>F ELECTRONICS AND TELECOMMUNICATIONS EQUIP</b>						
<b>F COMM SECURITY EQUIPMENT(COMSEC)</b>						
36 COMSEC EQUIPMENT		27,494	-	-	-	27,494
37 MODIFICATIONS (COMSEC)		476	-	-	-	476
<b>F INTELLIGENCE PROGRAMS</b>						
38 INTELLIGENCE DATA HANDLING SYS		20,739	-	-	-	20,739
39 INTELLIGENCE TRAINING EQUIPMENT		2,473	-	-	-	2,473
40 INTELLIGENCE COMM EQUIP		7,644	-	-	-	7,644
41 ITEMS LESS THAN \$2,000,000		-	-	-	-	-
<b>F ELECTRONICS PROGRAMS</b>						

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
42 NATIONAL AIRSPACE SYSTEM		16,615		-		16,615
43 THEATER AIR CONTROL SYS IMPROVEMENT		38,329		-		38,329
44 WEATHER OBSERV/FORCAST		18,013		-		18,013
45 STRATEGIC COMMAND AND CONTROL		20,505		-		20,505
46 CHEYENNE MOUNTAIN COMPLEX		737		-		737
47 TAC SIGINT SUPPORT		4,114		-		4,114
48 DRUG INTERDICTION PROGRAM		-		-		-
<b>F SPECIAL COMM-ELECTRONICS PROJECTS</b>						
49 AUTOMATIC DATA PROCESSING EQUIP		36,105		-		36,105
50 AF GLOBAL COMMAND & CONTROL SYS		7,319		-		7,319
51 MOBILITY COMMAND AND CONTROL		6,728		-		6,728
52 AIR FORCE PHYSICAL SECURITY SYSTEM		15,112		-		15,112
53 COMBAT TRAINING RANGES		13,272		-		13,272
54 MINIMUM ESSENTIAL EMERGENCY COMM NET		3,488		-		3,488
55 FORCE PROTECTION/ANTI-TERRORISM		54,439		-		54,439
56 C3 COUNTERMEASURES		14,904		-		14,904
57 JOINT SURVEILLANCE SYSTEM		-		-		-
58 BASE LEVEL DATA AUTO PROGRAM		46,778		-		46,778
59 THEATER BATTLE MGT C2 SYS		48,989		-		48,989
<b>F AIR FORCE COMMUNICATIONS</b>						
60 INFORMATION TRANSMISSION SYSTEMS		10,889		-		10,889
61 BASE INFORMATION INFRASTRUCTURE		88,945		-		88,945
62 USCENTCOM		4,031		-		4,031
63 AUTOMATED TELECOMMUNICATIONS PRG		15,900		-		15,900
<b>F DISA PROGRAMS</b>						
64 DEFENSE SUPPORT PROGRAM SPACE		-		-		-
65 NAVSTAR GPS SPACE		3,129		-		3,129
66 DEFENSE METEOROLOGICAL SAT PROG SPAC		11,898		-		11,898
67 NUDET DETECTION SYS (NDS) SPACE		7,995		-		7,995
68 AF SATELLITE CONTROL NETWORK SPACE		32,197		-		32,197

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request Qty	FY 98 Request Cost	Committee Change Qty	Committee Change Cost	Recommendation Qty	Recommendation Cost
69 EASTERN/WESTERN RANGE I&M SPACE		81,957	-	-	-	81,957
70 MILSATCOM SPACE		20,353	-	-	-	20,353
71 SPACE MODS SPACE		18,932	-	-	-	18,932
<b>F ORGANIZATION AND BASE</b>						
72 TACTICAL C-E EQUIPMENT		16,968	-	38,000	-	54,968
73 COMBAT SURVIVOR/EVADER LOCATER RADIO		5,731	-	-	-	5,731
74 RADIO EQUIPMENT		12,844	-	-	-	12,844
75 TV EQUIPMENT (AFRTV)		2,112	-	-	-	2,112
76 CCTV/AUDIO VISUAL EQUIPMENT		3,969	-	-	-	3,969
77 BASE COMM INFRASTRUCTURE		30,874	-	-	-	30,874
78 CAP COM & ELECT		387	-	-	-	387
79 ITEMS LESS THAN \$2,000,000		8,960	-	-	-	8,960
<b>F MODIFICATIONS</b>						
80 COMM ELECT MODS		53,260	-	-	-	53,260
<b>F OTHER BASE MAINTENANCE AND SUPPORT EQUIP</b>						
<b>F TEST EQUIPMENT</b>						
81 BASE/ALC CALIBRATION PACKAGE		10,468	-	-	-	10,468
82 PRIMARY STANDARDS LABORATORY PACKAGE		1,665	-	-	-	1,665
83 ITEMS LESS THAN \$2,000,000		9,627	-	-	-	9,627
<b>F PERSONAL SAFETY AND RESCUE EQUIP</b>						
84 NIGHT VISION GOGGLES		2,371	-	-	-	2,371
85 BREATHING APPARATUS TWO HOUR		-	-	-	-	-
86 UNIVERSAL WATER ACTIVATED REL SYS		-	-	-	-	-
87 ITEMS LESS THAN \$2,000,000		3,509	-	-	-	3,509
<b>F DEPOT PLANT + MATERIALS HANDLING EQ</b>						
88 MECHANIZED MATERIALS HANDLING EQUIP		10,747	-	-	-	10,747
89 ITEMS LESS THAN \$2,000,000		3,980	-	-	-	3,980
<b>F ELECTRIC AL EQUIPMENT</b>						
90 GENERATOR RS-MOBILE ELECTRIC		3,692	-	-	-	3,692
91 FLOODLIGHTS SECURITY REFLECTOR		7,696	-	-	-	7,696

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
92 ITEMS LESS THAN \$2,000,000		3,968	-	-	-	3,968
F BASE SUPPORT EQUIPMENT						
93 BASE PROCURED EQUIPMENT		6,855	-	-	-	6,855
94 MEDICAL/DENTAL EQUIPMENT		13,295	-	-	-	13,295
95 ENVIRONMENTAL PROJECTS		1,000	-	-	-	1,000
96 AIR BASE OPERABILITY		4,214	-	-	-	4,214
97 PALLET AIR CARGO		1,189	-	-	-	1,189
98 NET ASSEMBLY, 108"X88"		2,998	-	-	-	2,998
99 BLADDERS FUEL		2,749	-	-	-	2,749
100 AERIAL BULK FUEL DELIVERY SYSTEM		2,097	-	-	-	2,097
101 PHOTOGRAPHIC EQUIPMENT		6,063	-	-	-	6,063
102 PRODUCTIVITY INVESTMENTS		5,980	-	-	-	5,980
103 MOBILITY EQUIPMENT		26,524	-	-	-	26,524
104 DEPLOYMENT/EMPLOYMENT CONTAINERS		2,013	-	-	-	2,013
105 SPATIAL DISORIENTATION DEMONSTRATOR		-	-	-	-	-
106 AIR CONDITIONERS		9,627	-	-	-	9,627
107 ITEMS LESS THAN \$2,000,000		9,731	-	-	-	9,731
F SPECIAL SUPPORT PROJECTS						
108 INTELLIGENCE PRODUCTION ACTIVITY		60,572	-	3,100	-	63,672
109 TECH SURV COUNTERMEASURES EQ		1,998	-	-	-	1,998
110 DARP		-	-	-	-	-
111 DARP RC135		12,778	-	-	-	12,778
112 DARP MRIGS		66,279	-	-	-	66,279
113 SELECTED ACTIVITIES		5,003,960	-	196,100	-	5,200,060
114 SPECIAL UPDATE PROGRAM		174,830	-	-	-	174,830
115 INDUSTRIAL PREPAREDNESS		1,243	-	-	-	1,243
116 MODIFICATIONS		193	-	-	-	193
117 FIRST DESTINATION TRANSPORTATION		15,351	-	-	-	15,351
F SPARE AND REPAIR PARTS						
F SPARES AND REPAIR PARTS						



### **Section 131. B-2 bomber aircraft program.**

The committee recommends a provision prohibiting the use of funds to procure any additional B-2 bomber aircraft or to maintain any part of the bomber industrial base solely for the purpose of preserving the option to procure additional B-2 bomber aircraft in the future.

The committee provided exceptions to the prohibition, by exempting any B-2 bomber aircraft that is covered by a contract for production as of the date of enactment of the National Defense Authorization Act for Fiscal Year 1998 or for any part of the industrial base needed to produce or upgrade the 21 authorized B-2 bombers, for so long as necessary to complete the production of such aircraft.

## **OTHER AIR FORCE PROGRAMS**

### **Air Force Aircraft**

#### **F-15E attrition aircraft**

The budget request included \$159.0 million to continue the procurement of F-15E strike aircraft. Because of an ongoing foreign military sale of F-15 aircraft, the Air Force is able to achieve significant efficiency in procuring three additional F-15E aircraft, thus completing the planned buy of 18 attrition reserve F-15E aircraft. Accordingly, the committee recommends an increase of \$100.8 million for procurement of three additional F-15E aircraft.

#### *F-22 requirements*

The committee notes the delays and cost overruns in the F-22 program, and views with concern inadequate Air Force programming to support the F-15 in future years. In briefings on the fiscal year 1998 budget request, the Air Force outlined funding plans for the F-15 that included reductions of \$147.7 million over the next three years, with a reduction of \$72.6 million in fiscal year 1998 alone. Changes to the F-15 program include elimination of Global Positioning System capability for the F-15 A-D, elimination of the heads-up display (HUD) for the F-15C/D, and cancellation of the ALQ-135 (Band 3) for the F-15C/D.

All of this occurs at a time when the Air Force is requesting additional F-15 aircraft to maintain force structure. The committee recognizes the need for adequate force structure in the Air Force, but questions the apparent effort to "starve" the F-15's future modifications in order to fund the F-22, or to prematurely retire F-15s because they are "not capable," when the aircraft would be very capable with modifications and upgrades. Accordingly, the committee recommends an increase to the budget request of \$72.6 million to restore canceled F-15 modifications in fiscal year 1998.

#### **F-22 event-based decision making**

Section 218 of the National Defense Authorization Act for Fiscal Year 1997 required the Department of Defense to submit to Congress a report on event-based decision making for the F-22 aircraft program {fiscal year 1997 events} by October 1, 1996 and to submit the fiscal year 1998 event-based decisions with the budget request.

As of April 1, 1997, neither report had been received by Congress—six months after the first report was due.

The National Defense Authorization Act for Fiscal Year 1997 also required reports on the estimated cost of F-22 production and the net benefits of developing the F/A-18E/F. Funds were fenced, or withheld, in each of those cases, pending receipt of the reports. Those reports were received in a timely fashion, and a hearing was held to examine those reports and their implications. The committee can only infer that the Department only responds in a timely fashion to congressional direction when it is accompanied by conditional penalties or statutory prohibitions.

Accordingly, the committee recommends the elimination of procurement funds for the F-22 for fiscal year 1998. The committee encourages the Department to plan for F-22 procurement in fiscal year 1999 and beyond, and to submit substantial reports on F-22 event-based decision making that will add to the committee's confidence in the oversight and control of the program. Considering the disparities found in the statements of official witnesses on the cost estimates for F-22 production and the lack of explanation of the program's \$2.2 billion overrun in engineering and manufacturing development (EMD), failure to provide reports on the substance of the program does little to foster confidence in the program's management or cost estimates.

In the last few years, Air Force witnesses have asserted that event-based decision making would guide the F-22 program through possible rough spots, yet when asked for the criteria or details of such decisions, there was no response. The silence is more troubling when it comes at a time of cost overruns and conflicting estimates of future production costs. Further, the Air Force's initiatives to control future production costs will not take effect until after fiscal year 2004, thus leaving the intervening six years undefined, except for a recently disclosed \$2.2 billion overrun in EMD. Providing the report required in section 218 would serve to create confidence in the program in the near term. There is currently a lack of confidence due to recently disclosed overruns and estimates of large overruns yet to come in the production.

The report should be more than a projected calendar of contract awards. Increased development costs raise concerns about the program's long-term procurement costs. Increased development costs tend to imply increased procurement costs throughout a program. The committee is concerned that the restructuring of EMD and transfer of funds from procurement to development may result in continuing cost problems.

In recent testimony and public statements, Air Force representatives have alluded to using the lessons learned from the C-17 program to salvage the F-22. The C-17 program was also described as an event-based program. The following table describes the events, timing, and funding for the C-17 program as it appeared in the statement of managers accompanying the National Defense Authorization for Fiscal Year 1994 (S. Rept. 103-112).



Although the event-based planning did not necessarily keep the C-17 program on track, it did at least provide useful visibility into the program's progress.

The committee is aware that the F-22 program has \$81.3 million from fiscal year 1997 advance procurement funds that could be used to protect the schedule for the fiscal year 1999 production, thus ensuring that there is no break in the early production of the F-22. Therefore, the committee recommends a reduction in the fiscal year 1998 budget request of \$80.9 million for F-22 advanced procurement. The committee encourages the Department to complete and submit substantive reports when required, and to request any remaining F-22 advanced procurement in the fiscal year 1999 budget request.

### **C-130J**

The budget request included \$49.9 million for one Air Force C-130J. The committee recommends an increase to the budget request of \$371.1 million and a restructuring of the budget request as mentioned below.

#### *Spares and support*

Release of fiscal years 1996 and 1997 funds to purchase C-130s had been delayed until recently because of insufficient programmed logistics support funding for the C-130s which had been authorized and appropriated. When questioned about the plan to provide logistics support for the 1996 and 1997, the Air Force responded that the plan to fund the spares relied upon Congress to increase the authorization and appropriations to pay for the shortfall.

If the Congress should fail to provide the additional funds, the Air Force has indicated that it would withhold one of the aircraft that was previously authorized and appropriated. The committee sees the "plan" as more of a non-plan, and accordingly, recommends a reduction of \$49.9 million to the budget request as contained in line 11 of the aircraft procurement line (APAF) and an increase in line 12a, C-130 logistics of \$48.0 million.

The committee expects the Air Force to program adequately for the spares for all its aircraft, and to refrain from including new aircraft in the budget request, when it cannot afford to support those already authorized and appropriated.

#### *C-130 remanufacture report*

In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1997 (S. Rept. 104-267), the committee directed the Secretary of Defense to provide a report, no later than March 1, 1997, on the net benefits of pursuing a program to design, develop, and produce renewed C-130 aircraft through remanufacture of existing airframes. The report arrived at the committee on April 30, 1997 and did not answer the question. Instead the report reviewed requirements, inventory, modernization, and disposal of C-130's, concluding that the present fleet of C-130's is sufficient, and modernization efforts are adequate. The report further concluded that the merits of the alternative approaches to C-130 fleet modernization would be thoroughly examined. Unfortunately, the report was requested for just such an ex-

amination and the Department's reply was unacceptable. The committee directs the Department to provide by January 1, 1998, the report examining the remanufacturing alternative as originally requested. If the Department fails to comply with explicit guidance again, the committee will feel compelled to recommend punitive actions.

#### *WC-130J*

In order to complete the replacement of the aging weather reconnaissance aircraft in the Air Force Reserve, the committee recommends an increase of \$177.0 million and \$29.7 million for associated support.

#### *EC-130J*

The committee also recommends an increase to the budget request of \$70.5 to continue the modernization of the 193rd Special Operations Wing, which presently operates EC-130E aircraft that have been in service for over 33 years and will soon reach the end of their service life.

#### **C-130J**

The committee also recommends an increase of \$95.8 million to the budget request for two C-130Js to continue modernization of the Air National Guard.

#### **Joint Primary Aircraft Training System**

The budget request included \$65.4 million for 18 Joint Primary Aircraft Training System (JPATS) aircraft. The JPATS is a joint Air Force/Navy program to replace T-37 and T-34 primary flight training aircraft and associated ground based training systems. The committee has learned that an increase of \$12.2 million to the budget request would allow the Air Force to acquire the JPATS at the most efficient rate allowed, 22 aircraft instead of 18 under the contract's variations in quantity (VIQ) matrix. Accordingly, the committee recommends an increase of \$12.2 million to the budget request for an additional four JPATS aircraft. The recommended addition to the budget request requires no subsequent year funding. The increase was requested by the Air Force in its unfunded priorities.

#### **F-15 PW-220E modifications**

The budget request included \$169.6 million for F-15 modifications, with \$23.2 million was for F100-220E engine upgrades of F-15 aircraft. The PW-220E program is a modification program to change the F100-PW-100 engine on the F-15C/D to a newer F100-PW-220 Equivalent, or "E" configuration. An additional \$323.7 million (\$22.8 million in fiscal year 1999) is programmed for the upgrades through fiscal year 2003. Because the F100-PW-220E engine is more reliable and maintainable than previous configurations, the committee recommends an increase of \$22.8 million to the budget request to accelerate the engine modifications by one year.

**F-16 targeting/navigation pods**

The Air Force uses the low-altitude navigation and targeting infrared for night (LANTIRN) systems to provide night attack capability for the F-15E and later models of the F-16. The LANTIRN system includes several additions to aircraft, including two pods (one with a wide field of view for navigation and one with a narrower field of view for targeting), plus software to enable the system to work with the aircraft carrying the pods.

Earlier models of the F-16 aircraft (Blocks 25, 30, and 32), however, are unable to carry both the navigation and targeting pod portions of the LANTIRN system simultaneously. This means that these aircraft have no ability to self-designate precision guided munitions. The Air Force indicates that this inability precludes the Air Combat Command from including the squadrons operating these earlier model aircraft in the planning process for world wide rotational deployments.

The Air Force has informed the committee that there are non-developmental item (NDI) systems that incorporate the targeting and navigation functions in one pod. The Air Force also indicates that some of these NDI systems use the LANTIRN software and have capability comparable to LANTIRN, but are cheaper than the LANTIRN pod system.

The committee believes that improving the capability of existing F-16 squadrons to make them available to meet worldwide rotational deployments would help reduce demands on personnel operational tempo and improve warfighting ability. Therefore, the committee recommends an additional \$8.66 million to be combined with prior year funding to procure pods and support equipment to equip one F-16 squadron. The recommended increase is shown in line 30 of the budget request for Aircraft Procurement, Air Force.

**Rivet Joint technology transfer**

The committee believes that fusion of space and airborne infrared sensor data will significantly improve theater ballistic missile warning as well as active defense and attack operations. This need can be met by transferring operationally proven Cobra Ball infrared sensor system fusion technology to the Rivet Joint fleet. To initiate this effort, the committee recommends an increase of \$20.0 million in Air Force Procurement for Rivet Joint modification.

**SR-71**

The budget request did not include funds for SR-71 upgrades or modifications. The SR-71 provides a valuable capability for wide area surveillance from a unique platform, and the committee views its continued availability as crucial until there are operational unmanned aerial vehicles (UAV) in place and capable of providing the necessary coverage. Since high altitude endurance UAVs have so far not met expectations, the committee recommends an increase of \$9.0 million to the budget request for upgrades and modifications of the SR-71. The committee encourages the Department to reprogram funds as necessary to continue the operation of the SR-71 in fiscal year 1998.

**U-2 Sensor Upgrades**

The budget request did not include funds to complete the conversion of older U-2 sensors to a common baseline configuration, which began last year. As a result of congressional action for fiscal year 1997 and a reprogramming within the Department, the U-2 reconnaissance program began a sustainment effort to allow the fielding of 11 fully capable Senior Glass sensor systems. The common baseline became necessary because previous systems and parts of the Senior Glass configuration had been experiencing vendor and support problems.

The committee recommends an increase of \$13.0 million to the budget request to complete the common baseline effort.

**Air Force Missile****Titan IV space boosters**

The committee is aware of excess fiscal year 1997 funds in the Titan IV space booster program. In addition, the committee anticipates savings to accrue in fiscal year 1998 as a result of efforts to restructure the Titan IV program. Therefore, the committee recommends a reduction of \$100.0 million in the fiscal year 1998 budget request for Titan IV procurement. Excess fiscal year 1997 funds should be used to offset the reduction in the fiscal year 1998 request. The committee is aware that DOD is considering the possibility of reprogramming these fiscal year 1997 funds. The committee will not approve such a request and directs the Secretary of Defense to leave excess fiscal year 1997 funds in the Titan IV program.

**Air Force Ammunition****Air Force ammunition**

The committee is concerned with the inadequate funding for ammunition procurement that was contained in the President's budget request. Ammunition is an important contributor to military readiness for training and in anticipation of conflict. The committee recommends an additional \$16.8 million to the Air Force budget request for ammunition procurement of GBU-28.

**Other Air Force Procurement****Theater deployable communications**

The budget request included \$17.0 million for procurement of theater deployable communications (TDC). The committee recommends an increase of \$38.0 million to accelerate the procurement of TDC by acquiring an additional six sets.

TDC is a compact, high bandwidth system used by forward deployed forces for communications. Procurement of TDC allows the retirement of aging, obsolete equipment, providing for a 30 percent reduction in required airlift support for communications equipment. The current 12 year acquisition profile for TDC is inefficient and slow to provide necessary capabilities to forward forces.

## DEFENSE-WIDE PROGRAMS

TITLE I - PROCUREMENT FY 1998 AUTHORIZATIONS		FY 98 Request		Committee Change		Recommendation	
		Qty	Cost	Qty	Cost	Qty	Cost
D	PROCUREMENT, DEFENSE-WIDE						
D	MAJOR EQUIPMENT						
D	MAJOR EQUIPMENT, OSD/WHIS						
	1 MOTOR VEHICLES						
	2 MAJOR EQUIPMENT, OSD		104,601				104,601
	3 MAJOR EQUIPMENT, WHS		18,956				18,956
	4 ARMED FORCE INFORMATION SERVICE		8,037				8,037
	5 DEPARTMENT OF DEFENSE EDUCATION ACTIVITY		1,609				1,609
	6 DEFENSE TECHNOLOGY SECURITY ADMINISTRATION		688				688
	7 DARP		97,452		5,000		102,452
	8 CORPORATE INFORMATION MANAGEMENT						
D	MAJOR EQUIPMENT, NSA						
	10 DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		14,380				14,380
D	MAJOR EQUIPMENT, DSWA						
	11 VEHICLES		218				218
	12 OTHER MAJOR EQUIPMENT		17,199				17,199
D	MAJOR EQUIPMENT, DISA						
	13 WWMCCS ADP SYSTEMS		3,748				3,748
	14 MOBILE SATELLITE SYSTEM TECHNOLOGIES		9,990				9,990
	15 INFORMATION SYSTEMS SECURITY		19,585				19,585
	16 CONTINUITY OF OPERATIONS		4,637				4,637
	17 JOINT CAISR						
	18 DEFENSE MESSAGE SYSTEM		44,470				44,470
	19 GLOBAL COMBAT SUPPORT SYSTEM		5,889				5,889
	20 PLANS & PROGRAM ANALYSIS SUPPORT CENTER		3,900				3,900
	21 ITEMS LESS THAN \$2 MILLION		7,461				7,461
	22 DRUG INTERDICTION SUPPORT						
D	MAJOR EQUIPMENT, DIA						
D	MAJOR EQUIPMENT, DLA						
	24 DEFENSE SUPPORT ACTIVITIES		21,814				21,814

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request	Committee Charge	Recommendation
	Qty	Cost	Qty
		Cost	Cost
D MAJOR EQUIPMENT, DMA			
25 AUTOMATED INFORMATION SYSTEM EQUIPMENT		-	-
26 VEHICLES		-	-
27 OTHER CAPITAL EQUIPMENT		-	-
D MAJOR EQUIPMENT, DIS			
28 VEHICLES	258	3,100	258
29 OTHER CAPITAL EQUIPMENT		1,837	
D MAJOR EQUIPMENT, DCAA			
30 ITEMS LESS THAN \$2 MILLION		3,786	3,786
D MAJOR EQUIPMENT, DSPQ			
31 MAJOR EQUIPMENT, DSPO		19,334	19,334
D MAJOR EQUIPMENT, IJS			
32 MAJOR EQUIPMENT, TJS		46,847	46,847
D ON-SITE INSPECTION AGENCY			
33 VEHICLES		-	-
34 OTHER CAPITAL EQUIPMENT		112	112
D BALLISTIC MISSILE DEFENSE ORGANIZATION			
35 PATRIOT PAC-3		-	-
36 C4I		-	-
37 HAWK BN/C3 MODS		-	-
38 NAVY AREA TBDM PROGRAM		-	-
D CENTRAL IMAGERY OFFICE			
D NATIONAL IMAGERY AND MAPPING AGENCY			
D DEFENSE COMMISSARY AGENCY, DECA			
41 EQUIPMENT		1,970	1,970
D SPECIAL OPERATIONS COMMAND			
D AVIATION PROGRAMS			
42 RADIO FREQUENCY MOBILE ELECTRONIC TEST SET		-	-
43 SOF ROTARY WING UPGRADES		36,042	36,042
44 SOF TRAINING SYSTEMS		3,352	3,352

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
45 MC-130H COMBAT TALON II		34,656				34,656
46 AC-130U GUNSHIP ACQUISITION		55,105				55,105
47 C-130 MODIFICATIONS		96,592				96,592
47 LESS: ADVANCE PROCUREMENT (PY)		-				-
48 OH-6 PROCUREMENT & MODIFICATIONS		7,997				7,997
49 AIRCRAFT SUPPORT		3,041				3,041
<b>D SHIPBUILDING</b>						
50 FC, CYCLONE CLASS		-				-
51 ADVANCED SEAL DELIVERY SYSTEM (ASDS)		43,200				43,200
51 LESS: ADVANCE PROCUREMENT (PY)		(4,400)				(4,400)
52 ADVANCE PROCUREMENT (CY)		2,465				2,465
53 MK VIII MOD 1 - SEAL DELIVERY VEHICLE	3	2,229			3	2,229
54 SUBMARINE CONVERSION		20,043				20,043
54 LESS: ADVANCE PROCUREMENT (PY)		(2,886)				(2,886)
55 ADVANCE PROCUREMENT (CY)		-				-
56 MK V SPECIAL OPERATIONS CRAFT (MK V SOC)	6	36,402			6	36,402
<b>D AMMUNITION PROGRAMS</b>						
57 SOF ORDNANCE ACQUISITION		17,202				17,202
58 SOF ORDNANCE REPLENISHMENT		33,379				33,379
58a REMOTE ACTIVATION MUNITION SYSTEMS		-		2,000		-
<b>D OTHER PROCUREMENT PROGRAMS</b>						
59 LIGHT STRIKE VEHICLE		-				-
60 MARITIME EQUIPMENT MODIFICATIONS		9,807				9,807
61 NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT		18,121				18,121
62 SPARES AND REPAIR PARTS		42,538				42,538
63 COMM EQUIPMENT & ELECTRONICS		57,406				57,406
64 SOF INTELLIGENCE SYSTEMS		21,175		2,000		23,175
65 SOF SMALL ARMS & WEAPONS		10,269		2,400		12,669
66 SOF MARITIME EQUIPMENT		598				598
67 DRUG INTERDICTION		-				-

TITLE I - PROCUREMENT  
FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
68 ANTI-TERRORISM/COUNTER-TERRORISM						
69 MISCELLANEOUS EQUIPMENT		5,646				5,646
70 SOF PLANNING AND REHEARSAL SYSTEM (SOPPARS)		568				568
71 CLASSIFIED PROGRAMS		108,339		4,200		112,539
72 PSYOP EQUIPMENT		10,280				10,280
D CHEMICAL/BIOLOGICAL DEFENSE						
D CBDP						
73 PROTECTIVE MASK						
74 INDIVIDUAL PROTECTION		64,855				64,855
75 DECONTAMINATION		24				24
76 IMPROVED CHEM AGENT MONITOR (ICAM)						
77 NBC RECON SYS (NBCRS) MODS						
78 M17 DECON MODS						
79 POCKET RADIAC AN/UDR - 13						
80 REMOTE CHEM AGT ALARM (RSCAAL)						
81 JOINT BIO DEFENSE PROGRAM		65,432				65,432
82 COLLECTIVE PROTECTION		17,316				17,316
83 CB PROTECTIVE SHELTER (CBPS)						
84 CONTAMINATION AVOIDANCE		62,383				62,383
85 JOINT BIO DEFENSE PRGM						
86 CHME/BIO DEFENSE EQ (AF)						
87 CHEM WAREFARE DETECTORS						
D DEFENSE-WIDE						
D DEFENSE-WIDE						
88 DEFENSE-WIDE PROGRAM		354,289		(1,900)		352,389
D 999CLASSIFIED PROGRAMS						
Total, Defense-Wide Procurement		1,695,085		54,200		1,749,285
D NATIONAL GUARD & RESERVE EQUIPMENT						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
D RESERVE EQUIPMENT						
D ARMY RESERVE						
1 MISCELLANEOUS EQUIPMENT	-	-	-	40,000		40,000
D NAVY RESERVE						
2 MISCELLANEOUS EQUIPMENT	-	-	-	40,000		40,000
D MARINE CORPS RESERVE						
3 MISCELLANEOUS EQUIPMENT	-	-	-	40,000		40,000
D AIR FORCE RESERVE						
4 MISCELLANEOUS EQUIPMENT	-	-	-	40,000		40,000
Logistic Support for WC-130J						
D NATIONAL GUARD EQUIPMENT						
D ARMY NATIONAL GUARD						
5 MISCELLANEOUS EQUIPMENT	-	-	-	100,000		100,000
D AIR NATIONAL GUARD						
6 MISCELLANEOUS EQUIPMENT	-	-	-	20,000		20,000
National Guard and Reserve Equipment						
WC-130J			3	177,000		177,000
C-130J			2	95,800		95,800
EC-130J			1	70,500		70,500
TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT	-	-	-	653,000		653,000
D CHEM AGENTS & MUNITIONS DESTRUCTION, DEF						
D CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E						
D RESEARCH AND DEVELOPMENT						
1 CHEM DEMILITARIZATION - RDTE		66,300		4,000		70,300
D CHEM AGENTS & MUNITIONS DESTRUCT-PROC						
D PROCUREMENT						
2 CHEM DEMILITARIZATION - PROC		82,200		(5,000)		77,200
D CHEM AGENTS & MUNITIONS DESTRUCT-O&M						

TITLE I - PROCUREMENT  
 FY 1998 AUTHORIZATIONS

	FY 98 Request		Committee Change		Recommendation	
	Qty	Cost	Qty	Cost	Qty	Cost
D OPERATION AND MAINTENANCE						
3 CHEM DEMILITARIZATION - O&M		472,200		(5,000)		467,200
TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		620,700		(6,000)		614,700
D DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOU						
D ADMINISTRATIVE EXPENSES						
D <u>DEF LOAN GUARANTEES, PROGRAM ACCOUNT</u>						
1 MISC PROJECTS		1,231		-		1,231

### **Common automatic recovery system**

The budget request did not include funding to continue common automatic recovery system (CARS) logistic support. Since CARS successful test program completion, the committee has encouraged the Department to complete procurement of the full nine CARS systems with previously provided funds. In order to field the full complement of previously provided CARS, the committee recommends an addition of the \$3.0 million for logistic support.

Additionally, the committee has learned of a proposal to capitalize on the success of this low cost landing system for unmanned aerial vehicles (UAV) by providing a lightweight, portable approach display system for expeditionary force helicopters. Accordingly, the committee recommends a \$2.0 million increase to the budget request to develop an expeditionary common automatic recovery system.

### **MH-47E helicopter replacement**

The committee notes a Special Operations Command requirement to modify an existing CH-47 to MH-47E configuration in order to replace an aircraft destroyed in a crash. The committee recommends an additional \$40.5 million to support this MH-47E conversion effort.

### **Night firing scopes**

The Special Operations Command intends to procure night scopes for use on M4A1 carbines, beginning in fiscal year 1999. Recognizing the critical nature of this requirement and an overall shortage of night vision equipment, the committee supports an acceleration of this program. Therefore, the committee recommends an increase of \$2.4 million to procure 600 night scopes for improved target acquisition and fire control on the M4A1 carbine.

### **Counter proliferation/weapons of mass destruction**

The committee supports an increase of \$4.2 million for this classified program.

## **National Guard and Reserve Equipment**

The budget request included \$968.5 million for National Guard and Reserve Equipment, as shown in the table below:

### *National Guard and Reserve Equipment and Aircraft:*

<i>Item</i>	<i>Millions</i>
Aircraft Procurement, Army .....	\$0
Procurement of WTCV, Army .....	22.1
Procurement of Ammunition, Army .....	143.8
Other Procurement, Army .....	382.9
<b>Total, Army .....</b>	<b>548.7</b>
Aircraft Procurement, Navy .....	35.1
Procurement of Ammunition (Navy & Marine Corps) .....	6.0
Other Procurement, Navy .....	3.9
Procurement, Marine Corps .....	17.9
<b>Total, Navy .....</b>	<b>62.9</b>
Aircraft Procurement, Air Force .....	238.2
Procurement of Ammunition, Air Force .....	29.5

<i>Item</i>	<i>Millions</i>
Other Procurement, Air Force .....	89.2
<hr/>	
Total, Air Force .....	356.9
Department of Defense Total .....	968.5

The committee continues to support modernization of the National Guard and reserve and recognizes the increasingly critical role that these forces play in worldwide deployments. In an era of limited resources, the most significant challenge facing the Congress in this arena is that of determining both system modernization priorities and appropriate funding levels.

The committee is concerned about the level of funding for reserve component modernization in service budgets. Clearly, if the historical use of reserve component forces is a guide, the Congress should focus on modernization priorities associated with those key roles and functions performed by the reserve components in past and current operations and ensure that the equipment that these activities require is modern and comparable to that used by the active component counterpart. The committee recommends that the Army, in concert with the Army National Guard, concentrate on completion of the conversion of National Guard combat units to combat support and combat service support in accordance with the Total Army Analysis 2003 (TAA03) and the Army National Guard Division Redesign Study. The committee also recommends that the Army and the Army National Guard consider additional reorganization of National Guard combat force structure to meet critical artillery shortfalls. The committee understands that there is an additional requirement for 11 MLRS battalions beyond what has been currently fielded. The committee considers the artillery requirement to be critical to any future combat operation and believes that this function can be well supported by the Army National Guard.

Additionally, the committee notes a significant amount of additional funding provided in this bill in support of reserve component modernization. Reserve component modernization will benefit from \$45.0 million for two additional CH-47 Chinook helicopters for the Army Reserve; \$127.3 million for 18 additional UH-60 Blackhawk helicopters that will result in a fielding of a requisite number of aircraft to the Army National Guard; \$45.0 million for an additional reserve component Heavy Equipment Transporter Systems (HETS); \$50.0 million for an additional 150 Palletized Load System (PLS) trucks and 50 trailers for reserve component units; and \$2.0 million for Avenger Table Top Trainers for the Army National Guard. These congressional adds alone account for an additional \$269.3 million that will support reserve component modernization.

The committee encourages both the active and reserve component leadership to work together to identify future modernization requirements and ensure that they are funded in accordance with Department of Defense funding guidance. Accordingly, the committee recommends an increase of \$653.0 million to the budget request for National Guard and reserve Miscellaneous Equipment and aircraft, as follows:

<i>Miscellaneous Equipment</i>	<i>Millions</i>
Army Reserve .....	\$40.0
Navy Reserve .....	40.0
Marine Corps Reserve .....	40.0
Air Force Reserve .....	40.0
Army National Guard .....	80.0
Air National Guard .....	40.0

*National Guard and Reserve aircraft*

<i>Items</i>	<i>Millions</i>
WC-130J .....	\$177.0
C-130J .....	95.8
EC-130J .....	70.5
Logistics Support for WC-130J .....	29.7

The committee directs that miscellaneous funding will be allocated exclusively by reserve component chiefs. The committee recommends that the funding allocated for the Army National Guard be used for the following items: medium truck extended service programs (ESP); Heavy Equipment Transporter Systems (HETS); MLRS artillery systems; Avenger air defense systems; training simulators; night vision equipment, and the Deployable Universal Combat Earthmovers (DEUCE). Funding allocated by reserve component chiefs or any alternative proposal for the funding provided for the Army National Guard must meet the criteria established in Section 1059, Sense of Congress regarding funding for reserve component modernization not requested in the annual request.

The committee recommends a total of \$1.9 billion for National Guard and Reserve equipment and aircraft.

**ADDITIONAL MATTERS OF INTEREST**

**SUBTITLE E—OTHER MATTERS**

**Section 141. Prohibition on use of funds for acquisition or alteration of private drydocks.**

The committee is concerned with the excess capacity in the nation's public and private shipyards. As the Navy force structure continues to decline, the requirement for shipyard maintenance capacity also declines. Unfortunately, funds provided to the Department of Defense (DOD) are sometimes used inadvertently to increase shipyard capacity without appropriate consideration of the long-term consequences. Therefore, the committee recommends a provision that will prevent the use of DOD funds to further increase excess capacity.

**Section 142. Replacement of engines on aircraft derived from Boeing 707 aircraft.**

The budget request did not include funds for re-engining Boeing 707-type aircraft. Two years ago, the committee supported an initiative to re-engine two RC-135 aircraft and recommended funds for nonrecurring integration and procurement of two CFM56 engine kits for those aircraft. The committee is convinced of the merits of the program to re-engine RC-135 aircraft. As a result, the committee recommends an increase to the budget request of \$54.8 million for the installation of two CFM56 engine kits on RC-135 aircraft.

The committee views with concern the large fleet of Boeing 707-type aircraft derivatives in the Air Force inventory that are, or will be, in need of re-engining to reduce operation and support costs, to increase efficiency, and to meet Federal Aviation Administration (FAA) standard for noise. A recent review of 707-type airframes revealed that, of the 647 707-type airframes in the Air Force inventory, 402 have been reengined, and an additional 15 aircraft will be re-engined by fiscal year 2000.

While there have been re-engining programs for the Air Force's Boeing 707 type fleet over the years, there is a need for comprehensive analysis of costs, benefits, and programming for the remainder of the 707-type fleet. The requirement for modernizing its fleet of Boeing 707 derivative aircraft seems to have been omitted from the present and recent Air Force budget requests, possibly leading to a choice between a major procurement "bow wave" in future years or premature retirement of many aircraft. Accordingly, the committee recommends a provision that would require an analysis of re-engining requirements, program requirements, and benefits to ensure that this vital requirement is not ignored in future planning and programming.

**Section 143. Exception to requirement for a particular determination for sales of manufactured articles or services of Army industrial facilities outside the United States.**

The committee is concerned that with the end of the Cold War and the onset of reduced defense budgets, many of our military industrial facilities are operating inefficiently due to a lack of work. The committee understands that there are some cases where the excess capacity created by the lack of work can be utilized by allowing these facilities to provide commercial entities with articles and services for inclusion in weapon systems that will ultimately be procured by the Department of Defense. Utilizing this excess capacity will serve to reduce the current waste, create a more efficient facility, provide private industry with quality service, and maintain a critical work force. Therefore, the committee recommends a provision that would authorize Army industrial facilities to sell to commercial entities articles or services that will ultimately be incorporated into weapon systems procured by the Department of Defense.

**OTHER ITEMS OF INTEREST**

**Alternative fuel vehicles**

The Energy Policy Act of 1992 (EPACT), Public Law 102-486, requires Federal agencies to purchase alternative fuel vehicles to meet 50 percent of their annual new vehicle acquisitions in fiscal year 1998. The goals of such acquisitions are to ensure that Federal agencies assist in meeting Federal goals to accelerate the reduction of incremental costs associated with alternative fuel vehicles, to propel alternative fuel vehicles into a position of standard manufacturers' models, and to expand the fueling infrastructure for alternative fuel vehicles into a nationwide network. Executive Order 13031, dated December 13, 1996, directed each agency to de-

velop and implement plans to comply with the alternative fuel vehicle acquisition requirements of the Energy Policy Act by February 13, 1997, and to submit the plans to the Office of Management and Budget.

The Department of Defense, with its large fleet of vehicles, plays a significant role in achieving the goals of the program, particularly through its ability to purchase a wide variety of alternative fuel vehicle types, such as alcohol, electric, and natural gas. According to information available to the committee, a total of 7,491 alternative fuel vehicles should be procured or acquired for use in fiscal year 1998. That figure is based upon the number of new vehicles intended to be purchased by the Department in fiscal year 1998 that are defined as EPACT "covered fleet" vehicles. The committee directs the Department of Defense to provide a report by January 1, 1998 that identifies the actual number and types of alternative fuel vehicles it intends to purchase in fiscal year 1998. The committee further directs the Department to provide an annual report, within 150 days after the beginning of each fiscal year, that identifies the number and type of alternative fuel vehicles that it plans to purchase in the following fiscal years.

#### **Automated data processing equipment**

The budget request included \$125.1 million to support modernization of the automation infrastructure. The committee is concerned that the Army has retained approximately 8000 legacy secure facsimile systems that could become a burden to maintain as repair parts become scarce. The committee is also aware that new technology has resulted in secure facsimile machines that are lighter, easier to maintain, and more capable than existing systems. The Secretary of the Army is therefore directed to provide a report, no later than March 1, 1998, to the congressional defense committees that establishes future requirements for secure facsimile machines, displays the costs and benefits of replacing existing legacy systems with newer technology machines, and outlines the department funding plan for addressing future requirements.

#### **Coast Guard port security units**

The budget request contained no funding for equipment for Coast Guard port security units (PSU).

The Coast Guard has notified the committee of an unfunded requirement for \$13.6 million to purchase the equipment necessary to field three new PSUs and to replace the equipment of three existing PSUs that were originally stood up in 1987. The PSUs are units of the Coast Guard Reserve that have been mobilized on several occasions, including during Desert Storm and Uphold Democracy operations in Haiti. Their missions include waterside security of ports and filling security perimeter gaps between land side security forces and coastal and barrier assets. There is no unit of the Coast Guard's active force that performs a comparable mission and could provide the PSUs with excess equipment by transfer. The Coast Guard has also informed the committee that requirements levied by the unified commanders in chief dictate the need to establish three new units to supplement those already in existence.

While the committee was unable to identify funds to provide additional resources for Coast Guard port security units, the committee has no objection to the requirement being satisfied by the use of funds already included in the defense function for defense related activities (budget subfunction 054) in the budget request for support of the Coast Guard.

### **Global Air Traffic Management**

Global Air Traffic Management (GATM) is an Federal Aviation Administration (FAA) and International Civil Aeronautics Organization (ICAO) initiative that allows worldwide access for Department of Defense aircraft. To become GATM compliant, aircraft will have to be modified and upgraded to incorporate digital data links, GPS receivers, and other modifications.

The committee acknowledges the need to create a coherent, comprehensive plan for all cargo and passenger carrying DOD aircraft that must comply with near-term FAA and ICAO mandates to ensure continued access to worldwide airspace. Accordingly, the committee directs the Secretary of Defense to provide a report no later than March 3, 1998 to the congressional defense committees that describes the Department's plans to comply with GATM requirements, and the budget programming necessary to meet the outyear requirements of GATM. The report should explain the Department's plans for incorporation of commercial off-the-shelf (COTS) systems and non-developmental item (NDI) solutions to ensure near-term and future compatibility with civilian systems and to reduce the cost of implementing non-tactical GATM requirements.

### **Tactical aviation**

Last year's Senate committee report on S.1745 (S. Rept. 104-267) laid the foundation for a thorough examination of tactical aviation modernization through the requirement of reports on the costs of the F-22 and its event-based program. Later, the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) added requirements to examine the net benefits of developing the F/A-18E/F, its unit costs for various production rates, and a report on the Joint Advanced Strike Technology (JAST) program, which has been renamed the Joint Strike Fighter (JSF) program.

Of these reports, the reports on F-22 cost and F/A-18E/F net benefit included fences on program funding until the reports were provided to the Congress. Reports on F-22 event-based decision making were due on October 1, 1996 and February 3, 1997 with the submission of the budget request, and no restriction was placed on the program pending receipt of the event-based reports. As of April, 1997, those reports had not been received, leading the committee to believe that the Department only provides important background for decisions where there are penalties for noncompliance. The report on the JAST (now JSF) program is due on May 15, 1998.

In addition to these reports, the committee is aware that the Department has formed a tactical aviation working group within the Joint Staff to assess various options for future decisions related to the Quadrennial Defense Review (QDR). The committee notes that before the QDR was completed, program requests had changed

from calendar year 1996 to calendar year 1997, in part because of assumptions about the outcome of the QDR. Also, programs have changed without any reference to the strategy-based work of the QDR. For example, the restructure of F-22 engineering and manufacturing development (EMD) occurred through an infusion of production funds in development to make up for a \$2.2 billion overrun, and the F/A-18E/F program has been cut by four aircraft.

The Subcommittee on AirLand Forces held two hearings on tactical aviation modernization to receive testimony on both the broad strategic considerations of tactical aviation and programmatic considerations and the costs of the present administration plan. Many themes emerged from the hearings, especially:

- (1) the present program for modernization is unaffordable;
- (2) the tactical aviation modernization program does not seem to be based on a clear strategy; and
- (3) the Navy and Air Force have a different assessment of future needs or a different approach to meeting the future.

While awaiting the preliminary results of the QDR, the committee intends to put the tactical aviation modernization program into a placeholder status for fiscal year 1998, pending clear decisions from the department on its future requirements and programs.

#### **Tactical trailers/dolly sets**

The budget request included \$8.0 million for tactical trailer equipment. The committee understands that there is promising new technology in trailer equipment that would allow a single operator to load and unload heavy equipment. One example of this new technology is a hydraulic traveling axle trailer system that positions a trailer so that equipment can be driven or winched onto the trailer platform. This new equipment is currently available on the commercial market and would reduce current Army crew requirements. The committee understands that the Army is in the process of establishing a new requirement that may allow for the use of these commercially available products. The committee encourages the Army to finalize work on requirements for new, simple to operate trailer equipment and to explore other products currently available to commercial contractors for potential military use.

## **TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**

The committee recommends investments in research and development to address future mission needs by ensuring that military systems embody the most advanced technologies.

Appropriate subcommittees of the full committee conducted hearings and reviewed information on various research and development program requests including: national and theater missile defense programs; Army general purpose programs; new ships and related ship programs; tactical and strategic aircraft and associated systems; counterproliferation programs; command, control, and communications programs; science and technology programs; and university and industry science and technology efforts. The committee's research and development priorities were to ensure future battlefield dominance by increased emphasis on advanced technology programs and to achieve future savings.

### **Explanation of tables**

The tables in this title display items requested by the administration for fiscal year 1998 for which the committee either increased or decreased the requested amounts. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration request, as set forth in the Department of Defense's budget justification documents) without a reprogramming action in accordance with established procedures. Unless noted explicitly in the report, all changes are made without prejudice.

### **SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS**

#### **SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS**

#### **Section 211. Joint Strike Fighter program.**

The budget request included \$930.8 million in three program elements: \$448.9 in PE 603800N; \$458.1 million in PE 603800F; and \$23.9 million in PE 603800E for development of the Joint Strike Fighter (JSF).

Tactical aviation programs have been the subject of intense scrutiny during committee and subcommittee hearings. One theme that emerged consistently has been the overall cost of the three planned programs: the F-22; F/A-18E/F; and the JSF. The issue of requirements and the relationship to known or postulated threats has been a second consistent theme.

Realizing that the JSF program emerged from an amalgam of developmental programs that were individually unaffordable, the committee has been encouraged by the program's consistent em-

phasis on unit cost and the incorporation of emerging technologies to provide improved capabilities within strict cost guidelines.

The continued progress of the JSF program offers real hope for acquiring advanced aircraft designed to be efficiently manufactured and supported through a common support structure. While the concepts, goals, and progress to date have been encouraging, the committee views with concern the proposed order of fielding finished JSF aircraft. The program cancellations and combinations that led to the JSF most directly affected the Navy's strike capability. For example, the A-12 program cancellation that was the result of a program overrun that exceeded one billion dollars, and the subsequent tactical aviation restructurings led to a near-term situation that is the exact reverse of what it should be. Instead of a small number of stealth type aircraft based forward on aircraft carriers and a significant force of capable multi-role aircraft to wage the larger type campaigns such as Desert Storm, the stealth aircraft are based in the heart of America, where they can be moved forward only after a foothold has been established or host nations provide support and the multi-role aircraft are on board carriers.

In an attempt to reset the balance in the future, the committee directs the Secretary of Defense to ensure that the Navy stealthy strike aircraft capable of carrier-based strike operations are expeditiously fielded as the first priority of the JSF program. The committee recommends a provision that would direct the Secretary of Defense to provide a report to the congressional defense committees that would describe the development and production sequencing for the various JSF aircraft, not later than February 15, 1998.

#### *Alternative engine program*

The budget request included funds for the continuation of a program to establish an alternative engine for the joint strike fighter, but omitted funds for fiscal year 1998. The committee is persuaded that there is a need for an alternative engine for the JSF, but expects the Department to program sufficient funds in the future years for a robust, accelerated profile. Accordingly, the committee recommends an increase in the budget request of \$28.0 million to accelerate the alternative engine program, with the understanding that the Department will provide for the accelerated program in fiscal year 1999 and beyond.

#### **Section 212. F-22 aircraft program.**

The committee views with concern the recently revealed cost overruns of \$2.2 billion in the F-22 engineering and manufacturing development (EMD) program. While the Air Force asserts that the restructure of the program leaves the overall program top line for the sum of development and production untouched, the restructure deletes the following:

- (1) the four pre-production verification (PPV) aircraft (–\$706.0 million), which were to have been used for flight testing and to measure and validate manufacturing techniques; and,
- (2) fifty four production aircraft (–\$1.45 billion) over the Future Years Defense Program (FYDP).

These steps were taken to prevent further schedule slips through a transfer of \$2.2 billion to the EMD program.

#### *Cost analyses*

The committee is also concerned about recent assertions by the Secretary of the Air Force that any further discussion of cost analyses of the F-22 are “not useful at this point.” On the contrary, the committee is convinced that discussions of a potential \$16.0 billion overrun in production and an acknowledged \$2.2 billion overrun in EMD are not only useful, but vital in framing decisions on present and future defense spending.

A review of the F-22 program history related to unit cost estimates shows clearly why cost analyses are critical at this point. In 1985, the USAF established an average unit flyaway cost goal of \$35.0 million in fiscal year 1985 dollars (\$41.2 million in fiscal year 1990 dollars). The goal provided an affordability restraint on proposed designs, and was based on a buy of 750 aircraft at a production rate of 72 per year, produced between 1992 and 2005.

As a result of the 1990 Major Aircraft Review, the production rate was reduced from 72 to 48, and the unit flyaway cost was revised to \$51.2 million. In 1991, the Milestone II Defense Acquisition Board decision reduced the total planned buy to 648, with production scheduled between 1996 and 2012. While the flyaway costs continued to increase, so also did the program acquisition unit costs (PAUC), defined as total program cost divided by total units. PAUC represents the total amount paid by the taxpayers, divided by the units delivered in a program, and is the most inclusive measure of program costs, since stretch-outs and intra-program transfers are all included in the PAUC. No amount of transfers of funds from production to development, or vice versa, will affect the PAUC, hence it is the best measure for overall program costs.

As outlined in hearings on tactical aviation, present estimates of PAUC depend on the validity of as-yet-undefined cost savings measures. Present Air Force estimates of F-22 PAUC would be \$161.1 million per aircraft, under the best circumstances. If the Air Force’s cost saving initiatives are not successful, then the more substantial CAIG estimate for cost should be used, as it is based in part on costs actually incurred on the first EMD aircraft.

It is imperative that the program, already suffering from an over two billion dollar overrun, be closely monitored as it proceeds through development. Accumulated cost data during the remaining development phase and early low rate production should serve to build confidence in the Air Force’s proposed initiatives. Accordingly, the committee recommends a provision to ensure future costs are controlled, using cost cap similar in scope to those applied to the B-2 program.

#### **Section 213. High Altitude Endurance Unmanned Vehicle program.**

The budget request included \$216.7 million for High Altitude Endurance (HAE) unmanned air vehicles (UAVs). The two HAE UAVs are the Global Hawk, formerly the Tier II plus, and the Dark Star, formerly the Tier III minus. Each has different characteristics, but both are designed for high altitude extended flights. The programs

are presently managed by the Defense Advanced Projects Agency (DARPA), and are differentiated from tactical UAVs, which are designed for shorter flights, less endurance, and for use by field commanders.

The committee has recently learned of slips in the program schedule and cost overruns in the overall program. Although the HAE program had been limited to \$10.0 million in unit flyaway pricing, it now appears unlikely that the aircraft can be produced for that amount. The committee is concerned about the progress of the HAE program, from the crash of the Tier III minus to the overrun and delayed first flight in the Tier Two plus program.

While there has been much written and said about the future of UAVs in gathering intelligence or providing timely battlefield awareness, the promises have not yet been fulfilled. A common theme in discussion of UAV program has been that the major expenses of systems are in the sensors, ground stations, and data links, rather than in the air vehicles. While this is true with respect to planned cost, it has resulted in an almost cavalier attitude toward air vehicle development.

UAVs are struggling to graduate from small, "disposable", inexpensive aircraft to multi-million dollar systems, requiring a serious approach to testing and fielding. There is the added problem related to the use of advanced concept technology demonstrations (ACTD) to field complex, developmental systems, that barely fit the definition of mature technologies. The results have been discouraging so far, especially when compared with the promises and plans for UAV employment.

#### *Tier II plus*

The committee was told that the Tier II plus was being developed under an entirely new acquisition approach. In exchange for the limiting military standards and procurement regulations, the contractor was free to trade operational and performance goals to maximize military utility, while adhering to only one requirement: a unit flyaway price of \$10.0 million.

Now it appears the contractor needs an additional infusion of money to produce the systems, and the committee has been reminded that the \$10.0 million unit flyaway price applies to production after successful completion of the ACTD. The reasoning seems inconsistent since there is no requirement for the program to go to production; ACTD's are intended to be limited demonstrations. Under the circumstances, the need for additional funds for the ACTD strains credibility.

The committee has recently learned that the Defense Airborne Reconnaissance Office is preparing contingency plans for the entire HAE program, reducing the planned eight Global Hawks, six Dark Stars, and three ground stations to five Global Hawks, three Dark Stars and two ground stations. The restructuring would be required if:

- (1) there are continued delays in substantial flight testing;
- (2) there are high cost overruns; or
- (3) further unforeseen technical difficulties arise; or
- (4) there are unsuccessful first flights.

While the committee agrees with the Department of Defense that there is a need to proceed cautiously until a record of success is established, there are questions about what is to be done in the near term. Accordingly, the committee recommends a provision that would aid the Department in its efforts to control and stabilize the programs.

**Section 214. Advanced Anti-Radiation Guided Missile program.**

The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1997 (H. Rept. 104-247) included an additional \$50.0 million in PE 205601N, Harm Improvement, to continue development of the advanced anti-radiation guided missile (AARGM). The conferees noted that funds were to be spent only for design reviews and support for test and evaluation. The report also encourages the Secretaries of the Navy and Air Force to fund the fiscal year 1998 requirements for the program. The Department did not do so. Accordingly, the committee recommends a provision that would direct that \$25.0 million of fiscal year 1997 funds be used for higher priority programs.

**Section 215. Federally funded research and development centers.**

The committee notes the continued progress of the Department of Defense (DOD) in overseeing the management of the Federally funded research and development centers (FFRDC) by their sponsoring organizations within the department and the military services. As a result of the of the DOD commitment to the five-year plan established in 1995 for the management of such organizations, the committee has recommended a provision that would impose a ceiling on the total staff years of technical effort that may be funded for Defense FFRDC's in fiscal year 1998. This is intended to provide the DOD with a more appropriate and flexible management framework than would a ceiling on total annual funding for DOD work conducted in defense FFRDC's.

The committee will continue to monitor this issue closely to ensure that DOD maintains appropriate management controls on the work performed by the Defense FFRDC's. Such organizations should be limited to performing work within their core competencies and should not compete with the private sector. The committee is prepared to consider reimposing annual funding ceilings should past management problems recur.

**Section 216. Goal for dual-use science and technology projects.**

The committee remains interested in dual-use strategies for research and development of technologies applicable to the missions of the Department of Defense (DOD). That interest has been reflected in the passage of legislation to expand the use of other transactions authority in section 2371 of title 10, United States Code, as well as the authorization of continued funding for the dual-use applications program in the Office of the Secretary of Defense. The committee notes the continued pressure on science and technology funding in the Department of Defense and believes that

appropriate dual-use strategies within the military services have the potential to use constrained defense resources to leverage commercial investment in technologies critical to future battlefield dominance.

The DOD dual-use program is at a critical turning point. The Under Secretary of Defense for Acquisition and Technology has announced that the DOD intends to cease funding dual-use applications as a separate program in the budget of the Office of the Secretary of Defense at the end of fiscal year 1999. After that point, the services will be expected to carry out dual-use projects within their core science and technology programs. Unfortunately, the DOD has developed no specific process to ensure that such a transition will take place, despite the military services' resistance to dual-use technology development. The committee commends the DOD for structuring the dual-use program in fiscal year 1997 to create a strong incentive for the military services to use their core science and technology funds for dual-use projects. However, that initiative alone will not be sufficient to achieve the integration of significant, sustained dual-use activity in the services' science and technology programs.

There are several major barriers to the greater use of dual-use strategies by the military services. For example, contracting officers are reluctant to depart from the use of contracts or grants due to a lack of understanding of the other transactions authority. Also, the military services are required to develop technologies to meet operational requirements that do not have commercial analogs. Current constrained science and technology budgets do not allow the services to pursue technologies for which dual-use strategies might be more appropriate. Finally, there remain significant barriers between commercial technology developers and the systems requirements of operational users within the military services.

For these reasons, the committee recognizes that there will be a transition process that involves the shifting of dual-use programs from OSD to the military services. As a first step in the process of that transition, the committee recommends a provision that would establish a set of goals with increasing levels of funding for new starts in the applied research (6.2) accounts of the military services to be devoted to dual-use projects in each of fiscal years 1998, 1999, and 2000. The committee believes strongly that this approach will yield more effective long-term success than an approach that would direct the military services to fund dual-use technologies at a required percentage of their science and technology programs, beginning in FY 1998. For purposes of this section, those dual-use projects entered into by the military services would have to require a minimum cost-share of 50 percent from non-federal participants in order to count toward meeting the specified goal. The provision would also assign oversight responsibility for implementation of dual-use technologies to the official who reports directly to the Under Secretary of Defense for Acquisition and Technology.

In light of the recent rescission of the \$50.0 million appropriated for dual-use programs in fiscal year 1997 and the lack of definition of the dual-use program request for fiscal year 1998, the committee recommends an authorization of \$125.0 million for the dual-use applications program in fiscal year 1998, a reduction of \$100.0 million

below the amount of the request. The committee urges the Secretary of Defense to administer the program in fiscal year 1998 in the same fashion as the dual-use program is being administered in fiscal year 1997.

**Section 217. Transfers of authorizations for counterproliferation support program.**

The fiscal year 1998 budget request included \$65.2 million for the Counterproliferation Support Program to accelerate the development and deployment of essential military counterproliferation technologies and capabilities in the Department of Defense (DOD) and the military services.

The committee recommends an increase of \$20.0 million to the counterproliferation support program: \$3.0 million for the high frequency active auroral research program (HAARP); \$1.0 million for development of a portable trace element detection system that utilizes a laser plasma technique that enables quick sampling of reflected light, which could be used for on-site inspections of chemical and biological facilities; \$6.0 million for continuation of the SAFEGUARD program; \$10.0 million for the continuation of the counterproliferation mission planning analysis and planning system (CAPS) to support theater commanders and special operations forces in preparing for regional contingencies involving weapons of mass destruction.

In addition, the committee recommends a \$7.0 million increase to the budget request for defense operations and maintenance for the U.S. Special Operations Command (USSOCOM) for equipment to detect, attack, and destroy underground facilities, and for training activities to locate, identify, seize, destroy, render safe, transport, capture, or recover weapons of mass destruction from deep underground structures.

The committee is concerned about the amount of funds expended by the government for government administrative and Systems Engineering and Technical Assessments (SETA) support under the HAARP program. Of the funds made available last year for HAARP, the committee understands that roughly twenty percent went for government overhead and SETA support. The committee understands that these activities are necessary. However, the committee is concerned that the amounts authorized for HAARP to conduct experiments and to demonstrate its utility for DOD requirements is being diverted. The committee directs that the combined government overhead/SETA support costs be no more than ten percent.

*Chemical and Biological Detection*

The potential use of chemical agents and weapons continues to pose a serious threat to the survivability and effectiveness of U.S. forces. The committee supports efforts by the Department to improve our ability to detect and identify chemical agent production and storage facilities. National capabilities and technologies such as the SAFEGUARD sensor suite could provide a near-term, low risk capability to detect, confirm, and monitor certain weapons of mass destruction effluents. The committee supported proof of concept activities in fiscal years 1996 and 1997. To complete the proof

of concept activities, the committee recommends an increase of \$6.0 million to PE 62384BP for the SAFEGUARD program.

#### *Mission Planning and Analysis*

The proliferation of weapons of mass destruction remains a continuing national security concern and challenge for the long term. To address this challenge, the committee has supported funding for a counterproliferation analysis planning systems (CAPS). The committee recommends an increase of \$10.0 million in the counterproliferation support program (PE 63160D) for counterproliferation analysis planning systems: \$4.0 million for U.S. Strategic Command (USSTRATCOM) and \$6.0 million for USSOCOM.

#### *Transfer Authority*

The committee recommends a provision that would allow the Department of Defense to transfer up to \$50.0 million from fiscal year 1997 defense-wide research and development accounts for counterproliferation support activities that are determined by the Counterproliferation Review Committee to be necessary and in the national security interests.

#### *Underground and Deep Underground Structures*

The committee has recommended the use of \$4.5 million available in the counterproliferation support program (\$1.5 million in fiscal year 1996 and \$3.0 million in fiscal year 1997) for the exploration of a "deep digger" concept for hard target characterization. The committee continues to support efforts by the Department to focus its research and development efforts aggressively on programs to detect and discriminately attack and destroy underground facilities. The committee continues to believe the "deep digger" concept could possibly address a critical gap in our armed forces' capabilities. The committee understands that only a small portion of funds has been released to conduct a feasibility study for theoretical validation of the program. "Deep digger" has the potential for use in a variety of missions, because it could be delivered either by ground forces or by aircraft. The committee directs the Department to report to the committee by October 31, 1997, on the status of the program.

#### **Section 218. Kinetic Energy Tactical Anti-Satellite Technology Program.**

The committee notes that in testimony before the committee on March 12, 1997, witnesses from the Department of Defense expressed support for proceeding with the kinetic energy anti-satellite (KE-ASAT) program and the Department's intention to obligate additional funds appropriated in fiscal year 1998 for this program, even though no funds were requested. Based on this indication of support from DOD and the level of investment already achieved, the committee believes that it would be wise for DOD to complete the development of the KE-ASAT program and preserve the option of fielding a limited operational capability in the future. Therefore, the committee recommends a provision that would authorize \$80.0 million in PE 63892D to continue this effort in fiscal

year 1998. The provision also prohibits the obligation of funds in PE 65104D, relating to technical studies and analyses, until the funds appropriated for the KE-ASAT program in fiscal year 1998 have been released to the KE-ASAT program manager.

The committee directs the Secretary of Defense to submit a report to the congressional defense committees by May 1, 1998, detailing the environmental and operational impacts in space of the debris that would result from a successful use of a KE-ASAT weapon by the United States, or other anti-satellite weapon by any other nation. The report should also describe features of the KE-ASAT program designed to mitigate this potential problem.

**Section 219. Clementine 2 Micro-Satellite development program.**

The committee has supported the Clementine 2 micro-satellite near-earth asteroid interception mission. In fiscal year 1996, the U.S. Air Force Space Command, in conjunction with the Air Force Phillips Laboratory, initiated the Clementine 2 micro-satellite program as a follow-on to the highly successful Clementine 1 mission. The Clementine 2 program is intended to develop, test, and flight-validate a variety of miniaturized spacecraft technologies with applications to a wide number of military and intelligence space programs. By using near-earth asteroids as sensor demonstration targets, the mission will also provide benefits to the civil science community. The budget request did not include any funds for this program. Therefore, the committee recommends a provision that would increase funding for the Clementine 2 program by \$50.0 million (in PE 63401F) to continue this effort under the control of the Space Warfare Center, with execution by the Clementine team (Phillips Laboratory, the Naval Research Laboratory, and the Lawrence Livermore National Laboratory). The provision would also prohibit the obligation of more than \$35.0 million of funds authorized in PE 64480F for the Global Positioning System Block IF satellite system until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation funds appropriated for fiscal year 1998 for the Clementine 2 Micro-Satellite program.

**SUBTITLE C—BALLISTIC MISSILE DEFENSE PROGRAMS**

**Section 221. National Missile Defense program.**

The committee continues to support a focused effort to develop and deploy a National Missile Defense (NMD) system to defend the United States against limited ballistic missile attacks. The committee acknowledges that the Secretary of Defense has recently reiterated his commitment to preserving the option of deploying such a system in fiscal year 2003. Recognizing the continuing controversy over NMD deployment policy, the committee recommends a provision that would strengthen the option to deploy an NMD system in fiscal year 2003 without specifically establishing an overarching deployment policy.

This provision would require the Secretary of Defense to structure and fund the NMD program so as to support an integrated NMD system test in fiscal year 1999. The provision would also require the Secretary of Defense to prepare a plan for the develop-

ment and deployment of an NMD system that could achieve initial operational capability in fiscal year 2003. Finally, the provision recommends an authorization of \$978.1 million for NMD in fiscal year 1998.

**Section 222. Reversal of decision to transfer procurement funds from the Ballistic Missile Defense Organization.**

On December 23, 1996, Program Budget Decision 224C3, signed by the Under Secretary of Defense (Comptroller), transferred all procurement funds for ballistic missile defense programs from the Ballistic Missile Defense Organization (BODO) to the military services. The committee strongly opposes this decision and recommends a provision that would reverse it.

The committee has concluded that, for purposes of continuity and management coherence, BODO should continue to manage the program procurement funds in cases where BODO already manages the program research, development, test, and evaluation funds. This is a basic principle dating back to the creation of the Strategic Defense Initiative Organization. The committee is concerned that transferring procurement funds from BODO to the military services will force unhealthy and unnecessary tension between missile defense programs and already under funded service modernization programs. This tension will be particularly acute in the years beyond the Future Years Defense Program when the services would be required to identify and dedicate the needed ballistic missile defense procurement funds from within service accounts that are likely to be under funded.

**SUBTITLE D—OTHER MATTERS**

**Section 231. Manufacturing Technology program.**

The committee is concerned that the Department of Defense and the military services have not made sufficient progress in implementing the requirement in section 2525 of title 10, United States Code, to seek the participation of manufacturers of manufacturing equipment in the projects under the manufacturing technology program. Therefore, the committee recommends a provision that would amend section 2525 to clarify the rationale for the current requirement. The committee directs that the Defense Logistics Agency and each of the military services provide to the congressional defense committees, no later than February 15, 1998, a report describing their respective procedures for implementing the requirement in 2525(c)(2) of title 10, United States Code, as amended, including the manner in which the requirement is addressed in solicitations for contracts under the program.

**Section 232. Use of major range and test facility installations by commercial entities.**

The committee recommends a provision that would extend the current authority in 10 U.S.C. 2681 for the Department of Defense (DOD) to provide for the use of test and evaluation installations by commercial entities from September 30, 1998 to September 30, 2001. The committee also recommends a provision that would require the DOD to submit a report identifying procedures to ensure

that the commercial use of DOD major range and test facilities testing services is not competing with private sector testing services.

**Section 233. Eligibility for the Defense Experimental Program to Stimulate Competitive Research.**

The committee recommends a provision that would amend section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) to ensure the eligibility of the Commonwealth of Puerto Rico and other U.S. territories to participate in the Defense experimental program to stimulate competitive research.

**Section 234. Restructuring of National Oceanographic Partnership Program organizations.**

Section 282 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) added chapter 665, National Oceanographic Partnership Program, to title 10 of the United States Code. Section 7902 of chapter 665 provided for the establishment for the National Ocean Leadership Council, whose duty it would be to coordinate national oceanography programs, partnerships and facilities, and to coordinate policy efforts of all Federal activities involved in oceanographic surveys and research.

The National Ocean Leadership Council was to be made up of the Secretary of the Navy, who would serve as chairman for the first two years, and 17 officers representing: eleven federal agencies with significant roles in oceanographic research; the National Academy of Sciences, the National Academy of Engineering and the Institute of Medicine; and representatives, appointed by the chairman, to represent the interests of State government, academia, and ocean industries.

In signing the National Defense Authorization Act for Fiscal Year 1997, the President issued a statement that the statute's method for the appointment of certain members of the National Ocean Leadership Council would violate the Appointments Clause of the Constitution. Although the statement provided that the Council should not exercise significant governmental authority, the administration allowed the Council to be convened with the 12 members whose appointment did not raise any constitutional issue, pending the enactment of corrective legislation.

The committee recommends a provision that would amend section 7902(b) revising the membership of the Council to remove the members whose appointment would raise constitutional questions. The National Oceans Leadership Council would remain as currently established by the administration, with members representing the 12 Federal agencies with significant oceanographic interest. The committee recommends that the membership of the Council's advisory panel be expanded to include representatives from the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine, as well as government, academia, and the oceans industry.



**TITLE II - RDTE  
FY 1998 AUTHORIZATIONS**

Line ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
0603001A 29 LOGISTICS ADVANCED TECHNOLOGY	35,469	-	35,469
0603002A 30 MEDICAL ADVANCED TECHNOLOGY	10,677	4,600	15,277
0603003A 31 AVIATION ADVANCED TECHNOLOGY	31,330	-	31,330
0603004A 32 WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	18,255	-	18,255
0603005A 33 COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	32,685	9,000	41,685
0603006A 34 COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	19,688	4,000	23,688
0603007A 35 MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,003	1,300	4,303
0603009A 36 TRACTOR HIKE	14,350	-	14,350
0603013A 37 TRACTOR DIRT	3,393	-	3,393
0603017A 38 TRACTOR RED	5,572	-	5,572
0603020A 39 TRACTOR ROSE	9,204	2,000	11,204
0603105A 40 MILITARY HIV RESEARCH	2,713	-	2,713
0603238A 41 GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECHNOLOGY DEMONSTRATIO	11,664	-	11,664
0603270A 42 EW TECHNOLOGY	8,182	-	8,182
0603313A 43 MISSILE AND ROCKET ADVANCED TECHNOLOGY	117,139	-	117,139
0603322A 44 TRACTOR CAGE	6,412	-	6,412
0603606A 45 LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	19,332	6,600	25,932
0603607A 46 JOINT SERVICE SMALL ARMS PROGRAM	4,754	-	4,754
0603654A 47 LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	13,000	-	13,000
0603710A 48 NIGHT VISION ADVANCED TECHNOLOGY	19,299	-	19,299
0603734A 49 MILITARY ENGINEERING ADVANCED TECHNOLOGY	12,231	-	12,231
0603772A 50 ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY	19,970	-	19,970
0603018A 51 TRACTOR TREAD	-	-	-
0603308A 52 ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEMVAL)	24,138	57,000	81,138
0603619A 53 LANDMINE WARFARE AND BARRIER - ADV DEV	18,882	-	18,882
0603627A 54 SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV	-	-	-
0603639A 55 ARMAMENT ENHANCEMENT INITIATIVE	40,313	-	40,313
0603640A 56 ARTILLERY PROPELLANT DEVELOPMENT	8,521	-	8,521
0603645A 57 ARMORED SYSTEM MODERNIZATION - ADV DEV	2,007	-	2,007

**TITLE II - RDT&E**  
**FY 1998 AUTHORIZATIONS**

<u>ACCOUNT</u>	<u>Line</u>	<u>No.</u>	<u>FY 98</u>	<u>Change</u>	<u>Committee</u>
			<u>Request</u>	<u></u>	<u>Recommendation</u>
0603649A	58	ENGINEER MOBILITY EQUIPMENT - ADVANCED DEVELOPMENT	8,982	-	-
0603653A	59	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	21,214	-	8,982
0603713A	60	ARMY DATA DISTRIBUTION SYSTEM	-	-	21,214
0603745A	61	TACTICAL ELECTRONIC SUPPORT SYSTEMS - ADV DEV	-	-	-
0603747A	62	SOLDIER SUPPORT AND SURVIVABILITY	7,557	-	7,557
0603766A	63	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV	20,920	-	20,920
0603774A	64	NIGHT VISION SYSTEMS - ADVANCED DEVELOPMENT	2,939	-	2,939
0603790A	65	NATO RESEARCH AND DEVELOPMENT	13,168	700	13,868
0603801A	66	AVIATION - ADV DEV	7,132	-	7,132
0603802A	67	WEAPONS AND MUNITIONS - ADV DEV	-	-	-
0603804A	68	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	6,783	-	6,783
0603805A	69	COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION AND ANALYSIS	7,673	-	7,673
0603807A	70	MEDICAL SYSTEMS - ADV DEV	6,765	-	6,765
0603851A	71	TRACTOR CAGE (DEMVAL)	1,948	-	1,948
0603854A	72	ARTILLERY SYSTEMS - DEMVAL	324,380	-	324,380
0603856A	73	SCAMP BLOCK II DEMVAL	73	-	73
0603889A	74	COUNTERDRUG RDT&E PROJECTS	-	-	-
0604201A	75	AIRCRAFT AVIONICS	21,669	-	21,669
0604220A	76	ARMED, DEPLOYABLE OH-58D	-	-	-
0604223A	77	COMANCHE	-	-	-
0604270A	78	EW DEVELOPMENT	282,009	-	282,009
0604321A	79	ALL SOURCE ANALYSIS SYSTEM	66,212	-	66,212
0604325A	80	FOLLOW-ON TO TOW	24,045	3,200	27,245
0604328A	81	TRACTOR CAGE	13,949	-	13,949
0604504A	82	MEDIUM TACTICAL VEHICLES	11	-	11
0604609A	83	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	3,729	-	3,729
0604611A	84	JAVELIN	8,018	-	8,018
0604619A	85	LANDMINE WARFARE	19,800	-	19,800
0604622A	86	FAMILY OF HEAVY TACTICAL VEHICLES	-	-	-

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**FY 1998 AUTHORIZATIONS**

<u>ACCOUNT</u>	<u>Line</u> <u>No.</u>	<u>FY 98</u> <u>Request</u>	<u>Change</u>	<u>Committee</u> <u>Recommendation</u>
0604633A	87 AIR TRAFFIC CONTROL	1,705	-	1,705
0604640A	88 ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)	8,867	-	8,867
0604641A	89 TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,687	-	2,687
0604642A	90 LIGHT TACTICAL WHEELED VEHICLES	9,909	-	9,909
0604645A	91 ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.	-	-	-
0604649A	92 ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	56,196	-	56,196
0604710A	93 NIGHT VISION SYSTEMS - ENG DEV	33,456	-	33,456
0604713A	94 COMBAT FEEDING, CLOTHING, AND EQUIPMENT	55,964	-	55,964
0604715A	95 NON-SYSTEM TRAINING DEVICES - ENG DEV	76,749	-	76,749
0604716A	96 TERRAIN INFORMATION - ENG DEV	2,942	-	2,942
0604726A	97 INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,946	-	1,946
0604739A	98 INTEGRATED BROADCAST SERVICE	4,499	-	4,499
0604740A	99 TACTICAL SURVEILLANCE SYSTEM - ENG DEV	-	-	-
0604741A	100 AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	18,350	5,000	23,350
0604746A	101 AUTOMATIC TEST EQUIPMENT DEVELOPMENT	2,582	-	2,582
0604760A	102 DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERING DEVELOPMENT	20,895	-	20,895
0604766A	103 TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA)	19,113	-	19,113
0604768A	104 BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	202,302	-	202,302
0604770A	105 JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	6,940	-	6,940
0604778A	106 POSITIONING SYSTEMS DEVELOPMENT (SPACE)	419	-	419
0604780A	107 COMBINED ARMS TACTICAL TRAINER (CATT)	2,823	11,500	14,323
0604801A	108 AVIATION - ENG DEV	5,109	-	5,109
0604802A	109 WEAPONS AND MUNITIONS - ENG DEV	3,577	-	3,577
0604804A	110 LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	28,039	-	28,039
0604805A	111 COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	11,052	14,000	25,052
0604807A	112 MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT - ENG DEV	4,483	-	4,483
0604808A	113 LANDMINE WARFARE/BARRIER - ENG DEV	22,605	-	22,605
0604814A	114 SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	22,372	-	22,372
0604816A	115 LONGBOW - ENG DEV	-	-	-

**TITLE II - RDT&E  
FY 1998 AUTHORIZATIONS**

<u>ACCOUNT No.</u>	<u>Line No.</u>	<u>Description</u>	<u>FY 98 Request</u>	<u>Change</u>	<u>Committee Recommendation</u>
0604817A	116	COMBAT IDENTIFICATION	19,784	-	19,784
0604818A	117	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	20,022	-	20,022
0604820A	118	RADAR DEVELOPMENT			
0604823A	119	FIREFINDER	2,564	8,000	10,564
0604854A	120	ARTILLERY SYSTEMS - EMD			
0604256A	121	THREAT SIMULATOR DEVELOPMENT	14,004	-	14,004
0604258A	122	TARGET SYSTEMS DEVELOPMENT	11,688	-	11,688
0604759A	123	MAJOR T&E INVESTMENT	40,449	-	40,449
0605103A	124	RAND ARROYO CENTER	17,576	-	17,576
0605301A	125	ARMY KWAJALEIN ATOLL	138,769	-	138,769
0605502A	126	SMALL BUSINESS INNOVATIVE RESEARCH			
0605601A	127	ARMY TEST RANGES AND FACILITIES	122,117	-	122,117
0605602A	128	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,184	-	33,184
0605604A	129	SURVIVABILITY/LETHALITY ANALYSIS	32,330	-	32,330
0605605A	130	DOD HIGH ENERGY LASER TEST FACILITY	14,952	10,000	24,952
0605606A	131	AIRCRAFT CERTIFICATION	2,919	-	2,919
0605702A	132	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,434	-	6,434
0605706A	133	MATERIEL SYSTEMS ANALYSIS	29,707	-	29,707
0605709A	134	EXPLOITATION OF FOREIGN ITEMS	7,762	-	7,762
0605712A	135	SUPPORT OF OPERATIONAL TESTING	81,672	-	81,672
0605801A	136	PROGRAMWIDE ACTIVITIES	86,208	(4,000)	82,208
0605802A	137	INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT	1,581	(1,581)	-
0605803A	138	TECHNICAL INFORMATION ACTIVITIES	15,451	1,500	16,951
0605805A	139	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	6,317	-	6,317
0605853A	140	ENVIRONMENTAL CONSERVATION	1,778	-	1,778
0605854A	141	POLLUTION PREVENTION	5,353	-	5,353
0605856A	142	ENVIRONMENTAL COMPLIANCE	51,378	-	51,378
0605876A	143	MINOR CONSTRUCTION (RPM) - RDT&E	4,393	-	4,393
0605878A	144	MAINTENANCE AND REPAIR (RPM) - RDT&E	85,119	-	85,119

**TITLE II - RDTE**  
**FY 1998 AUTHORIZATIONS**

ACCOUNT No.	Line No.	Description	FY 98 Request	Change	Committee Recommendation
0605879A	145	REAL PROPERTY SERVICES (RPS) - RDT&E	88,945	-	88,945
0605896A	146	BASE OPERATIONS - RDT&E	231,653	-	231,653
0605898A	147	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,837	-	4,837
0909999A	148	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS	-	-	-
0603778A	149	MLRS PRODUCT IMPROVEMENT PROGRAM	26,678	-	26,678
0102419A	150	AEROSTAT JOINT PROJECT OFFICE	86,193	-	86,193
0203726A	151	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	39,039	-	39,039
0203735A	152	COMBAT VEHICLE IMPROVEMENT PROGRAMS	136,520	20,000	156,520
0203740A	153	MANEUVER CONTROL SYSTEM	25,641	-	25,641
0203744A	154	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	2,609	30,000	32,609
0203752A	155	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,940	-	2,940
0203758A	156	DIGITIZATION	156,960	11,000	167,960
0203801A	157	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	17,412	10,000	27,412
0203802A	158	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,255	-	1,255
0203806A	159	TRACTOR RUT	2,111	-	2,111
0203808A	160	TRACTOR CARD	6,690	-	6,690
0208010A	161	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	8,983	-	8,983
0208053A	162	JOINT TACTICAL GROUND SYSTEM	3,195	-	3,195
0301359A	163	SPECIAL ARMY PROGRAM	5,547	-	5,547
0303140A	164	INFORMATION SYSTEMS SECURITY PROGRAM	9,647	-	9,647
0303142A	165	SATCOM GROUND ENVIRONMENT (SPACE)	57,827	-	57,827
0303150A	166	WMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	15,045	-	15,045
0305114A	167	TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM-FY 1987 AND PRIOR (H)	750	-	750
0305128A	168	SECURITY AND INVESTIGATIVE ACTIVITIES	500	-	500
0708045A	169	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	44,326	-	44,326
1001018A	170	NATO JOINT STARS	13,500	-	13,500
		<b>TOTAL, RESEARCH DEVELOPMENT TEST &amp; EVAL ARMY</b>	4,510,843	239,619	4,750,462

**Army research institute**

The committee recommends an increase of \$3.6 million to fully fund an array of research activities at the Army Research Institute related to personnel recruitment and training as well as issues related to gender and racial integration. The additional funds are recommended to be authorized as follows: PE 61102A, \$0.5 million; PE 62785A, \$0.3 million; PE 63007A, \$1.3 million; PE 65803A, \$1.5 million.

The committee directs that any significant reductions in the Army Research Institute activities be carried out only after the Army has conducted a formal assessment of its continuing needs for the research carried out by the institute.

**University and industry research centers**

The committee recommends an increase of \$2.3 million in PE 61104A to restore funding for the advanced telecommunications and information distribution research program (ATIRP) and the advanced sensors consortium. The committee intends this funding to allow the Army Research Laboratory to achieve its program objectives by providing the funding stability necessary to allow non-federal participants to make long-term commitments to the program.

**Materials technology**

The committee recommends an increase of \$4.0 million in PE 62105A to continue exploratory development of hardened materials for use on high performance missile systems. The development of an all-composite shroud and integrated missile structure offers the potential for significant weight reduction in such critical military programs.

**National Automotive Center**

The committee recommends an increase of \$4.0 million in PE 62601A to expand the activities of the National Automotive Center. The committee directs the Army to develop a management plan to accelerate the infusion of commercial automotive technology into Army land warfare systems through the activities of the center. The committee directs that the management plan be submitted to the committee no later than February 15, 1998.

**Liquid propellant technology program**

The committee recommends an increase of \$5.0 million in PE 62618A to complete the liquid propellant technology program in fiscal year 1998. The committee intends the increased funding to be used to address the issues of reliable ignition of the propellant and to complete work on material compatibility research.

**Environmental technology**

The committee supports the ongoing joint effort between the U.S. Army Environmental Center/Environmental Technology Division and the Tennessee Valley Authority/Muscle Shoals Environmental Research Center to develop, demonstrate, and validate the Plasma Energy Pyrolysis System (PEPS) technology. The committee recommends an additional \$8.7 million in PE 62720A for that purpose.

Although environmental applications of plasma technology are at an early stage of development, plasma heating was used to make metal products and refine nitrogen for fertilizer production at the turn of the century. The purpose of PEPS is to develop plasma technology as a method of producing heat for the breakdown of waste materials.

The Army has identified various complex military waste streams that have significant disposal costs. Waste streams resulting from incineration processes associated with conventional furnaces raise environmental concerns regarding toxic air emissions and the disposal of ash contaminated with heavy metals.

The Muscle Shoals Environmental Research Center provides a level of technical expertise that stems from forty years of experience in working with electric arc furnaces, a thermal process similar to PEPS. For that reason, the participation of the Muscle Shoals Environmental Research Center is a necessary element of PEPS. However, the committee directs that no more than 15 percent of the PEPS funds be made available for the participation of the Muscle Shoals Environmental Research Center.

The goals of the PEPS program are to evaluate the capability of plasma technology for the destruction of hazardous components, verify slag suitability for regular landfill disposal, identify potential hazards associated with the process emissions, and develop qualified cost estimates for the future use of the process on large scale operations. The committee expects a report on the progress made in meeting these goals with fiscal year 1998 funds.

The committee also supports the initiation of the Radford Environmental Development and Management Program (REDMAP) at the Radford Army Ammunition Plant, Virginia, for the development of an integrated environmental and pollution prevention management and control system. The committee recommends an additional \$6.0 million in PE 62720A for that purpose.

It should be noted that some of the basic research necessary for REDMAP has already been done through the Facility Environmental Management and Monitoring System (FEMMS) at Tobyhanna Army Depot, Pennsylvania. It is the committee's expectation that REDMAP will use relevant information developed through FEMMS.

#### **Innovative methods of energy conservation and the economic efficiency of energy sources**

The committee recognizes the need for technology development to enhance the military application of innovative methods of energy conservation and the economic efficiency of energy sources. It is essential that the Federal Government keep pace with the private sector developments in this area.

The committee recommends \$1.75 million in PE 603712N to establish a cooperative research and development effort between Naval Surface Warfare Center (NSWC) in Crane, Indiana and private industry. The committee further recommends \$4.0 million in PE 602784A for additional technology development of energy efficient military applications between the U.S. Army Corps of Engineers, Construction Engineering Research Laboratories and private industry. In each instance, participants from the private sector

shall contribute an amount of funding that is equivalent to the federal funding level.

#### **Military engineering technology**

The committee recommends an increase of \$1.0 million in PE 62784A to enhance research in combat support, combat engineering, and base facility construction, operation and maintenance in winter and in cold regions of the world. Recent experiences in Bosnia have highlighted the significant increase in resources required to deploy a military force in a winter environment, especially for operations in an area with degraded infrastructure. The armed forces of the United States could face similar challenges in many other areas of national security interest, such as Korea and the northern flank of the North Atlantic Treaty Organization.

#### **Medical advanced technology**

The committee recommends an increase of \$1.0 million in PE 63002A to continue development of intravenous membrane oxygenator (IMO) technology for the treatment of lung injuries as a result of combat. The committee believes that this artificial lung technology has the potential to significantly reduce combat deaths resulting from exposure to trauma and chemical agents.

#### **Nutrition research**

The committee recommends an increase of \$3.6 million in PE 63002A to continue nutrition research in support of improvements to the Meals Ready-to Eat (MRE) system. The committee views this research as increasingly important for maintaining the health and readiness of deployed forces and expects the Army to include funding for this program in future budget requests.

#### **Combat vehicle and automotive advanced technology**

The budget request included \$32.7 million to develop new technologies designed to enhance the effectiveness of Army combat systems. The committee has noted with great interest the technological developments in aluminum metal matrix composites that have a great potential to strengthen armored vehicle track shoes and engine components at significantly reduced weight. This effort was decremented in the Department effort to fund ongoing operations in Bosnia. The committee believes this program should be maintained and recommends an increase of \$9.0 million in PE 63005A (project D440).

#### **Wave net technology**

The committee recommends an increase of \$4.0 in PE 63006A to continue development of wave net technology to increase communications bandwidth utilization in selected applications. The committee believes that wave net technology is a promising candidate for, among other applications, compression of second generation forward-looking infrared video from scout sensors for near-real time transmission over combat net radios with minimal errors. The committee expects that the Army will request funds to continue the development and deployment of this technology in its budget request for fiscal year 1999.

**Vehicular mounted mine detector**

The budget request included \$19.3 million for research on countermine technologies and for continued development of three vehicular mounted mine detector prototypes for comparative performance testing. The committee strongly supports countermine technology exploration and believes the vehicular mounted mine detection technology shows great promise. The committee recommends an increase of \$6.6 million to support enhancement of automatic mine detection capabilities and to facilitate more extensive field testing for this much needed equipment.

**Missile defense Battle Integration Center**

The committee has supported the missile defense Battle Integration Center (BIC) at the Army's Space and Strategic Defense Command for integrating missile defense and space capabilities for the warfighter through synthetic battlefield environments. The role of the BIC has expanded to numerous exercises, experiments, demonstrations, and training activities. To continue this important capability, the committee recommends an increase of \$22.0 million in PE 63308A. The committee directs the Director of the Ballistic Missile Defense Organization to provide a report to the committee by February 1, 1998, detailing how the BIC is integrated into overall U.S. missile defense programs and efforts.

**All source analysis system**

The budget request included \$24.0 million for the All Source Analysis System (ASAS). This system plays a key role in providing the means to receive, process, and forward battlefield intelligence to the warfighter. The committee understands that great progress was made last year in developing fusion technologies for this effort and was pleased to note the outstanding capabilities that this system provided to field commanders during the recent Army Advanced Warfighting Experiment. The committee believes that the Army should continue the effort to expand the potential applications for advanced fusion technology insertion and recommends an increase of \$3.2 million to continue this effort.

**Force XXI tactical operation centers**

The budget request included \$18.4 million to support development of air defense command and control systems. The committee recognizes the significant advancements made in digitizing air defense tactical operation centers and notes a request for additional funding necessary to capitalize on existing work and begin development of a next generation digitized facility required for Force XXI units. The committee recommends an increase of \$5.0 million to initiate this critical development effort.

**Force XXI architecture**

The Army continues to make great progress in evaluating new technologies and potential applications for the 21st century force. The Force XXI Advanced Warfighting Experiment has demonstrated that information age technologies can be integrated into battlefield operating systems. Great potential has been demonstrated in this Army effort to enhance situational awareness.

The committee understands that additional work is required to design the architecture necessary to ensure interoperability on the digital battlefield. Therefore, the committee recommends an increase of \$14.0 million in PE 64805A to meet funding requirements for Army Architecture development.

#### **Firefinder**

The budget request included \$2.6 million to support preplanned product improvements to existing AN/TPQ-37 Firefinder systems. The committee recognizes the importance of the Firefinder system in providing accurate and timely targeting information to our forces on enemy artillery and missile positions and notes a request for supplemental funding to conduct critical work in reducing target error factors and support acquisition of 13 modification kits necessary to meet Army requirements for upgraded systems. The committee recommends an increase of \$8.0 million in PE 64823A to support these efforts and encourages the Army to resource any remaining outstanding requirements to field the most effective system possible.

#### **Tactical high energy laser program**

The committee recommends an increase of \$10.0 million in PE 65605A and an increase of \$35.0 million in PE 63308A to fully support efforts in the tactical high energy laser (THEL) program for follow-up testing and the provision of software upgrades necessary for designing a self-defense capability for the system.

#### **North Atlantic Treaty Organization (NATO) research and development**

The budget request for North Atlantic Treaty Organization (NATO) research and development activities in the Department of Defense and the military services included \$13.5 million for PE 63790D, \$13.1 million for PE 63790A, \$13.1 million in PE 63790N, and \$13.4 million in PE 63790F.

In addition to the funds requested for NATO research and development activities, the budget request for fiscal year 1998 included \$1.5 million in the Army program for international cooperative research and development and \$3.7 million in the Air Force program element for international activities. These resources are to be used to support general research and development activities not allocable to specific research and development (R&D) missions. The resources would also be used to fund travel costs and administrative support for participation in international forums, such as NATO, and to pay U.S. costs associated with negotiating international agreements, overseas R&D liaison and coordination offices, and NATO armaments groups.

The committee recommends that all costs of implementing the NATO research and development activities be included in a subelement of the program elements for the separate military service and defense accounts. Therefore, the committee recommends that no funds requested for the Army international cooperative research and development program and the Air Force international activities program be authorized. Further, the committee recommends an increase of \$700,000 increase to the budget request for the

Army NATO R&D program and \$2.0 million to the Air Force NATO R&D program.

#### **Combat vehicle improvement program**

The budget request included \$136.5 million for critical improvements to combat systems. The committee notes a critical requirement for the continued effort to upgrade the computer core of the M1A2 Abrams tank, including the second generation Forward Looking Infrared Radar (FLIR), through the Abrams System Enhancement Program (SEP). Without additional funding, the scope of the development effort will be significantly reduced with a possible slippage in the schedule for the overall upgrade program.

The committee also notes the Army has been working to develop improvements to information display systems for the M1A2 Abrams tank and began to evaluate advanced field emission display technology earlier this year. These devices, designed to provide more effective displays of tactical information for tank commanders, have shown great promise. The committee is encouraged by the development work completed to date and recognizes the potential that these systems have to reduce per unit cost and improve information display clarity. Therefore, the committee recommends an increase of \$8.0 million in PE 23735A for the M1 Abrams SEP effort and an increase of \$12.0 million in PE 23735A to continue development of the Field Emission Display devices.

#### **Aircraft modifications/product improvement program**

The budget request included \$2.6 million for aircraft modification/product improvement programs. The committee recognizes the need for the Army to expedite the remanufacture of its aging fleet of CH-47 Chinook helicopters. The committee is very concerned about the actions of the Department to defer this program for an additional year in light of other priorities. Aircraft safety and reliability is of paramount importance and the Army has established a viable plan that should be maintained. The committee recommends an increase of \$30.0 million in PE 23744A to restore this program to the previously planned funding level and to address these issues as soon as practicable.

#### **Force XXI digitization**

The committee supports Army initiatives designed to digitize the future force. The Army has made considerable progress toward that goal over the past year and demonstrated the potential that digitization offers in the recent brigade-sized Advanced Warfighting Experiment (AWE) that was conducted at the National Training Center. At this experiment the Experimental Force (EXFOR), which was equipped with 87 different digital systems and over 5,000 individual pieces of equipment, conducted combat operations in the most realistic training environment that could be provided, short of an actual war. This digital equipment included unmanned aerial vehicles, a networked computer system, global positioning satellite receivers, position reporting transmitters, digital radios, and advanced night vision and thermal imaging equipment. Members of the EXFOR were able to utilize unprecedented real-time friendly situational awareness from individual fighting vehicles all

the way up to division level, as well as unprecedented intelligence on enemy operations. Digital equipment also provided the EXFOR with integrated and automated mission planning, mission execution, and command and control capabilities never before available to any Army in the world.

In recognition of the importance of this Army initiative, the committee has added nearly \$150.0 million to the budget request to increase the level of funding for digitization programs. Additional funding was provided for Force XXI Architecture, Force XXI Battle Command and Tactical Operation Centers, the Warfighter Information Network, Enhanced Position Locator Systems, and Sentinel radars.

There are a number of questions that must be addressed before the decision is made to expand this technology throughout the Army, including: cost; vulnerabilities; the integration of new technology into existing systems; the impact of this technology on the Army's organizational structure and doctrine, and on tactics, techniques and procedures to execute this doctrine; the impact on the training base; and the impact on personnel systems, including leader development.

Realizing that the Army is currently analyzing the data collected during the exercise, the committee is concerned about comments from the Director of Operational Test and Evaluation (DOT&E) that there was no increase in lethality, survivability, and operational tempo attributable to digitization. Preliminary reports also suggested that fratricide may have been higher during the experiment. While the committee is concerned about this observation, it notes that these comments were based on observation only and were not based on data collected during the exercise.

The May 1997 Report of the Quadrennial Defense Review (QDR) indicates that the results of the AWE will be used to determine force structure, materiel requirements, and doctrine for digitized units and that the fielding of the first digitized corps will be several years sooner than the original calendar year 2006 deadline.

Accordingly, the committee directs the Army to report by February 1, 1998, on the plan for fielding both a digitized division and a digitized corps. The report should address the DOT&E critique and detail the analysis of AWE results, including vulnerabilities to potential countermeasures. Finally, the report should provide the force structure, materiel requirements with a requisite fielding plan, anticipated impact on the training base and the personnel system, required doctrinal and tactical changes, and comprehensive cost estimates and those portions of the fiscal year 1999 Future Years Defense Program that are attributable to the fielding of the digitized division and corps. The committee further directs the Army to update the digitization report on an annual basis and provide this report to the congressional defense committees by February 1.

Additionally, the Army will report, not later than October 1, 1997, on plans to include jamming and electronic countermeasures in the next division-level AWE currently scheduled to be conducted in November 1997. Included in this report will be a long-term plan for developing the "red team" countermeasures activity to keep pace with AWE efforts. The committee must understand potential

vulnerabilities of digitization systems and be confident that these vulnerabilities are being addressed to allow for reasoned judgments on the appropriate architecture, equipment, and pace for fielding new systems. This long-term plan will also be addressed in all subsequent annual digitization reports to the Congress. The committee directs that not more than 25 percent of the \$14.0 million authorized for Force XXI Architecture be obligated until 30 days after the Secretary of the Army submits the “red team” report to the congressional defense committees.

**Force XXI battle command**

The budget request included \$156.9 million to support ongoing digitization efforts within the Army. The committee is encouraged by the results of digitization experiments conducted this year and recommends an increase of \$11.0 million in PE 23758A to support procurement of applique requirements. The committee notes additional costs associated with a revised acquisition strategy associated with fielding the first digitized division.

**Missile/air defense product improvement program**

The budget request included \$17.4 million for missile modification/product improvement programs. The committee recommends an increase of \$10.0 million in PE 23801A to complete work on the advanced cruise missile seeker for the Patriot system.

The committee continues to support Army efforts to improve capabilities in the missile defense arena. The committee recognizes a growing cruise missile threat and the limited capabilities that ground forces have to defend against these threats. Ongoing efforts to develop an improved seeker capable of detecting and engaging cruise missiles are near completion and require an additional \$10.0 million to complete work and provide the Army with a viable option for cruise missile defense.

**RDT&E infrastructure support**

The committee remains concerned about the proportion of RDT&E funding allocated to infrastructure support. In an effort to slow this trend until a more comprehensive infrastructure rationalization process is initiated, the committee recommends a total reduction of \$31.7 million to be allocated as follows:

	<i>Millions</i>
Army:	
PE 65801A .....	\$4.0
Navy:	
PE 65853N .....	5.0
PE 65864N .....	12.0
Air Force:	
PE 64259F .....	6.0
PE 65808F .....	1.5
PE 65878F .....	3.2

NAVY

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

ACCOUNT	Line No.	FY 98 Request	Change	Committee Recommendation
0601152N	1	15,834	-	15,834
0601153N	2	366,283	-	366,283
0602111N	3	32,273	-	32,273
0602121N	4	46,859	6,000	52,859
0602122N	5	23,590	-	23,590
0602131M	6	13,043	-	13,043
0602233N	7	65,566	-	65,566
0602234N	8	31,762	-	31,762
0602270N	9	76,653	-	76,653
0602314N	10	22,810	-	22,810
0602315N	11	51,033	-	51,033
0602435N	12	42,737	-	42,737
0602633N	13	48,211	16,000	64,211
0603217N	14	35,736	4,000	39,736
0603238N	15	35,093	-	35,093
0603270N	16	43,320	-	43,320
0603508N	17	18,144	-	18,144
0603640M	18	39,737	10,000	49,737
0603706N	19	34,178	15,000	49,178
0603707N	20	18,332	2,500	20,832
0603712N	21	18,812	-	18,812
0603747N	22	18,249	-	18,249
0603782N	23	54,785	1,750	56,535
0603792N	24	41,602	-	41,602
0603794N	25	87,285	-	87,285
0603207N	26	23,768	-	23,768
0603208N	27	16,017	-	16,017
	28		(11,000)	76,285
			-	23,768
			-	16,017

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

ACCOUNT	Line No.	Description	FY 98 Request	Change	Committee Recommendation
0603216N	29	AVIATION SURVIVABILITY	7,859	-	7,859
0603254N	30	ASW SYSTEMS DEVELOPMENT	22,869	-	22,869
0603261N	31	TACTICAL AIRBORNE RECONNAISSANCE	10,607	-	10,607
0603382N	32	ADVANCED COMBAT SYSTEMS TECHNOLOGY	5,232	-	5,232
0603451N	33	TACTICAL SPACE OPERATIONS	-	-	-
0603502N	34	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	58,231	18,200	76,431
0603504N	35	ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	61,122	-	61,122
0603506N	36	SURFACE SHIP TORPEDO DEFENSE	-	-	-
0603512N	37	CARRIER SYSTEMS DEVELOPMENT	98,587	-	98,587
0603513N	38	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	19,194	-	19,194
0603514N	39	SHIP COMBAT SURVIVABILITY	7,050	-	7,050
0603525N	40	PILOT FISH	118,728	-	118,728
0603528N	41	NON-ACOUSTIC ANTI-SUBMARINE WARFARE (ASW)	-	-	-
0603536N	42	RETRACT JUNIPER	9,776	-	9,776
0603542N	43	RADIOLOGICAL CONTROL	3,030	-	3,030
0603553N	44	SURFACE ASW	5,704	-	5,704
0603561N	45	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	59,067	15,000	74,067
0603562N	46	SUBMARINE TACTICAL WARFARE SYSTEMS	4,931	-	4,931
0603563N	47	SHIP CONCEPT ADVANCED DESIGN	16,198	-	16,198
0603564N	48	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	38,682	17,000	55,682
0603570N	49	ADVANCED NUCLEAR POWER SYSTEMS	125,357	-	125,357
0603573N	50	ADVANCED SURFACE MACHINERY SYSTEMS	49,741	-	49,741
0603576N	51	CHALK EAGLE	137,442	-	137,442
0603582N	52	COMBAT SYSTEM INTEGRATION	7,739	-	7,739
0603609N	53	CONVENTIONAL MUNITIONS	34,190	-	34,190
0603610N	54	ADVANCED WARHEAD DEVELOPMENT (MK-50)	2,012	-	2,012
0603611M	55	MARINE CORPS ASSAULT VEHICLES	60,134	10,100	70,234
0603612M	56	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV	-	-	-
0603635M	57	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	36,464	-	36,464

**TITLE II - RDTE  
FY 1998 AUTHORIZATIONS**

<u>ACCOUNT</u>	<u>Line</u> <u>No.</u>	<u>FY 98</u> <u>Request</u>	<u>Change</u>	<u>Committee</u> <u>Recommendation</u>
0603654N	58	10,701	-	10,701
0603658N	59	139,229	9,500	148,729
0603711N	60	-	-	-
0603713N	61	12,658	-	12,658
0603721N	62	52,401	-	52,401
0603724N	63	4,159	-	4,159
0603725N	64	1,720	-	1,720
0603734N	65	94,358	-	94,358
0603746N	66	120,033	-	120,033
0603748N	67	29,433	-	29,433
0603751N	68	21,822	-	21,822
0603755N	69	9,961	-	9,961
0603785N	70	11,706	-	11,706
0603787N	71	81,439	-	81,439
0603790N	72	13,330	-	13,330
0603795N	73	37,809	40,100	77,909
0603800N	74	448,855	28,000	476,855
0603851M	75	16,807	3,300	20,107
0603852N	76	-	-	-
0603860N	77	2,993	-	2,993
0604327N	78	4,987	-	4,987
0604707N	79	4,705	5,000	9,705
0603208N	80	403	-	403
0603266N	81	-	-	-
0604212N	82	73,354	15,000	88,354
0604214N	83	11,034	-	11,034
0604215N	84	36,297	-	36,297
0604217N	85	4,735	-	4,735
0604218N	86	6,129	-	6,129

**TITLE II - RDTE  
FY 1998 AUTHORIZATIONS**

Line ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
0604221N 87 P-3 MODERNIZATION PROGRAM	3,191	-	3,191
0604231N 88 TACTICAL COMMAND SYSTEM	31,518	-	31,518
0604245N 89 H-1 UPGRADES	80,735	5,600	86,335
0604261N 90 ACOUSTIC SEARCH SENSORS	16,947	-	16,947
0604262N 91 V-22A	529,495	-	529,495
0604264N 92 AIR CREW SYSTEMS DEVELOPMENT	12,111	-	12,111
0604270N 93 EW DEVELOPMENT	101,803	15,000	116,803
0604307N 94 SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	87,934	28,500	116,434
0604310N 95 ARSENAL SHIP	102,994	25,000	127,994
0604311N 96 LPD-17 CLASS SYSTEMS INTEGRATION	471	-	471
0604312N 97 TRI-SERVICE STANDOFF ATTACK MISSILE	9,644	-	9,644
0604366N 98 STANDARD MISSILE IMPROVEMENTS	549	-	549
0604373N 99 AIRBORNE MCM	16,503	-	16,503
0604503N 100 SSN-688 AND TRIDENT MODERNIZATION	42,294	25,000	67,294
0604504N 101 AIR CONTROL	9,298	-	9,298
0604507N 102 ENHANCED MODULAR SIGNAL PROCESSOR	3,462	-	3,462
0604512N 103 SHIPBOARD AVIATION SYSTEMS	9,225	-	9,225
0604516N 104 SHIP SURVIVABILITY	6,081	-	6,081
0604518N 105 COMBAT INFORMATION CENTER CONVERSION	11,325	-	11,325
0604524N 106 SUBMARINE COMBAT SYSTEM	23,701	-	23,701
0604558N 107 NEW DESIGN SSN	311,076	-	311,076
0604561N 108 SSN-21 DEVELOPMENTS	49,542	17,000	66,542
0604562N 109 SUBMARINE TACTICAL WARFARE SYSTEM	45,663	-	45,663
0604567N 110 SHIP CONTRACT DESIGN/ LIVE FIRE T&E	75,713	25,000	100,713
0604574N 111 NAVY TACTICAL COMPUTER RESOURCES	4,794	-	4,794
0604601N 112 MINE DEVELOPMENT	2,815	-	2,815
0604603N 113 UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	28,890	-	28,890
0604610N 114 LIGHTWEIGHT TORPEDO DEVELOPMENT	17,290	-	17,290
0604612M 115 MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	950	-	950

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

ACCOUNT	Line No.		FY 98		Committee	
			Request	Change	Recommendation	Recommendation
0604618N	116	JOINT DIRECT ATTACK MUNITION	12,714	-	12,714	-
0604654N	117	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	6,613	-	6,613	-
0604703N	118	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,022	-	1,022	-
0604710N	119	NAVY ENERGY PROGRAM	2,088	-	2,088	-
0604719M	120	MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS	-	-	-	-
0604721N	121	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	4,531	-	4,531	-
0604727N	122	JOINT STANDOFF WEAPON SYSTEMS	71,526	-	71,526	-
0604755N	123	SHIP SELF DEFENSE - EMD	132,270	34,000	166,270	-
0604771N	124	MEDICAL DEVELOPMENT	3,620	-	3,620	-
0604777N	125	NAVIGATION/VID SYSTEM	50,370	-	50,370	-
0604784N	126	DISTRIBUTED SURVEILLANCE SYSTEM	33,048	34,000	67,048	-
0604256N	127	THREAT SIMULATOR DEVELOPMENT	12,860	-	12,860	-
0604258N	128	TARGET SYSTEMS DEVELOPMENT	48,308	-	48,308	-
0604759N	129	MAJOR T&E INVESTMENT	33,236	-	33,236	-
0605152N	130	STUDIES AND ANALYSIS SUPPORT - NAVY	8,755	-	8,755	-
0605154N	131	CENTER FOR NAVAL ANALYSES	43,476	-	43,476	-
0605155N	132	FLEET TACTICAL DEVELOPMENT	2,747	-	2,747	-
0605502N	133	SMALL BUSINESS INNOVATIVE RESEARCH	-	-	-	-
0605804N	134	TECHNICAL INFORMATION SERVICES	8,763	-	8,763	-
0605853N	135	MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	24,305	(5,000)	19,305	-
0605866N	136	STRATEGIC, TECHNICAL SUPPORT	2,110	-	2,110	-
0605861N	137	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	57,591	-	57,591	-
0605862N	138	RDT&E INSTRUMENTATION MODERNIZATION	8,546	-	8,546	-
0605863N	139	RDT&E SHIP AND AIRCRAFT SUPPORT	48,596	-	48,596	-
0605864N	140	TEST AND EVALUATION SUPPORT	263,934	(12,000)	251,934	-
0605865N	141	OPERATIONAL TEST AND EVALUATION CAPABILITY	9,107	-	9,107	-
0605866N	142	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	2,783	-	2,783	-
0605867N	143	SEW SURVEILLANCE/RECONNAISSANCE SUPPORT	11,941	-	11,941	-
0605871M	144	MARINE CORPS TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES	-	-	-	-

**TITLE II - RDT&E**  
**FY 1998 AUTHORIZATIONS**

Line ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
0605873M 145 MARINE CORPS PROGRAM WIDE SUPPORT	8,207	-	8,207
0909999N 146 FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS	-	-	-
0101221N 147 STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	44,419	-	44,419
0101224N 148 SSBM SECURITY TECHNOLOGY PROGRAM	24,726	-	24,726
0101226N 149 SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	6,058	-	6,058
0101402N 150 NAVY STRATEGIC COMMUNICATIONS	-	-	-
0204136N 151 F/A-18 SQUADRONS	316,976	-	316,976
0204152N 152 E-2 SQUADRONS	64,852	-	64,852
0204163N 153 FLEET TELECOMMUNICATIONS (TACTICAL)	19,336	3,700	23,036
0204229N 154 TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	93,359	-	93,359
0204311N 155 INTEGRATED SURVEILLANCE SYSTEM	9,882	-	9,882
0204413N 156 AMPHIBIOUS TACTICAL SUPPORT UNITS	672	-	672
0204571N 157 CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	58,956	-	58,956
0204575N 158 ELECTRONIC WARFARE (EW) READINESS SUPPORT	1,826	-	1,826
0205601N 159 HARM IMPROVEMENT	6,169	-	6,169
0205604N 160 TACTICAL DATA LINKS	41,375	-	41,375
0205620N 161 SURFACE ASW COMBAT SYSTEM INTEGRATION	7,991	-	7,991
0205632N 162 MK-48 ADCAP	10,786	-	10,786
0205633N 163 AVIATION IMPROVEMENTS	60,025	(25,000)	35,025
0205658N 164 NAVY SCIENCE ASSISTANCE PROGRAM	-	-	-
0205667N 165 F-14 UPGRADE	11,704	-	11,704
0205675N 166 OPERATIONAL NUCLEAR POWER SYSTEMS	55,998	-	55,998
0206313M 167 MARINE CORPS COMMUNICATIONS SYSTEMS	38,296	700	38,996
0206623M 168 MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	12,568	-	12,568
0206624M 169 MARINE CORPS COMBAT SERVICES SUPPORT	5,048	-	5,048
0206625M 170 MARINE CORPS INTELLIGENCE/ELECTRONICS WARFARE SYSTEMS	-	-	-
0206626M 171 MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS	60,079	-	60,079
0207161N 172 TACTICAL AIM MISSILES	5,700	-	5,700
0207163N 173 ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	-	-	-

**TITLE II - RDTE**  
**FY 1998 AUTHORIZATIONS**

<u>ACCOUNT</u>	<u>Line</u>	<u>No.</u>	<u>FY 98</u>	<u>Change</u>	<u>Committee</u>
			<u>Request</u>		<u>Recommendation</u>
0303109N	176	SATELLITE COMMUNICATIONS (SPACE)	17,026	-	17,026
0303140N	177	INFORMATION SYSTEMS SECURITY PROGRAM	20,291	-	20,291
0303150N	178	WMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	498	-	498
0305154N	180	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	-	-	-
0305160N	181	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	3,165	-	3,165
0305192N	182	JOINT MILITARY INTELLIGENCE PROGRAMS	2,412	-	2,412
0305207N	183	MANNED RECONNAISSANCE SYSTEMS	344	-	344
0305689N	184	COUNTERDRUG INTELLIGENCE SUPPORT	-	-	-
0305927N	185	NAVAL SPACE SURVEILLANCE	399	-	399
0708011N	186	INDUSTRIAL PREPAREDNESS	-	-	-
XXXXXX	999	UNDISTRIBUTED REDUCTION TO NIFP	488,489	50,000	50,000
		Classified Programs	7,611,022	(225,000)	(225,000)
		<b>TOTAL, RESEARCH DEVELOPMENT TEST &amp; EVAL NAVY</b>		201,950	488,489
					7,812,972

**Power electronic building blocks**

The committee recommends an increase of \$6.0 million in PE 62121N to accelerate the development of power electronic building block (PEBB) technology through virtual prototyping. The committee supports PEBB and its contribution to meeting the goals of the Department of Defense and the Navy to reduce manning, reduce cost, and enhance survivability for future shipboard architectures.

**Materials technology**

The committee recommends a decrease of 4.0 million in PE 62234N in the vacuum electronics in order to balance the investment strategy for vacuum electronics and solid state technologies.

**Second source for carbon fibers**

In fiscal year 1997, Congress added \$3.0 million in PE 62234N for the qualification of new processes for aviation platforms and the development of a second source for carbon fibers. The budget request for fiscal year 1998 did not include the funds necessary to complete this qualification process. The committee supports the Navy's increased efforts to address science and technology materials development in support of Naval platform affordability, supportability, and mission performance. The committee recommends an increase of \$2.0 million in PE 62234N to complete the qualification of new processes, such as resin transfer molding, and the establishment of a second source for carbon fibers and prepreg systems.

**Titanium processing technology**

The committee recommends an increase of \$2.0 million in PE 62234N to support the development of the plasma quench process for use in the production of ultra-fine titanium powder and in the injection molding process. The committee believes the plasma quench process offers the defense and aerospace industries a cost-effective and environmentally sound means of meeting growing titanium requirements while ensuring that domestic sources of titanium metal remain viable into the future. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

**National oceanographic partnership program**

The National Oceanographic Partnership Program (NOPP), was established in the National Defense Authorization Act for Fiscal Year 1997, for the purpose of leveraging all U.S. oceanographic efforts in the Navy, in industry, and in academia to benefit national security. The President's fiscal year 1998 budget request included \$5.0 million in the Navy's Oceanographic and Atmospheric Technology program (PE 62435N) for NOPP. The committee recommends an increase of \$16.0 million in PE 62435N to fully fund NOPP in fiscal year 1998 at \$21.0 million. The committee expects other Federal agencies involved with NOPP to begin budgeting for this program in fiscal year 1999. The committee recommends that the partnership focus the additional funding in the following areas:

global observation; training programs and career guidance for ocean scientists; scientific utilization of military data; and marine information data basing and networking; and partnership among federal agencies, academia, industry and other members of the oceanographic scientific community.

Global observation of ocean processes is recognized as the foundation for forecasting environmental conditions in support of forward-deployed Naval operations. The committee recommends that \$10.0 million be used for ocean observation systems in order to establish the means for continuous, high resolution measurements of oceanic physical, biological, chemical and geological processes. Focus should be placed on exploitation of existing military observational systems (including the Integrated Undersea Surveillance System), development of networking sensors, real-time data transmission/assimilation and broad accessibility to data.

Emphasis should be placed on the education of civilian and military oceanography students and future scientists. The committee recommends that \$2.5 million be used to develop training programs and career guidance for ocean scientists, primarily within the graduate research community, emphasizing career sectors of interest to the Navy. Participation in such programs shall be determined using a merit-based, competitive selection process.

Support is required for oversight groups, such as the government-industry MEDEA Ocean panel, to continue defining the best mechanism for declassifying Navy data holdings as well as access to operational systems for a broad range of educational and research activities. The committee recommends that \$1.0 million be used to further scientific utilization of military data.

Current technologies provide a range of applications that could facilitate the transmission of existing information on the oceans. The need for this network is supported by national security concerns regarding an array of marine-related issues, such as coastal hazard mitigation and safe harbor navigation. The committee recommends that \$2.5 million be used to support marine information databasing and networking.

The committee recommends that \$5.0 million be used for partnerships among Federal agencies, academia, industry, and other members of the oceanographic scientific community to strengthen the coordination of oceanographic research and development activities and Navy operational requirements.

The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

### **Undersea weapons technology**

The committee recommends an increase of \$4.0 million in PE 62633N to accelerate technology leading to the development of a quick reaction anti-submarine/anti-torpedo weapon needed for close-range engagements and for the protection of surface ships and submarines from torpedo attack. The additional funding should be used to mature hydrodynamics and propulsion technologies for the 6.25" Torpedo vehicle and expand guidance and control technologies to accelerate fleet introduction of this versatile weapon.

**Composite helicopter hangar**

The Office of Naval Research's surface ship technology program has developed enabling technologies that can lead to reduced radar signatures and improved sensor performance. The potential cost and weight savings of composite materials make them an attractive alternative to thin, high-strength steel plate and beam construction. An additional potential benefit would be the reduction in radar cross section that could be obtained by shaping and contouring that can not be achieved with steel. While technical challenges such as durability, maintenance and repair, outfitting, fire survivability in a manned space, and local loading due to shock from mounted equipment must be addressed, development of composite technology for future surface combatants appears to offer great promise. A logical first step would be the fabrication of a composite helicopter hangar for DDG-51 class ships.

The committee recommends an increase of \$10.0 million above the budget request in PE 63508N to begin a developmental effort to design and fabricate the outer shell of a DDG-51 helicopter hangar structure using composite materials.

**Commandant's warfighting laboratory**

The budget request included \$20.0 million to continue a highly successful effort that began in fiscal year 1997 with the formation of the Commandant's Warfighting Laboratory. The committee notes the wide range of Marine Corps experimentation efforts conducted over the course of fiscal year 1997 and recognizes that the lessons learned today will lead to a more capable Corps in the future. The Commandant has charted a vigorous path for fiscal year 1998 and identified additional experimentation opportunities that are not supportable within current budget constraints. The committee recommends an increase of \$15.0 million in PE 63640M to support the more robust experimentation efforts proposed for this program.

**Freeze-dried blood research project**

The committee recommends an increase of \$2.5 million in PE 63706N to continue research on freeze-dried blood processes to develop a safe and reliable supply of blood for combat casualties. The technology will freeze-dry blood platelets for the purpose of extending shelf-life, destroying potential contaminating viruses, and reducing space required for storage of blood stocks. The committee recognizes the commercial potential of this technology and encourages the Navy to pursue dual-use application and cost-sharing in this program to the maximum extent practicable.

**High frequency surface wave radar**

The high frequency surface wave radar (HFSWR) is an advanced technology demonstration (ATD) designed to improve over the horizon cruise missile detection and tracking of low-flying, high speed anti-ship cruise missiles, aircrafts, and ships. This technology shows great promise not only for ship protection but also for anti-tactical ballistic missile and counter-drug efforts. In fiscal year 1997, Congress authorized \$84.4 million for the ATD program, reducing the budget request by \$20.0 million. The reduction was not intended to impact mature technologies. The committee rec-

ommends an increase of \$4.0 million in PE 63792N to complete the high frequency surface wave radar advanced technology demonstration.

### **Remote minehunting system**

The remote minehunting system (RMS) is a remotely operated system that is being developed to detect and classify mines. It will operate from surface combatants and provide the Navy with an organic means of finding and avoiding mines. The program is pursuing an evolutionary acquisition strategy that achieves capability in steps. The RMS(V)2, a prototype, was deployed in fiscal year 1997 onboard a Spruance class destroyer to evaluate its operational utility and ability to operate with other fleet units. The RMS(V)3 is currently in development, with fleet introduction scheduled for fiscal year 1999. RMS(V)4, the final pre-production prototype, is projected to have a coverage capability five times the results that RMS(V)2 produced in fiscal year 1997.

As noted in the committee report on S. 1745 (S. Rept. 104-267), the committee has been concerned with the Navy's lack of progress in resolving serious gaps in its mine countermeasures capabilities. These deficiencies were highlighted during Desert Storm. Reports provided to the committee on the performance of RMS(V)2 during its operational evaluation in fiscal year 1997 are encouraging. The Navy has informed the committee that additional funding for the RMS would:

- (1) provide for completion of a second engineering development model, including an over-the-horizon communications subsystem that would greatly extend employment options for the system; and
- (2) support integration into the DDG-51 class destroyer and its AN/SQQ-89 combat system.

The committee recommends an increase in procurement funding of \$7.9 million in PE 63502N to accelerate development of the RMS and reflect the high priority that the committee places on the introduction of an organic mine countermeasures capability into the Navy's battle groups and amphibious ready groups.

### **Advanced submarine technology**

The budget request contained \$150.1 million in fiscal year 1998 and \$172.5 million in fiscal year 1999 in various program elements for advanced submarine technology.

The committee has learned that, while the Navy has maintained its commitment to fund advanced submarine technology at a robust level relative to historic norms, much of the funding is concentrated on command, control, communications, computer, and intelligence (C4I) systems or improvements to various sensors. Relatively little has been budgeted for improvements in the hydrodynamic and propulsion technologies that could lead to new breakthroughs toward achieving the goal of more capable but less expensive design.

To accelerate the development of what are now considered far-term technologies, such as an advanced propulsor, rim driven motors, and advanced hull forms, the committee recommends an increase of \$15.0 million above the budget request in PE 63561N.

**Advanced Amphibious Assault Vehicle**

The budget request included \$60.1 million to support the ongoing development of the next generation amphibious armored personnel carrier for the Marine Corps. The committee recognizes the need to conduct an aggressive testing and development effort for this system and the inherent risk in conducting this type of evaluation with only two prototypes. The committee recommends an increase of \$10.1 million in PE 63611M to procure a third prototype vehicle to support the maturation of the Advanced Amphibious Assault Vehicle design and provide for risk mitigation efforts.

**Navy tactical missile system**

A series of recent Navy studies have indicated that a naval variant of Army tactical missile system (ATACMS), christened NTACMS by the Navy, could greatly enhance the effectiveness of naval strike warfare and fire support. The proposed NTACMS would adapt the Army Block IA missile with the M74 submunition for naval use. Additionally, the potential exists for future variants that would be equipped with anti-armor submunitions or a hard target penetrator. During 1995, a successful proof-of-concept ATACMS test shot was conducted from a Navy ship. In November 1996, an ATACMS, modified to the proposed NTACMS configuration, was successfully launched from a Navy MK 41 vertical launcher at White Sands, New Mexico. Further, a feasibility study has shown that a common naval variant can be developed for both surface and submerged launch.

In addition to studies focused specifically on NTACMS, a comprehensive program review, conducted earlier this year by the Navy, has generated an increased emphasis on the mission of land attack from the sea by surface ships and submarines. In the committee's view, a higher priority for maritime strike is consistent with the Navy's strategic emphasis on littoral warfare. Although there is no funding in the budget request or its associated Future Years Defense Program for development of NTACMS, the Navy has advised the committee that the budget request being developed for fiscal year 1999 will contain substantial resources for it. This funding has come about as the result of a memorandum of agreement that has been negotiated between the surface warfare and submarine warfare divisions of the Navy staff to provide jointly resources for an NTACMS development program that will be executed by the Director, Strategic Systems Programs (DIRSSP). The DIRSSP will serve as the sole contracting authority within the Navy for all dealings related to NTACMS missiles. As a further sign of its commitment to developing NTACMS, the Navy has realigned about \$7.0 million of fiscal year 1997 funds to begin concept development work.

The Navy has advised the committee that additional funding in fiscal year 1998 would be of great value in pursuing the program for developing NTACMS that has evolved since preparation of the budget request. Accordingly, the committee recommends an increase of \$20.0 million in PE 63795N for this purpose.

**Land attack Standard missile**

The Navy has notified the committee of its desire to pursue a new technology demonstration for a land attack Standard missile (LASM). The goal of this program would be to determine the feasibility of converting existing Standard missiles into land attack missiles. It would consist of an engineering technology demonstration and a series of four risk-reduction flight demonstrations. The Navy asserts that in order to expedite the effort, reduce its risk, and dramatically reduce non-recurring demonstration costs, it could integrate these flight demonstrations into the Terrier target flight demonstrations that commence in August 1996. Such integration would permit the concurrent use of common hardware, software, and flight algorithms for both programs and completion of the demonstration by the fall of 1998. The results could then be used in preparation of the fiscal year 2000 budget request.

The committee recommends an increase of \$5.0 million in PE 63795N to permit the Navy to pursue a flight demonstration program for the LASM.

**Naval surface fire support**

The Navy has been developing an improved version of its 5-inch naval gun to strengthen its ability to provide shore fire support for amphibious operations and land attack. The effort has involved an upgrade to the existing 5-inch/54 caliber gun to give it the capability to shoot higher energy, rocket-assisted rounds; develop an extended range guided munition (ERGM); apply advanced propellants; and provide modifications to the fire control system, needed to accommodate longer ranges and times of flight of the rounds.

A program review conducted by the Navy earlier this year has caused it to place increased emphasis on the land attack mission. This review identified a requirement for a naval surface fire support warfare control system (NWCS). This mission planning system will be able to receive digital target information provided by systems such as the Army's advanced field artillery tactical data system (AFATDS), make the necessary translation, and transmit it to a ship's gun fire control system (GFCS) in a form that will permit the GFCS to compute necessary gun control orders. As presently envisioned by the Navy, NWCS would be hosted on an advanced tactical weapons control system (ATWCS) console. Fiscal year 1997 funding of \$2.0 million has been made available for this effort, but no funding for it was included in the budget request for fiscal year 1998. Consequently, the timeline for NWCS is not complementary to the development effort for the other subsystems of the 5-inch naval gun upgrade.

The committee supports the Navy's efforts to improve its naval surface fire support capability, an area of notable weakness that has been discussed at length in previous committee reports. Additional funding in fiscal year 1998 would reduce overall program risk in development of NWCS and help to ensure that the multiple initiatives needed to develop the 5-inch naval gun weapons system remain on complementary timelines. Information received from the Navy indicates that it intends to support continued development of NWCS in future budget submissions. Accordingly, the committee recommends an increase of \$15.1 million in PE 63795N.

**Nonlethal weapons and technologies of mass protection program**

The committee notes that U.S. military forces are increasingly confronted by unorthodox, non-traditional, and asymmetrical threats. These challenges, and an increase in low and medium-intensity conflict, require the Department of Defense to evaluate new technologies and doctrine for the use of force. In particular, the committee believes that the Department should focus on the development of weapons that facilitate the containment of conflict across the operational continuum, while promoting national interests worldwide.

In reviewing technologies for research and development, the nonlethal weapons (NLW) program should include as principles for consideration that collateral damage and noncombatant casualties are highly undesirable in contemporary conflicts, and that nuclear based deterrence is ill-suited to regional and subnational conflicts in which units are small, dispersed, and the enemy is embedded. At times, the enemy may be an affinity group, not a state-centered entity, and it may be extremely difficult to distinguish the enemy from host population.

An essential element of this concept is the development of advanced technologies to provide U.S. military forces with greater flexibility to manage, shape, deter, or contain future conflicts. These technologies include acoustics, lasers, counterbattery systems, magnetics, kinetics, entanglements, and nonlethal chemical systems such as foam, adhesives and markers.

The committee commends the efforts of the military services, particularly the Marine Corps through the Sea Dragon experiments, to evaluate advanced technology options and new doctrine to enhance operational effectiveness. The committee encourages the Department to increase its investments in this area, and to undertake associated doctrinal and training initiatives to better leverage technology development.

For the past two years, the committee has taken steps to consolidate and streamline the Department of Defense and military service programs for research, development, and procurement of nonlethal weapons technologies. To that extent, Congress established a single program element for nonlethal weapons technologies, with the Marine Corps designated as the executive agent for the program. In addition, the Congress supported dramatic increases in funding for the nonlethal weapons and technologies program.

Despite these efforts, the Department continues to underfund many key efforts in the nonlethal weapons program. It is the committee's view that the Department continues to interpret its directions as a license to coerce the military services to fund NLW programs out of existing funds, rather than provide additional funds. The actions of the Department have undermined other priority requirements identified by the military services and resulted in a reluctance on the part of the services to request additional funding for NLW activities. In this regard, the committee has identified a deficit of funding in the NLW program for research, development, testing and evaluation of acoustics bio-effects testing, active denial technology, foam applications and the vortez ring generator, as well as for modeling and simulation and technology investment.

The budget request for fiscal year 1998 included \$16.8 million for the Department of Defense nonlethal weapons (NLW) program. To address the deficit identified by the committee for research and development of NLW technologies, the committee recommends an increase of \$3.3 million in PE 63851M to the budget request.

#### **Advanced communications and information technologies**

Recognizing the need for strengthening integrated systems development in reliable, secure communications and efficient design and operations, the committee recommends an increase of \$5.0 million in PE 64707N for an advanced communications and information technology initiative. This initiative will allow the Secretary of the Navy to enter into an agreement with a qualified institution having strong, integrated research capabilities in broad user communications testbeds, systems engineering, fiber optic sensors and transmission devices, secure and reliable wireless communications, effective user-friendly human computer interfaces, and scientific visualization. This initiative will improve the Navy's capabilities to support distributed computing, integrated services training, education, information dissemination and simulation. The committee directs the Secretary to follow all applicable competitive procedures in awarding this agreement, require the institution awarded the agreement to contribute at least twice the amount of funding provided by the federal government to execute the program, and stipulate in the agreement specific savings in research or other federal expenditures that will accrue from accelerating research covered under the agreement.

#### **Parametric airborne dipping sonar**

The budget request contained no funding for the parametric airborne dipping sonar (PADS).

The committee remains concerned at the Navy's slow progress in developing PADS technology. As previous committee reports have noted, the committee believes that the PADS technology has potential for improving weapon systems performance in applications such as dipping sonars installed in helicopters.

The committee recommends an increase of \$10.0 million in PE 604212N for the continued development of PADS. The committee expects the Navy to continue testing of the PADS prototype, perform the studies needed to evaluate the technical feasibility of integrating PADS into the AN/AQS-22 sonar system, examine the logistics implications of such integration, evaluate manufacturing capability, determine the potential improvement in the Navy's readiness and warfighting capabilities that PADS could provide, and develop an estimate of the future costs associated with continued development and procurement of PADS if development is successful. The committee directs the Secretary of the Navy to submit a report that addresses these questions no later than February 15, 1998.

#### **Helicopter upgrade program**

The committee supports ongoing efforts by the Marine Corps to maintain commonality between the AH-1W and UH-1N as these aircraft are upgraded to meet future warfighting requirements. The committee notes Marine Corps plans to restructure the UH-1N

cockpit configuration to increase the commonality with the AH-1W aircraft. The committee supports this effort and agrees to a Marine Corps request to realign \$5.6 million from procurement to research and development in PE 64245N to complete the development of a common cockpit.

#### **Integrated defensive electronic countermeasures**

The budget request included \$51.8 million for the continuing development of the integrated defensive electronic countermeasures (IDECM) system. Though designed for the F/A-18E/F, the IDECM radio frequency countermeasures (RFCM) system may be a cost effective solution for the needs of the F/A-18C/D, and allow for efficiencies through commonality and reduced support costs. The committee recommends an increase of \$15.0 million to the IDECM program in order to expand operational tests of the basic system to include the onboard configuration for the F/A-18C/D, thus accelerating the low rate initial production decision to June 1999 for both configurations.

#### **High power discriminator**

The committee supports the concept of using existing X-Band radar technology in support of the Navy's theater ballistic missile defense effort. The proposed high power discriminator (HPD) would consist of a solid state X-Band radar for long-range acquisition and discrimination for theater ballistic missile defense and cruise missile defense. This concept would leverage the significant investment already made in the Army's ground-based radar. The committee recommends an increase of \$35.0 in PE 64307N to initiate HPD development.

#### **Maritime fire support demonstrator**

The budget request includes \$103.0 million of Navy funding in PE 64310N and \$47.2 million of Defense Advanced Research Projects Agency (DARPA) funding in PE 63763E for continued development of an arsenal ship demonstrator. The arsenal ship is a joint Navy and DARPA program to develop and demonstrate a ship that is low cost, has minimal crew size, and can deliver massive, immediate land attack firepower.

Phase I, the concept development phase, was completed in January 1997. Three industry teams were selected to proceed to Phase II, the detailed functional design phase, which is scheduled for completion in January 1998. At that point a single team will be selected to build the arsenal ship demonstrator. Construction is scheduled for completion in fiscal year 2000.

The original operational concept, published in April 1996, called for a force of about six arsenal ships that would be forward deployed, on station in support of a unified commander in chief. However, evolutionary evaluation of the concept and future budget realities have caused the Navy to abandon its plan for a relatively near-term objective force of six arsenal ships. Instead, guided by the results of a recently completed cost and operational effectiveness analysis (COEA) for the next generation of surface combatant, the SC-21 or DD-21, the Navy has realigned the arsenal ship program and redesignated the arsenal ship demonstrator as a mari-

time fire support demonstrator (MFSD). The Navy plans to use it to evaluate the “leap ahead” technologies the Navy intends to incorporate into DD-21.

Technologies now planned for the MFSD include:

- (1) fully integrated sensor-to-shooter connectivity that enables remote targeting and assignment of missiles and guns;
- (2) an advance hull form providing for improved fuel economy, reduced ship motion, and greatly improved survivability;
- (3) automated propulsion and weapons control functions coupled with remote monitoring and minimum maintenance equipment to permit significantly reduced manning;
- (4) a ship-wide integrated advanced computing system architecture employing commercial off-the-shelf (COTS) technology that will provide a common computing environment for all systems;
- (5) improved battle hardening through double or triple hulling, damage tolerant girders and structures, automated and remotely operated damage containment and suppression systems, and a ship-wide wide area network for damage control assessment and monitoring; and
- (6) ship signature reduction through an integrated topside design and acoustic and the use of hull coatings, active noise control, isolation mounting, and commercial monitoring to achieve infrared and acoustic signature reduction.

The Navy concept for execution of land attack missions has evolved into delivery by a closely interconnected, distributed network of multi-mission surface combatants, rather than through massive firepower, concentrated in a limited number of single-mission hulls. This evolved concept is reflected in the preferred option of the SC-21 COEA that will become DD-21, a multi-mission destroyer optimized for land attack.

The Navy now considers that the newly designated MFSD lies on the critical path to successful development of a DD-21 design in time for lead ship construction in the fiscal year 2003 or 2004 timeframe. As envisioned by the Navy, virtually all of the technologies that its concept development phase identified for the MFSD will be relevant to DD-21. By aggressively pursuing development, construction, and at-sea evaluation of the MFSD, the Navy thinks it will be able to significantly reduce technological and design risk for DD-21, maximize access to new technologies through the energetic competition in progress for the demonstrator, obtain the benefit of industry expertise, and directly support the results of the SC-21 COEA.

While many of the technologies envisioned for DD-21 are already reflected in the MFSD concept, there are some that are not. In correspondence to the competing contractors, the MFSD joint program office has identified several that are candidates for DD-21 but are still in the early stages of development. These include advanced integrated electronic warfare system (AIEWS), integrated power system, advanced human computer interface, multi-function radar (X band), lightweight broadband variable depth sonar, volume search radar (L band), and vertical gun for advanced ships (VGAS). Additional capabilities that must also be incorporated into the MFSD and the DD-21, if they are to fully realize their potential, include

a firm set of sensor-to-shooter links and the command and control systems needed for real-time execution of land attack missions by a distributed network of ships.

The Future Years Defense Program that accompanied the budget request calls for lead ship authorization of the first DD-21 in fiscal year 2003. In order for the MFSD to make the contribution to the DD-21 design effort that the Navy considers essential, it is crucial that the demonstrator remain on schedule and be available for at-sea testing in fiscal year 2000. Given that the development schedule for the demonstrator is very accelerated and entails the incorporation of a number of new technologies for the first time, schedule risk must be considered high. To mitigate this risk, the committee recommends an increase of \$25.0 million in PE 64310N to ensure sufficiently robust funding is available early in Phase III, the construction phase, to ward off schedule risk and promote the introduction of additional new technologies into the MFSD.

#### **Multi-purpose processor**

In its review of the fiscal year 1997 budget request, the committee identified the multi-purpose processor (MPP), a small business innovative research (SBIR) initiative developed under the sponsorship of the New SSN Submarine (NSSN) Program, as a very successful initiative that has not only been incorporated into the NSSN command, control, computer, communications, and intelligence system, but has also been adopted as a cornerstone for acoustic processing upgrades to the SSN-688, SSN-688I, and SSBN-726 class submarines. Using commercial off-the-shelf (COTS) hardware and an open software architecture, the MPP provides a capability to easily transport new, advanced software to existing hardware installations. It now lies at the heart of the Navy's acoustic rapid COTS insertion program (ARCI), a program designed to permit the SSN-688 class to regain acoustic superiority over the diesel and nuclear submarines of other navies.

Although the Navy has accorded priority to the MPP by allocating \$27.4 million to it in the budget request, 90 percent of these funds are for its procurement for installation in ARCI kits. The committee's review indicates that additional investment for continued development of the MPP would be of great benefit, particularly within the Navy's research and development community. Accordingly the committee recommends an increase of \$25.0 million above the budget request in PE 64503N to be used as an SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

#### ***Seawolf* shock test**

The committee has learned that technical difficulties with the titanium torpedo tube doors and the wide aperture array fairing during pre-delivery testing of the Navy's first *Seawolf* class submarine, SSN-21, have consumed funds originally budgeted for shock testing of the submarine in fiscal year 1997 and delayed delivery until June 1997. Consequently, the scheduled testing date has slipped into fiscal year 1998. Shock testing is an integral part of the

*Seawolf* live fire test and evaluation program. It is necessary to establish a battle damage survivability benchmark for the entire class.

The Navy has notified the committee of this emergent requirement that was not included in the fiscal year 1998 budget request and stressed the importance of completing the testing in fiscal year 1998. The Navy has stated that additional delays would seriously disrupt the extensive program of post-delivery testing that is scheduled for SSN-21.

The committee recommends an increase of \$17.0 million above the budget request in PE 64561N to permit shock testing of the *Seawolf* class submarine, SSN-21, in fiscal year 1998.

#### **Future surface combatants**

The six year shipbuilding plan submitted by the Navy with the budget request provides for authorization of the lead ship of the next generation of surface combatant, identified as the SC-21, in fiscal year 2003. The budget request included \$55.0 million in PE 63564N for design development for SC-21. The Future Years Defense Program (FYDP) that accompanied the budget request projects total research and development funding for SC-21 of about \$730 million over the six year period from fiscal year 1998 to fiscal year 2003. Prior funding for SC-21 has been minimal, on the order of \$30 million, and has been expended primarily for various studies and analyses.

At the time the budget request was submitted, a cost and operational effectiveness assessment for (COEA) SC-21 was still in progress. Budget briefings that the Navy provided to the committee could only discuss a range of COEA options for the ship. These varied from a very robust, full capability combatant, comparable to an evolved DDG-51, to a cheaper ship of more limited capability. While still possessing a multi-mission capability, this less robust option emphasized maritime fire support as its primary mission.

By the time the committee convened a hearing on shipbuilding in April 1997, SC-21 COEA results were available, and the Navy was prepared to discuss its intentions for the SC-21 design in more detail. The Navy reports that the maritime fire support option, now called DD-21 by the Navy, has emerged as the preferred option. In pursuing a design for DD-21, the Navy intends to emphasize "leap ahead" technologies, minimum manning, the lowest possible lifecycle cost, and maximum practical use of commercial practices for technology insertion and construction. As discussed elsewhere in this report, the primacy of the land attack and fire support mission for DD-21 has provided a far greater relevance to the arsenal ship or maritime fire support demonstrator as a bridge between DDG-51, which is optimized for area air defense, and DD-21, which will be expected to fill a role much more comparable to the arsenal ship's mission of land attack through massive firepower.

Based on information developed at this year's shipbuilding hearing and historical analysis, the committee believes that, given the current state of the design effort for DD-21 and the funding currently programmed to develop it, a lead ship authorization in fiscal year 2003 will be quite difficult to achieve, particularly if bold advances in ship, command and control, and weapons system design

are the stated objectives. Funding constraints alone could severely inhibit the Navy's ability to realize its objectives for DD-21, which is poorly funded in the FYDP, for a fiscal year 2003 lead ship award. By way of comparison to the approximately \$730 million allocated to DD-21, over \$2.2 billion will be spent to bring the next generation nuclear attack submarine (NSSN) to a point where it will be ready for lead ship authorization. Similarly, the Navy is already investing almost \$150 million per year for development of a design for the next generation aircraft carrier, CVX, which is not scheduled to begin construction until fiscal year 2008. The Navy's planned effort to make CVN-77 a transition carrier, funded at about \$120 million over the FYDP, will also make many important contributions to the design of CVX. Consequently, the committee has concluded that development of a design for DD-21 that is in consonance with the Navy's objectives for the ship at the current level of funding is fraught with risk. Even with expected design contributions from the arsenal ship or maritime fire support demonstrator, which the Navy now considers crucial to successful development of DD-21, the development timeline for DD-21 remains high risk.

Although the committee has detected a clear disparity in funds programmed for the designs of these future combatants (DD-21, CVX and NSSN), it appears that, in the aggregate, the Navy has committed itself to greater emphasis on technology investment, active participation by industry, and better specification of design objectives to guide its commitment of resources. However, the committee has become concerned, based on testimony and briefings, that an environment is not in place or a process in operation that will actively facilitate a rapid and ready exchange of information between these development efforts in a manner that will avoid duplication. While numerous integrated process teams have been conceived or are already at work, their efforts appear to be suboptimized within various stovepipes in the Chief of Naval Operations (CNO) staff or within directorates in the Navy's systems commands. Communication between them seems to occur more on an ad hoc basis than as the result of a cohesive management process. For example, it is not clear to the committee that many of the numerous lessons learned from the "smart ship" experiment, which has been underway for the past two years under the sponsorship of the surface warfare division of the CNO's staff, have been proliferated in a way that would permit them to contribute to the development efforts that are in progress for CVN-77 and CVX. Similarly, the model of the Submarine Technology Oversight Council that has been put in place to explore advanced submarine technology has not been incorporated in an analogous role into other ship design activities.

An additional item for committee consideration late in the budget review process was a Navy plan for sustaining future combatant force structure that has been developed to accommodate the results of the Department of Defense's Quadrennial Defense Review (QDR), completed in May 1997. The QDR identified the need for the Navy to perform a mid-life conversion of its Aegis cruiser force. The objective of the conversion will be to package theater ballistic missile defense (TBMD), area air defense command and control,

land attack, and crew reduction technologies into a class-wide upgrade, thereby assuring a useful role for the Aegis cruiser force into the third decade of the next century. The Navy has concluded that this conversion program will enable otherwise unaffordable acceleration of TBMD and land attack capability into the Navy's surface combatant force, while providing critical industrial work prior to full rate production of DD-21. The Navy has indicated that a modest increment of initial funding in fiscal year 1998 could provide significant leverage in bringing the planning for this conversion program to early fruition.

To deal with the funding and schedule risk that the committee has associated with development of DD-21 and to provide design funding that will permit the Navy to initiate its cruiser conversion program, the committee recommends an increase of \$25.0 million above the budget request in PE 64567N. The committee also strongly encourages the CNO and the Secretary of the Navy to review thoroughly the management practices currently in place for ship design development to ensure that the Navy is deriving maximum benefit from its research and development investment. The committee intends to examine this area in more detail at future hearings and strongly desires that ongoing results of this management review be provided to the committee through interim briefings that will facilitate an open exchange of ideas.

#### **Infrared search and track system**

The budget request included no funding for continued development of the infrared search and track system (IRST). The Navy has been developing IRST to provide a passive detection and tracking system, operating in a different portion of the electromagnetic spectrum from radar, that will complement existing shipboard radars by continuously scanning the horizon for threat platforms or sea-skimming missiles. Horizon search, for which IRST would be optimized, is an area of relative weakness for active radars.

Although various studies have repeatedly validated that IRST could provide a major improvement in ship survivability against sea-skimming cruise missiles, a succession of Navy budget requests has provided only subsistence level funding. Congressional intervention in the form of additional funding has been necessary to keep the program alive, albeit with a much extended developmental timeline. Without benefit of any supporting analysis, the budget request and its associated Future Years Defense Program terminates funding for IRST. Information provided by the Navy indicates that prior year funding should be sufficient to complete Phase I of the current two-phase program through its land-based testing stage but is insufficient to conduct at-sea tests. The Phase II program for engineering and manufacturing development would be unfunded, and no funding would be available to preserve the option to continue development in the future.

The committee has supported IRST with recommendations for additional funding in fiscal years 1996 and 1997 because the committee strongly believes that developing a search and track system, not dependent on active transmissions by either friendly or threat emitters, could make an extremely important contribution to successful naval operations. The potential utility of an infrared capa-

bility is demonstrated by the emphasis that the Navy is placing on developing an upgrade to its rolling air frame missile that will employ an infrared seeker for the entire target engagement and the infrared homing capability being incorporated into its Standard missile. Lacking any supporting rationale from the Navy other than budget constraints, the committee disagrees with the Navy's relative priorities. Consequently, the committee recommends an increase of \$13.0 million in PE 64755N for continued development of the IRST system. Of this amount the committee recommends that \$6.5 million would be provided from a reduction in funding in PE 64307N. The remainder would be provided by an increase above the budget request. The committee would direct that none of the \$6.5 million provided from PE 64307N be from funds included in the budget request for the smart ship project, project K2308. The committee would also direct that, absent a new and compelling study that somehow reverses the results of a rich body of prior analysis that supports the potential utility of IRST, the Navy will continue to fund and execute the development of IRST in future budget requests.

#### **Ship self-defense system**

The budget request included \$31.3 million for continued development of the ship self-defense system (SSDS). This system introduces a distributed processing, open architecture combat system based on a local area network. It uses commercial off-the-shelf equipment and reuses a substantial amount of software that was developed for the cooperative engagement capability (CEC).

The committee has been informed that additional funding for SSDS could be used to fully integrate SSDS, the advanced combat direction system (ACDS), and CEC in the Navy's mission critical ships. Current funding allows only an elementary degree of integration via simple interfaces.

The committee recommends an increase of \$19.0 million in PE 64755N to pursue the system integration needed to integrate CEC, ACDS, and SSDS local area networks to create a single tactical picture and a central integrated combat direction system.

#### **Advanced deployable system**

The advanced deployable system (ADS) is being developed by the Navy to deal with a growing worldwide proliferation of diesel submarines. It will be a system that can be rapidly and covertly deployed in littoral waters. Its next major developmental milestone decision is scheduled for fiscal year 1999.

ADS development has proceeded well to date. Additional funding for ADS in fiscal year 1998 would not only reduce risk, but could strongly reinforce the possibility that a milestone decision now scheduled for fiscal year 1999 could produce an early decision for initial production. Such a decision could provide a fleet operational capability two years earlier than planned and save some \$95 million in acquisition costs. To improve the probability of this favorable outcome, the committee recommends an increase of \$44.0 million above the budget request in PE 64784N.

**Classified program reduction**

The committee recommends a reduction of \$10.0 million in a classified Navy program. Details are provided in the classified annex to this report.

**Communications interoperability and reliability**

In reviewing the budget request, the committee has noted Department of the Navy plans for introducing new multimedia communications capabilities including digital voice, text, data, video imagery, and graphics that will be incorporated into a diverse mix of networks, transmission media, and transmission terminals. Advancements in computing capability and the integration of commercial off-the-shelf (COTS) technology offer new opportunities to increase operational capability at reduced cost. However, the committee has concluded that the Department needs to place greater emphasis on ensuring compatibility between emerging COTS technology and legacy systems that are likely to remain in service for at least another decade, if not longer. The committee believes that taking action as new systems are introduced to ensure the continuing reliability and security of hybrid networks would be a prudent course to follow.

The committee recommends an increase of \$3.7 million above the budget request in PE 24163N to pursue a program of independent testing and evaluation of COTS wired and wireless multimedia communications components and systems suitable for joint/combined military and civilian networked applications. The committee encourages the Department to utilize these funds to conduct a demonstration project to verify the utility of the concept, while upgrading the communications network for the Navy's Northeast Regional Maintenance Center at Portsmouth Naval Shipyard. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program and that cost-sharing requirements for non-federal participants be utilized where appropriate.

**Marine common hardware suite**

The committee understands that the Marine Corps is exploring new requirements and procurement strategies for computers and peripherals. The committee received a request for additional funding necessary to allow the Marine Corps to evaluate and test Marine common hardware suite (MCHS) products. The committee recommends an additional \$0.7 million in PE 26313M to support this effort.

**Manufacturing technology program**

The committee is once again disappointed in the Navy's budget request for the manufacturing technology (MANTECH) program. This program has traditionally focused on making weapon systems and equipment more affordable through the application of advanced manufacturing methods to weapon systems production. In this time of severe budget constraints, the committee would expect the Navy to make every effort to pursue programs directed at lowering the long-term cost of weapon systems.

In 1994, at the request of the military services, the committee shifted the management of MANTECH from the Office of the Secretary of Defense to the military services. Congress has made every effort to provide the military services with the authority and flexibility to direct MANTECH in order to make the program more responsive to the military services' specific manufacturing needs. Despite the Department of Defense stated policy of making the affordability of future systems a key priority for research and development programs, the Navy did not provide funding for MANTECH in the fiscal year 1998 budget request.

In the February 26, 1997 hearing before the Senate Armed Services Committee, the Navy leadership admitted that the lack of funding was an oversight that they planned to rectify. The committee directs that the Navy provide the committees with its plan to strengthen the MANTECH program. That report should include a future years funding profile for the stabilization of this program at the fiscal year 1997 and 1996 funding levels.

In order to address funding shortfalls for fiscal year 1998 the committee recommends a transfer of \$50.0 million into PE 78011N from the following sources: \$15.0 million from the Advanced Technology Transition program (PE 63792N); \$5.2 million from Other Procurement, Navy, DD-963 modernization; \$3.6 million Other Procurement, Navy, AOJ modernization; \$6.2 million from Weapons Procurement Navy, BQM-74 targets; and \$20.0 million from Other Procurement Navy, Spares and Repair Parts.



TITLE II - RDTF  
 FY 1998 AUTHORIZATIONS

Line	ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
	29 CONVENTIONAL WEAPONS TECHNOLOGY	26,227	-	26,227
0603601F	29 CONVENTIONAL WEAPONS TECHNOLOGY	41,238	15,000	56,238
0603605F	30 ADVANCED WEAPONS TECHNOLOGY	2,036	-	2,036
0603707F	31 WEATHER SYSTEMS TECHNOLOGY	4,084	-	4,084
0603723F	32 ENVIRONMENTAL ENGINEERING TECHNOLOGY	9,922	-	9,922
0603726F	33 C3I SUBSYSTEM INTEGRATION	5,613	-	5,613
0603728F	34 ADVANCED COMPUTING TECHNOLOGY	12,897	400	13,297
0603789F	35 C3 ADVANCED DEVELOPMENT	-	-	-
0305176F	36 COMBAT SURVIVOR EVADER LOCATOR	4,738	-	4,738
0603260F	37 INTELLIGENCE ADVANCED DEVELOPMENT	157,136	-	157,136
0603319F	38 AIRBORNE LASER TECHNOLOGY	41,448	-	41,448
0603430F	39 ADVANCED MILSATCOM (SPACE)	29,585	-	29,585
0603432F	40 POLAR ADJUNCT (SPACE)	51,504	-	51,504
0603434F	41 NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYS (SPACE)	222,401	-	222,401
0603441F	42 SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEMVAL	7,650	-	7,650
0603517F	43 COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	1,395	-	1,395
0603742F	44 COMBAT IDENTIFICATION TECHNOLOGY	13,433	2,000	15,433
0603790F	45 NATO RESEARCH AND DEVELOPMENT	458,052	-	458,052
0603800F	46 JOINT STRIKE FIGHTER (JSF) - DEMVAL	32,837	-	32,837
0603851F	47 INTERCONTINENTAL BALLISTIC MISSILE - DEMVAL	3,968	-	3,968
0603852F	48 C-130J - DEMVAL	63,260	-	63,260
0603853F	49 EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)- DEMVAL	56,977	-	56,977
0603854F	50 GLOBAL BROADCAST SERVICE	-	-	-
0603855F	51 SPACE ARCHITECT OFFICE	8,000	-	8,000
0604237F	52 VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT	4,981	-	4,981
0604327F	53 HARDENED TARGET MUNITIONS	-	-	-
0208030F	54 WAR RESERVE MATERIEL - AMMUNITION	16,484	-	16,484
0604201F	55 INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	741	-	741
0604218F	56 ENGINE MODEL DERIVATIVE PROGRAM (EMDP)	4,782	-	4,782
0604222F	57 NUCLEAR WEAPONS SUPPORT	-	-	-

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

Line	ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
	0604226F 58 B-1B	216,886	-	216,886
	0604227F 59 TRAINING SYSTEMS DEVELOPMENT	4,305	-	4,305
	0604231F 60 C-17 PROGRAM	-	-	-
	0604233F 61 SPECIALIZED UNDERGRADUATE PILOT TRAINING	80,238	-	80,238
	0604239F 62 F-22 EMD	2,071,234	(420,000)	1,651,234
	0604240F 63 B-2 ADVANCED TECHNOLOGY BOMBER	355,750	21,800	377,550
	0604243F 64 MAINPOWER, PERSONNEL AND TRAINING DEVELOPMENT	4,534	-	4,534
	0604249F 65 NIGHT/PRECISION ATTACK	-	-	-
	0604268F 66 AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	-	-	-
	0604270F 67 EW DEVELOPMENT	78,465	-	78,465
	0604321F 68 COMBAT INTELLIGENCE SYSTEM -EMD	-	-	-
	0604441F 69 SPACE BASED INFRARED ARCHITECTURE (SPACE) - EMD	338,413	-	338,413
	0604479F 70 MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	676,690	-	676,690
	0604480F 71 GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	71,094	-	71,094
	0604600F 72 MUNITIONS DISPENSER DEVELOPMENT	18,076	-	18,076
	0604602F 73 ARMAMENT/ORDNANCE DEVELOPMENT	1,597	-	1,597
	0604604F 74 SUBMUNITIONS	4,956	-	4,956
	0604617F 75 AIR BASE OPERABILITY	1,424	-	1,424
	0604618F 76 JOINT DIRECT ATTACK MUNITION	19,553	-	19,553
	0604703F 77 AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	4,354	-	4,354
	0604704F 78 COMMON SUPPORT EQUIPMENT DEVELOPMENT	-	-	-
	0604706F 79 LIFE SUPPORT SYSTEMS	3,726	-	3,726
	0604708F 80 CIVIL FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,698	-	2,698
	0604711F 81 SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)	-	-	-
	0604727F 82 JOINT STANDOFF WEAPONS SYSTEMS	24,676	-	24,676
	0604735F 83 COMBAT TRAINING RANGES	20,331	-	20,331
	0604740F 84 COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	1,459	-	1,459
	0604750F 85 INTELLIGENCE EQUIPMENT	1,287	-	1,287
	0604754F 86 JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	8,557	-	8,557

TITLE II - RDT&E  
 FY 1998 AUTHORIZATIONS

ACCOUNT	Line No.	FY 98 Request	Change	Committee Recommendation
0604770F	87			
		5,929	-	5,929
0604779F	88	137,944	-	137,944
0604851F	89	28,376	15,000	152,944
0604853F	90	19,804	-	28,376
0207320F	91	203,321	-	19,804
0207325F	92	12,267	-	203,321
0207414F	93			12,267
0303606F	94			-
0305176F	95	4,315	-	4,315
0603402F	96	42,241	-	42,241
0604256F	97	51,846	-	51,846
0604258F	98	4,780	-	4,780
0604759F	99	47,336	(6,000)	41,336
0605101F	100	21,768	-	21,768
0605306F	101	10,933	-	10,933
0605502F	102			-
0605704F	103			-
0605712F	104	28,319	-	28,319
0605807F	105	389,348	-	389,348
0605808F	106	6,049	(1,500)	4,549
0605853F	107	11,914	-	11,914
0605854F	108	5,880	-	5,880
0605856F	109	17,126	-	17,126
0605860F	110	8,013	-	8,013
0605876F	111	1,853	-	1,853
0605878F	112	55,200	2,800	58,000
0605879F	113	49,614	-	49,614
0605896F	114	65,365	-	65,365
0909900F	115			-

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

ACCOUNT	Line No.	Description	FY 98 Request	Change	Committee Recommendation
1007004F	116	INTERNATIONAL ACTIVITIES	3,715	(3,715)	-
0101113F	119	B-52 SQUADRONS	3,427	-	3,427
0101120F	120	ADVANCED CRUISE MISSILE	2,393	-	2,393
0102325F	121	JOINT SURVEILLANCE SYSTEM	2,020	-	2,020
0102326F	122	REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION PROGRAM	20,512	-	20,512
0102411F	123	NORTH ATLANTIC DEFENSE SYSTEM	1,442	-	1,442
0102412F	124	NORTH WARNING SYSTEM (NWS)	-	-	-
0207129F	125	F-111 SQUADRONS	-	-	-
0207131F	126	A-10 SQUADRONS	100,233	-	100,233
0207133F	127	F-16 SQUADRONS	137,538	-	137,538
0207134F	128	F-15E SQUADRONS	13,561	-	13,561
0207136F	129	MANED DESTRUCTIVE SUPPRESSION	9,520	-	9,520
0207141F	130	F-117A SQUADRONS	53,171	-	53,171
0207161F	131	TACTICAL AIM MISSILES	50,781	-	50,781
0207163F	132	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	299	-	299
0207217F	133	PODDED RECONNAISSANCE SYSTEM	15,251	-	15,251
0207247F	134	AF TENCAP	73,107	-	73,107
0207248F	135	SPECIAL EVALUATION PROGRAM	93,122	-	93,122
0207268F	136	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	-	-	-
0207320F	137	SENSOR FUSED WEAPONS	3,500	-	3,500
0207323F	138	AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM	393	-	393
0207412F	139	THEATER AIR CONTROL SYSTEMS	46,807	10,000	56,807
0207417F	140	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	-	-	-
0207419F	141	TACTICAL AIRBORNE COMMAND AND CONTROL SYSTEMS	2,966	-	2,966
0207423F	142	ADVANCED COMMUNICATIONS SYSTEMS	74,917	-	74,917
0207424F	143	EVALUATION AND ANALYSIS PROGRAM	-	-	-
0207431F	144	COMBAT AIR INTELLIGENCE SYSTEM ACTIVITIES	95,056	-	95,056
0207433F	145	ADVANCED PROGRAM TECHNOLOGY	24,013	4,000	28,013
0207436F	146	THEATER BATTLE MANAGEMENT (TBM) C4I	-	-	-

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Line	ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
	0207579F 147 ADVANCED SYSTEMS IMPROVEMENTS	119,189	10,000	129,189
	0207581F 148 JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JOINT STARS)	17,716	-	17,716
	0207590F 149 SEEK EAGLE	214,011	-	214,011
	0207591F 150 ADVANCED PROGRAM EVALUATION	21,718	-	21,718
	0207601F 151 USAF MODELING AND SIMULATION	16,526	-	16,526
	0208006F 152 MISSION PLANNING SYSTEMS	29,182	-	29,182
	0208060F 154 THEATER MISSILE DEFENSES	105,645	-	105,645
	0208160F 155 TECHNICAL EVALUATION SYSTEM	40,344	-	40,344
	0208161F 156 SPECIAL EVALUATION SYSTEM	1,360	-	1,360
	0301398F 161 MANAGEMENT HEADQUARTERS GDIP	10,547	-	10,547
	0303110F 162 DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	34,409	-	34,409
	0303131F 163 MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	5,298	-	5,298
	0303140F 164 INFORMATION SYSTEMS SECURITY PROGRAM	20,894	-	20,894
	0303141F 165 GLOBAL COMBAT SUPPORT SYSTEM	7,844	-	7,844
	0303144F 166 ELECTROMAGNETIC COMPATIBILITY ANALYSIS CENTER (ECAC)	6,820	-	6,820
	0303152F 167 WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEMS, INFORMATION SYSTEM	12,871	-	12,871
	0303601F 168 MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	3,000	-	3,000
	0304311F 170 SELECTED ACTIVITIES	80,011	-	80,011
	0305110F 171 SATELLITE CONTROL NETWORK (SPACE)	9,057	-	9,057
	0305111F 172 WEATHER SERVICE	6,571	-	6,571
	0305114F 173 AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (ATCAL)	5,719	-	5,719
	0305119F 174 MEDIUM LAUNCH VEHICLES (SPACE)	530	-	530
	0305128F 175 SECURITY AND INVESTIGATIVE ACTIVITIES	12,830	-	12,830
	0305137F 176 NATIONAL AIRSPACE SYSTEM (NAS) PLAN	3,337	-	3,337
	0305138F 177 UPPER STAGE SPACE VEHICLES (SPACE)	82,384	-	82,384
	0305144F 179 TITAN SPACE LAUNCH VEHICLES (SPACE)	-	-	-
	0305145F 180 ARMS CONTROL IMPLEMENTATION	-	-	-
	0305154F 181 DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	258	-	258
	0305158F 182 TACTICAL TERMINAL	-	-	-

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ACCOUNT	Line No.	FY 98 Request	Change	Committee Recommendation
0305160F	183	14,076	-	14,076
0305164F	184	46,300	-	46,300
0305165F	185	26,685	-	26,685
0305182F	187	34,186	-	34,186
0305906F	188	7,362	-	7,362
0305910F	189	28,573	-	28,573
0305911F	190	23,193	-	23,193
0305913F	191	14,145	-	14,145
0305917F	192	14,590	-	14,590
0305953F	193	-	-	-
0308610F	194	-	-	-
0401119F	195	-	-	-
0401130F	196	9,751	20,400	30,151
0401214F	197	113,605	-	113,605
0401218F	198	7,947	-	7,947
0404102F	199	1,992	-	1,992
0702207F	200	1,482	-	1,482
0708011F	201	48,429	-	48,429
0708026F	202	1,032	-	1,032
0804734F	203	3,657	-	3,657
0901218F	204	1,427	-	1,427
1001004F	205	6,497	-	6,497
1001018F	206	-	-	-
XXXXXX	207	36,061	-	36,061
	999	4,684,348	61,900	4,746,248
		14,451,379	(149,115)	14,302,264

TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF

**Phillips laboratory exploratory development**

The committee recommends an increase of \$10.0 million in PE 62601F for the reusable space launch program for the development and demonstration of military unique reusable space launch technologies.

**High frequency active auroral research program**

The committee recommends increases in a number of program elements to support continued experimentation in the high frequency active auroral research program. The recommended increases are as follows: PE 62601F, \$5.0 million; PE 63160D, \$3.0 million; PE 63714D, \$3.0 million.

**ALR-69 radar warning receiver**

The budget request included \$25.6 million for electronic combat technology research and development. The committee recommends an increase of \$14.0 million in PE 0603270F for development of the ALR-69 radar warning receiver. The committee has been made aware of an initiative to incorporate research done at Wright Laboratories into a precision location and identification (PLAID) upgrade program for ALR-69 radar warning receivers. The initiative offers the chance to bring reserve and guard aircraft capability into parity with active forces through a cost-effective upgrade program.

**Missile technology demonstration**

The committee has supported past missile technology demonstration (MTD) experiments, which have contributed to the ballistic missile technology program and demonstrated capabilities to attack hardened and deeply buried targets. The budget request did not include funds to continue this program. In order to complete MTD-3 and begin planning of MTD-4, the committee recommends an increase of \$8.3 million in PE 63311F.

**Military space plane**

The committee is aware of ongoing efforts in the Department of Defense on the part of the Air Force and U.S. Space Command to define a concept for development of a military space plane. The committee has supported DOD involvement in NASA's Reusable Launch Vehicle (RLV) program and continues to believe that DOD must coordinate technology development with NASA. Nonetheless, the committee believes that DOD should begin to define a space plane concept that meets military requirements yet exploits progress made in NASA's RLV program. The committee is aware that U.S. Space Command has begun to develop operational concepts and requirements for such an effort. However, the budget request did not include funds for this program. To support technology and operational concept development as part of an overall military space plane effort, the committee recommends an increase of \$10.0 million in PE 63401F. The committee strongly urges the Secretary of Defense to identify additional resources to support these efforts in the future years.

### **Solar thermionic orbital transfer vehicle**

The committee has supported thermionics technology development for space applications. The solar powered orbital transfer vehicle program has been identified by the Air Force as a Third Millennium initiative. This program combines thermionic technology for electricity production and thermal propulsion which can be used to move spacecraft to higher orbits or new orbits. To continue this important effort, the committee recommends an increase of \$10.0 million in PE 63401F.

### **Geo space object imaging**

To support the growing emphasis on global surveillance and control of space, the committee recommends an increase of \$15.0 million in PE 63605F to complete the development of a high power illuminator laser imaging system to satisfy deep space mission military requirements.

### **Asynchronous transfer mode program**

Asynchronous transfer mode (ATM) is a commercially supported technology that provides a means to efficiently distribute multimedia (voice, video, data) digital information to field users and is designed for use over very low noise fiber optic interconnections. The Air Force is augmenting the emerging commercial networking technology so that it can be used during tactical deployments. The committee recommends an increase of \$0.4 million in PE 63789F to provide ATM prototype units for Air Force and joint service needs.

### **Variable stability in-flight simulator test aircraft**

The budget request did not include funds for the variable stability in-flight simulator test aircraft (VISTA) in fiscal year 1998.

Initial investigations of the integration of thrust vectoring (TV) for basic control of an advanced fighter aircraft have been completed in a variety of programs. The Russian SU-37 demonstration at the Paris Air Show indicated that potential adversaries realize the benefits that TV can provide if properly implemented. To date there has been no program to develop or evaluate the requirements for:

- (1) the use of TV integrated with the flight control system;
- (2) the flying qualities necessary for operation in the high angle of attack (AOA) environment;
- (3) trade-off of the tactical utility of thrust vectoring in air to air combat;
- (4) evaluate the potential reduction or elimination of tail control surfaces; and
- (5) replicate the performance and qualities of potential adversaries in a tactical environment.

In order to continue U.S. technological advancement in thrust vectoring and flight control technology, the committee recommends the Air Force continue the VISTA program as a stand-alone research project to explore the issues listed above.

The committee recommends an increase of \$8.0 million in PE 64237F to continue development of VISTA as a TV test aircraft because of the high payoff of VISTA as a research vehicle and its low

program cost compared with similar programs. Currently the VISTA is nearing completion of the first phase of a three phase program to install and integrate TV into its variable stability system and flight test the system. Presently, only the first phase is funded. The committee expects the Air Force to program for completion of the three year VISTA program to install and integrate TV into its variable stability system.

### **F-22 engineering and manufacturing development program**

The budget request included \$2,071.2 million for engineering and manufacturing development (EMD) of the F-22. The future years defense program (FYDP) last year programmed \$1,651.0 million for F-22 EMD, exclusive of the four pre-production verification vehicles (PPV). The increase in EMD funding for fiscal year 1998 is a result of the cancellation and transfer of the funds for the PPV, aircraft that were to be used in the test program to verify manufacturing methods as well as conduct test flights.

The committee has repeatedly noted its concerns with the F-22 program, and in the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1997 (S. Rept. 104-267) expressed concern related to the Defense Science Board (DSB) report on concurrency and risk in the F-22 program. Specifically, the DSB noted that the engine development and passive surveillance electronics are the highest risk areas and, that in the event of inadequate progress, the program could be slipped.

#### *Cost overruns and restructuring*

Consistent with the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), the Air Force began a cost review of the program at about the same time as the Cost Analysis and Improvement Group (CAIG) of the Office of the Secretary of Defense (OSD) began work on a cost study of the program. Both the Air Force and the CAIG estimated increased costs for F-22 production, and the estimates were explained in a hearing before the Subcommittee on Airland Forces. However, not only has the estimate for production increased, the Air Force has also requested an infusion of production funds into the EMD program to complete development.

A total of \$2,159.0 million transferred to the EMD program derives from elimination of four test aircraft, or pre-production verification (PPV) vehicles, and from foregoing production of 54 operational aircraft during the period of the FYDP. The result will be no change to the overall program cost over the FYDP, but at the cost of removing content; four test aircraft and 54 production aircraft. These changes are required for the development program to continue.

The Air Force and the contractor team have proposed a series of initiatives to bring the estimated production costs back to the levels of the fiscal year 1997 request. The Air Force expects to finalize these initiatives in August 1997 when negotiations determine the pricing of the first five production lots of the F-22.

In testimony prior to the National Defense Act for Fiscal Year 1997, the Air Force informed the committee that restructuring of the program had been costly in the past and had resulted in future

cost escalations, estimated at three times the amount of the cut to the program. Now, the Air Force and the manufacturer want to slip the program and add funds to the development program, before negotiating the price for the first five lots of aircraft.

*Placeholder status*

The committee views the infusion of PPV funds into the development program as premature, and recommends funding be provided at the level requested for fiscal year 1998 development as requested in Fiscal Year 1997. The committee's recommended funding at this level provides for a stable program, as previously outlined. Accordingly, the committee recommends \$1,651.0 million, a reduction of \$420.0 million, for the development of the F-22. The committee looks forward to receiving information regarding the outcome of definitized cost data on EMD and the completion of contract negotiations for the first five lots of aircraft.

**B-2 Multi Stage Improvement Plan (MSIP)**

*Situational awareness*

The budget request included \$355.8 million for continued development of the B-2 bomber. The committee recommends an increase in the budget request of \$ 15.0 million, as requested in the Chief of Staff of the Air Force's unfunded priorities list.

The B-2's evolving role as a multipurpose bomber has required the reexamination of its specific capabilities, especially with regard to connectivity and situational awareness. Recent developments in situational awareness, especially the emergence of practical, jam resistant data links have greatly enhanced tactical aviation's capabilities. The incorporation of Link 16 data links in the B-2 would greatly enhance the crew's ability to change in tactical situations by using updated threat status, target information, and allied aircraft locations.

Data displayed in real time would be especially important to B-2 crews involved in long duration flights to combat areas and when mission planning could be overtaken by events during transit.

*Maintainability*

The budget request included \$355.8 million for development of the B-2 bomber. The committee recommends an increase of \$6.8 million to the budget request for B-2 development. Realizing that stealth aircraft require careful maintenance to achieve their maximum potential, the committee supports studies to evaluate an advanced exhaust lip and hot trailing edge (HTE) thermal protections systems for the B-2 and directs the Air Force to program for such upgrades, should the studies prove the benefits of these improvements.

**Minuteman safety enhanced reentry vehicle**

In fiscal year 1997, Congress authorized and appropriated \$13.7 million to ensure the cost-effective addition of the Mk-21 warhead capability to the ongoing Minuteman III Guidance Replacement Program. These funds were authorized and appropriated for the initial prototype and testing of the modification required to protect

the option for the possible use of the Mk-21 reentry vehicle on Minuteman III once the Peacekeeper missile is retired. The budget request did not include funds to complete the initial prototype and testing. Therefore, the committee recommends an increase of \$15.0 million in PE 64851F for this purpose.

#### **Aging landing gear life extension**

The committee is concerned that the Air Force has been extending the use of aircraft landing gear far beyond their original design life. The KC-135 was designed for a 30-year lifetime, but will retire at 86 years and the B-52, designed for a 30-year life, will retire at 94 years.

The committee recommends an increase of \$6.0 million in PE 65878F to develop the necessary engineering tools to efficiently overhaul aircraft landing gear equipment. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

#### **Conventional Air-Launched Cruise Missile Block II upgrade**

The budget request did not include funds for Conventional Air-Launched Cruise Missile (CALCM) research and development or production funding for fiscal year 1998. However, the committee has been informed that the Air Force intends to use fiscal year 1997 funds for CALCM Block II development and two other related CALCM projects. By combining the CALCM Precision Strike Demonstration technology with a new warhead concept, the Air Force hopes to be able to attack hard and buried targets from long range. Accordingly, the committee recommends an increase of \$3.5 million to the budget request to complete Block II engineering and manufacturing development. Moreover, the committee encourages the Air Force to reprogram funds as necessary to procure Block II CALCM should development efforts prove successful.

#### **Theater battle management system**

The budget request included \$24.0 million for theater battle management command and control research and development. Theater battle management system (TBM) is designed to integrate air support for ground forces through the air support operations center (ASOC). The committee understands that an additional \$4.0 million would accelerate TBM development in fiscal year 1998, especially the prototyping of connectivity to provide improved information flow between Army corps elements and the ASOC, including flow of Air Force information to support targeting and resource allocation decisions. Accordingly, the committee recommends an increase of \$4.0 million to the budget request for TBM.

#### **Cruise missile defense**

Given the growing threat posed by cruise missiles, the committee continues to support development of a comprehensive cruise missile defense architecture, integrated into DOD's overall air and theater missile defense efforts. Because counter cruise missile technologies have matured at the Defense Advanced Research Projects Agency

(DARPA), and because DARPA funding to support key sensor technologies ends in fiscal year 1998, the committee strongly urges the Air Force to begin to integrate these technologies into operational platforms. Specifically, the committee recommends an increase of \$10.0 million in PE 27417F to begin the necessary upgrades to the Airborne Warning and Control System (AWACS), and an increase of \$10.0 million in PE 27581F to begin necessary upgrades to the Joint Surveillance and Target Attack Radar System (JSTARS). The committee expects the Air Force to continue these two important initiatives in the future.

### **C-5 Modernization**

The budget request included \$83.0 million for C-5 modifications in fiscal year 1998, and the future years defense program (FYDP) plans for \$75.6 million in fiscal year 1999, \$147.0 million in fiscal year 2000, \$117.2 million in fiscal year 2001, \$119.8 million in fiscal year 2002, and \$81.8 million in fiscal year 2003 for C-5 modifications. In view of the substantial funds already programmed for the C-5 incremental modernization, the committee is persuaded that a robust program to increase the service life of the C-5 could be developed to improve total C-5 performance and delay retirement of the C-5 to 2025 or later, thus providing outsize and heavy cargo load carrying capability (tanks, helicopters, etc.), while saving on the procurement of new transport aircraft.

The committee has learned of studies that predict a service life of greater than 50,000 hours is achievable for the C-5 if steps are taken now. Cost estimates of \$32.4 million for each aircraft's modernization could not only yield the extended service life, but also significant increases in load carrying capability and reliability through the incorporation of newer engines and components in the aircraft.

Accordingly, the committee recommends an increase of \$20.4 million to the budget request, with \$8.0 million provided to definitize the program and \$12.4 million for prototype development, to begin the modernization of the existing C-5 fleet as a low cost alternative for long-term air mobility.

### **Measurement and signature intelligence software development and training facility**

The committee recommends an increase of \$4.2 million in PE 31315F for the measurement and signature intelligence (MASINT) software development and training facility (SDTF). This funding will continue the fiscal year 1997 effort to develop and refine collection methodologies and analysis tools and provide the Air Force with a capability for training MASINT system operators and analysts.

**DEFENSE-WIDE**

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ACCOUNT	Line No.	FY 98 Request	Change	Committee Recommendation
0601101D	1	2,169	-	2,169
0601101E	2	76,009	-	76,009
0601103D	3	237,788	-	237,788
0601110D	4	-	-	-
0601111D	5	14,713	-	14,713
0601384BP	6	25,190	-	25,190
0602110E	7	40,000	-	40,000
0602160D	8	-	-	-
0602173C	9	101,932	14,000	115,932
0602227D	10	20,841	-	20,841
0602228D	11	11,485	-	11,485
0602234D	12	20,474	-	20,474
0602301E	13	341,752	2,500	344,252
0602383E	14	61,600	(6,500)	55,100
0602384BP	15	60,023	-	60,023
0602702E	16	157,329	3,000	160,329
0602708E	17	37,000	18,000	55,000
0602712E	18	192,192	8,500	200,692
0602715H	19	211,971	18,000	229,971
0602787D	20	8,987	-	8,987
0305108K	21	1,937	-	1,937
0603002D	22	2,778	-	2,778
0603104D	23	12,259	-	12,259
0603105D	24	-	-	-
0603120D	25	7,663	-	7,663
0603121D	26	2,990	-	2,990
0603122D	27	34,863	15,000	49,863
0603160D	28	58,264	14,000	72,264

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ACCOUNT	Line No.	FY 98 Request	Change	Committee Recommendation
0603173C	29	147,557	174,400	321,957
0603225D	30	16,141	-	16,141
0603228E	31	4,789	-	4,789
0603232D	32	41,223	-	41,223
0603384BP	33	-	-	-
0603569E	34	-	-	-
0603570E	35	-	-	-
0603704D	36	11,750	-	11,750
0603711H	37	83,370	(10,000)	73,370
0603712S	38	17,267	-	17,267
0603716D	39	54,874	-	54,874
0603726D	40	-	-	-
0603727D	41	14,172	-	14,172
0603728D	42	-	-	-
0603729D	43	-	-	-
0603730D	44	-	-	-
0603738D	45	-	-	-
0603739E	46	277,044	22,000	299,044
0603744E	47	-	-	-
0603745E	48	-	-	-
0603746E	49	37,408	-	37,408
0603747E	50	-	-	-
0603750D	51	121,076	(20,000)	101,076
0603752D	52	47,889	-	47,889
0603753S	53	14,972	3,000	17,972
0603755D	54	126,211	25,000	151,211
0603760E	55	163,800	(5,000)	158,800
0603761E	56	75,938	-	75,938
0603762E	57	166,855	(1,500)	165,355

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Line	ACCOUNT No.	FY 98 Request	Change	Committee Recommendation
	58 MARINE TECHNOLOGY	69,143	-	69,143
	59 LAND WARFARE TECHNOLOGY	82,580	4,400	86,980
	60 CLASSIFIED DARPA PROGRAMS	134,977	-	134,977
	61 JOINT STRIKE FIGHTER (JSF) - DEMVAL	23,900	-	23,900
	62 DUAL USE APPLICATIONS PROGRAMS	225,000	(100,000)	125,000
	63 JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	71,338	-	71,338
	67 PHYSICAL SECURITY EQUIPMENT	31,553	-	31,553
	68 INTEGRATED DIAGNOSTICS	6,514	-	6,514
	69 JOINT ROBOTICS PROGRAM	23,196	9,500	32,696
	70 ADVANCED SENSOR APPLICATIONS PROGRAM	15,379	6,000	21,379
	71 CALS INITIATIVE	1,916	4,000	5,916
	72 NATO RESEARCH AND DEVELOPMENT	13,584	-	13,584
	73 ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	15,164	-	15,164
	74 THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEMVAL	294,647	58,780	353,427
	75 HAWK SYSTEM BM/C3 - DEMVAL	-	-	-
	76 THEATER MISSILE DEFENSE BM/C3 - DEMVAL	-	-	-
	77 NAVY AREA THEATER MISSILE DEFENSE - DEMVAL	194,898	80,000	274,898
	78 NAVY THEATER WIDE MISSILE DEFENSE - DEMVAL	47,956	-	47,956
	79 MEADS CONCEPTS - DEMVAL	12,885	5,000	17,885
	80 BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISITION - DEMVAL	504,091	474,000	978,091
	81 NATIONAL MISSILE DEFENSE - DEMVAL	542,619	34,000	576,619
	82 JOINT THEATER MISSILE DEFENSE - DEMVAL	55,145	-	55,145
	83 CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEMVAL	80,000	80,000	80,000
	84 ASAT	-	-	-
	85 ISLAND SUN	-	-	-
	86 COUNTERPROLIFERATION SUPPORT - EMD	120,535	-	120,535
	87 CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	55,429	-	55,429
	88 JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	261,480	(261,480)	-
	89 THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	-	-	-

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<u>ACCOUNT</u>	<u>Line</u>	<u>FY 98</u>	<u>Change</u>	<u>Committee</u>
<u>No.</u>	<u>No.</u>	<u>Request</u>	<u>Recommendation</u>	<u>Recommendation</u>
0604864C	90 THEATER MISSILE DEFENSE BM/C3 - EMD	206,057	-	-
0604865C	91 PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD	-	-	206,057
0604866C	92 PAC-3 RISK REDUCTION - EMD	-	-	-
0604867C	93 NAVY AREA THEATER MISSILE DEFENSE - EMD	267,822	-	267,822
0305889D	96 COUNTERDRUG INTELLIGENCE SUPPORT	-	-	-
0605104D	97 TECHNICAL STUDIES, SUPPORT AND ANALYSIS	38,376	(8,000)	30,376
0605110D	98 TECHNICAL SUPPORT TO USD(A)-CRITICAL TECHNOLOGY	2,690	-	2,690
0605114E	99 BLACK LIGHT	4,683	-	4,683
0605117D	100 FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	37,474	-	37,474
0605126J	101 JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	23,100	-	23,100
0605128D	102 CLASSIFIED PROGRAM USD(P)	5,979	-	5,979
0605160D	103 COUNTERPROLIFERATION SUPPORT	7,047	-	7,047
0605218C	104 BALLISTIC MISSILE DEFENSE RDT&E PROGRAM MANAGEMENT AND SUPPORT	18,730	-	18,730
0605384BP	105 CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	-	-	-
0605502D	106 SMALL BUSINESS INNOVATIVE RESEARCH	-	-	-
0605502E	107 SMALL BUSINESS INNOVATIVE RESEARCH	-	-	-
0605710D	108 CLASSIFIED PROGRAMS - C3I	357	-	357
0605790D	109 SMALL BUSINESS INNOVATIVE RESEARCH ADMINISTRATION	1,738	-	1,738
0605798S	110 DEFENSE SUPPORT ACTIVITIES	5,992	-	5,992
0605801S	111 DEFENSE TECHNICAL INFORMATION CENTER	46,930	-	46,930
0605803S	112 R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,285	-	8,285
0605898E	113 MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	39,193	-	39,193
0208045K	114 C3 INTEROPERABILITY	25,670	-	25,670
0208052J	115 JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	2,186	-	2,186
0302016K	118 NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	2,064	-	2,064
0302019K	119 JOINT/DEFENSE INFORMATION SYSTEMS ENGINEERING AND INTEGRATION	4,721	-	4,721
0303126K	120 LONG-HAUL COMMUNICATIONS (DCS)	14,520	-	14,520
0303127K	121 SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,552	-	4,552
0303129K	122 DEFENSE MESSAGE SYSTEM	-	-	-

TITLE II - RDTE  
FY 1998 AUTHORIZATIONS

Line	ACCOUNT No.	Description	FY 98 Request	Change	Committee Recommendation
	0303131K	123 MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	2,381	-	2,381
	0303140D	124 INFORMATION SYSTEMS SECURITY PROGRAM	-	-	-
	0303140G	125 INFORMATION SYSTEMS SECURITY PROGRAM	258,593	-	258,593
	0303149J	126 C4I FOR THE WARRIOR	5,554	-	5,554
	0303149K	127 C4I FOR THE WARRIOR	-	-	-
	0303153K	128 JOINT SPECTRUM CENTER	-	-	-
	0305102BQ	130 DEFENSE IMAGERY AND MAPPING PROGRAM	109,430	-	109,430
	0305127V	131 FOREIGN COUNTERINTELLIGENCE ACTIVITIES	419	-	419
	0305139B	132 DMA MAPPING, CHARTING, AND GEODESY (MC&G) PRODUCTION SYSTEM IMPROVEMENTS	-	-	-
	0305154D	133 DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	-	-	-
	0305159I	135 DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	49,403	-	49,403
	0305190D	136 C3I INTELLIGENCE PROGRAMS	6,249	-	6,249
	0305204D	137 TACTICAL UAVS	122,004	-	122,004
	0305205D	138 ENDURANCE UAVS	216,712	-	216,712
	0305206D	139 AIRBORNE RECONNAISSANCE SYSTEMS	212,961	-	212,961
	0305207D	140 MANNED RECONNAISSANCE SYSTEMS	27,784	-	27,784
	0305208D	141 DISTRIBUTED COMMON GROUND SYSTEMS	37,653	-	37,653
	0305209D	142 DARP MANAGEMENT SUPPORT	21,543	-	21,543
	0305885G	144 TACTICAL CRYPTOLOGIC ACTIVITIES	96,667	-	96,667
	0305889G	145 COUNTERDRUG INTELLIGENCE SUPPORT	-	-	-
	0305898L	146 MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)	1,926	5,800	7,726
	0708011S	147 INDUSTRIAL PREPAREDNESS	8,720	-	8,720
	0902298J	148 MANAGEMENT HEADQUARTERS (OJCS)	10,035	-	10,035
	0902740J	149 JOINT SIMULATION SYSTEM	24,321	-	24,321
	1001017J	150 PARTNERSHIP FOR PEACE ACTIVITIES	1,993	-	1,993
	11602798B	151 SMALL BUSINESS INNOVATIVE RESEARCH/SMALL BUS TECH TRANSFER PILOT PROG	-	-	-
	151a	PTAC	-	12,000	12,000
	1160401BB	152 SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	4,161	-	4,161
	1160402BB	153 SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,009	-	8,009

**TITLE II - RD/TE  
FY 1998 AUTHORIZATIONS**

Line	ACCT	No.	Description	FY 98 Request	Change	Committee Recommendation
	1160404BB	154	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	73,073	2,700	75,773
	1160405BB	155	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	4,914	4,000	8,914
	1160407BB	156	SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,029	-	2,029
	1160408BB	157	SOF OPERATIONAL ENHANCEMENTS	26,357	-	26,357
	XXXXXXX	999	Classified Programs	1,000,149	11,500	1,011,649
			<b>TOTAL, RESEARCH DEVELOPMENT TEST &amp; EVAL DEFENSE</b>	<b>9,069,680</b>	<b>696,600</b>	<b>9,766,280</b>
	0604940D	1	DEVELOPMENTAL TEST & EVAL, DEFENSE	131,353	-	131,353
	0605130D	2	CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CTEIP)	33,836	-	33,836
	0605804D	3	FOREIGN COMPARATIVE TESTING	102,994	-	102,994
			<b>TOTAL</b>	<b>268,183</b>	<b>-</b>	<b>268,183</b>
	0605118D	1	OPERATIONAL TEST & EVALUATION, DEFENSE	13,187	8,000	21,187
	0605131D	2	OPERATIONAL TEST AND EVALUATION	10,197	-	10,197
			<b>TOTAL</b>	<b>23,384</b>	<b>8,000</b>	<b>31,384</b>

**Defense Experimental Program to stimulate competitive research**

The committee commends the Department of Defense for including \$10.0 million in the budget request to continue research under the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR) in fiscal year 1998. The committee directs, that of the funds authorized to be appropriated in PE 61103D, an additional \$10.0 million be used to fund this program, with a total of \$20.0 million available for DEPSCoR.

**Chemical and Biological Defense Program**

The budget request included \$530.9 million for the chemical-biological defense program, including \$320.9 million in research and development, test and evaluation and \$210.0 million in procurement. In addition to the funds requested for the chemical-biological defense program, the budget request included \$61.0 million for the biological warfare defense program (PE 62383E).

The committee recommends an increase of \$6.5 million for chemical and biological research and development activities and a \$6.5 million reduction for biological defense activities in PE 62383E.

The Department of Defense (DOD) identified an excess of \$16.1 million of the fiscal year 1997 funds within procurement for the chemical and biological defense program that are not executable until the end of fiscal year 1999. The planned acquisition strategy for the biological integrated defense systems (BIDS) in fiscal year 1997 included procuring 36 systems and spares. However, only 14 systems are to be assembled by the Army's Chemical and Biological Defense Command by the end of fiscal year 1998, with the remaining 22 systems being assembled by the end of fiscal year 1999. According to the Department, there is no need to procure systems far in advance of assembly, and the reduction would not affect the chemical and biological defense program. The committee believes this source should be redirected to procurement and research and development efforts in the chemical-biological defense program, and counterproliferation and counterterrorist research and detection efforts to protect against the use of weapons of mass destruction.

*Medical defenses against biological agents*

Gaps exist in the biological warfare defense capability of the United States and should be corrected in an expedited and cost-effective manner. Recent developments in therapeutic human antibody technologies offer a possible solution. The Senate report on the National Defense Authorization Act of Fiscal Year 1997 (S.Rept. 104-267) required the Department of Defense to report on the utility and possible benefits of this medical technology in reducing the biological agent threat. However, to date, the committee has not received any information from DOD on this technology. The committee understands that private medical industry can provide the expertise and support to initiate a program of this nature in a timely manner. The committee has urged the Department on many occasions to leverage the expertise resident in private industry, particularly when there is experience and a proven track record can be shown.

The Department's current plans are built around the use of vaccines. However, the pool of vaccine producers is small. Biological warfare threats can evolve much faster than the vaccine development cycles. The committee understands that the development and production of therapeutic human antibodies has a proven track record. Work in this area has been established and is available in FDA licensed commercial firms. The committee recommends that DOD leverage the resident expertise within private industry to conduct a feasibility study on the use of therapeutic human antibodies in the Department's plan to protect U.S. forces against the evolving biological threat. The Department should submit a report to Congress on its findings by December 31, 1998. At a minimum, the study should include an analysis of the threats, agents, the enemy stocks to select target candidates against which to develop antibodies and the possible tradeoff of the use of human monoclonal antibodies as a medical defense against biological agents. Of the funds requested in fiscal year 1998 in PE 62383E, the committee directs that \$1.5 million be used to conduct a study on the use of antibodies as medical defenses against biological agents.

Additionally, the committee recommends an increase of \$2.0 million in PE 61384BP for a joint service core research program to develop a prototype hybrid integrated sensor array for chemical and biological point detection. The committee understands that this program would integrate metal-oxide and biochemical film technologies with piezoelectric/optical sensors and study the response of sensor prototypes to chemical and biological agent simulants, such as organophosphorus, bacteria and ovalbumin. The committee supports efforts to expand the knowledge in military relevant fields of chemical and biological research that could improve the operational performance of present and future DOD components.

#### *Domestic Emergency Response Program*

The budget request for fiscal year 1998 included \$48.7 million for domestic emergency response activities. The committee recommends authorization of the requested amount.

Since 1993, the Congress has expressed its concern with the potential domestic terrorist use of nuclear, chemical, biological and radiological agents and weapons against civilians, as well as military forces in the United States. Due to the Department of Defense expertise in the chemical and biological defense area, Congress requested a report on how DOD could use its expertise to assist in domestic terrorist incidents. On June 13, 1996, in consultation with the Federal Emergency Management Agency, a joint report was submitted to Congress by the Department of Defense and the Department of Energy, entitled "Preparedness and Response to a Nuclear, Radiological, Biological, or Chemical Terrorist Attack." In response to the recommendations made in the report, the Congress included a provision in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), that required the President to take immediate action to enhance the ability of the Federal Government to respond to domestic terrorist attacks involving nuclear, chemical, biological or radiological agents and weapons. The Congress appropriated \$42.6 million for the establishment of a Domestic Emergency Response Program to provide enhanced support

to improve the capabilities of State and local authorities to respond and provide assistance during these incidents, including \$9.8 million for DOD to conduct interagency domestic emergency response exercises.

The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (SO/LIC) has overall supervision of the domestic emergency response program, to include oversight of policy and resources. The Secretary of the Army has been designated as the executive agent of the program and will take the lead in coordinating DOD training assistance to Federal, State and local officials in responding to chemical and biological weapons threats. The Army Director of Military Support (DOMS) will serve as the focal point for coordination, and the Chemical and Biological Defense Command (CBDCOM) has been appointed as the program director for management execution of the program. The committee understands that the Army will also take the lead in coordinating DOD assistance to the Department of Energy, in domestic terrorist incidents involving nuclear weapons.

#### *Chemical-biological response teams*

Section 1414 of the National Defense Authorization Act for Fiscal Year 1997 required DOD to establish at least one chemical-biological emergency response team, similar in concept to the Nuclear Emergency Search Team and Accident Response Groups. The committee understands that DOD is in the process of establishing a consequence management response task force under the unified command structure that will consist of several DOD consequence management response elements. The committee also understands that this consequence management response task force will include elements from the U.S. Army's Technical Escort Unit (TEU), the U.S. Army Medical Research Institute of Chemical Defense (USAMRICD), the U.S. Army Medical Research Institute for Infectious Diseases (USAMRIID), and the U.S. Marine Corps Chemical/Biological Incident Response Force (CBIRF). The Navy/Marine Corps activated the Chemical/Biological Incident Response Force (CBIRF) in June 1996 to respond to chemical and biological incidents occurring on Naval installations and Department of State legations around the world. In order to maintain the necessary capabilities to support Federal response to threats or acts of chemical or biological weapons terrorism, the committee believes that it is important that DOD ensure the effective coordination of the expertise resident within the Chemical and Biological Defense Command, DOD medical organizations, the TEU, and the CBIRF, so that resources and funds are leveraged to the fullest extent possible to ensure the ability to respond to an incident involving chemical and biological weapons.

Recognizing the achievements of the Technical Support Working Group (TSWG), a subgroup of the Interagency Working Group on Counter Terrorism, in coordinating interagency and international research and development requirements for combating terrorism, and SO/LIC's Counterterror Technical Support (CTTS) Program in developing responsive solutions to these requirements, the committee directs the DOD to use the TSWG and CTTS program to coordinate the research and development requirements of the DOD re-

sponse elements for chemical and biological terrorism. To ensure that programs and requirements address the highest priority deficiencies, SO/LIC will continue to coordinate its efforts in the CTTS program with the Counterproliferation Support Program (CPSP) and the Chemical and Biological Defense Program (CBDP).

The U.S. Marine Corps has identified a \$4.5 million unfunded research and development requirement for biological detectors to support the CBIRF. The committee recommends an increase of \$4.5 million to the chemical and biological defense program (PE 62384BB). The committee directs the Marine Corps to coordinate this, and other Marine Corps research and development requirements for combatting terrorism, with the TSWG. The committee understands that the TSWG will ensure that all research, development and acquisition efforts in support of the CBIRF are fully integrated and coordinated with other DOD research and development efforts for combatting terrorism, as well as with overall DOD technology efforts related to chemical and biological defense.

### Ballistic Missile Defense Organization funding

The fiscal year 1998 budget request included approximately \$2.6 billion for the Ballistic Missile Defense Organization (BODO), including funds for research, development, test, and evaluation (RDT&E), and military construction. The budget request also included \$386.4 million in procurement funds formerly managed by BODO that were transferred to the military services. As addressed elsewhere in this report, the committee recommends that these procurement funds be transferred back to BODO. Consistent with this recommendation, the committee will address these fiscal year 1998 procurement funds as part of the budget request for BODO.

The committee's recommended funding allocations for BODO in fiscal year 1998 are summarized in the following table. Additional programmatic and funding guidance are also provided below.

#### BODO FUNDING ALLOCATION

[In millions of dollars]

Program	Request	Change	Recommendation
Support Technology .....	249.5	+188.4	437.9
THAAD <sup>3</sup> .....	560.7	-202.7	358.0
TMD-BM/C3 <sup>1</sup> .....	20.2	.....	20.2
Navy Lower Tier <sup>2</sup> .....	283.3	.....	283.3
Navy Upper Tier .....	194.9	+80.0	274.9
MEADS .....	48.0	.....	48.0
BPI .....	12.9	+5.0	17.9
NMD <sup>3</sup> .....	504.6	+474.0	978.6
Joint TMD <sup>3</sup> .....	544.6	+34.0	578.6
PAC-3 <sup>2</sup> .....	556.8	.....	556.8
BODO total .....	2,975.5	+578.7	3,554.2

<sup>1</sup> Procurement only.

<sup>2</sup> Procurement and RDT&E.

<sup>3</sup> RDT&E and Military Construction.

### Support technology

The committee continues to support BODO's wide bandgap electronic material development program. Higher speed and higher temperature operation afforded by wide bandgap electronic materials could enhance the miniaturization and functionality of ad-

vanced sensors and processing systems for space-based ballistic missile defense (BMD) sensors and ground-based radar systems. The committee recommends an increase of \$14.0 million in PE 62173C to support this important activity.

The committee continues to support the Atmospheric Interceptor Technology (AIT) program to develop and flight test advanced kill interceptors with potential applications for a wide range of theater missile defense (TMD) programs. The committee recommends an increase of \$40.0 million in PE 63173C to continue the AIT program.

The committee supports the efforts of the U.S. Air Force and BMDO to develop a joint program for proceeding toward a space-based laser (SBL) flight demonstrator. The committee notes that the Director of BMDO commissioned an independent review team (IRT) to study the space-based laser program and recommend a preferred course of development. According to the SBL-IRT, the most prudent course for the SBL is to proceed on a low risk program that could lead to a launch of an ABM Treaty compliant space demonstrator in fiscal year 2005. To achieve this goal, the SBL-IRT recommended a funding level of \$148.0 million for the SBL program in fiscal year 1998. The committee endorses the SBL-IRT recommendations and recommends an increase of \$118.0 million in PE 63173C to begin implementing them. The committee believes that such an SBL readiness demonstrator can be conducted without violating the ABM Treaty. In addition, proceeding with a readiness demonstrator will not commit the United States to development or deployment of an operational SBL program, but will preserve this option for future consideration.

The committee is concerned that, following an investment of approximately \$800.0 million to develop and launch the Midcourse Space Experiment (MSX) satellite, BMDO and the Air Force now have not allocated funding to continue operation of this system following the failure of the cryo-cooler system. The committee notes that the Air Force has developed a proposal for an advanced concept technology demonstrator (ACTD) to continue MSX operation to exploit the sensors that remain operational. The Air Force has estimated that such an ACTD would require \$6.4 million in fiscal year 1998. The committee is disappointed that these funds were not identified by the Department of Defense. Given the degree of useful life remaining in the MSX system and the amount of valuable data it could still collect, the committee recommends an increase of \$6.4 million in PE 63173C to continue operations of the MSX satellite. However, the committee expects the Department of Defense to request the necessary funding to continue MSX operations in fiscal year 1999 and beyond.

The committee has supported BMDO's efforts to evaluate innovative launch concepts, especially those utilizing pressure-fed rocket engine technology. The committee recommends an increase of \$10.0 million in PE 63173C to support low cost launch concepts, including the Scorpius concept.

#### *Theater High Altitude Area Defense system*

The committee continues to support the development, production, and fielding of Theater High Altitude Area Defense (THAAD) as a

matter of highest priority. The committee notes that, notwithstanding recent failures to achieve an intercept of a target, the THAAD system has accomplished virtually all other test objectives to date. The committee is encouraged by the recent findings of the two review teams that have evaluated the THAAD design and development program: specifically, that the THAAD system design and operational requirements are fundamentally sound.

The committee understands that, due to delays in the THAAD flight schedule, funds appropriated in fiscal year 1997 and funds contained in the budget request for fiscal year 1998 for THAAD are currently excess to the THAAD program in those specific fiscal years. The committee, therefore, recommends a reduction of \$202.7 million in fiscal year 1998 and directs BMDO to use excess fiscal year 1997 funds to cover necessary fiscal year 1998 requirements, as requested by the Secretary of Defense. This reduction is made without prejudice to the THAAD program and with the expectation that DOD will make up these funds in the outyears. The committee also recommends the transfer of the remaining \$58.8 million fiscal year 1998 THAAD Engineering and Manufacturing Development (EMD) funds to the THAAD Demonstration and Validation (Dem/Val) account, for a total authorization of \$353.4 in PE 63861C. The committee understands that approximately \$340.0 million will need to be added to the THAAD program in fiscal years 1999 and 2000 to properly realign THAAD funding. The committee expects the Department of Defense to add such funds in the Future Years Defense Program, and to take such measures as may be possible to accelerate fielding of the THAAD first unit equipped (FUE), consistent with a moderate risk program.

#### *Navy Upper Tier (Theater Wide)*

The committee continues to strongly support the Navy Upper Tier program. The committee welcomes the administration's decision to increase funding for this program and to position it to become a major defense acquisition program. The committee, however, does not believe that sufficient funding has been added or sufficient priority attached to this program. The committee notes that the Chief of Naval Operations has recommended an increase of \$80.0 million for this program in fiscal year 1998. Such an increase would enable acceleration of the AEGIS/Lightweight Exo- Atmospheric Projectile (LEAP) intercept test to the maximum extent now achievable. The committee supports this acceleration and recommends an increase of \$80.0 million in PE 63868C.

#### *Boost phase interceptor*

The budget request includes \$12.9 million for the U.S.-Israeli boost phase intercept system based on an unmanned aerial vehicle (UAV). This level of funding, however, is insufficient to adequately support necessary risk reduction efforts. Therefore, the committee recommends an increase of \$5.0 million in PE 63870C to support such efforts.

#### *National Missile Defense*

The budget request for the National Missile Defense (NMD) program was \$504.1 million. The committee has maintained for the

last several years that the NMD program is severely underfunded. In the context of the Quadrennial Defense Review, the Department of Defense has acknowledged this funding shortfall and recommended an increase of \$474.0 million for NMD in fiscal year 1998, and approximately \$2.3 billion over the years of the Future Years Defense Program (FYDP). The committee notes that this does not include any funding for the actual deployment of an NMD system.

Although the committee is pleased that the Secretary of Defense has sought to clarify actual NMD funding requirements, it is disappointed that it has taken so long. Even with significant congressional increases over the last two years, the NMD program remains high risk, largely due to the Department's failure to adequately fund robust testing activities. Unfortunately, the addition of \$474.0 million in fiscal year 1998 will do little in the near-term to compensate for this neglect. The committee is concerned by the lack of detail accompanying the Secretary of Defense's request to increase the NMD program budget by \$2.3 billion over the FYDP. In addition, the committee is not satisfied with the degree of information provided to date on how past NMD funding increases have been spent. Therefore, the committee directs the Secretary of Defense to submit a report to the congressional defense committees, not later than November 1, 1997, providing a detailed accounting of how NMD funds have been spent since the beginning of fiscal year 1996 and a detailed plan for the allocation of NMD funding in the FYDP. In addition, the Secretary shall provide a detailed description of the cost estimating and cost control mechanisms in place within DOD for the NMD program, and an assessment of whether they are adequate.

The committee supports the NMD Joint Program Office and the decision to award a contract for a lead system integrator (LSI). The committee urges BMDO to proceed expeditiously with selection of an LSI contractor and the overall NMD program. Therefore, the committee recommends an increase of \$474.0 million in PE 63871C.

The committee believes that BMDO should continue to explore sea-based NMD options. The committee is aware of analysis that shows that a version of the Navy Upper Tier theater missile defense (TMD) system could be employed in an NMD role. Therefore, the committee directs the Director of BMDO to submit a report to the congressional defense committees by February 15, 1998, describing whether and how the Navy Upper Tier program could be upgraded in the future to provide a limited NMD capability. The report should address the technical issues associated with a sea-based NMD option as well as costs associated with such a concept. The report should also address whether and how a sea-based NMD system could be integrated into and supplement a ground-based NMD system, and whether and how a sea-based system could provide additional capabilities in support of the requirements for the existing NMD program.

#### *Joint theater missile defense*

The committee supports the efforts being performed at the Army Space and Strategic Defense Command's Advanced Research Cen-

ter (ARC). The ARC continues to be a valuable tool in support of the Army's development of both theater and national missile defense systems. Therefore, the committee recommends an increase of \$7.0 million in PE 63872C for support of the ARC.

The budget request includes \$38.7 million for BMDO's Israeli Cooperative Project, which includes funding for the Arrow ballistic missile defense system. The committee recommends an increase of \$15.0 million in PE 63872C to support interoperability design so the Arrow can operate alongside forward deployed U.S. missile defense systems. The committee urges BMDO to identify additional funds in the outyears to continue this important cooperative effort to ensure that U.S. systems are fully complemented by the Arrow system.

The committee notes that the Secretary of Defense has requested that an additional \$12.0 million be added to the budget request to support the Department's efforts to develop a theater air and missile defense integrated systems architecture. The committee supports this request and recommends an increase of \$12.0 million in PE 63872C for this purpose.

#### **Reuse technology adoption program**

The committee recommends an increase of \$2.5 million in PE 62301E to continue efforts focused on software reuse technology, methodologies, and education programs in the Department of Defense. The program should focus on using evolutionary approaches to the use of software recycling for constructing new systems based on a common architecture.

The committee believes that there is significant application for reuse technology in the commercial sector. Therefore, the committee directs the Secretary of Defense to require that each non-federal provider under this program prepare and submit a management plan for transitioning its program to 100 percent non-federal funding within an appropriate time period specified by the Secretary.

#### **Tactical technology**

The committee recommends an increase of \$3.0 in PE 62702E to provide for lethality demonstration and the definition of a tactical configuration of the small low-cost interceptor device (SLID). This will allow for an assessment of integration and configuration of SLID on the Abrams, Bradley, and HMMWV platforms.

#### **High definition display systems**

The committee recommends an increase of \$18.0 million in PE 62708E to accelerate the development of rugged and flexible high definition displays for use in military applications. The committee also intends that the additional funds be used to increase the number of evaluations of emerging display technologies in such applications.

#### **Hard carbon-based coatings**

The committee recommends an increase of \$1.0 million in PE 62712E to ensure effective transition of technologies using pulsed

laser deposition of hard carbon coatings to specific applications in the Department of Defense.

#### **Seamless high off-chip connectivity**

The committee recommends an increase of \$7.5 million in PE 62712E for continued research and development of Seamless High Off-Chip Connectivity (SHOCC) to improve the price and performance characteristics of computing capability for the military. The committee directs that all applicable competitive procedures be used in the award of any contract or other agreement under this program, and that robust cost-sharing requirements for non-federal participants be used where applicable. The committee believes that this technology has a number of significant commercial applications and intends that any future funding be contingent on strong commercial investment in the technology.

#### **Defense Special Weapons Agency**

The committee recognizes that the end of the Cold War has changed the risk to the United States from a nuclear weapons attack. However, the threat is evolving, not disappearing. The committee is concerned that budget reductions and a resulting loss in technical expertise have caused the nation's ability to analyze the effects of a nuclear weapons attack on military and other systems and structures, and to provide reliable and timely technical guidance to drop below acceptable levels. As noted previously by the committee, the Department of Defense (DOD) must take concrete steps to ensure that the military services and civilian personnel retain their nuclear core competencies and critical scientific and engineering skills.

The committee believes that additional funding is necessary to maintain stewardship of this national capability and recommends a \$15.0 million increase to the budget request for fiscal year 1998 for the Defense Special Weapons Agency (DSWA) for research and development activities related to maintaining critical core competencies and skills in nuclear weapons effects. Additionally, the committee believes the Department should increase its annual fiscal year funding levels in this area by \$10.0 million annually in order to sustain a more robust program to understand, predict, and mitigate effects of nuclear explosions.

#### **Structural Response and Blast Mitigation**

Research and development on weapon effects, weapon and target interaction, and force protection technologies have wide antiterrorism applicability. Expedient identification of promising technologies and materials by the Technical Support Working Group (TSWG), could provide the means to reduce the vulnerability of key military, government, and public buildings to terrorist attacks involving conventional explosives. In particular, Defense Special Weapons Agency's (DSWA) expertise in the area of weapon and target interaction represents an investment which should be leveraged to the fullest extent possible to advance further the understanding of structural response to blast and to develop blast and shock mitigation technologies, including those which can be retrofitted to existing structures.

The committee encourages the Department to utilize DSWA expertise and unique testing capabilities to accelerate the fielding of new protective technologies including affordable and practical retrofit options for existing structures. Additionally, the committee suggests the Department leverage existing, promising technologies designed to mitigate earthquake and corrosion related damage. The committee recommends that the Department consider developing a set of structural engineering design guidelines and standards modeled after those developed by other Federal agencies, like those developed by the Department of State for new embassy office buildings, to prevent the collapse of buildings and structures subjected to heavy blast loads.

*Vulnerability of electronic technologies and space systems to radiation and electromagnetic pulse*

The United States continues to expand its military and commercial reliance on advanced electronic technologies and space systems. The committee has previously expressed its concern that the Department is not paying enough attention to the potential vulnerability of the next generation satellites and high technology upon which U.S. forces depend and in which industry is investing billions of dollars, to the effects of radiation and electromagnetic pulse (EMP).

In response to the committee's concerns, the Defense Special Weapons Agency has conducted activities that have shown electronics, computers, and communication systems can be highly susceptible to disruption and damage from high altitude nuclear, as well as conventional, explosions. The committee notes that a potential adversary possessing only a few nuclear weapons could seriously impair or negate military operations, as well as critical civil and commercial activities, and is concerned that funding reductions have permitted only limited attention to this rapidly growing problem. The committee recommends an increase of \$3.0 million to examine further the national implications of high altitude nuclear and conventional effects.

**Counterterror technical support**

The budget request for fiscal year 1998 included \$34.9 million for the counterterror technical support program for antiterrorism and counterterrorism projects which support and are integrated into the national interagency response to national terrorism. The program also addresses deficiencies cited in response to questions about the adequacy of counterterrorism research and development posed in Presidential Decision Directive 39 (PDD-39).

The committee recommends an increase of \$6.0 million for structural response and blast mitigation research and development, \$6.0 million for counterterrorist explosive research, and \$3.0 million for the demonstration of non-intrusive inspection technologies.

The tragic Khobar Tower incident in Saudi Arabia highlighted the vulnerability of U.S. forces and the need for more adequate protection against these heinous acts of terrorism. In order to enhance the security of persons and property of the United States, the committee believes it is necessary to develop innovative security technologies.

The committee supports collaborative efforts with allies who have demonstrated counter-terrorism capabilities, such as Israel and the United Kingdom, which can provide the United States a cost-effective way of remaining at the cutting edge of technology. The committee understands that the Department of Defense (DOD) recently collaborated with Israel and the United Kingdom on an international cooperative research and development program to strengthen existing structures against terrorist and ballistic missile attacks. The committee recommends an increase of \$6.0 million to the budget request to examine retrofit options and to develop design guidelines for new and existing structures. This effort should include the use of composite systems and retrofit applications technologies such as those demonstrated for seismic retrofitting of highway columns and corrosion damage.

The committee has supported funding for a non-intrusive inspection technology, known as pulsed fast neutron analysis (PFNA). The committee believes this technology could provide the Department with a broad spectrum of automated inspection/detection operations capability, which could aid in the search for explosives, chemical and biological agents, toxic materials, and special nuclear materials. The committee recommends that the remainder of the increase recommended for this program be utilized for the demonstration of the PFNA.

#### *Research and Development for Combating Terrorism*

The committee understands that the Office of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (SO/LIC) currently coordinates and is responsible for the execution of all aspects of the Department's interagency research and development (R&D) efforts for combating conventional and unconventional (weapons of mass destruction) terrorism within the Counterterror Technical Support (CTTS) Program. Through its role as the Executive Agent for the Technical Support Working Group (TSWG) and the CTTS Program, SO/LIC has the full perspective on multiagency and international R&D to combat terrorism. The TSWG, a subgroup of the Interagency Working Group on Counterterrorism, is responsible for the development of technologies to meet the needs for combating terrorism, while ensuring integration and coordination with all agencies across the government and with specified countries. Recognizing this success in coordinating among many agencies nationally and with three countries internationally, and acknowledging ongoing efforts that support state and local response requirements, the committee recommends that the DOD continue, through the TSWG, to work closely with Federal agencies responsible for addressing the equipment needs of state and local responders.

#### **Advanced lithography**

One of the five principle components of the Revolution in Military Affairs, as outlined in the Secretary's Quarterly Defense Review, is "a robust multi-sensor information grid providing dominant awareness of the battlespace to our commanders and forces". The new systems that will provide this battlefield awareness are de-

pendent on the continued evolution of computer technology and particularly, the availability of smaller and faster microchips.

The Navy's proximity x-ray lithography program is focused on producing microchips that enable processors with speeds thousands of times faster than current technology. The new microchips would make it possible for the Department of Defense (DOD) to develop and field: extremely high-speed processors for real-time threat identification, identification of friendly forces, automatic target recognition, and autonomous operational capabilities; microelectromechanical systems (MEMS) for remote sensing and countermeasures; multispectral, infrared, and electro-optical sensors for threat and target identification; autonomous smart sensors and systems capable of self-preservation; and high-resolution displays for command centers and tactical operators.

The demonstration of a related program for the development of a point-source x-ray lithography system capable of sub-0.15 lithography is near completion. That technology has a number of near-term applications in the low volume production of monolithic microwave integrated circuits (MMIC) for military uses.

The committee recommends an increase of \$23.0 million to PE 63739E to continue the proximity x-ray lithography program and an increase of \$2.0 million in the same program element to complete the point-source x-ray lithography program in fiscal year 1998 under the current memorandum of understanding between the Defense Advanced Research Projects Agency (DARPA) and the Navy. The committee recommends a decrease of \$3.0 million in project MT-06 in the same program element as a partial offset for these recommended increases. The committee directs the DOD to focus the funds for the proximity portion of the increase on the following priorities: (1) development of an e-beam pattern generator; (2) resist development, absorber stress control, and other key elements of process development; (3) stepper upgrades; (4) mask repair; and (5) mask inspection.

The committee is concerned that the advanced lithography program has yet to bear fruit, despite substantial expenditures over an eight-year period. Therefore, the committee directs that Naval Air Systems Command, in consultation with the Naval Research Laboratory, submit to Congress, within 180 days of enactment of this Act, a plan to expeditiously complete the project with fieldable technology. The plan shall not exceed three years and should contemplate a minimum of 50% cost-share by industry in fiscal year 1998 and a substantially greater industry share in any subsequent effort. If it is not feasible to develop fieldable technology within the period specified, the DOD is directed to discontinue the effort after fiscal year 1998. In light of the important defense implications of this technology, the committee directs the Navy to include provisions in research contracts or other agreements in this area to adequately protect against technology transfer to foreign nations.

#### **Advanced concept technology demonstrations**

The committee notes that the budget request of \$121.0 million for advanced concept technology demonstrations is more than twice the amount of \$56.9 million authorized and appropriated for fiscal year 1997. The committee recommends a reduction of \$20.0 million

in PE 63750D, without prejudice, to fund other higher priority programs.

#### **Electronic commerce resource centers**

The committee recommends an increase of \$3.0 million in PE 63753D for the establishment of a new electronic commerce resource center to complement the existing network of centers. The committee urges the Department of Defense to consider establishment of the new center at an institution of higher learning that has a record of success in commercial electronic projects. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

#### **High performance computing modernization program**

The committee recommends an increase of \$25.0 million in PE 63755D to sustain the operations of supercomputing centers established with Department of Defense (DOD) funds. The centers can play an integral role in helping the Department meet its supercomputing capability requirements. The Air Force Phillips Laboratory and Air Force Space Command continue to rely on one such center to provide image processing and simulation capabilities. Another such center continues to provide key support to the Ballistic Missile Defense Organization and the Navy. The committee directs that the distributed centers that are the recipients of the funds included in this increase develop management plans that includes a reasonable period of transition to full sustainment funding by government and non-government facility users. Therefore, the committee directs that the distributed centers, in conjunction with the DOD, prepare and submit such plans to the congressional defense committees no later than March 15, 1998.

#### **Reductions in new starts**

The committee notes with concern the significant growth in funding for new starts in a number of programs managed by the Defense Advanced Research Projects Agency. Therefore, the committee recommends a reduction of \$5.0 million in PE 63760E and \$5.0 million in PE 63762E.

#### **Large millimeter-wave telescope program**

The committee recommends an increase of \$3.5 million in PE 63762E to complete the Department of Defense (DOD) portion of the development of the large millimeter-wave telescope. The committee believes that future years DOD funding for this project should not be necessary.

#### **Land warfare technology**

The committee recommends an increase of \$4.4 million in PE 63764E to complete wind tunnel testing of rotor technology under the active structural control program. The committee believes that this program has significant potential to reduce the acoustic signature as well as to lower life-cycle costs of rotary wing aircraft. The committee expects the Army to budget for the application of this

technology on new systems and systems in the current inventory, should the technology complete successful testing.

#### **Vehicle teleoperation capability development program**

The committee recommends an increase of \$9.5 million in PE 63709D to accelerate the development of the vehicle teleoperation capability (VTC) development program to allow for the fiscal year 1999 procurement of the VTC by the military services. This technology will allow near-term deployment of capabilities for the remote operation of vehicles to reduce risks to military men and women during hazardous operations. The technology has already demonstrated an ability to save lives during testing in Bosnia.

#### **Non-acoustic antisubmarine warfare**

The budget request contained \$15.4 million, a 40 percent decline from fiscal year 1997, for the Department of Defense (DOD) advanced sensor applications program (ASAP). This program emphasizes the application of non-acoustic technology to antisubmarine warfare. The ASAP operates within the DOD as an independent effort that complements a parallel Navy submarine security program. It provides an alternate emphasis and focus to ensure that a diverse array of antisubmarine technologies are evaluated and technological surprise does not occur.

As discussed elsewhere in this report the committee has recommended an increase of \$3.0 million in PE 63714D for the high frequency active auroral research program (HAARP). As a separate matter, based on testimony regarding the worldwide proliferation of modern diesel and air independent propulsion submarines and the increased capabilities of advanced nuclear submarines that the Director of Naval Intelligence provided during a committee hearing in April 1997, the committee is very concerned about the declining emphasis on the ASAP implied by the lower than expected budget request. The committee recommends authorization of \$18.4 million, an increase of \$3.0 million, in PE 63714D for the ASAP to continue work on scattering theory, microwave radiometry, multispectral analysis, and ocean imaging investigations and other on-going advanced sensor application programs. Further, the committee expects that the DOD will proceed in accordance with the plan proposed to the committee by the Assistant Secretary of the Navy for Research, Development, and Acquisition in correspondence dated March 11, 1997, for the competitive evaluation of the ATD-111 light detection and ranging sensor and the April Showers sensor.

#### **Integrated data environment program**

The committee recommends an increase of \$4.0 million in PE 63736D for the integrated data environment (IDE) program within the Continuous Acquisition and Life-cycle Support activities (CALS). The committee believes this program to have significant potential for increasing spare parts availability through improved electronic data exchange.

#### **Technical, studies, support and analysis**

The committee recommends a reduction of \$8.0 million for unnecessary funding growth in PE 65104D. The committee notes that the

recommendation provides the same funding level as was authorized and appropriated for fiscal year 1997.

### **Command Intelligence Architecture/Planning Program**

The Command Intelligence Architecture/Planning Program (CIAP) was established by the Office of the Secretary of Defense to provide the unified commands with an intelligence planning process that documented intelligence requirements linkage to mission accomplishment, current and required future intelligence capabilities, and strategies to achieve required outyear capabilities. In view of CIAP's success, the focus of the program has been expanded to encompass command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR). The program now supports the broader goal of C4ISR integration throughout the Department of Defense, with special emphasis on supporting the nine unified commands. The committee endorses the broadened focus of CIAP and recommends an increase of \$5.8 million in PE 35898L to ensure this vital effort is adequately funded. The committee directs the Secretary of Defense to fully fund this program in the outyears.

### **Communications helmet**

The budget request includes \$1.7 million for research and development of special operations equipment advanced requirements. The committee received a Special Operations Command request for additional resources to procure prototype communications helmets for evaluation. The committee supports this effort and recommends an increase of \$0.3 million in PE 1160404BB.

### **Heavy sniper rifle**

The committee notes the ongoing effort of the Special Operations Command (SOCOM) to support Army efforts to test, evaluate, and type classify a new .50 caliber ball round for the heavy sniper rifle. The committee recommends an increase of \$0.4 million in PE 1160606BB to support the SOCOM contribution to the joint effort, which is projected to save approximately \$1.7 million annually in procurement unique to special operations.

### **Improved limpet assembly modular**

The budget request included \$0.8 million to begin development of the improved limpet assembly modular (ILAM). This activity includes the design, fabrication, and testing of the ILAM system, a weapon designed to incapacitate ships in port. The committee notes an unfunded requirement to begin this program. Therefore, the committee recommends an increase of \$1.0 million in PE 1160404BB to fund the initial development of this critical capability.

### **Remote activation munition systems**

The budget request includes \$6.4 million to continue development and selective procurement of remote activation munition systems (RAMS). The committee notes an unfunded requirement to complete development of type B and type C receivers as well as an unfunded requirement for the procurement of type A receivers. The

committee recommends an increase of \$1.0 million in PE 1160404BB to complete development work on these receivers and \$2.0 million in procurement to acquire the inventory objective for the type A receiver.

#### **USSOCOM joint threat warning system training system**

The U.S. Special Operations Command (USSOCOM) is developing an integrated tactical system called the joint threat warning system (JTWS). When development is complete, the system will provide:

- (1) monitoring and direction finding of communications and non-communications signals;
- (2) receipt and correlation of tactical intelligence broadcasts; and
- (3) processing support for the tactical application of received data.

JTWS is being designed as a scaleable system that will consist of user-defined modules that are driven by a software system compatible with a variety of JTWS configurations matched to the needs of various USSOCOM weapons systems.

To enhance crew and individual performance, USSOCOM is concurrently developing a JTWS training program. This effort, begun in fiscal year 1997, will develop embedded proficiency and operator tutorial training modules that can be used for garrison, enroute, and deployed training. Successful development of the JTWS training system will obviate the need for a separate and expensive training infrastructure for JTWS and a need to procure additional tactical systems solely to meet training requirements.

The committee supports efforts to reduce training infrastructure costs, which can add considerably to a combat system's life cycle costs, and to maintain complimentary development schedules for the JTWS and its associated training system. Accordingly, the committee recommends an increase of \$6.0 million in PE 1160405BB for continued development of the embedded JTWS training system. Of this amount, \$4.0 million would be to complete the development of the training modules and an additional \$2.0 million would support procurement of embedded proficiency trainer production models and operator training tutorial modules. The committee also recommends an additional increase of \$1.0 million of operations and maintenance funding to support the developmental effort.

#### **Operational test and evaluation**

The committee recommends an increase of \$8.0 million in PE 65118D to allow the Director, Operational Test and Evaluation, to more fully support the warfighting commanders through the CINC Operational Field Assessment program. The committee views this program as a primary mechanism to support the exploration of operational concepts and to address critical issues in a quick response mode. Given the apparent support for this program within the Department of Defense, the committee expects that the increase will only be necessary for fiscal year 1998 and that the DOD will include adequate funding for the program in future year budget requests.

## OTHER ITEMS OF INTEREST

### 600 gallon fuel tanks for F-16

The Air Force is conducting a limited demonstration of 600 gallon fuel tanks for certain F-16 missions. Once the initial tests and analysis are complete, a flight clearance with a limited flight envelope will be issued for further demonstrations.

The committee understands that a preliminary study in calendar year 1993 suggested that flying with the 600 gallon tanks on Block 50 F-16 aircraft for up to 20 percent of its flight hours would be acceptable and would not reduce the useful service life of the aircraft. Because of concerns regarding structural limits and fatigue, the committee is not prepared to recommend additional funding for the 600 gallon tanks. The Air Force must first complete testing and recommendations regarding F-16 structural fatigue.

Congress appropriated \$4.0 million in fiscal year 1997 to buy additional tanks presuming that testing would have been completed in early calendar year 1997. Testing to date has been hampered by defective pylons delivered to the Air Force test officials. The delay has caused a slip in initial and follow-on testing. The committee supports the Air Force's intent to complete the testing and, if the testing is successful, the use of fiscal year 1997 funds to purchase additional fuel tanks in fiscal year 1998.

### Flat panel display technology

In 1994, the Department of Defense Flat Panel Display Technology Task Force declared that flat panel display (FPD) technology was a critical technology. Because of their lower life-cycle costs and improved performance characteristics, FPD systems increasingly replace cathode-ray tubes in many U.S. military aircraft and ground combat vehicles. Suppliers within the U.S. have provided highly effective FPD systems that are custom designed to meet military requirements.

The committee is aware that as a result of cost and schedule constraints, the Department of Defense (DOD) has procured some consumer-grade displays designed primarily for laptop computers, which are then ruggedized for military use. As in the case of any commercial insertion, these procurement decisions require careful analysis of life-cycle cost and performance tradeoffs to ensure that military user needs are met. Quantitative data to support such cost and performance tradeoffs are not always readily available. Therefore, the committee directs the Under Secretary of Defense for Acquisition and Technology to perform a study of the environmental and performance requirements and test data on performance of both custom and consumer-grade FPD systems in various military platform applications. Additionally, this study should assess life-cycle costs and support issues such as commonality, supportability, and availability of both custom and consumer-grade FPD systems. The study should specifically address the potential benefits of FPD system interface standards and open systems approaches.

The Under Secretary should submit the results of this study to the committee by March 1, 1998. Weapon system program managers shall use data from this study in FPD system tradeoff deci-

sions, with the objective of meeting user needs at the lowest life-cycle cost.

#### **Improved shipbuilding competitiveness**

The committee is aware of the Navy's interest in working with the U.S. shipbuilding industry to coordinate efforts at improving the competitiveness of U.S. shipyards. Such efforts would involve the Navy, shipbuilders, suppliers, designers, and other experts in production and supply methods. Increasing the competitiveness of U.S. shipyards could yield more commercial contracts that would reduce the costs of Navy shipbuilding programs and increase stability in the domestic shipbuilding industry. The committee urges the Navy to develop a plan, working with industry, to improve the competitiveness of U.S. shipbuilding. The committee believes that this effort should involve the appropriate elements of the Office of Naval Research, the Naval Sea Systems Command, and the Defense Advanced Research Projects Agency's Maritech program.

The Navy should report the results of this planning effort to the congressional defense committees prior to submission of the fiscal year 1999 budget request.

#### **Intercooled recuperated gas turbine engine**

The budget request contained \$32.3 million in PE 63573N for continued development of the intercooled recuperated (ICR) gas turbine engine. The ICR engine is a joint development effort of the United States and the United Kingdom. Considerable resources have been devoted to development of the ICR engine as a next generation propulsion system for surface combatants. The primary objective of the program has been to develop an engine that will produce substantial fuel savings and emission reductions. Having experienced technical problems, principally as a result of deficiencies in the design and manufacture of the pre-production recuperator, the ICR program has resumed its forward progress during fiscal year 1997, successfully completing a series of test milestones.

The ICR engine was previously programmed for installation on later ships of the DDG-51 class. However, the program delays caused by the recuperator failure and a revised Navy plan for multiyear procurement of 12 DDG-51 destroyers at the lowest possible cost have caused the Navy to conclude that it is no longer cost-effective to incorporate the ICR engine into the DDG-51 class. However, the ICR engine remains a strong potential candidate for inclusion into future Navy ship designs.

The budget request and the Future Years Defense Program (FYDP) provide for continuing development of the ICR engine through its land-based test phase. However, no provision has been made for continuing development of the ICR engine beyond the land-based test phase. Specifically, there is no funding in the FYDP for at-sea testing of the ICR engine, a necessary step for its introduction into fleet ships.

The committee believes that at-sea testing is necessary to fully evaluate the operation and reliability of the ICR engine before a well-informed decision can be made regarding production and the engine's inclusion in future designs. To better evaluate this objec-

tive, the committee directs the Secretary of the Navy to prepare and submit, no later than September 30, 1997, a plan that makes provisions for at-sea testing, provides options for completion of development and introduction of the ICR engine into the fleet if testing proves successful, and contains estimates of the costs necessary to accomplish these objectives.

### **Joint experimentation plan**

The committee is familiar with the separate experimentation initiatives in which each of the military services are developing future capabilities. Ongoing initiatives include the Army's Advanced Warfighting Experiment, the Marine Corps' Hunter Warrior Exercise, Battle Labs, and numerous other efforts. The committee is very concerned that there is little or no focus or effort on joint experimentation activities. Therefore, the committee directs the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to review the experimentation efforts of the military departments and provide the committee with a joint experimentation plan directed at rapidly conceptualizing and developing the forces and joint operational capabilities needed through the 2010 timeframe.

The report should address the following: how the fielding of advanced technologies are being synchronized across the military services to enable the development of new operational capabilities; how command, control, communications, and computer (C4), and intelligence, surveillance, and reconnaissance (ISR) capabilities are being integrated jointly to achieve information superiority; how military service experimentation efforts are being linked with the joint experimentation plan designed to implement the Chairman of the Joint Chiefs of Staff's Joint Vision 2010 operational capabilities; how the Department will conduct "red team" vulnerability assessments of new technologies and ensure that new systems are effective in countermeasure environments; and whether the Department should establish an Experimental Joint Task Force composed of units from each of the military services with the mission of experimenting with new technologies, organizational structures, and joint concepts of operations. The report on Joint Experimentation will be submitted to the congressional defense committees by March 30, 1998.

### **Materials for micro system components**

The committee is aware of the capabilities at the Department of Energy Idaho National Engineering and Environmental Laboratory (INEEL) to conduct research on issues associated with the development of materials for use in the microelectromechanical systems program currently under the direction of the Defense Advanced Research Projects Agency (DARPA). The committee urges DARPA to explore collaborative research efforts with INEEL to take advantage of these existing research capabilities.

### **Minimally invasive surgery**

Minimally invasive surgery refers to procedures that permit the extensive surgical treatment of patients while minimizing the requirement to open the body with long, deep incisions. The medical

technology industry and medical research institutions have developed technologies, such as lasers, computers, optics, and robotics, and techniques to apply them, that hold great promise for advancing minimally invasive surgical capabilities. Such surgical techniques have direct and useful application for battlefield medicine, and could reduce the cost, pain, and danger of surgery performed in support of military health care during peacetime. The committee urges the Defense Department to study the benefits of sponsoring a collaborative effort of industry, medical research institutions, and the military services to identify and evaluate enabling technologies for minimally invasive surgery.

#### **National crash survival data**

For nearly thirty years the Naval Biodynamics Laboratory (NBDL) focused its efforts on the test, study, and analyses of human body response to crashes. Using this research data, NBDL initiated development of a national data bank for use in ongoing endeavors to reduce crash-related fatalities and serious injuries. In 1996, the NBDL ceased operations before the data base was completed.

The committee recognizes the great benefit of a national data base for the research community to better understand the effect of seat belts, air-bags, and seating systems on humans during crash conditions. In the United States alone, the annual toll from crash related trauma is 150,000 deaths and more than 200,000 brain and spinal cord injuries. On a global scale, it has been estimated that half a million people die annually and about 15 million are injured as a result of traffic crashes alone.

The committee believes that Department of Transportation would be a more appropriate repository for this data. The committee urges the Navy to enter into discussions to effect the transfer of this data to the Department of Transportation to make the greatest use of this valuable research.

#### **National Solar Observatory**

The National Solar Observatory (NSO) is internationally recognized as the world's best site to study the sun. NSO scientists carry out frontier research in solar physics working to understand and predict the occurrences and effects of solar flares and other bursts of radiation. The committee understands that solar activity is increasingly vital for global communications, military surveillance, and navigation.

The Air Force supports the NSO operations through its Science and Technology program in the amount of \$650,000 that is then transferred to the National Science Foundation, to operate the NSO. The committee supports the continuation of this annual contribution for the support of the NSO.

#### **Software acquisition management practices**

The committee recognizes that the Department of Defense is working to improve its management and maintenance of software intensive systems. These efforts are critical given the fact that a large percentage of the Department's software intensive programs continue to experience significant cost, schedule, and performance

problems. The committee encourages the Department to increase the use of software acquisition management practices developed by the Software Engineering Institute and successfully piloted by the military services.

#### **Terminal guidance systems for small munitions**

The committee is aware of the potential for inexpensive terminal guidance systems for small munitions, such as Hydra 70 and DRAGON, to improve the lethality of these munitions on the battlefield. Shrinking inventories of small munitions make increased lethality a vital interest of the nation's armed forces. The committee is also aware of a promising technology that may make terminal guidance systems for small, spinning projectiles realistic and affordable. The committee directs the Secretary of the Army to provide a report by March 1, 1998 to the congressional defense committees on the potential costs and benefits of terminal guidance systems for small munitions.

#### **Totally integrated munitions enterprise**

The committee notes the successful initiation of the Totally Integrated Munitions Enterprise (TIME) project at the Institute for Manufacturing and Robotic Sciences, and continues to believe that this program has potential to be a significant component of the Army's plans to meet its munitions industrial base restructuring and reconfiguration needs. The committee urges the Army to consider reprogramming funds to continue this program beyond fiscal year 1997.

#### **United States-Japan management training**

The committee continues to believe that the United States-Japan management training program demonstrates significant potential for preparing young American scientists, engineers, and managers for positions in American industry and government. The program facilitates access to Japanese research and development institutions. The committee notes that \$10.0 million was appropriated in fiscal year 1997 to continue the program. Although no funding was included in the budget request for fiscal year 1998, the committee believes that continued investment in the program may be warranted. The Secretary of the Air Force may apply funds in PE 61102F, or the Secretary of Defense may apply funds in PE 61103D, to continue the program at a maximum level of \$10.0 million.

The committee notes the significant level of funds provided to the program by non-federal sources in compliance with statutory requirements. However, the committee believes that the program should expeditiously transition to reliance on funds provided by the Department of Commerce or the primary beneficiaries of the program in the commercial industry. Any DOD funding of the program should be provided only in relation to the actual participation by the Department and the military services.

#### **Wireless communications for the digital battlefield**

The committee is aware of research and development work in the area of wireless communications for digital battlefield that was pro-

grammed to continue under the focused research initiative that was terminated in the Defense Appropriations Act for Fiscal Year 1997. The committee believes that this project has significant potential for supporting military service efforts to deploy emerging operational concepts on the future battlefield. The committee urges the Department of Defense to evaluate this project and to find the means to continue the project if it is determined that the research has sufficient promise.

### **TITLE III—OPERATION AND MAINTENANCE**

#### **“The Storm Clouds are on the Horizon”**

During the course of the year, the committee received testimony from the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the service chiefs, the unified commanders-in-chief, and several other high ranking military and civilian officials at the Department of Defense. Furthermore, members of the committee and staff spent significant time among the men and women of the operational forces, observing training operations and discussing issues that impact the readiness of these armed forces and their ability to carry out assigned missions.

Although the Administration stated that “strong support was provided for training, maintenance, supplies and other essentials needed to keep U.S. forces ready to fight and win decisively,” its budget request for fiscal year 1998 reduced real funding for these areas by \$1.4 billion. This is especially troubling at a time when the committee is beginning to hear of serious concerns expressed by U.S. military officers that the readiness of our armed forces is in jeopardy. If readiness truly remains the Administration’s highest priority, the committee fears that the other accounts (modernization, quality of life, research and development) are even more seriously underfunded.

#### *Readiness Crisis?*

Both commanders and personnel at operating units around the nation have expressed a great deal of concern regarding the readiness of the armed forces. Military units, and the personnel within them, are being overused and under funded to the point that, as one officer stated, “we are returning to the days of the hollow force.” One letter written to Senator Thurmond by a non-commissioned officer accurately captures this concern. In this letter, the individual relates the grueling pace that he has witnessed of both active and Reserve components in support of peacekeeping and other contingency operations. In one case, he noted the “18–23 hour days, 7 days a week” schedule that he and his companions endured while deployed to Southwest Asia. He also expressed concern regarding the condition of the equipment supplied to the armed forces. “We have old, worn out equipment that is difficult to maintain because we cannot always get the parts needed to repair them.” He concludes by stating that “it is the same way wherever we go; outdated, broken equipment, a lack of spare parts, overworked and underpaid GIs, resulting in an inability to perform our mission.”

While there is no doubt that our military forces are the finest in the world, that they are performing their assigned missions, and are capable of defeating any potential enemy of today, there is concern that, given current trends, this state of affairs will not always remain true. This concern is best captured by the words of one military officer when he stated, "the storm clouds are on the horizon."

The concerns of this officer were echoed by a number of other commanders who remember with considerable distress the condition of the armed forces in the latter part of the 1970s. These concerns are not reflected in the official reports the committee has received from the Pentagon. In fact, rather than indicating that there are problems, these reports and statements indicate that the readiness of our military forces are at an all-time high. It is not clear why there is such a discrepancy between the concerns of some operational commanders and official reports. However, this discrepancy is troubling to the committee.

#### *Causes and Solutions*

There are two key factors that threaten to undermine the readiness of our forces; a lack of adequate funding and, the over-commitment of a greatly reduced force structure. Unless we take the necessary steps to correct these problems, our military capability will incur significant degradation as we enter the 21st century.

Although the entire defense budget is insufficient to meet the demands that this administration places upon the armed forces, it is the modernization accounts that provide us with the greatest challenge. The inadequate funding within these accounts, particularly with the procurement programs, exacerbates the problems caused by other funding shortfalls. For example, much of our military equipment is aging rapidly and requires increased maintenance, driving a need for increased operations and maintenance (O&M) funding. However, since additional funding is not available to increase the O&M accounts, training suffers in order to make available necessary maintenance funds.

Without adequate modernization of the armed forces, increased amounts of maintenance funds will be required; causing a further drain on the procurement accounts and making it even more difficult to replace the aging equipment. In turn, this will require even more maintenance dollars as the equipment grows older; further reducing the amount of funds available for the procurement accounts; and so the cycle will continue in a constant, downward spiral.

The funding crisis is further aggravated by the continual deployment of forces to contingency operations such as *Southern Watch* and *Provide Comfort*. Everyone who owns a car understands that the more you drive it, the more maintenance it requires, the more gas it consumes, and the faster it wears out. This is the situation in which our forces currently find themselves. According to the latest Quarterly Readiness Report provided to the Congress, "the high operations tempo (OPTEMPO) experienced by some high demand, low-density systems accelerates wear and tear on equipment and places heavy demands on personnel." In fact, according to one sen-

ior officer, the armed forces “do not have time to train” because of these demands.

These peacekeeping and contingency operations also restrict our ability to respond in the early stages of a major regional war. According to the same readiness report, “the ability to quickly disengage and redeploy from ongoing contingencies continues to be a concern.” “In the event U.S. forces were required to withdraw from Bosnia, lift assets required for withdrawal could impact initial surge of forces, especially for a major regional contingency.”

While the committee believes that there are situations in which the deployment of the U.S. military is necessary to protect America’s vital interests, the committee is concerned that the administration may have set too low of a threshold for determining the need to commit these forces.

Furthermore, the committee believes that it is important to consider the financial cost of these deployments. Over the past few years, the Department of Defense has spent billions of dollars on contingency operations that had little or no relevance to our vital national interests. Those funds could have greatly contributed to the modernization of the aging military equipment or the improvement of the facilities in which our military personnel must work and live.

The U.S. cannot force its military to expend more resources than we are willing to provide and still expect it to remain a viable force for the future when it may be called upon to defend American interests. The committee is encouraged by Secretary Cohen’s remarks which indicate that he understands this problem, and hopes that he is able to bring about a more responsible use of our military forces so that they are ready to respond to the needs of this nation.

The committee is concerned, our military personnel are concerned, and the American people should be concerned. If we are to avoid losing our balance and finding ourselves on that constant downward spiral, we must act decisively and begin providing the resources necessary to support the missions we ask of our armed forces.

### **Overview**

The Operations and Maintenance (O&M) accounts include approximately 33 percent of the total Department of Defense budget. Expenditures from these accounts pay the costs for the day-to-day operations of our military forces; all individual, unit, and joint training for military members; maintenance and support of the weapons, vehicles and equipment in the military services; purchase and distribution of spare parts and supplies to support military operations; and support, maintenance, and repair of buildings and bases throughout the Department of Defense.

The funding in these accounts has a direct impact on the combat readiness of U.S. military forces. While insufficient O&M funds would lead to problems with short-term or current readiness, excessive and unnecessary O&M expenditures for low priority or non-defense programs only serve to restrict the availability of funds for modernization programs.

The budget request included \$93,471.6 million for the operation and maintenance of the armed forces and component agencies of the Department of Defense in fiscal year 1998.

The committee recommends authorization of \$93,509.0 million for the O&M accounts for fiscal year 1998, an increase of \$37.4 million from the budget request. Due to the concern which was expressed by the Chief of Staff of the Army and the Commandant of the Marine Corps that the funding of their services was insufficient to meet requirements, the Army and the Marine Corps were given the highest priority for additional funding.

The recommended amount authorized for the O&M accounts includes, to the extent provided in an appropriations act, transfer of \$150.0 million from the National Defense Stockpile Transaction Fund.

The committee recommends authorization of \$1,488.1 million for the revolving and management funds.

The recommended authorization for fiscal year 1998 is summarized in the following table:

**Title-III Authorizations for Operations and Maintenance Accounts**

APPROP ID	ACCOUNT/BA/AG/SAG	Request		Committee
		FY 1998	Change	
<b>OPERATION AND MAINTENANCE, ARMY</b>				
<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>				
<b>LAND FORCES</b>				
2020A	10 DIVISIONS	2,994,535	70,000	3,064,535
		1,221,794	-	1,291,794
2020A	10a ORGANIZATIONAL CLOTHING AND EQUIPMENT		70,000	
2020A	20 CORPS COMBAT FORCES	350,942	-	350,942
2020A	30 CORPS SUPPORT FORCES	323,190	-	323,190
2020A	40 ECHELON ABOVE CORPS FORCES	440,542	-	440,542
2020A	50 LAND FORCES OPERATIONS SUPPORT	658,067	-	658,067
<b>LAND FORCES READINESS</b>				
2020A	60 FORCE READINESS OPERATIONS SUPPORT	1,882,051	-	1,882,051
2020A	70 LAND FORCES SYSTEMS READINESS	898,356	-	898,356
2020A	80 LAND FORCES DEPOT MAINTENANCE	346,651	-	346,651
		637,044	-	637,044
<b>LAND FORCES READINESS SUPPORT</b>				
2020A	90 BASE SUPPORT	3,491,536	100,000	3,591,536
2020A	95 MAINTENANCE OF REAL PROPERTY	2,417,712	-	2,417,712
		693,328	-	793,328
	95a BARRACKS RENOVATION		100,000	
2020A	100 MANAGEMENT AND OPERATIONAL HEADQUARTERS	130,012	-	130,012
2020A	105 UNIFIED COMMANDS	70,620	-	70,620
2020A	108 MISCELLANEOUS ACTIVITIES	179,864	-	179,864
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	<b>8,368,122</b>	<b>170,000</b>	<b>8,538,122</b>
<b>BUDGET ACTIVITY 2: MOBILIZATION</b>				
	<b>MOBILITY OPERATIONS</b>	566,444	-	566,444

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
2020A	110 POMCUS	-	-	-
2020A	120 STRATEGIC MOBILIZATION	317,241	-	317,241
2020A	130 WAR RESERVE ACTIVITIES	171,100	-	171,100
2020A	140 INDUSTRIAL PREPAREDNESS	78,103	-	78,103
	<b>TOTAL, BUDGET ACTIVITY 2:</b>	<b>566,444</b>	<b>-</b>	<b>566,444</b>
	<b>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</b>			
	<b>ACCESSION TRAINING</b>			
2020A	150 OFFICER ACQUISITION	305,056	-	305,056
2020A	160 RECRUIT TRAINING	63,992	-	63,992
2020A	170 ONE STATION UNIT TRAINING	12,620	-	12,620
2020A	180 RESERVE OFFICER TRAINING CORPS (ROTC)	14,723	-	14,723
2020A	180 RESERVE OFFICER TRAINING CORPS (ROTC)	113,128	-	113,128
2020A	190 BASE SUPPORT (ACADEMY ONLY)	72,470	-	72,470
2020A	195 MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	28,123	-	28,123
	<b>BASIC SKILL/ADVANCE TRAINING</b>			
2020A	200 SPECIALIZED SKILL TRAINING	2,203,708	14,000	2,217,708
2020A	210 FLIGHT TRAINING	217,202	-	217,202
2020A	210 AVIATION TRAINING	213,906	-	227,906
			14,000	
2020A	220 PROFESSIONAL DEVELOPMENT EDUCATION	69,594	-	69,594
2020A	230 TRAINING SUPPORT	484,484	-	484,484
2020A	240 BASE SUPPORT (OTHER TRAINING)	897,433	-	897,433
2020A	245 MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	321,089	-	321,089
	<b>RECRUITING/OTHER TRAINING</b>			
2020A	250 RECRUITING AND ADVERTISING	710,934	-	710,934
2020A	260 EXAMINING	222,718	-	222,718
2020A	270 OFF-DUTY AND VOLUNTARY EDUCATION	75,922	-	75,922
		94,364	-	94,364

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<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
2020A	280 CIVILIAN EDUCATION AND TRAINING	81,481	-	81,481
2020A	290 JUNIOR ROTC	73,439	-	73,439
2020A	300 BASE SUPPORT (RECRUITING LEASES)	163,010	-	163,010
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	3,219,698	14,000	3,233,698
	<b>BUDGET ACTIVITY 4</b>			
	<b>ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>SECURITY PROGRAMS</b>			
2020A	310 SECURITY PROGRAMS	366,085	1,800	367,885
		366,085	1,800	367,885
	<b>LOGISTICS OPERATIONS</b>			
2020A	320 SERVICEWIDE TRANSPORTATION	1,559,242	21,900	1,581,142
2020A	330 CENTRAL SUPPLY ACTIVITIES	531,326	-	531,326
2020A	340 LOGISTIC SUPPORT ACTIVITIES	405,371	-	405,371
		253,138	-	275,038
2020A	340 LOGISTICS AUTOMATION	369,407	21,900	369,407
		369,407	-	369,407
	<b>SERVICEWIDE SUPPORT</b>			
2020A	360 ADMINISTRATION	2,830,912	12,100	2,843,012
2020A	370 SERVICEWIDE COMMUNICATIONS	294,972	-	294,972
		620,825	-	632,925
		8,100	8,100	8,100
		4,000	4,000	4,000
2020A	370 FORCE XXI ARCHITECTURE	152,437	-	152,437
2020A	380 MANPOWER MANAGEMENT	155,307	-	155,307
2020A	390 OTHER PERSONNEL SUPPORT	593,446	-	593,446
2020A	400 OTHER SERVICE SUPPORT	151,092	-	151,092
2020A	410 ARMY CLAIMS ACTIVITIES	63,526	-	63,526
2020A	420 REAL ESTATE MANAGEMENT	667,779	-	667,779
2020A	430 BASE SUPPORT	-	-	-

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
2020A	431 MAINTENANCE OF REAL PROPERTY	131,528	-	131,528
2020A	432 CLOSED ACCOUNT	-	-	-
2020A	433 ENVIRONMENTAL RESTORATION	-	-	-
	<b>SUPPORT OF OTHER NATIONS</b>			
2020A	440 INTERNATIONAL MILITARY HEADQUARTERS	304,981	(15,000)	289,981
2020A	450 MISC SUPPORT OF OTHER NATIONS	270,413	(15,000)	255,413
		34,568	-	34,568
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	5,061,220	20,800	5,082,020
	<b>UNDISTRIBUTED</b>			
	433 UNDISTRIBUTED MAINTENANCE OF REAL PROPERTY	-	(226,000)	(226,000)
	433 CIVILIAN UNDEREXECUTION	-	40,000	40,000
	FOREIGN CURRENCY ADJUSTMENT	-	(131,000)	(131,000)
	<b>TOTAL, OPERATION AND MAINTENANCE, ARMY</b>	#####	(21,200)	17,194,284
	<b>OPERATION AND MAINTENANCE, NAVY</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>AIR OPERATIONS</b>			
1804N	10 MISSION AND OTHER FLIGHT OPERATIONS	4,690,089	200,000	4,890,089
1804N	20 FLEET AIR TRAINING	2,101,423	200,000	2,301,423
1804N	30 INTERMEDIATE MAINTENANCE	667,112	-	667,112
1804N	40 AIR OPERATIONS AND SAFETY SUPPORT	58,087	-	58,087
1804N	50 AIRCRAFT DEPOT MAINTENANCE	73,248	-	73,248
1804N	60 AIRCRAFT DEPOT OPERATIONS SUPPORT	716,300	-	716,300
1804N	70 BASE SUPPORT	21,575	-	21,575
		789,892	-	789,892

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<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
1804N	75 MAINTENANCE OF REAL PROPERTY	262,452	-	262,452
	<b><u>SHIP OPERATIONS</u></b>			
1804N	80 MISSION AND OTHER SHIP OPERATIONS	7,290,682	-	7,290,682
1804N	90 SHIP OPERATIONAL SUPPORT AND TRAINING	2,130,636	-	2,130,636
1804N	100 INTERMEDIATE MAINTENANCE	735,660	-	735,660
1804N	110 SHIP DEPOT MAINTENANCE	511,125	-	511,125
1804N	120 SHIP DEPOT OPERATIONS SUPPORT	2,040,690	-	2,040,690
1804N	130 BASE SUPPORT	786,021	-	786,021
1804N	135 MAINTENANCE OF REAL PROPERTY	840,646	-	840,646
		245,904	-	245,904
	<b><u>COMBAT OPERATIONS/SUPPORT</u></b>			
1804N	140 COMBAT COMMUNICATIONS	1,613,064	19,500	1,632,564
1804N	150 ELECTRONIC WARFARE	210,776	-	210,776
1804N	160 SPACE SYSTEMS AND SURVEILLANCE	7,763	-	7,763
1804N	170 WARFARE TACTICS	136,869	-	136,869
1804N	180 OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	125,892	-	125,892
1804N	180 NAVAL OCEANOGRAPHY PARTNERING PROGRAM	209,188	12,000	228,688
1804N	190 COMBAT SUPPORT FORCES	-	7,500	7,500
1804N	200 EQUIPMENT MAINTENANCE	383,830	-	383,830
1804N	210 DEPOT OPERATIONS SUPPORT	177,708	-	177,708
1804N	220 BASE SUPPORT	908	-	908
1804N	225 MAINTENANCE OF REAL PROPERTY	317,266	-	317,266
		42,864	-	42,864
	<b><u>WEAPONS SUPPORT</u></b>			
1804N	230 CRUISE MISSILE	1,458,733	-	1,458,733
1804N	240 FLEET BALLISTIC MISSILE	92,482	-	92,482
1804N	250 IN-SERVICE WEAPONS SYSTEMS SUPPORT	811,451	-	811,451
		54,927	-	54,927

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
1804N	260 WEAPONS MAINTENANCE	400,817	-	400,817
1804N	270 BASE SUPPORT	71,540	-	71,540
1804N	275 MAINTENANCE OF REAL PROPERTY	27,516	-	27,516
	<b>DBOF SUPPORT</b>			
1804N	276 DBOF SUPPORT	-	-	-
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	#####	219,500	15,272,068
	<b>BUDGET ACTIVITY 2: MOBILIZATION</b>			
	<b>READY RESERVE AND REPOSITIONING FORCES</b>			
1804N	280 SHIP REPOSITIONING AND SURGE	455,030	-	455,030
	<b>ACTIVATIONS/INACTIVATIONS</b>			
1804N	290 AIRCRAFT ACTIVATIONS/INACTIVATIONS	704,664	-	704,664
1804N	300 SHIP ACTIVATIONS/INACTIVATIONS	3,081	-	3,081
	<b>MOBILIZATION PREPAREDNESS</b>			
1804N	310 FLEET HOSPITAL PROGRAM	67,373	-	67,373
1804N	320 INDUSTRIAL READINESS	19,814	-	19,814
1804N	330 COAST GUARD SUPPORT	29,196	-	29,196
	<b>TOTAL, BUDGET ACTIVITY 2:</b>	1,227,067	-	1,227,067
	<b>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</b>			
	<b>ACCESSION TRAINING</b>			
1804N	340 OFFICER ACQUISITION	273,535	-	273,535
1804N	350 RECRUIT TRAINING	69,274	-	69,274
1804N	360 RESERVE OFFICERS TRAINING CORPS (ROTC)	4,646	-	4,646
1804N	370 BASE SUPPORT	67,795	-	67,795
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	57,605	-	57,605

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
1804N	375 MAINTENANCE OF REAL PROPERTY	74,215	-	74,215
	<b>BASIC SKILLS AND ADVANCED TRAINING</b>			
1804N	380 SPECIALIZED SKILL TRAINING	1,190,600	-	1,190,600
1804N	390 FLIGHT TRAINING	236,487	-	236,487
1804N	400 PROFESSIONAL DEVELOPMENT EDUCATION	314,790	-	314,790
1804N	410 TRAINING SUPPORT	69,044	-	69,044
1804N	420 BASE SUPPORT	135,051	-	135,051
1804N	425 MAINTENANCE OF REAL PROPERTY	339,627	-	339,627
1804N		95,601	-	95,601
	<b>RECRUITING AND OTHER TRAINING AND EDUCATION</b>			
1804N	430 RECRUITING AND ADVERTISING	245,296	-	245,296
1804N	440 OFF-DUTY AND VOLUNTARY EDUCATION	122,454	-	122,454
1804N	450 CIVILIAN EDUCATION AND TRAINING	69,495	-	69,495
1804N	460 JUNIOR ROTC	29,198	-	29,198
1804N	470 BASE SUPPORT	23,642	-	23,642
1804N	475 MAINTENANCE OF REAL PROPERTY	445	-	445
1804N		62	-	62
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	1,709,431	-	1,709,431
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>SERVICEWIDE SUPPORT</b>			
1804N	480 ADMINISTRATION	1,538,055	11,300	1,549,355
1804N	490 EXTERNAL RELATIONS	574,305	-	574,305
1804N	500 CIVILIAN MANPOWER AND PERSON MANAGEMENT	24,141	-	24,141
1804N	510 MILITARY MANPOWER AND PERSON MANAGEMENT	118,544	-	118,544
1804N	520 OTHER PERSONNEL SUPPORT	124,403	-	124,403
1804N	530 SERVICEWIDE COMMUNICATIONS	199,446	-	199,446
530	IT-21	260,056	-	271,356
		-	9,300	-

<b>Title-III Authorizations for Operations and Maintenance Accounts</b>				
<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
	530 NISE EAST C4ISR		2,000	
1804N	540 BASE SUPPORT	197,537	-	197,537
1804N	542 MEDICAL ACTIVITIES	-	-	-
1804N	544 MAINTENANCE OF REAL PROPERTY	39,623	-	39,623
	<b>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</b>			
1804N	550 SERVICEWIDE TRANSPORTATION	1,502,477	-	1,502,477
1804N	560 PLANNING, ENGINEERING AND DESIGN	149,675	-	149,675
1804N	570 ACQUISITION AND PROGRAM MANAGEMENT	258,779	-	258,779
1804N	580 AIR SYSTEMS SUPPORT	491,003	-	491,003
1804N	590 HULL, MECHANICAL AND ELECTRICAL SUPPORT	271,149	-	271,149
1804N	600 COMBAT/WEAPONS SYSTEMS	46,904	-	46,904
1804N	610 SPACE AND ELECTRONIC WARFARE SYSTEMS	41,547	-	41,547
1804N	620 BASE SUPPORT	70,344	-	70,344
1804N	625 MAINTENANCE OF REAL PROPERTY	152,606	-	152,606
	<b>SECURITY PROGRAMS</b>			
1804N	630 SECURITY PROGRAMS	545,097	3,400	548,497
1804N	640 BASE SUPPORT	536,691	3,400	540,091
1804N	645 MAINTENANCE OF REAL PROPERTY	6,886	-	6,886
	<b>SUPPORT OF OTHER NATIONS</b>			
1804N	650 INTERNATIONAL HEADQUARTERS AND AGENCIES	1,520	-	1,520
	<b>CANCELLED ACCOUNTS</b>			
	<b>PROBLEM DISBURSEMENTS</b>			
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	3,592,064	14,700	3,606,764

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
	<u>UNDISTRIBUTED</u>			
	UNDISTRIBUTED CIVILIAN UNDEREXECUTION	-	(134,000)	(134,000)
	FOREIGN CURRENCY ADJUSTMENT	-	(113,000)	(113,000)
		-	(21,000)	(21,000)
	<b>TOTAL, OPERATION AND MAINTENANCE, NAVY</b>	#####	100,200	21,681,330
	<b>OPERATION AND MAINTENANCE, MARINE CORPS</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<u>EXPEDITIONARY FORCES</u>			
1106N	10 OPERATIONAL FORCES	1,553,164	46,100	1,599,264
	10a INITIAL ISSUE	345,077	-	391,177
	10b PERSONNEL SUPPORT EQUIPMENT		20,700	
1106N	20 FIELD LOGISTICS	183,660	-	183,660
1106N	30 DEPOT MAINTENANCE	121,339	-	121,339
1106N	40 BASE SUPPORT	639,495	-	639,495
1106N	45 MAINTENANCE OF REAL PROPERTY	263,593	-	263,593
	<u>USMC PREPOSITIONING</u>			
1106N	50 MARITIME PREPOSITIONING	80,983	-	80,983
1106N	60 NORWAY PREPOSITIONING	77,380	-	77,380
		3,603	-	3,603
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	1,634,147	46,100	1,680,247
	<b>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</b>			
	<u>ACCESSION TRAINING</u>			
1106N	70 RECRUIT TRAINING	78,761	-	78,761
1106N	80 OFFICER ACQUISITION	9,098	-	9,098
		282	-	282

**Title-III Authorizations for Operations and Maintenance Accounts**  
**ACCOUNT/BA/AG/SAG**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
1106N	90 BASE SUPPORT	51,266	-	51,266
1106N	95 MAINTENANCE OF REAL PROPERTY	18,115	-	18,115
1106N	<b>BASIC SKILLS AND ADVANCED TRAINING</b>	192,963	4,500	197,463
	SPECIALIZED SKILLS TRAINING	28,647	-	33,147
	CBIRF - CHEMICAL BIOLOGICAL INCIDENT RESPONSE FORCE	-	4,500	-
1106N	110 FLIGHT TRAINING	156	-	156
1106N	120 PROFESSIONAL DEVELOPMENT EDUCATION	5,803	-	5,803
1106N	130 TRAINING SUPPORT	78,749	-	78,749
1106N	140 BASE SUPPORT	54,557	-	54,557
1106N	145 MAINTENANCE OF REAL PROPERTY	25,051	-	25,051
1106N	<b>RECRUITING AND OTHER TRAINING EDUCATION</b>	109,058	-	109,058
1106N	150 RECRUITING AND ADVERTISING	74,442	-	74,442
1106N	160 OFF-DUTY AND VOLUNTARY EDUCATION	15,063	-	15,063
1106N	170 JUNIOR ROTC	9,006	-	9,006
1106N	180 BASE SUPPORT	8,100	-	8,100
1106N	185 MAINTENANCE OF REAL PROPERTY	2,447	-	2,447
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	380,782	4,500	385,282
1106N	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>	290,416	-	290,416
	<b>SERVICEWIDE SUPPORT</b>	-	-	-
1106N	190 LOGISTICS SUPPORT	219,312	-	219,312
1106N	200 SPECIAL SUPPORT	30,617	-	30,617
1106N	210 SERVICEWIDE TRANSPORTATION	26,105	-	26,105
1106N	220 ADMINISTRATION	12,370	-	12,370
1106N	230 BASE SUPPORT	2,012	-	2,012
1106N	235 MAINTENANCE OF REAL PROPERTY	-	-	-

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	290,416	-	290,416
	<b>UNDISTRIBUTED</b>			
	MAINTENANCE OF REAL PROPERTY	-	28,000	28,000
	FOREIGN CURRENCY ADJUSTMENT	-	30,000	30,000
			(2,000)	(2,000)
	<b>TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS</b>	2,305,345	78,600	2,383,945
	<b>OPERATION AND MAINTENANCE, AIR FORCE</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>AIR OPERATIONS</b>			
3400F	10 PRIMARY COMBAT FORCES	7,364,973	30,000	7,394,973
3400F	20 PRIMARY COMBAT WEAPONS	2,719,301	30,000	2,749,301
3400F	30 COMBAT ENHANCEMENT FORCES	457,939	-	457,939
3400F	40 AIR OPERATIONS TRAINING	253,099	-	253,099
3400F	50 COMBAT COMMUNICATIONS	617,828	-	617,828
3400F	60 BASE SUPPORT	981,936	-	981,936
3400F	65 MAINTENANCE OF REAL PROPERTY	1,758,461	-	1,758,461
		576,409	-	576,409
	<b>COMBAT RELATED OPERATIONS</b>			
3400F	70 GLOBAL C3I AND EARLY WARNING	1,440,090	-	1,440,090
3400F	80 NAVIGATION/WEATHER SUPPORT	712,916	-	712,916
3400F	90 OTHER COMBAT OPS SUPPORT PROGRAMS	131,608	-	131,608
3400F	100 JCS EXERCISES	205,449	-	205,449
3400F	110 MANAGEMENT/OPERATIONAL HEADQUARTERS	45,306	-	45,306
3400F	120 TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	113,400	-	113,400
		231,411	-	231,411

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
	<b>SPACE OPERATIONS</b>			
3400F	130 LAUNCH FACILITIES	1,169,575	-	1,169,575
3400F	140 LAUNCH VEHICLES	226,956	-	226,956
3400F	150 SPACE CONTROL SYSTEMS	103,576	-	103,576
3400F	160 SATELLITE SYSTEMS	283,597	-	283,597
3400F	170 OTHER SPACE OPERATIONS	42,235	-	42,235
3400F	180 BASE SUPPORT	82,972	-	82,972
3400F	185 MAINT OF REAL PROPERTY	310,370	-	310,370
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	119,869	-	119,869
		9,974,638	30,000	10,004,638
	<b>BUDGET ACTIVITY 2: MOBILIZATION</b>			
	<b>MOBILITY OPERATIONS</b>			
3400F	190 AIRLIFT OPERATIONS	3,049,348	54,600	3,103,948
	KC 135 DEPOT MAINTENANCE	1,793,506	-	1,848,106
		-	54,600	
3400F	200 AIRLIFT OPERATIONS C31	16,267	-	16,267
3400F	210 MOBILIZATION PREPAREDNESS	145,868	-	145,868
3400F	220 PAYMENTS TO TRANSPORTATION BUSINESS AREA	514,000	-	514,000
3400F	230 BASE SUPPORT	427,865	-	427,865
3400F	235 MAINTENANCE OF REAL PROPERTY	151,842	-	151,842
	<b>TOTAL, BUDGET ACTIVITY 2:</b>	3,049,348	54,600	3,103,948
	<b>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</b>			
	<b>ACCESSION TRAINING</b>			
3400F	240 OFFICER ACQUISITION	211,111	-	211,111
3400F	250 RECRUIT TRAINING	51,605	-	51,605
3400F	260 RESERVE OFFICER TRAINING CORPS (ROTC)	3,971	-	3,971
3400F	270 BASE SUPPORT (ACADEMIES ONLY)	47,611	-	47,611
		57,262	-	57,262

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
3400F	275 MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	50,662	-	50,662
	<b>BASIC SKILLS AND ADVANCED TRAINING</b>			
3400F	280 SPECIALIZED SKILL TRAINING	1,200,541	-	1,200,541
3400F	290 FLIGHT TRAINING	196,980	-	196,980
3400F	300 PROFESSIONAL DEVELOPMENT EDUCATION	394,075	-	394,075
3400F	310 TRAINING SUPPORT	88,682	-	88,682
3400F	320 BASE SUPPORT (OTHER TRAINING)	63,296	-	63,296
3400F	325 MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	370,436	-	370,436
	<b>RECRUITING AND OTHER TRAINING AND EDUCATION</b>			
3400F	330 RECRUITING AND ADVERTISING	236,095	-	236,095
3400F	340 EXAMINING	55,039	-	55,039
3400F	350 OFF DUTY AND VOLUNTARY EDUCATION	2,212	-	2,212
3400F	360 CIVILIAN EDUCATION AND TRAINING	85,609	-	85,609
3400F	370 JUNIOR ROTC	67,183	-	67,183
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	26,052	-	26,052
		1,647,747	-	1,647,747
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>LOGISTICS OPERATIONS</b>			
3400F	380 LOGISTICS OPERATIONS	2,363,385	-	2,363,385
3400F	390 TECHNICAL SUPPORT ACTIVITIES	788,680	-	788,680
3400F	400 SERVICEWIDE TRANSPORTATION	390,267	-	390,267
3400F	410 BASE SUPPORT	236,372	-	236,372
3400F	415 MAINTENANCE OF REAL PROPERTY	753,449	-	753,449
	<b>SERVICEWIDE ACTIVITIES</b>			
3400F	420 ADMINISTRATION	194,617	-	194,617
		1,352,361	2,700	1,355,061
		126,642	-	126,642

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
3400F	430 SERVICEWIDE COMMUNICATIONS	297,316	-	300,016
	430 BASE INFORMATION PROTECTION	-	2,700	
3400F	440 PERSONNEL PROGRAMS	100,343	-	100,343
3400F	450 RESCUE AND RECOVERY SERVICES	55,881	-	55,881
3400F	460 SUBSISTENCE-IN-KIND	-	-	-
3400F	470 ARMS CONTROL	29,565	-	29,565
3400F	480 OTHER SERVICEWIDE ACTIVITIES	524,545	-	524,545
3400F	490 OTHER PERSONNEL SUPPORT	33,623	-	33,623
3400F	500 CIVIL AIR PATROL CORPORATION	17,927	-	17,927
3400F	510 BASE SUPPORT	155,791	-	155,791
3400F	515 MAINTENANCE OF REAL PROPERTY	10,728	-	10,728
	<b>SECURITY PROGRAMS</b>			
3400F	520 SECURITY PROGRAMS	510,046	(27,200)	482,846
		510,046	(27,200)	482,846
	<b>SUPPORT TO OTHER NATIONS</b>			
3400F	530 INTERNATIONAL SUPPORT	13,260	-	13,260
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	4,239,052	(24,500)	4,214,552
	<b>UNDISTRIBUTED</b>			
	ENHANCED FORCE PROTECTION	-	(109,200)	(109,200)
	CIVILIAN UNDEREXECUTION	-	25,800	25,800
	FOREIGN CURRENCY ADJUSTMENT	-	(82,000)	(82,000)
	<b>TOTAL, O&amp;M, AIR FORCE</b>	#####	(49,100)	18,861,685

**OPERATION AND MAINTENANCE, DEFENSE-WIDE**

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
<b><u>BUDGET ACTIVITY 1: OPERATING FORCES</u></b>				
0100D	10 JOINT CHIEFS OF STAFF	541,169	(48,000)	493,169
0100D	20 SPECIAL OPERATIONS COMMAND	1,085,927	38,800	1,124,727
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	<b>1,627,096</b>	<b>(9,200)</b>	<b>1,617,896</b>
<b><u>BUDGET ACTIVITY 2: MOBILIZATION</u></b>				
0100D	30 DEFENSE LOGISTICS AGENCY	27,260	-	27,260
	<b>TOTAL, BUDGET ACTIVITY 2:</b>	<b>27,260</b>	<b>-</b>	<b>27,260</b>
<b><u>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</u></b>				
0100D	50 DEFENSE ACQUISITION UNIVERSITY	99,964	-	99,964
0100D	55 AMERICAN FORCES INFORMATION SERVICE	11,586	-	11,586
0100D	60 DEFENSE HUMAN RESOURCES FIELD ACTIVITY	14,200	-	14,200
0100D	65 DEFENSE SPECIAL WEAPONS AGENCY	475	-	475
0100D	70 SPECIAL OPERATIONS COMMAND	37,930	-	37,930
	<b>TOTAL, BUDGET ACTIVITY 3:</b>	<b>164,155</b>	<b>-</b>	<b>164,155</b>
<b><u>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</u></b>				
0100D	75 AMERICAN FORCES INFORMATION SERVICE	94,956	-	94,956
0100D	80 CLASSIFIED AND INTELLIGENCE	3,490,397	(3,000)	3,487,397
0100D	85 CORPORATE INFORMATION MANAGEMENT	-	-	-
0100D	90 DEFENSE CONTRACT AUDIT AGENCY	329,264	-	329,264
0100D	95 DEFENSE FINANCE AND ACCOUNTING SERVICE	91,654	-	91,654
0100D	100 DEFENSE HUMAN RESOURCES FIELD ACTIVITY	124,735	-	124,735
0100D	105 DEFENSE INFORMATION SYSTEMS AGENCY	725,858	-	725,858
0100D	110 DEFENSE INVESTIGATIVE SERVICE	186,661	-	186,661
0100D	115 DEFENSE LEGAL SERVICES AGENCY	8,839	-	8,839

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
0100D	120 DEFENSE LOGISTICS AGENCY	1,086,443	-	1,062,443
0100D	120 CIVILIAN UNDEREXECUTION (DLA)	-	(24,000)	-
0100D	125 DEFENSE MAPPING AGENCY	-	-	-
0100D	130 DEFENSE POW/MIA OFFICE	14,195	-	14,195
0100D	135 DEFENSE SPECIAL WEAPONS AGENCY	87,837	-	87,837
0100D	140 DEFENSE SUPPORT ACTIVITIES	69,270	-	69,270
0100D	145 DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	10,545	-	10,545
0100D	150 DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,321,196	-	1,321,196
0100D	155 FEDERAL ENERGY MANAGEMENT PROGRAM	-	-	-
0100D	160 JOINT CHIEFS OF STAFF	128,561	(14,900)	113,661
0100D	165 OFFICE OF ECONOMIC ADJUSTMENT	40,217	-	40,217
0100D	170 OFFICE OF THE SECRETARY OF DEFENSE	406,894	-	406,894
0100D	175 OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	-	-	-
0100D	180 ON SITE INSPECTION AGENCY	109,226	(10,000)	99,226
0100D	185 SPECIAL OPERATIONS COMMAND	45,532	-	45,532
0100D	190 WASHINGTON HEADQUARTERS SERVICE	213,147	-	213,147
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	<b>8,585,427</b>	<b>(51,900)</b>	<b>8,533,527</b>
	<b>UNDISTRIBUTED</b>			
	CANADIAN CLEANUP	-	(62,000)	(62,000)
	CIVILIAN UNDEREXECUTION		(10,000)	(10,000)
	FOREIGN CURRENCY ADJUSTMENT		(42,000)	(42,000)
			(10,000)	(10,000)
	<b>TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE</b>	<b>#####</b>	<b>(123,100)</b>	<b>10,280,838</b>
	<b>OPERATION AND MAINTENANCE, ARMY RESERVE</b>			

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>MISSION OPERATIONS</b>			
2080A	10 BASE SUPPORT	1,056,894	20,000	1,076,894
2080A	15 MAINTENANCE OF REAL PROPERTY	309,446	-	309,446
2080A	20 DEPOT MAINTENANCE	85,255	-	85,255
2080A	30 RECRUITING AND ADVERTISING	41,366	-	41,366
2080A	40 TRAINING OPERATIONS	-	-	-
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	<b>620,827</b>	<b>20,000</b>	<b>640,827</b>
		<b>1,056,894</b>	<b>20,000</b>	<b>1,076,894</b>
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</b>			
2080A	50 INFORMATION MANAGEMENT	135,997	-	135,997
2080A	60 PUBLIC AFFAIRS	20,033	-	20,033
2080A	70 PERSONNEL ADMINISTRATION	489	-	489
2080A	80 STAFF MANAGEMENT	50,196	-	50,196
2080A	90 RECRUITING AND ADVERTISING	27,405	-	27,405
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	<b>37,874</b>	<b>-</b>	<b>37,874</b>
		<b>135,997</b>	<b>-</b>	<b>135,997</b>
	<b>TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE</b>	<b>1,192,891</b>	<b>20,000</b>	<b>1,212,891</b>
	<b>OPERATION AND MAINTENANCE, NAVY RESERVE</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>RESERVE AIR OPERATIONS</b>			
1806N	10 MISSION AND OTHER FLIGHT OPERATIONS	505,776	-	505,776
1806N	20 FLEET AIR TRAINING	302,531	-	302,531
1806N	30 INTERMEDIATE MAINTENANCE	200	-	200
		<b>17,528</b>	<b>-</b>	<b>17,528</b>

<b>Title-III Authorizations for Operations and Maintenance Accounts</b>				
<b>APPROP ID</b>	<b>ACCOUNT/BAVAG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
1806N	40 AIR OPERATION AND SAFETY SUPPORT	3,074	-	3,074
1806N	50 AIRCRAFT DEPOT MAINTENANCE	58,053	-	58,053
1806N	60 AIRCRAFT DEPOT OPS SUPPORT	315	-	315
1806N	70 BASE SUPPORT	99,563	-	99,563
1806N	75 MAINTENANCE OF REAL PROPERTY	24,512	-	24,512
	<b>RESERVE SHIP OPERATIONS</b>	140,284	-	140,284
1806N	80 MISSION AND OTHER SHIP OPERATIONS	59,509	-	59,509
1806N	90 SHIP OPERATIONAL SUPPORT AND TRAINING	638	-	638
1806N	100 INTERMEDIATE MAINTENANCE	10,326	-	10,326
1806N	110 SHIP DEPOT MAINTENANCE	68,324	-	68,324
1806N	120 SHIP DEPOT OPERATIONS SUPPORT	1,487	-	1,487
	<b>RESERVE COMBAT OPERATIONS SUPPORT</b>	73,355	-	73,355
1806N	130 COMBAT COMMUNICATIONS	-	-	-
1806N	140 COMBAT SUPPORT FORCES	25,632	-	25,632
1806N	150 BASE SUPPORT	38,503	-	38,503
1806N	155 MAINTENANCE OF REAL PROPERTY	9,220	-	9,220
	<b>RESERVE WEAPONS SUPPORT</b>	4,136	-	4,136
1806N	160 WEAPONS MAINTENANCE	4,136	-	4,136
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	723,551	-	723,551
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</b>			
1806N	170 ADMINISTRATION	108,455	-	108,455
1806N	180 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	6,209	-	6,209
1806N	190 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	2,012	-	2,012
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	116,676	-	116,676

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
1806N	200 OTHER PERSONNEL SUPPORT	-	-	-
1806N	210 SERVICEWIDE COMMUNICATIONS	33,155	-	33,155
1806N	220 BASE SUPPORT	26,692	-	26,692
1806N	225 MAINTENANCE OF REAL PROPERTY	2,723	-	2,723
1806N	230 COMBAT/WEAPONS SYSTEMS	511	-	511
1806N	240 GENERAL DEFENSE INTELLIGENCE PROGRAM	5,051	-	5,051
	<b>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</b>	2,705	-	2,705
	<b>PROBLEM DISBURSEMENTS</b>	-	-	-
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	111,160	-	111,160
	<b>TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE</b>	834,711	-	834,711
	<b>OPERATION AND MAINTENANCE, MARINE CORPS RESERVE</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>MISSION FORCES</b>			
1107N	10 TRAINING	70,495	-	70,495
1107N	20 OPERATING FORCES	30,174	-	30,174
1107N	30 BASE SUPPORT	2,555	-	2,555
1107N	35 MAINTENANCE OF REAL PROPERTY	16,309	-	16,309
1107N	40 DEPOT MAINTENANCE	14,559	-	14,559
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	6,898	-	6,898
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>	70,495	-	70,495

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
	<b>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</b>			
1107N	50 RECRUITING AND ADVERTISING	39,871	-	39,871
1107N	60 SPECIAL SUPPORT	11,199	-	11,199
1107N	70 SERVICEWIDE TRANSPORTATION	5,161	-	5,161
1107N	80 ADMINISTRATION	7,039	-	7,039
1107N	90 BASE SUPPORT	8,746	-	8,746
1107N	100 MAINTENANCE OF REAL PROPERTY	7,726	-	7,726
	<b>PROBLEM DISBURSEMENTS</b>			
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	39,871	-	39,871
	<b>TOTAL, O&amp;M, MARINE CORPS RESERVE</b>	110,366	-	110,366
	<b>OPERATION AND MAINTENANCE, AIR FORCE RESERVE</b>			
	<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>			
	<b>AIR OPERATIONS</b>			
3740F	10 AIRCRAFT OPERATIONS	1,543,978	-	1,543,978
3740F	20 MISSION SUPPORT OPERATIONS	1,227,609	-	1,227,609
3740F	30 BASE SUPPORT	39,482	-	39,482
3740F	35 MAINTENANCE OF REAL PROPERTY	216,573	-	216,573
3740F	37 DEPOT MAINTENANCE	60,314	-	60,314
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	1,543,978	-	1,543,978
	<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>			
	<b>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</b>	80,442	-	80,442

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
3740F	40 ADMINISTRATION	46,363	-	46,363
3740F	50 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	19,262	-	19,262
3740F	60 RECRUITING AND ADVERTISING	7,966	-	7,966
3740F	70 OTHER PERSONNEL SUPPORT	6,310	-	6,310
3740F	80 AUDIOVISUAL	541	-	541
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	<b>80,442</b>	<b>-</b>	<b>80,442</b>
	<b>TOTAL, O&amp;M, AIR FORCE RESERVE</b>	<b>1,624,420</b>	<b>-</b>	<b>1,624,420</b>
<b>OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD</b>				
<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>				
<b>MISSION OPERATIONS</b>				
2065A	10 TRAINING OPERATIONS	2,086,093	30,000	2,116,093
2065A	20 RECRUITING AND RETENTION	1,704,250	30,000	1,734,250
2065A	30 MEDICAL SUPPORT	-	-	-
2065A	40 DEPOT MAINTENANCE	26,701	-	26,701
2065A	50 BASE SUPPORT	53,824	-	53,824
2065A	55 MAINTENANCE OF REAL PROPERTY	250,700	-	250,700
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	<b>2,086,093</b>	<b>30,000</b>	<b>2,116,093</b>
<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>				
<b>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</b>				
2065A	60 INFORMATION MANAGEMENT	172,839	-	172,839
2065A	70 PUBLIC AFFAIRS	32,376	-	32,376
2065A	80 PERSONNEL ADMINISTRATION	-	-	-
2065A	90 STAFF MANAGEMENT	62,082	-	62,082
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	<b>247,307</b>	<b>-</b>	<b>247,307</b>

**Title-III Authorizations for Operations and Maintenance Accounts**

<b>APPROP ID</b>	<b>ACCOUNT/BA/AG/SAG</b>	<b>FY 1998</b>	<b>Change</b>	<b>Recommendation</b>
2065A	95 RECRUITING AND ADVERTISING	33,191	-	33,191
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	172,839	-	172,839
	<b>TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD</b>	2,258,932	30,000	2,288,932
<b>OPERATION AND MAINTENANCE, AIR NATIONAL GUARD</b>				
<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>				
<b>AIR OPERATIONS</b>				
3840F	10 AIRCRAFT OPERATIONS	2,981,947	-	2,981,947
3840F	20 MISSION SUPPORT OPERATIONS	2,243,510	-	2,243,510
3840F	30 BASE SUPPORT	334,314	-	334,314
3840F	35 MAINTENANCE OF REAL PROPERTY	296,196	-	296,196
3840F	40 DEPOT MAINTENANCE	77,879	-	77,879
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	30,048	-	30,048
	<b>TOTAL, BUDGET ACTIVITY 1:</b>	2,981,947	-	2,981,947
<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>				
<b>SERVICEWIDE ACTIVITIES</b>				
3840F	50 ADMINISTRATION	9,272	-	9,272
3840F	60 RECRUITING AND ADVERTISING	3,073	-	3,073
	<b>TOTAL, BUDGET ACTIVITY 4:</b>	6,199	-	6,199
	<b>TOTAL, O&amp;M, AIR NATIONAL GUARD</b>	9,272	-	9,272
	<b>TOTAL, O&amp;M, AIR NATIONAL GUARD</b>	2,991,219	-	2,991,219
<b>MISCELLANEOUS</b>				
0107D	10 INSPECTOR GENERAL	138,380	-	138,380

**Title-III Authorizations for Operations and Maintenance Accounts**

<u>APPROP ID</u>	<u>ACCOUNT/BA/AG/SAG</u>	<u>FY 1998</u>	<u>Change</u>	<u>Recommendation</u>
0104D	10 COURT OF MILITARY APPEALS	6,952	-	6,952
0116D	10 SUMMER OLYMPICS	-	-	-
0838D	10 INTERNATIONAL SPORTING EVENTS	-	-	-
0810A	10 ENVIRONMENTAL RESTORATION, ARMY	377,337	-	377,337
0810N	10 ENVIRONMENTAL RESTORATION, NAVY	277,500	-	277,500
0810F	10 ENVIRONMENTAL RESTORATION, AIR FORCE	378,900	-	378,900
0810D	10 ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	27,900	-	27,900
0811D	10 ENVIRONMENTAL RESTORATION, UNDISTRIBUTED	202,300	(90,000)	112,300
0819D	10 OVERSEAS HUMANITARIAN DEMINING AND CINC INITIATIVES	80,130	(40,000)	40,130
0105D	10 DRUG INTERDICTION	652,582	8,300	660,882
1236N	10 PAYMENT TO KAHOO'LAWE ISLAND	10,000	-	10,000
0130D	10 DEFENSE HEALTH PROGRAM	#####	203,200	10,228,850
	FOREIGN CURRENCY FLUCTUATION		(15,000)	
0134D	10 FORMER SOVIET UNION THREAT REDUCTION	382,200	(60,000)	322,200
0839D	10 QUALITY OF LIFE ENHANCEMENTS	-	-	-
0118D	10 OVERSEAS CONTINGENCIES	1,467,500	-	1,467,500
0840D	10 OPPLAN 34A-35	-	-	-
0837D	10 WEAPONS OF MASS DESTRUCTION	-	-	-
	<b>TOTAL, O&amp;M, MISCELLANEOUS</b>	#####	6,500	14,048,831
	<b>TOTAL OPERATION AND MAINTENANCE TITLE</b>	#####	41,900	93,513,452

**Title-III Authorizations for Operations and Maintenance Accounts**

APPROP ID	ACCOUNT/BA/AG/SAG	FY 1998	Change	Recommendation
	TOTAL, READINESS OPERATION AND MAINTENANCE TITLE	93,471,552	41,900	93,513,452
	TOTAL, PERSONNEL OPERATION AND MAINTENANCE TITLE	73,224,449	184,700	73,409,149
	TOTAL, STRATEGIC OPERATION AND MAINTENANCE TITLE	14,431,539	203,200	14,634,739
	FOREIGN CURRENCY FLUCTUATION	5,815,564	(110,000)	5,705,564
			(236,000)	(236,000)
		#####		

**SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS****Section 303. Armed Forces retirement home.**

The committee recommends a provision that would authorize \$79.9 million from the Armed Forces Retirement Home Trust Fund to be appropriated for operation of the Armed Forces Retirement Home during fiscal year 1998.

**Section 304. Transfer from National Defense Stockpile Transaction Fund.**

The committee recommends a provision that would authorize the Secretary of Defense, to the extent provided in an appropriation act, to transfer \$150.0 million from the National Defense Stockpile Transaction Fund to the operations and maintenance accounts.

**Section 305. Fisher House Trust Funds.**

The committee recommends a provision that would authorize funds to be appropriated for operation of the Fisher Houses during fiscal year 1998. The recommended provision authorizes \$150,000 to be appropriated from the Fisher House Trust Fund, Department of the Army, and \$150,000 to be appropriated from the Fisher House Trust Fund, Department of the Navy. No funds are authorized to be appropriated from the Fisher House Trust Fund, Department of the Air Force.

**SUBTITLE B—DEPOT-LEVEL ACTIVITIES**

The committee is concerned that the administration continues to ignore the spirit of the law and the Base Realignment and Closure (BRAC) process by pursuing a policy of privatizing-in-place the depot maintenance workloads currently performed at the Kelly Air Logistic Center (ALC), Texas, and McClellan ALC, California. The actions of the Administration on this matter appear to have tainted the BRAC process by inserting politics into what was designed to be apolitical. At a time when the Department of Defense is seeking authority to conduct additional rounds of base closures, the committee finds it troubling that the Air Force continues to refuse to reduce its excess depot capacity by moving the Kelly and McClellan workloads to the remaining air logistics facilities. The committee is determined to ensure that excess capacity is reduced, the integrity of the BRAC process is preserved, and the Department of Defense (DOD) operates as efficiently as possible. Therefore, the committee recommends a series of provisions to improve the efficiency and effective management of DOD maintenance depots.

Section 311, Definition of Depot-Level Maintenance and Repair, would codify the definition of depot-level maintenance and repair and essentially restates section 324 of the National Defense Authorization Act for Fiscal Year 1997 as passed by the Senate. This provision would simply codify the definition of depot maintenance contained in the DOD directive on the maintenance of military materiel (directive 4151.18), as including materiel maintenance or repair requiring the overhaul or rebuilding of parts, assemblies, or subassemblies and the testing and reclamation of equipment. This definition would apply to depot maintenance funded through interim contractor support or contractor logistics support which has

not always been reported as depot maintenance in the past. This definition would not include ship modernization activities.

Section 312, Restrictions on Contracts for Performance of Depot-Level Maintenance and Repair at Certain Facilities, would require that the Air Force utilize at least 75 percent of the remaining capacity at each air logistics center prior to privatizing-in-place the workload currently performed at Kelly and McClellan. Furthermore, in order for these workloads to be privatized-in-place, they could not have been core logistics capabilities prior to July 1, 1995. Finally, the Secretary of Defense must determine that performing the workloads at Kelly or McClellan would be cheaper for the Air Force than performing them at the other ALCs over the long-term. While these requirements apply to privatizing-in-place the workloads at Kelly or McClellan, they do not apply to the privatization of the workloads at any other location.

Section 313, Core Logistics Functions of Department of Defense, would codify the current DOD definition of core logistics functions and require that the Department of Defense maintain sufficient capability (not actual repair) within the public depots to perform maintenance and repair of "mission essential" weapons systems and equipment required to support the Joint Chiefs of Staff contingency scenarios. This provision also requires the Department to calculate the required core maintenance levels annually and report to Congress the results of this determination, to include identification of mission essential systems and equipment, required core capabilities, actual number of direct labor hours required for each capability, and decision as to organic/private workload mix necessary to achieve the required core capability.

Section 314, Percentage Limitation on Performance of Depot-Level Maintenance of Materiel, changes the 60/40 ratio to 50/50 as requested by the Secretary of Defense, effective October 1, 1998, and changes the basis for calculating what is public depot maintenance from work performed by Federal employees to work performed in Federal facilities. This provision would allow more flexible arrangements with the private sector for participating in the performance of maintenance workloads in Department of Defense (Government-owned, Government-operated) organic depot maintenance facilities.

Section 315, Centers of Industrial and Technical Excellence, would require the Secretary of Defense to designate the depot-level activities of the Department of Defense as Centers of Technical Excellence and would encourage these centers to form public-private partnerships for the performance of depot-level maintenance and repair.

Section 316, Clarification of Prohibition on Management of Depot Employees by Constraints on Personnel Levels, would clarify that current law (10 U.S.C. 129) requires employees at public depots be managed by funding levels and workloads rather than by any artificial constraints such as end-strength ceilings.

Section 317, Annual Report on Depot-Level Maintenance and Repair, would require the Secretary of Defense to provide an annual report to Congress outlining the percentage of depot maintenance funding which was used for maintenance in public depots and the

percentage of depot maintenance funding which was used for maintenance at private facilities.

Section 318, Report on Allocation of Core Logistics Activities Among Department of Defense Facilities and Private Sector Facilities, requires DOD to evaluate an alternative set of criteria for distinguishing core from non-core maintenance.

Section 319, Review of Use of Temporary Duty Assignments for Ship Repair and Maintenance, requires the General Accounting Office to review the Navy's rationale, conditions, and factors for using TDY shipyard workers to perform ship maintenance work at homeports.

Section 320, Repeal of a Conditional Repeal of Certain Depot-Level Maintenance and Repair Laws and a Related Reporting Requirement, simply repeals a provision from the National Defense Authorization Act for Fiscal Year 1996 which is now irrelevant because the DOD failed to submit an acceptable plan.

Section 321, Extension of Authority for Naval Shipyards and Aviation Depots to Engage in Defense-Related Production and Services, would extend through fiscal year 1998 the authority provided by section 1425 of the National Defense Authorization Act for Fiscal Year 1991, as amended, for naval shipyards and aviation depots of all military services to bid on defense-related production and services.

### **SUBTITLE C—ENVIRONMENTAL PROVISIONS**

#### **Section 331. Clarification of authority relating to storage and disposal of nondefense toxic and hazardous materials on Department of Defense property.**

The committee recommends a provision that would amend section 2692 of title 10, United States Code, to clarify exemptions from the prohibition against Department of Defense (DOD) storage or disposal of toxic or hazardous material that is not owned by the Department. The administration recommended this provision to ensure that the Department has appropriate authority to control munitions stored or disposed of in connection with Defense activities.

The amendment would address the following DOD related activities: (1) storage of explosive and hazardous materials in conjunction with space launch programs; (2) storage of member personal property, such as guns, ammunition, and related material, when such storage is in the interest of public safety; (3) storage of allied/foreign munitions during joint testing, exercises or coalition warfare; (4) storage of explosives and hazardous materials in support of other U.S. Government agencies, to include State and local law enforcement agencies; (5) storage of contractor owned explosive materials when performing a service for the benefit of the U.S. Government; and (6) storage of commercial explosives on DOD installations participating in full or partial privatization.

The activities described are necessary for the routine and cost effective operation of DOD installations or will facilitate proper handling of the materials concerned. The amendment would ensure the Department's preservation of valuable resources and public safety. The provision does not create any competitive conflict with the private sector.

**Section 332. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.**

The committee recommends a provision that would require an annual report of fines and penalties assessed against the Department of Defense (DOD) under Federal, State, or local environmental law. The use of DOD environmental program funds for these purposes should be the subject of careful congressional oversight. The report will facilitate scrutiny in this area.

**Section 333. Annual report on environmental activities of the Department of Defense overseas.**

The committee recommends a provision that would require the Department of Defense (DOD) to report on overseas environmental restoration, compliance, and other international environmental activities. The Department would be required to include the overseas environmental information in its annual environmental reports to Congress. The committee is interested in oversight of funds used in support of the Department's overseas environmental policy.

Specifically, the committee is concerned about the level of DOD funding for international environmental activities, such as conferences, meetings, pilot studies, and bilateral cooperative efforts. Between fiscal years 1994 and 1997, the Department obligated or expended about \$3.5 million in support of these international environmental activities. The use of these funds was not based on a specific need for overseas installation access or sustained operations, the preservation of the health and safety of U.S. troops overseas, or legal obligations directly related to current or former DOD functions overseas.

The committee is concerned that there is a growing emphasis on the increased obligation and expenditure of limited DOD funds for international environmental activities, which reduces funds available for domestic and overseas environmental cleanup and compliance requirements and other defense purposes. The Department's overseas environmental policy should be defined by legal requirements and fiscal responsibilities. Therefore, the committee has concluded that the international environmental activities described above would more appropriately be funded out of the budget of the Department of State.

**Section 334. Membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.**

The committee recommends a provision that would amend section 2904(b)(4) of title 10, United States Code, to provide that the length of service for members appointed to the Strategic Environmental Research and Development Program (SERDP) Scientific Advisory Board would be for not less than two years and not more than four years. The Department of Defense recommended this proposal to give the SERDP director the flexibility to fill unexpected vacancies on the Board.

**Section 335. Additional information on agreements for agency services in support of environmental technology certification.**

Section 327 of the National Defense Authorization Act for Fiscal Year 1997 authorized the Department of Defense to initiate a program to provide for agreements in support of multi-state and regional certification of environmental cleanup technology. It was anticipated that the agreements would be used as a vehicle to reimburse state regulatory agencies for their participation in multi-state and regional certification actions.

The administration submitted a legislative proposal for fiscal year 1998 that would have provided authority to enter into similar agreements for cleanup and compliance technologies. However, the Department has failed to provide any guidelines or restrictions related to state reimbursements and has not yet used the section 327 authority. Under the circumstances it would be premature to expand the section 327 authority.

In addition, the committee notes that the certification of viable environmental technologies benefit commercial, state, and federal interests. Therefore, the committee directs the Department to develop a program that allows for cost-sharing among vendors, states, and the Department.

In order to ensure accountability, a provision has been included that would require the Department to prepare guidelines for reimbursement and cost-sharing. The committee has also included a provision that would expand the reporting requirement under section 2706(a) of title 10, United States Code, as it relates to agreements in support of environmental technology certification.

**Section 336. Risk assessments under the Defense Environmental Restoration Program.**

The Department of Defense (DOD) has maintained that the relative risk site evaluation methodology provides a quantifiable basis for directing resources to remediate sites that pose the greatest risk to human health and the environment. The relative risk site evaluation involves three site categories: high; medium; and low. According to the Department, the high relative risk sites are given a greater funding priority than the medium and low relative risk sites.

The General Accounting Office (GAO) conducted a review of the Department's relative risk method of justifying requirements and allocating funds. Based upon information provided to the committee, there is reason to question the credibility of the Department's risk-based approach and the degree to which it facilitates the establishment of legitimate funding priorities. Therefore, the committee recommends a provision that would direct the Secretary of Defense to define the elements of a relative risk assessment, to develop uniform guidance for site assessment and ranking, and to ensure consistent application of the guidance.

In addition, the committee directs that the funds requested for the fiscal year 1998 administration of the Defense Environmental Restoration Account (DERA) be reduced by \$30.0 million to reflect concerns regarding the management and use of relative risk site evaluations. Moreover, the Defense Environmental Restoration Pro-

gram Annual Reports to Congress for Fiscal Years 1995 and 1996 suggest that there are discrepancies underlying the relative risk information provided to the Congress. Another \$30.0 million reduction of the overall fiscal year 1998 DERA request is directed because of an unexplained incongruence associated with a high relative risk ranking of sites with low contamination levels.

The reduction of funds shall be reflected proportionately within the individual lines of the DERA account. Hopefully, the decreased funding will compel more effective program management and the elimination of inconsistencies.

The committee expects the GAO to continue its review of the Department's relative risk assessments and report to the committee by February 1, 1998. The committee is particularly interested in ensuring that there is consistent application of uniform guidance in relation to the Department's use of the relative risk methodology.

### **Section 337. Recovery and sharing of costs of environmental restoration at Department of Defense sites.**

The committee recommends a provision that would direct the Secretary of Defense to: (1) provide guidance to the military departments and the Defense Logistics Agency (DLA) that resolves current disparities; (2) require the military departments and DLA to aggressively pursue future cost reimbursement and recovery actions; (3) require the military departments and the DLA to identify contractors or other private third parties involved in contamination at Department of Defense (DOD) sites; (4) require the military departments and DLA to obtain all relevant data regarding contractors or other responsible parties identified, regardless of wrongdoing; (5) require the military departments and DLA to gather and maintain the most timely and accurate cost data available to the departments and other agencies' records; (6) require the military departments and DLA to provide consistent estimates, including all cleanup costs for DOD environmental reports to Congress, regardless of the source of funds; and (7) require the military departments to offset environmental restoration budget requirements with amounts recovered from liable third parties or contractors.

According to a series of General Accounting Office (GAO) reports on DOD environmental cleanup, the Department has incurred a significant amount of cleanup expenses in instances in which a third party may have contributed to the contamination of government property. The GAO review of DOD cost-recovery efforts did not include formerly used defense sites (FUDS).

The GAO reported that the DOD lacks uniform guidance regarding the policies and practices for recovery of such costs. In the absence of such guidance, the military departments have taken different approaches. Information provided to the committee suggests that inconsistent policies have contributed to a lack of focus and minimal cost-recovery or cost-sharing at third party sites, particularly at government-owned/contractor-operated facilities.

It is the committee's view that the funds associated with the administration of the Defense Environmental Restoration Account (DERA) should be reduced by \$30.0 million to reflect the inefficiencies and mismanagement inherent to the Department's inaction on third party cost-recovery actions. The decrease of the fiscal year

1998 DERA budget request shall be taken proportionately from individual lines within the account. The decreased funding should serve to motivate the DOD to immediately eliminate this and other DERA management inefficiencies.

The committee expects the GAO to continue its review of DOD cost-recovery efforts and report to the committee by February 1, 1998. The committee is particularly interested in the degree to which cost-recovery may offset projected environmental cleanup requirements throughout the Department.

**Section 338. Pilot program for the sale of air pollution emission reduction incentives.**

The committee recommends a provision that would support the administration's proposal to give the military departments the authority to sell emission reduction credits, also known as incentives. The provision directs the Secretary of Defense to promulgate regulations that would provide for the retention of the proceeds at the facility that developed the credits for sale. The provision would also allow for use of proceeds from the sale of emission reduction credits to pay for fees and other charges associated with identifying, quantifying, or valuing the credits. Subsequent to the development of credits, less than \$500,000 may be retained Defense-wide.

The Clean Air Act directs states to establish state implementation plans (SIPs) to attain and maintain the national ambient air quality standards (NAAQS), which are health based standards established for certain criteria pollutants (sulphur dioxide, nitrogen oxides, particulate matter, carbon monoxide, ozone, and lead). To further this mandate, the Clean Air Act Amendments of 1990 (CAAA) (42 U.S.C. 7410(a)(2)(A)) encourage the states to include "economic incentive" programs in the SIPs. Such programs serve to reduce air pollution by allowing for the sale of credits received for reduction of emissions of criteria pollutants.

A number of State and local air quality districts have already established various types of emission trading systems that the private sector has been able to utilize. However, Federal agencies lack the authority to take full advantage of the economic incentives inherent to these emission trading opportunities.

Federal fiscal law generally requires that proceeds from the sale of government property be deposited in the U.S. Treasury. That requirement precludes the military departments from retaining funds generated through the reduction of air emissions and the sale of resulting credits. Such fiscal constraints inhibit an agency's reasonable efforts to use the proceeds from the sale of emission reduction credits or economic incentives to purchase needed air credits in other areas and results in disparate treatment of Federal facilities.

The administration maintains that the retention and use of proceeds at the facility level effectively encourages the successful use of pollution prevention measures through economic incentives. The committee concurs. The new authority for sale of emission credits and use of proceeds would be beneficial to active and closing facilities within the Department of Defense. The committee views the ability to retain proceeds at the facility level as a key element of this provision.

**Section 339. Tagging system for identification of hydrocarbon fuels used by the Department of Defense.**

The committee recommends a provision that would authorize the Department of Defense to conduct a pilot program to determine if hydrocarbon fuels used by the Department can be tagged. The tagging of these fuels would help deter theft and facilitate the determination of the source of surface and underground pollution in locations having separate fuel storage facilities from the Department and civilian companies.

**SUBTITLE D—COMMISSARIES AND NONAPPROPRIATED FUND INSTRUMENTALITIES**

**Section 351. Funding sources for construction and improvement of commissary store facilities.**

The committee recommends a provision that would permit the Defense Commissary Agency to deposit revenues from fees paid by sources of products, known as business management fees, from certain activities of commissary store facilities and from products offered for sale in the commissary under consignment with exchanges as designated by the Department of Defense into the same account as the surcharge funds.

**Section 352. Integration of military exchange services.**

The committee recommends a provision that would require the secretaries of the military departments to integrate the three military exchange systems by September 30, 2000.

The committee appreciates the concerns expressed by the military services during discussions of integration of the military exchange systems. The committee intentionally gave the mission, to develop and implement a plan to integrate the exchanges, to the secretaries of the military departments, since the exchanges and the dividends are so critical to the quality of life programs within the services. The committee expects the Office of the Secretary of Defense to provide advice and expertise to assist the services in this endeavor.

The goal of the integration is to achieve efficiencies which will offset increasing costs, ensure modernization of the facilities and management systems, and maintain a robust dividend to fund quality of life programs. In this way, the integrated military exchange system will provide enhanced service and better value to the uniformed service members while maintaining service specificity in certain areas. The committee recognizes that there are many complex issues which must be addressed in order to integrate the exchanges, while maintaining the unique character of the individual service exchange stores. There are a number of areas, such as human resources and distribution, which can be integrated early and efficiently. There are other areas, such as information management systems, which will take careful planning to integrate in a manner that optimizes the technology available in the current exchange systems and in the commercial market. The committee intends that ship stores would continue to operate separately from the exchange command as they do today.

The committee does not intend for the integration process to be a “take over” by one exchange system, nor does the committee expect that exchange stores will change the names or logos in use today. The committee does expect, however, that the service secretaries and the three exchange commands will work together to find the most efficient manner in which to serve active, reserve, and retired soldiers, sailors, airmen and Marines and their families.

### **SUBTITLE E—OTHER MATTERS**

#### **Section 361. Advance billings for working capital funds.**

The committee recommends a provision to limit the use of advance billing in the working capital funds, except in cases of national emergencies or when necessary to support contingency operations. The military services would be required to notify the congressional defense committees within 30 days of advance billings being posted to the working capital funds for amounts equal to or less than \$50.0 million, and would be required to notify the congressional defense committees 30 days prior to posting the billings in cases greater than \$50.0 million.

Excessive advance billing has continued, notwithstanding congressional guidance and initiatives to limit the practice. The Department of Defense has used advance billing to the working capital funds as a normal operating practice, rather than the exception. In the case of Navy Working Capital Funds, advance billing is continually used without any plans for significant reductions. Failure to properly budget for these activities and allowing these activities to operate in deficit spending each year is not in keeping with good business practices and risks the future readiness of the force. Removal of activities from the working capital funds, use of direct appropriations to fund these activities, or allowing working capital activities to change rates in the year of execution is not a viable solution to problems being experienced in working capital funds. Proper budgeting and using full costing policies allow for the proper financial management of working capital fund activities. The restrictions placed on the Department of Defense by this provision simply enforce the Department’s existing policies.

The committee notes that significant progress has not been made in liquidating advance billing liabilities, and is prepared to place further restrictions on working capital funds, if these financial problems are not corrected.

#### **Section 362. Center for Excellence in Disaster Management and Humanitarian Assistance.**

The committee recommends a provision that would authorize the Secretary of Defense to operate a Center for Excellence in Disaster Management and Humanitarian Assistance at Tripler Army Medical Center to address the military’s role in a wide range of disaster initiatives throughout Southeast Asia and the Pacific Basin region.

**Section 363. Administrative actions adversely affecting military training or other readiness activities.**

The committee recommends a provision that would require the Secretary of Defense to provide the President, the Committee on Armed Services of the Senate, the National Security Committee of the House of Representatives, and the head of any relevant Federal agency with written notification of any Federal administrative action that has or would have a significant adverse effect on the military readiness of any of the armed forces or a critical component of the armed forces; such as a Marine battalion preparing for deployment as part of a Marine Expeditionary Unit, or Special Operations Forces dedicated to a specific mission. Notification would be provided as soon as the Secretary becomes aware of an adverse administrative action or proposed administrative action. The notification would delay the implementation of the action for a period of 30 days unless the Secretary determines that the compliance with the proposed action is in the best interest of the American public, or the President directs the Secretary to comply based on a determination that the implementation of the action is more important than the effects on military readiness.

The committee has become aware of two administrative actions that could or would have a significant adverse impact on training and readiness activities. In those instances, an Executive agency acted without prior consultation with the Department of Defense. The committee's recommended notice provisions are intended to encourage Executive agency consultations in advance of such administrative actions. It is the committee's view that some form of Executive Branch process would facilitate communication and encourage reasoned resolution of issues that may arise among agencies. For example, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9606) provides an administrative process for any person, to include private or public entities, that receive and comply with an order issued under section 106(a) of the Act.

The first administrative action involved regulatory waivers. In order to conduct certain types of training flight activities, the Department of Defense operates under certain waivers of Federal Aviation Administration (FAA) safety rules and must coordinate with the FAA in advance of utilizing those waivers. The FAA recently suspended regulatory waivers necessary for a major military training exercise. That action was based on an FAA assertion that the Department failed to coordinate in advance of the exercise. Documentation in possession of the Department of Defense indicated that the suspension was based on misinformation within the FAA. However, the FAA did not discover the internal error until after there had been a significant adverse impact on the training exercise. An interagency consultation process could have prevented the unnecessary suspension action and disruption of a major military training activity.

The second administrative action involved an order that could adversely impact the training of two Army National Guard artillery battalions and one infantry brigade at the Massachusetts Military Reservation (MMR). That order was issued on April 10, 1997 by the Environmental Protection Agency (EPA), Region 1, Regional

Administrator. The original effective date of the order, April 21, was stayed because of the Army's timely filed request for conference with the EPA Administrator. Recently, the EPA modified the order and it became effective.

The April 10 order specifically directed the suspension of all training range and impact area weapons activities that involve lead munitions, high explosives, demolition's, pyrotechnics or the use of propellants. The order also included the submission of a work plan related to the covering of all berms with plastic, removal of lead from all berms, and a specific timetable for periodic unexploded ordnance clearance sweeps of the training range and impact area. The order was modified to allow for small arms training. The order would still suspend the firing of artillery and mortar at MMR until completion of an Impact Area Groundwater Study.

The EPA order is based on a single groundwater sample from the MMR impact area that had traces of contaminants associated with pyrotechnics and propellants. The Army maintains that the sample evidence is limited and questionable, and therefore seeks an amendment to the order. Region 1 maintains that the adverse impact on readiness is justified by the fact that MMR is located over a sole source aquifer for the Cape.

Historically, the sample site was used for disposal of pyrotechnics and propellants. Ground disposal is now prohibited. Region 1 has not attempted to confirm the results of the sample in question or to determine whether the trace indications of contaminants were the result of prior ground disposal activities. Rather than defer administrative action pending the continued site evaluation and collection of adequate sampling data, the EPA, Region 1, elected to shut down the MMR training range based on limited unconfirmed evidence of possible groundwater contamination. According to the EPA, the burden is on the Army to prove that the use of pyrotechnics and propellants do not contribute to further site contamination, and do not pose a threat to human health and the environment. In short, the EPA view would compel the Army to prove a negative.

Prior to the issuance of the April 10 order, the Army National Guard responded favorably to all regulatory requests related to a February 27, 1997 Region 1 order that directed the development of the Impact Area Groundwater Study. Those requests resulted in escalated site investigation costs ranging from \$3.5 million to approximately \$10.0 to \$20.0 million. The following activities were increased, with particular focus on the impact area: sampling wells from 33 to 43; groundwater samples from 86 to 146; soil samples from 53 to 576; and soil sampling analyses from 272 to 2370. Pending completion of the study, the Army National Guard voluntarily suspended live fire training with lead munitions and high explosive munitions. The EPA acknowledges that every requirement of the first order was met, and that they were satisfied with the Army National Guard performance.

It is evident that Executive agency consultation should have preceded the issuance of the April 10 order at MMR. The Army National Guard responded to the first order in good faith, and the EPA, Region 1 reacted with an administrative hammer, the basis

of which remains questionable. Interagency consultation should have been a condition precedent to issuance of the order.

**Section 364. Financial assistance to support additional duties assigned to Army National Guard.**

The committee understands the valuable maintenance and other assistance that the Army National Guard can provide to the active components of the Army. Unfortunately, this assistance is limited because of the lack of clear authority for the Secretary of the Army to provide financial assistance to the Army National Guard out of funds appropriated to the Army in order to help defray the cost of such assistance. Therefore, the committee recommends a provision that would authorize the Secretary of the Army to contribute funds to the National Guard in order to pay for the costs of those services carried out by the Guard in the performance of maintenance and other responsibilities of the Secretary.

**Section 365. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.**

The committee recommends a provision that will authorize the Secretary of the Army to competitively sell excess, obsolete, or unserviceable ammunition and ammunition components to licensed manufacturers that have the capability to modify, reclaim, transport, and either store or sell ammunition or ammunition components. The ammunition or ammunition components purchased under this authority must either be demilitarized or used in such a way as the Secretary of the Army determines is consistent with the public interest.

Rather than the current practice of paying for the demilitarization of ammunition, this provision will allow the Army to receive funds, ammunition, ammunition components, or ammunition demilitarization services for ammunition or ammunition components that are sold. This will result in the savings of valuable defense dollars at a time when they are becoming increasingly scarce.

The committee directs the Secretary of the Army to provide a report not later than March 31, 1999, outlining the amount of ammunition disposed of pursuant to this authority, and the disposition of any revenues or other receipts.

**Section 366. Inventory management.**

The committee is concerned with recent reports that the Department of Defense continues to possess several billion dollars worth of excess inventory. While the committee understands that much of this inventory is the result of the dramatic drawdown in the size of the armed forces using these supplies and that they will be utilized over the next several years, the committee wants to be sure that the best commercial practices are used in the future to ensure that excess inventories are minimized. Therefore, the committee recommends a provision that would direct the Director of the Defense Logistics Agency to develop and submit to Congress a schedule for the implementation of the best inventory management practices found in the commercial sector that are consistent with military requirements.

**Section 367. Warranty claims recovery pilot program.**

The committee is concerned that the Department of Defense is not receiving the appropriate refunds owed it by original equipment manufacturers for maintenance work performed in public depots on systems under warranty. At a time when funding for the Department of Defense is becoming increasingly scarce, it is important to ensure that all options for reducing the cost of maintaining military equipment are explored. Therefore, the committee recommends a provision authorizing a pilot program to recover any refunds owed the Air Force for maintenance work performed in public depots on aircraft engines while under warranty. Receipts under this program would be returned to the appropriations account from which the maintenance work was funded.

**Section 368. Adjustment and diversification assistance to enhance increased performance of military family support services by private sector sources.**

The committee recommends a provision that would amend section 2391(b)(5) of title 10, United States Code, to authorize the Secretary of Defense, through the Office of Economic Development, to make grants, conclude cooperative agreements, and supplement other Federal funds to assist State or local governments in supporting the efforts of the Department of Defense in privatizing family support activities. These support services would include, but would not be limited to, privatization and outsourcing of military family housing, family housing referrals, child development centers, and library services. The committee is encouraged by the actions taken by the Department in this area and urges it to take advantage of the knowledge and expertise of State and local authorities in the privatization of family services.

**ADDITIONAL MATTERS OF INTEREST**

**Army**

**Organizational clothing and individual equipment**

The committee is aware of the significant benefits provided by the organizational clothing and individual equipment purchased through the Army Soldier Enhancement Program. These items include the bivy-sac modular sleeping bag, improved rainsuit, and the advanced combat vehicle crewman helmet, which were on the unfunded requirement list of the Chief of Staff of the Army, serve to improve the comfort and survivability of the soldiers in the field. Unfortunately, there has been a historical shortfall in funding for this program that has delayed the fielding of the equipment to the individual soldiers. Accelerating the purchase of this equipment will have the dual benefit of equipping our soldiers earlier and reducing the outyear funding requirement. Therefore, the committee recommends an increase of \$70.0 million to the Army's operations and maintenance account to accelerate the purchase of this equipment.

**Aviation training**

The committee understands that the Army currently has more than 1600 pilots trained in older aircraft for which there is a requirement of only 900. To alleviate the excess number of pilots in the older systems, the Army has developed a program to retrain the pilots in modern aircraft. This program is intended to significantly improve the combat readiness of the total force by providing the Army highly trained aviators in more lethal, survivable, modernized systems. Unfortunately, there is a \$14.0 million unfunded requirement for this program in fiscal year 1998 due to the cost of flight training for the entire Army aviation training program. Therefore, the committee recommends an increase of \$14.0 to fully fund the retraining program.

**Logistics automation**

The committee is aware of the requirement for additional funding in Army logistics automation programs, such as the Standard Army Retail Supply System, Standard Army Maintenance System, Unit Level Logistics System, and Integrated Combat Service Support System. Providing these additional funds will result in cost savings as well as improvements in the efficiency and effectiveness of the Army to perform assigned combat service support functions. Additional funding for the Standard Army Maintenance System would lead to an accelerated fielding of this system which is essential with the impending "Year 2000" problem. Therefore, the committee recommends an increase of \$21.9 million to the Army operations and maintenance account in order to provide the Army with the required funding to accelerate these important programs.

**Information systems security**

The committee is aware of the \$8.1 million unfinanced Army requirement for information systems security. Information systems security is a core function directly affecting the ability of the Army to sustain current operations and rapidly respond to crisis and contingency operations. If provided, the \$8.1 million would be used for training, threat/vulnerability assessment, tools/risk management assessment, major command support (MACOM), and firewall upgrades. The committee understands that if the funding is not provided, the lack of training would increase operational risks to Army tactical and strategic systems by leaving them open to compromise and penetration by hackers. Failure to fund a technical vulnerability assessment will result in the fielding of a tactical information infrastructure that will be vulnerable to disruption and exploitation by an adversary. Furthermore, failure to fund the tools/risk management assessment will increase the overall operational risk to Army systems. In addition, Army MACOMs will be unable to comply with Department of Defense and Army directives to implement the required level of information systems security protection. Finally, if the additional funds are not provided, firewalls will rapidly become out of date and will lose their effectiveness in providing protection to Army information systems. Therefore, the committee recommends an additional \$8.1 million to fund these important activities.

**Real property maintenance**

The committee is concerned with the continuing growth in the backlog of real property maintenance (RPM) throughout the Department of Defense. If this necessary maintenance continues to go unfunded, the Department will be faced with even larger costs to repair damages caused by inclement weather and other environmental conditions. This problem is particularly serious within the Army and the Marine Corps. The condition of military facilities at places such as Fort Sill, Oklahoma; Fort Pickett and Quantico, Virginia; Parris Island, South Carolina; and Yuma, Arizona is indicative of the severity of the problem. Necessary repairs on barracks, roads, airstrips, rifle ranges, and other facilities at these and other locations are continually deferred because of insufficient funding. Therefore, the committee recommends an increase of \$140.0 million to the Army's operations and maintenance account and \$30.0 million to the Marine Corps' operations and maintenance account for the maintenance of real property.

Of the \$140.0 million in additional real property maintenance funding for the Army, \$100.0 million is to be used to bring forward barracks renovations projects at military installations including: \$20.2 million for Fort Wainwright, Alaska; \$25.0 million for Fort Sill, Oklahoma; and \$41.3 million for Fort Campbell, Kentucky. Accelerating these planned future renovation projects will have the dual benefit of improving the living conditions of our men and women in uniform and providing the Army with the flexibility to use those funds which were originally programmed to be used for these projects in the future for other high priority programs.

**Support of other nations**

The committee is pleased by recent decisions by the Department of Defense to implement reductions in headquarters staffs of the military services. In anticipation of the savings that will be realized by this decision, the committee recommends a reduction of \$15.0 million to the budget request for Army international headquarters in support of other nations.

**Army enterprise architecture**

The committee understands that despite the priority which the Chief of Staff of the Army and the Chairman of the Joint Chiefs places on the Army Enterprise Architecture (AEA), there is a \$4.0 million shortfall in the budget request for this program. AEA is composed of the technical (standards and protocols), systems (material solutions), and operational (information exchange requirements) architectures for Force XXI. The ultimate objective of the AEA is to provide the warfighter with a seamless, interoperable flow of timely, accurate, accessible, and secure information that will provide our forces a decisive edge in achieving information dominance. The committee understands the importance of this program to the Army and therefore, recommends an additional \$4.0 million for this program in order to allow the Army to establish the first digitized force systems architecture for the fielding of a digitized division in fiscal year 2000.

## **Navy**

### **Flying hour program**

The committee is concerned with the funding shortfall in the flying hour program of the Navy and the Air Force. Concern has been expressed that this shortfall may force the Navy to curtail flying operations in the fourth quarter of fiscal year 1997.

However, this problem is not isolated to fiscal year 1997. The Secretary of Defense has identified a \$350.0 million shortfall in the flying hour program of the Navy, and a \$200.0 million shortfall in the flying hour program of the Air Force for fiscal year 1998. This shortfall is surprising in light of the testimony of the Chief of Staff of the Air Force and the Chief of Naval Operations before the Committee on Armed Services of the Senate that indicated that the Air Force and Navy budget request for fiscal year 1998 was sufficient to meet the requirements of their services. The committee is disappointed that the Navy and Air Force are not able to accurately assess the sufficiency of their budget.

However, in light of the severity of the shortfall, the committee recommends an increase of \$200.0 million for the flying hour program of the Navy, and \$30.0 million for the flying hour program of the Air Force. The committee hopes that future budget requests are more carefully reviewed to avoid such shortfalls.

### **Naval oceanographic program**

The committee recognizes the requirement to have adequate oceanographic survey data to support littoral operations. Unfortunately, the Navy currently has a survey backlog of 240 ship-years. Therefore, the committee recommends an increase of \$7.5 million to the National Oceanography Partnership program in order to reduce this backlog.

The committee further recommends an additional \$12.0 million to the Naval Meteorology and Oceanography Command for equipment purchases, air operations, and contract support in order to support survey operations and other data collection requirements.

## **Marine Corps**

### **Marine Corps initial issue**

The committee recommends an increase of \$20.7 million in the operation and maintenance accounts for the Marine Corps to purchase items of individual combat clothing and equipment. This will help provide Marines in the field with the clothing and equipment they need to survive and sustain themselves during combat operations.

### **Personnel support equipment**

Personnel support equipment (PSE) provides for the replacement of furniture, furnishings, and equipment for existing quarters and mess halls. Presently, furniture and furnishings in quarters are antiquated and, in some cases, non-functional. During fiscal years 1996 and 1997, the Marine Corps has tried to replace these items and thereby improve the quality of life of military personnel. Unfortunately, the budget request is insufficient to achieve the seven

year replacement cycle standard established by the Department of the Navy. Instead, the budget only provides enough funding for a 13.6 year replacement cycle. Therefore, the committee recommends an additional \$25.4 million in order to bring the Marine Corps PSE replacement cycle more closely in line with the Department of the Navy standard.

### **Air Force**

#### **KC-135 depot maintenance**

The committee understands that the fiscal year 1998 budget request is insufficient to fund all of the KC-135 depot maintenance requirements. Increased depot maintenance costs due to additional maintenance requirements, unprogrammed repairs, and depot rate increases will result in 16 aircraft going without the required maintenance. If sufficient funding is not provided, aircraft will be grounded and availability to the warfighting Commanders-in-chief will be reduced. Therefore, the committee recommends an increase of \$54.6 million to the Air Force operations and maintenance accounts in order to fully fund the required KC-135 depot maintenance.

#### **Office of Special Investigation and Information Protection**

The committee is aware that the Air Force has a \$2.7 million shortfall in funding for the Office of Special Investigation (OSI) Computer Crime Lab. If not corrected, this shortfall will hinder OSI investigations. Therefore, the committee recommends an increase to the Air Force operations and maintenance budget in order to purchase the necessary equipment to enhance the capabilities of the OSI Computer Crime Lab.

#### **Force protection**

The increasing threat of attack from non-state actors was made dramatically clear with the bombing of the Khobar Towers in Saudi Arabia. The initial effort of the Air Force to improve the protection of its military personnel was concentrated in Southwest Asia and other vulnerable overseas locations. Although \$298.0 million was provided for force protection in the Air Force fiscal year 1998 budget request, an additional \$57.6 million remains unfunded. The committee is disappointed that the Air Force budget did not include sufficient funding to pay for all force protection requirements. The committee recommends an increase of \$25.8 million to the Air Force operations and maintenance (O&M) account to fully fund the O&M portion of the unfunded requirement. The committee expects the administration to sufficiently fund force protection programs in the future rather than relying upon congressional increases.

### **Guard and Reserve Components**

#### **Reserve component training**

The committee is aware of the shortfall in funding for the training of the reserve components of the Army. This shortfall currently places unacceptable risk on the Army's ability to successfully prosecute the second major regional conflict (MRC). In fact, only 37 per-

cent of required training operations tempo in combat support and combat service support units required in the second MRC warfight is funded. Therefore, the committee recommends an increase of \$50.0 million in the operations and maintenance accounts of the Army reserve components; \$30.0 million for the Army National Guard and \$20.0 million for the Army Reserve.

### **Defense-Wide**

#### **Joint exercises**

The committee is concerned with reports that the high operations tempo (OPTEMPO) of the armed forces is further aggravated by the growth in exercises initiated by the Joint Chiefs of Staff (JCS) and the warfighting Commanders-in-chief (CINC). These exercises provide valuable training to the staffs of these organizations, however, they do not provide the same quality of training to the operational forces. The committee notes with support that the Quadrennial Defense Review has recommended a reduction in such exercises in order to reduce the high OPTEMPO demand upon the operational forces.

The committee is also concerned with the 17.3 percent growth over the fiscal year 1997 funding level for the Joint Staff. At a time when we are trying to streamline the infrastructure and headquarters staffs within the Department of Defense in order to ensure adequate funding for the readiness and modernization of the operational forces, this dramatic increase is not sufficiently justified.

Therefore, the committee recommends a reduction of \$62.9 million to the Joint Staff request. This level of funding would still provide an increase of 8 percent over the fiscal year 1997 funding level. The committee further directs the Chairman of the Joint Chiefs of Staff to provide a report to the congressional defense committees outlining the number of JCS/CINC exercises planned over the future year defense program, the cost of each of these operations, the sponsoring CINC or other entity, the number of military personnel who will be involved in the exercises together with their units, and the training value that will be provided.

#### **Special Operations Command operations tempo sustainment**

The committee is aware of the shortfall in funding for the operations tempo of the forces in the U.S. Special Operations Command (USSOCOM). This shortfall is the result of price changes in the Defense Working Capital Funds. The net effect of these price changes means it will cost USSOCOM \$26.1 million more to accomplish its current mission. The committee understands that this shortfall, if not alleviated, will result in a drastic reduction in the combat readiness of the Special Operations Forces. Therefore, the committee recommends an increase of \$26.1 million to the operations and maintenance account of the Special Operations Command.

#### **Civilian personnel levels**

The committee notes that the Department of Defense civilian personnel drawdown continues faster than expected. During the past several years, civilian personnel levels in the Department of

Defense have been reduced faster than anticipated when the budgets for each succeeding fiscal year were drafted. This drawdown means lower-than-budgeted civilian personnel levels, resulting in savings of approximately \$392.0 million during fiscal year 1998. The committee has made the appropriate adjustments in the fiscal year 1998 budget to reflect these savings.

### Miscellaneous Programs

#### Full funding of the Defense Health Program

The committee has realigned funds as requested by the Department of Defense to fully fund the Defense Health Program in the amount of \$274.0 million and to partially offset the underfunding of the Navy flying hour program in the amount of \$24.0 million. The offset for this increase is the Military Personnel and Operation and Maintenance foreign currency fluctuation accounts in the following amounts:

[In millions of dollars]

	Military person- nel	Operations & maintenance
Army .....	37.0	135.0
Navy .....	9.0	21.0
Marines .....	4.0	2.0
Air Force .....	12.0	53.0
Defense Health Program .....		15.0
Defense Wide .....		10.0
Totals .....	62.0	236.0

#### Cooperative Threat Reduction Program

The budget request included \$382.2 million for the Cooperative Threat Reduction (CTR) program for activities in Russia related to the elimination of strategic offensive arms, weapons storage security, fissile material storage and fissile material storage containers, chemical weapons destruction, chemical weapons production facility conversion and dismantlement, plutonium production reactor core conversion, and defense and military contacts; in Ukraine for elimination of strategic nuclear arms and defense and military contacts; and for other activities related to elimination of weapons of mass destruction and defense and military contacts in the newly independent states (NIS) of the former Soviet Union.

The committee recommends a \$60.0 million reduction to the budget request for fiscal year 1998. The committee understands that funds authorized in prior years for the purchase of nuclear storage canisters for Russia and for activities in Belarus in the sum of \$69.0 million remain available and will not be used as previously planned. With regard to the nuclear storage canisters, the committee understands that Japan plans to provide financial assistance for the purchase of these canisters. With regard to Belarus, the President was unable to certify to its compliance with certain requirements described in Section 1203(d) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 103-160). The committee recommends that funds previously authorized for activities in Belarus, but not expended, no longer be held in escrow, but rather be used for activities planned in fiscal year 1998.

### **Chemical Weapons Convention**

The budget request for CTR includes \$51.0 million for the CTR chemical weapons (CW) destruction support program, which was established in July 1992 when the United States signed a CTR implementing agreement with the Russian Federation. CTR chemical weapons destruction support assistance is designed to assist the Russian Federation in destroying its chemical stockpile and fulfilling their obligations and responsibilities under the Bilateral Destruction Agreement (BDA) and the Chemical Weapons Convention (CWC). The committee understands that the objective of the CTR chemical weapons destruction program is to help Russia “jump start” its chemical destruction program, not to shift the financial burden of destroying Russia’s stockpile to the United States. The Russian Federation must provide the majority of the resources and effort to destroy its own chemical stockpile.

To date, the Congress has authorized and appropriated \$145.5 million, of which \$61 million has been obligated, for the development of a site specific comprehensive implementation plan (CIP), establishment of a fixed-site central chemical weapons destruction analytical laboratory (CAL), and to conduct a joint U.S./Russian assessment and validation of the Russian two-step CW destruction process of neutralization and bituminization to be used in the destruction of its chemical stockpile.

Following the U.S. ratification of the CWC on April 24, the Russian Duma voted against ratification of the CWC, saying that they lacked the resources necessary to pay for the destruction of their chemical agent and weapons arsenal. The Russian Duma suggested that, if possible, it would approve the CWC later this fall if certain conditions are met. The Duma also asked for “significant” international financial assistance to help Russia destroy its stockpile. Condition 14 of the CWC resolution of ratification approved by the Senate expressed the view of the United States that Russia must maintain a substantial stake in financing the implementation of both the Bilateral Destruction Agreement and the CWC. The committee believes it is not the responsibility of the United States to provide financial guarantees so that Russia will ratify the CWC. The committee further believes that it is not the responsibility of the United States to pay for Russia’s implementation of its commitments under the BDA and the CWC, if ratified by Russia.

### **Overseas humanitarian demining and Commander in chief initiative activities**

The committee strongly supports the humanitarian demining and Commander in chief (CINC) initiative activities of the Department of Defense. These activities have enabled military personnel of the Department of Defense to forge valuable relationships with the armed forces and civilian populations of other nations. Therefore, the committee authorizes \$25.1 million to fully fund the planned humanitarian demining and \$15.0 million for CINC initiative programs of the Department of Defense, including the Demining Center of Excellence.

## **National Defense Sealift Fund**

### **LMSR procurement**

The budget request contained \$812.9 million in the national defense sealift fund (NDSF). Of this amount \$581.3 million would be for the procurement of two large medium speed roll-on/roll-off (LMSR) strategic sealift ships, \$131.5 million for resolution of cost growth that has occurred on LMSRs authorized in prior years, \$70.0 million for advance procurement of components for an LMSR that is planned for authorization in fiscal year 1999, and \$30.1 million for completion of prior year ships.

In fiscal year 1997 Congress appropriated funds to accelerate the procurement of one LMSR strategic sealift ship from fiscal year 1999 to fiscal year 1997. This action reflected an emphasis on resolving shortages in strategic sealift that were identified in the Joint Chiefs of Staff's Mobility Requirement's Study (MRS) and subsequently reaffirmed by an update that the Joint Staff performed after completion of the Bottom-Up Review. However, the committee has now learned that the Commander in chief of the U.S. Central Command, the principal intended beneficiary of the Army's afloat prepositioning program, has recommended that the Army should preposition its third brigade set of heavy combat vehicles ashore, rather than afloat on LMSR strategic sealift ships. Additionally, the committee has reviewed the strategic sealift construction program and has found that there has been: (1) loss of efficiency, caused by the magnitude of work in progress in the two shipyards that are building LMSRs; (2) program cost growth of \$131.5 million; and (3) construction delays of up to seven months in both shipyards. The committee believes that these problems and ongoing labor disputes will likely delay deliveries even longer and will seriously disrupt the phasing on the LMSR construction program. These combined factors: (1) verifying the appropriate prepositioning policy for Army equipment; and (2) construction disruption that will likely prevent proper execution of NDSF funds budgeted in fiscal year 1998 for LMSR construction have caused the committee to conclude that a pause for reflection is prudent.

Consequently, the committee recommends that the budget request for the NDSF be reduced by \$651.3 million, the amount identified for procurement of two LMSR sealift ships in fiscal year 1998 and for advance procurement for an additional sealift ship in fiscal year 1999.

### **National defense sealift fund**

The committee has been informed that funds previously authorized and appropriated in the national defense sealift fund (NDSF) are in excess of requirements because of contract savings. Accordingly, the committee recommends a decrease of \$25.0 million below the budget request in the NDSF.

### **Maritime prepositioning force recapitalization**

The committee notes that the oldest of the thirteen ships that currently constitute the Marine Corps maritime prepositioning force (MPF) are approaching the end of their service lives. The committee is aware that the Department of the Navy is evaluating

advanced concepts for future preposition assets as part of the MPF 2010 initiative. The committee believes further attention to this issue is warranted and recommends an increase of \$1.0 million in the national defense sealift fund (NDSF) to provide support for a Department study of future requirements and specifications for MPF recapitalization.

#### **OTHER ITEMS OF INTEREST**

##### **Authorization for the Department of Defense to deposit funds in the Foreign Military Sales Trust Fund Account for Canada's purchase of military equipment**

The administration submitted a legislative proposal that would authorize payment of \$100.0 million to Canada; \$10.0 million per year for ten years. The administration's proposal suggests that the \$100.0 million would be spent for environmental cleanup of four former U.S. sites in Canada: 21 Distant Early Warning (DEW) Line sites; Goose Bay Airfield; Haines-Fairbanks Pipeline sites; and the U.S. Naval Station, Argentia. However, the entire \$100.0 million would be paid into the Foreign Military Sales (FMS) Trust Fund Account and it appears that the Canadian Government could draw against this account to purchase unspecified military equipment from an undetermined manufacturing source, unrelated to environmental cleanup. The payment is contingent upon congressional authorization.

Regardless of the purpose for which the \$100.0 million would actually be spent, the Department of Defense (DOD) has indicated that it has no legal obligation to fund the cleanup of the four Canadian sites. The Department has also indicated that residual value of the former U.S. sites, such as the Naval Station, Argentia, was not considered in determining the \$100.0 million settlement. In addition, the Department has stated that despite the parties' inability to agree on the issue of legal liability, " \* \* \* the U.S. agreed to work toward an equitable settlement because of our uniquely close and long-standing relationship with Canada \* \* \*."

The committee is concerned that by funding the \$100.0 million settlement, in the absence of any legal obligation, the Department could set an untenable precedent for other foreign country interests that fall into the same category as the Canadian sites. The committee concludes that it would be more fiscally responsible to use the constrained DOD budget to fund foreign environmental activities for which the Department has a legal obligation or requirement. The committee directs the Department to manage future issues of this nature in a manner that is consistent with its legal obligations and fiscal responsibilities.

##### **Continued operations at Fort Pickett, Virginia**

Fort Pickett, Virginia, operated for decades as an Army post and training facility. Under the Base Realignment and Closure Act of 1990, Fort Pickett was recommended for closure, but with ranges, facilities, and training areas remaining for limited training. The committee is aware of ongoing discussions between the Army and the Commonwealth of Virginia to provide for the Virginia Department of Military Affairs to manage Fort Pickett for the Army, effec-

tive October 1, 1997, and to address the continuation of important military training activities.

Virginia has raised concerns about the potential exposure to environmental liabilities associated with the new arrangement. The committee understands that environmental contamination already exists at Fort Pickett and that limited training activities may continue at the post. Accordingly, the committee urges the Army to work with Virginia to make sure that the Commonwealth's concerns are satisfactorily addressed.

### **Contracted Flight Training Service**

The committee notes that the Contracted Flight Training Service program has been reduced and will no longer support continuation of air-to-air electronic counter-measures training for active duty units and personnel. The committee has a history of supporting this program and believes that it has resulted in significant savings to the Air Force and the Air National Guard. The committee is concerned that this reduction might result in less flight training and higher per-hour flight training costs. Therefore, the committee directs the Air Force to review its electronic counter-measures training and report to the committee on its operational requirements and realized cost savings compared to substantially similar levels of training in prior years by March 1, 1998.

### **Defense environmental compliance**

In the Senate report (S. Rpt. 104-112) for the National Defense Authorization Act for Fiscal Year 1996, the committee gave the Department of Defense specific guidance on information to be included in future annual compliance reports submitted pursuant to section 2706(b) of title 10, United States Code. The impetus for that direction was the lack of consistent management of compliance accounts by the military departments. Over the course of the last two years, the Department has made some progress in attempting to develop uniform methods of tracking daily operational costs and classes of activities that require annual funding. There are some remaining concerns regarding the definitions of Class I and II.

The Department of Defense environmental compliance policy is to fund all Class I projects, which are intended to address activities that are frequently out of compliance (whether or not they have received a notice of violation), and activities that will be out of compliance if not funded in the fiscal year of the current budget request. The Department's Class II definition includes projects and activities that are not presently out of compliance (deadlines or requirements have been established by applicable compliance requirements, but deadlines have not passed or requirements are not in force), but will be if not implemented in time to meet an established deadline beyond the current year.

The Class I and Class II definitions overlap and may lead to confusion regarding funding priorities. In addition, the Department has informed the committee that all fiscal year 1998 compliance projects have been given Class I funding priority. Any definition that places \$2.0 billion worth of requirements in a single undifferentiated class is not a useful tool for distinguishing the Depart-

ment's funding priorities. The committee directs the Department to clarify the Class I and Class II definitions and to eliminate overlap.

#### **Defense Commissary Agency produce purchasing**

The Defense Commissary Agency (DeCA) has historically purchased produce for sale in commissaries from local produce growers. However, a recent study by the Hay Group under contract from DeCA suggests that DeCA could achieve considerable savings in produce purchasing by buying produce from a prime vendor. The committee continues to encourage DeCA to employ the best business practices to reduce its reliance on appropriated funding. However, the committee is aware that changing the produce buying procedures to a prime vendor may result in local produce growers losing their ability to provide local produce to the commissaries. Produce is a perishable commodity and many times consumers prefer to buy local produce in season. Some may suggest that a prime vendor supplier may supply produce that is not as fresh as locally grown produce.

Therefore, the committee directs the Defense Commissary Agency to review the options available and submit a report through the Secretary of Defense to the congressional defense committees which describes the financial considerations associated with each option, the advantages and disadvantages of each option, the potential impact on local produce growers, and an assessment of customer preference. This report is to be submitted to the congressional defense committees not later than November 14, 1997. The committee directs the Secretary of Defense not to award a prime vendor produce contract for DeCA for at least 90 days after the required report is submitted to the Congress.

#### **Department of Defense use of Ada computer language**

The committee is unclear about the changing policy of the Department of Defense (DOD) with respect to mandating use of the Ada computing language. A recently issued National Academy of Science National Research Council report, commissioned by the DOD, recommended, among other things, that funding of the Ada software program be continued at \$15.0 million level in fiscal year 1998. Yet, the DOD requested no funding in fiscal year 1998 for the Ada Joint Program Office (AJPO), which oversees the Ada program. As recently as March of 1997, the Assistant Secretary for Command, Control, Communications and Intelligence, stated that the study is a good one and was prepared to accept and implement all of the report's recommendations with one exception—that "DOD should no longer require Ada for any of its systems, but continue to support it as the preferred language, particularly for our weapons systems and C4ISR systems." The position of the Secretary is that by removing the mandate, the lone contentious point of resentment is also removed from the DOD software process. By requiring a software engineering plan, the desired results can be achieved without a mandate. Given the significant amount of money DOD has invested in both developing the Ada language and using it to build applications and the unclear message the committee has received regarding the future of the program, the committee directs the DOD to provide a report to Congress no later than

March 1, 1998, with respect to its policy determination on whether or not the DOD views utilization of Ada software as an essential ingredient for current and future WAR FIGHTER and battlefield management systems.

#### **Department of Defense use of frequency spectrum**

The trend toward a more information-based military requires that the Department of Defense (DOD) has adequate access to those portions of the frequency spectrum (primarily below 3.1 Ghz) used by the Department's communications equipment. However, over the past five years, the Department has either relinquished or agreed to share over 500 Mhz of spectrum. This reallocation has already limited the capability of such systems as the Navy's Cooperative Engagement Capability (CEC).

Additional spectrum currently used by the DOD is being sought for emerging telecommunications technologies and to gain revenue from spectrum auctioning.

The committee is concerned that this continuing trend toward incrementally chipping away at the DOD and the intelligence community's assured use of the spectrum will severely impact critical national security systems. It may also inhibit training within the United States, which could ultimately reduce readiness.

Therefore, the committee directs the Secretary of Defense, in consultation with the Director of Central Intelligence and the Chairman of the Joint Chiefs of Staff, to perform a systematic, detailed review of U.S. national security requirements, and the impacts of further reallocation of those portions of the spectrum currently used or dedicated to the Department of Defense and the intelligence community. The review should include the costs to the Department associated with past and potential future reallocations of spectrum frequency. The review should specify those systems that could be, or have been, adversely impacted.

This review should be in accordance with U.S. national security requirements rather than driven by budgetary constraints or revenues from the sale of the spectrum. The results of this review should be provided to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives no later than March 31, 1998. The report should be submitted in both classified and unclassified forms, as necessary.

#### **Elimination of unnecessary training restrictions imposed under the Endangered Species Act**

The Endangered Species Act of 1973 (16 U.S.C. 1532) provides for the listing and protection of species that are currently endangered or threatened with extinction. The listing of an animal or plant results in limitations on activities that could affect the species and in penalties for the "taking" of a species. The committee is concerned about the degree to which the Endangered Species Act has unnecessarily restricted military training activities.

For example, there are currently 430 restricted training areas on Fort Bragg, N.C., that have been designated to protect the red-cockaded woodpecker. Of the 430 restricted training areas, there are about 160 areas that would be eligible for reconsideration because the red-cockaded woodpecker has abandoned these sites. The

committee directs the military departments and the U.S. Fish and Wildlife Service to work closely together to eliminate unnecessary training restrictions at Fort Bragg and other military installations similarly impacted by the Endangered Species Act.

#### **Environmental cleanup of formerly used defense sites**

Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Department of Defense (DOD) remains responsible for the environmental cleanup of DOD related contamination at formerly used Defense sites (FUDS). These sites are not subject to the Base Closure and Realignment Act of 1990, but were formerly owned, leased, or otherwise operated by the Department of Defense, or any of its components. The FUDS properties are now owned by private citizens, states, local governments, or private organizations, for example: Massabesic National Guard Target Range, Auburn, New Hampshire; Black Hills Ordnance Depot, South Dakota; Castner Range, Texas; and Rotterdam Industrial Park, New York. The Army is the executive agency in charge of executing the program and the Army Corps of Engineers is responsible for managing the cleanup of FUDS sites.

It is the committee's view that FUDS cleanup should receive full consideration for funding based on consistent assessment and ranking of the elements of relative risk: the level of site contamination; an identified receptor; and the evident pathway that connects the contaminant and the receptor.

#### **Environmental cleanup of lands conveyed by the Department of Defense**

The Department of Defense (DOD) has been given authority to transfer or convey certain lands that are not subject to the Base Realignment and Closure Act of 1990, for example: Air Force Plant No. 3, Tulsa, Oklahoma; Naval Weapons Industrial Reserve Plant, McGregor, Texas; Naval Weapons Industrial Reserve Plant, Calverton, New York; Air Force Plan No. 85, Columbus, Ohio. Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9620(h)) the Department remains responsible for the environmental cleanup of DOD related contamination of these lands subsequent to transfer.

It is the committee's view that lands subject to conveyance should receive full consideration for funding based on consistent assessment and ranking of the elements of relative risk: the level of site contamination; an identified receptor; and the evident pathway that connects the contaminant and the receptor.

#### **Environmental liabilities at Rocky Mountain Arsenal, Colorado**

Rocky Mountain Arsenal (RMA), which borders the Denver metropolitan area, has been the focus of an aggressive soil and groundwater contamination cleanup program since the mid-1980's. The contamination is the result of two decades of on-site disposal of hazardous waste associated with manufacturing and testing chemical agents and other munitions. In addition, portions of the arsenal were leased to Shell Oil Company for the manufacture of pesticides from 1952 to 1987.

The operational mission at RMA was discontinued in the mid-1970's, and in 1978 the Army initiated environmental restoration activities. In 1987, RMA was placed on the National Priority List (NPL). Based on a Federal Facility Agreement signed in 1989, the Army was put in charge of the cleanup. The Army and Shell have spent nearly \$1.0 billion to date for cleanup activities at RMA. Shell agreed to pay a portion of the cleanup costs because of its contribution to the contamination problem at RMA.

A portion of Shell's cleanup costs have been paid directly into an Army account established under section 1367 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661). Funds deposited into that account are available without fiscal year limitations for the purposes of conducting environmental cleanup at RMA. As of December 1994, Shell contributed about \$274.0 million and the GAO reported that about \$116.0 million was deposited into the Army RMA account. Through the administration's budget process the Army reported that about \$92.0 million remains in the Army RMA account for future obligations.

The committee expects that the Army will conduct RMA cleanup in fiscal year 1998 and in the future years with available funds deposited in the Army account established under Public Law 99-661. The committee directs the Army and other military departments to ensure that any cost-sharing or cost-recovery of cleanup funds at RMA or other Department of Defense facilities be used to offset future budget requirements.

#### **Environmental requirements at Department of Defense demolition, construction, and renovation sites**

Demolition, construction, and renovation activities conducted at Department of Defense facilities are potentially subject to a wide variety of environmental strictures, depending upon the condition of the work site and the extent of the activities at the site. Some of the more noteworthy environmental statutes that could apply to these activities include: the National Environmental Policy Act (NEPA); the Toxic Substances Control Act (TSCA); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); and the Resource Conservation and Recovery Act (RCRA).

The committee is particularly interested in the Navy's plan to relocate the Naval Systems Command to the Washington Navy Yard (WNY). The WNY, established in 1799, was used throughout most of its history as an industrial facility and the Naval Gun Factory. Weapons systems were produced at the WNY through the 1950's. As a result of the heavy industrial use, there is a high potential that WNY has been contaminated with a variety of hazardous substances, such as polychlorinated biphenyls (PCBs), methylene chloride, lead, arsenic, cadmium, and beryllium. One of the lessons learned through the Love Canal tragedy was that hazardous waste sites pose a great risk to public health and the environment.

The committee is concerned that the Navy could undertake \$200.0 million in new construction and renovation at WNY without complying with the current environmental requirements to assess the impacts of a proposed action, to conduct site evaluations, to identify hazardous contamination, and to initiate remedial action.

The committee expects the Navy to proceed with caution and to comply with all legal requirements in order to preserve the environment and the health and human safety of Navy military personnel, Navy civilian employees, construction workers, and the residents of the area surrounding WNY.

### **Indoor marksmanship training**

The Department of the Army currently operates the only remaining indoor small arms and rifle firing range in Military District Washington at Ft. Belvoir, Virginia. The all weather range is utilized for weapons qualifications by members of the military services, Department of Defense personnel, and members of other Federal agencies. Accordingly, any initiative to close or alter the operation of the facility should undergo careful scrutiny by the Department. Because the Ft. Belvoir facility is such a valuable resource to the Military District Washington, the committee directs the Department of Defense to conduct a cost-benefit study of the effectiveness of the facility in satisfying the training requirements of military and Federal users prior to any initiative to close the facility. Specific consideration should be given to the costs to the U.S. government associated of current facility operations as compared to costs associated with personnel travel, commercial range use, and personnel time off station. An examination of the operating costs of the Ft. Belvoir range should also be compared with the operating costs of similar all weather military range facilities.

### **Pollution prevention**

The Department of Defense has historically relied upon “end of pipe” solutions to control and mitigate the effects of using environmentally harmful materials and procedures. The committee is encouraged that in recent years the Department has placed an increasing emphasis on the reduction or elimination of pollution problems at the outset through the use of pollution prevention approaches. The committee commends the Department for its recognition that prudent investments in pollution prevention can reduce life cycle environmental costs and liability, while improving environmental quality and program performance.

For example, the Department appears to have recognized for the first time that the integration of environmental considerations into program management decisions can substantially reduce life-cycle costs for major weapons systems. The committee is particularly encouraged by the success of the Department’s efforts to reduce hazardous wastes and air emissions through the development of paintless coating systems. Similarly, the Defense Logistics Agency has made great progress in implementing Executive Order 12873 by offering products and services, such as re-refined oil and more energy-efficient lighting, that reduce or prevent pollution. Recently, the Army and the Air Force announced their preference for re-refined oil and the Department made a strong commitment to buying only recycled paper, given a reasonable price.

Despite the Department’s commitment to pollution prevention approaches and the high pay-back from pollution prevention projects, no significant change in the pollution prevention portion of the budget has yet occurred. For example, the Department’s fis-

cal year 1998 pollution prevention budget proposal is roughly the same as the Department's fiscal years 1996 and 1997 pollution prevention budgets, adjusted for inflation. The committee believes that a greater investment in pollution prevention would reduce long-term compliance and clean-up costs and increase the resources available for the core requirements of the Department.

For this reason, the Department can and should do more to build upon its record of purchasing items and services that prevent pollution and to implement other pollution prevention measures. While the "green" catalog issued by the Defense Logistics Agency has helped encourage the purchase of environmentally preferable products, that catalog currently lists only a few hundred products. The committee understands that the Department is considering a sustainable product initiative to help identify additional products and services that reduce or prevent pollution, resolve organizational and procurement system barriers to their purchase, and reduce environmental liability and compliance costs. The committee encourages this initiative.

#### **Potential depot maintenance savings**

The 1995 Base Realignment and Closure Commission (BRAC) recommended closing the Sacramento, California and San Antonio, Texas, depots and transferring their workloads to the remaining depots or private sector commercial activities. The President, in forwarding the recommendations of the Commission to Congress for approval, indicated that the Sacramento and San Antonio depots should be privatized in place or in the local communities. In a September 1996 report, the General Accounting Office (GAO) stated that opportunities existed to reduce Army depot maintenance costs by transferring, rather than privatizing-in-place, workloads from closing and downsizing depots. The GAO estimated that this action would save the Air Force \$182.0 million and the Army \$51.0 million annually.

#### **Proposed revision of the standards for ozone and particulate matter**

The Environmental Protection Agency (EPA) has proposed a revision to the National Ambient Air Quality Standards (NAAQS) for ozone and particulate matter that could significantly constrain training in nonattainment areas, require stringent controls on combustion sources, and result in conformity requirements that could negatively impact military operations, quality of life, base realignment and closure (BRAC), and community reuse. Some estimates indicate that one-third to one-half of the United States could be designated non-attainment for particulate matter, potentially affecting a large number of military installations.

A Department of Defense witness at the April 15, 1997 environmental program hearing before the Subcommittee on Readiness testified that implementation of the proposed standards for ozone and particulate matter could result in potential capital costs as high as \$10.0 million per installation. Despite the projected costs and adverse impacts of the proposed standards, the Department of Defense (DOD) failed to submit written comments for the adminis-

trative record until approximately two weeks before the Readiness Subcommittee hearing.

During the interagency review process, the Department of Transportation, the Department of Energy, the Treasury Department, the Council of Economic Advisers, and the Small Business Administration all submitted written comments on the proposed rulemaking. The Department of Defense refrained from submitting written comments until April 1, 1997, subsequent to the interagency review process and the public comment period.

The April 1 comments submitted by the Department of Defense indicate that implementation of the proposed standards could have a significant impact on military training, readiness, quality of life, and environmental compliance budgets: (1) constraints on Army/Marine Corps use of obscurants (smoke) and off-road vehicles for training; (2) additional nonattainment (N/A) areas that would require the federal government to conduct more conformity analyses; (3) competition with industrial sources for offsets; (4) increased price of offsets; (5) more stringent controls on combustion sources; (6) increased capital costs for control technology; and (7) the inability to accommodate future BRAC and force structure changes. The committee is concerned that the implementation of the proposed standards could undermine Department of Defense training and readiness and in turn pose a threat to the national security. It is the committee's view that the Department has an obligation to protect the interests of the military departments and the DOD mission throughout the administrative rulemaking process. The Department's future actions in this area will be subject to careful scrutiny by the committee.

#### **Removal of polychlorinated biphenyls from Navy vessels prior to disposal**

The Toxic Substances Control Act (TSCA) 15 U.S.C. 1605(e) prohibits the manufacture, processing, use or distribution in commerce of polychlorinated biphenyls (PCBs) that are not "totally enclosed." The term "totally enclosed" means any manner that ensures "insignificant" human health and environmental exposures to PCBs, as determined by the Environmental Protection Agency (EPA). TSCA directed the EPA to promulgate rules for the disposal of PCBs.

In vessels identified for sale, scrap, transfer, or sinking, the Navy has discovered minute quantities of PCBs that the Navy has concluded are bound and non-leachable. The existing EPA regulations make it difficult for the Navy to dispose of these vessels. Moreover, the EPA's proposed PCB "mega rule" would not resolve the problem. The Navy has concluded that the 1994 proposal would require: (1) the labeling of all PCB uses, without thresholds; (2) EPA notice and Navy air monitoring of all leachable PCBs; (3) extensive shipboard wipe sampling; (4) removal of all concrete with PCB residue—cleaning the spill would be inadequate; and (5) special labeling, storage, packing, and transportation, even for low concentration non-leachables.

The Navy has estimated that the 1994 proposed PCB rule could have a significant compliance price tag. Labeling, sampling, and air monitoring could cost \$500.0 million the first year and \$100.0 million annually thereafter. Management and disposal of PCB "con-

taminated" equipment and material from vessel maintenance could cost \$450.0 million per year. Removal and disposal of concrete pads and other spill areas could involve a one time cost of \$200.0 million. The overall projected Navy cost over ten years could be \$5.7 billion.

Since 1994 the Navy has been working with the EPA to address these concerns. The committee understands that a substantially revised rule is due to be published later this year. The committee directs the Navy to continue to work with the EPA and has the expectation that the two agencies will reach a reasonable resolution that satisfies concerns related to human health, the environment, and cost. In the absence of such a resolution, the committee is prepared to revisit this issue in relation to the Department's fiscal year 1999 budget request.

## TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

The Congress, exercising its military manpower oversight responsibilities, authorizes the end strengths of the active and reserve forces annually. This year, in addition to the Subcommittee on Personnel hearings to examine the force structure plans of the Department of Defense and the military services, the committee held a series of hearings to receive testimony from the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Service Chiefs to review the results of the Quadrennial Defense Review. Based on those hearings, the administration's budget request, and other information, the committee recommended end strength ceilings for the active and reserve forces, including active component support for the reserves. Additionally, the committee recommended repeal of the end strength floors in order to permit the secretaries and chiefs of the military services to implement the reductions in force structure recommended by the Quadrennial Defense Review.

### SUBTITLE A—ACTIVE FORCES

#### Section 401. End strengths for active forces.

The committee recommends a provision that would authorize active duty end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
Army:			
Total .....	495,000	495,000	485,000
Officers .....	80,300		80,300
Navy:			
Total .....	407,318	390,802	390,802
Officers .....	56,265		55,695
Marine Corps:			
Total .....	174,000	174,000	174,000
Officers .....	17,978		17,978
Air Force:			
Total .....	381,100	371,577	371,577
Officers .....	74,458		72,732

The committee recommends an active Army end strength below the 1998 request as a result of the Off-Site Review the Army announced on June 5, 1997, in which the active Army, the Army Reserve, and the Army National Guard agreed on personnel reductions recommended by the Quadrennial Defense Review.

The committee notes that the Navy and the Air Force requested end strengths below the permanent end strength levels necessary to support two major regional contingencies. In response to questions during committee hearings, both Navy and Air Force witnesses testified that these reductions in end strength are directly related to force structure changes. Witnesses from both services

testified that their services can support two major regional contingencies at the requested lower end strength levels.

**Section 402. Permanent end strength levels to support two major regional contingencies.**

The committee recommends a provision that would repeal section 691 of title 10, United States Code, as amended by section 402 of the National Defense Authorization Act for Fiscal Year 1997. The committee believes that statutory end strength “floors” are inappropriate at this time.

**SUBTITLE B—RESERVE FORCES**

**Section 411. End strengths for Selected Reserve.**

The committee recommends a provision that would authorize Selected Reserve end strengths for fiscal year 1998 as shown below:

	Fiscal Year		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States .....	366,758	366,516	361,516
The Army Reserve .....	215,179	208,000	208,000
The Naval Reserve .....	96,304	94,294	94,294
The Marine Corps Reserve .....	42,000	42,000	42,000
The Air National Guard of the United States .....	109,178	107,377	107,377
The Air Force Reserve .....	73,311	73,431	73,431
The Coast Guard Reserve .....	8,000	8,000	8,000

The committee recommends an Army National Guard end strength below the 1998 request as a result of the Off-Site Review the Army announced on June 5, 1997, in which the active Army, the Army Reserve, and the Army National Guard agreed on personnel reductions recommended by the Quadrennial Defense Review.

The committee has become increasingly aware of the unique capabilities of the Coast Guard Reserve and the value of the Coast Guard Reserve as an augmentee to the Department of Defense in times of national emergency.

In view of the foregoing, the committee is concerned that the Coast Guard Reserve’s end strength has fallen significantly below the authorized and appropriated level for fiscal year 1996 and remains so for fiscal year 1997. It is apparent that this end strength shortfall stems from difficulties in recruiting Coast Guard reservists.

The committee recognizes that Team Coast Guard has, with limited exceptions, seen the complete assimilation of Coast Guard reservists into the active duty force. Prior to Team Coast Guard, reserve unit commanding officers had specific responsibilities for recruiting. In Team Coast Guard, these recruiting responsibilities were not transferred to active duty commanding officers. In addition, reserve recruiting quotas have not been assigned to active duty Coast Guard recruiters. Prior to fiscal year 1996, no active duty Coast Guard recruiter in the system had ever recruited a reservist. Recruiting a reservist is more difficult than recruiting a new entrant because reservists must be recruited to a targeted billet at a specific location.

Concomitantly, the Coast Guard has undertaken some effort to recruit reservists, including development of a formalized recruiting plan for reservists requiring Selected Reserve participation for 59 days following release from active duty; mailing out letters to over 6,000 members of the individual Ready Reserve; creating a reserve-specific recruiting web page; and engaging in limited advertising. Despite these efforts, while the active duty Coast Guard exceeded 100 percent of their goals, only 65 percent of those needed were recruited for the reserve force in fiscal year 1996 and through January 31, 1997, only 32 percent of the monthly goals. Finally, the committee notes that the Coast Guard has not applied the various bonus programs that currently exist in law to recruit reservists up to authorized and appropriated end strengths.

Given the foregoing, the committee directs that a report on the Coast Guard's reserve recruiting efforts be prepared. The report should address the difficulties encountered in recruiting reservists and recommend any additional initiatives that may require congressional action in order to bring the Coast Guard Reserve up to its authorized and appropriated end strengths.

The committee urges the Coast Guard to focus its attention, leadership, and resources to achieving the Coast Guard reserve recruiting goals.

**Section 412. End strengths for Reserves on active duty in support of the reserves.**

The committee recommends a provision that would authorize full-time support end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States .....	22,798	22,310	22,310
The Army Reserve .....	11,729	11,500	11,500
The Naval Reserve .....	16,603	16,136	16,136
The Marine Corps Reserve .....	2,559	2,559	2,559
The Air National Guard of the United States .....	10,403	10,616	10,616
The Air Force Reserve .....	655	963	963

**SUBTITLE C—AUTHORIZATION OF APPROPRIATIONS**

**Section 421. Authorization of appropriations for military personnel.**

The committee recommends a provision that would authorize \$69,265.0 million to be appropriated to the Department of Defense for military personnel.

The committee notes that the fiscal year 1997 military manpower programs are not being executed as planned, with the services expected to be 10,000 work-years below previously budgeted levels.



## **TITLE V—MILITARY PERSONNEL POLICY**

The committee addressed a number of military personnel policy issues as a result of information received during hearings conducted by the full committee and the Subcommittee on Personnel. The committee recommended a number of military personnel policy changes that would improve management of reserve component personnel. The committee recommended termination of the Ready Reserve Mobilization Income Insurance Program and would require that all benefits accrued be paid and all premiums paid by reservists who do not receive any benefits be refunded. The committee also included a provision that would establish exemplary standards for commanders and others in positions of authority and responsibility.

### **SUBTITLE A—PERSONNEL MANAGEMENT**

#### **Section 501. Officers excluded from consideration by promotion board.**

The committee recommends a provision that would modify the eligibility criteria for promotion so that an officer who is currently on a promotion list is not simultaneously eligible for promotion to the same grade while awaiting processing of the current nomination. Under current statute an officer could be on a promotion list which is being processed and has not received the advice and consent of the Senate of the United States and remain eligible for consideration for promotion to the same grade by a subsequent promotion board. The recommended provision corrects this situation by making the officer ineligible for consideration by a subsequent selection board.

The recommended provision modifies in a similar manner the eligibility criteria for a reserve component officer whose nomination does not require the advice and consent of the Senate of the United States but must be approved by the President.

#### **Section 502. Increase in the maximum number of officers allowed to be frocked to the grade of O-6.**

The committee recommends a provision that would increase the number of officers who may wear the grade and insignia of an O-6 (colonels in the Army, Air Force, and Marine Corps and captains in the Navy). While the committee supports limited frocking to fill command, international, and some key joint positions, it recognizes that the current limitation to one percent of the officers serving as an O-6 is unnecessarily restrictive.

**Section 503. Availability of Navy chaplains on retired list or of retirement age to serve as Chief or Deputy Chief of Chaplains of the Navy.**

The committee recommends a provision that would repeal the prohibition of Navy chaplains on the retired list from serving as the Chief or Deputy Chief of Chaplains in the Navy. The recommended provision would also increase the mandatory retirement age for the Chief or Deputy Chief of Chaplains in the Navy from 62 to 68 years of age.

**Section 504. Period of recall service of certain retirees.**

The committee recommends a provision that would clarify that officers who are recalled from retirement and assigned to the American Battle Monuments Commission, health care professional, or chaplain billets are excluded from the 12-month recall tenure limit.

**SUBTITLE B—MATTERS RELATING TO RESERVE COMPONENTS**

**Section 511. Termination of ready reserve mobilization income insurance program.**

The committee recommends a provision that would terminate the Ready Reserve Mobilization Income Insurance Program effective upon enactment of the National Defense Authorization Act for Fiscal Year 1998. The recommended provision requires the Secretary of Defense to pay all benefits that may have accrued before the termination date. It further requires the Secretary of Defense to refund all premiums paid by reservists who have not received benefits under the program.

The committee notes with concern the sequence of events that has led to this recommendation. Congress authorized the Reserve Mobilization Income Insurance Program at the specific request of the Department of Defense in an effort to provide to the Department a tool that, properly managed, would serve as a valuable recruiting and retention incentive for reserve forces.

Now, less than one year after the Department implemented this program, Congress is faced with another request from the Department: this time, to terminate the program in light of its \$72.0 million of debt. The Department's handling of this matter has: 1) cast doubt on the credibility of the Department to manage major programs properly; 2) incurred a significant cost to the American taxpayer at a time when such a cost can least be afforded; and 3) brought into question the accountability and the oversight role of those in positions of responsibility in the Department of Defense.

The Secretary of Defense is required to perform a study to determine the reasons the program required a \$72.0 million "bail-out" in the supplemental appropriations bill; whether there is a bonafide need for a mobilization income insurance program; and, if so, to recommend a program which reflects improvement from the current program. The results of the study are to be submitted to Congress not later than June 1, 1998.

**Section 512. Discharge or retirement of reserve officers in an inactive status.**

The committee recommends a provision that would permit the President to discharge or retire a reserve commissioned officer in an inactive status who cannot or will not retire. This authority closes a loophole that permitted retention of non-participating members in the Standby Reserve with no benefit to the military department. This authority will eliminate the administrative costs associated with convening an Administrative Discharge Board to separate an inactive member.

**Section 513. Retention of military technicians in grade of Brigadier General after mandatory separation date.**

The committee recommends a provision that would permit brigadier general military technicians to serve up to the age of 60, when they would be eligible for their civil service retirement. This corrects an oversight in the development of the Reserve Officer Personnel Management Act legislation.

**Section 514. Federal status of service by National Guard members as honor guards at funerals of veterans.**

The committee recommends a provision that would permit National Guard members who serve on funeral details for veterans of the armed forces to receive credit as a period of drill or training otherwise required. The recommended provision would permit appropriated funds to be used to support National Guard honor guard functions at funerals for veterans.

The committee notes that retired military personnel are authorized military honors for their funeral on a space available basis. The recommended provision will expand the opportunity for veterans, otherwise eligible for military honors, to receive those honors by authorizing National Guard personnel to perform the honor ceremony mission in a Federal status.

**SUBTITLE C—EDUCATION AND TRAINING PROGRAMS**

**Section 521. Service academies foreign exchange study program.**

The committee recommends a provision that would authorize service secretaries to enter into agreements with foreign governments in order to carry out a military academy foreign exchange program. The recommended provision limits the number of cadets or midshipmen who may receive instruction at a foreign military academy to 24 at any one time. The recommended provision further requires that the number of foreign students receiving instruction at a service academy be equal to the number of cadets/midshipmen receiving instruction from the military academy of that foreign government during an academic year.

**Section 522. Programs of higher education of the Community College of the Air Force.**

The committee recommends a provision that would permit enlisted members of the Army, Navy, or Marine Corps who are assigned as instructors in Air Force technical schools to participate

in and receive associate degrees through the Community College of the Air Force.

The committee recommends this provision in order to ensure that the Community College of the Air Force can maintain its accreditation. The committee believes that students from other services at Air Force technical schools should be able to receive credit for their training through the American Council on Education. The committee directs the Air Force to ensure its technical schools are evaluated by the American Council on Education to facilitate transfer of credit to other college and university programs.

**Section 523. Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation.**

The committee recommends a provision that would ensure that members of the Selected Reserve who are ordered to active duty in support of a contingency operation and required to discontinue a course of study under the GI Bill benefit would not have those months charged against their GI Bill entitlement. Previously, Congress protected those ordered to active duty during the Persian Gulf War. The recommended provision extends the same protection to all other contingency operations.

**Section 524. Repeal of certain staffing and safety requirements for the Army Ranger Training Brigade.**

The committee recommends a provision that would repeal section 4303 of title 10, United States Code, which specified minimum manning levels for the Ranger Training Brigade and required the establishment of training safety cells. This requirement was enacted following the February 1995 training accident at the Florida Ranger Training Camp.

The committee strongly supports adequate manning of the Ranger Training Brigade and believes that training safety cells may be prudent. The committee recognizes the inherent danger in training activities such as ranger training, SEAL training, and airborne training. While such training must be strenuous, realistic, and challenging, the military services must ensure that the students and cadre are safe during the training. The committee also believes the Secretary of the Army and the Chief of Staff of the Army should have the flexibility to establish the manning levels of units and organizations within the Army at the level they determine meets the requirements of the unit or organization.

**SUBTITLE D—DECORATIONS AND AWARDS**

**Section 531. Clarification of eligibility of members of Ready Reserve for award of service Medal for Heroism.**

The committee recommends a provision that would authorize members of the Ready Reserve to be awarded the service medal for heroism of their service on the same basis as active duty service members. Current interpretations of existing statute preclude members of the Ready Reserve not on active duty from being awarded the medal for heroism of their service in recognition of heroic acts. The recommended provision clarifies the statute to permit

the services to award the service medal for heroism to members of the Ready Reserve.

**Section 532. Waiver of time limitations for award of certain decorations to specified persons.**

The committee recommends a provision that would waive the statutory time limitations for the award of military decorations to provide for the award of the Silver Star Medal, the Navy and Marine Corps Medal, and the Distinguished Flying Cross to certain individuals who have been recommended by the service secretaries for these awards.

**Section 533. One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel.**

The committee recommends a provision that would extend, by one year, the time in which military intelligence personnel could apply for consideration of an award for service in the Cold War era. The committee recommends the extension because the services did not adequately publicize the authorization for military intelligence personnel to apply for consideration of awards for their service during the Cold War.

**Section 534. Eligibility of certain World War II military organizations for award of unit decorations.**

The committee recommends a provision that would authorize the service secretaries to award a unit decoration to any unit or other organization of the armed forces of the United States that supported the planning or execution of combat operations during World War II. This authority would permit organizations such as the Military Intelligence Service of the Army to receive a unit award. The authority to approve unit awards is discretionary and requires that a recommendation be submitted within two years of enactment of the National Defense Authorization Act for Fiscal Year 1998.

**SUBTITLE E—MILITARY PERSONNEL VOTING RIGHTS**

The committee recommends a provision (Sections 541 through 543) that would address concerns related to absentee voting by members of the armed forces. In the November 1996 election in Val Verde County, Texas, the site of Laughlin Air Force Base, two retired Air Force noncommissioned officers were elected to the offices of sheriff and county commissioner, in part due to absentee ballots from military personnel. In December, Texas Rural Legal Aid (TRLA) filed suit against Val Verde County in the United States District Court for the Western District of Texas, claiming that 800 military absentee ballots were improperly counted in the election and that this unlawfully “diluted” Hispanic voting strength. The suit asked that the two successful candidates be prevented from taking office and that a new election be held. On December 30, 1996, U.S. District Judge H.F. Garcia issued a temporary restraining order preventing them from taking office.

The committee is very concerned about these events. This lawsuit is a serious threat to the most basic civil right—a military

member's right to vote. It could set a disturbing precedent across this nation about the rights of the men and women who serve in our armed forces. They deserve the same basic rights of citizenship as their civilian counterparts.

In the Uniformed and Overseas Citizens Absentee Voting Act (P.L. 99-410, 42 U.S.C. 1973 ff *et. seq.*), Congress made it clear that both the Federal Government and the States were to take steps to maximize access to the polls by absentee voters serving in the armed forces. The recommended provision is consistent with that congressional intent.

#### **SUBTITLE F—OTHER MATTERS**

##### **Section 551. Sense of Congress regarding study of matters relating to gender equity in the Armed Forces.**

The committee recommends a provision that would express the sense of the Congress that the Comptroller General of the United States should conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the armed forces and report to Congress within one year of enactment of the National Defense Authorization Act for Fiscal Year 1998.

##### **Section 552. Commission on Gender Integration in the Military.**

The committee recommends a provision that would establish an 11 member commission to study issues related to gender-integration in the military services. Six members would be recommended by the chairman of the Committee on Armed Services of the Senate and five recommended by the ranking member. At least two members will come from academia, at least four will be former military members, and at least two will be members of a reserve component. Duties of the commission include reviewing current military practices, relevant studies, and private sector training concepts pertaining to gender-integrated training; reviewing laws, regulations, policy directives, and practices which govern personal relationships between men and women in the armed services and between members of the armed services and non-military personnel; provide an assessment of the extent to which the laws, regulations, policies and directives have been applied consistently throughout the armed services; provide an independent assessment of the reports of the three efforts (the independent panel, a task force, and the legal review of adultery) announced by the Secretary of Defense in June 1997; and examine the experiences, policies, and practices of the armed forces of other industrialized nations regarding gender-integrated training.

The recommended provision would require an initial report not later than April 15, 1998, and a final report would be due not later than September 16, 1998. The commission would be funded from funds appropriated for the Department of Defense.

##### **Section 553. Sexual harassment investigations and reports.**

The committee recommends a provision that would establish rigorous reporting requirements and time lines for completing investigations into allegations of sexual harassment within the armed

services. The secretaries of the military departments would provide a report of the sexual harassment investigations within their service each year for fiscal years 1998 and 1999.

**Section 554. Requirement for exemplary conduct by commanding officers and other authorities.**

The committee recommends a provision that would establish, in statute, exemplary standards for commanding officers and others in positions of authority and responsibility. The committee notes that these standards have applied to Naval and Marine Corps officers since they were first set forth in regulations drafted by John Adams and approved by the Continental Congress in 1775. The standards were later enacted by the United States Congress in 1799 and codified in title 10, United States Code, in 1956. While the statute has not included specific standards of conduct for Army and Air Force officers, the military services have established very high standards of conduct in internal regulations.

The committee is disappointed to note that, in the past several years, some officers have shown reluctance to accept responsibility and accountability for their actions and the actions of their subordinates. This provision will not prevent an officer from shunning responsibility or accountability for an action or event. It does, however, establish a very clear standard by which Congress and the nation can measure officers of our military services. The committee holds military officers to a higher standard than other members of society. The nation entrusts its greatest resource, our young men and women, to our military officers. In return, the nation deserves complete integrity, moral courage, and the highest moral and ethical conduct.

**Section 555. Participation of Department of Defense personnel in management of non-federal entities.**

The committee recommends a provision that would authorize the service secretaries to permit officers to serve on the boards of directors of certain military welfare societies. The military welfare societies include the Navy-Marine Corps Relief Society, the Air Force Aid Society, Army Emergency Relief, and Coast Guard Mutual Assistance. The recommended provision permits officers to serve in the management of other nonfederal not-for-profit entities that regulate and support the athletic programs of the service academies, regulate international athletic competitions, accredit service academies and other schools of the armed forces, and which regulate the military health care system. Officers serving on the boards of these organizations may not receive compensation for their service.

**Section 556. Technical correction to cross reference in ROPMA provision relating to position vacancy promotion.**

The committee recommends a provision that would make a technical correction to a cross-reference in section 14317(d) of title 10, United States Code.

### OTHER ITEMS OF INTEREST

#### **Findings related to the investigations of deaths of members of the armed forces from self-inflicted causes**

The Subcommittee on Personnel held a hearing on September 12, 1996, related to the practices and procedures of the investigative services of the Department of Defense and the military departments concerning the investigations into the deaths of military personnel which may have resulted from self-inflicted causes. This hearing was another phase in the congressional review of the heart-wrenching issue of American soldiers whose lives were lost through tragic circumstances.

Since 1982, over 3,000 military personnel died as a result of what military investigators have classified as self-inflicted causes. Over 50 families of those who died disagree with the conclusions of the military services and how they were reached. As a result of the reviews of the investigations by the Inspector General of the Department of Defense, testimony by the families and the chiefs of the military investigative agencies, and the committee's analysis, the committee has identified the following areas which deserve careful consideration by the Department of Defense and the military services:

(1) The cases are replete with accounts of destruction and mishandling of potential evidence and incomplete collection of evidence at the crime scenes (fingerprints, photographs, basic procedures);

(2) Psychological autopsies are not performed or reviewed in a consistent manner;

(3) Personal property of the deceased service members has been subject to theft and loss and personal property has been withheld, misplaced, stolen, or destroyed;

(4) Families have experienced difficulty obtaining information and medical documents related to the service member's death. Many have been forced to request information under the Freedom of Information Act, which can be difficult. Some information is still being denied to families (photographs). Due to the various military investigations, each piece or report must be requested separately (service, medical examiner, investigating office);

(5) Deaths which occurred off-base are problematic due to the lack of military jurisdiction. In most cases, the military service offered to assist the local law enforcement agency; however, the families expect the military to take a more active role since the deceased was an active duty service member;

(6) There are frequently several ongoing military investigations with disparate purposes: line of duty, administrative, criminal, etc. These investigations are not coordinated, resulting in different, and sometimes conflicting, information being released to the families and the media without coordination with the other investigative agencies;

(7) Autopsies are always conducted when a service member dies. In some cases, certain organs are held for a period of time for further testing; however, in many of these cases, the families are not advised that the organs were retained. In a few

cases, the committee had to insist that the military department return the organs after the lab tests were complete. A military pathologist should be available to assist when death occurs in a civil jurisdiction, but this is not always done;

(8) The committee found that casualty notification and assistance procedures varied widely among the services. It also found insensitivity to the emotions and needs of the families, inadequate training of those selected for military personnel assigned these duties, and a reluctance to share information with family members; and

(9) The chiefs of the military investigative services testified that their investigators always investigate the death as a potential homicide until evidence establishes otherwise; however, some families pointed to statements by investigators, commanders, and others which indicate that this might not be the case.

The committee requested a follow-up report which includes analysis of trends and shortcomings in investigative procedures, systemic corrections which should be made, and lessons learned after the Inspector General completes her review of the cases. The subcommittee chairman sent a letter to the service secretaries with the findings and recommendations pertaining to their service and requested their personal attention to ensuring appropriate corrective actions were taken. He also wrote to the chief of the local law enforcement agency of each case which occurred outside the jurisdiction of the military services requesting a review of the original investigation and a report of the findings. The local law enforcement agencies are responding to these letters.

The committee intends to continue to monitor the progress of the Department of Defense and the military services as they complete the reviews required by the National Defense Authorization Act for Fiscal Year 1994, implement the recommendations of the Inspector General of the Department of Defense, and respond to the families and the committee's findings. The Department of Defense must ensure that every step of the notification, investigation, and follow-on contacts with the families is conducted properly, professionally, and with sensitivity to the needs of the families.

### **Inspector general investigations of general and flag officers**

A long standing priority of this committee has been the integrity, professionalism and accuracy of investigations of allegations made against general and flag officers. The Congress and the American people hold military officers to a higher standard than other members of society. The nation entrusts its greatest resource, our young men and women, to our military officers. In return, the nation deserves complete integrity, moral courage, and the highest moral and ethical conduct.

When a senior officer is alleged to have committed some infraction of law or regulation or to have misused his or her office, the service investigates the allegations under the auspices of the Inspector General. The committee understands that, in order to ensure complete, equitable, and legally sufficient investigations, the investigators must be cautious and thorough which takes time. However, it has been brought to the committee's attention that in-

vestigations involving a member of a reserve component seem to require more time to complete than similar investigations for active component officers. While there may be circumstances unique to cases involving reserve component officers, the committee is concerned about the perception that the Inspectors General are giving active component investigations preferential treatment.

The committee directs the Department of Defense Inspector General (DODIG) to review the procedures, case load, available resources, and the actual performance of investigations of senior active and reserve component officers of the military departments and to report to Congress not later than February 2, 1998. The DODIG should determine whether the senior officer investigation procedures in place in the military departments discriminate against reserve component officers; whether the military departments have sufficient personnel and resources in place to complete accurate, professional investigations in a timely manner; and, if appropriate, recommend any changes required to correct deficiencies noted during the review.

#### **Military leave for Federal employees who are members of a Reserve component unit**

The administration request included a legislative proposal that would have denied military pay to Federal employees who are members of a reserve component unit and elect to use the military leave authority under civil service law to attend annual training. The committee did not include this legislative request in the bill recommended to the Senate.

Since Operation Desert Storm, the committee has been concerned about reserve component recruiting and retention and employer support as reserve components are called on more and more to support deployments and to relieve excessive active component PERSTEMPO. The administration's proposal to deny Federal civilian employees their military pay when they attend annual training sends precisely the wrong signal to reservists and to the employers of reservists. As the numbers of reservists on active duty continue to reach all time high levels, the Federal Government must continue to be the beacon by which other employers can guide their policies.

The committee recognizes that the reserve component personnel accounts were debited by \$85.0 million in anticipation of congressional support for the administration's legislative proposal. The committee does not intend that the services or the reserve components be forced to repay the reserve personnel accounts. The committee expects the Department of Defense to restore the funds using defense-wide operations and maintenance funds.

#### **Revisions to missing persons authorities**

The committee confirms its continued strong support for the conference agreement contained in the National Defense Authorization Act for Fiscal Year 1997 regarding U.S. military personnel missing in action. This language is codified in Chapter 76 of title 10, United States Code.

The committee notes that this issue has been exhaustively debated in Congress for many years. The committee also recognizes

the continuing existence of differing views on the appropriate approach to resolve issues involving missing American service personnel from previous or future conflicts.

The committee views with grave concern proposals in Congress to reopen the compromise reached less than a year ago. The committee believes that further protracted and divisive debate on this matter would not serve the best interests of the families of the missing nor would it contribute to the fullest possible accounting for all missing service personnel. The committee firmly believes the compromise language in current law should be preserved given the diversity of views and depth of emotions on all sides of this matter.

Therefore, the committee restates its commitment to the provisions within the National Defense Authorization Acts for Fiscal Years 1996 and 1997 on this matter, and states clearly that it rejects all modifications which would alter the compromise already reached.

#### **Sexual harassment**

The committee is concerned by an increasing number of reports that service members who refuse to participate in improper sexual activities or who report improper sexual activities by others are being labeled as being "homosexual" as a form of retaliation. Such labeling is especially insidious in its secondary effects which frequently include additional harassment, humiliation, ostracism, and, in extreme cases, improper investigation for homosexuality.

The committee urges the Department of Defense and leaders at all levels to ensure that no individual experience the need to submit to unwanted sexual advances or harassment for any reason, and that any individual may report inappropriate activities without fear of retaliation in any of its many forms. Additionally, the committee urges the Department of Defense and leaders at all levels to ensure that the right to investigate individual conduct is not used as a threat or abused in any manner.

#### **Virtual education approach to learning for employment**

The committee notes that many military personnel reentering civilian life experience unemployment or underemployment within the first year out of the service. More than 50 percent either change or lose their jobs in the first year after leaving the military. Many military personnel lack civilian job readiness and current workplace skills that match them with existing business and industry jobs.

In Fall 1997, Clayton College and State University in Georgia will establish a "virtual education program," including a civilian job-readiness program. Participating students would have readily available access to the Internet, World Wide Web, and job-readiness training programs offered through Clayton College and State University. In cooperation with major transportation employers, the virtual education program will: (1) identify categories of unfilled positions and establish training curricula (cooperatively with prospective employers) which will pre-qualify persons for employment; and (2) offer those training curricula via the Internet/World Wide Web, without regard to the student's geographic location or time of day.

The committee directs the Department of Defense to review the Clayton College and State University program to determine the applicability of this approach to military personnel reentering civilian life. Should the Secretary of Defense desire, the Department of Defense is authorized to conduct a three-year demonstration to determine the extent to which information technology and public/private partnership can: (1) enable service members, while still on active duty, to learn job-readiness skills and work skills that will qualify them for and help them retain productive employment; and (2) facilitate the job placement of personnel upon separation or retirement from the service.

## **TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS**

The committee addressed a number of pay, allowances, and other compensation issues. One of the committee's priorities this year was to continue to improve the quality of life for military personnel, their families, and retired service members and their families. The committee recommended a number of provisions that would significantly improve the quality of life and living conditions, and provide equitable compensation for military personnel to protect against inflation. Notably, the committee recommends provisions that would reform the basic allowance for subsistence and the basic allowance for quarters with the reforms phased in over five years. The committee also recommended several initiatives that address the Survivor Benefit Plan. In general, the committee's recommendations reflect a commitment to enhancing quality of life and a concern for the welfare of military personnel and their families.

### **SUBTITLE A—PAY**

#### **Section 601. Military pay raise for fiscal year 1998.**

The committee recommends a provision that would waive section 1009 of title 37, United States Code, and increase the rates of basic pay for members of the uniformed services by 2.8 percent. This increase would be effective January 1, 1998.

### **SUBTITLE B—SUBSISTENCE, HOUSING, AND OTHER ALLOWANCES**

#### **PART I—REFORM OF BASIC ALLOWANCE FOR SUBSISTENCE**

The committee recommends a provision (Sections 611 through 613) that would reform the basic allowance for subsistence for all members of the uniformed services. The recommended legislation would link the basic allowance for subsistence for officers and enlisted members to the Department of Agriculture food plan indexes. The annual increase would be effective on January 1 of each year.

Additionally, the recommended provision would provide a transition period during which annual increases in the current enlisted allowance would be limited to one percent until such time as the transition period allowance equals the new Department of Agriculture based allowance. At that time, the shift to the new allowance would occur. The officer allowance, which is currently well below the Department of Agriculture based allowances, would increase annually by the same percentage as the enlisted allowance.

The recommended provision also provides a new, partial subsistence allowance for junior enlisted personnel who are not currently eligible for any subsistence allowance.

## **PART II—REFORM OF HOUSING AND RELATED ALLOWANCES**

The committee recommends a provision (Section 616 through 622) that would adopt a single, price-based housing allowance based on a national index of housing costs. The recommended provision would authorize a housing allowance that would vary with pay grade and dependency status and would be based on local private sector housing costs. The housing costs would be collected by a private contractor and would be tailored to the neighborhoods and local housing conditions. Service members located in areas where the housing rates are projected to decline would be protected against receiving reduced allowances. The recommended provision would permit the Secretary of Defense to transition to the new allowance over a five year period.

The committee urges the Secretary of Defense to assess the potential impact of the new rates on each area adjacent to a military installation and to work with the local community to mitigate any significant impact that might result from a sudden reduction of housing allowances in that community.

## **PART III—OTHER AMENDMENTS RELATING TO ALLOWANCES**

### **Section 626. Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances.**

The committee recommends a provision that would make technical and conforming amendments related to the provisions that would reform the basic allowance for quarters and the basic allowance for housing within the uniformed services.

### **Section 627. Deadline for payment of Ready Reserve muster duty allowance.**

The committee recommends a provision that would repeal the requirement that members of the Ready Reserve be paid for muster duty on or before the date on which they perform the duty. The recommended provision would require that the allowance be paid on or before, but not later than 30 days following the date on which the duty is performed. Currently, the services are required to prepare and issue checks for the duty before it is performed. In a number of cases each month, the checks must be canceled when reservists do not report for the scheduled duty. The recommended provision will save administrative processing time and money.

**SUBTITLE C—BONUSES AND SPECIAL AND INCENTIVE  
PAYS**

**Section 631. One-year extension of certain bonuses and special pay authorities for reserve forces.**

The committee recommends a provision that would extend the authority to pay the special pay for critically short wartime health specialists in the Selected Reserve, the Selected Reserve reenlistment bonuses, the Selected Reserve enlistment bonuses, the special pay for enlisted members assigned to certain high priority units in the Selected Reserve, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, the repayment of loans for certain health professionals who serve in the Selected Reserve, and the prior service enlistment bonus until September 30, 1999.

**Section 632. One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.**

The committee recommends a provision that would extend the authority to pay certain bonuses and special pays for nurse officer candidates, registered nurses, and nurse anesthetists until September 30, 1999.

**Section 633. One-year extension of authorities relating to payment of other bonuses and special pays.**

The committee recommends a provision that would extend the authority to pay the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonuses for critical skills, the special pay for nuclear qualified officers extending the period of active service, the nuclear career accession bonus, and the nuclear career annual incentive bonus until September 30, 1999.

**Section 634. Increased amounts for aviation career incentive pay.**

The committee recommends a provision that would increase the aviation career incentive pay for aviators with more than 14 years of service. The recommended provision would be effective October 1, 1998.

**Section 635. Aviation continuation pay.**

The committee recommends a provision that would increase the maximum amount of the aviation officer continuation pay from \$12,000 to \$25,000. The aviation officer continuation pay is approved by a service secretary as an incentive to aviation career officers who agree to remain on active duty to complete 14 years of commissioned service.

The committee is concerned about the number of military aviation officers and enlisted crewmembers who are leaving the military services to accept positions with the commercial aviation industry. The high personnel tempo for air crews and the attractive salaries offered by the airlines combine to make commercial aviation an attractive alternative to military service.

The committee directs the Secretary of Defense to review the structure and validity of aviation career retention and current aviation pay authorities and to provide the Congress a report, with legislative recommendations if necessary, concerning how to ensure the military services are able to retain sufficient qualified aviation officers and enlisted crewmembers to meet operational and training requirements. The report should be provided to the congressional oversight committees not later than April 15, 1998. At a minimum the study should include an examination of alternatives which directly contribute to readiness and take into account total force requirements. Recommendations should be responsive to changing external (commercial airlines) and internal (force structure) pressures. Any recommendations must provide a cost-effective approach to achieving an equitable return on the military services' investments in developing aviation resources by attaining greater retention of those resources at career decision points. The committee expects the Secretary to address compensation programs, the advisability of a separate career track for aviation officers and enlisted crewmembers, the question of whether bonuses should be paid to officers qualified to fly aircraft for which their service is not experiencing a shortage of pilots, and cooperative programs with the airline industry, such as the Phoenix program. The committee recognizes that the results of the Quadrennial Defense Review may have an impact on the aviation officer and enlisted crewmember requirements.

**Section 636. Eligibility of dental officers for the multiyear retention bonus provided for medical officers.**

The committee recommends a provision that would authorize multiyear retention bonuses for dental officers similar to those authorized for medical officers. The recommended provision is another initiative to enhance the ability of the services to retain quality dental officers.

**Section 637. Increased special pay for dental officers.**

The committee recommends a provision that would increase the amount of the special pay for dental officers of the armed forces and modify the number of years of service required to qualify for certain levels of the special pay. The committee remains concerned with the decreased propensity for dentists to enter and to remain in the military services. The National Defense Authorization Act for Fiscal Year 1997 authorized a number of incentives to recruit and retain dental officers. The recommended provision builds on these incentives providing additional tools for the services to use to retain quality dental officers.

**Section 638. Modification of Selected Reserve reenlistment bonus authority.**

The committee recommends a provision that would provide service secretaries discretionary authority to determine the annual payment amounts for reserve reenlistment bonuses. The initial payment would be limited to not more than one-half of the total bonus. The recommended provision would also permit a member to receive a bonus when electing a three-year term of reenlistment twice in

lieu of a single six-year term. The committee believes that this flexibility may assist the military services in retaining quality personnel who possess critical skills. A member opting for the three-year term would have no assurance that his or her skill would qualify for the bonus at the conclusion of the first three-year term. The total value of the bonus for a member electing a six-year term would be \$5,000 and the combined value of two three-year terms, assuming that the bonus is in effect for the second three-year term, would be limited to \$4,500. This continues the incentive to select a six-year term. The recommended provision would also extend the eligibility for receiving reenlistment bonuses from 10 years of service to 14 years of service.

**Section 639. Modification of authority to pay bonuses for enlistments by prior service personnel in critical skills in the Selected Reserve.**

The committee recommends a provision that would modify the Selected Reserve prior service enlistment bonus to permit a member to receive a bonus for a three-year term of enlistment and a subsequent three-year reenlistment in lieu of a single six-year enlistment option. The committee believes that this flexibility may assist the military services in recruiting prior service personnel who possess critical skills to serve in the Selected Reserve. The committee understands that a member opting for a three-year term would have no assurance that his or her skill would qualify for the bonus at the conclusion of the three-year term. Additionally, the total value of the bonus for a member electing a six-year term would be \$5,000 and the combined value of two three-year terms, assuming that the bonus is in effect for the second three-year term, would be limited to \$4,500. This continues the incentive for an individual to select a six-year term.

**Section 640. Increased special pay and bonuses for nuclear qualified officers.**

The committee recommends a provision that would increase the maximum authorized rate for three nuclear special pays and bonuses for nuclear qualified officers of the Navy.

**Section 641. Authority to pay bonuses in lieu of special pay for enlisted members extending duty at designated locations overseas.**

The committee recommends a provision that would authorize the service secretaries to pay a lump sum payment of up to \$2,000 per year to qualified enlisted members who extend their duty at designated overseas locations. The recommended provision:

- (1) authorizes the service secretaries to fix the rate at which the date of the extension agreement is accepted by the service;
- (2) establishes the government's ability to recover payments for which service agreements are not completed; and
- (3) removes the entitlement to such payment for those members who elect to receive government-funded rest and recuperative absences or transportation.

**SUBTITLE D—RETIRED PAY, SURVIVOR BENEFITS, AND RELATED MATTERS****Section 651. One-year opportunity to discontinue participation in Survivor Benefit Plan.**

The committee recommends a provision that would permit a participant in the Survivor Benefit Plan to elect to discontinue participation at any time during a one-year period beginning on the second year anniversary of the date on which the member retired. The participant may not elect to discontinue participation without the written concurrence of the spouse. The Secretary of Defense may prescribe regulations requiring this written concurrence to be notarized. Participants who elect to withdraw are not entitled to a refund of premiums paid into the Survivor Benefit Plan.

**Section 652. Time for changing survivor benefit coverage from former spouse to spouse.**

The committee recommends a provision that would permit a military retiree to change the beneficiary of his or her Survivor Benefit Plan from a former spouse to a current spouse at any time after the retiree remarries. Currently, the change of election is required to be made within one year of the date of the marriage.

**Section 653. Paid-up coverage under Survivor Benefit Plan.**

The committee recommends a provision that would terminate Survivor Benefit Plan payments following 30 years of payments and attaining the age of 70. The committee believes that, once a retiree has paid Survivor Benefit Plan premiums for a minimum of thirty years and has reached 70 years of age, he or she has met the actuarial obligation to support any benefit which may accrue to his or her beneficiary. The recommended provision returns the Survivor Benefit Plan subsidy to an appropriate level without deducting from current efforts to balance the budget by fiscal year 2002.

**Section 654. Annuities for certain military surviving spouses.**

The committee recommends a provision that would authorize an annuity of \$165 a month for surviving spouses of former active duty service members who died before March 21, 1974, and were retired from active duty. The recommended provision would also apply to surviving spouses of service members retired from the reserves between September 21, 1972, and October 1, 1978. These surviving spouses, known as "Forgotten Widows," are the survivors of retired military personnel who died before any survivor benefit program was enacted.

**SUBTITLE E—OTHER MATTERS****Section 661. Eligibility of reserves for benefits for illness, injury, or death incurred or aggravated in line of duty.**

The committee recommends a provision that would authorize medical and dental care for the family member of a reservist who incurs or aggravates an injury or illness in the line of duty while

serving on active duty for a period of 30 days or less and whose orders are subsequently modified to extend the period of active duty. The National Defense Authorization Act for Fiscal Year 1996 authorized medical and dental care for a member of a reserve component who incurs or aggravates an injury or illness in the line of duty while serving on active duty for a period of 30 days or less. The recommended provision extends the medical and dental benefit to the family members of the member who remains on active duty due to his or her injury or illness.

**Section 662. Travel and transportation allowances for dependents before approval of a member's court-martial sentence.**

The committee recommends a provision that would permit the service secretaries to move family members when a crime has been committed by the military sponsor. Currently, family members must remain on station until the court-martial sentence is approved. This forces some families to endure ostracism and criticism for the acts of the military sponsor. The recommended provision permits the service secretary to move the family when it is in the best interests of the family and the service.

**Section 663. Eligibility of members of the uniformed services for reimbursement of adoption expenses.**

The committee recommends a provision that would extend the authorization for reimbursement of adoption expenses in effect for the armed forces to the Public Health Service and the National Oceanic and Atmospheric Administration.

**OTHER ITEMS OF INTEREST**

**Health Professions Scholarship Program**

The committee notes that the Department of Defense submitted two legislative proposals related to the Health Professions Scholarship Program (HPSP). One legislative proposal would have authorized the Secretary of Defense to reimburse participants in the HPSP for Federal, State, or local taxes paid based on the value of the scholarship. The other legislative proposal would have permitted the Secretary of Defense to pay participants in the HPSP a supplemental stipend to offset the tax liability related to the scholarship.

The committee does not believe that the value of the HPSP scholarship should be considered taxable income for the young men and women who are committed to serve the armed forces as a health care professional. The committee notes that the administration can revise the Internal Revenue Code to make tuition and expenses paid on behalf of the HPSP participants excludable from taxable income without legislative authority. The committee urges the Secretary of Defense and the administration to exercise the discretion incumbent in the Executive Branch to resolve this situation.

The Department budgeted a total of \$87.6 million to support the two legislative proposals. The committee has applied these funds to quality of life improvements described in another section of this report.

**Review of the Quadrennial Review of Military Compensation**

The committee notes that the Department of Defense is about to conclude work on the 8th Quadrennial Review of Military Compensation (QRMC). The committee also notes that, for the most part, the recommendations of the previous seven QRMCs have not been pursued either in policy or through legislative requests. Therefore, the committee directs the Secretary of Defense to review the requirement for and necessity to conduct a quadrennial review of military compensation and report the results, conclusions, and recommendations of this study to the congressional defense committees not later than March 16, 1998.

## TITLE VII—HEALTH CARE PROVISIONS

The committee addressed a number of health care issues. One of the committee's priorities this year was to continue to improve the quality of life for military personnel, their families, and retired service members and their families. The committee views health care as an important aspect of quality of life. The committee included a provision that would provide health care to military personnel assigned to duty in remote locations. The committee continues to support and work with the Committee on Finance of the Senate to provide for Medicare to reimburse the Department of Defense for care provided to Medicare eligible beneficiaries. The committee believes Medicare Subvention would be fiscally beneficial to Medicare and would enable the Department of Defense (DOD) to continue to provide health care to DOD beneficiaries within TRICARE. In general, the committee's recommendations reflect a commitment to enhancing quality of life and concern for the welfare of military personnel and their families.

### **Section 701. Waiver of deductibles, copayments, and annual fees for members assigned to certain duty locations far from sources of care.**

The committee recommends a provision that would make active duty service members assigned to certain remote duty locations eligible for health care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and directs the secretaries of the military departments to waive the annual fees, deductibles, and copayments associated with CHAMPUS.

The committee report accompanying S. 1026, the National Defense Authorization Bill for Fiscal Year 1996, expressed the committee's concern about the medical care for service members stationed away from major military installations. Additionally, the committee report encouraged the civilian and military leaders of the Department of Defense to develop initiatives to address this matter and other challenges faced by service members on independent duty.

The committee commends the Secretary of Defense for the Department's efforts to provide acceptable medical care to individuals in remote locations through the TRICARE Remote initiative. Although this program is operational in only one region, the committee understands that the Department intends to extend this program to other regions provided that it remains cost effective. The committee encourages the Secretary of Defense to continue to search for ways to provide medical care to those service members and their families who are stationed away from major military installations. In that light, the Secretary should consider a number of options, including the Federal Employees Health Benefits Pro-

gram, in an effort to find the optimal means of providing care to these individuals.

**Section 702. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.**

The committee recommends a provision that would provide authority for the Secretary of Defense to pay for emergency medical health care costs of military and civilian personnel assigned to the On-Site Inspection Agency while participating in arms control inspections overseas from funds available to the On-Site Inspection Agency (OSIA).

The mission of the On-Site Inspection Agency requires the frequent travel of military and civilian personnel assigned to the agency to many countries in the area of the former Soviet Union, including Russia, Ukraine, Belarus, and Kazakstan, as well as former Warsaw Pact nations. The agency has had difficulties having health insurance accepted overseas for medical assistance. Cash or credit card deposits for medical services have been required prior to the receipt of medical services. There have been instances where, in order to receive medical assistance, military and civilian personnel participating in the inspections conducted by OSIA have been required to deposit as much as ten thousand dollars.

**Section 703. Disclosures of cautionary information on prescription medications.**

The committee recommends a provision that would require that each prescription dispensed from the Military Health Care System, including the TRICARE and CHAMPUS programs, be accompanied by information containing cautions about use, possible side effects, and potential negative interaction with food or beverages. This information is to be in a form which is easy to read and understand.

**Section 704. Health care services for certain Reserves who served in Southwest Asia during the Persian Gulf War.**

The committee recommends a provision that would entitle a member of a reserve component who is a Persian Gulf War veteran; registers a symptom or illness in the Persian Gulf War Veterans Health Surveillance System of the Department of Defense; and is not otherwise entitled to medical and dental care from the Military Health Care System to medical and dental care to the same extent and under the same conditions as a member on active duty. The committee found that reservists who served in the Persian Gulf War, returned, and were discharged from active duty and now suffer from Persian Gulf Illness may not be eligible for care within the Military Health Care System. The recommended provision entitles these Persian Gulf War veterans to medical and dental care for the symptoms or illnesses that are presumed to be related to service in the Persian Gulf War from the Military Health Care System free of charge.

**Section 705. Collection of dental insurance premiums.**

The committee recommends a provision that would modify the premium collection method prescribed for the Selected Reserve Dental Insurance Program and the Retiree Dental Insurance Program.

The committee remains steadfast in its determination that these dental insurance programs be implemented in the most efficient and cost-effective manner possible. Commercial dental insurance providers estimate that premium collection from individual participants will increase the premium costs by 20 to 25 percent. If direct collection was possible, these savings would be passed on to the selected reservist and retiree. The committee directs the Secretary of Defense to ensure that the determination of the method in which premiums are collected not unnecessarily inflate the amount of the premium. The committee expects to be apprised of the Department's plans for premium collection and the analysis upon which the decision was based before the plans are implemented.

**Section 706. Dental insurance plan coverage for retirees of uniformed service in the Public Health Service and NOAA.**

The committee recommends a provision that would extend eligibility for the retiree dental plan of the Department of Defense to retirees of the Public Health Service and the National Oceanic and Atmospheric Administration.

**Section 707. Prosthetic devices for dependents.**

The committee recommends a provision that would remove prosthetic devices from the list of exclusions of care and devices which may be provided under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). The recommended provision would permit certain prosthetic devices to be provided in response to conditions determined by the Secretary of Defense. Hearing aids, orthopedic footwear, and spectacles are not included in this authority, except that these items may be sold to family members at stations outside the United States where adequate civilian facilities are not available.

**OTHER ITEMS OF INTEREST**

**Continued operation of the Uniformed Services University of the Health Sciences**

The committee was disappointed to learn that, for the third consecutive year, the Department of Defense proposed closing the Uniformed Services University of the Health Sciences (USUHS). In fiscal years 1995, 1996, and 1997, the Congress spoke, in the most direct terms possible, that it is the will of the Congress that USUHS not be closed. Again this year, the committee will not support the proposed request to close USUHS.

The Department of Defense decreased the Defense Health Program in fiscal year 1998 and in the Future Years Defense Plan to take projected savings, erroneously assuming USUHS would be closed. The committee directs that reductions to the Defense Health Program attributable to the projected closure of USUHS be

reinstated from defense-wide operations and maintenance accounts. It is the intent of the committee that neither the military services nor the Defense Health Account be required to contribute to reinstating the USUHS closure savings.

#### **Dental research and development**

It has come to the attention of the committee that, within the medical research and development community, dental research and development is compartmentalized. For instance, the Navy is restricted to dental research on dental disease and emergencies, and the Army is restricted to dental research on maxillofacial trauma. While the committee agrees that research and development must be coordinated to ensure that research projects are complimentary and do not duplicate other efforts, artificial restrictions by service do not appear to be the most efficient use of resources and talent. The committee urges the Assistant Secretary of Defense for Health Affairs and the Surgeons General to review the current policies and practices with regard to dental research and development to ensure that funds, facilities, and other resources are being used effectively and efficiently. If, upon completion of this review, the Assistant Secretary of Defense determines that legislative changes are required, these recommendations should be submitted to the congressional oversight committees not later than March 16, 1998.

#### **Graduate School of Nursing building at the Uniformed Services University of the Health Sciences**

The Uniformed Services University of the Health Sciences (USUHS) facilities were constructed in 1976 as a four building campus on the grounds of the National Naval Medical Center in Bethesda, Maryland. The facility was not constructed to the original design. Over 76,000 square feet of academic and laboratory space were excluded.

The Graduate School of Nursing was initially funded in 1993, was accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs in 1994, and was fully accredited by the National League of Nursing in 1996. The Graduate School of Nursing programs are designed to relieve nursing shortages in the uniformed services, to prepare advanced practice nurses, and to address the special nursing needs of Federal nursing chiefs.

The committee urges USUHS to submit a military construction project to construct a fifth building within the USUHS campus which will provide classrooms; administration, instructor, and staff offices; and laboratories to support the Graduate School of Nursing. This fifth building would support the additional missions assigned to USUHS, alleviate the shortage of space resulting from cuts to the initial design, and eliminate the requirements for leased facilities in the local area.

#### **Health care provisions**

A longstanding priority of this committee has been the improvement of the military health care system. Health care is an important aspect of quality of life. The committee is committed to ensuring the quality and availability of medical care for all members of

the military community including active duty personnel and their dependents, retirees, and veterans.

However, the committee is concerned that the Department of Defense (DOD) faces significant constraints on its ability to meet the entire range of benefits expected by participants in the Military Health Service System. As Congress continues its efforts to balance the entire Federal budget, these constraints are likely to become more severe. As the committee continues to evaluate methods to improve the Military Health Service System in an environment of constrained resources, it is committed to the principle that in improving health care access to military beneficiaries, it does not improve access to some at the expense of others.

The issue of health care for military retirees over 65 is of special concern to the committee. The nation has incurred a moral obligation to attempt to provide health care to military retirees who believed they were promised lifetime health care in exchange for a lifetime of military service. The nation fulfills its obligation through Medicare. However, under present law, retirees over 65 are not eligible for participation in Military Health Service System, except on a space-available basis at military treatment facilities. The Department of Defense is not reimbursed by Medicare for the cost of care provided to Medicare-eligible retirees.

Several proposals have been offered to address this problem: (1) Medicare Subvention; (2) Federal Employees Health Benefit Program (FEHBP) Enrollment; and (3) TRICARE Enrollment.

The committee supports Medicare Subvention and believes it would be fiscally beneficial to Medicare and would improve the ability of the Department of Defense to provide health care to military retirees over the age of 65. However, subvention has at least two shortcomings. First, it does not meet the needs of military retirees over 65 who do not live near military treatment facilities. Second, while reimbursement from Medicare accounts will partially alleviate fiscal pressures within the Military Health Service System, as the Department of Defense continues to reduce its health care infrastructure, maintaining access will increase in difficulty.

Regarding enrollment in the FEHBP, the Congressional Budget Office has estimated that the cost of enrolling Medicare-eligible military retirees in the FEHBP is \$900 million annually. The primary advantage to FEHBP enrollment is the ability of beneficiaries to seek and obtain health care anywhere in the nation insurers in the FEHBP provide service. However, the committee is greatly concerned by additional costs this program would incur if offered in addition to the benefits currently available to retirees over the age of 65.

Allowing military retirees over the age of 65 to enroll in TRICARE would require that additional resources be made available to military treatment facilities to ensure that all TRICARE beneficiaries were guaranteed access. The committee notes the estimated \$274.0 million shortfall in the budget request to fund the Military Health Service System. Without corresponding changes in the TRICARE system, expanding enrollment in TRICARE is likely to exacerbate the current difficulties TRICARE faces in meeting all the needs of Military Health Service System beneficiaries.

Despite the difficulties in choosing the optimal approach to addressing military health care concerns, the committee believes that a comprehensive approach to reforming the DOD health care system is required. In addition to ensuring access to health care coverage, it is also necessary to ensure that health care is available to beneficiaries wherever they serve or retire.

The committee directs the Secretary of Defense to conduct a study of the cost and feasibility of authorizing the FEHBP for all non-active duty beneficiaries, while maintaining a wartime combat medicine capability for active duty personnel. The study should include cost estimates for including all active duty dependents and all retirees (both above and below the age of 65) and their dependents. It should also include an assessment for what impact this may have on the defense health care infrastructure. The Secretary must report to Congress not later than March 1, 1998. The report of the study should include a description of the assumptions used in the study as well as a recommendation as to whether such a proposal should be adopted.

One possible alternative to addressing the issue of access to health care facilities is to enhance the growing cooperation and coordination between the Department of Defense and Veterans Administration (VA) health care systems. The committee supports the growing relationship between the Eisenhower Army Medical Center and the Veterans Administration Medical Center in Augusta, Georgia. These facilities have established a sharing agreement which allows each to provide certain health care services to the beneficiaries of the other. This type of joint approach has the potential to alleviate part of the accessibility problem, especially given the reduction in military medical treatment facilities.

The committee directs the Secretary of Defense, in coordination with the Department of Veterans Affairs, to study the cost and feasibility of integrating all or part of the DOD and VA medical treatment provided. The study should include an assessment of whether improved geographical access to facilities would result in expanding the numbers of facilities available to beneficiaries. It should also include an assessment of the impact on utilization rates at all facilities and what costs would be entailed or whether savings might result from economies of scale. The study should address the issue of reimbursement between the Department of Defense and the Department of Veterans Affairs and how a Medicare Subvention program would affect reimbursement among the Departments of Health and Human Services, Defense, and Veterans Affairs. The Secretary of Defense must report to Congress not later than October 1, 1998.

#### **Maintenance medication dispensing policy**

It has come to the attention of the committee that the Department of Defense (DOD) policy regarding dispensing of maintenance medications permits military treatment facilities to determine whether to dispense 30, 60, or 90 day supplies. As such, actual practice varies widely among military treatment facilities. The June 1995 DOD policy does direct military treatment facilities to implement local dispensing policies which provide that prescription

quantities will be filled as written for up to a 90-day supply for maintenance medications.

The committee directs the Assistant Secretary of Defense for Health Affairs, in conjunction with the Surgeons General, to review the maintenance medication dispensing policy with a view towards modifying the current policy to dispense maintenance medications for a 90-day period unless specifically determined by the local military treatment facility commander to be inappropriate for medical reasons. The committee directs the Assistant Secretary of Defense to report the results of the review and the new maintenance medication dispensing policy, if changed, to the congressional oversight committees not later than March 16, 1998.

#### **Programs related to breast and prostate cancer**

The committee notes that the Department of Defense has been a leader in the nation's efforts to understand the causes of and to find cures for breast and prostate cancer. The Army's Peer-Reviewed Breast Cancer Research Program continues to advance the cause against this deadly disease. The Navy's Breast Care Center at the National Naval Medical Center has, after only one year, dramatically increased the early detection of cancer. The committee believes that there are additional opportunities for the Department of Defense to further research programs related to breast and prostate cancer, including the potential to establish a Breast and Prostate Cancer Center of Excellence. Such a center would use the latest diagnostic equipment, improved protocols, and educational outreach programs. The committee expects that such an activity could continue to find methods to permit early detection, reduce suffering and pain, reduce the necessity for complicated surgeries, enhance patient and physician cancer education, and reduce long-term health care costs for the Department of Defense. The combined effect of these outcomes would contribute to improved readiness and reduce service member man days lost to these diseases. The committee authorizes the Department of Defense to use such funds as may be appropriated for these purposes.

#### **Telemedicine in TRICARE Region 7**

The committee is encouraged by the military services' effective use of telemedicine to provide needed health care to members serving in remote and rural areas. The committee supports the expansion of telemedical services into broader geographic areas. The committee authorizes the Department of the Air Force medical authorities to examine the potential for effective use of telemedicine in TRICARE Region 7 in consultation with the Army's Center for Excellence located in Augusta, Georgia. The committee directs the Secretary of the Air Force to submit a report to the congressional oversight committees by March 1, 1998, on its findings and recommendations regarding the establishment of a telemedicine program for Region 7.



## **TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS**

The committee recommends a number of provisions to improve the management of the process for acquiring goods and services in the Department of Defense and other federal agencies. These provisions are a reflection of the committee's strong interest in continued acquisition management reform.

On March 19, 1997, the Subcommittee on Acquisition and Technology convened a hearing to review the status of acquisition reform efforts in the Department of Defense. At the hearing testimony was presented by Dr. Paul Kaminski, Under Secretary of Defense for Acquisition and Technology as well as representatives from the military services. The subcommittee also received testimony from representatives of business associations and the legal community. The witnesses generally presented a positive picture of acquisition reform within the Department of Defense (DOD). The benefits of these reforms are evidenced by the improved DOD access to advanced commercial technologies and to commercial products priced in the general marketplace.

The committee believes that the next two years are a critical period in which DOD managers should consolidate the reforms that have been achieved and reengineer acquisition business practices even further. Several negative factors could undermine what has already been accomplished. Budget pressures on the size of the professional acquisition workforce and the funds available for training and education could leave the DOD unable to implement systems that incorporate appropriate business practices. Attempts by some in industry to use catalog pricing mechanisms to justify unreasonable price increases for spare parts or other items would invite a return to the mid-1980's legislative climate of strict regulation.

The committee remains committed to a course of sustainable reform as a primary means of ensuring an affordable, strong defense as the Nation moves into the 21st century. It is the committee's view that there are a number of features that continuing reform must include:

- Preservation of high-level commitment to reform as the new management team is nominated and confirmed;

- Management of the acquisition workforce to ensure that further downsizing is carried out in a rational manner: that education and training programs are adequately funded and structured to prepare acquisition professionals to work effectively in a less structured business environment; that recruiting efforts are sufficient to maintain the vitality of the workforce; and that parity in promotion rates between acquisition professionals and non-acquisition personnel is considered to ensure retention of expertise in the military services;

Maintenance of the substance and appearance of integrity in the acquisition workforce and compliance with essential safeguards in the acquisition process in the face of continued pressures to reduce oversight, downsize organizations and streamline procedures;

Preservation of robust competitive forces in light of industry consolidation and focus on bringing greater considerations of efficiency in acquisition decisions;

Responsible exercise of the new flexibility and discretion granted to acquisition professionals to obtain the best value in products and services in the interest of the taxpayers and the national defense; and

Establishment of long-term funding stability for major programs to make weapon systems more affordable and to ensure that managers in government and industry can be held more accountable for their individual performance.

#### **SUBTITLE A—AMENDMENTS TO GENERAL CONTRACTING AUTHORITIES, PROCEDURES, AND LIMITATIONS**

##### **Section 801. Streamlined approval requirements for contracts under international agreements.**

The committee recommends a provision that would streamline documentation requirements under section 2304(f) of title 10, United States Code, in cases where the terms of an international agreement, treaty, or written instructions from a foreign government in connection with a foreign military sale would have the effect of requiring the use of other than competitive procedures. Under this provision, the head of the contracting activity would be required to document the circumstances compelling the use of non-competitive procedures, but the approval of the agency competition advocate would not be required.

##### **Section 802. Restriction on undefinitized contract actions.**

The committee recommends a provision that would permit the head of a defense agency to waive the limitations on the use of undefinitized contract actions when such a waiver would be necessary to support contingency, peacekeeping, humanitarian assistance, and disaster relief operations.

##### **Section 803. Expansion of authority to cross fiscal years to all severable service contracts not exceeding a year.**

The committee recommends a provision that would broaden the current limited authority of the Department of Defense to expend appropriated funds for severable service contracts that cross fiscal years. The committee notes that such authority was provided to civilian agencies under the Federal Acquisition Streamlining Act of 1994.

The committee directs that the Comptroller General review the operation of this provision and report to Congress no later than March 1, 2000. The report should address: (1) the total amount and sources of funds obligated under the provision; (2) the types of services procured under the provision; (3) the fiscal years in which the services were ordered and provided; (4) the reasons for which the

provision was used; (5) any abuses of the provision (such as efforts to avoid year-end spending limitations); and (6) any recommendations for legislative or administrative changes that the Comptroller General may believe to be appropriate.

**Section 804. Limitation on allowability of compensation for certain contractor personnel.**

In the statement of managers accompanying Public Law 104–201 (Report 104–724), the conferees directed the Administrator for Federal Procurement Policy to develop and propose legislation establishing a limitation on the reimbursement of individual compensation on government contracts. The conferees directed that the proposal clarify the definition of compensation covered by such limitation. The administration has developed and submitted a proposal to Congress, as directed. The administration proposal would: 1) limit the reimbursement of senior executive salaries to the median salary of executives in companies of similar sizes; 2) define executive compensation to include the total amount of wages, salary, bonuses, and deferred compensation that is recorded in the contractor's cost accounting records for the year; 3) apply the limitations applicable to the five most highly-paid executives of a contractor, or any division of the contractor; and 4) make the limitations applicable to all cost-type contracts.

The committee has carefully reviewed this proposal as well as a number of other approaches, such as a specified dollar limitation for compensation, as was imposed by Congress on an interim basis in the National Defense Authorization Act for Fiscal Year 1997. The committee believes that a limitation based on comparability with commercial industry practice is preferable to a specific limitation based on an arbitrary dollar amount. A comparability approach recognizes that defense must compete with the commercial sector for the same pool of experienced, skilled managers, scientists and engineers.

However, the committee believes that the approach proposed by the administration is unsupportable because it would allow individual compensation of up to \$4.0 million for large contractors. Therefore, the committee recommends a provision that would adopt the framework of the administration proposal, but would change the method of calculating the limitation on individual compensation by using the median salary of senior executives in all public corporations with annual sales in excess of \$50.0 million, regardless of the size of the company. The Defense Contract Audit Agency has stated that the compensation limitation imposed by this formula would be \$340,000 based on the most recently available data.

The committee believes that this approach will provide appropriate flexibility for small and medium businesses that rely primarily on contracts with the Department of Defense.

**Section 805. Increased price limitation on purchases of right-hand drive vehicles.**

The committee recommends a provision that would amend the requirement in section 2253 of title 10, United States Code, by raising the limitation on the purchase price of right-hand drive vehicles from \$12,000 to \$30,000. Given inflationary trends and cur-

rency exchange rate fluctuations, the committee believes that this change will allow the purchase of vehicles that meet appropriate safety and other standards required under Department of Defense acquisition laws.

**Section 806. Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority.**

The committee recommends a provision that would amend section 808 of the National Defense Authorization Act for Fiscal Year 1996 to restrict its application to shipbuilding and to vest the Secretary of the Navy with the authority to enter into modified capability preservation agreements. The provision would also limit applicability of the agreements to costs incurred after the date of enactment of this Act for commercial contracts that became effective on or after January 26, 1996.

**Section 807. Elimination of certification requirement for grants.**

The committee recommends a provision that would eliminate the drug-free workplace certification requirements in relation to federal grants in a similar manner provided for federal contracts in section 4301(a)(3) of the National Defense Authorization Act for Fiscal Year 1996. The committee strongly supports the continued requirement that persons accept and enforce the drug-free workplace laws as a condition for the award of a contract or grant with a federal agency.

**Section 808. Repeal of limitation on adjustment of shipbuilding contracts.**

The committee recommends a provision that would repeal section 2405 of title 10, United States Code, effective upon the date of enactment of this Act. This provision would apply the current six-year limitation for the submission of claims in the Contract Disputes Act as the sole limitation on shipbuilding claims.

**SUBTITLE B—CONTRACT PROVISIONS**

**Section 811. Contractor guarantees of major systems.**

The committee recommends a provision that would modify the requirements in section 2403 of title 10, United States Code, to provide flexibility to the Secretary of Defense and the secretaries of the military services to decide the appropriate use of warranties in contracts for the production of major weapon systems. The committee notes that a recent report issued by the General Accounting Office documented that, because of the restrictive requirements in statute, the benefits to the Department of Defense (DOD) from major systems warranties are far exceeded by the associated costs. The provision recommended by the committee is intended to allow the DOD and the military services broad discretion to require major systems warranties only in cases where it is determined to be appropriate and cost effective.

**Section 812. Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements.**

The committee recommends a provision that would clarify the rights of a federal agency to title to contractor work-in-process under contracts where the agency has provided financing of the contract performance. The committee intends this provision to clarify what has been the usual practice with regard to federal agencies interpretation of rights under current contract provisions.

**SUBTITLE C—ACQUISITION ASSISTANCE PROGRAMS**

**Section 821. Procurement technical assistance programs.**

The committee recommends a provision that would provide \$12.0 million in fiscal year 1998 to continue the Procurement Technical Assistance Center (PTAC) program administered by the Defense Logistics Agency. The PTAC program is a cost-shared venture supported by the Department of Defense (DOD) and states, local entities, non-profit and tribal organizations to assist predominantly small businesses interested in selling goods or services to federal agencies. An increasing part of the PTAC mission is to assist DOD in the deployment of electronic commerce and electronic data interchange (EC/EDI) networks.

The committee is concerned that there may be significant duplication in these deployment efforts between the PTA centers and the Electronic Commerce Resource Centers (ECRC) funded elsewhere in this bill. The committee therefore directs the Secretary of Defense to submit a report not later than February 1, 1998 on procedures to ensure the elimination of duplication between the PTAC and the ECRC networks in EC/EDI deployment. The report should also assess the feasibility and desirability of consolidating the PTAC and ECRC programs into a single network.

**Section 822. One-year extension of Pilot Mentor-Protégé Program.**

The mentor-protégé program provides incentives to major Department of Defense prime contractors to assist small disadvantaged businesses and qualified organizations employing the severely disabled to enhance their capabilities as contractors or subcontractors on Department of Defense contracts. Under this program, more than 160 prime contractors have assisted small disadvantaged businesses in developing business processes and manufacturing capabilities.

The committee recommends a provision that would extend the period in which mentor firms may incur costs for furnishing developmental assistance under the program until September 30, 2000. The provision would also extend the period during which new agreements can be entered into until September 30, 1999.

The committee believes that the mentor-protégé program should be thoroughly evaluated before any further extensions of the program are contemplated. Therefore, the committee directs the General Accounting Office to review the implementation of the program and evaluate the extent to which the program is achieving the goals established by Congress in 1990. The report should also de-

scribe the manner in which program funds have been obligated, including a description of the average amount spent by the Department of Defense on individual mentor-protégé agreements. The report should include a description of the benefits of the program to the Department and industry. Finally, the committee is interested in an evaluation of the effectiveness of the incentives provided to mentor firms under the program. The committee directs the report to be provided to the congressional defense committees no later than March 31, 1998.

**Section 823. Test program for negotiation of comprehensive subcontracting plans.**

The committee recommends a provision that would extend the current test program for negotiating comprehensive subcontracting plans from September 30, 1998 to September 30, 2000. The provision would also address participating contractors acting as subcontractors under a Department of Defense (DOD) prime contract by allowing them to include their major subcontracts within their comprehensive subcontracting plans. The committee believes that the DOD should expand the program in manner that would encourage prime contractors to enter the program on a plant or facility basis.

**Section 824. Price preference for small and disadvantaged businesses.**

Section 2323 of title 10, United States Code, requires that the Secretary of Defense to obligate five percent of the total amount of funding for research and development, procurement, operations and maintenance, and military construction for contracts and subcontracts with small and disadvantaged businesses, historically Black colleges and universities, and minority institutions. Through its aggressive efforts, the Department of Defense (DOD) has met or exceeded this goal each year since fiscal year 1992. Preliminary figures for fiscal year 1996 indicate that the combined percentages for prime and subcontract awards are nearly nine percent of total prime and subcontract expenditures for the DOD.

Among the tools available to the DOD within this program is the authority to pay up to 10 percent above fair market cost per contract for contractors or subcontractors who meet the preference criteria. DOD expenditures for the cost of preference payments are approximately \$10.0 million per year. The committee believes that such an expenditure is unnecessary since the DOD appears to be awarding contracts far in excess of the statutory objective. Therefore, the committee recommends a provision that would condition the use of the section 2323 price preference criteria on the failure of the DOD to meet the goal in the prior fiscal year.

**SUBTITLE D—ADMINISTRATIVE PROVISIONS**

**Section 831. Retention of expired funds during the pendency of contract litigation.**

The committee recommends a provision that would permit federal agencies to retain amounts collected pursuant to the Contract Disputes Act of 1978 to satisfy a settlement reached between par-

ties or a judgment rendered in favor of a contractor through the Federal Courts or the Armed Services Board of Contract Appeals. The provision would also require the Comptroller of the Department of Defense to provide an annual report to Congress on the amounts available for obligation under the authority of this provision.

**Section 832. Protection of certain information from disclosure.**

The committee recommends a provision that would amend section 2371 of title 10, United States Code, to clarify that certain information submitted by outside parties in transactions governed by the authority under that section is protected from disclosure under section 552 of title 5, United States Code.

**Section 833. Content of limited selected acquisition reports.**

The committee recommends a provision that would remove an unnecessary program completion status reporting requirement in section 2432 of title 10, United States Code.

**Section 834. Unit cost reports.**

The committee recommends a provision that would eliminate duplicative cost reporting of requirements on unit costs of major weapon defense acquisition programs. The provision would also eliminate an unnecessary internal reporting requirement concerning contract cost growth. The committee notes that the Department of Defense has other, more meaningful systems for tracking cost and schedule variances in major programs.

**Section 835. Central Department of Defense point of contact for contracting information.**

The committee recommends a provision that would require the Under Secretary of Defense to designate an official in his office to serve as a central point of contact for persons seeking information about how and where to submit unsolicited proposals, how and where to respond to contract solicitations, procedures for being included on approved suppliers lists, and other contracting information.

**SUBTITLE E—OTHER MATTERS**

**Section 841. Defense business combinations.**

On April 15, 1997, the Subcommittee on Acquisition and Technology conducted a hearing to examine a number of specific issues with respect to current consolidation trends in the national technology and industrial base supporting national defense. The witnesses at the hearing included Representative Chris Smith, representatives from the Department of Defense (DOD), the Chairman of the Federal Trade Commission, and representatives from the Wall Street investment community, public interest organizations, and industry associations.

During the hearing, the subcommittee reviewed two issues in the area of industrial consolidation. First, the subcommittee considered the Executive Branch procedures for review of merger proposals to

ensure preservation of competition. Based on that review, the committee determined that current procedures in the DOD, the Federal Trade Commission, and the Department of Justice appear to provide for a very detailed consideration of competition issues. The committee urges the Department of Defense and the antitrust agencies to maintain the current rigorous scrutiny on competition issues as downsizing continues. The committee believes that scrutiny of the vertical effects of mergers is particularly important in the current environment.

The second issue the subcommittee considered during the hearing involved the DOD policy with respect to reimbursement of restructuring costs associated with mergers and acquisitions. After hearing the views of proponents and opponents of the current DOD policy, the committee concluded that the policy is sound and benefits the interests of the taxpayer by maintaining a strong, responsive national defense technology and industrial base through a process of rational downsizing. The committee notes with approval the current requirement that any reimbursement of restructuring costs associated with acquisitions and mergers be offset by contract savings at a rate of 2-1 from the industry and that these are the only reimbursed contract costs for which offsetting savings are required. The General Accounting Office raised a concern about the lack of documentation related to savings on individual weapon systems prices under the current DOD policy. The committee believes that this area requires further examination.

In order to address the issues raised at the subcommittee hearing, the committee recommends a provision that would require a number of actions to be taken. The provision would extend for an additional two years the reporting requirement on the payment of restructuring costs under section 818 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337). The provision would also require a report on the competitive effect of mergers and acquisitions approved in the prior year and a series of reports by the General Accounting Office (GAO) on any adverse effects of competition on major market areas of business combinations as well as the beneficial effects of mergers and acquisitions on contract weapon system prices. The committee recognizes the potential difficulties associated with DOD audit of the beneficial effects on weapon systems prices. As a result, the committee directs the GAO to include in its report detailed comments by the Department on the feasibility and desirability of devoting audit resources to develop such information.

**Section 842. Lease of nonexcess property of Defense Agencies.**

The committee recommends a provision that would extend to the directors of defense agencies authority currently granted to the service secretaries to lease non-excess property under certain circumstances.

**Section 843. Promotion rate for officers in an Acquisition Corps.**

The committee is concerned that promotion rates for members of the acquisition corps in the military services may be falling short

of the goals Congress sought in the Defense Acquisition Workforce Improvement Act of 1990. If such trends go unchecked, the military services risk losing their most skilled acquisition professionals in the grades of 0-5 and 0-6 as opportunities for further advancement are perceived to be foreclosed. Therefore, the committee recommends a provision that would require the Under Secretary of Defense for Acquisition and Technology to review reports of certain selection boards to grades above 0-4, upon approval by the President or his designee. The provision would also require the Under Secretary to report to Congress annually on the extent to which the military services are complying with section 1731(b) of title 10, United States Code.

#### **OTHER ITEMS OF INTEREST**

##### **Multiple award task order and delivery order contracts**

The Department of Defense recommended a provision that would authorize the use of set-aside procedures in the placement of orders under multiple award task order and delivery order contracts. Such contracts, authorized in the Federal Acquisition Streamlining Act of 1994, are an innovative means to enable agencies to award parallel contracts to multiple bidders to preserve competition throughout the life of the contract.

Federal agencies have used the new authority to issue "government-wide acquisition contracts" bundling together large numbers of requirements into a single contract. The administration believes that the use of set-asides under such contracts will help provide small businesses with greater opportunities under government-wide acquisition contracts while preserving the economies and efficiencies of such vehicles.

The committee shares the concern that the greater use of government-wide acquisition contracts may have the unintended effect of reducing contracting opportunities for small business. However, the committee notes that the General Accounting Office is currently conducting a comprehensive review of the legal and policy issues raised by multiple task order and delivery order contracts. For this reason, the committee believes that it would be premature to legislate on this issue.



## **TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT**

### **Section 901. Principal duty of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.**

The committee has reviewed the original statutory scheme relating to the establishment of the Special Operations Command as a unified combatant command. That legislation established a four-star Commander in chief with unique authorities that no other combatant commander has. It also established an Assistant Secretary of Defense in order to ensure that the unique authorities of the combatant commander, which are akin to those possessed by the civilian service secretaries, are subject to civilian oversight and supervision. The original legislation, however, inadvertently put an emphasis on the Assistant Secretary's supervision on the operational rather than the budgetary, development, and acquisition activities of the combatant commander. The committee recommends a provision that would put the emphasis on the Assistant Secretary's supervision of the budgetary, development, and acquisition activities of the combatant commander.

### **Section 902. Professional military education schools.**

The committee recommends a provision that would designate the Information Resources Management College as a component of the National Defense University. The recommended provision would also make a technical change to the name of the Institute for National Strategic Study to read the Institute for National Strategic Studies.

### **Section 903. Use of CINC Initiative Fund for force protection.**

The committee is concerned with the information contained in the report of the Downing Assessment Task Force of August 30, 1996, that inquired into the force protection of the U.S. Central Command area of responsibility, in general, and Khobar Towers, Saudi Arabia, in particular. That report revealed that "items such as Mylar, a shatter resistant window film coating, and surveillance systems for the fence line were deferred to budgets in later years."

Although the budget request for fiscal year 1998 identified over \$1.0 billion for force protection issues such as combating terrorism, this is not sufficient to meet all of the needs of the Department of Defense. This led the Air Force Chief of Staff to identify force protection as his highest priority for any additional funding. Although the committee has provided these funds, we understand the difficulty in predicting all of the force protection requirements that may emerge over the course of the year. Therefore, the committee recommends a provision that would provide the regional Commanders in chief (CINCs) with the authority to utilize funding from the

CINC Initiative Fund to provide for any force protection requirements which emerge in their respective areas of operation.

**Section 904. Transfer of TIARA programs.**

The committee is concerned that the Tactical Intelligence and Related Activities (TIARA) aggregation includes several programs that are not intelligence programs and would be better managed elsewhere in the military services. In particular, the committee believes that targeting and target acquisition programs, tactical warning and attack assessment programs, and tactical communication programs do not belong in the TIARA aggregation. Therefore, the committee recommends a provision that would transfer such programs from the TIARA aggregation to other accounts of the military services.

**OTHER ITEMS OF INTEREST**

**Department of Defense Inspector General staffing levels**

In November 1994, the Deputy Secretary of Defense directed a one-third reduction in Department of Defense (DOD) Inspector General manpower and funding by fiscal year 2001. In August 1995, the Inspector General restructured the office and reduced the number of assistant Inspectors General from eight to four and eliminated 40 percent of the Defense Criminal Investigative Service (DCIS) field offices. Based on the Secretary's direction, the Inspector General expects to have eliminated 300 positions by the end of fiscal year 1998.

At the same time, Congress and the Department have continued to add to the Inspector General's workload. The Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 placed substantial new burdens on agency Inspectors General in the area of financial management reform. The Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1996 significantly increased the flexibility and discretion granted to acquisition officials, which arguably increases the need for vigorous oversight of the acquisition process. An additional round of base closures would further add to the workload of the DOD Inspector General's office.

According to the Inspector General, planned reductions for fiscal years 1999 through 2001 could force the office to reduce coverage of large dollar fiscal crime issues such as defective pricing, cost mischarging, progress payment fraud and CHAMPUS abuses. In addition, continued cuts could require the Inspector General to reduce the DCIS personnel by 25 percent, reduce resources for audit coverage of acquisition and contracts by 50 percent and reduce coverage of readiness issues by 50 percent.

While every defense agency must contribute to the continued downsizing of the defense infrastructure, the committee is concerned that continued cuts within this office could prove more expensive for the Department in the long term. Therefore, the committee directs the Department to reexamine programmed reductions within the Inspector General's office and determine if they are appropriate in light of that office's responsibilities.

## TITLE X—GENERAL PROVISIONS

### SUBTITLE A—FINANCIAL MATTERS

#### **Section 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1997.**

The committee recommends a provision that would authorize the emergency supplemental appropriations enacted in the Emergency Supplemental Appropriations Act of 1997 (Public Law 105-18). This supplemental provided funding for fiscal year 1997 expenses related to military operations in Southwest Asia and Bosnia.

#### **Section 1004. Increased transfer authority for fiscal year 1996 authorizations.**

The provision would provide an increase in authorization transfer authority provided by section 1001 of the National Defense Authorization Act for Fiscal Year 1996. This increased transfer authority is necessary because of the substantial reprogramming requirements necessary for military operations in Bosnia during that fiscal year and to coincide with the appropriations transfer authority granted in the Defense Supplemental Appropriations Act for Fiscal Year 1996.

#### **Section 1005. Biennial financial management strategic plan.**

The committee recommends a provision that would require a strategic financial management plan within the Department of Defense. While many improvements have been made in the financial management system within the Department of Defense, a multi-level strategic plan is critical to ensuring continued improvement in this area. The strategic plan should include goals, measurable performance measures, milestones, and accountable organizations and individuals.

The strategic plan will be required on a biennial basis with the initial report submitted to the congressional defense committees by September 30, 1998.

#### **Section 1006. Revision of authority for Fisher House Trust Funds.**

The committee recommends a provision that would amend section 914 of the National Defense Authorization Act for Fiscal Year 1996 (public law 104-106) to require the Secretary of the Air Force to deposit an appropriate amount of funds to establish the corpus on the Fisher House Trust Fund, Department of the Air Force.

The committee was disappointed to learn that the Air Force had not deposited funds to establish the corpus of the Fisher House Trust Fund, Department of the Air Force, as required by the National Defense Authorization Act for Fiscal Year 1996. The committee directs that the Secretary of the Air Force continue to ensure

that the Air Force Fisher Houses have sufficient operating funds during the period in which the corpus of the trust fund is being established and begins to earn interest. The committee expects that the Air Force will be able to use the earnings from the trust fund to operate the Air Force Fisher Houses beginning in Fiscal Year 2000.

**Section 1007. Availability of certain fiscal year 1991 funds for payment of contract claim.**

The committee recommends a provision that would authorize the Secretary of the Army to use certain fiscal year 1991 procurement funds authorized in the Classified Annex to the National Defense Authorization Act for Fiscal Year 1991, subject to notification of the congressional defense committees, to reimburse the judgment fund established under 31 U.S.C. 1304 for a potential judgment in a contract dispute.

**Section 1008. Estimates and requests for procurement and military construction for the reserve components.**

The committee recommends a provision that would require the Department of Defense to specify estimated expenditures and proposed appropriations for reserve component modernization in the annexes provided with the Future Years Defense Program (FYDP). For the last several years, the Congress has been faced with tough choices regarding the funding levels for inadequate budget requests from the Department. The provision will serve to provide the information necessary to fully understand Department modernization plans and to facilitate the decision making process for both the executive and legislative branches. Specifically, the provision directs that the annexes separately display reserve component modernization funding commensurate with the level of detail of the active component. Moreover, the committee has included in this provision language prohibiting the Secretary of Defense from providing less detail in any category in the FYDP for fiscal years 1999 and thereafter than that provided in the FYDP for fiscal year 1998.

The committee has noted that the Department continues to emphasize the importance of the reserve components in fulfilling national security strategy requirements, but fails to program adequate funds to sustain necessary reserve component modernization. Over the last several years, the committee has urged the Department to correct this problem and every year there is resistance. The committee is very concerned about the Department's management of the modernization process for the reserve components. The lack of detailed information in the FYDP on proposed funding for reserve component modernization leads senior managers in the administration and Members of Congress to make suboptimal decisions.

**SUBTITLE B—NAVAL VESSELS AND SHIPYARDS**

**Section 1011. Long-term charter of vessel for surveillance towed array sensor program.**

The Navy has been conducting ocean surveillance research through use of a privately owned United States flag vessel that has

been on time charter since 1991. The vessel has been extensively modified and is currently fitted with about \$20.0 million of government equipment. The cost to transfer this equipment to another vessel would be about \$6.9 million. The Navy will need to continue using a commercial charter for ocean surveillance research until fiscal year 2004 when TAGOS-23, now under construction, will become fully operational.

Section 2401 of title 10, United States Code, prohibits the Secretary of the Navy from entering into a contract for the charter or lease of a vessel of longer than five years without statutory authority. The Navy's previous long-term lease for the ocean surveillance research ship expired in 1996. An interim short-term lease of 15 months is now in effect.

Given the significant cost to modify another ship to carry out ocean surveillance research and the continuing need for the ship currently in service, the committee recommends a provision that would permit the Navy to enter into a long-term lease for a vessel to support the surveillance towed array sensor and low frequency active programs through fiscal year 2004.

**Section 1012. Procedures for sale of vessels stricken from the Naval Vessel Register.**

The committee recommends a provision that would authorize the sale of vessels stricken from the naval register using negotiation as an alternative to the sealed-bid process. This authority would allow such issues as environmental concerns to be addressed more effectively in the process of the sale.

**Section 1013. Transfers of naval vessels to certain foreign countries.**

The committee recommends a provision that would transfer on a sale basis one *Hunley* class submarine tender, one *Kaiser* class <sup>(@)</sup> @ oiler, six *Knox* class frigates, two *Oliver Hazard Perry* class guided missile frigates, and three *Newport* class tank landing ships to various countries. The Chief of Naval Operations has certified that these naval vessels are not essential to the defense of the United States. Any expense incurred by the United States in connection with these transfers would be charged to the recipient. The provision would also:

- (1) direct that, to the maximum extent possible, the Secretary of the Navy shall require, as a condition of transfer, that repair and refurbishment associated with the transfer be accomplished in a shipyard located in the United States; and
- (2) stipulate that the authority to transfer these vessels will expire at the end of a two year period that begins on the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

**SUBTITLE C—COUNTER-DRUG ACTIVITIES**

The budget request for drug interdiction and other counter-drug activities of the Department of Defense totals \$808.6 million. This includes the \$652.6 million drug interdiction account and \$156.0 million in the operating budgets of the military services for authorized counter-drug operations. This compares with a total of \$957.4

million for these activities during fiscal year 1997, including \$796.5 million for the drug interdiction account and \$160.9 million in the services, operating budgets. This reduction of \$148.8 million equates to a real decline of 17.5 percent after accounting for inflation. The committee recommends an additional \$8.34 million for the counter-drug activities of the Department of Defense.

*Drug Interdiction and Counter-drug Activities, Operations and Maintenance*

[In thousands of dollars; may not add due to rounding]

	<i>Amount</i>
Fiscal Year 1998 Drug and Counterdrug Request .....	808,588
Source Nation Support .....	183,031
Detection and Monitoring .....	238,149
Disruption of Drug Mafia Organizations .....	54,306
Law Enforcement Agency .....	249,864
Demand Reduction .....	83,238
<i>Increases:</i>	
Riverine Interdiction Initiative .....	4,200
Gulf States Counter-drug Initiative .....	4,140
<i>Recommendation</i> .....	816,928

*Ongoing Initiatives*

In fiscal year 1997, the Congress authorized additional funding for three counter-drug initiatives: the *Mexico-Southwest Border Initiative*; the *Caribbean and South American Initiative*; and the *Domestic Counter-Narcotics Initiative*. These were intended to provide enhanced capabilities to stem the flow of drugs into the United States and disrupt narcotics operations within our own borders.

Although, the committee is pleased with the initial progress which has been made with these initiatives, the committee is concerned about the early difficulties in fulfilling some of the goals of the Mexico-Southwest Border Initiative. Due to the delay caused by these difficulties, the administration has requested an extension of the authority to provide assistance to the Government of Mexico. This was originally intended as a single year authority with the understanding that future support would be provided from funds available to the Department of State. Unfortunately, the administration failed to provide the necessary funds within the fiscal year 1998 budget request of the Department of State. If it is the intent of the administration to turn such international counter-drug activities of the United States over to the Department of Defense for execution, the committee believes that this intent should be demonstrated within the budget request. However, because the committee understands the value of this particular assistance and the need to explore all available options to stem the flow of drugs across the Southwest border, the committee recommends a provision (Section 1021) that would extend for one year the authority to provide additional support for counter-drug activities of the government of Mexico.

The committee continues to support the Gulf States Counter-drug Initiative (GSCI) and is pleased to note that the budget request contains \$3.4 million for this program. However, the committee is concerned that this funding level does not adequately cover the costs for required software maintenance, training, and network support. Therefore, the committee recommends an increase of \$4.1 million over the requested amount to fund these activities.

*Riverine Interdiction Initiative*

The committee is impressed with the effectiveness which has been demonstrated by the source nation governments in the interdiction of airplanes being used to transport narcotics and precursor materials. This has made a significant impact on the ability of the narcotraffickers to transport their goods from the fields of Peru to the processing labs in Colombia. However, the narcotraffickers have demonstrated an amazing capability to adapt to the closing of the airbridge by shifting their logistics operations to the vast Andean River network. Due to the increasing success of the Peruvian and Colombian governments in shutting down the airbridge during the past two years, the narcotraffickers have started to transport significant quantities of narcotics and precursor materials using these rivers.

Unfortunately, these governments are ill-equipped and ill-trained to interdict drug trafficking on their rivers and other waterways. If the United States and the source nation governments are going to continue to pursue their initial efforts to end, or at least greatly reduce, the trafficking of narcotics, they will be required to dedicate resources, including the creation of a number of Riverine Interdiction Units, to counter this new threat. Recognizing the important contribution the Department of Defense can make to this effort, the committee recommends an increase of \$4.2 million to the Department's counterdrug program for Riverine operations and a provision (Section 1022) which would grant a five year authorization to the Department of Defense to assist the Peruvian and Colombian governments with the acquisition of the requisite equipment to actively engage in these activities. The committee directs the Department of Defense, in coordination with other Federal agencies involved in counter-narcotic activities, to develop an integrated regional plan to establish a Riverine program that can be sustained by the source nations at the end of the five-year period. The Department should provide the details of this plan to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and International Relations of the House of Representatives before any assistance is provided pursuant to this authority. This plan should provide details as to how the Riverine program fits into the overall national drug strategy.

Although the Government of Colombia was recently decertified by the United States, the committee notes that this equipment will be used for counter-narcotics purposes and is therefore exempt from the decertification requirements. However, the committee directs that 30 days prior to the provision of any assistance pursuant to this authority to the Government of Colombia, the Department of Defense notify the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and International Relations of the House of the measures to be taken to ensure that the equipment provided will be used for counter-narcotics purposes.

Furthermore, the committee recognizes the valuable Riverine training that can be provided by the United States Marine Corps and the Special Operations Command to the military forces of the source nations. However, the committee is concerned that some of the personnel assigned to the Mobile Training Teams of the Marine

Corps are not sufficiently proficient in the language skills necessary to provide the most effective training to foreign nationals. Therefore, if it is the intent of the Department of Defense to continue utilizing Marines in this capacity, the committee directs the Secretary of the Navy to provide the Committee on Armed Services of the Senate and the Committee on National Security of the House with a report outlining the measures which the Secretary intends to take to ensure that Marines assigned to these Teams have the appropriate language skills to train and operate with foreign nationals. This report should be provided no later than January 31, 1998.

#### **SUBTITLE D—REPORTS AND STUDIES**

##### **Section 1031. Repeal of reporting requirements.**

The committee recommends a provision that would repeal certain obsolete or superseded reporting requirements presently imposed by statute upon the Department of Defense.

##### **Section 1032. Common measurement of operations and personnel tempo.**

The committee recommends a provision that would require the Chairman of the Joint Chiefs of Staff to develop, to the maximum extent practicable, a common measurement of operations tempo (OPTEMPO) and personnel tempo (PERSTEMPO).

Service witnesses testified before the Subcommittee on Readiness that the services do not now employ common definitions of these terms, which are central to understanding the extent to which service members are required to spend time away from their families, and to determine whether the demands placed on service members are increasing or decreasing over time.

The committee notes that the Under Secretary of Defense for Personnel and Readiness recommended earlier this year that the services adopt a single measure of PERSTEMPO, which would count each day away from home station as one day away. The committee believes that a common definition that would allow inter-service comparisons of unit deployments is also a desirable goal, if an accurate common definition is possible given the inherent differences in the way the services operate.

##### **Section 1033. Report on overseas deployment.**

In order to better determine the extent to which U.S. military operational demands are caused by overseas training requirements and the extent to which they are a result of contingency operations, the committee recommends a provision that would require the Department of Defense to report on the number of personnel deployed overseas as of June 30, 1996 and June 30, 1997. The report would distinguish between personnel who are forward deployed as their permanent duty station and those deployed overseas for temporary duty such as service-specific exercises, joint exercises, exercises with allies, and deployments for contingency operations.

**Section 1034. Report on military readiness requirements of the Armed Forces.**

During its hearings over the past two years, the committee has heard repeated testimony from the service chiefs and service secretaries that the future readiness of our armed forces is jeopardized by a shortfall in modernization funding. Because of our failure to adequately fund the investment accounts, our forces today face a future armed with rapidly aging equipment which will be difficult and expensive to maintain and operate.

To find the funds to develop weapons systems for the force structure of the next century, we must look for efficiency in the armed forces of today. There are many approaches to streamlining defense operations and activities that could result in cost savings and which should be done to ensure the best value for the American taxpayer. Another approach which would save scarce defense resources and make available needed funding for critical modernization programs would be to reevaluate the readiness requirements of our military forces.

Therefore, last year the committee recommended a provision which required the Department of Defense to report on the potential of "tiered readiness" as a means of redirecting scarce defense dollars from the operations and maintenance accounts to the modernization accounts. This provision established a requirement for a one-time report from the Chairman of the Joint Chiefs of Staff (JCS) on the military readiness requirements of all U.S. armed forces, including active and reserve components as well as support units, using a tiered readiness system. The provision also directed the service chiefs and the Commander in Chief of the U.S. Special Operations Command to prepare the report for the Chairman of the JCS.

The report that they prepared assigned each force unit, described by type rather than unit name, to one of three tiers of combat readiness, which were defined in the provision, and listed all forces not assigned to one of the three readiness tiers.

This report was provided to the Congress earlier this year, and, while making some significant progress in identifying the potential of tiered readiness, it left a number of issues unresolved. Therefore, the committee recommends a provision which would direct the Department to further explore the potential of tiered readiness. This provision would require the Chairman and the service chiefs, together with the Commander in Chief of the Special Operations Command and the commanders of the other unified commands, to prepare a second report that would examine the extent to which the readiness of the military forces could be tiered. Rather than looking at a generic major regional conflict, this report would require an examination of the tiered readiness concept within the force structure advocated by the Quadrennial Defense Review, including the forces required to deter or defeat a strategic attack upon the United States. The report should include an examination of the tiering of the forces (focusing on the brigade, battalion, and squadron levels), on a rotational basis within the Army and Marine Corps Divisions, the Air Force, Navy and Marine Corps Wings, and the Navy Fleets. In determining what lift would be available each year for the deployment of forces, the Joint Chiefs and the unified

commanders should assume that the lift capacity is limited to that which is assumed to be available in each year of the Future Years Defense Program.

Furthermore, the provision requires the Department to identify the total resources currently within the operations and maintenance accounts that would be available for modernization if a tiered system were adopted. The committee believes that the funding saved by a particular military service through the implementation of tiered readiness should be made available for the modernization activities of that service.

The Chairman shall provide the report to the congressional defense committees no later than January 31, 1998.

**Section 1035. Assessment of cyclical readiness posture of the Armed Forces.**

The committee recommends a provision that would require the Secretary of Defense to report on the impact of moving to a cyclical readiness approach for major warfighting units. Under this approach, a high state of readiness alternates from one unit to another, as is already done with the blue and gold crews on ballistic missile submarines. The report should identify the savings and risks associated with cyclical readiness.

**Section 1036. Overseas infrastructure requirements.**

The committee is concerned with the lack of planning on the part of the Department of Defense for overseas basing facilities. The national military strategy requires U.S. military forces to remain deployed in order to carry out the policy of deterrence and engagement.

U.S. forces have departed from the Philippines, are scheduled to depart from Panama, and may be forced to depart from Okinawa, Japan. In fact, both the Department of Defense and the National Defense Panel recognize that we cannot assume access to our current overseas facilities. However, the Department has not performed any analysis to identify alternative basing solutions.

Therefore, the committee recommends a provision that would require the Secretary of Defense to provide a report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives outlining the current and future forward-basing requirements of the Department of Defense along with the international agreements necessary to provide these facilities.

**Section 1037. Report on aircraft inventory.**

In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1997 (S. Rept. 104-267), the committee noted the efforts of the Joint Chiefs of Staff to bring order to the terminology of aircraft inventory management, and encouraged the long overdue standardization of reporting.

The committee believes that such changes could ultimately result in a streamlined budget review process, both for the administration and the Congress. Accordingly, the committee recommends a provision to implement new aircraft budget exhibits.

**Section 1038. Disposal of excess materials.**

The committee is concerned with the recent reports identifying problems within the Department of Defense system to sell or otherwise dispose of excess materials. These reports outline a process that fails to properly demilitarize weapons before selling them to the public, adequately safeguard classified material, and prevent the theft of valuable equipment. Therefore, the committee recommends a provision that would require the Secretary of Defense to submit a report to the Congress outlining the actions required to ensure that the Department better manages the disposal system so as to eliminate, or at least minimize, the problems.

**Section 1039. Review of former spouse protections.**

The committee recommends a provision that would require the Secretary of Defense to conduct a comprehensive review of the Uniformed Services Former Spouse Protection Act. The review must include other laws affecting Federal civil service retirement and current civil practices regarding division of retirement or pensions in order to assess whether the Uniformed Services Former Spouse Protection Act should be amended. The recommended provision requires the report to be provided to Congress by September 30, 1998.

**Section 1040. Completion of GAO reports for Congress.**

The committee is disappointed by the way the General Accounting Office (GAO) prioritizes its work, which indicates a lack of responsiveness to the concerns of Congress. Over the past year, the GAO has performed numerous self-initiated audits while seemingly relegating those requested by members of Congress to a lower priority. Therefore, the committee recommends a provision that would require the Comptroller General of the United States to certify to Congress that all audits, evaluations, other reviews, and reports requested by Congress or required by law are complete prior to the initiation of any audits, evaluations, other reviews, and reports that were not required by Congress.

**SUBTITLE E—OTHER MATTERS****Section 1051. Psychotherapist-patient privilege in the Military Rules of Evidence.**

The committee recommends a provision that would require the Secretary of Defense to submit to the President an amendment to the Military Rules of Evidence recognizing the evidentiary privilege regarding disclosure by a psychotherapist of confidential communications between a patient and the psychotherapist. The Secretary of Defense must submit such an amendment within 90 days of enactment of the National Defense Authorization Act for Fiscal Year 1998 or by January 1, 1998, whichever is later. The committee expects that, in general, the evidentiary privilege will be limited to family members. The Secretary may prescribe circumstances under which the privilege may be waived for any beneficiary of the Military Health Care System.

**Section 1052. National Guard Civilian Youth Opportunities Pilot Program.**

The committee recommends a provision that would extend the authorization for the National Guard Civilian Youth Opportunities Pilot Program until September 30, 1998. The recommended provision limits the number of programs to 15, limits the amount which may be obligated in support of the program during fiscal year 1998 to \$20.0 million, and requires non-Federal funding to match the Federal Government contribution to the program in each state.

The statement of managers accompanying the conference report on S. 1124 (H. Report 104-450) made it very clear that the 18-month extension of the authority to conduct the National Guard Youth Opportunities Pilot Program was to be used to develop non-Department of Defense sources of funding to continue operation after August 1997. The Department of Defense, the National Guard Bureau, nor the states which desire to maintain this program have developed non-Department of Defense sources of funding. The committee intends, by authorizing an additional year, that the Assistant Secretary of Defense for Reserve Affairs and the National Guard Bureau notify the participating states of the committee's intent and to assist, as appropriate, in transitioning this program from Department of Defense funding.

**Section 1053. Protection of Armed Forces personnel during peace operations.**

As a result of problems experienced in fielding adequate troop protection equipment during Operation Joint Endeavor and other contingencies, the committee recommends a provision that would require the Secretary of Defense to identify troop protection equipment that would be specifically useful for peace operations, to identify shortfalls in such equipment, to establish procedures for the services to more readily share such equipment, and to establish a single point of contact within DOD to monitor and ensure proper allocation of this equipment.

**Section 1054. Limitation on retirement or dismantlement of strategic nuclear delivery systems.**

The committee continues to support the Department of Defense policy of remaining at Strategic Arms Reduction Treaty (START I) levels of strategic forces until START II enters into force. Therefore the committee recommends a provision that would preclude the unilateral reduction of certain strategic delivery systems. The provision also prohibits early deactivation measures, such as warhead removal, unless the Secretary of Defense meets certain requirements as specified in the provision. Finally, the provision includes a requirement for the Secretary of Defense to prepare a plan for the contingency sustenance of a START I force beyond 1998, should START II not enter into force by 2004.

**Section 1055. Acceptance and use of landing fees for use of overseas military airfields by civil aircraft.**

The committee recommends a provision that would authorize a military service to accept payments for the use of foreign-based

military airfields by civil aircraft and to use those payments for the operation and maintenance of the airfield.

**Section 1056. One-year extension of international non-proliferation initiative.**

The committee recommends a provision that would extend the authority of the Department of Defense to provide support to the United Nations Special Commission (UNSCOM) on Iraq through the end of fiscal year 1998 and would provide the Department with authority to exceed the levels authorized in fiscal year 1998 for DOD support to UNSCOM in the event of a significant unforeseen development. In that event, the Secretary of Defense would be required to notify the congressional defense committees in writing, prior to providing assistance that would exceed the levels authorized for DOD support. However, if the Secretary of Defense determines that prior notification of such action is not possible, the Secretary must notify the congressional defense committees of his actions no later than 15 days after the date the additional assistance was provided.

**Section 1057. Assistance for facilities subject to inspection under the Chemical Weapons Convention.**

The budget request included \$315.0 million in the procurement, operations and maintenance, and research and development accounts for the Department of Defense and the military services for implementation of arms control agreements. The budget request for these accounts is based on anticipated dates of implementation of the various arms control treaties.

The committee recommends a reduction of \$10.0 million of the budget request in the operations and maintenance account for the On-Site Inspection Agency and a \$10.0 million reduction of the budget request for the Defense Special Weapons Agency (DSWA) for the verification demonstration technology program (PE63711H). Due to possible changes in the assumptions on the dates of entry into force of the arms control treaties, it is the intention of the committee to review the budget request during the conference between the House of Representatives and the Senate.

*Chemical Weapons Convention*

On April 24, 1997, the Senate provided its consent to ratification of the Chemical Weapons Convention (CWC), and the Convention entered into force on April 29, 1997. Condition 21 of Senate Executive Resolution 75, the CWC resolution of ratification, expressed the sense of the Senate that the Department of Defense should have authority to provide assistance to any facility in the United States that is subject to a routine inspection, or the object of a challenge inspection, under the CWC.

The committee recommends a provision that would require reimbursement by the National Authority to the On-Site Inspection Agency (OSIA) for assistance it provides to facilities in the United States (for which it has no funds) that are the object of routine or challenge inspections under the CWC.

Article X of the CWC requires each State Party to the Convention to provide assistance through the Organization for the Prohibi-

tion of Chemical Weapons (OPCW). That assistance can be provided in one or more of three ways: a State Party may contribute to a voluntary fund; a State Party may reach agreement with the OPCW on specific assistance that it would provide; or a State Party may declare the kind of assistance it might provide, in the event assistance is requested against a chemical weapons use or threat. The declaration of which type of assistance a State Party intends to provide must be made within 180 days after the CWC enters into force.

Prior to the Senate providing its consent to ratification of the CWC, agreement was reached on Condition 15 which would prohibit the United States from contributing to the voluntary fund or providing any assistance to any State Party which is not eligible for assistance under chapters 2 and 4 of part II of the Foreign Assistance Act of 1961, other than medical treatment and antidotes.

The committee requests the President to provide it with a copy of the declaration the U.S. submits pursuant to Article X, paragraph 7(c). Additionally, the committee directs that it be notified in writing whenever assistance is provided pursuant to Article X. The notification should include information on the specific incident which required the provision of assistance the cost of the assistance provided, the source of the funds and the impact on resources available to U.S. military forces for defense against the use of chemical weapons or agents.

*Emergency health care for OSIA inspectors*

The committee has learned of cases where cash or credit card deposits for medical services have been required of military and civilian personnel assigned to OSIA participating in arms control inspections overseas, prior to the receipt of medical services. The mission of the On-Site Inspection Agency requires the frequent travel of military and civilian personnel assigned to the agency to many countries in the area of the former Soviet Union, including Russia, Ukraine, Belarus, and Kazakstan, as well as former Warsaw Pact nations. In an earlier section of the committee's report, the committee recommends a provision that would provide the Secretary of Defense authority to pay out of funds available to the OSIA for emergency medical health care costs of military and civilian personnel assigned to the On-Site Inspection Agency while participating in arms control inspections overseas.

**Section 1058. Sense of Senate regarding the relationship between environmental laws and United States' obligations under the Chemical Weapons Convention.**

(See report language in Section 107.)

**Section 1059. Sense of Congress regarding funding for reserve component modernization not requested in the annual budget request.**

The committee recommends a provision that would require, to the maximum extent practicable, the Congress to consider authorization for the appropriation of funds for reserve component modernization activities not in the budget request, only if:

- (1) there is a Joint Requirements Oversight Council (JROC) validated requirement for the equipment;
- (2) the equipment is included in the modernization plan of the military reserve component department concerned and is incorporated into the Future Years Defense Program (FYDP);
- (3) the equipment is consistent with employment and use of reserve component forces;
- (4) the equipment is necessary for reasons of U.S. national security; and
- (5) the funds can be obligated in that fiscal year.

It is also important that the Congress consider the views of the Chairman, Joint Chiefs of Staff, on whether the proposed procurement is necessary for U.S. warfighting plans. The provision will ensure that the Congress considers all relevant factors in deciding how to allocate available resources.

**Section 1060. Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits.**

The committee recommends a provision that would provide the Secretary of Defense authority, upon request of a service secretary, to waive the time limits in the case of a claim for pay and allowances up to a maximum of \$25,000. The recommended provision modifies the authority granted by section 607 of the National Defense Authorization Act for Fiscal Year 1997. The recommended provision clarifies the fiscal year 1997 provision to ensure that the Department of Defense has adequate authority to address these claims. The committee strongly urges the Secretary of Defense, upon enactment, to pay the claims expeditiously.

**Section 1061. Coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community.**

The committee recommends a provision that would require the Secretary of Defense report to the Congress regarding the specific steps taken to enhance the coordination of operation intelligence for combattant commanders and deployed units.

The committee believes that appointment of a Special Assistant to the Deputy Secretary of Defense for Gulf War Illnesses and the appointment of a Special Assistant the Director of Central Intelligence will result in significant contributions to the government's efforts to address the medical condition of our suffering Persian Gulf veterans as well as the numerous questions surrounding the possible causes of Gulf War illnesses. Although the committee remains concerned that these appointments have taken place over five years after the end of the war and the initial complaints by Persian Gulf veterans, the committee looks forward to working with these representatives of the executive branch in the pursuit of the truth regarding this difficult issue.

In hindsight, it has become increasingly clear that coordination within the intelligence community, within the Department of Defense, and between the intelligence community and the Department of Defense during and after the Persian Gulf War was inadequate. As a result, intelligence regarding chemical weapons that should have been available was not available to operational units

that would have benefitted from that information during the conduct of operations and after the cease-fire.

**Section 1062. Protection of imagery, imagery intelligence, and geospatial information and data.**

The committee is concerned about the possibility that adversaries or others hostile to the United States could potentially convert certain forms of unclassified imagery data to uses that threaten U.S. national security. The committee recommends a provision that would amend sections 455 and 457 of title 10, United States Code, to clarify the authority of the Secretary of Defense to permit selective releases of geospatial information representing little military value while protecting the most sensitive information.

**Section 1063. Protection of air safety information voluntarily provided by a charter air carrier.**

The committee recommends a provision that would exempt from disclosure under any other provision of law safety information voluntarily provided by an air carrier under contract with the Department of Defense for the charter air transportation of members of the armed forces. Section 2640 of title 10, United States Code, imposes detailed requirements upon such air carriers. Among other things, they must pass initial and recurring technical evaluations in order to become and remain eligible for Department of Defense contracts. The purpose is to ensure carriers have the programs and capabilities in place to provide safe and reliable airlift services to the Department of Defense. This requires access to a carrier's internal records, information, and data that are essential to determining whether the carrier meets safety and quality standards. Unfortunately, carriers have been increasingly reluctant to provide more than the minimum amount of information required for regulatory compliance based on concerns regarding third party access under the Freedom of Information Act. Similar ability to protect voluntarily provided safety data was given to the Federal Aviation Administration (FAA) and the National Transportation Safety Board (NTSB) in 1996. The lack of such express statutory authority in the Department of Defense threatens the continuation of essential information-sharing arrangements with the FAA and the NTSB. For the Department of Defense to effectively carry out its responsibilities under the statute, the Secretary of Defense must have the authority to protect such voluntarily provided safety related information.

**Section 1064. Sustainment and operation of Global Positioning System.**

On March 29, 1996, the President approved a comprehensive national policy on the future management and use of the Global Positioning System (GPS) and related U.S. Government augmentations. The new GPS policy includes the following policy guidelines:

- (1) The United States will continue to provide GPS standard positioning service for peaceful civil, commercial and scientific use on a continuous, worldwide basis, free of direct user fees.
- (2) The United States will discontinue the use of GPS Selective Availability (SA) within a decade in a manner that allows

adequate time and resources for U.S. military forces to prepare fully for operations without SA.

(3) The GPS and U.S. Government augmentations will remain responsive to the National Command Authorities.

(4) The United States will cooperate with other governments and international organizations to ensure an appropriate balance between the requirements of international civil, commercial and scientific users and international security interests.

(5) The United States will advocate acceptance of GPS and U.S. Government augmentations as standards for international use.

(6) To the fullest extent possible, the United States will purchase commercially available GPS products and services that meet U.S. Government requirements and will not conduct activities that preclude or deter commercial GPS activities, except for national security or public safety reasons.

(7) A permanent interagency GPS Executive Board, jointly chaired by the Departments of Defense and Transportation, will manage the GPS and U.S. Government augmentations. Other departments and agencies will participate as appropriate.

The committee endorses these policy guidelines. The committee believes that the new policy appropriately balances the needs of U.S. national security with civil and commercial interests. The committee has consistently urged the Department of Defense to develop a plan for the eventual discontinuation of Selective Availability while developing capabilities to counter hostile exploitation of GPS and assure U.S. military access. As such, the committee applauds the requirement in the new GPS policy for the Department of Defense to develop such capabilities.

The committee believes that such national security protections are possible within a framework that allows significantly expanded civil and commercial exploitation of GPS. The United States has a unique opportunity to establish an international framework that furthers U.S. national goals to promote national security, public safety, and ultimately to ensure a level playing field for fair market competition worldwide. In order to satisfy these goals, a long-term, stable and predictable commitment to the U.S. GPS is essential. In order to secure long-range U.S. leadership in the GPS marketplace, it is critical to promote international acceptance of GPS and GPS-related regional augmentations, as global standards. This will mitigate the proliferation of multiple technical standards that can be used as non-tariff barriers to U.S. exports.

The committee recommends a provision that would place in statute the March 1996 presidential policy on GPS. This provision represents a clear endorsement of U.S. policy and strengthens the U.S. Government's ability to negotiate favorable agreements regarding GPS standards and related matters.

#### **Section 1065. Law enforcement authority for special agents of the Defense Criminal Investigative Service.**

The committee recommends a provision that would codify and assimilate existing statutory and regulatory law enforcement authority for special agents of the Defense Criminal Investigative Service

(DCIS). This authority includes: the carrying of firearms; the execution and service of warrants or other process issued under Federal authority; and warrantless arrests for Federal felony offenses. These agents presently have statutory authority to carry firearms under delegation from the Secretary of Defense. (10 U.S.C. 1585). Under the Uniform Code of Military Justice, they may apprehend personnel of the armed forces. Under regulations issued by the Attorney General, and the Military Rules of Evidence, they may apply for and execute search warrants. While they presently have no statutory authority to make civilian arrests, they have done so since 1991 under annual blanket designation as Special Deputy U.S. Marshals by the Attorney General.

The committee intends that the authorities codified in this provision be exercised in accordance with applicable regulations and guidance issued by the Secretary of Defense and by the Attorney General. If this provision is enacted, proposed guidelines should be submitted by the Department of Defense Inspector General (DOD/IG) to the Attorney General for approval in accordance with the provision as expeditiously as possible.

DCIS is the criminal investigative arm of the DOD/IG. As the DOD/IG has broad authority under the Inspector General Act of 1978 to investigate matters related to DOD programs and operations, DCIS has correspondingly broad criminal investigative responsibilities. While the bulk of its work has been in the area of procurement fraud, it often conducts joint investigations with non-Defense agencies such as the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Customs Service. The committee recognizes that DCIS should have clear statutory law enforcement authority commensurate with its broad investigative authority, and accordingly recommends such a provision.

**Section 1066. Repeal of requirement for continued operation of the Naval Academy dairy farm.**

The committee recommends a provision that would repeal subsection (a) of section 810 of the Military Construction Act of 1968 (Public Law 90-110) which required the Naval Academy to operate a dairy farm. Subsection (b), which prohibits the Naval Academy from declaring the land excess or selling the property, remains in effect. The recommended provision repeals the requirement to operate a dairy; however, the Naval Academy may continue to operate the dairy farm.

**Section 1067. POW/MIA intelligence analysis cell.**

The committee welcomes the decision by the President to require the preparation of a Special National Intelligence Estimate (SNIE) on the Vietnam POW/MIA issue, and to ensure that collection requirements pertaining to the POW/MIA issue remain a high priority for the U.S. intelligence community. The committee is troubled, however, by the lack of a qualified cadre of intelligence analysts in the intelligence community capable of supporting the preparation of this SNIE. Since a National Intelligence Estimate, by definition, cannot be prepared by any single federal agency, it is incumbent upon the Director of Central Intelligence (DCI) to assemble the requisite expertise to support this effort and to provide intelligence

analysis support to all affected federal agencies. The committee is concerned that if the Department of Defense appears to be preparing its own SNIE, the Department may be viewed as politicizing the intelligence process. Therefore, the committee recommends a provision that would require the DCI to establish a POW/MIA Intelligence Analysis Cell to support the preparation of the SNIE and to provide intelligence support to all affected federal agencies. The committee does not intend that functions of the Department of Defense POW/MIA Office be transferred to this new organization. The committee does, however, encourage any cooperative efforts between the intelligence analysis cell and the Department of Defense POW/MIA Office that might be agreed upon between the Secretary of Defense and the DCI.

**Section 1068. Protection of employees from retaliation for certain disclosures of classified information.**

The committee recommends a provision that would amend the Whistleblower Protection Act of 1989 (WPA) to provide a balanced, limited protection to Executive Branch employees who disclose classified information to the Congress in the course of informing Congress of violations of law or policy, or mismanagement, waste, danger to public health, or one of the other factors listed in 5 U.S.C. 2302(b)(8)(A). Under this provision, the employee must reasonably believe that the information provided “direct and specific evidence” of a violation of law or one of the other listed factors. Moreover, the permissible disclosure to Congress would be limited to members of the committee having primary oversight over the agency to which the information related, a member authorized to receive information of the type disclosed, or an employee of Congress or the executive branch who holds the proper clearance for access to the information disclosed.

In the WPA, Congress attempted to protect government employees from reprisal for disclosing information concerning violations of law, rule, regulation, gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health or safety. The WPA largely exempts from its protection the disclosure of classified information. The WPA does make an exception for disclosures of such information to an agency inspector general or to the Special Counsel, the official charged with the responsibility for protecting the civil service merit system. The committee believes that changes made by this provision strike the proper balance.

**Section 1069. Applicability of certain pay authorities to members of the Commission on Service Members and Veterans Transition Assistance.**

The committee recommends a provision that would exempt retired federal employees and retired military personnel who have been appointed as members of the Commission on Servicemembers and Veterans Transition Assistance from limitations pertaining to receiving Federal pay while concurrently receiving a Federal retirement annuity.

**Section 1070. Transfer of B-17 aircraft to museum.**

The committee recommends a provision that would authorize the Secretary of the Air Force to transfer the B-17 aircraft known as Picadilly Lilly to the Planes of Fame Museum in Chino, California. The provision would further require that before the aircraft can be transferred, the Air Force must ensure that it is properly demilitarized, the museum agrees it will not transfer the aircraft to a third party without the approval of the Air Force, and the museum would fully indemnify the United States from any liabilities connected to the conveyance of the aircraft. The Picadilly Lilly, which has been in the possession of the museum since 1959, is in need of repairs. During this period of constrained budgets, the Air Force does not have sufficient funding to provide the needed maintenance. Furthermore, before the museum can expend the resources to repair the aircraft, it must have clear title. Therefore, the committee believes that the most appropriate course of action is to transfer ownership of the aircraft to the museum, so that it can receive the necessary repairs in order to ensure that future generations have access to observe this valuable piece of military history.

**Section 1071. Five-year extension of Aviation Insurance Program.**

The committee recommends a provision that would extend for a period of five years the authority of the Secretary of Transportation to provide insurance and reinsurance to commercial air carriers when necessary to carry out the foreign policy of the United States. This extension is intended to maintain stability for the Civil Reserve Air Fleet program.

**Section 1072. Treatment of military flight operations.**

The Department of the Air Force experienced a significant delay in obtaining the Military Operational Airspace (MOA) sought for conducting military flights and training in Alaska. Some of the delay was the result of an unprecedented assertion by the Federal Aviation Administration (FAA) that section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. 303(c)) applies to military airspace proposals. The Department of the Air Force has maintained that section 4(f) does not apply to military airspace actions.

Specifically, section 4(f) requires the Department of Transportation to review transportation programs or projects that use parks, refuges, or historic sites and to determine that no alternative to the public land use is available and that harm to the public land is minimized. Review under section 4(f) is similar to the analysis conducted under the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321). The difference between section 4(f) and NEPA is one of statutory scope. NEPA requires the examination of the full range of environmental impacts related to major federal actions. Section 4(f) analysis is triggered by use of certain lands, without regard to impact. The application of NEPA and section 4(f) results in unnecessary overlap.

In relation to the Alaska MOA, the Department of the Air Force expended significant effort and funds over a three year period to comply with the NEPA. Before the airspace proposal could go forward, the NEPA process had to address the concerns of many envi-

ronmental interest groups and “stakeholders” in Alaska, which resulted in the crafting of a delicate compromise.

Recently, the Secretary of the Air Force signed the Record of Decision (ROD) for the Alaska MOA, the FAA concurred with the ROD, and the proposal was approved. However, the FAA approved the proposal based on its conclusion that the detailed NEPA analysis of the Alaska proposal met section 4(f) requirements. The FAA continues to maintain that, in addition to NEPA, section 4(f) analysis would be required for all future military airspace proposals.

The FAA application of section 4(f) to military airspace proposals is not consistent with the congressional intent associated with the enactment of the Transportation Act of 1966. It is this committee’s view that military airspace proposals for national security-related activities are not a “transportation program or project” to which section 4(f) applies. In addition, there is no basis for concluding that military overflights amount to a use of the types of public land that section 4(f) was intended to protect. Finally, NEPA analysis ensures consideration of environmental impacts of military airspace actions, and it is neither reasonable or cost effective to require section 4(f) analysis when there is no factual, legal, or historical basis for its application to such actions.

**Section 1073. Naturalization of foreign nationals who served honorably in the Armed Forces of the United States.**

The committee recommends a provision that would modify the Immigration and Naturalization Act, title 8, United States Code, to permit foreign national service members who reenlist on board U.S. public vessels to qualify for naturalization without regard to the location of the vessel. The current Immigration and Naturalization Service practice is to recognize only those reenlistments which occur on board U.S. vessels located in the territorial waters of the United States as qualifying for naturalization under section 1440 of title 8, United States Code. The recommended provision would be retroactive to cover those foreign nationals who reenlisted on board U.S. vessels since January 1, 1990.

**Section 1074. Designation of Bob Hope as honorary veteran.**

The committee recommends a provision that would designate Mr. Bob Hope as an honorary veteran of the Armed Forces of the United States. The committee recognizes that Bob Hope has contributed many years of service to enhancing the morale and welfare of members of the armed forces of the United States. He has traveled to virtually every post, camp, and station where military personnel are assigned overseas, including those in war zones, bringing entertainment, laughter, cheer, and a touch of home, sometimes at great personal risk.

Thanks for the memories, Bob.

**OTHER ITEMS OF INTEREST**

**Airborne strategic command and control**

Given the downsizing of the U.S. strategic command and control system, the Navy’s E-6 aircraft are an increasingly vital asset. E-6A/B will become even more critical as these aircraft take on addi-

tional missions. The committee believes that it is essential that attention to the E-6 system, operations, and infrastructure be assiduous to ensure this critical asset does not become less ready or capable. The committee expects that the Secretary of Defense will ensure continued well-coordinated programmatic and high-priority operations and infrastructure support to the Navy's E-6 force to ensure the survivability and robustness of the U.S. nuclear command and control system.

### **Commercial satellite communications**

The committee has consistently urged the Department of Defense to leverage the commercial satellite communications (SATCOM) market to help reduce the cost of satellite communications. The committee recognizes that the uses to which DOD may put the commercial market are limited (due to landing rights, protection, and survivability issues) if DOD is relegated to the role of simply executing short-term leases for existing services. At the same time, the committee believes that the substantial investments being made by the private sector in new commercial SATCOM services offer tremendous potential for satisfying certain DOD SATCOM requirements. The Department's recent effort under the Defense Information Systems Agency to modify an emerging mobile satellite service to leverage it to better support the Department's high priority point-to-point communications needs represents progress toward greater military-commercial cooperation. Over the next several years, the commercial sector will launch and deploy several new and innovative low, medium, and geostationary earth orbiting SATCOM systems. In addition, there are several new high data rate global SATCOM systems that have been filed with the Federal Communications Commission. It is imperative that DOD consider all these options as candidates for satisfying a number of SATCOM requirements.

Given the limited funding available in the future for satisfying the Department's SATCOM requirements, the Department must consider new and innovative ways of acquiring these systems. DOD should consider not only direct acquisitions, but also investment strategies that the commercial world finds so cost effective, such as approaches where DOD forms joint ownership with the commercial sector.

Several of the SATCOM services that DOD is considering, such as Global Broadcast, mobile wide-band, paging, and hand-held point-to-point, are similar to emerging services offered in the commercial sector. But without some modifications to these commercial services and a long-term government commitment, it is unlikely that DOD will be able to leverage effectively this capability. At the same time, the committee is aware that there may be statutory, policy, and regulatory impediments to the Department's use of these commercial systems to meet military needs. The committee believes that DOD should move expeditiously to implement strategies to exploit commercial business practices. The committee directs the Under Secretary of Defense for Acquisition and Technology to submit a report to the congressional defense committees by February 15, 1998, identifying any such impediments and recommending needed changes to remove these obstacles. If opportu-

nities to exploit such commercial practices arise prior to submittal of the fiscal year 1999 budget request, the committee would consider a reprogramming to cover unbudgeted costs.

#### **Department of Defense Education Technology Initiative (DoDETI)**

The committee believes the Department of Defense Education Activity (DoDEA) has the potential to make DOD schools a national model of excellence in the use of technology in K-12 education. This initiative would require the integration of national education standards, including tests for 4th and 8th grades, in all classrooms and should capitalize on the use of instructional products that are or will become available in the commercial marketplace.

The Secretary of Defense is authorized to establish an Education Technology Office with its own program element, to direct and coordinate the integration of technology in the classroom. The committee expects that this office would oversee: (1) the development of plans for the use of instructional software and for a comprehensive and integrated instructional information system; (2) the establishment of criteria for evaluating instructional software based on national education standards; (3) the development of procedures for evaluating commercially available software; (4) the training of teachers to evaluate, select, and use instructional software; and (5) the expansion of computer access to all schools and classrooms.

Of funds authorized for appropriation under Operations and Maintenance, Defense Wide (0100D 150), \$10.0 million is authorized for this program.

#### **Department of Defense space management**

The committee continues to support Department of Defense efforts to consolidate Office of the Secretary of Defense (OSD) policy and acquisition oversight functions. The Office of the Deputy Under Secretary of Defense (DUSD) for Space, the Joint Space Management Board (JSMB), and the DOD Space Architect have each played a significant role in ensuring a sharper focus on our national security space programs. The committee has become concerned, however, that this new organizational structure has begun to duplicate functions performed by the military services and the National Reconnaissance Office (NRO). The committee has always supported the concept of a single focal point for space policy in OSD, but does not believe that this is a mandate for replicating functions properly performed by the services and the NRO's research, development, and acquisition authorities. The committee is concerned that the Office of the DUSD (Space) may have grown beyond what is required for an office engaged merely in oversight activities.

The committee encourages the Task Force on Defense Reform, commissioned by the Secretary of Defense, to evaluate the current space oversight structure in the Office of the Secretary of Defense and propose ways of improving space management. Additionally, the committee directs the Secretary of Defense to conduct a study of this issue and submit a report to the congressional defense committees by February 15, 1998. If the Task Force on Defense Reform provides recommendations on this topic to the Secretary in time,

the Secretary shall include a response to these recommendations in the report.

**Department of Defense strategy for curtailing spousal abuse involving members of the Armed Forces**

The committee has noted with interest the "Study of Spousal Abuse in the Armed Forces" conducted pursuant to the National Defense Authorization Act for Fiscal Year 1995 and completed in September 1996. The committee recognizes the existence of spousal abuse in the armed forces, and thus directs the Department of Defense to fully implement the strategy as described in the study and to submit this report to the congressional oversight committees not later than June 1, 1998.

**Global Positioning System alternate master control station**

The Global Positioning System (GPS) has become or soon will be fully integrated into most facets of U.S. military planning and operational capabilities. GPS has also been integrated significantly into civil and commercial navigation planning. As such, the committee recognizes the expanding importance of GPS as a national asset, one that is critical to U.S. national security and economic interests. However, the committee is aware of potential command and control vulnerabilities associated with the GPS master control station at Falcon Air Force Base, Colorado. The committee understands that GPS is the only critical national satellite system that does not have an adequate separate and secure backup control station. The committee believes that the Department of Defense and the Air Force should pursue, as an urgent priority, a secure backup GPS system operations facility that is geographically separate from the existing facility. Therefore, the committee directs the Secretary of the Air Force to proceed in fiscal year 1998 with the development of an alternate master control station at a location outside the Colorado Springs area. The committee expects this new alternate master control station to be operational by fiscal year 2001. The committee further directs the Secretary of the Air Force to submit a report to the congressional defense committees on this issue not later than February 15, 1998.

**International border security**

The Congress provided authority in the National Defense Authorization Act for Fiscal Year 1997 for the Department of Defense, in consultation with the Customs Service, to carry out a program to assist customs and border guard officials in the independent states of the former Soviet Union, the Baltic states and other Eastern European countries in preventing the unauthorized transfer and transportation of nuclear, chemical, biological and chemical weapons, and related material. The committee understands that to date, no funds have been expended, nor has a plan been developed or implemented. The committee requests the Secretary of Defense to provide a report to Congress within 30 days after enactment of this Act on the Department's plan, on a country-by-country basis, to implement this program and the initiatives to be carried out in this program. In addition, the committee requests the Secretary of Defense to include in the report, the necessary certification re-

quired by section 1424<sup>©</sup> of the National Defense Authorization Act for Fiscal Year 1997.

### **Orbital debris and the environmental restoration of space**

Throughout the space age, debris from space launches has been accumulating in low earth orbit. This debris can be as small as a fleck of paint or as large as a spent rocket motor. Since debris can impact spacecraft at speeds up to 17,000 miles per hour, there is a growing threat to U.S. military, civil, and commercial space systems.

The committee finds that there is very little quantitative understanding of how much risk is posed by this growing debris field. Fragments larger than about 150 centimeters can be tracked by radar. U.S. Space Command maintains orbital tracks on about 7,000 of these objects. But small particles cannot be tracked practically by radars. The committee also finds that there are no government programs to address the potentially serious problem posed by small debris fragments. Although modern optical detectors, aided with laser radar, could undertake to catalogue this debris, neither the civil nor the military sectors propose to do so. In order to ensure that the U.S. has data sufficient to understand the scale of this problem, the committee directs the Secretary of the Air Force to undertake a design study of a system that could catalogue and track debris down to 1 centimeter in size out to 1,000 kilometers in altitude. The committee understands that preliminary work on such a system by Phillips Laboratory, Los Alamos National Laboratory, and Lawrence Livermore National Laboratory indicates that such a system would cost less than a few million dollars. The committee expects the design study to be coordinated among these laboratories, and to include a detailed cost estimate. The committee directs the Secretary of the Air Force to submit the design study to the congressional defense committees by February 15, 1998.

### **Safety of strategic nuclear forces**

The committee is concerned by recent reports regarding the safety of strategic nuclear forces. Reports regarding safety and control of Russia's strategic command and control are particularly troubling. Additionally, the committee is aware that a number of non-governmental organizations and individuals have asserted that the alert posture of U.S. strategic nuclear forces poses certain risks. Therefore, the committee directs the Secretary of Defense, in consultation with the Director of Central Intelligence, to submit a report on these matters to the congressional defense committees by February 15, 1998. The report should include an assessment of the safety and control of the strategic nuclear forces of all countries possessing such forces. The report should also include a description of measures that the Secretary intends to pursue to address safety problems identified with regard to U.S. strategic forces. The report should be submitted in both unclassified and classified forms, as necessary.



## **TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL**

### **Section 1101. Use of prohibited constraints to manage Department of Defense personnel.**

The committee recommends a provision that would require the secretaries of the military departments and heads of defense agencies to certify directly to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives that the civilian workforce under their jurisdiction is not and has not during the preceding six months been the subject of any constraint or limitation in terms of man years, full-time equivalent positions, or maximum number of employees.

Section 129 of title 10, United States Code, provides that the management of civilian employees in the Department of Defense shall not be the subject of any constraint or limitation in terms of man years, full-time equivalent positions (FTEs), or maximum number of employees. The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1996 provided specific rationale for Congress' decision that Department of Defense civilian employees should not be managed by full-time equivalents or any other euphemism for full-time equivalents.

The Office of the Secretary of Defense has continued, during 1997, to ignore the direction of the Congress and, in continuing to manage by FTEs, has chosen to maintain that the Department's FTE ceilings are somehow correlated with the workload of the military departments and defense agencies. The committee believes that this reliance on management by FTEs is an unwise effort to harvest near-term savings from the civilian personnel accounts while obscuring the fact that the Department of Defense has no means to measure workload or civilian personnel requirements. Additionally, such outdated management techniques destroy initiative, eliminate managerial flexibility, and result in activities turning away or outsourcing work for which funds are available, but for which sufficient FTEs have not been allocated.

The required certification is due February 1, 1998, and every six months thereafter, and shall include a description of how the civilian work force is managed as well as a detailed description of the analytical tools used to determine civilian work force requirements during the preceding six months.

### **Section 1102. Employment of civilian faculty at the Marine Corps University.**

The committee recommends a provision that would permit the "Marine Corps Command and Staff College" to be referred to as a school of the Marine Corps University. This designation would permit the assignment of civilian faculty to the Marine Corps Command and Staff College.

**Section 1103. Extension and revision of voluntary separation incentive pay authority.**

The committee recommends a provision that would extend the authority for the Voluntary Separation Incentive Pay Program for the Department of Defense until January 1, 2002. The committee believes that the judicious use of this authority can be an important part of the Department of Defense's continuing efforts to reduce the size of the workforce without resorting to involuntary separation.

**Section 1104. Repeal of deadline for placement consideration of involuntarily separated military reserve technicians.**

The committee recommends a provision that would eliminate the time limitation within which involuntarily separated military reserve technicians would be given priority placement consideration. Therefore, this provision would eliminate the requirement to artificially create positions for separated military reserve technicians, and clarify a change to the law provided by section 1037 of the National Defense Authorization Act for Fiscal Year 1996.

**Section 1105. Rate of pay of Department of Defense overseas teacher upon transfer to General Schedule position.**

The committee recommends a provision that would authorize the Secretary of Defense to prescribe regulations to control the amount of salary increase awarded to certain overseas professional educators who transfer from positions compensated under the "Teaching Pay" system to positions compensated under the "General Schedule" pay system.

**Section 1106. Naturalization of employees of the George C. Marshall European Center for Security Studies.**

The committee recommends a provision that would permit employees of the George C. Marshall European Center for Security Studies to qualify for naturalization by waiving the permanent residency requirements. This authority previously existed for the U.S. Army Russian Institute, which was absorbed when the Marshall Center was established in 1994.

**OTHER ITEMS OF INTEREST**

**Health plan for nonappropriated fund employees**

The committee supports the efforts of the Department of Defense to combine the health plans currently offered by the military services to nonappropriated fund employees into one uniform plan. The committee is concerned, however, that the Department of Defense may be planning to award the initial contract for the uniform health plan on a sole-source, non-competitive basis. In this regard, the committee directs the Department to initiate a competitive bidding process for this contract.

**Leadership**

The committee believes that effective leadership is one of the most fundamental keys to success in any professional organization.

History has shown that the quality of a nation's military and civilian leaders can often determine the outcome of battle and other critical undertakings.

Over the past several years, various events in each of the four armed services have caused elements of our society to call into question, to criticize, and to challenge the basic quality of military and civilian leadership in today's armed forces. While the committee remains strong in its belief that leadership in the American military is second-to-none, the committee also realizes that, both on an individual basis and at the organizational level, there is always room for improvement.

With that in mind, the committee commends the Department of the Navy and, specifically, the Naval Sea Systems Command for their efforts to institute "Principle Centered Leadership" training for senior officers and civilian officials and managers. This initiative, which originated in and was coordinated by the Human Resources Center of the Naval Sea Systems Command (NAVSEA), is an excellent example of the type of innovative approach to leadership and management that is so important in today's challenging, multi-dimensional work environment. This initiative reflects an understanding that effective leadership training should be continuous, regardless of the grade and position one achieves. This initiative also reflects a willingness within the corporate leadership of NAVSEA to look beyond the traditional approaches to leadership and management in order to find something new, something better suited to the talents of today's leaders and the challenges of the next century.

The committee encourages the military and civilian leadership of every part of the Department of Defense to take a fresh look at the training and development of senior military and civilian leaders. Where appropriate, the committee encourages the services to reject the status quo in favor of innovative, challenging leader development programs that are tailored to the specific needs of each individual service and service culture and that will help military and civilian leaders and managers to develop and to practice the most effective leadership skills possible.

#### **Modernization and regionalization of civilian personnel management functions**

In the committee report accompanying the National Defense Authorization Bill for Fiscal Year 1996 (H. Rept. 104-112), the committee expressed its concern that the consolidation of personnel servicing before a modern, standard personnel data system and its supporting communications network were in place would not result in substantial cost savings without an unacceptable degradation in customer service. Additionally, the committee expressed its concern that reductions in civilian personnel specialists coincided with efforts to modernize and regionalize would render the degradation in customer service even more probable.

Information reaching the committee about the implementation of the modernization and regionalization programs in 1995 and 1996 has done little to allay the concerns of the committee. The Office of the Secretary of Defense appears to be unwilling to describe the status and future of these programs in clear, unequivocal terms

that facilitate understanding. An example would be the term “Fully Operational Capable” which is used to describe regional service centers that are clearly incapable of providing a complete range of intended services to their intended customers. In Office of the Secretary of Defense parlance, “Fully Operational Capable” means providing at least some service to all units. Meanwhile, field offices and customers report dissatisfaction with the level of customer service available.

The committee is also concerned about the direction, cost, and duration of ongoing efforts at San Antonio, Texas, to develop and deploy an improved civilian personnel information system—that is, the modern, standard personnel data system integral to the success of the ongoing regionalization effort. The committee was advised that, to save developmental time, the new system would be based around commercial off the shelf (COTS) software applications. However, it appears that the Office of the Secretary of Defense is using over 175 personnel—many in a costly temporary duty status—to modify over 60 percent of the COTS applications. The committee questions the choice of COTS applications that require 60-percent modification if the focus of this effort is to use the best business practices of the private sector.

Finally, the committee is concerned about the number and location of regional service centers. Given the relative size of the civilian workforce in each of the military departments, it is unclear why the Army and Navy require eight and six CONUS regional service centers, respectively, while the Air Force only requires one.

The committee recognized early on the tremendous potential benefits that could be realized through a rational, requirements-driven approach to regionalization and modernization free of parochialism and bureaucratic aggrandizement. The committee believes that these benefits may still be salvageable and urges the leadership of the military departments to review their individual departmental efforts and to ensure that they are consistent with sound business practices and the goal of managing the Department of Defense’s civilian workforce in the most effective and efficient manner possible.

## **DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS**

The purpose of Division B is to provide military construction authorization and related authority to support the military departments and defense agencies during fiscal year 1998. The administration's budget request is reflected in S. 451, the Military Construction Authorization Act for Fiscal Year 1998, as introduced by request. The military construction division of this bill, as recommended by the committee, totals \$9.1 billion in authorization for appropriations for fiscal year 1998.

This authorization provides funding for construction and military family housing operations for the military services, the Reserve components, the defense agencies, and the North Atlantic Treaty Organization Security Investment program. It also provides authorization for the Defense Base Closure and Realignment account that funds activities associated with the 1991, 1993, and 1995 base closure recommendations.

### **Committee Action**

The committee recommends an overall authorization for the Department of Defense military construction program that is above the administration's request for fiscal year 1998. For fiscal year 1998, the Department of Defense requested authorization of appropriations of \$4.7 billion for military construction and \$3.6 billion for family housing construction and support. These funding levels represent a reduction of approximately \$700.0 million from the fiscal year 1997 request. The committee recommends \$5.3 billion for military construction and \$3.8 billion for family housing construction and support for fiscal year 1998.

The committee reaffirms its support of the military services' efforts to modernize, renovate, and improve aging defense facilities and focuses its funding priorities on improving quality of life and readiness-related projects for the active and Reserve components. Of the \$700.0 million added to the construction program, more than \$218.0 million will fund unaccompanied personnel quarters, child development centers, dining facilities, education centers and military family housing. The funding increase also provides approximately \$189.0 million for high priority projects submitted by the military services that could not be funded in the Department's budget request.

The committee members are hopeful that the increased attention to funding for quality of life construction projects will enable the military services to expedite the replacement and modernization of these antiquated facilities, many of which are more than 40 years old and need to be refurbished to meet modern standards. The improvement of quality of life is essential to the morale of our service

members as they endure deployment frequencies that exceed those during the height of the Cold War.

The committee notes that the Department is relying on prior year savings to fund military construction projects rather than including the full funding in the budget request. This trend started in the fiscal year 1997 request with \$12.0 million and has escalated in fiscal year 1998 to over \$55.0 million. The use of prior year savings denies the services the flexibility to fund necessary cost variations and complete projects that have justifiable cost increases. The committee denied the use of prior year funds and expects the Department to fully fund the military construction requests in future budget requests.

The following table identifies the committee's recommendations for fiscal year 1998 military construction and family housing construction projects.

Fiscal Year 1998 Military Construction Authorization of Appropriation

(Dollars in Thousands)

Line	Location	Service	Installation Title	Project Title	Request	Change	Authorized
1	ALABAMA	Army	REDSTONE ARSENAL		-	27,000	27,000
2	ALABAMA	Air Force	MAXWELL AFB		4,479		4,479
3	ALABAMA	Air Force	MAXWELL AFB		1,095		1,095
4	ALABAMA	Defense-Wide	ANNISTON ARSENAL		9,900		9,900
5	ALABAMA	Defense Intelligence Agency	REDSTONE ARSENAL, HUNTSVILLE		32,700		32,700
6	ALABAMA	Air National Guard	DANNELLY FIELD		-	4,800	4,800
7	ALABAMA	Air Force Reserve	MAXWELL AFB		-	5,200	5,200
8	ALABAMA	Air Force	CLEAR AFS		46,784		46,784
9	ALASKA	Air Force	ELMENDORF AFB		20,285		20,285
10	ALASKA	Air Force	ELMENDORF AFB		-	6,100	6,100
11	ALASKA	Air Force	EIELSON AFB		7,764		7,764
12	ALASKA	Air Force	EIELSON AFB		1,991		1,991
13	ALASKA	Air Force	INDIAN MOUNTAIN LONG RANGE RADAR SITE		21,700		21,700
14	ALASKA	Air Force	DYSC ELMENDORF AFB		20,000		20,000
15	ARIZONA	Defense Logistics Agency	FOUR MOUNTAINS		11,426		11,426
16	ARIZONA	Navy	CAMP NAVAJO NAVY DETACHMENT		-	14,700	14,700
17	ARIZONA	Navy	MAGAS YUMA		-	11,000	11,000
18	ARIZONA	Army National Guard	PAPAGO MILITARY RESERVATION		44,000		44,000
19	ARKANSAS	Defense-Wide	FINE BLUFF CHEMICAL ACTIVITY		11,000		11,000
20	ARKANSAS	Army National Guard	HAZEN		2,261		2,261
21	ARKANSAS	Army National Guard	HAZEN		1,345		1,345
22	ARKANSAS	Air Force Reserve	LITTLE ROCK AFB		-	2,000	2,000
23	CALIFORNIA	Army	CONCORD NWS		23,000		23,000
24	CALIFORNIA	Navy	CAMP PENDLETON MCAS		4,300		4,300
25	CALIFORNIA	Navy	CAMP PENDLETON MCAS		2,840		2,840
26	CALIFORNIA	Navy	CAMP PENDLETON MCAS		6,880		6,880
27	CALIFORNIA	Navy	CAMP PENDLETON MCB		12,000		12,000
28	CALIFORNIA	Navy	CAMP PENDLETON MCB		5,600		5,600
29	CALIFORNIA	Navy	CAMP PENDLETON MCB		21,869		21,869
30	CALIFORNIA	Navy	EL CENTRO NAVAL AIR FACILITY		11,000		11,000
31	CALIFORNIA	Navy	MIRAMAR MCAS		8,700		8,700
32	CALIFORNIA	Navy	NORTH ISLAND NAS		15,300		15,300
33	CALIFORNIA	Navy	NORTH ISLAND NAS		2,900		2,900
34	CALIFORNIA	Navy	NORTH ISLAND NAS		1,400		1,400
35	CALIFORNIA	Navy	TWENTY-NINE PALMS AIR-GROUND COMB CENTER		3,810		3,810
36	CALIFORNIA	Air Force	EDWARDS AFB		1,394		1,394
37	CALIFORNIA	Air Force	VANDENBERG AFB		1,493		1,493
38	CALIFORNIA	Air Force	NAVAL AMPHIBIOUS BASE, NORTH ISLAND		26,876		26,876
39	CALIFORNIA	Special Operations Command	NAVAL AMPHIBIOUS BASE, NORTH ISLAND		7,400		7,400
40	CALIFORNIA	Defense Medical Support Activity	SAN DIEGO NS		2,100		2,100
41	CALIFORNIA	Army Reserve	SACRAMENTO		20,972		20,972
42	CALIFORNIA	Navy Reserve	NAS POINT MUGU		6,104		6,104
43	CALIFORNIA	Marine Corps Reserve	PASADENA		-	6,690	6,690

Fiscal Year 1998 Military Construction Authorization of Appropriation  
(Dollars in Thousands)

Line	Location	Service	Installation Title	Project Title	Request	Change	Authorized
44	COLORADO	Army	FORT CARSON	CLOSE COMBAT TACTICAL TRAINER BUILDING	7,300		7,300
45	COLORADO	Air Force	BUCKLEY ANGB	ADD TO SECURITY POLICE FACILITY	348		348
46	COLORADO	Air Force	BUCKLEY ANGB	ADMINISTRATION FACILITY	6,370		6,370
47	COLORADO	Air Force	FALCON AFS	DEFENSE ACCESS ROAD	10,551		10,551
48	COLORADO	Air Force	PETERSON AFB	ADD TO AND ALTER DORMITORY	4,081		4,081
49	COLORADO	Air Force	US AIR FORCE ACADEMY	ADD TO AND ALTER FITNESS CENTER	5,375		5,375
50	COLORADO	Air Force	US AIR FORCE ACADEMY	UPGRADE ACADEMIC FACILITY	9,854		9,854
51	COLORADO	Army National Guard	FORT CARSON	MATES EXPANSION (PH I)	-	2,863	2,863
52	COLORADO	Air National Guard	BUCKLEY ANGB	UPGRADE BASE INFRASTRUCTURE SYSTEMS	12,800		12,800
53	COLORADO	Air National Guard	GREELEY	MOBILE GROUND STATION MAINTENANCE COMPLEX	-	4,700	4,700
54	CONNECTICUT	Navy	NAVAL SUB BASE NEW LONDON	CONTROLLED INDUSTRIAL FACILITY	18,300		18,300
55	CONNECTICUT	Navy	NAVAL SUB BASE NEW LONDON	CHILD DEVELOPMENT CENTER	-	3,660	3,660
56	CONNECTICUT	Navy	NAVAL SUB BASE NEW LONDON	FIRE PROTECTION SYSTEM	-	1,600	1,600
57	CONNECTICUT	Defense Medical Support Activity	NAVAL SUB BASE NEW LONDON	NAVAL UNDERSEA MEDICAL INSTITUTE ADD/ALT	2,300		2,300
58	DELAWARE	Air National Guard	NEW CASTLE COUNTY AIRPORT	REPLACE SQUADRON OPS/AEROMED EVAC FACILITY	-	7,000	7,000
59	DISTRICT OF COLUMBIA	Defense Intelligence Agency	BOLLING AFB	RECONFIGURATION DIAC	7,000		7,000
60	DISTRICT OF COLUMBIA	Navy Reserve	NAVAL AIR FACILITY WASHINGTON	BACHELOR ENLISTED QUARTERS	4,640		4,640
61	FLORIDA	Navy	JACKSONVILLE NAS	ORDNANCE LOADING APRON	1,330		1,330
62	FLORIDA	Navy	JACKSONVILLE NAS	TACTICAL SUPPORT CENTER	2,150		2,150
63	FLORIDA	Air Force	EGLIN AFB AUXILIARY FIELD 9	DORMITORY	6,470		6,470
64	FLORIDA	Air Force	MACDILL AFB	REMEDIAL SMALL ARMS RANGE	1,543		1,543
65	FLORIDA	Special Operations Command	EGLIN AFB AUXILIARY FIELD 3	ASSAULT STRIP RUNWAY	-	5,100	5,100
66	FLORIDA	Special Operations Command	EGLIN AFB AUXILIARY FIELD 3	SQUADRON OPERATIONS/AMU AC-130	6,100		6,100
67	FLORIDA	Special Operations Command	HURLBURT FIELD	SECURITY IMPROVEMENTS	2,450		2,450
68	FLORIDA	Defense Logistics Agency	JACKSONVILLE NAS	REPLACE FUEL TANKAGE	9,800		9,800
69	FLORIDA	Defense Medical Support Activity	PENSACOLA NAS	MEDICAL CLINIC ADDITION (NAM)	2,750		2,750
70	FLORIDA	Army National Guard	ELLYSON FIELD	READINESS CENTER	-	3,800	3,800
71	FLORIDA	Air Force Reserve	EGLIN AFB AUXILIARY FIELD 3	RENOVATE VISITING ARMYMEN QUARTERS	-	7,300	7,300
72	GEORGIA	Army	FORT GORDON	WHOLE BARRACKS COMPLEX RENEWAL	22,000		22,000
73	GEORGIA	Air Force	MOODY AFB	HH60 RESCUE OPERATIONS FACILITY	-	6,800	6,800
74	GEORGIA	Air Force	MOODY AFB	DORMITORIES	-	9,100	9,100
75	GEORGIA	Air Force	ROBINS AFB	ISTARS-ADD/ALTER WING COMMAND POST	498		498
76	GEORGIA	Air Force	ROBINS AFB	ISTARS-ADD/ALTER UTILITIES	1,891		1,891
77	GEORGIA	Air Force	ROBINS AFB	ISTARS-AGE STORAGE/SHOP FACILITY	5,972		5,972
78	GEORGIA	Air Force	ROBINS AFB	ISTARS-AIRCRAFT MAINTENANCE HANGAR	7,764		7,764
79	GEORGIA	Air Force	ROBINS AFB	ISTARS-ADD/ALTER SUPPLY WAREHOUSE	2,538		2,538
80	GEORGIA	Air Force	ROBINS AFB	BATTALION & COMPANY OPERATIONS FACILITY	9,814		9,814
81	GEORGIA	Special Operations Command	FORT STEWART/HUNTER ARMY AIRFIELD	COMPANY OPERATIONS FACILITY	2,500		2,500
82	GEORGIA	Defense Medical Support Activity	ROBINS AFB	AMBULATORY HEALTH CARE CENTER ADD/ALT	19,000		19,000
83	GEORGIA	Air National Guard	ROBINS AFB	B-1 AIRCRAFT ORGANIZATIONAL MAINT SHOPS	520		520
84	GEORGIA	Air National Guard	ROBINS AFB	B-1 COMPOSITE SQUADRON OPERATIONS COMPLEX	5,300		5,300
85	GEORGIA	Air National Guard	ROBINS AFB	B-1 POWER CHECK PAD AND SOUND SUPPRESSOR	1,000		1,000
86	HAWAII	Army	SCHOEFIELD BARRACKS	WHOLE BARRACKS COMPLEX RENEWAL	44,000		44,000

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87	HAWAII	Navy	KANOEHO BAY MCAS	BACHELOR ENLISTED QUARTERS	19,000		19,000
88	HAWAII	Navy	PEARL HARBOR NS	OILY WASTE COLLECTION TREATMENT SYSTEM	25,000		25,000
89	HAWAII	Navy	FORT DERUSSSEY	ASIAN PACIFIC CENTER	-	9,500	9,500
90	HAWAII	Navy	WAHIAWA NAV COMMS AREA MASTER STATION	FITNESS CENTER ADDITION AND RENOVATION	3,900		3,900
91	HAWAII	Special Operations Command	PEARL HARBOR NS	ADVANCED SEAL DELIVERY SYSTEM FACILITY (PHI)	-	7,400	7,400
92	HAWAII	Defense Finance and Accounting Service	PEARL HARBOR NS	RENOVATE EXISTING FACILITY FOR ADMIN USE	10,000		10,000
93	HAWAII	Army National Guard	WAHIAWA	AVN FIXED WING HANGAR	2,100		2,100
94	HAWAII	Air National Guard	HICKHAM AFB	REPLACE BASE CIVIL ENGINEER MAINTENANCE COMPL	-	4,500	4,500
95	IDAHO	Air Force	MOUNTAIN HOME AFB	B-1B ARMAMENT SHOP	2,688		2,688
96	IDAHO	Air Force	MOUNTAIN HOME AFB	B-1B DORMITORY	8,959		8,959
97	IDAHO	Air Force	MOUNTAIN HOME AFB	B-1B SQUADRON OPS/AIRCRAFT MAINT UNIT	6,072		6,072
98	IDAHO	Air Force	MOUNTAIN HOME AFB	B-1B AVIONICS BUILDING	-	9,200	9,200
99	IDAHO	Air Force	MOUNTAIN HOME AFB	F-15C SQUADRON OPERATIONS FACILITY	-	3,750	3,750
100	IDAHO	Air National Guard	GOWEN FIELD	ADD/ALTER AVIATION READINESS CENTER	-	3,673	3,673
101	IDAHO	Air National Guard	BOISE AIRPORT	C-130 COMPOSITE HANGAR & MAINT SHOPS	12,000		12,000
102	IDAHO	Air National Guard	GREAT LAKES NAVAL TRAINING CENTER	BACHELOR ENLISTED QUARTERS	-	8,800	8,800
103	ILLINOIS	Navy	GREAT LAKES NAVAL HOSPITAL	BACHELOR ENLISTED QUARTERS	5,200		5,200
104	ILLINOIS	Navy	GREAT LAKES NAVAL TRAINING CENTER	BACHELOR ENLISTED QUARTERS	26,690		26,690
105	ILLINOIS	Navy	GREAT LAKES NAVAL TRAINING CENTER	COMBAT TRAINING POOL	9,950		9,950
106	ILLINOIS	Navy	GREAT LAKES NAVAL TRAINING CENTER	FIRE STATION	2,600		2,600
107	ILLINOIS	Navy	GREAT LAKES NAVAL TRAINING CENTER	RECREATION CENTER	7,700		7,700
108	INDIANA	Army	CRANE	AMMUNITION CONTAINERIZATION COMPLEX (PH I)	10,229		10,229
109	INDIANA	Army National Guard	CAMP ATTERBURY	TRAINING, MULTI-PURPOSE (MPTF)	-	5,400	5,400
110	INDIANA	Air National Guard	HULMAN REGIONAL AIRPORT	REPLACE FUEL CELL CORROSION CONTROL AND FIRE STATION	-	5,900	5,900
111	INDIANA	Air National Guard	FORT WAYNE IAP	REPLACE DINING HALL/MEDICAL TNG FACILITY	4,529		4,529
112	IOWA	Army National Guard	CAMP DODGE	TRAINING SITE, BN COMPLEX (PHASE IV)	-	(26,500)	36,500
113	KANSAS	Army	FORT LEAVENWORTH	US DISCIPLINARY BARRACKS	63,000		7,300
114	KANSAS	Army	FORT RILEY	CLOSE COMBAT TACTICAL TRAINER BUILDING	7,300		7,300
115	KANSAS	Army	MCCONNELL AFB	WHOLE BARRACKS COMPLEX RENEWAL	18,500		18,500
116	KANSAS	Air Force	MCCONNELL AFB	WHOLE BARRACKS COMPLEX RENEWAL	6,669		6,669
117	KANSAS	Air Force	MCCONNELL AFB	KC-135 SQUADRON OPS/AIRCRAFT MAINTENANCE UNIT	-	9,700	9,700
118	KANSAS	Air Force	MCCONNELL AFB	TRANSPORTATION COMPLEX	-	2,850	2,850
119	KANSAS	Army National Guard	IOLA	READINESS CENTER ADD/ALTER	1,454		1,454
120	KANSAS	Air National Guard	MCCONNELL AFB	ALTER BASE CIVIL ENGINEER MAINTENANCE SHOP	-	2,000	2,000
121	KENTUCKY	Army	FORT CAMPBELL	WHOLE BARRACKS COMPLEX RENEWAL	37,000		37,000
122	KENTUCKY	Army	FORT KNOX	WHOLE BARRACKS COMPLEX RENEWAL (PH II)	22,000		22,000
123	KENTUCKY	Army	GREENVILLE	CONSOLIDATED TRAINING RANGE	-	7,200	7,200
124	KENTUCKY	Defense Medical Support Activity	FORT CAMPBELL	QUALIFICATION TRAINING RANGE	13,600		13,600
125	KENTUCKY	Army National Guard	GREENVILLE	WESTERN KENTUCKY TRAINING RANGE (PHII)	9,321		9,321
126	LOUISIANA	Army National Guard	JACKSON BARRACKS	ONS	1,516		1,516
127	LOUISIANA	Army National Guard	BARSDALE AFB	CALCOM INTEGRATED MAINTENANCE COMPLEX	11,148		11,148
128	LOUISIANA	Air Force	BARSDALE AFB	CNV AIR LAUNCH CRUISE MISSILE STORAGE IGLCOS	8,262		8,262
129	LOUISIANA	Army National Guard	CAMP BEAUREGARD	MULTI-PURPOSE MACHINE GUN RANGE	-	1,292	1,292

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130	LOUISIANA	Air National Guard	NAAS JOINT RESERVE BASE	BASE ENGINEER AND COMMUNICATIONS COMPLEX	-	5,900	5,900
131	MAINE	Air National Guard	BANGOR IAP	UPGRADE BASE FACILITIES	-	6,500	6,500
132	MARYLAND	Navy	PATUXENT RIVER NAS	ADVANCE SYSTEM INTEGRATED FACILITY (PH IV)	9,000	-	9,000
133	MARYLAND	Defense Medical Support Activity	FORT DETRICK	HEALTHDENTAL CLINIC	4,650	-	4,650
134	MARYLAND	Defense Medical Support Activity	FORT GLENN	ARMY INSTITUTE OF RESEARCH - PHASE V	20,000	-	20,000
135	MARYLAND	National Security Agency	FORT MEADE	FANS III PURCHASE	25,200	-	25,200
136	MARYLAND	National Security Agency	FORT MEADE	VEHICLE AND CARGO INSPECTION FACILITY	4,000	-	4,000
137	MARYLAND	National Security Agency	FORT MEADE	VISITOR CONTROL CENTER	600	-	600
138	MARYLAND	Air National Guard	ANNAPOLIS	ADD/ALT READINESS CENTER	2,947	-	2,947
139	MASSACHUSETTS	Defense Logistics Agency	DPSC WESTOVER AFB	JET FUEL STORAGE COMPLEX	4,700	-	4,700
140	MASSACHUSETTS	Air National Guard	WESTOVER AFB	DINING HALL/FITNESS CENTER	-	3,050	3,050
141	MASSACHUSETTS	Air Force Reserve	BARNES ANGB	FIRE TRAINING FACILITY	1,800	-	1,800
142	MICHIGAN	Army National Guard	AUGUSTA	READINESS CENTER	-	6,356	6,356
143	MICHIGAN	Air National Guard	ALPENA COUNTY REGIONAL AIRPORT	ACT'S RANGE SUPPORT & RAPCON FACILITY	5,000	-	5,000
144	MICHIGAN	Air National Guard	SELFRIDGE AFB	REPLACE VEHICLE MAINT/COMMUNICATIONS COMPLEX	-	9,000	9,000
145	MICHIGAN	Army Reserve	WALKER	VEHICLE WASH FACILITY	360	-	360
146	MINNESOTA	Air National Guard	MINNEAPOLIS PAUL IAP	ADD/ALTER CORROSION CONTROL FACILITY	1,550	-	1,550
147	MINNESOTA	Air Force Reserve	GULFPORT NCBC BASE	BACHELOR ENLISTED QUARTERS (PH 1 & 2)	-	22,440	22,440
148	MISSISSIPPI	Navy	KEESLER AFB	STUDENT DORMITORIES	-	30,855	30,855
149	MISSISSIPPI	Air Force	MISSISSIPPI ARMY AMMUNITION PLANT	OPERATIONS AND MAINTENANCE FACILITY	-	9,900	9,900
150	MISSISSIPPI	Special Operations Command	SENATOBIA	READINESS CENTER	-	4,425	4,425
151	MISSISSIPPI	Army National Guard	KEY FIELD	REGIONAL KC-135 SIMULATION TRAINING CENTER	-	2,000	2,000
152	MISSISSIPPI	Air National Guard	GULFPORT	REPLACE DINING HALL	-	3,200	3,200
153	MISSISSIPPI	Air National Guard	WHITEMAN AFB	REGIONAL FIRE TRAINING FACILITY	900	-	900
154	MISSISSIPPI	Air Force	MALSTROM AFB	B-2 AIRCRAFT MAINTENANCE DOCKS	17,419	-	17,419
155	MISSOURI	Air Force	BILLINGS	ADD/ALTER AIRMEN DINING FACILITY	-	4,500	4,500
156	MONTANA	Army National Guard	NELLIS AFB	ARMED FORCES RESERVE CENTER	-	5,900	5,900
157	NEVADA	Air Force	RENO/TIAHOE IAP	LAND ACQUISITION	-	2,950	2,950
158	NEVADA	Air National Guard	OFUTT AFB	C-130 AERIAL PORT TRAINING FACILITY	-	6,900	6,900
159	NEVADA	Air Force	MCGUIRE AFB	DORMITORIES	-	9,954	9,954
160	NEBRASKA	Air Force	MCGUIRE AFB	AIR MOBILITY GROUP (AMOG) WAREHOUSE	35,217	-	35,217
161	NEW JERSEY	Air Force	WHITE SANDS MISSILE RANGE	AMBULATORY HEALTH CARE CENTER REPLACE	18,000	-	18,000
162	NEW JERSEY	Defense Medical Support Activity	KIRTLAND AFB	NATIONAL RANGE CONTROL CENTER (PHASE II)	14,000	-	14,000
163	NEW MEXICO	Army	KIRTLAND AFB	FLIGHT SIMULATION TRAINING FACILITY	-	6,300	6,300
164	NEW MEXICO	Air Force	CANNON AFB	REPLACE MANZANO BRIDGE	-	2,900	2,900
165	NEW MEXICO	Air Force	HOLLoman AFB	F-16 MISSILE MAINTENANCE SHOP	3,000	-	3,000
166	NEW MEXICO	Air Force	TAOS	DENTAL CLINIC REPLACEMENT	-	3,225	3,225
167	NEW MEXICO	Defense Medical Support Activity	KIRTLAND AFB	READINESS CENTER	-	2,800	2,800
168	NEW MEXICO	Army National Guard	KIRTLAND AFB	ADD/ALTER SQUADRON OPERATIONS FACILITY	-	3,100	3,100
169	NEW MEXICO	Air National Guard	GABRESKI AIR PORT	COMPOSITE SUPPORT FACILITY	-	4,250	4,250
170	NEW MEXICO	Air National Guard	NIAGARA FALLS IAP	REPLACE VEHICLE AND ASE MAINTENANCE COMPLEX	-	2,100	2,100
171	NEW YORK	Air National Guard		CONSOLIDATED TRAINING FACILITY	-		
172	NEW YORK	Air National Guard			-		

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173	NEW YORK	Air National Guard	SCHENECTADY AIRPORT ANG	FUEL CELL & CORROSION CONTROL HANGAR	5,700		5,700
174	NORTH CAROLINA	Army	FORT BRAGG	MILITARY OPERATIONS ON URBAN TERRAIN TRNG COM	-	6,500	6,500
175	NORTH CAROLINA	Navy	CHERRY POINT MCAS	OPERATIONS AND MAINTENANCE FAC	8,800		8,800
176	NORTH CAROLINA	Navy	NEW RIVER MCAS	AVIATION MAINTENANCE TRAINING FACILITY	6,600		6,600
177	NORTH CAROLINA	Navy	NEW RIVER MCAS	BACHELOR ENLISTED QUARTERS	10,600		10,600
178	NORTH CAROLINA	Navy	NEW RIVER MCAS	TACTICAL SUPPORT VAN PADS	2,700		2,700
179	NORTH CAROLINA	Air Force	POPE AFB	DORMITORIES	8,356		8,356
180	NORTH CAROLINA	Special Operations Command	FORT BRAGG	MEDICAL TRAINING BARRACKS	-	8,300	8,300
181	NORTH CAROLINA	Special Operations Command	FORT BRAGG	ELECTRONICS MAINTENANCE FACILITY	1,000		1,000
182	NORTH CAROLINA	Special Operations Command	FORT BRAGG	SECURITY IMPROVEMENTS	500		500
183	NORTH CAROLINA	Air National Guard	CHARLOTTE/DOUGLAS MAP	ALTER FUEL SYS MAINT & CORR CONTROL FACILITY	2,550		2,550
184	NORTH CAROLINA	Air Force	GRAND FORTKS AFB	KC-135 ADD/ALTER FLIGHT SIMULATOR FACILITY	1,493		1,493
185	NORTH DAKOTA	Air Force	GRAND FORTKS AFB	FIREFCRASH RESCUE STATION	7,067		7,067
186	NORTH DAKOTA	Air Force	MINOT AFB	RENOVATE ACQUISITION SUPPORT FACILITY	10,750	5,200	15,950
187	OHIO	Air Force	WRIGHT-PATTERSON AFB	ACQUISITION MANAGEMENT COMPLEX (PH4A)	-	22,000	22,000
188	OHIO	Defense Finance and Accounting Service	WRIGHT-PATTERSON AFB	CONSTRUCT A MULTI-STORY ADMIN FACILITY	23,922		23,922
189	OHIO	Defense Medical Support Activity	COLUMBUS CENTER	COMPOSITE MEDICAL FACILITY ALT	2,750		2,750
190	OHIO	Air National Guard	WRIGHT-PATTERSON AFB	FUEL CELL AND CORROSION CONTROL FACILITY	-	5,700	5,700
191	OHIO	Air National Guard	RICKENBACKER ANGB	BASE SUPPLY COMPLEX	-	5,500	5,500
192	OHIO	Air National Guard	SPRINGFIELD-BECKLEY MAP	ADD/ALTER BASE SUPPLY	2,800		2,800
193	OHIO	Air Force Reserve	YOUNGSTOWN MAP	ADD/ALTER MISCELLANEOUS MAINTENANCE FACILITY	1,000		1,000
194	OHIO	Air Force Reserve	YOUNGSTOWN MAP	ADD/ALTER SQUADRON OPERATIONS FACILITY	1,400		1,400
195	OHIO	Air Force Reserve	YOUNGSTOWN MAP	LAND PURCHASE CLEAR ZONE	-	11,000	11,000
196	OKLAHOMA	Air Force	ALTUS AFB	B-2 ADD/ALTER SOFTW ARE MAINTENANCE FACILITY	9,655		9,655
197	OKLAHOMA	Air Force	TINKER AFB	BASE ENGINEERING COMPLEX	-	7,700	7,700
198	OKLAHOMA	Air Force	VANCE AFB	REPLACE AEROMEDICAL EVACUATION TRNG FACILITY	-	3,100	3,100
199	OKLAHOMA	Air National Guard	WILL ROGERS WORLD AIRPORT	AMMUNITION DEMILITARIZATION FACILITY	57,427		57,427
200	OREGON	Defense-Wide	UMATILLA CHEMICAL DEPOT	ARMED FORCES RESERVE CENTER	-	11,807	11,807
201	OREGON	Air National Guard	SALEM	VEHICLE REFUELING SHOP & PAINT BAY	520		520
202	OREGON	Air National Guard	KLAMATH FALLS IAP	ADDITION TO DISTRIBUTION CENTER	15,500		15,500
203	PENNSYLVANIA	Defense Logistics Agency	DEF DISTRIBUTION NEW CUMBERLAND - DDSR	RESERVE CENTER/ORGAN MAINT/AREA MAINT SPT	-	24,914	24,914
204	PENNSYLVANIA	Army Reserve	OAKDALE	UNDERWATER WEAPON SYSTEM LABORATORY	8,900		8,900
205	RHODE ISLAND	Navy	NEWPORT NAVAL UNDERSEA WARFARE CNTR DIV	ADD TO FUEL SYS/CORR CONTROL MAINT FACILITY	355		355
206	RHODE ISLAND	Air National Guard	QUONSET STATE AIRPORT	ARMY STRATEGIC MAINTENANCE COMPLEX (PH II)	7,700		7,700
207	SOUTH CAROLINA	Army	CHARLESTON AFB	INFORM STRATEGIC MAINTENANCE TRAINING FACILITY	3,200		3,200
208	SOUTH CAROLINA	Navy	PARGUS ISLAND MARINE CORPS RECRUIT DEPOT	INFORMATION WARFARE SQD OPS FACILITY	6,072		6,072
209	SOUTH CAROLINA	Air Force	SHAW AFB	REGIONAL SIMULATION CENTER	-	3,823	3,823
210	SOUTH CAROLINA	Army National Guard	LEESBURG TRAINING SITE	ADD/ALTER FUEL CELL & CORROSION CONTROL PAC	1,500		1,500
211	SOUTH CAROLINA	Air National Guard	MCENTIRE AFS	DINING FACILITY/JOINT MEDICAL TRAINING FACILITY	-	7,000	7,000
212	SOUTH CAROLINA	Air National Guard	MCENTIRE AFS	FIREFCRASH RESCUE STATION	-	6,600	6,600
213	SOUTH DAKOTA	Air Force	ELLSWORTH AFB	AVIATION SUPPORT FACILITY	-	5,200	5,200
214	SOUTH DAKOTA	Army National Guard	RAPID CITY	TACTICAL EQUIPMENT SHOP (PH I)	-	9,900	9,900
215	TENNESSEE	Army	FORT CAMPBELL				

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216	TENNESSEE	Army	FORT CAMPBELL	EDUCATION CENTER PH II	-	6,700	6,700
217	TENNESSEE	Air Force	ARNOLD ENGINEERING DEV CENTER	WASTEWATER TREATMENT FACILITY	10,750	-	10,750
218	TENNESSEE	Defense Finance and Accounting Service	MILLINGTON NAS	RENOVATE EXISTING FACILITY FOR ADMIN USE	6,906	-	6,906
219	TENNESSEE	Air National Guard	NASHVILLE MAP	REPLACE BASE CIVIL ENGINEER MAINTENANCE COMP	-	3,350	3,350
220	TEXAS	Army	FORT SAM HOUSTON	WHOLE BARRACKS COMPLEX RENEWAL	16,000	-	16,000
221	TEXAS	Air Force	DYESS AFB	B-1 SQUADRON OPS/AIRCRAFT MAINTENANCE UNIT	-	10,000	10,000
222	TEXAS	Air Force	RANDOLPH AFB	IPATS- ADD/ALTER VARIOUS FACILITIES	2,488	-	2,488
223	TEXAS	Defense Medical Support Activity	LACKLAND AFB	BLOOD DONOR CENTER	3,000	-	3,000
224	TEXAS	Army National Guard	SAN ANTONIO	GMS	2,475	-	2,475
225	UTAH	Air Force	HILL AFB	PEACEKEEPER STORAGE FACILITIES	6,470	-	6,470
226	UTAH	Defense Medical Support Activity	HILL AFB	CLINIC ADDITION	3,100	-	3,100
227	UTAH	Army National Guard	OREM	READINESS CENTER	5,746	-	5,746
228	UTAH	Army National Guard	RICHFIELD	OMS	1,045	-	1,045
229	UTAH	Army National Guard	SALT LAKE CITY IAP	COMPOSITE OPS/TNG/SQUADRON OPERATIONS COMPLE	-	9,200	9,200
230	UTAH	Army National Guard	SALT LAKE CITY IAP	VEHICLE WASHING & CORROSION CONTROL FACILITY	460	-	460
231	VIRGINIA	Army	FORT A PHILL	CENTRAL VEHICLE WASH FACILITY	5,400	-	5,400
232	VIRGINIA	Army	CHARLOTTEVILLE	NATIONAL GROUND INTELLIGENCE CENTER DESIGN	3,100	-	3,100
233	VIRGINIA	Army	FORT MYER	WHOLE BARRACKS COMPLEX RENEWAL	8,200	-	8,200
234	VIRGINIA	Army	DAHLGREN NAVAL SURFACE WARFARE CNTR DIV	AEGIS COMBAT SYSTEM SUPPORT FACILITY	6,600	-	6,600
235	VIRGINIA	Navy	DAHLGREN NAVAL SURFACE WARFARE CNTR DIV	ELECTRONIC WARFARE INTEGRATION FACILITY ADD	7,320	-	7,320
236	VIRGINIA	Navy	DAHLGREN NAVAL SURFACE WARFARE CNTR DIV	OPERATIONS & MAINTENANCE TRAINING FACILITY	6,560	-	6,560
237	VIRGINIA	Navy	DAM NECK FLEET COMBAT TRAIN CTR ATLANTIC	BACHELOR ENLISTED QUARTERS RENOVATION	7,000	-	7,000
238	VIRGINIA	Navy	LITTLE CREEK NAVAL AMPHIBIOUS BASE	LANDING CRAFT AIR CUSHION COMPLEX (PH IV)	8,685	-	8,685
239	VIRGINIA	Navy	NORFOLK NS	BERTHING PIER	-	13,500	13,500
240	VIRGINIA	Navy	NORFOLK NS	AIR PASSENGER TERMINAL	14,240	-	14,240
241	VIRGINIA	Navy	NORFOLK NS	CONSOLIDATED SUPPORT CENTER	6,100	-	6,100
242	VIRGINIA	Navy	NORFOLK NS	DEPERMING PIERS	12,750	-	12,750
243	VIRGINIA	Navy	OCEANA NAS	AIR OPERATIONS CONTROL TOWER	2,100	-	2,100
244	VIRGINIA	Navy	OCEANA NAS	BACHELOR ENLISTED QUARTERS	20,900	-	20,900
245	VIRGINIA	Navy	OCEANA NAS	JET ENGINE TEST CELL	5,000	-	5,000
246	VIRGINIA	Navy	PORTSMOUTH NORFOLK NAVAL SHIPYARD	OILY WASTE COLLECTION SYSTEM	9,500	-	9,500
247	VIRGINIA	Navy	YORKTOWN NAS	GYMNASIUM	5,400	-	5,400
248	VIRGINIA	Navy	YORKTOWN NAS	MISSILE MAGAZINE	5,857	-	5,857
249	VIRGINIA	Air Force	LANGLEY AFB	FIRE STATION (PH II)	4,031	-	4,031
250	VIRGINIA	Defense Finance and Accounting Service	CINCLANTEL NORFOLK	RENOVATE EXISTING FACILITY FOR ADMIN USE	12,800	-	12,800
251	VIRGINIA	Defense Logistics Agency	DEF FUEL SUPPORT POINT CRANEY ISLAND	REPLACE FUEL TANKAGE	22,100	-	22,100
252	VIRGINIA	Defense Logistics Agency	DEFENSE DISTRIBUTION DEPOT - DDNY	REPLACE GENERAL PURPOSE WAREHOUSE	16,656	-	16,656
253	VIRGINIA	Defense Logistics Agency	DEFENSE GENERAL SUPPLY CENTER	CHILD DEVELOPMENT CENTER	2,100	-	2,100
254	VIRGINIA	Defense Logistics Agency	DEFENSE GENERAL SUPPLY CENTER	GAS CYLINDER FACILITY	3,100	-	3,100
255	VIRGINIA	Defense Commissary Agency	PORT LEE	ADDITION TO HEADQUARTERS BUILDING	-	34,600	34,600
256	VIRGINIA	Defense Medical Support Activity	PORTSMOUTH NAVAL HOSPITAL	HOSPITAL REPLACEMENT (PH IX)	19,000	-	19,000
257	VIRGINIA	Defense Medical Support Activity	QUANTICO MCB	MEDICAL/DENTAL CLINIC REPLACEMENT	19,000	-	19,000
258	WASHINGTON	Army	FORT LEWIS	TANK TRAIL EROSION MITIGATION-YAKIMA	2,000	-	2,000

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(Dollars in Thousands)

Line	Location	Service	Installation Title	Project Title	Request	Change	Authorized
259	WASHINGTON	Army	FORT LEWIS	WHOLE BARRACKS COMPLEX RENEWAL	31,000		31,000
260	WASHINGTON	Navy	BREMERTON PUGET SOUND NAVAL SHIPYARD	CHILD DEVELOPMENT CENTER	4,400		4,400
261	WASHINGTON	Navy	WHIDDEY ISLAND NAS	ELECTRONIC WARFARE TRAINING FACILITY	1,100		1,100
262	WASHINGTON	Air Force	FARCHILD AFB	KC-135 SQUADRON OPS/AMU FACILITY	7,366		7,366
263	WASHINGTON	Air Force	FARCHILD AFB	ADJUTANT FIRE STATION	-	4,750	4,750
264	WASHINGTON	Air Force	FARCHILD AFB	EDUCATION CENTER / LIBRARY	-	8,200	8,200
265	WASHINGTON	Air Force	FARCHILD AFB	SURVIVAL TRAINING ACADREX SUPPORT FACILITY (PHI)	-	3,700	3,700
266	WASHINGTON	Air Force	MCCHORD AFB	C-17 ENGINE TEST CELL FACILITY	6,470		6,470
267	WASHINGTON	Air Force	MCCHORD AFB	C-17 ALTER MAINTENANCE HANGARS	3,185		3,185
268	WASHINGTON	Defense Medical Support Activity	EVERETT NAS	MEDICAL/DENTAL CLINIC	7,300		7,300
269	WEST VIRGINIA	Army National Guard	CAMP DAWSON	ARMED FORCES READINESS CENTER	-	6,828	6,828
270	WISCONSIN	Defense Logistics Agency	DFSC TRUXFIELD	JET FUEL STORAGE COMPLEX	4,300		4,300
271	WISCONSIN	Army Reserve	FORT MCCOY	AR REGIONAL TRAINING CENTER (PH I)	14,856		14,856
272	WISCONSIN	Army Reserve	FORT MCCOY	COMBAT PISTOL RANGE	1,300		1,300
273	WISCONSIN	Army Reserve	FORT MCCOY	ELECTRIC POWER TO RANGES	2,611		2,611
274	WISCONSIN	Army Reserve	FORT MCCOY	MODIFIED RECORD FIRE RANGE	1,973		1,973
275	WISCONSIN	Army National Guard	HAYWARD	OMS	2,900		2,900
276	WISCONSIN	Air Force Reserve	MITCHEL AFS	AERIAL PORT TRAINING FACILITY	-	4,200	4,200
277	WYOMING	Army National Guard	CAMP GUERNEY	VEHICLE MAINTENANCE SHOP/CS/MS/MT/VTES	-	13,891	13,891
278	CONUS CLASSIFIED	Army	CLASSIFIED LOCATIONS	CLASSIFIED PROJECT	6,500		6,500
279	CONUS CLASSIFIED	Air Force	CLASSIFIED LOCATION	SPECIAL TACTICAL UNIT DET FACILITY	1,875		1,875
280	CONUS CLASSIFIED	Air Force	CLASSIFIED LOCATION	VISITOR CONTROL CENTER	4,300		4,300
281	BAHRAIN ISLAND	Navy	ADMINISTRATIVE SUPPORT UNIT	UTILITIES UPGRADE	5,100		5,100
282	BAHRAIN ISLAND	Navy	ADMINISTRATIVE SUPPORT UNIT	BACHELOR ENLISTED QUARTERS	25,000		25,000
283	GERMANY	Army	ANSBACH	WHOLE BARRACKS COMPLEX RENEWAL	22,000	4,365	22,000
284	GERMANY	Army	KITZINGEN	CHILD DEVELOPMENT CENTER	-	8,800	8,800
285	GERMANY	Army	HEIDELBERG	WHOLE BARRACKS COMPLEX RENEWAL	6,000		6,000
286	GERMANY	Army	KAISERSLAUTERN	WHOLE BARRACKS COMPLEX RENEWAL	6,200		6,200
287	GERMANY	Army	MANNHEIM	WHOLE BARRACKS COMPLEX RENEWAL	6,000		6,000
288	GERMANY	Army	SPANGDAHELM AB	DORMITORIES	18,500	(6,200)	18,500
289	GUAM	Air Force	NAVAL COMPUTER/TELECOM AREA MASTER STA	FIRE PROTECTION SYSTEM IMPROVEMENTS	4,050		4,050
290	GUAM	Navy	DEF FUEL SUPPORT POINT GUAM	REPLACE FUEL PIPELINE	16,000		16,000
291	ITALY	Navy	NAPLES NAVAL SUPPORT ACTIVITY	AIR PASSENGER TERMINAL	8,200		8,200
292	ITALY	Navy	SIGONELLA NAS	BACHELOR ENLISTED QUARTERS	21,440		21,440
293	ITALY	Navy	AVIANO AB	ROADS/UTILITIES SYSTEM	7,320		7,320
294	ITALY	Air Force	AVIANO AB	WASTE WATER DISPOSAL SYSTEM AREAS	7,900		7,900
295	KOREA	Air Force	CAMP CASEY	WHOLE BARRACKS COMPLEX RENEWAL	5,100		5,100
296	KOREA	Army	CAMP CASTLE	WHOLE BARRACKS COMPLEX RENEWAL	8,400		8,400
297	KOREA	Army	CAMP HUMPHREYS	WHOLE BARRACKS COMPLEX RENEWAL	32,000		32,000
298	KOREA	Army	CAMP RED CLOUD	WHOLE BARRACKS COMPLEX RENEWAL	23,600		23,600
299	KOREA	Army	CAMP STANLEY	WHOLE BARRACKS COMPLEX RENEWAL	7,000		7,000
300	KOREA	Air Force	KUNSAN AB	DORMITORY	8,325		8,325
301	KOREA	Air Force	KUNSAN AB	FIRE TRAINING FACILITY	2,000		2,000

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(Dollars in Thousands)

Line	Location	Service	Installation Title	Project Title	Request	Change	Authorized
302	KOREA	Air Force	OSAN AB	DORMITORY	11,100	(11,100)	-
303	KWAALEIN	Ballistic Missile Defense Organization	MISSILE RANGE	THAAD GBR TMD TEST FACILITIES	4,565		4,565
304	PORTUGAL	Air Force	LAJES FIELD	WATER TREATMENT PLANT	4,800		4,800
305	PUERTO RICO	Navy	ROOSEVELT ROADS NS	BACHELOR ENLISTED QUARTERS	24,100		24,100
306	SPAIN	Defense Logistics Agency	DFSC MORON AB	REPLACE HYDRANT FUEL SYSTEM (PHASE I)	14,400		14,400
307	UNITED KINGDOM	Navy	ST MAWGAN JOINT MARITIME COMMO CENTER	RELIGIOUS EDUCATION FACILITY	2,330		2,330
308	OVERSEAS CLASSIFIED	Air Force	RAF LAKENHEATH	DORMITORIES	11,400		11,400
309	OVERSEAS CLASSIFIED	Air Force	CLASSIFIED - OVERSEAS	SPACE BASED INFRARED SYS - RELAY GROUND ST	7,600		7,600
310	OVERSEAS CLASSIFIED	Air Force	CLASSIFIED - OVERSEAS	SPACE BASED INFRARED SYS - RELAY GROUND ST	6,400		6,400
311	OVERSEAS CLASSIFIED	Air Force	OVERSEAS CLASSIFIED	WAR READINESS MATERIAL WAREHOUSE	2,000	(2,000)	
312	OVERSEAS CLASSIFIED	Air Force	OVERSEAS CLASSIFIED	WAR COMMA MAINT SHOP/MGMT FACILITY	1,100		1,100
313	OVERSEAS CLASSIFIED	Air Force	OVERSEAS CLASSIFIED	INTOWN WAREHOUSE	1,800		1,800
314	OVERSEAS CLASSIFIED	Air Force	OVERSEAS CLASSIFIED	OPERATIONS BUILDING	12,200		12,200
315	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	HOT NATION SUPPORT	20,000		20,000
316	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	43,477	7,035	50,512
317	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	6,000		6,000
318	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	42,489	5,108	47,597
319	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	9,960		9,960
320	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	8,545		8,545
321	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	VARIOUS-PLANNING AND DESIGN	40,880	10,200	51,080
322	WORLDWIDE UNSPECIFIED	Office Secretary of Defense	UNSPECIFIED WORLDWIDE LOCATIONS	ENERGY CONSERVATION IMPROVEMENT PROGRAM	9,844		9,844
323	WORLDWIDE UNSPECIFIED	Office Secretary of Defense	UNSPECIFIED WORLDWIDE LOCATIONS	CONTINGENCY CONSTRUCTION	7,958		7,958
324	WORLDWIDE UNSPECIFIED	Defense Medical Support Activity	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	2,000		2,000
325	WORLDWIDE UNSPECIFIED	Defense Medical Support Activity	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	2,000		2,000
326	WORLDWIDE UNSPECIFIED	DoD Dependent Schools	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN - SOCOM	3,710	420	4,130
327	WORLDWIDE UNSPECIFIED	Special Operations Command	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION - SOCOM	4,100		4,100
328	WORLDWIDE UNSPECIFIED	Special Operations Command	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	540		540
329	WORLDWIDE UNSPECIFIED	Ballistic Missile Defense Organization	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	10,500		10,500
330	WORLDWIDE UNSPECIFIED	Defense Medical Support Activity	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	1,965		1,965
331	WORLDWIDE UNSPECIFIED	Ballistic Missile Defense Organization	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	2,800	4,917	7,717
332	WORLDWIDE UNSPECIFIED	Army National Guard	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	6,698		6,698
333	WORLDWIDE UNSPECIFIED	Army National Guard	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	7,039	11,244	18,273
334	WORLDWIDE UNSPECIFIED	Army National Guard	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	4,231		4,231
335	WORLDWIDE UNSPECIFIED	Army Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	5,100	6,275	11,375
336	WORLDWIDE UNSPECIFIED	Army Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	2,327		2,327
337	WORLDWIDE UNSPECIFIED	Navy Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	650		650
338	WORLDWIDE UNSPECIFIED	Navy Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	1,516	1,350	2,866
339	WORLDWIDE UNSPECIFIED	Air Force Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	4,464		4,464
340	WORLDWIDE UNSPECIFIED	Air Force Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	602		602
341	WORLDWIDE UNSPECIFIED	Marine Corps Reserve	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	9,200		9,200
342	WORLDWIDE UNSPECIFIED	Chemical Demilitarization	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	1,400		1,400
343	WORLDWIDE UNSPECIFIED	Defense Finance and Accounting Service	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	6,234		6,234
344	WORLDWIDE UNSPECIFIED	Joint Chiefs of Staff	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	3,000		3,000
344	WORLDWIDE UNSPECIFIED	Defense-Wide	UNSPECIFIED WORLDWIDE LOCATIONS	UNSPECIFIED MINOR CONSTRUCTION	3,000		3,000

**Fiscal Year 1998 Military Construction Authorization of Appropriation**  
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Line	Location	Service	Installation Title	Project Title	Request	Change	Authorized
345	WORLDWIDE UNSPECIFIED	Defense-Wide	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING AND DESIGN	30,300	(15,350)	14,950
346	WORLDWIDE UNSPECIFIED	Defense-Wide	BASE REALIGNMENT & CLOSURE ACCT PART II	BASE REALIGNMENT & CLOSURE ACCT (PART II)	116,754		116,754
347	WORLDWIDE UNSPECIFIED	Defense-Wide	BASE REALIGNMENT & CLOSURE ACCT PART II	BASE REALIGNMENT & CLOSURE ACCT (PART III)	768,702		768,702
348	WORLDWIDE UNSPECIFIED	Defense-Wide	BASE REALIGNMENT & CLOSURE ACCT PART II	BASE REALIGNMENT & CLOSURE ACCT (PART IV)	1,173,398		1,173,398
349	WORLDWIDE UNSPECIFIED	Defense-Wide	NATO SECURITY INVESTMENT PROGRAM	NATO SECURITY INVESTMENT PROGRAM	176,300	(23,700)	152,600
350	WORLDWIDE VARIOUS	Army	OVERSEAS VARIOUS LOCATIONS	STRATEGIC LOGISTICAL PREPO COMPLEX (PH III)	37,000		37,000
351	WORLDWIDE VARIOUS	Defense Logistics Agency	VARIOUS LOCATIONS	CONFORMING STORAGE FACILITIES	11,275		11,275
352				PRIOR YEAR SAVINGS, AIR FORCE	(23,838)	23,838	-
353				GENERAL REDUCTION, AIR FORCE	-	(23,838)	(23,838)
354				PRIOR YEAR SAVINGS, ARMY RESERVES	(7,900)	7,900	-
355				Total MILCON	4,714,838	578,660	5,293,498

Fiscal Year 1998 Family Housing Authorization of Appropriations  
(Dollars in Thousands)

Location	Service/ Agency	Installation	Project Title	Request	Change	Authorization
1 ALASKA	Army	FORT RICHARDSON	WHOLE NEIGHBORHOOD REVITALIZATION (52 UNITS)	0	9,600	9,600
2 ALASKA	Army	FORT WAINWRIGHT	WHOLE NEIGHBORHOOD REVITALIZATION (32 UNITS)	0	8,300	8,300
3 CALIFORNIA	Navy	CAMP PENDLETON MCB	NEW CONSTRUCTION (171 UNITS)	22,518		22,518
4 CALIFORNIA	Navy	LEMOORE NAS	REPLACEMENT CONSTRUCTION (128 HOMES)	21,226		21,226
5 CALIFORNIA	Navy	AIR-GRAND COMB CENTER TWENTY-NINE PALMS	REPLACEMENT CONSTRUCTION (132 UNITS)	23,891		23,891
6 CALIFORNIA	Navy	MICAS MBRAMAR, CA	NEW CONSTRUCTION (166 UNITS)	28,881		28,881
7 CALIFORNIA	Air Force	EDWARDS AFB	REPLACE MILITARY FAMILY HOUSING PH 3 (51 UN)	8,500		8,500
8 CALIFORNIA	Air Force	TRAVIS AFB	REPLACE MILITARY FAMILY HOUSING (70 UN)	9,714		9,714
9 CALIFORNIA	Air Force	VANDENBERG AFB	REPLACE MILITARY FAMILY HOUSING PH 5 (108 UN)	17,100		17,100
10 DELAWARE	Air Force	DOVER AFB	REPLACE HOUSING MAINTENANCE FACILITY	831		831
11 DISTRICT OF COLUMBIA	Air Force	BOLLING AFB	REPLACE MILITARY FAMILY HOUSING PH 4 (46 UN)	5,100		5,100
12 FLORIDA	Army	MIAMI	FAMILY HOUSING NEW CONSTRUCTION (8)	2,300		2,300
13 FLORIDA	Air Force	MACDILL AFB	REPLACE MILITARY FAMILY HOUSING PH 3 (58 UN)	10,000		10,000
14 FLORIDA	Air Force	TYNDALL AFB	REPLACE MILITARY FAMILY HOUSING PH 3 (32 UN)	4,200		4,200
15 GEORGIA	Air Force	ROBINS AFB	REPLACE MILITARY FAMILY HOUSING PH 4 (60 UN)	6,800		6,800
16 GEORGIA	Air Force	ROBINS AFB	REPLACE MILITARY FAMILY HOUSING PH 6 (46 UN)	0	5,200	5,200
17 HAWAII	Army	SCHOFFIELD BARRACKS	FAMILY HOUSING REPLACEMENT CONST (132)	26,600		26,600
18 IDAHO	Air Force	MOUNTAIN HOME AFB	REPLACE MILITARY FAMILY HOUSING PH 2 (60 UN)	11,032		11,032
19 KANSAS	Air Force	MCCONNELL AFB	REPLACE MILITARY FAMILY HOUSING (19 UN)	2,951		2,951
20 KENTUCKY	Army	FORT CAMPBELL	FAMILY HOUSING IMPROVEMENTS (WERNER PARK)	0	8,500	8,500
21 KENTUCKY	Army	FORT MEADE	FAMILY HOUSING REPLACEMENT CONSTRUCT (56)	7,900		7,900
22 MARYLAND	Army	FORT MEADE	REPLACE MILITARY FAMILY HOUSING PH 1 (50 UN)	6,200		6,200
23 MISSISSIPPI	Air Force	COLUMBUS AFB	REPLACE MILITARY FAMILY HOUSING (40 UN)	5,000		5,000
24 MISSISSIPPI	Air Force	KEESLER AFB	REPLACE MILITARY FAMILY HOUSING PH 2 (28 UN)	4,842		4,842
25 MONTANA	Air Force	MALMSTROM AFB	REPLACE MILITARY FAMILY HOUSING PH 2 (28 UN)	0	16,605	16,605
26 NEW MEXICO	Air Force	MALMSTROM AFB	REPLACE MILITARY FAMILY HOUSING PH 4 (180 UN)	20,900		20,900
27 NEW YORK	Air Force	KIRTLAND AFB	WHOLE NEIGHBORHOOD REVITALIZATION	0	5,400	5,400
28 NORTH CAROLINA	Army	WEST POINT	FAMILY HOUSING REPLACEMENT CONST (142)	16,800		16,800
29 NORTH CAROLINA	Army	FORT BRAGG	FAMILY HOUSING REPLACEMENT CONST (32)	3,350		3,350
30 NORTH CAROLINA	Army	FORT BRAGG	RENOVATE FAMILY HOUSING (37 UNITS)	0	2,863	2,863
31 NORTH CAROLINA	Navy	CAMP LEJEUNE	REPLACE MILITARY FAMILY HOUSING (42 UN)	7,936		7,936
32 SOUTH CAROLINA	Air Force	GRAND FORKS AFB	IMPROVE HUNLEY PARK FAMILY HOUSING AREA	0	14,300	14,300
33 TEXAS	Air Force	CHARLESTON AFB	FAMILY HOUSING REPLACEMENT CONST (91)	12,900		12,900
34 TEXAS	Army	FORT BLISS	FAMILY HOUSING REPLACEMENT CONST (130)	18,800		18,800
35 TEXAS	Army	FORT HOOD	REPLACE FAMILY HOUSING (57 UNITS)	0	6,470	6,470
36 TEXAS	Navy	CORPUS CHRISTI NAS	CONSTRUCT MILITARY FAMILY HOUSING PH 1 (70 UN)	10,503		10,503
37 TEXAS	Air Force	DYESS AFB	REPLACE MILITARY FAMILY HOUSING (0 UN)	500		500
38 TEXAS	Air Force	GOODFELLOW AFB	REPLACE MILITARY FAMILY HOUSING (50 UNITS)	0	7,400	7,400
39 WASHINGTON	Navy	WHIDDEY ISLAND NAS	REPLACE MILITARY FAMILY HOUSING (198 UNITS)	0	32,290	32,290
40 WYOMING	Air Force	F E WARREN AFB	REPLACE MILITARY FAMILY HOUSING PH 3 (52 UN)	6,853		6,853
41 WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	44,800		44,800
42 WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	9,550		9,550
43 WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	INTEREST PAYMENTS	3		3

Fiscal Year 1998 Family Housing Authorization of Appropriations

(Dollars in Thousands)

Line Item	Location	Service/Agency	Installation	Project Title	Request	Change	Authorization
44	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	468,393		468,393
45	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	234,053		234,053
46	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	327		327
47	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	265,732		265,732
48	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	47,404		47,404
49	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	52,936		52,936
50	WORLDWIDE UNSPECIFIED	Army	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	80,089		80,089
51	WORLDWIDE UNSPECIFIED	Navy	REDUCTION FOR PRIOR YEAR SAVINGS	REDUCTION FOR PRIOR YEAR SAVINGS	-4,463		-4,463
52	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	15,100	750	15,850
53	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	173,780		173,780
54	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	87,731		87,731
55	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	66,968		66,968
56	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	199,776		199,776
57	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	34,211		34,211
58	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	806		806
59	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	124,507		124,507
60	WORLDWIDE UNSPECIFIED	Navy	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	462,427		462,427
61	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	78		78
62	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MORTGAGE INSURANCE PREMIUMS	102,195		102,195
63	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	11,971	1,050	13,021
64	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING	116,716		116,716
65	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	31		31
66	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MORTGAGE INSURANCE PREMIUMS	432,282		432,282
67	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	5,661		5,661
68	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	48,712		48,712
69	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	154,556		154,556
70	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	35,849		35,849
71	WORLDWIDE UNSPECIFIED	Air Force	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	36,427		36,427
72	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	4,850		4,850
73	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	50		50
74	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	PLANNING & DESIGN	118		118
75	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	235		235
76	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	66		66
77	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	318		318
78	WORLDWIDE UNSPECIFIED	Defense	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	485		485
79	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	MAINTENANCE OF REAL PROPERTY	50		50
80	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	CONSTRUCTION IMPROVEMENTS	126		126
81	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	70		70
82	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	MANAGEMENT ACCOUNT	35		35
83	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	MISCELLANEOUS ACCOUNT	355		355
84	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	SERVICES ACCOUNT	425		425
85	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	UTILITIES ACCOUNT	11,169		11,169
86	WORLDWIDE UNSPECIFIED	National Security Agency	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	490		490
				MAINTENANCE OF REAL PROPERTY			

**Fiscal Year 1998 Family Housing Authorization of Appropriations**  
 (Dollars in Thousands)

Location	Service/ Agency	Installation	Project Title	Request	Change	Authorization
87 WORLDWIDE UNSPECIFIED	Defense Intelligence Agency	UNSPECIFIED WORLDWIDE LOCATIONS	FURNISHINGS ACCOUNT	2,328		2,328
88 WORLDWIDE UNSPECIFIED	Defense Intelligence Agency	UNSPECIFIED WORLDWIDE LOCATIONS	LEASING	16,504		16,504
89 WORLDWIDE UNSPECIFIED	Homeowners' Assistance Program	UNSPECIFIED WORLDWIDE LOCATIONS	HOME OWNERS' ASSISTANCE	143,193		143,193
			<b>Total Family Housing</b>	<b>3,811,603</b>	<b>120,843</b>	<b>3,932,446</b>

**Base closure and realignment accounts**

The committee recommends authorization of \$2.1 billion in fiscal year 1998 for the Defense Base Closure and Realignment Account, 1990, that supports the recommendations of the 1991, 1993, and 1995 Defense Base Closure and Realignment Commissions.

The committee will continue to carefully monitor the justification for the construction projects funded within these accounts and the other cost elements of these accounts.

Although funding is not specifically limited to projects identified in its budget justification, the Department of Defense identified the following construction projects for fiscal year 1998 that it plans to fund from these accounts.

**FY 1998/1999 Budget Estimates**  
**FY 1998 BRAC Military Construction Projects**  
(In Thousands of Dollars)

<u>State</u>	<u>Installation/Location</u>	<u>Description</u>	<u>Amount</u>
<b>Army: BRAC III Construction, Fiscal Year 1998</b>			
<b>Texas</b>			
	Fort Bliss	Repair Aircraft Hanger (46865) III	<u>3,650</u>
		Subtotal Army Texas	3,650
		<b>Total for Army BRAC III Construction, FY 1998</b>	<b>3,650</b>
<b>Army BRAC IV Construction, Fiscal Year 1998</b>			
<b>Alaska</b>			
	Fort Wainwright	Missile Test Facility (46159) IV	<u>600</u>
		Subtotal Army Alaska	600
<b>California</b>			
	Camp Parks	Army Reserve Center Facility (46206) IV	9,500
	Sierra Army Depot	Consolidated Security (45872) IV	900
	Travis Air Force Base	Administrative Facility (47187) IV	<u>2,250</u>
		Subtotal Army California	12,650
<b>Colorado</b>			
	Fitzsimons Army Medical Ctr	Sanitary Sewer (46341) IV	2,100
	Fort Carson	Readiness Group Admin Facility (46413) IV	<u>2,500</u>
		Subtotal Army Colorado	4,600
<b>District of Columbia</b>			
	Walter Reed AMC	Nurse Training Facility (463342)	<u>1,500</u>
		Subtotal Army District of Columbia	1,500
<b>Maryland</b>			
	Fort Detrick	Health Clinic (46329) IV	650
	Fort Meade	Administrative Facility (47237)IV	<u>6,300</u>
		Subtotal Army Maryland	6,950
<b>Michigan</b>			
	Detroit Arsenal	Storage Facility (46300) IV	<u>5,900</u>

<u>State</u>	<u>Installation/Location</u>	<u>Description</u>	<u>Amount</u>
Army (continued)		Subtotal Army Michigan	5,900
<b>Missouri</b>			
	Fort Leonard Wood	Range Modifications (46094) IV	17,500
		Military Operations in Urbanized Terrain Facility (45892) IV	<u>6,900</u>
		Subtotal Army Missouri	24,400
<b>New York</b>			
	Fort Totten	Storage Facility (46258) IV	<u>1,900</u>
		Subtotal Army New York	1,900
<b>Nevada</b>			
	Hawthorne Army Ammo Plt	Warehouse (46217) IV	1,550
	Nellis AFB	Administrative Facility (46291) IV	<u>3,850</u>
		Subtotal Army Nevada	5,400
<b>South Carolina</b>			
	Fort Jackson	DoD Polygraph Instructional Fac (45839) IV	<u>4,600</u>
		Subtotal Army South Carolina	4,600
<b>Virginia</b>			
	Fort Pickett	Reserve Center Building (46354) IV	<u>3,100</u>
		Subtotal Army Virginia	3,100
<b>Washington</b>			
	Fort Lewis	CHPPM Ctr for Health Promotion (46354) IV	<u>3,150</u>
		Subtotal Army Washington	3,150
<b>Various Locations</b>			
		Program Management IV	3,750
<b>Total for Army BRAC IV Construction, FY 1998</b>			<b>78,500</b>

**Navy BRAC III Construction, FY 1998**

<b>California</b>			
	NAS, Lemoore	Administrative Office (186T) III	2,586
	MCAS, Miramar	Support Facilities (007T) III	48,773
	Pacific Fleet AWTC, San Diego	Gym (387T) III	3,501
	NSB, San Diego	Pier Renovation (124T) III	891

PWC, San Diego	Public Works Shop (175T) III	<u>1,821</u>
	Subtotal Navy California	57,572
<b><u>State</u></b>	<b><u>Installation/Location</u></b>	<b><u>Description</u></b>
		<b><u>Amount</u></b>
Navy (continued)		
<b>Florida</b>		
NAD, Jacksonville	Administrative Building (220T) III	5,074
NAS, Jacksonville	Aviation Physiology Training Building (831T) III	3,383
NTC, Orlando	Facility Modifications (001T) III	<u>2,686</u>
	Subtotal Navy Florida	11,143
<b>Georgia</b>		
NAS, Atlanta	Marine Reserve Training Facility (906T) III	<u>9,053</u>
	Subtotal Navy Georgia	9,053
<b>Hawaii</b>		
PMRF, Barking Sands	Ordnance Facilities (297T) III	612
MCAS, Kaneohe Bay	Aviation Supply Facilities (274T) III	1,491
	Utilities Upgrade (504T) III	2,168
	Ordnance Facilities (508T) III	1,160
NS, Pearl Harbor	Fleet Imaging Center (524T) III	1,005
PWC, Pearl Harbor	Utility System Modifications (539T) III	<u>1,492</u>
	Subtotal Navy Hawaii	7,928
<b>Virginia</b>		
NS, Norfolk	Administrative Facility (360T) III	<u>995</u>
	Subtotal Navy Virginia	995
<b>Washington</b>		
Navy Hospital, Bremerton	Outpatient Clinic (019T) III	<u>10,409</u>
	Subtotal Navy Washington	10,409
<b>Wisconsin</b>		
Fort McCoy	Equipment Maintenance Facility (701T) III	<u>2,295</u>
	Subtotal Navy Wisconsin	2,295
<b>Total for Navy BRAC III Construction, FY 1998</b>		<b>99,395</b>
<b>Navy BRAC IV Construction, Fiscal Year 1998</b>		
<b>California</b>		
MCAS, Miramar	Administrative/Training Spaces (020U) IV	1,403

NAS, North Island	Operational Facility and Parking (820U) IV	28,750
	Intermediate Maintenance Facility (822U) IV	<u>1,273</u>
	Subtotal Navy California	31,426

<u>State</u>	<u>Installation/Location</u>	<u>Description</u>	<u>Amount</u>
Navy (continued)			
<b>District of Columbia</b>			
	Commandant, Naval District Washington	Naval Sea Systems Cmd Hdq Relocation (088U) IV	<u>86,045</u>
		Subtotal Navy District of Columbia	86,045
<b>Florida</b>			
	NAS, Jacksonville	Medical/Dental Additions (231U) IV	2,985
		S-3 Naval Maintenance Trng Grp Mods (239U) IV	<u>1,329</u>
		Subtotal Navy Florida	4,314
<b>Guam</b>			
	Naval Activities	Building Renovation (416U) IV	<u>597</u>
		Subtotal Navy Guam	597
<b>Pennsylvania</b>			
	NSWC, Philadelphia	Accoustics R&D Facility (185U) IV	<u>6,151</u>
		Subtotal Navy Pennsylvania	6,151
<b>Virginia</b>			
	NAS, Oceana	Flight Simulator Building Addition (160U) IV	8,998
		Corrosion Control Hangar (576U) IV	4,775
		Hanger Utilities Improvements (165U) IV	1,244
		F/A 18 Aviation Maintenance Additions (164U) IV	2,686
		Renovate/Addition Training Facility (161U) IV	5,671
	FISC, Williamsburg	Building Renovation (028U) IV	2437
		Cargo Staging Area (029U) IV	<u>1,443</u>
		Subtotal Navy Virginia	27,254
		<b>Total Navy BRAC IV Construction, FY 1998</b>	<b>155,787</b>

**Air Force BRAC III Construction, Fiscal Year 1998**

<b>California</b>			
	Travis AFB	Land Purchase (XDAT973300) III	2,055

**Total for Air Force BRAC III Construction, FY 1998** **2,055**

**Air Force BRAC III Family Housing, FY 1998**

<b>California</b>		
Travis AFB	Improve Family Housing (XDAT950000) III	46,010
<b>State</b>	<b>Installation/Location</b>	<b>Description</b>
Navy (continued)		
<b>Total for Air Force BRAC III Family Housing, FY 1998</b>		<b>46,010</b>

**Air Force BRAC IV Construction, FY 1998**

<b>California</b>		
Beale AFB	Dining Facility (PRJ891009R1) IV	2,100
	938 Engineering Install Sqd (PRJY911023R2) IV	8,100
	Enlisted Dormitory (PRJY93103R2) IV	9,000
	Add to Child Development Center (PRJY95301R1) IV	2,100
	Vehicle Maintenance Facility (PRJY953009R1) IV	1,450
	Air Force Res KC-135 Flight Sim (PRJY953046R1) IV	1,700
	Palmdale Plant 42	Add/Alt QLA Secure Warehouse (PRJY953008R2) IV
Subtotal Air Force California		25,030
<b>Colorado</b>		
Falcon AFB	Satellite Control Facility (GLEN973008A) IV	16,000
	Add to Dining Facility (GLEN973009) IV	500
	Technical Support Facility (GLEN973010) IV	6,400
	Alter Operations Support Facility (GLEN973020) IV	760
	Add to Fitness Center (GLEN973023) IV	300
Peterson AFB	Enlisted Dormitory (TDKA963004) IV	<u>1,200</u>
	Subtotal Air Force Colorado	
<b>New York</b>		
Fort Drum	Vehicle OPS Heated Parking (WOXG959613) IV	1,700
	Add to Fire Station (FPBB969510) IV	<u>300</u>
	Subtotal Air Force New York	
<b>Ohio</b>		
Wright-Patterson AFB	Renovate QLA Support Facility (PRJY921012R1) IV	<u>2,500</u>
Subtotal Air Force Ohio		2,500

<b>Oklahoma</b>		
Vance AFB	Add to Child Development Center (XTLF983303) IV	330
	Subtotal Air Force Oklahoma	330
<b>Texas</b>		
Brooks	Add/Alter YAD/textile Laboratory (CNBC993000) IV	3,900
Kelly AFB	Comm Infrastructure Support (MBPB993225R1) IV	2,500
Lackland AFB	838th Engineer Installation Sqd (MBPB993201R1) IV	5,600
	Child Development Center (MBPB993209R2) IV	480
	Add to Auto Hobby Shop (MBPB993222R1) IV	1,100
<b>State</b>	<b>Installation/Location</b>	<b>Description</b>
		<b>Amount</b>
Air Force (continued)		
<b>Texas, ctd.</b>		
Laughlin AFB	Engine Staging Facility (MXDP973004R2) IV	2,950
	Subtotal Air Force Texas	16,530
<b>Various Locations</b>		
	Planning and Design (BCL98RD4) IV	4,157
<b>Total for Air Force BRAC IV Construction, FY 1998</b>		<b>75,707</b>
<b>Air Force BRAC IV Family Housing, FY 1998</b>		
<b>Texas</b>		
Lackland AFB	General Officers Quarters (MBPB993203R2) IV	790
<b>Total for Air Force BRAC IV Family Housing, FY 1998</b>		<b>790</b>

DLA and DISA had no projects relating to any BRAC round requested in FY 1998.



## TITLE XXI—ARMY

### SUMMARY

The Army requested authorization of \$592,277,000 for military construction and \$1,291,937,000 for family housing for fiscal year 1998. The committee recommends authorization of \$631,277,000 for military construction and \$1,325,852,000 for family housing for fiscal year 1998.

#### **Section 2101. Authorized Army construction and land acquisition projects.**

This section contains the list of authorized Army construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

#### **Section 2102. Family housing.**

This section would authorize new construction and planning and design of family housing units for the Army for fiscal year 1998.

#### **Section 2103. Improvements to military family housing units.**

This section would authorize improvements to existing units of family housing units for fiscal year 1998.

#### **Section 2104. Authorization of appropriations, Army.**

This section would authorize specific appropriations for each line item contained in the Army's budget for fiscal year 1998. This section also provides an overall limit on the amount the Army may spend on military construction projects.

#### **Section 2105. Authority to use certain prior year funds to construct a heliport at Fort Irwin, California.**

The committee recommends a provision that would authorize the Secretary of the Army to construct a heliport at Fort Irwin, California, using funds authorized and appropriated in fiscal years 1995 and 1996 for construction of the National Training Center Airfield, Fort Irwin, California. The provision would make available \$20.0 million for the construction of the heliport.

### OTHER ITEMS OF INTEREST

#### **Funding for restoration of Forest Glen Annex, Walter Reed Army Medical Center**

The committee urges the Secretary of the Army to identify \$9.8 million in fiscal year 1998 for the immediate repair and stabiliza-

tion measures needed at the Forest Glen Annex of Walter Reed Army Medical Center. The committee remains concerned with the poor and unstable condition of some of the buildings at the Forest Glen Annex. The committee urges the Secretary to include funding in future budget requests for the continued maintenance of this property and ensure that no further deterioration occur to this historic facility.

**Planning and design, Army**

The committee directs that, of the amount authorized for appropriations for Army planning and design, not more than the amount indicated for each respective project be directed toward the design of: HI: Pohakuloa Training Range, Saddle Road Improvement—\$2,000,000 and NY: West Point, Gymnasium—\$1,000,000.

## TITLE XXII—NAVY

### SUMMARY

The Navy requested authorization of \$540,106,000 for military construction and \$1,255,437,000 for family housing for fiscal year 1998. The committee recommends authorization of \$610,614,000 for military construction and \$1,297,810,000 for family housing for fiscal year 1998.

#### **Section 2201. Authorized Navy construction and land acquisition projects.**

This section contains the list of authorized Navy construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

#### **Section 2202. Family housing.**

This section would authorize new construction and planning and design of family housing units for the Navy for fiscal year 1998.

#### **Section 2203. Improvements to military family housing units.**

This section would authorize improvements to existing units of family housing for fiscal year 1998.

#### **Section 2204. Authorization of appropriations, Navy.**

This section would authorize specific appropriations for each line item in the Navy's budget for fiscal year 1998. This section also provides an overall limit on the amount the Navy may spend on military construction projects.

#### **Section 2205. Authorization of military construction project at Pascagoula Naval Station, Mississippi, for which funds have been appropriated.**

The committee recommends a provision that would authorize the Secretary of the Navy, with amounts previously appropriated, to construct the West Quaywall Extension at the Pascagoula Naval Station, Mississippi, in the total amount of \$4.9 million.

### OTHER ITEMS OF INTEREST

#### **Planning and design, Navy**

The committee directs that of the amount authorized for appropriations for Navy planning and design not more than the amount indicated for each respective project be directed toward the design of: MS: Stennis Space Center, War Fighting Center—\$437,000.



## **TITLE XXIII—AIR FORCE**

### **SUMMARY**

The Air Force requested authorization of \$495,782,000 for military construction and \$1,083,362,000 for family housing for fiscal year 1998. The committee recommends authorization of \$666,032,000 for military construction and \$1,127,917,000 for family housing for fiscal year 1998.

The committee recommends a general reduction of \$23,858,000 in the authorization of appropriations for the Air Force military construction account. The general reduction is to be offset by management efficiencies and by savings from favorable bids, and cancellations of projects due to force structure changes. The general reduction shall not cancel any military construction authorized by title XXIII of this bill.

#### **Section 2301. Authorized Air Force construction and land acquisition projects.**

This section contains the list of authorized Air Force construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

#### **Section 2302. Family housing.**

This section would authorize new construction and planning and design of family housing units for the Air Force for fiscal year 1998.

#### **Section 2303. Improvements to military family housing units.**

This section would authorize improvements to existing units of family housing for fiscal year 1998.

#### **Section 2304. Authorization of appropriations, Air Force.**

This section would authorize specific appropriations for each line item in the Air Force's budget for fiscal year 1998. This section also would provide an overall limit on the amount the Air Force may spend on military construction projects.

#### **Section 2305. Authorization of military construction project at McConnell Air Force Base, Kansas, for which funds have been appropriated.**

The committee recommends a provision that would authorize the Secretary of the Air Force, with amounts previously appropriated, to construct the Consolidated Education Center at McConnell Air Force Base, Kansas, with a total amount of \$6.7 million.



## TITLE XXIV—DEFENSE AGENCIES

### SUMMARY

The Defense Agencies requested authorization of \$673,633,000 for military construction and \$37,674,000 for family housing for fiscal year 1998. The committee recommends authorization of \$680,003,000 for military construction and \$37,674,000 for family housing.

#### **Section 2401. Authorized Defense Agencies construction and land acquisition projects.**

This section contains the list of authorized Defense Agencies construction projects for fiscal year 1998. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

#### **Section 2402. Military housing planning and design.**

This section would authorize the Secretary of Defense to carry out planning and design activities with respect to the construction or improvement of military family housing units in the amount of \$50,000.

#### **Section 2403. Improvements to military family housing units.**

This section would authorize the Secretary of Defense to make improvements to existing units of family housing for fiscal year 1998 in an amount not to exceed \$4,950,000.

#### **Section 2404. Energy conservation projects.**

This section would authorize the Secretary of Defense to carry out energy conservation projects.

#### **Section 2405. Authorization of appropriations, Defense Agencies.**

This section would authorize specific appropriations for each line item in the Defense Agencies budget for fiscal year 1998. This section also would provide an overall limit on the amount the Defense Agencies may spend on military construction projects.

#### **Section 2406. Clarification of authority relating to fiscal year 1997 project at Naval Station, Pearl Harbor, Hawaii.**

The committee recommends a provision that would amend the table in section 2401 (a) of the Military Construction Authorization Act for Fiscal Year 1997, to change the location of the Special Operations Command construction project from Ford Island, Pearl

Harbor, Hawaii, to Naval Station, Pearl City Peninsula, Pearl Harbor, Hawaii.

**Section 2407. Authority to use prior year funds to carry out certain Defense Agency military construction projects.**

The committee recommends a provision that would authorize the Secretary of Defense to use funds appropriated and authorized in fiscal year 1995 for life saving improvements at McClellan Air Force Base Hospital for the following purposes:

- (1) \$3.7 million for the construction of an addition to the Aeromedical Clinic, Anderson Air Force Base, Guam; and
- (2) \$6.5 million for the construction of an occupational health clinic, Tinker Air Force Base, Oklahoma.

The provision would make these funds available until October 1, 2000, or the date for the enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever occurs later.

**Section 2408. Modification of authority to carry out fiscal year 1995 projects.**

The committee recommends a provision that would amend section 2401 of the Military Construction Authorization Act for Fiscal Year 1995, as amended. The provision would authorize an increase of funding for the construction of the Chemical Demilitarization Facilities at Pine Bluff Arsenal, Arkansas, from \$115.0 million to \$134.0 million, and at Umatilla Army Depot, from \$186.0 million to \$187.0 million, due to cost increases resulting from a delay in receiving the appropriate permits.

**Section 2409. Availability of funds for fiscal year 1995 project relating to relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico.**

The committee recommends a provision that would authorize and extend the funds appropriated by the Department of Defense Appropriations Act for Fiscal Year 1995, for the construction of a relocatable over-the-horizon-radar at Naval Station Roosevelt Roads, Puerto Rico. The funds would be available until October 1, 1998, or the date of enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

**TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION  
SECURITY INVESTMENT PROGRAM**

**SUMMARY**

The Department of Defense requested authorization of \$176,300,000 for the North Atlantic Treaty Organization Security Investment Program for fiscal year 1998. The committee recommends \$152,600,000.

**Section 2501. Authorized NATO construction and land acquisition projects.**

This section would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization (NATO) security investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of this bill and the amount of recoupment due to the United States for construction previously financed by the United States.

**Section 2502. Authorization of appropriations, NATO.**

This section would authorize appropriations of \$152,600,000 as the contribution of the United States to the North Atlantic Treaty Organization (NATO) security investment program. The committee recommends a reduction of \$23,600,000 in budget authority based on the anticipated prior year savings and recoupments from the NATO Security Investment Program.



**TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES**

**SUMMARY**

The Department of Defense requested a military construction authorization of \$172,886,000 for fiscal year 1998 for National Guard and Reserve facilities. The committee recommends authorization for fiscal year 1998 of \$492,118,000 to be distributed as follows:

Army National Guard .....	\$155,416,000
Air National Guard .....	193,269,000
Army Reserve .....	87,640,000
Air Force Reserve .....	34,580,000
Naval and Marine Corps Reserve .....	21,213,000
Total .....	492,118,000

**Section 2601. Authorized Guard and Reserve construction and land acquisition projects.**

This section would authorize appropriations for military construction for the National Guard and Reserve by service component for fiscal year 1998. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

**Section 2602. Authorization of Army National Guard construction project, aviation support facility, Hilo, Hawaii, for which funds have been appropriated.**

The committee recommends a provision that would authorize the Secretary of the Army, with amounts previously appropriated, to add/alter the Army Aviation Support Facility at Hilo, Hawaii, in the total amount of \$5.9 million.

**OTHER ITEMS OF INTEREST**

**Army aviation operating facility, Bethel, Alaska**

The Military Construction Act for Fiscal Year 1995 authorized for appropriation \$6.4 million for the construction of an Army aviation operating facility at Bethel, Alaska. The committee understands that due to recent deployment of new aircraft, changes in building codes and fire suppression requirements this project requires additional funding in the amount of \$4.6 million. Since this additional funding is due in part to new mission requirements, the committee directs the Secretary of the Army to submit a cost variation report and reprogramming request to the congressional defense committees to fund the completion of the facility.

**Planning and design, Guard and Reserve Forces facilities**

The committee directs that, of the amount authorized for appropriations for Army National Guard, Army Reserve, Naval Reserve,

Marine Corps Reserve, Air National Guard and Air Force Reserve construction and land acquisition projects, not more than the amount indicated for each respective project be directed toward the design of:

Air National Guard:	
OK: Will Rogers ANG Base, Base Supply Complex .....	\$350,000
OK: Oklahoma City, Readiness Center .....	497,000
VT: Burlington IAP, Base Supply Complex .....	550,000
Army Reserve:	
AS: Tafuna, Add/Alt Reserve Center .....	\$2,000,000

## **TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS**

### **Section 2701. Expiration of authorizations and amounts required to be specified by law.**

This section would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization infrastructure program, and National Guard and Reserve projects will expire on October 1, 2000 or the date of enactment of an Act authorizing funds for military construction for fiscal year 2001, whichever is later. This expiration would not apply to authorizations for which appropriated funds have been obligated before October 1, 2000 or the date of enactment of an Act authorizing funds for these projects, whichever is later.

### **Section 2702. Extension of authorizations of certain fiscal year 1995 projects.**

This section would provide for selected extension of certain fiscal year 1995 military construction authorizations until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

### **Section 2703. Extension of authorizations of certain fiscal year 1994 projects.**

This section would provide for selected extension of certain fiscal year 1994 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1998, whichever is later.

### **Section 2704. Extension of authorization of fiscal year 1993 projects.**

This section would provide for selected extension of certain fiscal year 1993 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

### **Section 2705. Extension of authorizations of certain fiscal year 1992 projects.**

This section would provide for selected extension of certain fiscal year 1992 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

### **Section 2706. Effective date.**

This section would provide that titles XXI, XXII, XXIII, XXIV, and XXVI of this bill shall take effect on October 1, 1997, or the date of the enactment of this Act, whichever is later.



## **TITLE XXVIII—GENERAL PROVISIONS**

### **SUBTITLE A—MILITARY CONSTRUCTION PROGRAM AND MILITARY FAMILY HOUSING CHANGES**

#### **Section 2801. Increase in ceiling for minor land acquisition projects.**

The committee recommends a provision that would amend section 2672 of title 10, United States Code, to increase the ceiling for minor land acquisitions from \$200,000 to \$500,000.

#### **Section 2802. Sale of utility systems of the military departments.**

The committee recommends a provision that would authorize the service secretaries to convey all or part of government utility systems located on military installations to commercial or public utilities. The utilities that may be conveyed include, but are not limited to: electrical generation and supply; water treatment; water supply; wastewater collection and treatment; steam, hot, chilled water generation and supply, and natural gas supply. The conveyance would be for fair market value, either as a lump-sum payment or as a reduction in utility charges, consistent with applicable Federal and State laws or regulations, for a period sufficient to amortize the monetary value of the utility system, including any conveyed real property. Any lump sum payment received would be credited to an appropriation available for the purchase of like utility services or to an appropriation for the construction of energy and water conservation projects or improvements to other utility systems at the installation. The provision would waive the cost comparison study between civilian and government workers required by chapter 146 of title 10, United States Code. The secretaries would not be authorized to enter an agreement to convey until 21 days after the service secretaries submit an economic analysis to the congressional defense committees. The committee directs that prior to submission of the economic analysis, it be reviewed by the appropriate office within the Office of the Secretary of Defense.

#### **Section 2803. Administrative expenses for certain real property transactions.**

The committee recommends a provision that would amend chapter 159 of title 10, United States Code, to permit the military departments to accept reimbursement for administrative expenses incurred in real estate transactions at the request and benefit for non-Federal entities. The provision would apply to expenses incurred by the exchange of real property, granting of easements, and the leasing of government real property. The funds received from these transactions would be credited to the appropriation, fund, or account from which such expenses were paid. The provi-

sion would also make a conforming amendment to section 2667(d)(4) of title 10, United States Code.

**Section 2804. Use of financial incentives for energy savings and water cost savings.**

The committee recommends a provision that would amend section 2865 of title 10, United States Code, to authorize the Secretary of Defense to credit financial incentives received from gas or electric utilities to an appropriation designated by the Secretary. The impact of this authority would be reflected in the Secretary's annual energy report. The provision would also include a conforming amendment.

**SUBTITLE B—LAND CONVEYANCES**

**Section 2811. Modification of authority for disposal of certain real property, Fort Belvoir, Virginia.**

The committee recommends a provision that would repeal section 2821 of the Military Construction Act for Fiscal Years 1990 and 1991 as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996. These provisions would have authorized the conveyance of the parcel of real property, including improvements thereon, at Fort Belvoir, Virginia, consisting of approximately 820 acres known as the Engineer Proving Ground. The committee is dismayed that the Army has not reached an agreement on the conveyance of this valuable piece of property. The committee directs the Secretary of the Army to expeditiously excess this property and dispose of it in accordance with the Federal Property and Administration Services Act of 1949.

**Section 2812. Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina.**

The committee recommends a provision that would amend section 2824 of the Military Construction Authorization Bill for Fiscal Year 1997, which authorizes the conveyance of the Army Reserve Center, Anderson, South Carolina, to the County of Anderson, South Carolina, for educational purposes. The provision would make a technical correction to change the recipient of the property from the County of Anderson to the Board of Education, Anderson County, South Carolina.

**Section 2813. Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada.**

The committee recommends a provision that would authorize the Secretary of the Army to convey, without reimbursement, to Mineral County, Nevada, approximately 33.1 acres of real property and improvements that constitute the Schweer Drive Housing Area. The conveyance would be contingent upon the County's acceptance of the property subject to such easements or rights of way as the Secretary considers appropriate. The provision would also require the County to reimburse the United States in the event the property is sold within 10 years. The reimbursement would be equal to the lesser of:

- (1) the amount of the sale of the property sold; or

(2) the fair market value of the property sold, excluding the value of any improvements made by the County.

**Section 2814. Long-term lease of property, Naples, Italy.**

The committee recommends a provision that would authorize the Secretary of the Navy to lease a regional hospital complex in Naples, Italy, for no more than 20 years. The authority would expire on September 30, 2002.

**Section 2815. Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine.**

The committee recommends a provision that would authorize the Secretary of the Navy to convey, without consideration, to the Maine School Administrative District No. 75, Topsham, Maine, a parcel of real property, consisting of approximately 40 acres located at the Topsham Annex, Navy Air Station, Brunswick, Maine. The provision would require the district to use the conveyed property for educational purposes. It would further provide for an interim lease of the property until the property is conveyed. As compensation for the lease, the district would provide security and maintenance. The provision would include a reversion clause in the event that the Secretary determines that the conveyed property is not being used for educational purposes.

**Section 2816. Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.**

The committee recommends a provision that would authorize the Secretary of the Navy to convey, without consideration, to the County of Nassau, New York, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 110 acres and improvements comprising the Naval Weapons, Industrial Reserve Plant No. 464, Oyster Bay, New York. The purpose of the conveyance would be for economic development and would include equipment, fixtures, and other personal property located on the parcel as the Secretary determines not to be required by the Navy. The provision would authorize the Navy to enter into an interim lease with the County. The County would provide security services, fire protection, and maintenance work, as specified by the Secretary. The provision would specify that, if the Secretary determines within a 5-year period after the conveyance that the property is not used in accordance with the condition of the conveyance, the property would revert to the United States.

**Section 2817. Land conveyance, Charleston Family Housing Complex, Bangor, Maine.**

The committee recommends a provision that would authorize the Secretary of the Air Force to convey, without consideration, to the City of Bangor, Maine, a parcel of real property consisting of approximately 19 acres and improvements located in Bangor, Maine and known as the Charleston Family Housing Complex. The purpose of the conveyance would be for economic development. The provision would require the city to reimburse the United States in the event the property is sold within 10 years. The reimbursement would be equal to the lesser of:

- (1) the amount of the sale of the property sold; or
- (2) the fair market value of the property sold, excluding the value of any improvements made by the city.

**Section 2818. Land conveyance, Ellsworth Air Force Base, South Dakota.**

The committee recommends a provision that would authorize the Secretary of the Air Force to convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota, all right, title and interest of the United States in five parcels of real property consisting of approximately 234 acres and improvements. The parcels included in the conveyance are: the Skyway Military Family Housing Area; the Renal Heights Military Family Housing Area; the East Nike Military Family Housing Area; the South Nike Military Family Housing Area; and the West Nike Military Family Housing Area. In regard to the conveyance of the Renal Heights Military Housing Area, the Secretary would retain that portion of the property for the construction of an access road between Ellsworth Air Force Base and an interchange on Interstate Route 90.

The conveyance of these properties would be contingent on: (1) that the use of the property comply with the applicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study; and (2) that approximately 20 acres and improvement of the Skyway Military Housing Area be conveyed to the Douglas School District, South Dakota, for educational purposes.

The provision would include a reversion clause in the event that the Secretary determines that the conveyed property is not being utilized in accordance with the conditions and purposes of the conveyance.

**SUBTITLE C—OTHER MATTERS**

**Section 2831. Disposition of proceeds of sale of Air Force Plant No. 78, Brigham City, Utah.**

The committee recommends a provision that would authorize the Secretary of the Air Force to use the funds deposited by the Administrator of General Services in the account established under section 204(h)(2)(A) of the Federal Property and Administrative Services Act of 1949 from the sale of Air Force Plant 78, Brigham City, Utah, for maintenance and repair of facilities, or environmental restoration, at other industrial plants of the Air Force. The committee understands that these funds are not required for the purpose intended at Air Force Plant 78. The committee expects the Secretary of the Air Force, as part of the annual request for authorization of appropriation, to notify the congressional defense committees of the purposes for and locations where these funds were used.

**OTHER ITEMS OF INTEREST**

**Report on land use, Navy Air Station, Brunswick, Maine**

The committee recognizes there are initiatives by Federal and local agencies for dual commercial and military use of Federal property. Dual-use initiatives can be beneficial for both the Federal

Government and local municipalities by maximizing land use at existing military installations. The committee believes a dual-use opportunity is feasible at Naval Air Station, Brunswick, Maine, and directs the Secretary of the Navy to evaluate the feasibility for dual military-civilian use and/or conveyance of real property at the Navy Air Station, Maine. The evaluation will include the operational impacts, financial factors, environmental issues, real estate requirements, and budget impacts of dual use or conveyance.



**DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS**

**TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS**

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
<b>ATOMIC ENERGY DEFENSE ACTIVITIES</b>				
<b>WEAPONS ACTIVITIES</b>				
<b>Stockpile Stewardship:</b>				
<i>Core stockpile stewardship</i>				
Operation and maintenance	1,158,290	(14,000)		1,144,290
<b>Construction:</b>				
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	0	46,300		46,300
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	0	19,810		19,810
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	0	13,400		13,400
96-D-105 Contained firing facility addition, LLNL, Livermore, CA	0	19,300		19,300
Total, Construction	0	98,810		98,810
<b>Total, Core Stockpile Stewardship</b>	<b>1,158,290</b>	<b>84,810</b>		<b>1,243,100</b>

*Inertial fusion*

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
Operation and maintenance	217,000		217,000
<b>Construction:</b>			
96-D-111 National ignition facility Site, TBD.	0	197,800	197,800
<b>Total, Inertial Fusion</b>	<u>217,000</u>	<u>197,800</u>	<u>414,800</u>
<i>Technology transfer/education</i>			
Technology transfer	60,000		60,000
Education	9,000		9,000
<b>Total, Technology Transfer/Education</b>	<u>69,000</u>	<u>0</u>	<u>69,000</u>
Marshall island/Dose reconstruction	0	0	0
<b>Total, Stockpile stewardship</b>	<u>1,444,290</u>	<u>282,610</u>	<u>1,726,900</u>
<b>Stockpile Management:</b>			
Operation and maintenance	1,828,465	33,000	1,861,465
<b>Construction:</b>			
<i>Core stockpile management</i>			
98-D-123 Stockpile mgmt. restructuring init.	0	11,000	11,000
Tritium factory modernization and consolidation, Savannah River, SR			
98-D-124 Stockpile mgmt. restructuring init.	0	6,450	6,450
Y-12 consolidation, Oak Ridge, TN			

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	FY 1998		
	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM	0	9,200	9,200
97-D-124 Steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, TN.	0	1,900	1,900
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	0	6,900	6,900
96-D-123 Retrofit HVAC and chillers for ozone protection, Y-12 plant, Oak Ridge, TN.	0	2,700	2,700
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL, Los Alamos, NM	0	15,700	15,700
95-D-122 Sanitary sewer upgrade, Y-12 plant, Oak Ridge, TN	0	12,600	12,600
94-D-124 Hydrogen fluoride supply system, Y-12 plant, Oak Ridge, TN	0	1,400	1,400
94-D-125 Upgrade life safety, Kansas City plant, Kansas City, MO	0	2,000	2,000

**Fiscal Year 1998 Department of Energy Defense Activities**

(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	0	2,100		2,100
92-D-126 replace emergency notification system, VL	0	3,200		3,200
88-D-122 Facilities capability assurance program (FCAP), various locations	0	18,920		18,920
88-D-123 Security enhancement, Pantex plant, Amarillo, TX	0	0		0
<b>Total, Construction</b>	<b>0</b>	<b>94,070</b>		<b>94,070</b>
<b>Total, Core Stockpile Management</b>	<b>1,828,465</b>	<b>127,070</b>		<b>1,955,535</b>
<b>Nuclear Weapons Incident Response</b>				
96-D-125 Washington aerial measurements operations facility, Andrews Air Force Base, Camp Springs, MD	0			0
<b>Reconfiguration</b>				
93-D-123 Non-nuclear reconfiguration, various locations	0			0

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
<b>Tritium Source:</b>			
98-D-121 Tritium source	0		0
98-D-125 Tritium extraction facility, SR	0	9,650	9,650
98-D-126 Accelerator production of tritium, VL	0	67,865	67,865
Total, Construction	0	77,515	77,515
<b>Total, Stockpile Management</b>	<b>1,828,465</b>	<b>204,585</b>	<b>2,033,050</b>
Program direction	303,500	(35,000)	268,500
<b>Subtotal, Weapons Activities</b>	<b>3,576,255</b>	<b>452,195</b>	<b>4,028,450</b>
Use of Prior Year Balances	0	(10,000)	(10,000)
<b>TOTAL, WEAPONS ACTIVITIES</b>	<b>3,576,255</b>	<b>442,195</b>	<b>4,018,450</b>

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**DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.**

<b>Environmental Restoration:</b>			
Operating expenses	1,744,573	3,500	1,748,073
<b>Waste Management:</b>			
Operation and maintenance	1,455,576	23,300	1,478,876
<b>Construction:</b>			
98-D-401 H-tank farm storm water systems upgrade, Savannah River, SC	0	1,000	1,000

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	FY 1998		
	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
97-D-402 Tank farm restoration and safe operations, Richland, WA	0	13,961	13,961
96-D-408 Waste management upgrades, various locations	0	8,200	8,200
95-D-402 Install permanent electrical service, WIPP, AL	0	176	176
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant, Oak Ridge, TN	0	3,800	3,800
95-D-407 219-S Secondary containment upgrade, Richland, WA	0	2,500	2,500
94-D-404 Melton Valley storage tank capacity increase, ORNL	0	1,219	1,219
94-D-407 Initial tank retrieval systems, Richland, WA	0	15,100	15,100
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	0	17,520	17,520

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
92-D-172 Hazardous waste treatment and processing facility, Pantex Plant	0	5,000		5,000
89-D-174 Replacement high level waste evaporator Savannah River, SC	0	1,042		1,042
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	0	11,250		11,250
<b>Total, Construction</b>	<b>0</b>	<b>80,768</b>		<b>80,768</b>
<b>Total, Waste management</b>	<b>1,455,576</b>	<b>104,068</b>		<b>1,559,644</b>
<i>Technology development</i>				
Operation and maintenance	257,881	(5,000)		252,881
<b>Total, Technology development</b>	<b>257,881</b>	<b>(5,000)</b>		<b>252,881</b>
<i>Transportation management</i>				
Program direction	0			0
	388,251	(15,000)		373,251
<i>Nuclear material and facility stabilization</i>				
Operation and maintenance	1,118,114	63,000		1,181,114

**Construction:**

**Fiscal Year 1998 Department of Energy Defense Activities**

(Dollars in Thousands)

	<b>FY 1998</b>			
<u>Account Title</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>	
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	0	8,136	8,136	
98-D-700 INEL road rehabilitation, INEL, ID	0	500	500	
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	0	18,000	18,000	
97-D-451 B-Plant safety class ventilation upgrades, Richland, WA	0	2,000	2,000	38
97-D-470 Environmental monitoring laboratory, Savannah River Site, Aiken, SC	0	5,600	5,600	89
97-D-473 Health physics site support facility, Savannah River, Aiken, SC	0	4,200	4,200	
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	0	16,744	16,744	
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID	0	2,927	2,927	
96-D-464 Electrical & utility systems upgrade,				

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID		0	14,985	14,985
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC		0	8,500	8,500
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina		0	2,173	2,173
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, ID		0	602	602
<b>Total, Construction</b>		<u>0</u>	<u>84,367</u>	<u>84,367</u>
<b>Total, Nuclear material and facility stabilization</b>		<u>1,118,114</u>	<u>147,367</u>	<u>1,265,481</u>
<i>Compliance and program coordination</i>				
Operation and maintenance		0	0	0
<b>Construction:</b>				
95-E-600 Hazardous materials training center, Richland, Washington		0	0	0
<b>Total, Compliance and program coordination</b>		<u>0</u>	<u>0</u>	<u>0</u>
<i>Analysis, education, and risk management</i>				
Policy and management		23,104	(5,000)	18,104

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
<i>Environmental science program</i>	50,000	(10,000)	40,000
<i>Environmental management privatization</i>	0		0
<i>Closure projects</i>	15,000	(15,000)	0
<i>Def. EM Privatization init. (Fixed asset acq.)</i>	0		0
<b>Subtotal, Defense environmental management</b>	<b>5,052,499</b>	<b>204,935</b>	<b>5,257,434</b>
<i>Savannah river pension refund</i>	0		0
<i>Use of Prior Year Balances</i>	0	(109,000)	(109,000)
<b>TOTAL, DEFENSE ENVIRONMENTAL RESTORATION &amp; WASTE MGMT.</b>	<b>5,052,499</b>	<b>95,935</b>	<b>5,148,434</b>

**OTHER DEFENSE ACTIVITIES**

<i>Nonproliferation and national security</i>			
<i>Verification and control technology</i>			
<i>Nonproliferation and verification R&amp;D</i>			
<i>Operation and maintenance</i>	210,000		210,000
<i>Arms control.</i>	234,600	(22,000)	212,600
<i>Intelligence</i>	33,600		33,600
<b>Total, Verification and Control Technology</b>	<b>478,200</b>	<b>(22,000)</b>	<b>456,200</b>
<i>Nuclear safeguards and security</i>	47,200	0	47,200
<i>Security investigations</i>	20,000		20,000
<i>Emergency management</i>	27,700		27,700
<i>Program direction - NN</i>	94,900	(10,000)	84,900

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
<b>Total, Nonproliferation and national security</b>		668,000	(32,000)	636,000
<i>Worker and community transition</i>				
Worker and community transition		65,800		65,800
Program direction - WT		4,700		4,700
<b>Total, Worker and community transition</b>		70,500	0	70,500
<i>Fissile materials control and disposition</i>				
Operation and maintenance.		99,451		99,451
<b>Construction:</b>				
97-D-140 Consolidated special nuclear materials storage plant, site TBD		0		0
Program direction - MD		4,345		4,345
<b>Total, Fissile Materials Control and Disposition</b>		103,796	0	103,796
<b>Environment, Safety &amp; Health</b>				
Office of environment, safety and health (defense)....		54,000		54,000
Security evaluations		0		0
Nuclear safety		0		0
Program direction - EH		0		0
<b>Total, Environment, safety and health</b>		54,000	0	54,000

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
Office of hearings and appeals	2,685		2,685
<b>Nuclear Energy:</b>			
Nuclear technology research and development	25,000		25,000
International nuclear safety	50,000	(50,000)	0
Nuclear security	4,000		4,000
Chornobyl shutdown initiative	2,000		2,000
<b>Total, Nuclear Energy</b>	<b>81,000</b>	<b>(50,000)</b>	<b>31,000</b>
<b>Naval reactors:</b>			
<i>Naval reactors development</i>			
Operation and maintenance	605,920	43,000	648,920
<b>Construction:</b>			
98-D-200 Site laboratory/facility upgrade, various locations	0	5,700	5,700
97-D-201 Advanced test reactor secondary coolant system refurbishment, INEL, ID	0	4,100	4,100
95-D-200 Laboratory systems and hot cell upgrades, various locations	0	1,100	1,100

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	0	3,100	3,100
Total, Construction	0	14,000	14,000
<b>Total, Naval reactors development</b>	<b>605,920</b>	<b>57,000</b>	<b>662,920</b>
Program direction	20,080		20,080
<b>Total, Naval reactors.</b>	<b>626,000</b>	<b>57,000</b>	<b>683,000</b>
<b>Subtotal, Other defense activities</b>	<b>1,605,981</b>	<b>(25,000)</b>	<b>1,580,981</b>
<b>Adjustments:</b>			
Use of Prior Year Balances	0		0
<b>Total, Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, OTHER DEFENSE ACTIVITIES</b>	<b>1,605,981</b>	<b>(25,000)</b>	<b>1,580,981</b>
<b>DEFENSE NUCLEAR WASTE DISPOSAL</b>			
Defense nuclear waste disposal	190,000	0	190,000
<b>DEFENSE ASSETS ACQUISITION</b>			
<b>Weapons Activities</b>			
<b>Stockpile stewardship</b>			
Core stockpile stewardship			

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	46,300	(46,300)	0
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations.....	51,106	(51,106)	0
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	19,800	(19,800)	0
96-D-104 Processing and environmental technology laboratory, SNL, Albuquerque, NM	29,820	(29,820)	0
96-D-105 Contained firing facility addition, LLNL, Livermore, CA	26,000	(26,000)	0
<b>Total, Core stockpile stewardship</b>	<u>173,026</u>	<u>(173,026)</u>	<u>0</u>
<i>Inertial fusion</i>			
96-D-111 National ignition facility Site, TBD	876,400	(876,400)	0
<b>Total, Stockpile stewardship</b>	<u>1,049,426</u>	<u>(1,049,426)</u>	<u>0</u>
<b>Stockpile management</b>			
<i>Core stockpile management</i>			
98-D-123 Stockpile mgmt. restructuring init.			

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
Tritium factory modernization and consolidation, Savannah River, SR.	14,343	(14,343)	0	
98-D-124 Stockpile mgmt. restructuring init. Y-12 consolidation, Oak Ridge, TN	7,311	(7,311)	0	
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM.	41,292	(41,292)	0	
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS.	16,600	(16,600)	0	396
97-D-124 Steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, TN.	1,900	(1,900)	0	
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	10,600	(10,600)	0	
96-D-123 Retrofit HVAC and chillers for ozone protection, Y-12 plant, Oak Ridge, TN	2,700	(2,700)	0	
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL, Los Alamos, NM	106,360	(106,360)	0	

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
95-D-122 Sanitary sewer upgrade, Y-12 plant, Oak Ridge, TN	12,600	(12,600)	0
94-D-124 Hydrogen fluoride supply system, Y-12 plant, Oak Ridge, TN	1,400	(1,400)	0
94-D-125 Upgrade life safety, Kansas City plant, Kansas City, MO	2,000	(2,000)	0
94-D-128 Environmental safety and health analytical laboratory, Pantex plant, Amarillo, TX	3,000	(3,000)	0
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	2,100	(2,100)	0
92-D-126 replace emergency notification system, VL	3,200	(3,200)	0
88-D-122 Facilities capability assurance program (FCAP), various locations	19,520	(19,520)	0
88-D-123 Security enhancement, Pantex plant, Amarillo, TX	0		0

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
<b>Total, Core stockpile management</b>		244,926	(244,926)	0
<b>Nuclear Weapons Incident Response</b>				
96-D-125 Washington aerial measurements operations facility, Andrews Air Force Base, Camp Springs, MD		0		0
<b>Reconfiguration</b>				
93-D-123 Non-nuclear reconfiguration, various locations		0		0
<b>Tritium Source</b>				
98-D-121 Tritium source		0		0
98-D-125 Tritium extraction facility, SR		39,453	(39,453)	0
98-D-126 Acceleration production of tritium, VL		168,590	(168,590)	0
Total, Stockpile management		452,969	(452,969)	0
<b>Total, Weapons Activities</b>		1,502,395	(1,502,395)	0
<b>Defense Environmental Restoration &amp; Waste Management</b>				
<b>Waste Management:</b>				
				398

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
98-D-401 H-tank farm storm water systems upgrade, Savannah River Site, Aiken, SC	12,000	(12,000)	0
97-D-402 Tank farm restoration and safe operations, Richland, WA.	41,530	(41,530)	0
96-D-408 Waste management upgrades, various locations	12,709	(12,709)	0
95-D-402 Install permanent electrical service, WIPP, AL	176	(176)	0
95-D-405 Industrial landfill V and construction/demolition landfill VII, Y-12 Plant, Oak Ridge, TN	3,800	(3,800)	0
95-D-406 Road 5-01 reconstruction, area 5, NV	0		0
95-D-407 219-S Secondary containment upgrade, Richland, WA	2,500	(2,500)	0
94-D-404 Melton Valley storage tank capacity increase, ORNL	1,219	(1,219)	0
94-D-407 Initial tank retrieval systems,			399

**Fiscal Year 1998 Department of Energy Defense Activities**

(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
Richland, WA		182,800	(182,800)	0
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC		171,969	(171,969)	0
92-D-172 Hazardous waste treatment and processing facility, Pantex Plant.		5,000	(5,000)	0
89-D-174 Replacement high level waste evaporator Savannah River, SC		1,042	(1,042)	0
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA		23,573	(23,573)	0
<b>Total, Waste Management</b>		<u>458,318</u>	<u>(458,318)</u>	<u>0</u>
<b>Nuclear Material and Facility Stabilization</b>				
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA		13,636	(13,636)	0
98-D-700 INEL road rehabilitation, INEL, ID		10,800	(10,800)	0
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC		18,000	(18,000)	0
				400

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
97-D-451 B-Plant safety class ventilation upgrades, Richland, WA	2,000	(2,000)	0
97-D-470 Environmental monitoring laboratory, Savannah River Site, Aiken, SC	27,780	(27,780)	0
97-D-473 Health physics site support facility, Savannah River, Aiken, SC	15,200	(15,200)	0
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	16,744	(16,744)	0
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID.	2,927	(2,927)	0
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID	38,500	(38,500)	0
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	34,959	(34,959)	0
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina	2,713	(2,713)	0
			401

**Fiscal Year 1998 Department of Energy Defense Activities**

(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998 Request</u>	<u>Change</u>	<u>Authorization</u>
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, ID	1,087	(1,087)	0
<b>Total, Nuclear Material and Facility Stabilization</b>	<b>184,346</b>	<b>(184,346)</b>	<b>0</b>
<b>Total, Defense Environ. Restoration &amp; Waste Mgmt</b>	<b>642,664</b>	<b>(642,664)</b>	<b>0</b>
<b>Other Defense Activities</b>			
<b>Naval Reactors</b>			402
98-D-200 Site laboratory/facility upgrade, various locations	1,200	(1,200)	0
97-D-201 Advanced test reactor secondary coolant system refurbishment, INEL, ID	4,600	(4,600)	0
95-D-200 Laboratory systems and hot cell upgrades, various locations	1,100	(1,100)	0
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	14,900	(14,900)	0
Total, Naval reactors	21,800	(21,800)	0
<b>Total, Other Defense Activities</b>	<b>21,800</b>	<b>(21,800)</b>	<b>0</b>
<b>TOTAL, DEFENSE ASSETS ACQUISITION</b>	<b>2,166,859</b>	<b>(2,166,859)</b>	<b>0</b>
<b>ATOMIC ENERGY DEFENSE ACTIVITIES.</b>	<b>12,591,594</b>	<b>(1,653,729)</b>	<b>10,937,865</b>

**Fiscal Year 1998 Department of Energy Defense Activities**  
(Dollars in Thousands)

<u>Account Title</u>	<u>FY 1998</u>	<u>Request</u>	<u>Change</u>	<u>Authorization</u>
<b>EM PRIVATIZATION</b>				
Def. EM privatization init. (Fixed asset acquisition)		1,006,000	(791,000)	215,000
<b>TOTAL, DOE ATOMIC ENERGY DEFENSE ACTIVITIES</b>		<u>13,597,594</u>	<u>(2,444,729)</u>	<u>11,152,865</u>
<b>Defense Nuclear Facilities Safety Board</b>		17,500	0	17,500
<b>TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES</b>		<u>13,615,094</u>	<u>(2,444,729)</u>	<u>11,170,365</u>

**SUBTITLE A—NATIONAL SECURITY PROGRAMS  
AUTHORIZATIONS**

**Section 3101. Weapons activities.**

The fiscal year 1998 budget request included \$3.6 billion, excluding funding for construction projects, for atomic energy defense weapons activities, which included \$1.4 billion for stockpile stewardship activities; \$1.8 billion for stockpile management activities; and \$303.5 million for program direction.

The committee recommends a provision that would authorize \$4.0 billion, including funding for construction projects, for atomic energy defense weapons activities of the Department of Energy, which includes \$1.7 billion for stockpile stewardship activities; \$2.0 billion for stockpile management activities; and \$268.5 million for program direction. The committee recommends a general reduction of \$10.0 million that would be offset by prior year balances.

*Stockpile stewardship programs*

The committee continues to be concerned that the Department is relying on the unproven science-based stockpile stewardship program at the expense of modernizing the proven, hands-on production engineering and surveillance approaches needed to maintain stockpile safety and reliability over the next 10 to 15 years. The committee is pleased, however, that the Departments of Defense and Energy completed the first annual review of the stockpile and have certified to the President its safety and reliability. The committee is encouraged by the Department's progress in initiating subcritical experiments. These experiments are essential to maintaining the enduring stockpile in a safe and reliable condition.

The "science-based" stockpile stewardship program is essential to maintain the U.S. nuclear stockpile in the absence of underground nuclear testing. This "science-based" approach, however, will not replace the need to maintain proven stockpile management capabilities. The committee directs the Department to seek a reasonable balance between new "science-based" stockpile stewardship and management approaches and those proven approaches that will be carried out at DOE production sites. This balanced approach will ensure that the United States can maintain the safety and reliability of the nuclear weapons stockpile, as required by the Nuclear Weapons Stockpile Memorandum and the Nuclear Posture Review.

The committee recommends a reduction of \$14.0 million to the Advanced Strategic Computing Initiative (ASCI) program. The committee supports the objectives of the ASCI program and compliments the Department for its numerous successes in the area of supercomputing. The committee notes, however, that a principal objective of the ASCI program is to process and assimilate data to be obtained from new facilities that are not currently operational. The committee believes that the proposed reduction in this account will not adversely impact the Department's supercomputing needs and allows a significant growth in this program over fiscal year 1997 funding levels.

*Stockpile management programs*

The committee believes that the United States must maintain viable weapons manufacturing capabilities and capacities to rebuild aging weapons and to retain the ability to reconstitute its nuclear forces, if necessary. The committee is concerned that the decisions resulting from the Department's Final Stockpile Stewardship and Management Programmatic Environmental Impact Statement might negatively impact production capabilities and capacities by downsizing the Department's existing production plants too rapidly. The committee believes that it is essential to maintain these vital capabilities to maintain the requirements of a START I or START II stockpile. The committee encourages the Department to maximize the use of existing capabilities and to give priority to maintaining those capabilities rather than unnecessarily recreating such capabilities at other sites.

The committee notes that the average age of the DOE weapons complex workforce continues to be well above the national workforce average age. The committee is concerned that the Department has not taken all the steps necessary to ensure that critical knowledge and skills are maintained. Unless the effects of this trend are addressed, the weapons complex workforce may be unable to meet required deliverables in the near future. The committee is aware that the Department and its plant and laboratory managers share this concern and have taken preliminary steps to address this problem. The Department has not, however, fully implemented the Lab and Plant Fellowship programs authorized in fiscal years 1996 and 1997. The committee encourages the Department to fully implement these programs during fiscal year 1998.

The committee recommends a \$33.0 million increase to this account, which includes \$15.0 million for the four traditional weapons production plants; \$10.0 million for a surety program to improve waste minimization efforts related to the Department's stockpile management modernization program; and \$8.0 million to continue tritium facility upgrades initiated in fiscal year 1997. Limitations on funds provided to the four traditional production plants are discussed in a separate section of this Act.

Of the amount made available for technology transfer and education, the committee recommends \$10.0 million for the American Textiles Partnership project. The committee is concerned that the Department is initiating a number of new, cooperative activities within the technology transfer and education account. The committee directs the Secretary to give first priority to completing those projects that were initiated prior to fiscal year 1996, before supporting or initiating additional cooperative research and development agreements.

*Program Direction*

The committee recommends a reduction of \$35.0 million to the budget request for this account. The committee notes that recent independent assessments from the Institute for Defense Analysis and General Accounting Office have identified a number of recommendations regarding how best to streamline the management structure within the Office of Defense Programs. The committee believes that implementing such recommendations would reduce

management costs and increase the effectiveness of the Department's weapons programs.

**Section 3102. Environmental restoration and waste management.**

The fiscal year 1998 budget request included \$5.0 billion, excluding funding for construction projects, for defense environmental restoration and waste management activities (the Environmental Management program), which included \$1.7 billion for Environmental Restoration; \$1.5 billion for Waste Management; \$257.8 million for Technology Development; \$1.1 billion for Nuclear Material and Facility Stabilization; \$23.1 million for Policy and Management; \$50.0 million for the Environmental Management Science Program; and \$388.2 million for Program Direction.

The Committee recommends a provision that would authorize \$5.1 billion, including funding for construction projects, for defense environmental restoration and waste management activities of the Department of Energy (DOE). The amount recommended is for the following activities: \$1.7 billion for Environmental Restoration; \$1.6 billion for Waste Management; \$252.8 million for Technology Development; \$1.3 billion for Nuclear Material and Facility Stabilization; \$18.1 million for Policy and Management; \$40.0 million for the Environmental Management Science program; and \$373.2 million for Program Direction. The committee recommends a general reduction of \$109.0 million that would be offset by prior year balances.

*Environmental Restoration*

The committee recommends an increase of \$3.5 million to be utilized to meet commitments at the Fernald, Ohio site.

*Waste Management*

The committee recommends an increase of \$23.3 million to this account as follows: \$8.3 million to support high-level waste research and development work at the Idaho National Engineering and Engineering Laboratory and \$15.0 million to increase production rates at the Defense Waste Processing Facility, the Consolidated Incineration Facility, and the West Valley Site high-level waste vitrification plant.

*Nuclear Material and Facility Stabilization*

The committee recommends an increase of \$63.0 million to this account as follows: \$48.0 million for nuclear material stabilization operations at the F- and H-canyon facilities and \$15.0 million for the National Spent Fuel program.

*Technology Development*

The committee recommends a reduction of \$5.0 million to this account. This represents a 10 percent reduction to the requested Technology Deployment Initiative. The committee believes this reduction should be offset by greater contributions from technology user organizations within DOE. The committee is supportive of the Office of Science and Technology's efforts to move technologies from the late stages of research and development into use. The commit-

tee believes that the success of this effort depends on greater cooperation and cost sharing between technology developers and users.

#### *Environmental Management Science Program*

The committee recommends a decrease of \$10.0 million to this account. It is expected that this reduction will be offset by matching funds from the Office of Energy Research. The committee notes that one of the stated objectives of the Office of Energy Research is to carry out basic research in environmental restoration and waste management. Accordingly, the committee believes that the most effective method of integrating basic research carried out under the Environmental Management Science program with the research program in the Office of Energy Research is to require a small level of co-funding from the Office of Energy Research.

#### *Program Direction*

The committee recommends a decrease of \$15.0 million to the budget request for this account.

#### *Policy Office*

The committee recommends a reduction of \$5.0 million to this account. The committee continues to believe that there is a considerable overlap in responsibility between the Policy Office and other Environmental Management organizations. The committee expects this reduction to be achieved through consolidation of overlapping programmatic responsibilities.

#### *Project Closure Account*

The committee recommends no funds for the Project Closure account. The committee remains skeptical that this set-aside account can achieve real cost savings or significantly accelerate site closures. The committee notes that the Department has not identified appropriate performance measures for projects and is utilizing vague and unquantifiable criteria to select the closure projects. Further, the Department's Ten-year Plan requires the environmental management program to focus cleanup activities on those projects that will result in near-term closure and mortgage reduction activities, making the usefulness of this account unclear.

The committee believes that the amount of funding requested by DOE for this account (\$15.0 million) will not appreciably reduce long-term cleanup costs at DOE facilities and encourages the Department to continue to focus the entire Environmental Management program on those projects and activities that will accomplish the closure goals identified in section 3143 of the National Defense Authorization Act for Fiscal Year 1997.

#### *Privatization*

The committee recommends \$215.0 million for the environmental management privatization account. The committee notes that the Department's new policy of privatizing the capital cost of large Environmental Management construction projects has the potential to save scarce cleanup funds over the long-term. The committee notes that the new concept's effectiveness has yet to be demonstrated.

Consequently, the committee does not believe that a \$1.0 billion investment in this new approach is justified at this time.

### **Section 3103. Other defense activities.**

The fiscal year 1998 budget request includes \$1.6 billion, excluding funding for construction projects, for other defense activities in the Department of Energy (DOE), which includes \$668.0 million for nonproliferation and national security; \$103.8 million for fissile materials control and disposition; \$81.0 million for nuclear energy; \$70.5 million for worker community transition; \$54.0 million for environment, safety and health; \$2.6 million for hearings and appeals; and \$626.0 million for naval reactors.

The committee recommends a \$30.0 million reduction to other defense activities for arms control and nonproliferation and national security program direction and \$50.0 million for nuclear energy. The committee recommends an increase of \$43.0 million for naval reactors and \$5.0 million for nuclear smuggling and forensic analytical capability and domestic emergency preparedness exercises.

The committee recommends a provision that would authorize \$1.6 billion, including funding for construction projects, for other defense activities as follows:

Verification and control technology .....	\$458,200,000
Nuclear safeguards and security .....	47,200,000
Security investigations .....	20,000,000
Emergency management .....	27,700,000
Program direction (Nonproliferation & National Security) .....	84,900,000
Office of Hearings and Appeals .....	2,685,000
Environment, safety, and health .....	54,000,000
Worker and community transition assistance .....	65,800,000
Program direction (worker transition) .....	4,700,000
Fissile materials .....	99,451,000
Program Direction (Fissile Materials) .....	4,345,000
Nuclear Technology research and development .....	25,000,000
Nuclear security .....	4,000,000
Chernobyl Shutdown Initiative .....	2,000,000
Naval reactors .....	683,000,000

#### *Nonproliferation and verification research and development*

The committee continues to believe that this program would benefit from broader participation by the Department of Energy's national laboratories. The Congress directed the Department, in the National Defense Authorization Acts for Fiscal Years 1996 and 1997, to include the entire laboratory and production complex, include production sites such as Savannah River, in this program, and, industry, where appropriate. The committee notes that the Department has failed to take this action.

#### *Russian Reactor Core Conversion Program*

The Congress provided the Department of Energy authority in the National Defense Authorization Act for Fiscal Year 1997 to include a program to develop, in conjunction with the Department of Defense (DOD), a cooperative program with Russia and Ukraine to modify or replace the nuclear reactor cores at two plutonium production facilities. The DOD Cooperative Threat Reduction (CTR) program included \$10.0 million in fiscal year 1997 for core conver-

sion. The fiscal year 1998 budget request for this activity in the CTR program includes \$41.0 million.

The objective of U.S. assistance to Russia and Ukraine in its safety assistance program is to reduce the risk of operating old, unsafe reactors until economic conditions allow them to be shut down, or alternative sources of power can be provided. The objective of the core conversion program is to close plutonium producing nuclear power reactors. The goal of this long-term program is to further U.S. international nonproliferation policy. Concerns have been raised in Government Accounting Office reports on nuclear safety that modifying or replacing the reactor cores will result in extending continued operations at these plants, rather than resulting in closure. The immediate goal of the core conversion program is to modify or replace the reactor cores, allowing the reactors to continue to operate, while preventing the reactors from producing weapons grade plutonium. The committee understands that the three reactors located at the Tomsk facility near the city of Seversk and one at the Krasnoyarsk facility near the city of Zheleznorgorsk, both in Russia, supply heat and electrical power to the nearby cities. A joint feasibility report was prepared by the United States and Russia, concluding that core conversion was the only feasible alternative to solve the problem of finding an alternative source of energy to provide heat and electricity to Seversk and Zheleznorgorsk and to stop production of weapons-grade plutonium. The committee understands that no agreement has been reached yet between the United States and Russia on the Reactor Shutdown Agreement.

The committee directs the DOD and DOE to keep the committee informed on the status of the Reactor Shutdown Agreement with the Russian Federation Ministry of Atomic Energy and to submit a joint report to the committee on the agreement sixty days after agreement is reached. The report should include a status report on the project, as well as detailed information on the estimated cost to complete the program, the design of the core and program plan to complete the conversion. The information on Russia's specific contribution to the reactor core conversion program should also be included in the report submitted to the committee.

Lastly, the committee understands that the program decision document will serve as the basis upon which a decision will be made by the United States on whether to continue and complete the remaining core conversion activities. The committee wants to ensure that it is kept informed on a regular basis on this program and that no actions be taken that would result in an expenditure of funds for activities that might be affected by a decision not to complete the core conversion activities.

#### *Chemical and Biological Research and Development Activities*

The Congress provided authority in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) for DOE to conduct a research and development program on chemical and biological agent detection programs. In order to leverage Federal Government expertise resident at all the DOE national laboratories and throughout the DOD and the military services, the committee directs the DOE to consult and coordinate all its research and de-

velopment activities related to chemical and biological defenses with the DOD. The committee understands that a number of the multipurpose national laboratories have expertise in the biological and effluent detection areas and directs DOE to utilize fully this expertise and to encourage and give equal consideration to their participation in the DOE chemical and biological defense research and development effort.

#### *International Nuclear Safety Program*

The budget request for fiscal year 1998 includes \$81.0 million for nuclear energy activities. The committee recommends a reduction of \$50.0 million to the budget request for the international nuclear safety program.

The goals and objectives of the international nuclear safety program are laudable. However, the committee questions how extending the lives of the riskiest nuclear plants in Russia and other countries furthers U.S. nonproliferation goals. The committee believes making safety improvements to Soviet-designed nuclear power plants around the world are more appropriately funded in the non-defense portion of the Department of Energy budget and the foreign affairs budget.

The committee continues to believe that this program is a foreign assistance program and, as such, should be conducted and funded under the auspices of such appropriations and authorization. This belief has been expressed in past National Defense Authorization Acts.

#### *Nuclear smuggling and counterterrorism*

Countering or responding to the domestic terrorist use of weapons of mass destruction has been of great interest to this committee for many years. The budget request for fiscal year 1998 includes a \$12.6 million increase over the fiscal year 1997 budget request to close gaps identified in the Department of Energy's nuclear smuggling program. The committee recommends a \$3.0 million increase to enhance further and accelerate the Department's nuclear forensic analytical capability. In addition to training activities already planned by DOE to respond to domestic incidents involving nuclear material, the committee recommends an increase of \$2.0 million to plan and conduct realistic exercises to prepare Federal, State, and local organizations to work effectively in response to domestic terrorist use of nuclear weapons or materials. The committee supports the use of existing national assets such as the Nevada Test Site (NTS) to train Federal, State and local first responders as part of the domestic emergency response program. The committee recommends that training exercises hosted at the Nevada Test Site use the most realistic scenarios possible. The DOE should coordinate the activities of these exercises with the executive agent and program manager for the Department of Defense domestic emergency preparedness program in order to integrate scenarios related to chemical and biological incidents in the exercises and take advantage of cost savings.

*Scientific exchanges between the United States and China and Russia*

The descriptive summary of the fiscal year 1998 budget request for arms control activities includes funds for cooperative scientific programs with Russian and Chinese counterparts. The committee is concerned about the use of defense funds in furthering cooperative scientific efforts with foreign entities who do not comply with international arms control agreement obligations. According to press reports, the DOE recently conducted a scientific exchange in nuclear reactor research and other areas with nuclear engineers from the government of the People's Republic of China. As the committee understands it, these engineers are from the China Nuclear Industry Corporation—a government entity accused of selling ring magnets to Pakistan, in violation of the Missile Technology Control Regime (MTCR).

In October 1995, export controls on U.S. high-performance computers were loosened. The decision to relax export controls on these supercomputers was based on a DOD contracted study that determined that certain high-performance computing capabilities would be widely available overseas in the next two years. The study concluded that these capabilities were “uncontrollable” and that efforts to control their export would be ineffective and damage global competitiveness.

The conference report accompanying the National Defense Authorization Act for Fiscal Year 1996 expressed concerns about the potential impact of this decision on the United States' nonproliferation efforts and the ability of the United States to maintain its military technological edge. DOD was directed to submit a report to Congress describing the impact of the decision to relax export controls on supercomputing technology on the ability of nations to acquire and use high-performance computing capabilities to develop conventional weaponry and how this technology might enhance a nation's capability to develop weapons of mass destruction.

The committee believes the report delivered to Congress in December 1996 did not satisfactorily address congressional concerns about relaxing export controls which enhance a nation's ability to acquire sophisticated weaponry, weapons of mass destruction, or delivery systems. The committee is concerned that deregulating exports of sensitive technologies, such as supercomputers, on the basis of economic considerations or arbitrary projections of future availability could unduly facilitate the spread of capabilities that could lead to the acquisition by others of dangerous weapons. It could also undermine U.S. nonproliferation policy by signaling that U.S. national security considerations take a back seat to international trade.

With this in mind, the committee raises concerns about recent press reports that supercomputers were sold by a U.S. firm to nuclear weapons institutes in Russia and China. The committee directs the Department of Energy to provide it with a report on these two incidents, to include the rationale for continued cooperative scientific exchanges with entities of governments who do not comply with its arms control obligations; the status of the investigation into the sale of supercomputers to Russia and China, the impact of this sale on U.S. national security, and the ability of the United

States to maintain a qualitative technological edge over possible adversaries; how these supercomputers may aid in the development of advanced conventional weapons, weapons of mass destruction, or delivery systems; that describes the steps being taken to place the supercomputers under safeguards to ensure that advanced computing capabilities are not used to enhance or accelerate the weapons development capabilities of these countries; and steps to ensure that these advanced computing capabilities are not passed on to other states.

#### *Materials, Protection, Control and Accountability*

Prepared under the guidance of Presidential Directive 13 and Presidential Directive 41, the budget request for fiscal year 1998 for nonproliferation and national security includes a \$25.0 million increase for materials, protection, controls, and accountability (MPC&A) activities above the fiscal year 1997 request. The purpose of the MPC&A program is to assist Russia, the Newly Independent States (NIS), and the Baltic States in strengthening their nuclear material protection, control, and accountability of materials that are directly usable in nuclear weapons. The program is implemented through government-to-government and laboratory-to-laboratory activities related to technical collaboration with research institutes, development of regulatory activities, development of licensing and inspection programs, training, and implementation of modern safeguards at state facilities.

The MPC&A program has increased dramatically since its inception, rapidly expanding the areas of nuclear material protection, control, and accounting activities in the former Soviet Union. In fiscal year 1995, the scope of the Department of Energy's activities included seven locations where MPC&A activities were taking place in Russia. By the end of fiscal year 1996, the DOE had added twenty more locations at which MPC&A activities would take place. As of January 16, 1997, the DOE has undertaken cooperative MPC&A activities at over forty locations in Russia, the NIS, and the Baltic States. The committee understands from the Department of Energy that of the \$100.0 million allocated to the DOE in fiscal year 1996 for MPC&A activities, only \$60.37 million has been spent. Additionally, of the \$112.6 million authorized in fiscal year 1997 funds for this activity, only 43.1 million had been spent as of March 30, 1997.

The committee believes that activities in this area should remain funded at the fiscal year 1997 level and therefore recommends a \$25.0 million reduction to the budget request for MPC&A.

#### *Naval Reactors*

The committee recommends an increase of \$43.0 million to the budget request for naval reactors to expedite decommissioning and decontamination activities at surplus training facilities. The recommended increase for this activity is offset by a reduction to the Nuclear Energy account.

The committee considers the naval reactors program to be a critical defense activity. The committee is concerned that the Department of Energy has a demonstrated pattern of consistently underestimating funding requirements for this program in budget re-

quests. The committee strongly encourages the Department to seek adequate authorization levels for this program in future fiscal years to allow this program to accomplish its stated objectives in an efficient manner.

#### *Declassification Productivity Initiative*

The committee continues to support the Declassification Productivity Initiative. However, the committee is concerned that the Department of Energy lacks the technical staff and integrating components necessary to carry out successfully this program. Recognizing the complexities surrounding the development of a computer-aided system to improve the efficiency and security of the declassification process, the committee is concerned that the limited funds provided to this program are being allocated among numerous laboratories, universities, and industry without clear technical direction or coordination by the Department.

The committee strongly recommends that the Director of the Office of Declassification begin development of a management and integration strategy to coordinate and streamline the various initiatives carried out within the Declassification Productivity Initiative. In addition, the committee strongly discourages any shift of funds from the Declassification Productivity Initiative to other declassification activities.

#### **Section 3104. Defense environmental management privatization.**

The committee recommends a provision that would authorize \$215.0 million for the Defense Environmental Management Privatization program. The funds shall be allocated as follows: \$109.0 million for the tank waste remediation system project (Richland); \$29.0 million for contact handled transuranic waste transportation (Carlsbad); \$27.0 million for spent nuclear fuel dry storage (Idaho); \$25.0 million for waste pits remedial action (Fernald); and \$25.0 million for spent nuclear fuel transfer and storage (Savannah River).

It is essential for the Department of Energy to pursue new ways of doing business, such as privatization, to improve its efficiency and effectiveness. Privatization, through the use of competitive, fixed price contracts and private financing, is expected to lead to significant cost savings when compared to the traditional, cost plus management and operating contractor approaches. By conveying to the contractor more control over day-to-day operations and increased financial incentives for successful completion of projects, privatization can be expected to lead to innovative cleanup approaches as well as improved technical and schedule performance.

The committee supports the exploration and application of innovative contracting and financing mechanisms for Department of Energy capital projects. The committee supports the financing approach inherent in the Environmental Management Privatization request and commends the Assistant Secretary for Environmental Management for his efforts to meet the Department's cleanup obligations while maximizing the use of appropriated funds. The committee believes, however, that the proposed growth rate for the Environmental Management Privatization program is too high given

the absence of empirical data regarding how the new approach might impact cleanup costs, program efficiencies, and compliance agreement schedules.

**Section 3105. Defense nuclear waste disposal.**

The committee recommends a provision that would authorize \$190.0 million as the fiscal year 1998 defense contribution to the defense nuclear waste fund.

**SUBTITLE B—RECURRING GENERAL PROVISIONS**

**Section 3121. Reprogramming.**

The committee recommends a provision that would prohibit the reprogramming of funds in excess of 110 percent of the amount authorized for any program, or in excess of \$1.0 million above the amount authorized for the program, until the Secretary of Energy has notified the congressional defense committees and a period of 30 days has elapsed after the date on which the report is received.

**Section 3122. Limits on general plant projects.**

The committee recommends a provision that would limit the initiation of a “general plant project” if the current estimated cost for that project exceeds \$2.0 million. If the Secretary of Energy finds that the estimated cost of any project will exceed \$2.0 million, the appropriate committees of Congress would have to be notified of the reasons for the cost variation.

**Section 3123. Limits on construction projects.**

The committee recommends a provision that would permit any construction project to be initiated and continued only if the estimated cost for the project does not exceed 125 percent of the higher of: (1) the amount authorized for the project; or (2) the most recent total estimated cost presented to the Congress as justification for such project. To exceed such limits, the Secretary of Energy must submit a detailed report to the appropriate committees of Congress 30 days before any additional funds are obligated. This provision would specify that the 125 percent limitation does not apply to projects estimated to cost under \$5.0 million.

**Section 3124. Fund transfer authority.**

The committee recommends a provision that would permit the transfer of authorized funds from the Department of Energy to other agencies of the government for performance of work for which the funds were authorized. The provision would allow the transferred funds to be merged with the authorizations of the receiving agency. The provision would limit the transfer authority to five percent of amount authorized to be appropriated.

**Section 3125. Authority for conceptual and construction design.**

The committee recommends a provision that would limit the Secretary of Energy’s authority to request construction funding until the Secretary has completed a conceptual design of the project. This limitation would apply to construction projects with a total es-

estimated cost in excess of \$2.0 million. If the estimated cost of the design exceeds \$3.0 million, the Secretary would have to request funds for the design before requesting funds for the construction project. The provision would provide an exception in the case of emergencies.

**Section 3126. Authority for emergency planning, design, and construction activities.**

The committee recommends a provision that would permit the Secretary of Energy to perform planning and design with funds available for any Department of Energy national security program construction project, in addition to any funds authorized for advance planning and design, whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, meet the national defense needs, or protect property.

**Section 3127. Funds available for all national security programs of the Department of Energy.**

The committee recommends a provision that would allow amounts appropriated for management and support activities and for general plant projects to be used, when necessary, in connection with all national security programs of the Department of Energy.

**Section 3128. Availability of funds.**

The Committee recommends a provision that would authorize amounts appropriated for operating expenses or for plant and capital equipment to remain available until expended.

**SUBTITLE C—PROGRAM AUTHORIZATIONS,  
RESTRICTIONS, AND LIMITATIONS**

**Section 3131. Defense environmental management privatization projects.**

The committee recommends a provision that would limit execution of Department of Energy Defense Environmental Management Privatization contracts.

This provision would prohibit the Department from incurring any contractual obligations for a privatization contract until 30 days after the date on which the Department submits to the congressional defense committees a report on that privatization project that describes the Department's anticipated contractual commitments for such project. The reports should identify: (1) contract costs and fees, contractual milestones and other obligations, performance requirements, deliverable dates, liability provisions under the contract, and any planned or anticipated follow-on activities; (2) an estimate of the baseline project schedules and costs that would be incurred if the Department had not used privatization contracting practices; (3) an estimate and explanation of any cost savings that might be realized using the privatization approach; (4) assumptions underlying cost savings estimates; (5) schedule impacts arising from privatization projects, including adherence to agreed to milestones in compliance site agreements; and (6) a discussion

of the Department's plans to maintain financial and programmatic accountability under the new contracting approach.

This provision would direct the Department to examine and report to the congressional defense committees on the Department's authority to create an escrow account to set aside sufficient funds to offset any reasonably foreseeable costs to the Government that may arise if any privatization contracts are canceled or terminated for the convenience of the Government. The report should recommend any legislation needed to eliminate any potential conflicts arising from the anti-deficiency provisions found in section 3191 of title 31, United States Code. Further, this provision would direct the Department to submit to the congressional defense committees an annual report, beginning on February 28, 1998, describing the status of each ongoing privatization project for which funds have been authorized.

**Section 3132. International cooperative stockpile stewardship programs.**

The committee recommends a provision that would prohibit the Department of Energy from pursuing cooperative stockpile stewardship and management activities with certain nations.

The committee remains concerned that an international cooperative stockpile stewardship and management program could have unintended detrimental effects on U.S. national security interests. This provision would extend the prohibition established by section 3138 of the National Defense Authorization Act for Fiscal Year 1997 to funds authorized to be appropriated or available to DOE for fiscal year 1998 and prevent international activities associated with cooperative stockpile stewardship, with the exception of such activities conducted with the United Kingdom and France or the activities carried out by DOE under cooperative threat reduction programs with nations of the Former Soviet Union. This prohibition would apply to all DOE activities, including but not limited to laboratory directed research and development funded studies.

The committee remains strongly opposed to any programs intended to assist existing and threshold nuclear weapons nations in areas relating to nuclear weapons safety, reliability and effectiveness.

**Section 3133. Modernization of enduring nuclear weapons complex.**

The committee recommends a provision that would make available an additional \$15.0 million to support modernization efforts being carried out at the Department of Energy's four dedicated nuclear weapon production plants (Pantex, Kansas City, Y-12, and Savannah River). The provision would require the Department to submit, not later than 30 days after enactment of this provision, a report describing the Department's plans to allocate the funds authorized by this section and the relevance of each allocation to implementing the decisions in the Final Programmatic Environmental Impact Statement for Stockpile Stewardship and Management. The funds authorized for this activity could not be obligated until 30 days after the congressional defense committees receive

the Department's proposed allocation report as required by of this provision.

The committee concurs with the Department's goal to implement advanced manufacturing technology at DOE plants and laboratories to improve production efficiencies and maintain core competencies within the DOE nuclear weapons production complex. The committee understands that such modernization upgrades will require coordination among the four production plants and the three design laboratories.

The committee remains concerned with the Department's plans to maintain the capability and capacity to refurbish and, when necessary, remanufacture nuclear weapons components in the Nation's enduring nuclear weapons stockpile. The committee is concerned that the Department may be over relying on new, unproven "science-based" stockpile stewardship and management approaches at risk of losing manufacturing capabilities and expertise.

The committee is deeply troubled that the Department has failed to comply with congressional direction included in section 3137 of the National Defense Authorization Act for Fiscal Year 1996 and section 3132 of the National Defense Authorization Act for Fiscal Year 1997 calling for modernization of the four nuclear weapons production plants. The committee believes that the Department has not fully met the requirements or intent of these sections and related guidance provided in conference reports accompanying the Energy and Water Appropriations Acts. The committee notes that the General Accounting Office has identified certain Nuclear Weapons Stockpile Memorandum requirements that may not be met by the Department due to insufficient resources being provided to the production plants. The committee believes that the manufacturing facilities must be modernized as directed in the National Defense Authorization Act for Fiscal Year 1996 and the National Defense Authorization Act for Fiscal Year 1997, or these problems will continue.

#### **Section 3134. Tritium production.**

The committee recommends a provision that would authorize funding for the tritium production program at the level requested. The provision would require the Department of Energy to select a tritium production technology not later than June 30, 1998. It would prohibit the Department from obligating funds appropriated or otherwise made available pursuant to this Act for exploration of any additional tritium production options until July 30, 1998 or 30 days after such time that the Department selects a preferred technology option under its "dual path" approach, whichever comes later.

The committee continues to believe that the tritium production program must be accelerated to meet the requirements of the Nuclear Weapons Stockpile Memorandum, which identified a new tritium production date in the year 2005. While the committee recognizes that future tritium requirements could change if the United States enters into treaties that reduce the numbers of nuclear strategic and tactical weapons, the production capacity that the United States will need to maintain will remain constant.

The Congress provided an increase of \$60.0 million to the Department of Energy's fiscal year 1997 budget request to accelerate the Department's phased approach to restoring tritium production. This increase was intended to be used for: site preparation for a new tritium production accelerator, enhancement of ongoing accelerator research and development at the Los Alamos National Laboratory in conjunction with the Savannah River Site, expediting demonstration of accelerator technology, and to advance target development and other programmatic milestones in the commercial light water reactor program. The committee is concerned that despite this additional funding and enhanced research activities, the Department has failed to accelerate the decision date for selecting a preferred tritium production technology.

**Section 3135. Processing, treatment, and disposition of spent nuclear fuel rods and other legacy nuclear materials at the Savannah River Site.**

The committee recommends a provision that would make available an additional \$47.0 million above the budget request for the F-canyon and H-canyon facilities at the Savannah River Site to accelerate the stabilization of legacy materials at the Savannah River Site. The committee is concerned that the Department of Energy's fiscal year 1998 budget request did not include adequate funds to operate both the F-canyon and H-canyon facilities. The provision would further require that the Secretary of Energy maintain a high state of readiness of the F-canyon and H-canyon facilities, as recommended by the Defense Nuclear Facilities Safety Board (DNFSB).

The committee continues to be concerned that the safety-related issues raised by the DNFSB in its "Recommendation 94-1" have not been fully addressed by the Department and believes that the Nation's last remaining large-scale chemical processing facilities should operate until the Department has presented a complex-wide plan to convert excess nuclear materials into stable, non-proliferable forms and to prepare them for final disposition in a national repository.

The committee notes that the Department is exploring many new missions which could use the Savannah River chemical processing capabilities. The committee notes that the DOE program for disposition of surplus fissile nuclear material could use the capabilities of the canyons regardless of whether the national program calls for disposition of plutonium through immobilization or production of mixed oxide (also known as "MOX") fuel.

The committee notes that the National Defense Authorization Act for Fiscal Year 1997 required the Department to prepare a multi-year program plan regarding the Department's plan to use the F-canyon and H-canyon facilities for the efficient management stabilization, and disposition of nuclear materials, such as surplus uranium and plutonium, domestic and foreign research reactor spent fuel, and any other nuclear materials that may potentially be received at the Savannah River Site. The plan was to provide options for chemical processing, reduction and isolation of nuclear materials. The Department recently informed Congress that the report will be late. The committee believes that maximizing the use

of both the F-canyon and H-canyon facilities could reduce outyear costs by accelerating the closeout of facilities with no remaining mission and by reducing the volume of waste currently planned to be shipped to permanent repositories. The committee directs DOE to complete the report on canyon utilization as quickly as possible to provide an opportunity for the committee to review the report prior to any decision which might foreclose continued use of the F-canyon and H-canyon facilities.

The committee believes that the long-term storage and direct disposal of spent nuclear fuel, currently in wet storage or being shipped to the Savannah River Site, as proposed by DOE's current plan presents significant risks and costs. The committee believes that these materials can be better addressed through chemical processing and stabilization at the canyon facilities. The committee notes that use of the canyons reduces the volume of high level waste sent to the national repository, thereby reducing costs, and produces stable waste forms that are suitable for permanent disposal. In addition, the committee is encouraged by the positive anti-proliferation feature of blending down the resulting highly enriched uranium to render it no longer suitable for weapons.

**Section 3136. Limitations on use of funds for laboratory directed research and development purposes.**

The Committee recommends a provision that would modify section 3136 of the National Defense Authorization Act for Fiscal Year 1997 by requiring the annual report on uses of Laboratory Directed Research and Development (LDRD) funds be provided to the congressional defense committees not later than February 1 of each year. The provision would also prohibit the Department of Energy from obligating more than 30 percent of the funds appropriated or otherwise made available to the Department of Energy in fiscal year 1998 for LDRD programs until the Department submits the annual report.

The provision would limit the use of funds appropriated or otherwise made available to the Department of Energy under section 3101 of this Act to LDRD and technology transfer activities that support the weapons activities of the Department. The provision would similarly limit use of funds appropriated or otherwise made available to the Department of Energy under section 3102 of this Act to those activities that support the environmental restoration, waste management, or materials stabilization activities of the Department.

The provision would require the Department to include in the fiscal year 1998 annual report an assessment of the funding required to carry out a vigorous LDRD program, including any recommendations for the percentage of funds that should be provided to the National Laboratories by the Federal Government.

The committee recognizes that programs such as the LDRD program are essential to maintaining the core competencies of the National Laboratories. The committee continues to support a robust, multi-disciplinary research agenda for the National Laboratories. It is the committee's intent that the LDRD and technology transfer program continue to focus the talent and intellectual curiosity of the National Laboratories toward activities that address the chal-

lenges that face the Department's weapons and environmental management programs.

**Section 3137. Permanent authority for transfers of Defense environmental management funds.**

The Committee recommends a provision that would extend and make permanent law the one time authority to transfer defense environmental management funds originally authorized in section 3139 of the National Defense Authorization Act for Fiscal Year 1997. This provision would direct the Secretary of Energy to grant authority to Department of Energy site managers to make one annual transfer of up to \$5.0 million between environmental program functions within the jurisdiction of that site manager.

**Section 3138. Prohibition on recovery of certain additional costs for environmental response actions associated with the Formerly Utilized Site Remedial Action Project program.**

The committee recommends a provision that would limit the Department of Energy's ability to seek recovery from third parties for environmental cleanup costs at sites authorized under the Formerly Utilized Sites Remedial Action Program (FUSRAP). This limitation would apply only to those FUSRAP sites where the Federal Government and a private party have reached a binding agreement that apportions liability for response costs.

**SUBTITLE D—OTHER MATTERS**

**Section 3151. Administration of certain Department of Energy Activities.**

The committee recommends a provision that would amend sections 501 and 624 the Department of Energy Organization Act and repeal section 17 of the Federal Energy Act. This provision would bring the Department of Energy (DOE) under the full scope of the Federal Advisory Committee Act and would bring DOE under the full scope of the Administrative Procedure Act when issuing regulations dealing with public property, loans, grants, or contracts.

**Section 3152. Modification and extension of authority relating to appointment of certain scientific, engineering, and technical personnel.**

The committee recommends a provision that would amend the National Defense Authorization Act for Fiscal Year 1995 by extending the authority to appoint excepted personnel for certain scientific, engineering, and technical positions through the end of fiscal year 1999. This provision would also strike the requirement for the Administrator of the Environmental Protection Agency to submit a report to Congress on the effects of this hiring authority on the cleanup carried out at sites listed on the National Priorities List (also known as "Superfund" sites).

**Section 3153. Annual report on plan and program for stewardship, management, and certification of warheads in the nuclear weapons stockpile.**

The committee recommends a provision that would direct the Secretary of Energy to submit an annual report to the congressional defense committees detailing the status and condition of the enduring U.S. nuclear weapons stockpile, based on the requirements set forth in the Nuclear Weapons Stockpile Memorandum. Such annual report would include relevant information, that was previously required to be included in any reports that would be repealed by provisions elsewhere in this title. The report would be submitted in both classified and unclassified form.

**Section 3154. Submittal of biennial waste management reports.**

The committee would amend section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 104-360) by changing the future date for the biennial Baseline Environmental Management Report to fiscal year 1999, rather than fiscal year 1997.

**Section 3155. Repeal of obsolete reporting requirements.**

The committee recommends a provision that would repeal requirements for the Department of Energy to submit to the Congress certain annual and other reports.

The committee believes the Department of Energy's annual stockpile stewardship and management plan (also known as "The Green Book") has superseded the following reports and they are not longer necessary:

- (1) the annual report on the reliability of existing nuclear weapons required by section 3138(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160);
- (2) the master plan on the certification, stewardship, and management of warheads as required by section 3153 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106);
- (3) an annual report on long-term and near-term program plan for certification and stewardship of nuclear weapons stockpile required by section 3159 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106);
- (4) an annual report on long-term and near-term program plan for certification and stewardship of nuclear weapons stockpile required by section 3156 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201);
- (5) a report on activities of the Atomic Energy Commission as required by section 251 of the Atomic Energy Act of 1954 (Public Law 83-703, as amended by section 1 of Public Law 86-43);
- (6) a report on the test ban readiness program as required by section 1436(e) of the National Defense Authorization Act for Fiscal Year 1989 (Public Law 100-456);
- (7) a quarterly budget report on all DOE "major national security programs." as required by section 3143 of the National

Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189); and

(8) a report on progress associated with a New Production Reactor for tritium production. This program was canceled in November 1992 as required by section 3134 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484).

The report on research activities of the Department of Energy relating to environmental restoration and waste management technology development required by section 3141(c) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) would be addressed by the Department of Energy "Annual Environmental Management Ten-year Plan" report.

**Section 3156. Commission on safeguarding and security of nuclear weapons and materials at Department of Energy facilities.**

The committee recommends a provision that would establish a commission to review the sufficiency of Department of Energy (DOE) nuclear weapons and materials safeguards and security programs. The Commission on safeguards and security at Department of Energy facilities will review threat determinations and assumptions, relevant Department of Energy orders, and other requirements governing Safeguards and Security of nuclear weapons, weapons components, nuclear materials, and sensitive nuclear weapons information at DOE facilities. The Commission would make recommendations regarding any changes in security policy and procedures necessary to detect, deter and react to credible threats.

The provision would require the Commission to provide its findings and any recommendations to the Secretary of Energy and congressional defense committees not later than February 15, 1998.

**Section 3157. Modification of authority on commission on maintaining United States nuclear weapons expertise.**

The committee recommends a provision that would extend by one year the due date for the report to be prepared by the Commission on Maintaining United States Nuclear Weapons Expertise. The provision would amend section 3162 of the National Defense Authorization Act for Fiscal Year 1997, which established the Commission.

This provision would direct the Senate Majority Leader to designate a chairman of the Commission after consultation with the Speaker of the House of Representatives upon appointment of the fifth member of the Commission. The provision would further direct the Commission to begin deliberations upon appointment of the fifth member.

**Section 3158. Land transfer, Bandelier National Monument.**

The committee recommends a provision that would transfer ownership of approximately 4.5 acres from the Department of Energy's Los Alamos National Laboratory site in Los Alamos County, New Mexico, to the Department of the Interior. The Department of Interior constructed and manages sewage lagoons on this parcel of

land. The transfer would allow the Department of the Interior to manage the lagoons in a more efficient manner.

### **OTHER ITEMS OF INTEREST**

#### **Asset disposition**

The committee supports the Department of Energy's efforts to identify surplus assets or real property that are excess to the needs of the Federal Government. In order to explore options for a potential pilot program, the committee requests that the Department initiate a pilot program to dispose of excess Department assets and utilize the proceeds from the sale of these assets to reduce the Federal deficit and conduct decontamination, decommissioning, and closure activities at Department of Energy-owned clean-up sites.

The Department is directed to submit a report to the congressional defense committees identifying, to the extent possible, the following: (1) the assets and real property that are in excess of the needs of the Federal Government; (2) sites or asset categories that could be included in a pilot asset sales program; (3) a plan describing how revenues from surplus asset sales might be used for specified purposes, such as deficit reduction, decommissioning and deactivation of DOE facilities, or other activities with the potential to reduce outyear Departmental costs; (4) existing Departmental authorities to carry out the pilot program; and (5) any regulatory changes needed to accelerate and streamline disposal of surplus assets.

The Department is directed to recommend any proposed pilot programs and legislative initiatives within six months of enactment of this section. Proposed pilot programs must be integrated with and support existing Departmental missions. Implementation of this initiative should be carried out through existing line organizations within the Department. It is not intended that new DOE organizations would be created as a result of this initiative.

#### **Cuban nuclear reactors**

The committee is concerned about the construction of two Soviet-designed reactors in Cuba. Despite objections and concerns raised about the operational safety of these reactors, the committee understands that the Cuban government intends to operate these plants. The potential for accidental release of radioactive material reaching south Florida and the Gulf States is of great concern. The committee urges the Department of Energy to evaluate the ability of existing early-warning systems capable of detecting low levels of radioactive material, and to determine their usefulness in responding to potential dangers posed by operating these reactors. The committee further urges the administration to take appropriate steps to ensure the safety of American citizens who live in regions that might be exposed to accidental release of radioactive material from these reactors.

#### **Environmental Science Program**

The committee is pleased with the cooperative efforts being carried out by technical staff in the Department of Energy's Office of Environmental Management (EM) and the Office of Energy Re-

search (ER). The committee continues to support the goals of this program and compliments the responsible EM and ER managers and staff for creating a cooperative approach in carrying out this program.

The committee agrees with the recent National Research Council finding that this program would benefit from a plan to apply the basic research results from this program to the DOE clean-up and waste management programs. The committee directs the Offices of Environmental Management and Energy Research to prepare jointly such a plan. The plan should include: a comprehensive list of cleanup needs by EM technology focus area, the basic research requirements associated with each of these needs, a near- and long-term strategy for the program, and a clear articulation of criteria to select projects for funding.

The committee remains concerned that funds authorized for the EM Science program are not being fully applied to defense environmental cleanup priorities. To address this concern, the committee directs that management and implementation responsibility for this program reside within the Office of Environmental Management. The committee directs the Assistant Secretary for Environmental Management to establish project selection criteria, prioritize DOE defense clean up needs, and implement selected research projects. The Office of Energy Research should peer review proposed projects and integrate selected projects with other ongoing basic research activities carried out by the Department.

The committee respectfully disagrees with the findings of the National Research Council that the Office of Energy Research not be required to co-fund projects carried out under this program. The committee believes that this program would benefit from more cooperative funding approaches to selected projects. A stated objective of the Office of Energy Research is to "conduct fundamental research" necessary "to support the mission of DOE's Environmental Management program." The committee believes that the Office of Energy Research should subject its environmental clean-up and waste management research projects to the same peer review and technology selection process utilized by the EM Science Program. The committee believes that this process would ensure all DOE-supported environmental restoration and waste management basic research activities are selected according to the same criteria and that those activities will fully support EM mission needs.

The committee recommends a reduction of \$10.0 million in this program. The committee believes that this reduction should be offset by fiscal year 1998 funds appropriated to the Office of Energy Research.

The Department is directed to report within 90 days of enactment of this section on those programs and activities carried out within the Office of Energy Research which have application to the Office of Environmental Management mission requirements.

#### **Federally funded research and development centers**

The committee is concerned that the Department of Energy (DOE) may unnecessarily eliminate Federally Funded Research and Development Center (FFRDC) designation for several DOE facilities. The committee strongly encourages the Department to

maintain the FFRDC status of all DOE facilities until the Department provides the congressional defense committees a justification for taking such action. This justification should include a discussion of potential cost savings from such action.

#### **Fissile materials disposition**

The committee is encouraged by the Department of Energy (DOE) program to develop a credible fissile materials disposition strategy to make inaccessible for future use those quantities of plutonium and highly enriched uranium declared excess to U.S. weapons production needs. The committee endorses the Department's "dual track" strategy to explore both immobilization and mixed oxide fuel (MOX) fabrication options. The United States must take a strong leadership role in developing and implementing a viable program to ensure that surplus fissile materials are no longer available for use in nuclear weapons activities. A viable, cost effective U.S. fissile materials disposition program is essential to ensure a timely drawdown of Russian plutonium stockpiles.

The committee directs the Secretary of Energy to implement both the mixed oxide fuel and immobilization approaches for the disposition of surplus plutonium. In so doing, the committee recognizes that the extent to which these approaches are implemented will be determined by technical, institutional, and international considerations.

In selecting final technical approaches, the Secretary should apply, to the greatest extent practicable, existing commercial technology to minimize the overall costs and risks. The committee urges the DOE to allow maximum flexibility to potential bidders regarding how consortia are formed in response to Department of Energy contract solicitations for materials disposition. The Department is encouraged to give preference to those sites with existing infrastructure and capabilities to support either a MOX fabrication or plutonium immobilization mission or both in making final decisions regarding disposition of surplus fissile materials.

#### **Funding for Greenville Road Improvement Project, Livermore, California**

The committee did not adopt the Department of Energy's request for a provision that would authorize funds for improvements to Greenville Road in Livermore, California. The committee believes the Department may not have fully adhered to its own policy directive entitled "Department of Energy Policy for Funding Public Road Work Off DOE-owned Sites" in developing this request. Further, the committee is concerned that by authorizing the funds requested a precedent may be set for other communities to seek additional funds, not consistent with DOE policy, from the Department to meet local infrastructure needs.

#### **Improving collaboration between the Department of Defense and Department of Energy laboratories**

The committee notes that the United States continues to face major defense challenges whose solutions require long-term programs for the development and integration of technology. New forms of collaboration that cross traditional dividing lines between

government departments, laboratories, and industry are essential, if we are effectively to use the resources of our reduced defense scientific, technological and industrial base to meet these challenges.

The committee believes that the Department of Energy (DOE) National Laboratories and DOE sites have a significant role to play in meeting the threats posed by these challenges. In fulfilling their responsibility for science-based stockpile stewardship, Stockpile Life Extension and related programs, the laboratories have developed impressive capabilities in simulation and modeling; advanced munitions, warhead design and development; and an experienced-based understanding of the process of cradle to grave systems design, development and maintenance. These capabilities can make a central contribution to the design, development, testing, deployment, and operation of systems needed to master dynamic complex threats.

The defeat of hard and deeply buried targets is one such emerging complex challenge. These targets are designed to shelter the war-making capabilities, including weapons of mass destruction, of the world's rogue states. There are a number of identified barriers to more DOE laboratory participation in Department of Defense programs to address the problem of defeating these targets. They include interagency procurement uncertainties and the potential charging of administrative fees that may exceed actual cost incurred.

The committee directs the Under Secretary of Defense for Acquisition and Technology, working in consultation with the Assistant Secretary of Energy for Defense Programs and the Director of the Office of Energy Research, to prepare a pilot program proposal to allow for more direct collaboration between the Department of Defense and the DOE laboratories and sites. The pilot program proposal should include such objectives as the development of enabling technologies, risk reduction, precompetitive teaming with the DOD research, development, test and evaluation facilities and industry to maximize the expertise that can be brought to bear on this challenging problem. The proposal should also address the current regulatory and legislative barriers to effective collaboration under the pilot. The proposal should be submitted to the congressional defense committees no later than March 1, 1998. The committee intends this pilot to serve as a means of addressing the barriers to effective DOD-DOE partnership on a broader, more systemic basis.

#### **Interagency acquisitions done under the Economy Act**

The committee encourages the Department of Defense (DOD) to utilize the resources of the Department of Energy (DOE) National Laboratories and facilities to fulfill DOD missions. The committee is aware that section 844 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) and section 1074 of the Federal Acquisition Streamlining Act provided for a revised process within the Department of Defense for interagency acquisitions under the Economy Act. Regulations implementing these provisions require a contracting officer determination prior to the decision of one agency to purchase goods and services under contracts entered into or administered by another agency.

The committee wishes to clarify that it is not the intent of Congress to restrict the use of the DOE National Laboratories and facilities where such use enhances program objectives and meets technical needs that cannot be met effectively through contracts with private industry. In particular, the committee does not interpret the legislation to require a contracting officer determination prior to making an acquisition under the authority provided by the Economy Act from a DOE National Laboratory or facility, unless that acquisition would require subcontracting by the National Laboratory for goods or services, other than purchases of products incidental to the purposes of the contract.

The committee expects the Department to comply with provisions of the Federal Acquisition Regulation that limit the National Laboratories to performing work that: (1) is within the DOE Laboratory or plant missions (or derived areas of expertise); and (2) cannot be effectively provided by the private sector. The Department should take particular care to ensure the appropriate administration and use of interagency cost reimbursement orders.

#### **National Defense Fixed Assets Acquisition**

The committee did not adopt the Department of Energy's (DOE) request for full, up-front funding of its capital projects. While the committee supports efforts to reduce overall capital costs associated with DOE construction projects, this new funding approach has been applied inconsistently both within DOE and within other Federal agencies. The Department has not demonstrated that application of this new approach would result in reduced costs over the long-term. Until these concerns are addressed, the committee will authorize capital projects in accordance with procedures followed in previous years.

#### **Reports on alternative fuel and renewable energy technologies for military applications**

The committee notes that the Department of Defense could benefit greatly from the application of alternative fuel and renewable energy technology options. Accordingly, the committee directs the Secretary of Defense, in consultation with the Secretary of Energy, the director of the National Renewable Energy Laboratory, the director of Sandia National Laboratories, and the directors of other laboratories as the Secretary of Defense determines appropriate, to submit a report to the congressional defense committees on: (1) the potential for the use of renewable energy technologies for military applications, including reducing energy-related logistical requirements for long-term deployments to remote areas; and (2) the current level of funding by the Department of Defense on such technologies and their potential military uses. The report shall be due not later than February 1, 1998.

Further, the Secretary of Defense is directed to submit a report to the congressional defense committees on programs within the Department of Defense to train personnel to maintain and repair alternative-fuel vehicles, fuel cells, and renewable energy technologies being used by the Department of Defense. The report should also contain a description of any such programs, including their location, cost, and the number of personnel trained in fiscal

year 1997 and the preceding two fiscal years. The report shall be due not later than February 1, 1998.

**Report on Idaho Radioactive Waste Management Complex cleanup**

Not later than March 31, 1999, the Department of Energy shall deliver a report to the congressional defense committees on remediation plans for the Radioactive Waste Management Complex at the Idaho National Engineering and Environmental Laboratory. The report shall include analysis of proposed waste treatment options and disposal plans. The report shall also determine the threat of migration of radionuclides and any potential threat to ground water. The report will assess the suitability of a privatization program to treat waste at the site. The report shall also include an assessment of how the Pit Nine project has impacted plans to remediate the Radioactive Waste Management Complex.

**Report on incentives for highly creative and innovative laboratory scientists and engineers**

Not later than February 1, 1998, the Secretary of Energy, after consultation with the directors of the Los Alamos National Laboratory, the Lawrence Livermore National Laboratory, and Sandia National Laboratories, and after review by the Department of Energy Laboratory Operations Board, shall submit a report to the congressional defense committees with an analysis of, and recommendations on, the desirability of a program that would reward the most innovative and creative scientists and engineers in the Department of Energy laboratories with a limited period of funding to pursue research and development topics chosen at the sole discretion of the scientist or engineer receiving the reward. In carrying out the analysis and formulating recommendations under this provision, the Secretary shall study the success of similar programs in industrial research and development organizations, including the IBM Fellows program.

**Robotics and intelligent machines initiative**

The committee notes that the Department of Energy (DOE) is the leading source of support within the Federal Government for the development of robotics and intelligent machines, but notes that this support is fragmented across a number of DOE organizations and is largely focused on niche applications. Fundamental and more broad-range advances in robotics and intelligent machines are vital to accomplish such DOE atomic energy defense missions as development of cost-effective and agile manufacturing techniques for stockpile management and remote sensing and handling techniques for radioactive waste management and site cleanup. Development of such robotic and intelligent machine technologies would benefit many other defense applications as well, such as the development of small, "smart" robots for battlefield applications and advanced material handling systems for improved defense logistics support.

The committee directs the Secretary of Energy to develop a comprehensive Robotics and Intelligent Machines Initiative that would integrate existing Departmental programs; develop a better under-

pinning of theory, generic software, and generic hardware; and stimulate the development of applications combining multiple concepts and advances in robotics and intelligent machines. In developing this initiative, the committee encourages the Department to work with the broad-based Intelligent Machines Cooperative Consortium formed at the joint Department of Energy/National Science Foundation Workshop on Research Needs in Robotics and Intelligent Machines for Emerging Industrial and Service Applications in October 1996.

### **Supply of radiation-hardened microelectronics**

The committee is concerned about the Department of Energy's ability to ensure an adequate supply of radiation-hardened microelectronics for nuclear and non-nuclear weapon systems. The committee notes that radiation-hardened microelectronic components are critical elements in nuclear weapons and other defense systems. The committee further notes that many radiation-hardened microelectronic parts in current weapon systems were made by suppliers that are no longer in the business. At the present time, only two vendors are available to bid on production of new radiation-hardened circuits required for DOE's stockpile life extension program. In many cases, there may be as long as a three-year lead time to obtain replacement parts.

To address this problem, the committee believes the Secretary of Energy and the Secretary of Defense should enter into an agreement to form a national defense electronics partnership to focus on those measures necessary to maintain a supply of radiation-hardened microelectronic components for current and future defense uses. The program should include an effort to develop technologies that can be transferred to private industry as a way of easing the entry of new suppliers into this specialized market. In addition, the Departments of Defense and Energy should initiate a program to maintain a limited in-house production capacity to fill near-term critical needs, should they arise. The joint program should use the Department of Energy's existing facilities and should maximize use of existing fabrication facilities.

### **Technical exchange on defense-related transportation technologies**

The committee notes that the National Transportation Program within the Department of Energy's Office of Environmental Management has developed a number of innovations in the transportation of hazardous materials that could be of broader benefit to the U.S. transportation industry. At the same time, the commercial U.S. transportation industry has expertise in areas such as logistical planning that could be of benefit to this program.

The committee directs the Secretary of Energy to develop a program of technical exchange and cooperative research and development to facilitate information sharing on DOE best practices in areas such as safety and information systems and industry best practices in areas such as logistics. The program should seek to use existing forums for technological interchange in the transportation research and development community to the extent appropriate. The Department of Energy should submit a report to the congress-

sional defense committees on this technical exchange program, including a list of potential pilot projects in this area, by April 1, 1998. The report should also include an estimate of potential benefits of each project to the Department and to private industry.

## **TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD**

### **Section 3201. Authorization.**

The committee recommends a provision that would authorize the budget request of \$17.5 million for the Defense Nuclear Facilities Safety Board (DNFSB) for fiscal year 1998.

The committee remains supportive of the DNFSB role in assessing and overseeing the Department of Energy's (DOE) defense-related activities and believes this role should continue. The committee is concerned with recently announced plans by the Secretary of Energy to bring the Department's national security programs under the jurisdiction of external regulatory organizations with no technical expertise or organizational capability to effectively oversee these critical defense activities. The Department has not adequately demonstrated the advantages of altering the legal framework initially established by the Atomic Energy Act of 1946 and continued in the Atomic Energy Act of 1954, as amended, in order to permit external regulation.

The committee will carefully examine any proposed legislation that may be forthcoming from the Department to ensure that any new external regulation regime would not have adverse consequences on the Department's ability to carry out its vital national security missions. The committee will also examine closely any claimed advantages and likely ramifications of licensing or regulation together with the total costs involved, and will weigh these factors against the demonstrated advantages of non-punitive, low-cost external review entailed in the DNFSB's current approach. The responsibilities and obligations of the Secretary and those of the Department's contractors under any proposed regulatory regime must also be spelled out clearly.

The committee notes that the DNFSB has successfully pushed the Department to improve nuclear safety and that the DNFSB's non-punitive review process has successfully created an improved safety culture at Department of Energy facilities. The committee believes the DNFSB serves an essential role in improving and making accountable DOE operations and should continue in its current capacity.



## **TITLE XXXIII—NATIONAL DEFENSE STOCKPILE**

### **Secs. 3301–3304.**

The committee recommends a provision that would authorize the Stockpile Manager to obligate \$60.0 million from the National Defense Stockpile Transfer Fund during fiscal year 1998 for the authorized uses of funds under section 9(b)(2) of the Strategic and Critical Materials Stockpiling Act.

The committee also recommends a provision that would authorize the disposal of excess materials from the National Defense Stockpile. Under current law, the Stockpile Manager cannot dispose of excess materials unless the proposed disposal has been reviewed by the Market Impact Committee and included in the Annual Materials Plan or a revision of the Plan.

In addition, the committee recommends a provision that would require any platinum contained within the National Defense Stockpile and loaned by the Department of Defense to the Department of Treasury to be made available to the Department of Defense upon request of the Secretary of Defense.



#### **TITLE XXXIV—NAVAL PETROLEUM RESERVES**

The budget request included \$117.0 million for operation of the naval petroleum reserves in fiscal year 1998. The committee recommends a provision that would authorize the full \$117.0 million for the operation of the naval petroleum reserves in fiscal year 1998.

The committee also recommends a provision (Section 3402) that would authorize the Department of Energy to lease to commercial entities the United States interests in the Naval Oil Shale Reserves. The committee believes that the exploration and production of petroleum and natural gas in these reserves would achieve the maximum practicable financial return to the United States.

Furthermore, the committee recommends a provision (Section 3403) that would repeal the requirement for commissioned officers of the Navy to be assigned to key management positions, including the position of Director, within the Office of Naval Petroleum and Oil Shale Reserves in the Department of Energy.



**TITLE XXXV—PANAMA CANAL COMMISSION**  
**SUBTITLE A—AUTHORIZATION OF EXPENDITURES**  
**FROM REVOLVING FUND**

The committee recommends provisions (Sections 3501 through 3504) that would grant the Panama Canal Commission (the Commission) authority to make expenditures from the Panama Canal Commission Revolving Fund within existing statutory limits. The Commission operates as a wholly-owned U.S. Government corporation and is supervised by a nine member supervisory board, commonly referred to as the Panama Canal Commission Board of Directors. The Commission does not draw from U.S. taxpayer funds for the operation of the Canal, but receives funding to cover its operating, administrative, and capital improvement expenses from tolls and other revenues collected from its operations. The Commission's total operating costs including depreciation and interest payments for fiscal year 1998 are estimated at \$673.8 million.

**SUBTITLE B—FACILITATION OF PANAMA CANAL**  
**TRANSITION**

**Section 3511. Short title; references.**

The committee recommends a provision that would establish the Act as the "Panama Canal Transition Facilitation Act of 1997".

**Section 3512. Definitions relating to Canal transition.**

The committee recommends a provision that would define terms used throughout the Panama Canal Transition Facilitation Act of 1997 that are related to the transfer of the Panama Canal under the Panama Canal Treaty of 1977 and related agreements.

**PART I—TRANSITION MATTERS RELATING TO**  
**COMMISSION OFFICERS AND EMPLOYEES**

**Section 3521. Authority for the Administrator of the Commission to accept appointment as the Administrator of the Panama Canal Authority.**

The committee recommends a provision that would authorize the Administrator of the Panama Canal Commission to serve simultaneously as the Administrator of the Panama Canal Authority (PCA), which is the body expected to be created this year under Panamanian law to operate the Canal after December 31, 1999. The PCA is expected to be active before the 1999 transfer in drafting, reviewing and adopting regulations that will be put in place at the time of transfer, as well as performing other important administrative functions. Allowing the Administrator of the Commission to also serve as Administrator of the PCA will greatly facilitate the smooth coordination and continuation of the Canal's ad-

ministrative and operating systems by Panama well into the next century. This provision would also exempt the Administrator from selected ethics provisions that could interfere with his expected functions over the transition, given the special circumstances of the transfer of the Panama Canal on December 31, 1999.

**Section 3522. Post-Canal transfer personnel authorities.**

The committee recommends a provision that would authorize exemptions to post-employment ethics rules for Panama Canal Commission employees who continue their Canal employment with the Panama Canal Authority (PCA) after December 31, 1999. Without these exemptions, these employees would be prohibited from direct contact with the U.S. Government on Canal-related matters, which would needlessly hinder any working relationships between Federal agencies and the PCA.

The provision would also provide congressional consent for current Panama Canal employees who are military retirees, members of the reserve components of the U.S. armed forces, or members of the Commissioned Corps of the Public Health Service to continue employment after December 31, 1999 with the PCA. Otherwise, each employee so situated would individually have to gain consent by the Secretary of State and the Secretary of the concerned executive department. Comprehensive authority is appropriate to allow these employees to continue in their jobs if they have the opportunity to do so.

**Section 3523. Enhanced authority of Commission to establish compensation of Commission officers and employees.**

The committee recommends a provision that would revise the Panama Canal Commission's compensation authorities to no longer mandate a minimum two percent annual pay adjustment under certain circumstances. It would also, through a savings provision, maintain current levels of basic pay.

**Section 3524. Travel, transportation, and subsistence expenses for Commission personnel no longer subject to Federal Travel Regulation.**

The committee understands that requiring the Panama Canal Commission to comply with the Federal Travel Regulation until the Canal Transfer Date will make it difficult to develop and implement new travel regulations suitable for the successor to the Commission. The committee recommends a provision that would exempt the Panama Canal Commission from the requirements of the Federal Travel Regulation as of January 1, 1999, so that the Commission can develop and implement travel regulations that are more business-like, will better facilitate the dissolution of the Commission's affairs, and will be more suitable for adoption by the Government of Panama.

**Section 3525. Enhanced recruitment and retention authorities.**

The committee understands that the Panama Canal Commission's current authority with respect to personnel recruitment and

retention are limited to narrow classes of employees, and cannot be used to attract and retain Panamanian citizens for most positions. The committee recommends a provision that would give the Commission broader authority for recruitment and retention incentives to facilitate stewardship of the Canal transfer.

The committee believes that the period of the commitment should generally be at least four years for cases where the Commission determines that the maximum amount of the bonus that would be allowed by this provision is appropriate. The provision would also allow education benefits to be offered as part of a recruitment or retention package, when determined to be necessary by the Commission.

#### **Section 3526. Transition separation incentive payments.**

The committee recommends a provision that would authorize the Panama Canal Commission to implement a limited and specialized transition separation incentive program, geared towards facilitating the critical succession planning necessary for an orderly transition. The program would differ from general Federal Government separation incentive programs in several respects.

First, there would be no requirement to eliminate positions, as the purpose of the program is not related to downsizing. Second, the Commission would be allowed to make the offers during two three-month windows of time, for three months immediately after enactment of this Act and from October 1, 1998 through December 31, 1998. Third, the general authority would be for payments of \$25,000 or less, but the Commission would be authorized, for especially critical positions, to offer up to 50 percent of basic pay. The latter special authority may be used for no more than 15 incentive payments, and could be used only in the three-month window immediately after enactment of this Act.

In many respects, the requirements for the Commission are similar to those applicable to Federal agencies generally: a strategic plan must be submitted to the Congress; an amount equal to 15 percent of basic pay must be remitted to the Civil Service Retirement and Disability Fund for each payment made; and recipients of a separation incentive payment who are reemployed by the U.S. Government within five years must repay the amount in full to the U.S. Treasury.

#### **Section 3527. Labor-management relations.**

The committee recommends a provision that would provide reasonable bounds of time for the mediation and impasse resolution processes, given the amount of time left for the agency to develop and implement changes that are important for the transfer of the Canal to Panama.

The provision would provide a time limit of 45 days for the Federal Mediation and Conciliation Service to conclude its efforts, measured from the date its assistance begins. It would also provide a time limit of 90 days for a decision by the Federal Services Impasses Panel, measured from the date on which its services are requested. Both time limits may be decreased by mutual agreement of the parties.

**Section 3528. Availability of Panama Canal Revolving Fund for severance pay for certain employees separated by Panama Canal Authority after Canal Transfer Date.**

The committee recommends a provision that would authorize the Panama Canal Commission to transfer funds to the Panama Canal Authority to cover periods of employment with the Commission of employees who may be separated from Canal employment after December 31, 1999. This authority would facilitate an agreement to have funds committed for this purpose, to address employee concerns that the Panama Canal Authority will have the funds in place to properly recognize in its severance pay program employees' years of service for the U.S. Government.

**PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL**

**Section 3541. Establishment of procurement system and board of contract appeals.**

The committee recommends a provision that would establish special authority for the Panama Canal Commission to issue its own procurement regulation for the purpose of facilitating Panama's adoption and continuous use of it beyond 1999. The Commission will be required to develop, in consultation with the Administrator of the Office of Federal Procurement Policy, an independent and comprehensive procurement system that preserves the fundamental operating principles and procedures of the Federal Acquisition Regulation, while adapting its details and form for use by Panama after December 31, 1999.

This provision would enable the Commission to waive the application of U.S. procurement statutes in its new regulation, except for certain listed statutes and those laws relating to civil rights, labor standards, or environmental protection. This will permit the new regulation to be delinked from U.S. laws and references to them that, were they to remain in the regulation, would hinder the ability of Panama to adopt the body of rules for its own use. It would also authorize the formation of a Panama Canal Board of Contract Appeals, empowered to decide all contract appeals and bid protests. The Board would be established, and would function, with narrow exceptions, in accordance with the Contracts Disputes Act. It would constitute a forum for the expert, expeditious and transparent resolution of contract disputes that can be adopted and preserved by Panama as part of the Canal's comprehensive procurement system. Currently, these functions are handled, by the U.S. Army Corps of Engineers Board of Contract Appeals and the General Accounting Office, neither of which will be available to the Republic of Panama after December 31, 1999.

**Section 3542. Transactions with the Panama Canal Authority.**

The committee recommends a provision that would allow U.S. Government agencies to sell services to, and be reimbursed for such services by the Panama Canal Authority. Currently, many Federal agencies provide services to the Panama Canal Commission on a reimbursable basis. This provision would enable those agencies to

continue providing those services (or establish new services) to the new Panama Canal Authority on a reimbursable basis if they choose to do so. This provision would also allow the Commission to provide in-kind services to the Panama Canal Authority on a non-reimbursable basis during the remaining years of the Commission's existence. This will allow the Commission to provide fuller assistance to Panama in this critical period of intensive work on the regulations that will govern the Panama Canal after December 31, 1999, as well as numerous other administrative responsibilities. As with all of its expenses, funding for this in-kind assistance would be derived solely from Canal revenues.

**Section 3543. Time limitations on filing of claims for damages.**

The committee recommends a provision that would shorten the time periods applicable to the filing of vessel accident claims. The provision would shorten the time for filing administrative claims against the Panama Canal Commission from two years to one year, as well as shorten the period for filing civil actions from one year to six months following the final administrative determination with respect to the claim. These shortened periods will facilitate the faster disposition of the final business of the Commission, while not significantly affecting the due process afforded claimants.

**Section 3544. Tolls for small vessels.**

The committee recommends a provision that would authorize the Panama Canal Commission to charge a fixed minimum toll for yachts and other small craft, rather than basing tolls strictly on the tonnage of those vessels. The committee understands that the tolls generated on a tonnage basis from such vessels do not cover the actual handling and liability costs associated with their transit. It should be noted that before the Commission could implement a fixed minimum toll for small vessels, it would be required to first comply with its usual rulemaking process for adjusting tolls.

**Section 3545. Date of actuarial evaluation of FECA liability.**

The committee recommends a provision that would change the date in section 5(a) of the Panama Canal Commission Compensation Fund Act of 1988 (Public Law 100-705) for the Department of Labor actuarial determination from December 31, 1999 to March 31, 1998. This change would facilitate financial planning by allowing the Panama Canal Commission to liquidate a financial liability prior to the Canal Transfer Date.

**Section 3546. Notaries public.**

The committee recommends a provision that would authorize the Panama Canal Commission to appoint notaries public. This authority would be similar to the authority provided to U.S. embassies in section 4221 of title 22, United States Code, and to military attorneys in sections 1044a and 1044b of title 10, United States Code.

**Section 3547. Commercial services.**

The committee recommends a provision that would authorize the Panama Canal Commission to conduct and promote commercial ac-

tivities related to the management, operation or maintenance of the Panama Canal, but only to the extent consistent with the Panama Canal Treaty of 1977 and related agreements.

**Section 3548. Transfer from President to Commission of certain regulatory functions relating to employment classification appeals.**

The committee recommends a provision that would remove the President from responsibilities relating to position classification appeals. It is required to complete the change intended by section 3530 of the National Defense Authorization Act for Fiscal Year 1997, which removed the President from responsibilities in the administration of the Panama Canal Employment System, and reconfigured that system.

**Section 3549. Enhanced printing authority.**

The committee recommends a provision that would provide the Panama Canal Commission with more flexibility in meeting its printing production needs.

**Section 3550. Technical and conforming amendments.**

The committee recommends a provision that would carry out various technical and conforming amendments.

## **LEGISLATIVE REQUIREMENTS**

### **Departmental Recommendations**

By letter dated March 12, 1997, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes." The transmittal letter and proposed legislation were officially referred as Executive Communication 1432 to the Committee on Armed Services on March 17, 1997. Executive Communication 1432 is available for review at the committee. Senators Thurmond and Levin introduced this legislative proposal as S. 450, by request, on March 17, 1997. The statement made by Senator Thurmond upon introduction of S. 450 appears in the Congressional Record of March 17, 1997, on pages S2358–2372.

By letter dated February 14, 1997, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize construction at certain military installations for fiscal year 1998, and for other military construction authorizations and activities of the Department of Defense." The transmittal letter and proposed legislation were officially referred as Executive Communication 1155 to the Committee on Armed Services on February 25, 1997. Executive Communication 1155 is available for review at the committee. Senators Thurmond and Levin introduced this legislative proposal as part of S. 450, by request, on March 17, 1997.

### **Committee Action**

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report the National Defense Authorization Act for Fiscal Year 1998.

In favor: Senators Thurmond, Warner, McCain, Coats, Smith, Kempthorne, Inhofe, Santorum, Snowe, Roberts, Levin, Kennedy, Bingaman, Glenn, Byrd, Robb, Lieberman, and Cleland.

Vote: 18–0.

The other roll call votes on amendments to the bill which were considered during the course of the mark-up have been made public and are available at the committee.

### **Fiscal Data**

Section 252 of the Legislative Reorganization Act of 1970 (Public Law 91–510) requires that the report accompanying each bill reported by a Senate committee contain certain information on five-year cost projections.

The letter received in compliance with this statutory requirement is shown below. The bill is an annual authorization and does not, within its own terms, generate costs beyond fiscal year 1998 even though the funds authorized to be obligated by this act may not be expended for several years in the future. The fiscal year authorizations herein provided are reviewed annually by the committee and the Congress.

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COMPTROLLER

UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100



JUN 16 1997

Honorable Strom Thurmond  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

In accordance with Section 252 of the Legislative Reorganization Act of 1970 (P.L. 91-510), the chart below provides an estimate of how appropriations attendant to the FY 1998 Authorization Request will expend.

Estimated Expenditures  
(\$ in Millions)

FY 1998 Request:	182,639
FY 1998	99,607
FY 1999	46,916
FY 2000	18,693
FY 2001	8,362
FY 2002	4,008
Beyond	5,053

Sincerely,

John J. Hamre

cc:  
Honorable Carl Levin  
Ranking Democrat

**Congressional Budget Office Cost Estimate**

It was not possible to include the Congressional Budget Office cost estimate on this legislation because it was not available at the time the report was filed. It will be included in material presented during floor debate on the legislation.

**Regulatory Impact**

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of the bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the National Defense Authorization Bill for Fiscal Year 1998.

**Changes in Existing Law**

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

## ADDITIONAL VIEWS OF SENATOR JOHN McCAIN

### POLITICIZATION OF SERVICE UNFUNDED PRIORITY LISTS

As Administration budget requests continue to reflect an exceedingly low priority on providing our men and women in uniform with the resources necessary to execute the missions assigned them by the National Command Authority, Congress has taken it upon itself to add funding to those requests. In order to best allocate the additional budget authority provided by Congress, the Senate and House oversight committees have adopted policies of requesting from the services lists of high priority programs and activities that otherwise would not be funded.

The so-called “wish lists” that have resulted from Congress’ request for service input on where to allocate funds added to the national defense budget have proven an effective means of ensuring that such funds are apportioned appropriately in terms of what is best for the national interest. There is, however, growing reason for concern that the process by which the wish lists are drafted is being politicized, possibly through lobbying of the services by Members of Congress.

This further politicization of the process has resulted in lists, especially with regard to the Department of the Army, of increasingly questionable merit. The Department of the Army “unfunded requirements” list includes 319 programs and activities—clearly well beyond the scope intended. The result has been a plethora of additions—some arguably justifiable in a far more expansive budget environment—to the defense spending bills of items clearly not of pressing importance to national security. These items, including continued funding of the National Automotive Center, increased procurement of DDG-51 destroyers, and continued acquisition of C-130J aircraft, the latter despite Air Force Chief of Staff, General Ronald Fogelman’s testimony that the service already possesses many more C-130s than it requires, are seriously impeding the military’s ability to channel resources where they are most needed.

Should the degradation in the quality and practical utility of service unfunded priority lists continue, it will become rapidly apparent that emphasis on receipt of these lists will have to decline or disappear altogether. That would be unfortunate, indeed. It would, however, be the direct result of the effort on the part of some Members of Congress to influence the process through which the lists are prepared.

### COMPETITION IN SUBMARINE CONSTRUCTION

Another area that is troubling concerns the quality of analysis supporting decisions by the Administration on major weapon systems, particularly as pertains to the acquisition of surface ships and submarines. The phenomenon whereby program acquisition

rates and schedules are legislated one year on the basis of ensuring competition only to have new legislation introduced the following year mandating cooperative or teaming arrangements due to production levels insufficient to support competition has undermined the confidence of some Members in the entire process. In the specific case of attack submarine construction, painstaking negotiating processes conducted in preparation of the fiscal years 1996 and 1997 defense authorization bills resulted in a detailed if dubious plan whereby the two submarine builders would alternate contracts for the first four of a new class of attack submarine. Each of those four submarines was to include technological innovations and reflect improved construction techniques. The intent was to develop a submarine more capable and less expensive than current designs. After the year 2003, submarine contracts were to be competed between the two shipbuilders.

The impracticality of that plan was apparent to many, but it passed into law as seemingly the only politically tenable arrangement—particularly given the initial Clinton Administration proposal of consolidating all submarine work at Electric Boat at the expense of Newport News Shipbuilding, its competitor and sole builder of nuclear-powered aircraft carriers. In truth, it is highly questionable whether competition was ever a viable option given expected procurement rates and the considerable efforts needed to retain two nuclear-capable shipbuilders. In short, Congress rejected the Administration's submarine construction plan set forth in the Bottom-Up Review and passed in its place legislation establishing an extremely flawed construction plan.

In recognition of this situation, the Navy urged the two shipbuilders to work together, each one specializing in specific sections of the submarine while alternating final assembly between them. The notion of competition was now determined to be dead, and the American taxpayer will soon find itself funding submarines less capable by design than the Seawolf but in all likelihood paying as much per unit as for Seawolf—itsself a submarine that was never needed after the Cold War and was only procured to keep Electric Boat alive until the next generation submarine was in construction. Something definitely went awry here.

#### BASE CLOSURE AND REALIGNMENT COMMISSION (BRAC) PROCESS

It was extremely disappointing that politics prevailed and prevented the Committee from approving additional base closure rounds. Senators Levin, Coats, and Robb joined me in offering an amendment to authorize two base closure rounds in 1999 and 2001, but our amendment was defeated on a 9-to-9 tie.

The amendment would have authorized two additional base closure rounds, in 1999 and 2001, consistent with the recommendations in the Quadrennial Defense Review (QDR). It also would have established a process identical to that contained in the 1990 law that mandated the last three BRAC rounds. An additional provision, however, addressed the politicization in the last BRAC process which permitted the President to implement privatization in place at Kelly and McClellan Air Force Bases.

The United States clearly needs to correct the current imbalance between force structure and infrastructure. After four base closure

rounds, only 21 percent of the military installations in the continental U.S. have been reduced. Force structure will be reduced by over 38 percent by the time the QDR recommendations are complete.

Excess infrastructure wastes scarce defense resources. Realistically, defense budgets will, at best, remain stable in the foreseeable future. Maintaining that excess infrastructure drains scarce financial resources from much-needed modernization programs, like tactical aircraft, strategic lift, and technology development programs designed to maintain our edge over potential adversaries.

The Pentagon clearly recognizes the need to eliminate excess base structure. The QDR recommended the 1999 and 2001 rounds. The National Defense Panel endorsed this recommendation in their May 15 report accompanying the QDR. And the Chairman and Vice Chairman of the Joint Chiefs, as well as all four Service Chiefs, support the two base closure rounds.

Communities in all of our states are understandably nervous about additional base closures. Base closures, however, do not have to cause long-term economic devastation. Arizonans are very familiar with the economic and personal pain caused by such closures. The East Valley of Phoenix felt the direct and devastating effects of the 1991 closure of Williams Air Force Base. A look at those communities today, though, reveals the economic potential that can follow the loss of military installations around which communities have grown. A thriving educational consortium and airport exists at the site of the former Williams Air Force Base, and the economic future of the East Valley looks very bright. This experience has proven that base closures can have a positive, long-term effect on a community.

I share the concern of many of my colleagues about the politicization of the last base closure round. Frankly, I do not believe we would have to be debating this issue today if the integrity of the last round had not been undermined.

Remember that the 1995 round was supposed to be the “mother of all base closure rounds”, but it did not live up to that expectation. The Department of Defense, instead of making the hard decisions, allowed the Services’ parochial views to be reflected in their overall recommendation to the commission. Then, when the Commission took bold action and made recommendations to close Kelly and McClellan Air Force Bases, moving their workloads to what would have been the three remaining Air Logistics Centers, the President decided instead to implement privatization in place at the two installations, thus sparing them, and the jobs they represent in voter-rich states, from elimination.

Politicization of the last base closure round was wrong, and the amendment offered in Committee would have ensured that no privatization in place could occur unless the Commission explicitly recommended it. The amendment contained many other provisions designed to eliminate the influence of politics and ensure the process focused on bases with excess capacity. There may be suggestions of other ways to eliminate politics from the process, and I would be willing to discuss any of those ideas, but such discussions have not been forthcoming.

I fully expect that political influence and protectionism will make it very difficult to actually enact legislation to conduct additional base closure rounds. I intend to fight, however, to ensure that we do what is right, and that is to finish the job we started—eliminate excess defense infrastructure. It's the only way we can maintain a credible and capable military for the future.

I intend to pursue this issue further on the Senate floor. In so doing, I hope that my colleagues will rethink their opposition to further base closure rounds and recognize the seriously adverse impact on modernization that will continue if we do not take steps now to reduce unnecessary expenditures associated with maintaining excess infrastructure.

#### DEPOT-LEVEL MAINTENANCE

Closely related to the base closure issue, thanks in no small part to the aforementioned politicization of that process, is the subject of depot-level maintenance. Provisions relating to allocation of workload between public and private maintenance depots were included in the defense bill. The Committee adopted a compromise measure to revise the current statutorily-mandated 60/40 public/private workload allocation—the ratio of maintenance work performed in government and privately-owned facilities—to a 50/50 formula. The compromise requires the Defense Department to preserve a core depot capability that could maintain the types of weapons systems that the warfighting commanders-in-chief identify as mission essential.

This legislative provision includes Contractor Logistic Support (CLS) and Interim Contractor Support (ICS) in the 60/40 public/private workload mix. The Navy and Army already wrap CLS and ICS into the 60/40 calculation. Additionally, this legislates a definition of “core” capability based on the Joint Chief of Staff (JCS) contingency scenarios as identified by the Chairman of the JCS and the combatant commanders. The Committee adjusted the law so that work performed by private companies at public depots will be counted as public sector depot maintenance rather than private sector depot maintenance. The Committee also adopted a provision that would require that the remaining publicly-owned Air Logistics Centers (ALCs) be operated at 75 percent capacity prior to implementation of any privatization-in-place at former ALC locations.

#### TERMINATION OF THE B-2 SPIRIT HEAVY BOMBER PROGRAM

I was pleased that the Committee adopted an amendment, by a 14 to 4 vote, that prohibits the expenditure of any defense dollars to procure additional B-2 bombers or to preserve the B-2 industrial base. It is my understanding that the House bill contains \$331 million to maintain the B-2 industrial base and preserve the option to procure additional B-2s. This could balloon into a \$20.7 billion commitment over the next 20 years.

The Air Force has consistently rejected Congressional inquiries targeted at increasing B-2 acquisitions. In fact, General Fogleman testified before the Senate Armed Services Committee this year that the Air Force opposes expansion of the B-2 fleet, and that it clearly has many higher priority applications for scarce defense dollars. Two comprehensive, in-depth, quantitative analyses of the

heavy bomber force over the past two years have determined that the U.S. could execute the national military strategy with the existing fleet of B-2, B-1B and B-52H bombers.

Additionally, there quite simply is no compelling argument for keeping the B-2 production line open for industrial base reasons. Preservation of a bomber industrial base is largely inherent in the process of designing and building large commercial aircraft, albeit without some attributes of stealth aircraft. The techniques of design, engineering, and production for bombers is not unique to that industry. Companies that build aircraft can build bombers. Boeing, which has not built a bomber in over 30 years, is in competition today for the Joint Strike Fighter because the necessary skills are an integral part of the broader field of aircraft design and construction.

A corollary to the above is the misleading argument advanced by proponents of preserving the industrial base unique to the B-2 that the United States needs to keep the production line open to preserve the ability to manufacture stealth technology aircraft. This argument has absolutely no merit. Stealth is alive and well, and will be preserved in the manufacture of the F-22 and Joint Strike Fighter, as well as other non-aircraft programs.

The notion that the United States should preserve the B-2 industrial base because of the uncertainty of future requirements ignores a very basic fact: This aircraft takes so long to produce that short of a multi-year global conflict on the scale of World War II, the prospects of reopening the line and producing operational bombers are extremely remote at best. Major regional contingencies will be fought with aircraft on-hand, not with fighters and bombers that take a year or more to produce.

I will work closely with the Chairman and my Committee colleagues to ensure that we are able to maintain this position on the Senate floor and in our conference with the House.

#### PERSONNEL MATTERS AND AVIATOR RETENTION PAY

There are many good personnel provisions that will favorably affect service members and their families in the defense bill that I intend to see through the legislative process. Among the highlights are health care provisions for service members assigned to remote areas (i.e., recruiters, ROTC instructors, and those stationed at reserve centers) and health care benefits for reserve service members and National Guardsmen who served in the Persian Gulf and are inflicted with the Gulf War Illness.

The Committee also adopted an amendment that enhances aviation special pays. After compelling testimony from the Service Chiefs of the Navy, Air Force, and Marine Corps concerning aviator retention, it is clear that the provisions in this amendment will be critical in retaining the skilled aviators necessary to operate the technically advanced aircraft of the future.

#### RESERVE COMPONENT ISSUES

I am very disappointed in the continuing "empty" rhetoric regarding the Defense Department's Total Force policy. For too long, the active component of the armed forces has disregarded the

“Total Force Policy” of the armed forces, which includes the responsibility to modernize reserve component forces.

Although I recognize that adequate funding for reserve component equipment modernization was not included in the President’s budget as directed in last year’s law, I will *not* support the \$922 million plus-up of National Guard and Reserve Equipment (NG&RE) outside the unfunded priority lists provided by the service chiefs to Chairman Thurmond. I also acknowledge that reserve component military construction is not funded at previous levels. However, I will *not* support funding beyond the President’s budget request. The reason I cannot support the add-ons is simply because, in most instances, National Guard and reserve force plus-ups are Members’ pork and are not even required by the reserve components.

A positive development, however, is the inclusion in this year’s defense bill of language similar to what was in last year’s authorization and appropriations bills requiring the Secretary of Defense to specify in each future-years defense plan (FYDP) the proposed appropriations for equipment and military construction for each of the reserve components of the armed forces. Additionally, the bill established new reporting requirements for the Department of Defense designed to identify the level of modernization funding established for each of the reserve components in both the budget request and future year defense program.

#### MILITARY CONSTRUCTION PROJECTS

I am pleased that the Committee continued to follow the criteria regarding military construction add-ons that Senator Glenn and I established two years ago. However, I am very concerned that the Committee did not continue to submit land conveyances to the General Services Administration (GSA) for screening prior to their adoption. I urge the Committee to seek a review by the GSA prior to final action on this bill in the Senate.

#### GENERAL ACCOUNTING OFFICE SELF-GENERATED STUDIES

Another area of concern is the increasing practice by the General Accounting Office (GAO) of prioritizing self-generated audits and reports over those requested by Members of Congress. For example, last year’s defense bill required GAO to conduct three studies on the Persian Gulf War illness. Twenty months after the report was initiated, it has still not been delivered despite its March 1, 1997 due-date. In an effort to restrain the rogue activities of the GAO, the Committee included a provision that would require the Comptroller General to certify that all Congressionally requested work will be completed prior to the beginning of any self-generated work.

#### MEMBER-ADDS NOT REQUESTED BY THE DEFENSE DEPARTMENT

As usual, this year’s defense bill emerged from committee with a plethora of programs not requested by the Defense Department. Earlier, I discussed my concern about the growing role of congressional involvement in the drafting of service Unfunded Priority lists. In addition to questionable Member-adds that are nevertheless reflected on those lists, there are a large number of programs

included in the bill that were neither requested nor included on the wish lists.

One such add-on is an \$11 million increase for the High Frequency Active Auroral Research Program, or HAARP. This program thrives because of Congressional support since 1990, costing the taxpayer a total of \$87 million over the past eight years. Another \$100 million would be required before the project could be completed by 2001. It remains unclear what military benefit might accrue from the construction of a facility to study the aurora borealis. Proponents of the program argue that it should be a part of the counter proliferation program of the Department of Defense because it will be able to detect underground tunnels and structures. However, the Air Force, which manages the program for the Department of Defense, noted in April of last year that "the research is not sufficiently mature to warrant its inclusion in the non-proliferation and counter-proliferation program."

Proponents of HAARP further argue that the program will have applications for communications, navigation, and surveillance activities. The Department of Defense, however, did not include this \$11 million in its budget request for fiscal year 1997, and it was not included on their "wish list" for additional funds. That indicates to me that, in competition with other militarily relevant programs, HAARP is not a high priority for the military. In my view, the Congress should stop compelling the military to pursue research programs that do not meet their requirements. Spending hundreds of millions of defense dollars to study the energy of the aurora borealis is, in my view, an unconscionable waste of taxpayer dollars. This program should be turned over to a privately funded university, research institution, or other organization where it could be pursued as a purely scientific endeavor.

Once again, the Committee included a provision in the bill that continues to fund an expensive bureaucracy the intended purpose of which is to coordinate the Navy's oceanographic research activities. The bill sets aside \$16 million to continue to fund the National Oceanographic Partnership Program. The return on its investment is minimal from the Navy's perspective. The benefits that accrue to the Navy from this multi-tiered organization pale in comparison to the benefits enjoyed by nondefense agencies. Additionally, the out-year funding from defense dollars are unknown, and I question whether the Navy can afford this potential funding drain in the future based on its many other unfunded requirements.

Overall, I believe that the committee has produced a very good defense bill, and I voted in favor of reporting it to the Senate. It is critical that we maintain the additional \$2.6 billion added to the Administration's request as we move through the legislative process. How that additional money was allocated, however, warrants concern. I hope my colleagues will look carefully at these pork-barrel add-ons. We must protect the high priority military programs that contribute to the future readiness of our Armed Forces and reject those additions that detract from that essential goal.

JOHN MCCAIN.

## ADDITIONAL VIEWS OF SENATOR JAMES M. INHOFE

On May 1, 1997, the Readiness Subcommittee conducted a hearing with witnesses from the Department of Defense and General Accounting Office which addressed many of the issues surrounding the outsourcing of Air Force depot maintenance workload currently performed at Kelly and McClellan Air Force Bases. The Subcommittee spent considerable time reviewing the bidding procedures the Air Force is using for these competitions.

The DoD witness stressed that the Air Force is no longer pursuing a strategy of “privatization in place,” and that instead the department is now planning for public/private competitions. However, the Subcommittee and staff have received a great deal of reliable information which indicates that the manner in which the competitions have been structured strongly favors private sector bidders who propose to do the work in place. Indeed, many features of the planned competitions appear to both favor the private sector and create strong disincentives for moving the work from their present locations. In other words, the Air Force is still pursuing privatization in place, only by another name.

This information was corroborated at our hearing by a panel of three GAO witnesses. For example, there appears to be a very large disparity between estimates of the cost to move equipment required to perform the engine workload at San Antonio Air Logistics Center. San Antonio officials estimate this “transition cost” might be as high as \$400 million while Tinker AFB officials indicate the cost may be as low as \$60–70 million. Clearly, high transition costs will drive private sector bidders to propose to keep the work in place. In addition, if the public depot is directed to use an exorbitantly high transition cost in its proposal (obviously they cannot propose to do the work in place) they will not be competitive. Furthermore, the source selection authority—the person with the latitude to select the “correct” estimate—will be an individual who has been the Air Force’s primary advocate of transitioning depot work to the private sector.

Another concern is the Air Force’s plan to “bundle” discrete workloads into a single package for competition. At Sacramento Air Logistics Center, for example, the Air Force originally planned to conduct separate competitions for several business areas—such as aircraft, hydraulics, software, etc. Under their revised plan, however, the Air Force has “bundled” these diverse workloads into one competition. The Air Force depot system was structured to minimize redundancy between the air logistics centers, hence each has particular areas of expertise. Considering the fact that the Air Force will allow only one depot to compete during each public/private competition, the effect of bundling discrete workloads becomes apparent. While two depots together would likely be able to provide the most cost effective proposal for the entire package, it is very

unlikely a single, specialized depot will be able to compete for the entire workload.

Clearly, the bundling of workloads brings into question the fairness of public/private competition. Other issues include:

- Marginal pricing by private sector;
- Teaming and subcontracting restrictions on public sector;
- Differing methods of depreciating capital assets;
- Protest procedures insufficient for public depots;
- Different evaluation methodology: low cost for public sector, best value for private sector.

While DOD pledged that the so called public/private competitions would be fair, GAO has identified specific aspects of the competitions which seem to guarantee the work will go to private bidders. After thoroughly considering this testimony, it would be irresponsible to support a competition which arbitrarily saddles one side with massive facilities costs, prohibits one side from having to achieve maximum savings for the taxpayers, and ignores the fundamental principle that increased savings and readiness will result from consolidation of excess capacity to the remaining public depots. Awarding contracts to private sector bidders who propose to perform the workload in place would further exacerbate the excess capacity problem for both the private sector and the Department of Defense.

Today, our decreasing defense budget not only threatens readiness, it compelled DOD to request two additional rounds of base closings. It is therefore impossible to ignore the opportunity for hundreds of millions of dollars in savings which GAO testified would result from implementing the 1995 BRAC recommendation to close McClellan and Kelly. For over a year, DoD has been unable to produce data to refute the GAO's figures. As Chairman of the Readiness Subcommittee, I must be concerned with ensuring the greatest possible levels of readiness and cost savings in the remaining public depots. As a result, and with strong bipartisan support on the Committee, the FY98 DoD Authorization markup includes provisions that will correct the excess capacity issue by requiring the remaining depots to be at a reasonable level of capacity prior to privatizing in place workloads the BRAC intended to transfer to other locations.

JAMES M. INHOFE.

## ADDITIONAL VIEWS OF SENATOR CARL LEVIN

The National Defense Authorization Act for Fiscal Year 1998 reported by the Armed Services Committee is consistent with the bipartisan budget agreement and with the FY1998 Budget Resolution. In several important aspects the bill begins to implement some of the recommendations of the recently completed Quadrennial Defense Review (QDR) to help keep our military forces the finest in the world.

There are several critical areas, however, where I believe this bill needs to be improved, and I will be working to make these improvements during the floor debate in the Senate and in conference.

### BASE CLOSURES

I am disappointed that the committee could not agree on a process for future base closures in the Department of Defense. Although there was strong support in the Committee for more base closures, the amendment to authorize two additional base closure rounds—one in 1999 and one in 2001—failed on a 9–9 tie vote.

The case for closing more military bases is clear and compelling.

From 1989 to 1997, DOD reduced total active duty military endstrength by 32 percent, a figure that will grow to 36 percent by 2003 as a result of the QDR. Even after four base closure rounds, the domestic military base structure in the United States has been reduced only 21 percent.

Both the QDR and the National Defense Panel concluded that further reductions in the DOD base structure are essential to free up the money we need to modernize our forces. Although we will not get the final report of the National Defense Panel until December, their May 15 Report accompanying the QDR concludes:

We endorse the Secretary's plan to request authority for two additional rounds of Base Closure and Realignment (BRAC). We strongly urge the Administration to support legislation that will start this process in 1999 and encourage Congress to approve the request despite constituency challenges.

Just last week, the Armed Services Committee received a letter signed by all six members of the Joint Chiefs of Staff—the Chairman, the Vice Chairman, and the four Service Chiefs. They urged the Committee to “strongly support further reductions in base structure proposed by the Secretary of Defense.”

The senior civilian and military leadership of the Defense Department understand that reductions in the base structure are essential to the modernization of our forces. Every dollar we spend to keep open bases we don't need is a dollar we can't spend on modernization programs our military forces do need.

Closing bases has saved and will save substantial amounts of money, although the savings have not come as quickly as DOD originally forecast for a number of reasons. CBO concluded in a report last year that “BRAC actions will result in significant long-term savings.”

Between 1990 and 2001, DOD estimates that BRAC actions will produce a total of \$13.5 billion in net savings. After 2001, when all of the BRAC actions must be completed, steady state savings will be \$5.6 billion per year. These BRAC savings are an important part of the funds that are going to finance the future modernization of our Armed Forces that will keep our military the most technologically advanced and lethal fighting force in the world.

I know that closing bases is a painful process. But if we are serious about modernizing our military forces and maintaining their qualitative technological edge, we have to reduce our infrastructure costs. As Secretary Cohen pointed out in his testimony on the QDR, the choice is clear: we can maintain the current base structure and fail to meet our modernization goals, or we can reduce our base structure and achieve the savings that we need to pay for the modernization we all agree is necessary.

#### AIR FORCE DEPOTS

I oppose the provision in the committee bill dealing with the workload of the two Air Force maintenance depots closed by the 1995 Base Closure Commission—San Antonio Air Logistics Center and Sacramento Air Logistics Center. This provision prohibits the Defense Department from privatizing in place the workload of these two depots until the three remaining Air Force depots are operating at 75 percent of capacity. Since the remaining three Air Force depots are currently being utilized at 50–60 percent of capacity, the effect of the Committee provision would be to prohibit privatization in place of the workload of these two depots, even if there are specific workloads for which privatization in place proves, through a fair competition, to be the most cost effective alternative.

The 1995 Base Closure Commission left it up to the Defense Department to decide how to redistribute the work of the two Air Force depots that the Commission recommended for closure. The wording of the Commission’s recommendation concerning these two closing depots directs DOD to:

Consolidate the workloads to other DOD depots *or* to private sector commercial activities as determined by the Defense Depot Maintenance Council. (Emphasis added)

We should let a fair competition determine the most cost effective solution to redistribute the workload of these two depots, regardless of whether the result is privatization in place, privatization at some other location, or transfer to another government depot.

Under the committee provision, privatization in place is effectively prohibited. The only options are privatization at another location or transfer to another government depot. I offered an amendment to allow the Secretary of Defense to determine how to redistribute the workload of these two closing depots if the DOD Inspector General determined that the outcome was based on a fair

and open competition. This amendment was defeated in Committee.

I know that some believe that the White House politicized the base closure process by putting political pressure on DOD to privatize in place the work of the two closing Air Force depots. I think it would be just as bad for Congress to politicize the base closure process by attempting to legislate a particular outcome—as the committee provision would do.

The presence of this provision in the bill will jeopardize the enactment of this bill. Ultimately, we have to reach a compromise that moves beyond political solutions and is fair and equitable to all.

#### COOPERATIVE THREAT REDUCTION PROGRAMS

One of the most cost effective and successful defense programs to reduce threats to our country and enhance our national security is the Cooperative Threat Reduction (CTR) program started in 1991 by Senators Sam Nunn and Richard Lugar. The CTR program at the Department of Defense and its companion program at the Department of Energy have produced important results in reducing the threat of proliferation of weapons of mass destruction, including nuclear, chemical and biological weapons and their materials.

Since 1991, these CTR programs have helped three newly independent states, Ukraine, Belarus and Kazakhstan, completely rid themselves of some 6,000 nuclear weapons they inherited from the former Soviet Union. The CTR program has also permitted Russia to implement the START I Treaty ahead of schedule, helping eliminate over 800 Russian nuclear missiles and bombers. These are weapons that will never again threaten the United States.

The Department of Energy has worked to secure the tons of nuclear weapons materials, primarily plutonium and highly enriched uranium, that were—and to a significant extent, still are—under inadequate safeguards and vulnerable to theft or diversion. Keeping these dangerous materials out of the hands of would-be proliferators reduces the likelihood that nuclear weapons will threaten us.

Although these are immensely important contributions to our security, the job is only partly finished, and much more needs to be done. That is why it is disappointing that the Committee bill reduces the budget request for these programs by \$135 million, including a reduction of \$60 million for the DOD CTR program; a reduction of \$25 million for the DOE Materials Protection, Control and Accounting (MPC&A) program; and a reduction of \$50 million, the total amount requested, for the DOE International Nuclear Safety program.

Given the great concern the Committee has appropriately expressed for the danger of proliferation of nuclear, chemical and biological weapons and materials, and the Committee's interest in taking steps to reduce this danger, these reductions are surprising. In my view, the Committee should be considering what additional efforts we can take to reduce these threats. While the threat from such proliferation is more likely and immediate than the threat from a ballistic missile attack on the United States, Congress has pushed to increase funding for national missile defense while re-

ducing funding for cooperative threat reduction. We may be underfunding the latter problem at our peril.

There are numerous CTR programs that need to be funded on an urgent basis. For example, Ukraine decided in mid-May to eliminate all its SS-24 intercontinental ballistic missiles (ICBMs), a decision which the United States encouraged and welcomed. We should help Ukraine eliminate these missiles so they can never be used by any nation. Furthermore, there remain large quantities of nuclear materials that need to be secured and accounted for. The list of unfunded CTR and related DOE projects is long and represents an urgent opportunity for the United States to take tangible and permanent steps to reduce threats to our security. For a tiny fraction of the defense budget, we can accomplish extraordinary gains.

The proliferation and nuclear safety problems remain considerably larger and more serious than the response has been so far. I hope the Congress and the Administration are up to the challenge of taking advantage of this opportunity to eliminate some of the most serious threats to our security. To do so, we should fund these threat reduction and safety programs at a higher and more appropriate level.

#### NIMITZ CLASS AIRCRAFT CARRIER (CVN-77)

The Committee bill authorizes \$345 million in FY1998 to begin incrementally funding construction of the next Nimitz class nuclear aircraft carrier, CVN-77, based on claims of cost savings by the shipbuilder. Unfortunately, the Committee did not adopt safeguards to insure that the taxpayers' actually receive the savings on which this unusual action is based.

The Defense Department's current Future Years Defense Program includes a total of \$5.2 billion for construction of the next aircraft carrier—\$695 million in advanced procurement in FY2000, with the balance of \$4.5 billion in FY2002.

Earlier this year the CVN-77 shipbuilder came forward with a proposal to incrementally fund this carrier, beginning in FY1998 and continuing each year through FY2002. According to the shipbuilder, this alternative funding proposal would save \$600 million in the cost of building CVN-77. This claim has been repeated over the last two months in highly visible media campaign.

The normal method of funding major defense procurement programs is to provide full funding in one lump sum in the year in which the program is started, with the exception of certain limited long-lead items which are funded through advance procurement. As a general rule, incrementally funding major weapons programs reduces visibility over total program costs, and can lead to a "buy in" situation in which it becomes more difficult to control total program costs and future cost growth. Secretary Cohen indicated in a letter to me that:

As a matter of fiscal policy, we do not normally incrementally fund procurement programs. Therefore, the Department plans to fully fund the construction of the tenth and final Nimitz class nuclear aircraft carrier in fiscal year 2002. This schedule, which is reflected in the Future Years

Defense Program (FYDP) accompanying the FY1998 President's budget, is consistent with force structure requirements and the end of the service life of existing ships in the fleet.

In the case of this proposal to incrementally fund CVN-77, the RAND Corporation did a study for the Navy substantiating the savings proposed by the shipbuilder. In addition, the Navy's own analysis confirmed that the savings could be achieved.

I am willing to support incremental funding of CVN-77, but only if this incremental funding approach includes a guarantee that the government will receive the savings from this approach that have been promised by the contractor. For this reason, I offered an amendment in the Committee to guarantee the promised savings.

My amendment would have established a cost cap of \$4.6 billion for CVN-77, \$600 million below the Navy's current budget estimate for funding this ship under the normal full funding procedures. This cost cap would have excluded outfitting and post delivery costs, and would have been adjusted automatically to reflect changes in inflation or costs attributable to compliance with changes in Federal, State or local laws.

I also included a provision to adjust this cost cap based on changes in costs that are incurred by inserting new items into CVN-77 that are not currently planned for this ship.

The committee did not adopt this amendment. While I believe that incremental funding may be appropriate in the unique case of CVN-77 because of the anticipated savings, I am unwilling to support this approach without a mechanism to protect the interests of the taxpayers and guarantee the savings.

#### SECRETARY OF DEFENSE AUTHORITY TO UNILATERALLY SUSPEND ADMINISTRATIVE ACTIONS

Section 363 of the committee bill would give the Secretary of Defense the unprecedented authority unilaterally to stop for 30 days certain administrative actions of other federal agencies. The Secretary would have this authority without regard to the valid health or safety concerns that may have motivated the other agency in taking its action. This automatic stay could cover rules and orders intended to protect the environment, safeguard worker safety, preserve private property, or any other conceivable administration action or order. This provision exceeds the jurisdiction of the Armed Services Committee and creates the appearance of placing the Department of Defense above the law. For these reasons, I do not believe it should have been included in the bill.

#### RESTRICTIONS ON GAO AUDITS

I also oppose Section 1039 of the committee bill, which would prohibit the General Accounting Office (GAO) from undertaking any self-initiated audits unless it can certify that it has completed all congressional requests. Since GAO has hundreds of pending requests at any given time, this provision is, in effect, a total prohibition on any self-initiated work by GAO. This provision is outside the jurisdiction of the Armed Services Committee. If it remains in the bill, I am concerned that it could hamstring the GAO in its im-

portant efforts to identify waste, fraud, and abuse in government programs.

UNITED STATES—CANADA ENVIRONMENTAL SETTLEMENT

The bill does not include a provision, requested by the Administration, to authorize the payment of \$100 million to Canada—\$10 million per year for ten years—to fund the cleanup of former U.S. defense sites in Canada, pursuant to an agreement negotiated with the Canadian government. I am concerned that political and military relations could be adversely affected if the agreement—reached after a year of intensive negotiations between the two governments—is not funded.

READINESS OF OUR MILITARY FORCES

Finally, I am troubled by the section in the committee report entitled “The Storm Clouds are on the Horizon”. This report language depicts a United States military in decline that is sharply at odds with the evidence provided to the committee by the Defense Department in the testimony of its military and civilian leadership and its quarterly readiness reports to the committee.

This report language is critical of the funding levels recommended by the Administration for the Operation and Maintenance accounts, yet the committee bill increases funding in those areas by only \$42 million, which represents just 1.6 percent of the \$2.6 billion increase to the original request that is included in this bill pursuant to the bipartisan budget agreement. This \$42 million increases the funding for the readiness accounts by approximately 5/100ths of one percent over the amount requested. If the committee really believes the readiness of our force is in jeopardy, it should have devoted a more significant portion of the \$2.6 billion in available funds to that purpose.

To take a specific example, Secretary of Defense Cohen requested that the Congress add \$550 million to correct a shortfall in Navy and Air Force flying hour funding that was identified subsequent to the preparation of the budget request. A shortfall in flying hour funding will directly affect the readiness of our tactical aviation units, yet the committee chose not to fully fund the Secretary’s request for additional funds in this area. Only \$230 million of the requested \$550 million was provided.

Even before the recent bipartisan balanced budget agreement, the emerging bipartisan consensus on defense spending was evident, as the five year plan for defense spending in the President’s fiscal year 1998 budget exceeds the levels contained in last year’s budget resolution by just one percent. This recent budget agreement has ratified that bipartisan consensus on defense spending levels. I believe this section of the report is inconsistent with that bipartisan consensus and inconsistent with the facts and testimony presented to the committee.

CARL LEVIN.

#### ADDITIONAL VIEWS OF SENATOR EDWARD M. KENNEDY

I support this bill. I commend Republicans and Democrats for working closely together to prepare a bill that meets the terms of the budget resolution and has unanimous committee support.

The bill does contain a glaring defect, however. It irresponsibly reduces funding for the Nunn-Lugar Cooperative Threat Reduction Program and related Department of Energy programs by \$135 million below the requested level of \$668 million. Specifically, the bill takes \$60 million from the Defense Department's Cooperative Threat Reduction Program, \$50 million from the Energy Department's International Nuclear Safety Program, and \$25 million from the Energy Department's Materials Protection, Control, and Accounting Program.

The funds for the Nunn-Lugar and related programs are the most cost-effective dollars in the entire defense budget. These programs support the destruction of nuclear weapons in the states of the Former Soviet Union, the strengthening of border controls to prevent the illegal transport of nuclear bomb-making materials, and efforts to safeguard these materials from theft at their storage sites or during transport. They also provide employment and economic incentives for former Soviet weapons scientists, to avoid the temptation that they will sell their know-how to buyers from nations and organizations that support international terrorism.

The National Research Council released a report this spring on U.S. proliferation policy and the Former Soviet Union. Its first recommendation is that funding for the Materials Protection, Control, and Accounting program be maintained at requested levels, and it expresses strong support for the overall DoE and DoD Nunn-Lugar programs.

The United States faces the very real threat that loose controls over nuclear weapons and bomb-making material in the nations of the Former Soviet Union could result in a nuclear terrorist attack on the U.S. Even a crude weapon used in such an attack could have thousands or millions of times the destructive power of the truck bomb that destroyed the Federal building in Oklahoma City. We must do our utmost to prevent such a nuclear catastrophe. Restoring the funds that this bill takes from these programs is an indispensable first step towards that goal.

EDWARD M. KENNEDY.

## ADDITIONAL VIEWS OF SENATOR JEFF BINGAMAN

This year's defense bill reflects the continued unwillingness of the Senate to move beyond the Cold War. I am deeply concerned that we lack the shared vision we need in the Senate to move beyond the past to build a more secure and peaceful future.

We live in a period of time that offers us a great opportunity to redirect our resources and expertise to meet changing national security requirements and to take important steps toward building a more peaceful international system. The annual budget deliberations in the Congress provide us in the Senate with an opportunity to address changing priorities and undertake new initiatives to meet emerging needs. Unfortunately, instead of moving toward the future, the committee and to a considerable extent the Administration, have chosen to stay the course and pursue the old agenda.

This year's bill, for example, includes a number of provisions to spend tens of millions of dollars on items for which the Defense Department has no requirement while simultaneously cutting funds for programs which have tremendous importance to our national security. The committee funded \$118 million to accelerate development of the Space Based Laser program, a program for which no requirement exists and which is not included in current approved plans for the National Missile Defense program. The committee also added about \$40 million for new dump trucks that the Army did not include in its budget request and which appeared near the bottom of its list of unfunded requirements. Many similar examples of spending for programs not required by the military services characterize this year's defense bill.

Even more disappointing is the fact that the committee chose not to fully fund, or in many cases, to cut funding for programs for which legitimate military requirements exist and which are needed to meet current pressing national security needs. When given the option, the committee chose not to provide sufficient funds, for example, for our pilots to obtain the training necessary to meet highest performance standards. The committee chose to reject a plan to shift money from unnecessary programs to meet this basic need to meet our warfighting requirements.

I am deeply disappointed that the committee chose to cut \$135 million from the DoD Cooperative Threat Reduction (CTR) Program and related programs in the Department of Energy. The Congress initiated CTR programs, also known as Nunn-Lugar Programs, in November 1991. Our concerns about the safety and security of nuclear weapons and materials in Russia following the collapse of the Soviet Union contributed to a broad Congressional consensus supporting the United States' role in preventing the proliferation of nuclear materials and expertise from Russia to unfriendly states.

Since that time, we have spent over \$1 billion to provide assistance to Russia and former Soviet states to eliminate strategic nuclear weapons, to establish security, control and accounting systems to protect nuclear weapons and fissile materials from unauthorized use or theft, to improve the operational safety of Soviet designed nuclear power reactors and to support Russian nuclear scientists' research in non-defense programs to meet their livelihood needs and prevent them from seeking alternative employment in an unfriendly state. The record shows that these programs are meeting their objectives. Although there is evidence of attempts, we have no evidence of successful theft of nuclear materials from Russia and application of nuclear materials or expertise to nuclear programs in unfriendly nations.

Those who object to this program may believe that our support constitutes a form of foreign aid to a former (perhaps current, in the view of many) enemy. They maintain that such programs should be the concern and obligation of the Russian government. I concur that the Russian government is obligated to meet these security needs, but I am also persuaded that our actions to support the CTR programs are primarily in our own national security interest. Regardless of who may be at fault if nuclear materials are stolen from stockpiles in Russia, the threat of nuclear terrorism constitutes the most significant threat to the United States today. To the extent that the Russian economy is not able to fully support funding their nuclear security requirements, we should continue to assist them in our own national interest.

I recently visited Russian nuclear facilities in Chelyabinsk-70 and near Moscow, and was able to observe firsthand the limitations of Russian technology in meeting their nuclear security needs. While in Russia, I observed the fruits of our cooperative programs at numerous facilities where our high technology security devices have been installed. Those facilities will serve as models for the hundreds of other nuclear research and storage facilities in Russia that are currently without effective security systems. No one knows the full extent of Russia's nuclear security needs at this point, but our effort to help meet those needs should continue until Russia is able to do so by itself or until the requirements are fully met. I am baffled by those who would want to curtail or abandon efforts to achieve this goal.

As we continue to move to START II and then to START III we still have a need to maintain a safe and reliable nuclear deterrent. This committee has pushed the Department of Energy (DOE) very hard to accelerate its program to select a tritium production technology, either an existing reactor or an accelerator, and produce new tritium. (Tritium, a radioactive gas with a half life of 12.3 years and needed for all nuclear weapons, has not been made in the United States since 1988.) Paradoxically, even though the Secretary of Energy has both written and testified about the need for a legislative provision to clear the way to produce tritium in a commercial reactor, the committee refused to adopt the provision that would allow the Secretary to accelerate this technology decision.

The committee has chosen to fund programs for which no requirement exists, to neglect fully funding programs for which current military requirements are not being met, and to cut funding

for programs such as CTR which are dedicated to meeting our highest priority security needs. I regret those choices by the committee and intend to raise these issues when the Senate considers the bill.

JEFF BINGAMAN.

## ADDITIONAL VIEWS OF SENATOR JOHN GLENN

I am pleased the Committee supported the inclusion of criteria to be used in determining how to add funds for Reserve Component equipment. The criteria, not unlike those used for evaluating adding funds for military construction projects, are aimed at ensuring that added funding for Reserve Component equipment meets a joint requirement, is in the Department's Future Years Defense Plan, is consistent with the Reserve Component's planned operations, and can be obligated in the upcoming fiscal year. Every year we add hundreds of millions of dollars for Reserve Component equipment. I am pleased that this year the Committee also supports adding an objective standard by which we can measure requests for added funding.

While I support the bill overall, there are a number of issues about which I must express my concern. First, I take strong exception to the section included in the General Provisions which would prevent the General Accounting Office (GAO) from conducting any self-initiated audits, under its basic legislative authority, until all other outstanding Congressional requests have been completed.

This language amends Title 31 of the U.S. Code and is an unwarranted and unjustified intrusion into the jurisdiction of the Committee on Governmental Affairs. It represents a major policy shift in the operation and authority of GAO. One which this Committee adopted without any consultation or input from the Governmental Affairs Committee.

The Governmental Affairs Committee held an oversight hearing on GAO last Congress. There were several Members on each side of the aisle at that time who served on both Committees. I don't recall any Member raising this as an issue or discussing problems regarding GAO's self-initiated audits to light. Moreover, the Committee, under my Chairmanship, contracted with the National Academy of Public Administration (NAPA), to comprehensively review GAO's management and operations. The NAPA study did not identify any problems related to GAO's conduct under their basic legislative authority, nor did it make any recommendations for our consideration on this issue. In fact, quite the contrary. Some analysts thought GAO should perform more, not less, self-initiated audits. In their view, GAO was often subject to rather parochial and narrow Member requests which only drained GAO's time and resources. I would note that GAO currently conducts 80% of its work in response to Member requests. A few years ago, it was far more evenly split.

Since 1921, the Comptroller General has had broad authority to evaluate programs and investigate on his own initiative "all matters relating to the receipt, disbursement, and use of public money". Self-initiated authority has provided GAO the flexibility to pursue critical issues that auditors and investigators uncover in

the course of their work. It is essential to the maintenance of generally accepted standards of independence and impartiality. Any restriction of this authority would be akin to us muzzling the auditor. The effect of this provision would be that, for example, work could not proceed on the next set of "High Risk" list reports until all Member requests—just think if a Member requested GAO to examine "alien" abductions—not only had been staffed, but had been completed. On large jobs, it may take well over a year to do the work.

I know from my long service on the Governmental Affairs Committee that Members often disagree with GAO's conclusions on a particular report. That has happened to me more than once. But if we demand objectivity, and I think all of us do, then we must give GAO the independence and authority they need to do the job. We want them to be able to investigate mismanagement or fraud wherever it exists.

I regret that this Committee did not see fit to consult with GAO's authorizing Committee before slipping this provision in a massive bill at the last moment. I know that I, during my Chairmanship of the Governmental Affairs Committee, would at least have consulted with the Armed Services Committee if we were going to act on legislation affecting Title 10.

For these reasons, I will do all I can to strike this provision from this bill on the Senate floor, and I would hope colleagues on both Committees would join with me.

The Committee's bill contains five land conveyance provisions—including one that was added at literally the last minute—and in their current form I am opposed to each of them. I am extremely disappointed that the Committee has discontinued a process to evaluate land conveyances which started when I was chairman of the Readiness subcommittee, and which was continued by Senator McCain when he was chairman. This informal process sought to ensure that taxpayer's interests were partially protected, by conducting an expedited 30-day screen conducted by the General Services Administration for other federal interest of each proposed conveyance. Because these land conveyance provisions waive the Federal Property and Administrative Services Act, the Committee cannot assure taxpayers that the Federal government is not seeking to acquire property that is similar to what the legislative provisions are giving away.

In the past, we have also asked the General Services Administration to provide a preliminary estimate of the value of the property which the Committee is proposing to give away. I would note that each of the five conveyances included in the Committee's bill would convey the property for no consideration. I think, at a minimum, we should at least have a ball park estimate of how much money the government is losing with these provisions.

I intend to ask GSA to conduct a 30-day screen for each property, and make an estimate, to the extent possible, of the value of each proposed conveyance. I will let my colleagues know of the results of this inquiry.

In addition, I am strongly opposed to the Committee's action in raising the budget for the space based laser by \$118 million. Deployment of this dubious Star Wars hold-over would violate the

ABM Treaty, cost an exorbitant amount, and not address any real current or anticipated near-term threat to our security. I have similar concerns about the \$80 million that the Committee is recommending for the antisatellite (ASAT) program.

The Committee can find \$118 for the Space Based Laser and \$80 million for ASAT, but is slashing \$135 million from one of our most valuable national security programs, the Cooperative Threat Reduction program. The proposal to cut \$25 million from the Energy Department's Materials Protection, Control and Accounting (MPC&A) program, another \$50 million from the department's international nuclear safety program, and \$60 million from the CTR program itself—are to me extremely ill-advised. I strongly support the efforts by Senator Bingaman to restore and to increase funds for the MPC&A program and the Initiatives for Proliferation Prevention program.

Perhaps most extraordinary of all was the Committee's agreement to increase the National Missile Defense program by a whopping \$474 million without even first requiring a detailed explanation of how these funds would be spent. The Committee's action offers strong evidence of a double standard at work in the current Congress, in which social and environmental programs are being slashed and subjected to congressional micromanagement, while a massive and provocative defense program escapes close congressional scrutiny. The Committee is giving all the appearance here of handing the NMD program a blank check, at the same time another bill (S. 7) would force the President to deploy a NMD system by the year 2003. I regard these actions both as poor defense policy and poor management of the public's funds.

Finally, I regret that the Committee has acceded to the Department's request to cut end strength further. I understand the rationale that is used to support continued end strength reductions, i.e. to cut end strength in order to generate cash savings that can help pay for modernization programs, and I agree completely that our service members deserve to have the best and most modern equipment available. However, I do not agree with the approach that we reduce the size of the force to pay for it.

We are using the military more today than at any time during the Cold War. I believe that if we want to continue to deploy a superb and ready force, we cannot cut the size of the force year after year and operate at the same optempo. Even if modernization programs can reduce the manpower needed to conduct wartime or peacetime operations in the long term, in the near term, we still need people to carry out our important worldwide commitments. I am concerned that we are rapidly falling below the manning levels necessary to either conduct our peacetime operations or credibly maintain a combat force capable of carrying out two nearly simultaneous major regional contingencies. Unfortunately, I do not believe it is possible to build a consensus in the Congress to maintain the appropriate size force, which I believe to be about 1.6 million active duty, when the Defense Department, itself, argues that it does not need these personnel and views the savings from end strength reductions as a relatively easy way to fund its weapons programs.

JOHN GLENN.

#### ADDITIONAL VIEWS OF SENATOR MAX CLELAND

I support most of the provisions in this bill. However, I am deeply concerned about the 25 percent reduction in Engineering and Manufacturing Development (EMD) funding for the F-22. The committee decided to spend \$420 million on other military items none of which were rated higher in priority to the Department of Defense than the F-22. The Committee had a clear choice: Support our military leaders in upgrading and modernizing our tactical air capability with the F-22, or cut 25 percent out of the program now and buy a bunch of dump trucks.

In all the testimony this committee has received, the committee has been informed repeatedly that the F-22 is the number one priority of the Air Force. This includes a former Republican member of this committee who is now Secretary of Defense. The F-22's stealthy features combined with its supercruise capability will allow the F-22 to not only achieve air-superiority, but air dominance. To put it in context, the United States achieved air-superiority in Korea and Vietnam. In the Gulf War, we achieved air dominance.

Last year, the Joint Estimate Team, a joint team of contractors and Air Force leadership conducted a review of the program with an eye towards reducing costs in the EMD phase. The JET determined that EMD cost increases were driven by better information on touch labor, additional flight test time, increased timing for avionics integration and engineering changes on the engine. Additional costs due to inflation were also identified. To address these issues and reduce risk, the JET recommended reducing the cost of the program by eliminating the requirement for some pre-production vehicles and absorbing the remaining cost by slowing the production ramp.

The recommendations set forth in this bill reduce funding for the EMD phase by \$420 million. It essentially rejects the recommendations of the JET. In my view, it does so without offering a clear path for successful execution of the program. I fail to see how preventing the Air Force from making prudent adjustments in the program will increase the confidence in the F-22 program.

I share the concerns raised by many regarding the cost of this aircraft, especially with regard to the growth of cost estimates for production of the F-22. I agree that we need to support efforts to restore our confidence in the program. In that regard, I supported the implementation of reporting requirements contained in this bill, which will allow this committee to closely monitor the development of this program, particularly with regard to the cost. I also believe it is reasonable to consider supporting a cap on funding for the Engineering and Manufacturing Development phase. This cap is essentially what the Air Force believes it will cost to complete this phase.

However, the decision to reduce funding for the F-22 at a time when the Air Force is undergoing a restructure to the program sends the wrong message. It tells the Air Force that conscientious steps to reduce costs and restore confidence in the program will be met with budget cuts. This bill contains no incentive to restore costs. I have proposed authorizing the necessary funds to proceed with the program, but making such an authorization contingent on certain requirements aimed at bringing the program under control. I will continue to advocate such an approach for the F-22, and I hope the Congress will ultimately make the right decision on this matter.

MAX CLELAND.

