

House Armed Services Committee

Ike Skelton, Chairman

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HOUSE ARMED SERVICES COMMITTEE APPROVES FISCAL YEAR 2008 DEFENSE AUTHORIZATION BILL

Restoring Military Readiness and Taking Care of the Troops Are Top Priorities

Washington, DC – House Armed Services Committee Chairman Ike Skelton (D-MO) announced that H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, was reported favorably by the committee on a vote of 58 to 0.

H.R. 1585 authorizes \$503.8 billion in budget authority for the Department of Defense (DoD) and the national security programs of the Department of Energy (DoE). The bill also authorizes \$141.8 billion to support ongoing military operations in Iraq and Afghanistan during fiscal year 2008.

In a statement released after the committee's approval of the defense authorization bill, Skelton discussed some of the bill's most significant provisions:

"This year's defense authorization bill concentrates on our military's critical readiness needs by setting priorities that will support our troops in the field, enable our nation to meet immediate military requirements, and preserve our ability to deter and respond to future threats.

"After more than five years at war, the strain of ongoing operations has taken a substantial toll on our military. Continued reports on the state of readiness for our ground forces, particularly our non-deployed and next-to-deploy forces, are of deep concern. With long term deployments in harsh environments wearing out military equipment at an accelerated rate, many stateside units are not fully equipped and would not be considered ready if called upon to respond during an emergency. Lack of equipment and the high tempo of operations have forced the services to train only for immediate mission requirements, shortchanging training for other types of threats.

"In spite of being a nation at war, the United States has not fully mobilized to respond to the needs of our military to meet the current mission and to maintain U.S. military readiness. To tackle this problem, the bill creates a Defense Readiness Production Board to identify critical readiness requirements, monitor and assess industrial capacity, and serve as a focal point for Congress and the Secretary of Defense on readiness issues. Once critical readiness requirements are identified, the services will have access to a \$1 billion Strategic Readiness Fund and the Department of Defense will have new procurement authorities to rapidly attend to these pressing needs.

“Further initiatives in the bill to restore readiness and reduce our strategic risk include the authorization of \$13.6 billion for the Army and \$8.4 billion for the Marine Corps to address equipment reset requirements, \$1 billion for National Guard and Reserve equipment from their unfunded requirements list, and \$250 million to address training shortfalls throughout the services. Another provision requires the Department of Defense to share its plans on reconstituting our prepositioned war stocks, which have been seriously depleted.

“For our troops in the field and in harm’s way, the bill dedicates substantial resources to improve protection, including an additional \$4.1 billion for Mine Resistant Ambush Protected (MRAP) Vehicles, which have been found to dramatically reduce the casualties caused by improvised explosive devices and are the top force protection priority for Operation Iraqi Freedom. Funding is also provided for the purchase of personal body armor and for up-armor humvee production.

“Readiness has also been impacted by repeated deployments that have stretched and strained military personnel, with the Army and Marine Corps under particular stress. In keeping with the committee’s long advocacy of the need to boost end strength, this bill authorizes an increase in the size of the military by 36,000 Army troops and by 9,000 Marines, which will help meet our commitments, reduce the strain on the force, as well as bolster readiness.

“As the use of the National Guard has expanded in recent years, there has been increasing concern that the National Guard and Reserves have been called upon to meet an ever expanding range of requirements. Given this trend, the bill gives the National Guard enhanced authorities to fulfill its expanded role in the nation’s defense, authorizes a fourth star for the Chief of the National Guard Bureau, and makes the National Guard Bureau a joint activity of the Department of Defense. The bill also requires the Department of Defense to evaluate the preparedness of the National Guard for homeland missions, such as disaster response, rather than only evaluating the Guard’s readiness for war time contingencies.

“In order to maintain a strong national defense, our nation must take care of our service members and their families. To this end, the bill provides a 3.5 percent pay raise for all service members, which is .5 percent more than the President’s budget request, and extends the authority for the Defense Department to offer bonuses and incentive pay. The bill preserves important health benefits by prohibiting fee increases in TRICARE and the TRICARE pharmacy program for service members and retirees. Provisions also include the Wounded Warrior Assistance Act, which addresses the problems identified at Walter Reed Army Medical Center earlier this year.

“The bill also upholds our strong commitment to those who have served and their families by providing an expansion of the combat-related special compensation for combat-related disabled retirees and by establishing a special survivor indemnity allowance to begin to address the offset to the survivor benefit plan and the dependents’ indemnity plan.

“In addition to the emphasis on military readiness and taking care of the troops, the defense authorization bill also includes many notable policy provisions. Furthering the committee’s important oversight responsibilities concerning U.S. military operations in Iraq, the bill requires the Secretary of Defense to submit a detailed report on the implementation of the

Joint Campaign Plan for Iraq, on efforts made by the Iraqi government to achieve political reconciliation, and on the metrics being used to measure American efforts in Iraq, including the implications for U.S. force levels there. This report will be based upon the assessments of the U.S. Commander in Iraq, General David Petraeus, and the U.S. Ambassador in Iraq, Ryan Crocker, and will enable the committee to ask tough questions and make frank judgments.

“With regard to U.S. military operations in Afghanistan, the bill requires the Secretary of Defense to produce a comprehensive report that outlines the strategic direction of U.S. activities in Afghanistan and includes concrete performance indicators and measures of progress. While providing funds for the Afghan National Security Forces, the bill also calls for a long-term sustainment plan to build the logistics and other capabilities Afghanistan needs for long-term security. To ensure even greater accountability, the bill establishes a new Special Inspector General for Afghanistan Reconstruction and expands the jurisdiction of the Special Inspector General for Iraq Reconstruction.

“Efforts to prevent the spread of nuclear weapons and materials are critical to our security, and this year’s bill recognizes this by increasing funding to strengthen and expand the Department of Energy National Nuclear Security Administration’s non-proliferation programs and the Department of Defense’s Cooperative Threat Reduction (CTR) Program.

“Finally, this bill calls for the Secretary of Defense to undertake a basic look at the Department’s roles and missions. A similar effort was undertaken in 1947, which helped to shape the Pentagon through the National Security Act. It is time once again to analyze Department’s role and missions, identify the services’ core competencies, and examine possible duplication of effort among the branches.

“Members of the House Armed Services Committee have worked very hard on this defense bill and deserve to be proud of the resulting legislation. I want to thank every member of the committee for their efforts to make this the best bill possible for our military and for our nation. I am grateful for the opportunity to serve as chairman and I hope to continue this committee’s tradition of bipartisan cooperation as we fulfill our Constitutional obligation to raise and support the U.S. Armed Forces.”

A detailed summary of H.R. 1585 as reported by the House Armed Services Committee is available at <http://armedservices.house.gov/>.

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Restoring Readiness

The U.S. military is without a doubt the premier fighting force in the world, and the Committee is dedicated to providing the necessary resources and authorities to quickly and efficiently reverse declining trends in training and equipment readiness.

- Authorizes **\$1 billion for the Strategic Readiness Fund**
- Provides **\$1 billion for National Guard equipment**
- Provides **\$250 million to address training shortfalls** throughout the Department
- Establishes the **Defense Readiness Production Board** to mobilize the defense industrial base to speed up the production of military equipment
- Requires rating and reporting of **National Guard readiness for homeland defense missions**
- Requires a plan on **reconstitution of prepositioned equipment stocks**

The Committee is gravely concerned with the declining readiness of U.S. ground and air forces. The cumulative effect of fighting two wars for 5 ½ years has had a severe impact on the services' readiness posture and their ability to respond to emerging threats, creating strategic risk for the nation. **Military leaders face significant challenges as they seek to fulfill today's equipment and training needs.** Army readiness has dropped to levels not seen since the 1970s. Today every non-deployed Army and National Guard combat brigade would face significant challenges completing their assigned missions if they were called upon to fight. The following legislative initiatives take significant steps towards resolving that crisis:

Reversing Equipment Shortfalls

To solve severe equipment shortfalls, efforts must be focused on maximizing industrial capacity and managing assets. The Committee **urges DoD to make resetting the force a higher priority** and to ensure that its reset efforts directly address equipment shortfalls. Long-term, sustained action is needed to truly respond to this crisis.

Equipment shortfalls must be addressed immediately to reduce the strategic risk which is already evident in the declining readiness of ground units not currently deployed, in the depletion of prepositioned war stocks and in National Guard units lacking the equipment needed for training. To this end, the Committee authorizes two significant initiatives to improve readiness and reset efforts.

- **Defense Readiness Production Board**
In order to elevate the discussion within the Department of Defense on mobilizing the industrial base to address equipment shortfalls, the Committee proposes a new Board to draw upon expertise from throughout the Department and creates a Defense Production Industry Advisory Council to tap into a broad range of industry expertise.

The Board will be composed of 16 members chosen from government civilians and military officials. The Board's three main functions will be to:

- **Designate critical readiness requirements** by identifying where equipment and supplies shortfalls are expected to persist for two or more years.
- **Monitor and assess industrial capacity** by looking across DoD, the defense industrial base and non-traditional suppliers to determine where capacity could be used more efficiently and to think creatively about how to leverage that capacity to fill identified shortfalls.
- **Serve as the focal point** for Congress and the Secretary of Defense on readiness issues through regular reporting requirements.

The Industry Advisory Council will consist of 12 members from American industry who will advise the Board on how best to mobilize the industrial base.

Additionally, the Department of Defense gains three new authorities to help it address identified critical readiness requirements, namely:

- The authority to enter into **new multiyear procurements** on proven technologies, non-developmental items, commercial items and items that were previously procured through multiyear contracts. The new multiyear procurements are not required to demonstrate cost savings, only "fair and reasonable" pricing, and Congress must be notified of each new contract.
- Special authority to **transfer funds** into accounts for critical readiness requirements.
- Flexibility in use of the **Working Capital Funds**.

To ensure the readiness crisis is addressed expeditiously, the Secretary of Defense will have authority to designate critical readiness requirements until the Board is fully staffed and functioning.

- **Strategic Readiness Fund**

To allow the services and the Defense Readiness Production Board to address critical readiness requirements identified by the Board, **the Committee establishes a \$1 billion fund**. The fund enables the services to put resources toward pressing needs, not into programs lacking the industrial capacity to absorb them quickly enough to address the shortfall.

As a precautionary measure in case the Department begins to rely too heavily on the fund to address regular readiness needs, DoD must inform the Board if it reduces any of the standard readiness accounts. This will prevent budgetary maneuvers that would redirect readiness resources to other uses.

Reversing the Decline in Training

The Committee adds **\$250 million to address training shortfalls** throughout the services. The funds will be used to improve units' training readiness and to increase the services' overall training readiness posture.

The Committee is very concerned about degradations in training, with ground forces now focused solely on current operations to the detriment of full-spectrum training proficiency. With the exception of naval aviation forces, all the services are currently funded well below the levels required to conduct the minimal training necessary to maintain adequate military readiness. The DoD must take swift action to prevent the loss of critical combat skills by making every effort to increase and fully fund opportunities for unit and individual skill training.

Other major initiatives to improve the readiness posture of our military include:

Prepositioned Equipment Stocks

The Committee requires DoD to submit an **annual report on the status of U.S. prepositioned equipment stocks**. The Department's plan, timeline and funding requirements for reconstituting all prepositioned stockpiles should be included in the report. In addition, DoD must report the intended future strategic use of the stockpiles and its plan to mitigate the risks of any depletions before the stockpiles have been fully reconstituted.

The lengthy time DoD has allotted for reconstituting the prepositioned stockpiles is alarming. This lack of urgency increases the Committee's concern regarding the Department's lack of a comprehensive plan to reconstitute these important strategic reserves.

Required Readiness Report

The Committee requires DoD to summarize the current readiness state of U.S. ground forces, determine to what degree the current ratings are based on subjective commander input, **state the Department's goal for the acceptable number of units maintained at each readiness level**, prioritize the actions the Department intends to take to improve the state of readiness, and address the investment strategy needed to return forces to an acceptable state of readiness.

National Guard Homeland Readiness Ratings

The Committee instructs DoD to include in its quarterly readiness reports the National Guard's capability, state-by-state, to meet its homeland and civil support mission requirements. This would **require DoD to evaluate the preparedness of the National Guard for homeland missions**, such as disaster response, rather than evaluating only their preparedness for war time contingencies. Congress and the governors would receive the report.

Improving the Health of the Army

Funding for the Army in fiscal year 2008 was redirected to high-priority accounts with the intention that the Army will finally reverse its trend of declining readiness and find itself on the road towards health and sustainability. Among the funding priorities addressed are the following:

- \$13.6 billion to **fully address equipment reset** request for the Army
- Additional \$1.55 billion for **MRAP vehicles**
- Procurement of **78 new Stryker vehicles**, plus force protection upgrades on existing vehicles
- End strength increase of **36,000 soldiers**
- \$250 million to **improve training** Department-wide
- Establishment of a **Defense Readiness Production Board**
- \$1 billion for the **Strategic Readiness Fund** to fix equipment shortfalls
- \$1 billion to provide the **National Guard and Reserve equipment** from their unfunded requirements list

The Committee is extremely disturbed that with the stresses and demands being placed on the Army today, the DoD is not sufficiently prioritizing the most pressing needs of the service. A significant reordering of those priorities is required to help the Army achieve a state where it can successfully deal with the challenges of today and position itself to handle whatever challenges may come tomorrow.

Significant provisions to improve the state of the Army include:

Equipment Initiatives

Equipment shortages, backlogs in production and increasing deployment rates have all contributed to a significantly degraded readiness level for the Army. To address this, the Committee creates several new initiatives to assist the service with rebuilding the force. A **Defense Readiness Production Board is established** to coordinate efforts among the services and industry for improving equipment production rates. A **Strategic Readiness Fund is also created** to provide easily accessible funding for critical readiness requirements, and the Secretary is required to provide a detailed report on the Department's plan for improving the overall state of readiness.

Army Equipment Reset

The Committee authorizes **\$13.6 billion to fully address the Army's stated equipment reset requirements** in fiscal year 2008. However, the recent decision to increase force levels in Iraq and Afghanistan will increase the amount of equipment that must be reset. Because the replacement of equipment can take up to three years following the commitment of funds, the Committee's goal is to make this funding available as soon as possible.

Mine Resistant Ambush Protected Vehicles (MRAP)

The Committee has realigned **\$1.55 billion from lower priority programs into this high priority area** in order to fully fund the Army's request for the MRAP program. The Committee understands MRAP vehicles could reduce the casualties in vehicles from IED attacks by as much as 80 percent. The Committee is also aware the Chief of Staff of the Army has indicated MRAP vehicles to be their top priority.

National Guard and Reserve Equipment Fund

The Committee authorizes an additional **\$1 billion for the procurement of critical, high-priority equipment** to address National Guard and reserve component unfunded equipment shortfalls.

Stryker Vehicles

The Committee authorizes \$1.5 billion, an increase of \$70 million, for 161 new Stryker vehicles plus additional force protection upgrades on existing vehicles.

M1 Abrams tanks and M2 Bradley Fighting Vehicles

\$2.3 billion is authorized for M1 Abrams tank upgrades, and \$1.8 billion for M2 Bradley Fighting Vehicle upgrades.

Training Initiatives

The Committee adds \$250 million to improve training readiness of individual units and reverse the overall trend of focusing on the mission at hand, rather than on full-spectrum combat training.

End Strength Increase

With the Army being stretched by the pace of current operations, it becomes even more pressing that the service be expanded. The Committee has long advocated for a larger Army and authorizes an end strength increase of 36,000 to alleviate the stress currently being placed on our soldiers and their families.

Increase in Mid-Grade Army Officers

The authorized number of Army officers with the rank of Major is increased by 2,850. The Department's "Grow the Force" initiative intends to expand the overall size of the Army, and additional mid-grade officers will be a critical part of that process.

Increase in Army National Guard and Reserve ROTC Scholarships

As the Army continues its high rate of participation in overseas operations, the Army Reserve is **moving towards becoming an operational force and moving away from its traditional role as a strategic reserve**. Therefore, in order to ensure adequate forces are available, the number of ROTC scholarships that may be awarded to cadets wishing to serve in the Army reserve components is increased to 424.

Grow the Force Initiative – Military Construction

The Army aims to increase the size of its force by 65,000 soldiers by fiscal year 2011. This will require a significant investment to ensure facilities are available to accommodate these new

recruits and their expanding missions. For fiscal year 2008, the Committee authorizes \$2.3 billion in military construction funding for this “Grow the Force” initiative.

Empowering the National Guard and Reserves

As the use of the National Guard has expanded in recent years, the National Guard and Reserves have been called upon to meet an ever expanding range of requirements. Given this trend, the Committee feels the **National Guard and Reserve must be given the resources and authorities necessary** to meet these new requirements. The following are initiatives designed to assist the National Guard in fulfilling its expanded role in the nation’s defense:

National Guard Empowerment Act

The Committee takes many of the recommendations from the National Guard and Reserve Commission and combines them with provisions of the National Guard Empowerment Act to develop a legislative package that will **restore our National Guard and Reserves to their full strength**. None of these changes are intended to alter the current relationship between the National Guard and the services.

The *National Guard Empowerment Act* does the following:

- Authorizes a **fourth star for the Chief of the National Guard Bureau** and enhances the duties of that position.
- Makes the **National Guard Bureau a joint activity** of the DoD.
- Expands the National Guard Bureau charter to include **official coordination** with federal agencies, states, Joint Forces Command and Northern Command on homeland and civil support activities.
- Requires the Chairman of the Joint Chiefs of Staff to review and determine how to **incorporate more National Guard and Reserve** personnel into positions **at Northern Command**.
- Creates a bipartisan **Council of Governors** to advise the President on how best to use the National Guard for civil support missions.

The following initiatives aim to improve the condition of the National Guard:

National Guard and Reserve Equipment Fund

The Committee authorizes an additional **\$1 billion for the procurement of critical, high-priority equipment** to address National Guard and reserve component unfunded equipment shortfalls. The National Guard is no longer a strategic reserve component but is now considered an operational force. The Committee is aware that personnel, equipment, and training readiness for the National Guard and reserve components have fallen dramatically since 2001 and feels this is an unacceptable situation.

National Guard Homeland Readiness Ratings

The Committee instructs DoD to include the National Guard's capability, state-by-state, to achieve its homeland and civil support missions. This would require DoD to evaluate the **preparedness of the National Guard for homeland missions**, such as disaster response, rather than only evaluating their preparedness for war time contingencies. The report would be sent to Congress, as well as the governors.

Reimbursement for National Guard Support to Civil Authorities

The Committee allows the DoD to be reimbursed when the National Guard, in title 32 status, provides support to civil authorities for National Special Security Events.

Meeting the Force Protection Needs of Our Troops

Our service members are courageously doing their duty overseas in multiple wars, and it is Congress' responsibility to provide them with the best gear and force protection possible. When a need is identified, the Committee has worked to fill it as quickly and efficiently as possible. The following initiatives will serve to provide the equipment and resources our brave men and women in uniform need to truly perform their missions as safely as possible.

- Additional \$4.1 billion for **MRAP vehicles**
- \$1.2 billion for **body armor**
- \$2.5 billion for **up-armored humvees**
- \$1.2 billion for **vehicle add-on armor**
- \$509.7 million for the **Armored Security Vehicle (ASV)**
- Comprehensive testing of all **helmet pad systems**

Mine Resistant Ambush Protected Vehicles (MRAP)

The Committee has realigned **\$4.1 billion from lower priority programs into this high priority area** in order to fully fund the MRAP program; the top force protection priority for Operation Iraqi Freedom. A total of \$4.6 billion is provided to fully fund the MRAP vehicle requirement.

The Committee is concerned that the fiscal year 2008 budget request for ongoing military operations **failed to request adequate funding for the MRAP vehicle program**. The Committee understands MRAP vehicles could reduce the casualties in vehicles from IED attacks by as much as 80 percent. The Committee is also aware the Commandant of the Marine Corps and the Chief of Staff of the Army have indicated MRAP vehicles to be their top priority and have officially requested that the Chairman of Joint Chiefs of Staff fully resource the MRAP theater requirement.

Individual Body Armor

The Committee authorizes **over \$1.2 billion towards the continued purchase of personal body armor** and associated individual protective components for our service members serving overseas. The Committee notes the military is issuing the most effective body armor available and understands the interceptor body armor system is modular in nature and continues to improve upon existing capability. The additional funds provide the necessary resources to allow the military services to address their full needs.

Up-Armor Humvees

The Committee authorizes over \$2.5 billion to continue to sustain the maximum rate of up-armor humvee production, replace battle losses, enhance military force protection capabilities, and address vehicle reset requirements.

Safety Modifications and Vehicle Add-on Armor

The Committee authorizes \$1.2 billion for modifications to in-service tactical wheeled vehicles that include **safety and force protection improvements** such as additional fragmentation and gunner protection kits to protect against improvised explosive devices (IEDs). These modifications increase the survivability of military personnel.

Armored Security Vehicles

The Committee authorizes \$509.7 million for the Armored Security Vehicle (ASV). The ASV is an all-wheel drive enclosed armored vehicle with a small, modified V-shape hull design that provides increased ballistic protection, overhead protection and protection against land mines and IEDs.

Combat Helmet Pad Suspension Systems

Our service members deserve the best individual force protection equipment we can provide, and because of that the Committee is directing DoD to retest all available helmet pad suspension systems. There are concerns regarding the validity of congressionally mandated tests conducted last summer, and the Committee feels **this equipment is too valuable to our service members for it not to have a comprehensive test and evaluation**, including an operational evaluation of all systems by qualified military personnel under realistic environmental conditions. The results of this test will provide the military services the knowledge they require to procure the most effective helmet pad suspension system for our service men and women.

The Committee also authorizes service members to be reimbursed for helmet pads they purchased out of pocket through September 30, 2007.

Small Arms

The Committee authorizes over \$843 million for the continued procurement of small arms and modifications to include M-4 carbines, M-16 rifles, medium and heavy machine guns, grenade launchers, and sniper rifles.

Joint Improvised Explosive Device Defeat Organization (JIEDDO)

\$4.5 billion is authorized to fully fund the anti-IED efforts of JIEDDO. The Committee has concerns with JIEDDO operations, management and costs. An independent review is required of

the agency's activities, what they have accomplished to date, where capability gaps exist and what can be done to more effectively counter the IED threat.

Taking Care of Service Members and Their Families

Our service members are our most valuable national security asset. They and their families sacrifice each and every day to defend our way of life and protect our nation from harm. With the military engaged in multiple fronts around the world, the past few years have been particularly trying, and the Committee has worked to find ways to ease the burden on our troops and their dedicated families.

Service Member Pay Increase

Successful recruiting and retention during a time of war directly depend on ensuring that the compensation and benefit programs stay current, flexible and effective. Accordingly, the Committee authorizes a **3.5% across-the-board pay raise for all service members**. This further reduces the pay gap between the military and the private sector to 3.4%.

Prohibition on Increase in Healthcare Fees

The Committee prohibits increases in both TRICARE and pharmacy user fees. This prohibition **prevents over \$1.86 billion in healthcare costs from being passed on to service members and their families**.

Increase in the Size of the Force

The Committee is pleased with the Department's proposal to increase the size of the Army and Marine Corps, but continues to recommend end strength levels greater than those requested by the Department in its regular budget. The Committee feels **the current size of the force is not sufficient to meet the demands being placed on the services** or to keep the force adequately prepared for the challenges of tomorrow. To resolve this, the size of the Army is increased by 36,000 soldiers, the Marine Corps is increased by 9,000 and the Army National Guard is increased by 1,300 individuals.

Wounded Warrior Assistance Act

The Committee remains committed to seeing that our wounded service members receive the best care possible. The recent revelations at Walter Reed Army Medical Center added a new **urgency to the Committee's ongoing efforts to address the problems** being confronted by our service members and their families throughout the recovery process.

To address this, the Committee **adopts provisions from the House-passed Wounded Warrior Assistance Act** that would establish new requirements to provide the people, training and oversight mechanisms needed to ensure high quality care and efficient administrative processing in an environment that reflects high quality of life standards.

Additionally, these provisions implement **reform of the administrative processes** to restore confidence in the integrity of the disabled evaluation system, and create a **seamless transition** for service members from the Department of Defense to the Department of Veterans Affairs.

Specifically, the Committee takes the following steps towards improving patient care and service:

- Improves medical and dental care for members of the Armed Forces assigned to hospitals in an outpatient status;
- Establishes a Department of Defense-wide Ombudsman Office to provide policy guidance to the ombudsman offices in the military departments regarding the information and assistance provided to recovering service members and their families;
- Provides independent medical advocates for members before the medical evaluation board;
- Establishes training and workload requirements for physical evaluation board liaison officers;
- Requires a standardized training program and curriculum for persons involved with the Department of Defense disability evaluation system;
- Improves the training for health care professionals, medical care case managers, and service member advocates for particular conditions of recovering service members;
- Establishes an oversight board to oversee medical care, quality of life, administrative processing and family programs supporting wounded warriors;
- Requires the development of plans and research for reducing Post-Traumatic Stress Disorder (PTSD);
- Requires a joint evaluation by the Department of Defense and Department of Veterans Affairs on their disability evaluation systems; and
- Prohibits A-76 competitions at military medical facilities.

Restoration of Cuts in Medical Personnel

The Navy announced it was cutting approximately 900 medical personnel. The Committee disagrees with this decision, especially in light of recent revelations regarding the state of DoD healthcare, and **restores approximately 490 medical personnel positions**. Additionally, the Department is planning to continue its military to civilian conversions, and the Committee is extremely concerned that this is having an adverse effect on service members. As a result, additional **military to civilian conversions are prohibited**.

Mental Health Initiative

Due to the increasing number of programs being developed and implemented to assist combat veterans and their families in dealing with mental health issues, the Committee recommends **the establishment of a Military Mental Health Initiative** that would coordinate all mental health research and development for the Department. The Initiative would provide the opportunity for researchers to compete for funding on both the basis of scientific merit and the contribution that their studies could make to the field of mental health assistance.

Traumatic Brain Injury (TBI) Initiative

The Committee directs the establishment of a **Traumatic Brain Injury Initiative** to provide the opportunity for emerging technologies and treatments to compete for funding. As TBI becomes increasingly prevalent in individuals injured in Iraq and Afghanistan, the Committee believes it is good for the DoD to remain at the forefront of this emerging field.

Extension of Authority to Accept Gifts

Service members are authorized to continue accepting gifts from the public until 2010. This enables the American public to continue showing their appreciation through the giving and donating of items to our brave service men and women.

Death Gratuity Recipients

Service members are authorized to designate up to 50 percent of their death benefit to someone other than a spouse or child, because a greater number of the children of our service members are being taken care of by individuals and family members other than their surviving spouse.

Impact Aid

\$50 million is going to assist schools that serve the children of our service members. An additional \$15 million is going to assist those schools that are expected to grow or decline as a result of the latest BRAC round or force structure change.

Family Housing

The \$2.9 billion fiscal year 2008 family housing budget will complete the Department's effort to eliminate all inadequate domestic family housing by 2007 and puts DoD on track to fund the elimination of all inadequate overseas family housing by 2009.

Defense Health Program Infrastructure Improvement

The Committee is very concerned with the low level of sustainment funding provided to medical activities and the resulting decline in the condition of critical healthcare facilities. Accordingly, the Committee recommends **an additional \$50 million for the Defense Health Program sustainment account** to fully fund this critical area, particularly at Walter Reed Army Medical Center.

Review of Roles and Missions

The basic structure of the Department of Defense and the division of labor between the military services has not dramatically changed since **the current structure was established in the National Security Act of 1947**. The Committee believes that a thorough review of roles and missions is overdue and proposes a major internal review by the Department of Defense.

The Committee notes that the Department of Defense has continually evolved to meet the national security challenges facing the United States, and **the nature of modern warfare has**

tended to blur the lines between what previously seemed like clear cut service responsibilities. The lines of responsibility for unmanned aerial vehicles, space systems and mobility systems have all been blurred, along with traditional lines between naval, expeditionary, and ground forces. The result is the duplication of numerous capabilities across the Department.

The Department's missions are not service unique. The services, however, do have core competencies, and defining these would allow the Department to **evaluate where the services are engaged in missions for which they are not ideally organized, trained, and equipped.** It would also allow the Department to determine areas where core competencies are lacking. Lastly, the Committee believes that the organization of roles and missions should be reflected in organization of the requirements and budget processes of the Department.

To assist this effort, the Committee authorizes the following series of legislative provisions aimed at forcing clarity and greater understanding of each service's role in the defense of our nation:

- Requires a review of the roles and missions of the Department of Defense every four years and that the missions of the Department be **organized into core mission areas** such as ground, air, maritime and space environments, expeditionary warfare, mobility, homeland defense, and cyber operations.
- **Identifies the core competencies** of the military departments, the Office of the Secretary of Defense, each defense agency, and each defense field activity. Each core competency is **required to be clearly associated with a core mission area** of the DoD.
- Directs a review of the capabilities that each of the military departments, the Office of the Secretary of Defense, each defense agency, and each defense field activity is maintaining or developing. The review would **determine whether these capabilities are outside the core competencies** for each entity or outside of the core mission areas of the DoD. Duplicated capabilities would have to be justified.

Provisions addressing the Joint Requirements Oversight Council (JROC):

- **Requires the JROC to organize its review of requirements according to the core mission areas**, provide the military services with clear guidance on the priority assigned to each requirement and make clear the expected resources allocated to fulfill each requirement. The official assigned to lead the review must be of a different military department than the deputy for that core mission area.
- The Committee is concerned that the current requirements process is too insulated from the realities of the acquisition and budget processes. By **incorporating clear priorities and budget guidance into the JROC process**, the Committee seeks to ensure that decisions made in these areas are truly joint, and are not driven primarily by the military department's budget considerations.

- The major systems of the Department of Defense must be certified by the JROC prior to the start of technology development. This will affirm that the system fulfills an approved initial capabilities document, is being executed by an entity with a relevant core competency, and **that a cost estimate is consistent with the level of resources in the initial capabilities document.** The Committee also requires that if, at any time prior to Milestone B, the system experiences cost growth of more than 25 percent of the cost estimate, the system would be returned to the JROC for a decision on whether to terminate or continue the system.

Readiness Subcommittee

The subcommittee on Readiness, led by Chairman Solomon Ortiz (D-TX), is responsible for overseeing \$236.5 billion in resources for military construction and the operations and maintenance of military installations and the services. In fiscal year 2008, the Readiness Subcommittee authorizes additional resources for training and equipping our service men and women for the missions they are called to perform overseas and provides them the facilities and services they deserve when they get back home.

A-76 Public-Private Competitions

The Committee revises the A-76 public-private competition process for the Department of Defense to ensure a balanced and fair A-76 cost comparison process through the following provisions that:

- Excludes health care and retirement costs from the A-76 cost comparison process, because **contractors should not have an unfair advantage** in the process if they provide no, or minimal, health and retirement benefits to their employees.
- **Eliminates automatic recompetition** of work performed by federal employees under A-76, because DOD career managers should not be forced to automatically recompetete in-house functions solely because the Office of Management and Budget requires such recompetitions.
- Establishes equitable appeal rights for federal employees, because all federal **employees should be provided with the same appeal rights** long enjoyed by contractors.
- Eliminates OMB outsourcing quotas.
- Requires the establishment of guidance to allow federal employees to compete for new work or work currently performed by contractors under certain limited circumstances.
- Establishes in law **a competition requirement for non-DOD agencies** which is identical to what is in permanent law for DOD

National Security Personnel System (NSPS)

The Committee remains concerned with the implementation of the NSPS. Collective bargaining rights, access to an appeals system and procedural safeguards for pay for performance are put in place. DoD is encouraged to better involve employees throughout the process.

Army Working Capital Fund

Due to increased deployments and operations over the past few years, the Army Working Capital Fund has accumulated a debt of \$7.5 billion in orders for basic inventory items. The Committee is greatly concerned that this growing debt will significantly impact the fiscal health of the Army in future years. The Committee strongly encourages the Army and DoD to begin planning for repayment of the Army Working Capital Fund.

Cheyenne Mountain

The Committee is concerned that the full costs of U.S. Northern Command's (NORTHCOM's) plan to move the North American Aerospace Defense (NORAD) command center from Cheyenne Mountain to Peterson Air Force Base will not be known until the completion of multiple ongoing studies regarding the security implications of the move. Therefore, the

Committee directs the relocation to pause until the Committee is provided with an analysis of the total cost to the anticipated operational benefits. At that time, the Committee will be responsible for approving the plan.

Incentives for Deployed Civilians

DoD is directed to review the benefits currently available to deployed federal civilian personnel to determine if adequate incentives are being provided for those accepting deployed positions and to recommend any necessary improvements.

Death Gratuity for DoD Civilians Serving in a Combat Zone

DoD civilian employees perform essential functions in combat zones and face many of the same risks as their military colleagues. The Committee increases the authorized payment from \$12,000 to \$100,000 for DoD civilian personnel who die as a result of performing their duty in a combat zone or a terrorist attack. This provides parity in these benefits between civilian and military personnel.

Base Realignment and Closure (BRAC)

The fiscal year 2008 BRAC funding request for \$8.4 billion supports a plan to complete the BRAC process by September 2011. This amount includes \$62 million to assist communities expected to absorb large numbers of personnel as a result of the BRAC decision.

Grow the Force – Military Construction

The Army has proposed an end strength increase of 65,000 soldiers by fiscal year 2011 that will require a significant investment to ensure facilities are available to accommodate these new recruits and their expanding missions. For fiscal year 2008, the Committee authorizes \$2.3 billion in military construction funding for this “Grow the Force” initiative.

The Marine Corps initiative increases the authorized end strength by 27,000. In fiscal year 2008, \$450 million is authorized for military construction to prepare the infrastructure to accommodate the increase in Marine Corps personnel.

Seapower and Expeditionary Forces

The Seapower and Expeditionary Forces Subcommittee, under the leadership of Chairman Gene Taylor (D-MS), has jurisdiction over Navy and Marine Corps procurement and research and development programs, representing approximately \$50 billion dollars in the fiscal year 2008 budget request.

Legislative initiatives in the Seapower and Expeditionary Forces Subcommittee:

- **Nuclear Powered Warships**

The Committee believes the major combatant ships of the Navy would gain warfighting capability if they were constructed with integrated nuclear power systems. Major combatant vessels should have maximum freedom of operations through increased speed,

endurance, and the lack of reliance on foreign port fuel replenishment. The Committee therefore, **requires that all new ship classes of submarines, cruisers and aircraft carriers are built with integrated nuclear power systems**, unless the Secretary of Defense determines it is not in the national interest to do so.

- **Capital Expenditure Incentives**

The Navy is authorized to provide contractors in the shipbuilding industry with **capital expenditure incentives to support investment in facilities** and process improvements for current and future shipbuilding contracts. These improvements must be shown to cause significant savings in either the cost of construction or the life cycle of the vessel. The Committee is convinced that **controlling escalating shipbuilding costs is essential to national security**, and increasing the efficiency of shipyards is an important step in this direction.

- **Maritime Administration Guaranteed Loan Program**

The Committee feels it is important to maintain a robust merchant marine comprised of vessels constructed in the U.S., and therefore continues the **\$30 million for the Maritime Guaranteed Loan Program**, authorized in the Maritime Security Act of 2003. This is an urgently needed tool for rebuilding the domestic fleet and preserving critical shipbuilding infrastructure and skills at our domestic shipyards.

- **Virginia-Class Submarine Multi-Year Procurement**

The Committee authorizes the Navy to enter into a second multi-year procurement contract for construction of additional Virginia-class submarines.

- **Report on the LCS Program**

The Secretary of the Navy is directed to report on the root causes of the cost overruns in the LCS program, methods since implemented to prevent a recurrence and an analysis of alternatives for future LCS acquisitions strategies.

- **Retirement of Naval Vessels**

The Navy is directed to report on the ships that are scheduled for retirement in the next five years and have not yet reached the end of their useful life. The report will include the Navy's strategy for future design and construction of Navy ships to ensure they can be upgraded economically throughout their hull life.

Shipbuilding Programs:

- An additional \$1.7 billion for a **second San Antonio class LPD vessel**, plus \$1.4 billion for the requested LPD
- \$456 million for a **second T-AKE Dry Cargo ship**
- An additional \$588 million for an **a second Virginia class submarine** ship-set of reactor plant heavy components and main propulsion components
- \$2.65 billion for **one Virginia class submarine**, with \$702.7 million advanced procurement of another

- \$710.5 million for **two Littoral Combat Ships (LCS)**
- \$2.724 billion for the first increment funding of the **next generation aircraft carrier**
- \$2.77 billion for second increment funding for **an LHA(R) vessel**
- \$2.8 billion for second increment funding for **two DDG 1000 vessels**
- \$297.3 million advanced procurement for a carrier refueling overhaul

Aviation Programs:

- \$480 million to continue developing a **competitive engine for the Joint Strike Fighter (JSF)**, in coordination with the Air and Land Forces Subcommittee.
- \$1.3 billion for 18 new **EA-18G Growler** aircraft
- \$2.6 billion for 33 new **F/A-18 E/F Super Hornets**
- \$993 million for six **F35 B Joint Strike Fighters**
- \$641.9 million for **26 UH-1Y/AH-1Z Iroquois/Super Cobra** helicopters
- \$423.5 million for **18 MH60S Knight Hawk** helicopters
- \$844.7 million for **27 MH 60R Sea Hawks**
- \$1.9 billion to procure 23 new **MV-22 Ospreys**
- \$718 million for the procurement of **11 KC-130J aircraft**

Air and Land Forces

The Air and Land Forces Subcommittee has worked tirelessly under the leadership of Subcommittee Chairman Neil Abercrombie (D-HI) to provide our Army and Air Force with the vehicles, aircraft and ammunition they need to successfully defend our nation. Through the authorization of **\$71.4 billion in procurement and research and development for the Army and the Air Force**, members have worked to ensure these services will be prepared to face the challenges of today and well-positioned for the challenges of tomorrow.

Highlights of the Air and Land Forces Subcommittee include:

- \$13.6 billion to **fully address the Army's equipment reset requirements**, and \$8.2 billion is authorized to meet the **Marine Corps' reset requirements**.
- \$2.3 billion for **M1 Abrams tank upgrades** and \$1.8 billion for **M2 Bradley upgrades**, in addition to multi-year procurement authorities for both vehicles.

- An **additional \$4.1 billion for Mine Resistant Ambush Protected Vehicles**, the top unfunded priority of commanders in Iraq and Afghanistan.
- \$4.6 billion for **ammunition** for the military services.
- Establishment of an **Individual Solider Survivability Equipment Budget Line**. Requesting funding for survivability equipment, including body armor, in the regular budget, rather than through supplemental requests, will produce significant savings in this area and stabilize the body armor industrial base to better address any future increase in requirements.
- As DoD develops its new **Tactical Wheeled Vehicle Armor classification system**, it is encouraged to take into consideration the level of protection offered, rather than just installation method, when determining the new classes.
- A required independent test of **Combat Helmet Pad Suspension Systems**, including user evaluations.
- Required technology maturation before the **Joint Light Tactical Vehicle** begins development and demonstration.
- \$697 million for **night vision devices** to include weapon sights, night vision goggles and other monocular devices.
- \$328.5 million, a reduction of \$328.6 million, for **Tactical Operations Centers** and \$120.9 million, a reduction of \$28.4 million, for **Combat Operations Centers (COC)**. Reductions are based on limited production capacity for equipment, substantial funding provided in the fiscal year 2007 supplemental, the redundancy of these programs, and the need to fund higher-priority programs.
- \$2.8 billion, a reduction of \$857 million, in fiscal year 2008 for continued development of the **Future Combat Systems (FCS)**.
- \$462.6 million, a reduction of \$2.125 billion, for the **Joint Network Node (JNN)** in fiscal year 2008.
- \$120 million, a reduction of \$102.3 million, for the **Warfighter Information Network – Tactical (WIN-T)** program.
- \$763.5 million for the **Single Channel Ground and Airborne Radio System (SINCGARS)** to procure 54,256 radios.

Aircraft Programs:

- Authority for the Air Force to **retire C-5A aircraft** after certifying that a minimum of 299 strategic airlift aircraft will still be maintained, and providing a cost analysis performed by a federally funded research and development center explaining life cycle cost estimates of modernizing C-5 aircraft compared to procuring additional C-17s.
- \$480 million to continue developing a competitive engine for the **Joint Strike Fighter (JSF)**, in coordination with the Seapower and Expeditionary Forces Subcommittee.
- \$216.1 million for **B-2 modifications**, a reduction of \$100 million, due to program delays in radar modernization.
- Multi-year procurement authority for **CH-47 aircraft** and upgrades.
- Restricted use of funding for the **Joint Cargo Aircraft (JCA)** until intra-theater airlift analyses are completed by the Army, Air Force and Joint Staff. The Secretary of Defense must also certify that there is a valid requirement for the JCA.
- An additional \$2.42 billion for procurement of 10 **C-17 aircraft**.
- Reduction in the **Armed Reconnaissance Helicopter** program of \$470 million.

Military Personnel

Under the leadership of Subcommittee Chairman Vic Snyder (D-AR), the Military Personnel Subcommittee ensures that the needs of our service members and their families are being met every day. From pay raises to promotions, and health care to end strength, the subcommittee oversees the day-to-day requirements of millions of individuals who dedicate their lives to defending our nation. The Subcommittee oversees approximately \$155.4 billion in programs that benefit our military personnel and their families.

Key provisions in the Military Personnel Subcommittee include:

Military Personnel End Strengths

- Increasing the size of the Army by 36,000 soldiers, the Marine Corps by 9,000 and the Army National Guard by 1,300 individuals. The Navy and Air Force are increased by 698 and 963, respectively, in the area of medical personnel.
- **Increasing the authorized number of officers** for both the Army and the Navy—an additional 2,850 Majors in the Army and 910 mid- and senior-grade officers for the Navy.

Service Member Pays and Bonuses

- A **3.5% across-the-board pay raise** for all service members. This further reduces the pay gap between the military and the private sector to 3.4%.
- **Consolidating over 60 special pays and bonuses** into the following eight categories in order to improve overall system administration:
 - Bonuses for enlisted members
 - Bonuses for officers
 - Nuclear officer bonuses and incentive pays
 - Aviation incentive pays and bonuses for officers
 - Health professions bonuses and incentive pays for officers
 - Hazardous duty pays
 - Assignment pays and special duty pays
 - Skill incentive pays and proficiency bonuses
- **Highlights of the special pays and bonuses provided for fiscal year 08:**
 - Extends bonuses and incentive pay authorities for active duty service members
 - Extends bonuses and special pay authorities for Reserve Forces
 - Authorizes assignment incentive pay for Reserve Members serving in a combat zone for more than 22 months
 - Extends bonuses and special pay authorities for health care professionals, including registered nurses and nurse anesthetists
 - Increases the special pay and multi-year retention bonus for medical officers
 - Increases additional special pay for dental officers
 - Authorizes a bonus for participants in the Armed Forces Health Professional Scholarship and Financial Assistance Program

Healthcare Quality and Affordability

- **Prohibits increasing TRICARE and pharmacy user fees** for service members and retirees.
- The TRICARE retail pharmacy network is added to the list of other DoD pharmaceutical networks, thus making it subject to **federal pricing limits**.
- **Prohibits additional military to civilian conversions** in the medical community and restores 489 Navy medical personnel.

- Establishes a **Traumatic Brain Injury Research and Treatment Initiative** to allow emerging technologies and treatments to compete for funding in this growing field.

Service Member Benefits

- Authorizes a **monthly payment of \$40 to surviving spouses** who are denied the full amount of their Survivor Benefit Plan (SBP) benefit because of concurrent receipt of Dependency and Indemnity Compensation (DIC).
- Also **expands the combat-related special compensation eligibility** to include Chapter 61 military retirees with fewer than 20 years service, as long as they have a minimum of 15 years and have at least a 60 percent disability rating.
- Transfers authority of the **Reserve Montgomery GI Bill to the Department of Veterans Affairs (VA)**. This places the entire GI Bill program under the jurisdiction of the VA with the expectation that this will help to bring greater uniformity between the active duty and reserve programs.

Additional Initiatives

- Extends the **authority for service members to accept gifts** from the public until 2010.
- Expands the authority for wounded service members to purchase clothing to also **allow the purchase of luggage** to transport their new belongings back home.
- Authorizes **\$50 million for Impact Aid** to assist local school districts serving children of service members.
- Authorizes **\$15 million to help school districts** impacted by the Base Realignment and Closure (BRAC) and force structure changes.

Terrorism and Unconventional Threats and Capabilities

The Terrorism and Unconventional Threats and Capabilities Subcommittee, under the leadership of Chairman Adam Smith (D-WA), oversees **\$23.3 billion for Special Operations Command, Information Technology (IT), Science and Technology (S&T)**, as well as many other areas focused on defending our nation from unconventional threats. The main emphasis of the subcommittee for the fiscal year 2008 budget was to empower Special Operations Command and the IT and S&T programs. To this end the following legislative initiatives were included within the jurisdiction of the subcommittee:

Empowering Special Operations Command (SOCOM)

The committee believes SOCOM must be empowered to maximize its capabilities in the war on terrorism. To ensure optimum resourcing, training, equipping and employment, the committee views a reorientation is in order. The committee maintains that the overall effort to combat terrorism around the world is as much of a competition of ideas as it is an application of force. The committee, therefore, fully funds SOCOM's \$6.2 billion budget request and recommends a greater emphasis on unconventional techniques and irregular warfare.

Additional committee initiatives designed to empower SOCOM and improve its ability to face current security challenges include:

- **The inclusion of an additional Principle Function of SOCOM**
 - The 1986 law directing the establishment of the command identified SOCOM's principle function is to prepare special operations forces to carry out assigned missions.
 - The committee updates the law to state that SOCOM's principle function includes the "planning, synchronizing and carrying out missions in the global war on terrorism." This additional function reflects SOCOM's increased role as a supported combatant command and is consistent with the Department of Defense's 2004 unified command plan.
- **The update and expansion of the "Special Operations Activity" list in law**
 - The committee believes a revision of the 20-year old law is warranted.
 - The list is updated to include the activities of counterinsurgency, information operations, and the counterproliferation of weapons of mass destruction.
 - The committee lists unconventional warfare as the first activity, supplanting direct action to a lower priority.
- **An improvement of SOCOM's authorities**
 - The committee clarifies the limited acquisition authority of the command.
 - The committee recommends a greater emphasis on SOCOM's acquisition priorities and clarifies that those priorities are no longer required to specifically support the priorities of the major services.
 - The committee provides the command additional authority to lease certain types of equipment up to five years, an extension beyond the current 18-month limitation.
 - The committee extends through fiscal year 2011 authority for SOCOM to provide up to \$25 million each year to facilitate cooperation between local indigenous special forces personnel and SOCOM personnel.

Empowering the IT and S&T Communities

The Committee is concerned with the lack of efficiency and speed in the process of delivering new technologies to the warfighter. Several new initiatives have been developed to increase flexibility and encourage a greater sense of urgency in the fielding of these technologies.

- \$10 million is authorized to create a three-year pilot to demonstrate the rapid acquisition of information technologies. The goal is to find ways to better leverage private sector IT innovation to benefit the warfighter.
- In order to prevent the sluggish IT bureaucracy from impeding the delivery of advanced technologies to the troops in the field, DoD is required to alert Congress within 30 days of a big IT program experiencing significant delays. A significant delay is defined as failure to meet any of the following:
 - Develop official Analysis of Alternatives (AOA) within one year
 - Transition from Milestone A to Milestone B within 18 months
 - Submission of Application of Capabilities Development document within six months
- The authority to develop S&T prototypes is expanded for an additional five years, in order to continue encouraging innovation.
- The Committee expresses its concern about the future health of the scientific community, and encourages growth and sustainment of the S&T intellectual community to meet the DoD's future technological needs.

Additional legislative provisions within the subcommittee's jurisdiction:

Epidemiological Study

The Department is directed to establish an epidemiological tracking initiative that would capture relevant data from service members returning from overseas deployment in order to create a database of epidemiologically relevant data. This initiative will provide researchers the opportunity to compete for funding on both the basis of scientific merit and the contribution that the studies could make to the identification, diagnosis, and treatment of deployment-related illness.

Strategic Forces

The Strategic Forces Subcommittee oversees the strategic national security interests of our nation. This year, under the leadership of Chairman Ellen Tauscher (D-CA), the subcommittee **authorizes approximately \$51 billion in strategic programs**, including \$9.5 billion for ballistic missile defense programs, \$9.3 billion for military space programs and \$14.2 billion for Department of Energy Atomic Energy Defense Activities.

Significant provisions within the Strategic Forces Subcommittee's jurisdiction include:

- The establishment of a congressionally appointed, bipartisan **commission to evaluate U.S. strategic posture** for the future, including the role that nuclear weapons should play in the national security strategy.
- The **slowing of nuclear weapons initiatives**, including development of a Reliable Replacement Warhead (RRW) and the construction of a new plutonium production facility.
- An **increase in missile defense funding for systems that address current needs** and vulnerabilities, while reducing funding for less mature, high-risk systems.
- Increased funding for **military space activities that deliver near term benefits** to the warfighter and improve space situational awareness and survivability.

Missile Defense Provisions:

- A reduction of \$764.2 million in overall missile defense funding
- \$1.4 billion **fully funds Patriot PAC-3 and MEADS**, including procurement of equipment for two additional Patriot battalions. \$11.8 million is added for additional PAC-3 missiles.
- \$1.1 billion for the **Aegis system**, an increase of \$78.0 million for a program that provides real protection to our troops on the ground.
- **Terminal High Altitude Area Defense (THAAD)** system is fully funded at \$858.2 million.
- \$2.3 billion is authorized to fund the existing **Ground-Based Missile Defense (GMD)** system.
- A **reduction of \$160 million for construction of a third missile defense site** in Europe.
- **The Airborne Laser program is reduced by \$250 million**, for a total of \$298 million, reflecting the Committee's concern with future costs and operational capabilities of the system.

Military Space Programs:

- Funding for DoD space programs is increased by \$101 million, for a total of \$9.3 billion.
- \$100 million is added to perform parts obsolescence studies in support of procurement of a fourth **Advanced Extremely High Frequency satellite**.
- Support is given for parts obsolescence studies supporting future procurements of both **Global Positioning System (GPS) IIF** satellites 13-15, and **Space Based Infrared Satellite System (SBIRS)** satellite number four.
- \$63.2 million is added to **modernize GPS user equipment**, for a total of \$104 million.

- Funding for **Space Situational Awareness and Space Control** capabilities is increased by \$129.8 million.

Nuclear Weapons Initiatives:

- A total of \$14.2 billion is authorized for the Department of Energy Atomic Energy Defense activities.
- The **Reliable Replacement Warhead (RRW) program is reduced by \$45 million** to slow its progress until the Commission on Strategic Posture reports its findings.
- Funding for construction of a new plutonium pits production facility is also reduced until the Commission reports its findings.
- **Conventional Trident Modification**
It is in the national interest for the U.S. to develop a near-term conventional global strike capability; however **the conventional Trident modification system should not be deployed until lingering policy questions are answered.** Therefore, \$126.4 million is authorized for research and development and \$16 million is authorized for procurement for the conventional Trident modification. However, no funds are authorized for long-lead procurement, resulting in an overall reduction of \$33 million from the conventional Trident modification request.
- **Disposition of Surplus Plutonium**
\$609.5 million is authorized to fully fund the Department of Energy's request for the U.S. Surplus Fissile Materials Disposition program, including \$333.8 for construction of the Mixed Oxide (MOX) Fuel Fabrication Facility. The Committee feels **disposition of weapons-grade plutonium is consistent with U.S. national security interests** and demonstrates to our international partners that we are committed to eliminating these materials. The Committee emphasizes its support for expeditiously moving forward with construction of the U.S. MOX facility.
- **Department of Energy Environmental and Other Defense Activities**
The Committee fully funds over \$5.36 billion for the Department of Energy's continued defense environmental clean up efforts, such as those at the Savannah River site and the Hanford site. Additionally, the Committee fully funds \$292 million for defense nuclear waste disposal including the Yucca Mountain project.

Full Committee Issues

Afghanistan

- **Report on Progress toward Stability and Security in Afghanistan**
The Secretary of Defense is required to coordinate with other U.S. agencies to produce a comprehensive that outlines the strategic direction of U.S. activities in Afghanistan and includes concrete performance indicators and measures of progress.

- **Special Inspector General for Afghanistan Reconstruction (SIGAR)**
 The committee emphasizes that reconstruction is critical to stability and security in Afghanistan, but the effectiveness of provincial reconstruction teams and other reconstruction efforts has been limited and should be significantly improved. There should be additional and more effective oversight in this area. Given these concerns the Committee establishes the Office of the Special Inspector for Afghanistan Reconstruction (SIGAR) to provide effective oversight of DoD reconstruction funds.
- **NATO Contributions to Efforts in Afghanistan**
 The Committee strongly feels that our NATO partners must significantly increase their contributions to security and stability in Afghanistan, in order to achieve sustainable progress in Afghanistan and ensure the U.S. is not left with a much greater share of the burden. This includes increasing NATO troop numbers and removing restrictive national caveats that limit operations.
- **Report on Progress on Counter-Narcotics Activities Involving Afghanistan**
 The Secretary of Defense is required to produce a comprehensive report that outlines the strategic direction of DoD activities relating to counter-narcotics efforts in Afghanistan, and includes concrete performance indicators and measures of progress.
- **Afghan Security Forces**
 The Secretary of Defense is required to submit a detailed plan for sustaining the Afghan National Security Forces (ANSF), which ensures that a strong and fully-capable ANSF will be able to independently and effectively conduct operations and maintain long-term security and stability in Afghanistan. The report should include a long-term strategy and budget, a mechanism for tracking funding, and actions to ensure effective Afghan institutions to support the ANSF.

Nonproliferation and Cooperative Threat Reduction

Consistent with the 9-11 Commission recommendations, the Committee fully supports the goals of the Department of Energy National Nuclear Security Administration's (NNSA) nonproliferation programs and the Department of Defense Cooperative Threat Reduction (CTR) Program, and emphasizes that **these programs are critical to U.S. national security and must be a top priority.**

The committee is concerned that lack of effective policy guidance and leadership, and program and funding constraints, have limited the progress of U.S. nonproliferation and threat reduction programs in recent years. The committee believes **there must be a strong national commitment to reinvigorate these programs.** The committee authorizes additional funding and concrete measures that will expand and strengthen nonproliferation and threat reduction efforts around the world.

- **Department of Energy NNSA Nonproliferation Programs**

The Committee authorizes nearly \$1.82 billion, an increase of \$150 million, to strengthen and expand NNSA nonproliferation programs.

- The Nonproliferation Research and Development program is **the last U.S. government capability for long-term nuclear nonproliferation research and development** and help maintains U.S. technological advantage in this area. The Committee authorizes \$280.2 million, an increase of \$15 million, for weapons of mass destruction (WMD) proliferation detection and nuclear explosion monitoring.
- The Committee authorizes \$147.9 million, an increase of \$23 million, to fully support the goals of the Nonproliferation and International Security program. This includes resources to **support the Six-Party process on the denuclearization of North Korea, and to expand the Proliferation Security Initiative (PSI)** and other WMD interdiction efforts.
- \$401.8 million, an increase of \$30 million, is authorized for the International Materials Protection and Cooperation program, which includes resources to **secure nuclear materials in Russia**, and to deploy WMD detection equipment at key ports of transit through the **Second Line of Defense Megaports program**.
- The Committee fully supports the **Global Threat Reduction Initiative** and authorizes \$196.6 million, an increase of \$77 million. This includes resources to eliminate highly-enriched uranium that could be used in WMD, to significantly expand radiological threat reduction efforts around the world and to enable rapid response teams to quickly secure and remove vulnerable WMD material.
- \$609.5 million is authorized for the U.S. Surplus Fissile Materials Disposition program, including \$333.8 for construction of the Mixed Oxide (MOX) Fuel Fabrication Facility. The Committee believes **disposition of weapons-grade plutonium is consistent with U.S. national security interests** and demonstrates to our international partners our commitment to eliminating materials that could be used for nuclear weapons. The Committee emphasizes its strong support for expeditiously moving forward with construction of the U.S. MOX facility.
- The Committee also authorizes \$399.7 million, an increase of \$5 million, to expand and strengthen staff capacity, capabilities and resources that NNSA needs to effectively implement nonproliferation programs.

- **Department of Defense CTR Program**

The Committee authorizes \$398 million, an increase of \$50 million, to strengthen and expand the CTR Program.

- The committee believes the **Shchuch'ye Chemical Weapons Destruction project in Russia is an essential priority** for both U.S. national security and the

long-term future of the CTR program. The Committee is strongly concerned that the project is incomplete, and yet the DoD has requested no additional funding in fiscal year 2008. The Committee is also concerned that the DoD's current budget and strategy for the project do not reflect the U.S. commitment to CTR efforts. Given these concerns, the Committee authorizes \$42.7 million, and specifies a number of DoD requirements that reflect the committee's intent to facilitate project completion.

- The committee **removes certain restrictions on the use of funds for CTR programs globally, while increasing oversight of these programs**, in order to provide the CTR Program with necessary flexibility and streamline efforts.
- The Committee strongly recommends that the DoD strengthen and expand the CTR Program through **the development of new CTR initiatives**, and specifies a number of initiatives that the DoD should consider. The committee authorizes \$7 million and requires the DoD to submit a specific action plan for these initiatives.

Iraq Policy

The Secretary of Defense and the Secretary of State are required to report on the situation in Iraq. As part of that report, the U.S. Commander in Iraq and the U.S. Ambassador to that nation are required to comprehensively assess the situation in Iraq.

The report will include a description of the Joint Campaign Plan and an evaluation of how that plan is proceeding, efforts being undertaken by the Iraqi government to enact a series of important legislative provisions that will help bring about reconciliation between the various groups, an assessment of regional security throughout the nation and the effectiveness of the Iraqi Security Forces. Based on the information provided, the Secretary of Defense is required to report on his plans for force levels and missions over the next six months, as well as contingency plans over that period of time.

The Committee wants to hear from our Commander in Iraq and the Ambassador regarding the real situation on the ground and the plans for moving forward. Once the debate is fully informed with both the assessment and the plans, Congress can make a determination of how to proceed.

Special Inspector General for Iraq Reconstruction (SIGIR)

The Committee believes SIGIR is a highly objective, transparent, and reliable source of information relating to Iraq reconstruction, therefore the Committee is broadening the authority of SIGIR in Iraq to include all reconstruction funding regardless of source or fiscal year.

Additional Provisions

- **Guantanamo Bay**

The Committee authorized a sense of Congress to express gratitude to the service men and women who perform their duty at Guantanamo Bay. The sense of Congress also

expresses that the international community should work with the U.S. to facilitate the repatriation of individuals who remain in detention despite having been ordered released by the Department of Defense administrative review board. There is no longer a benefit for the U.S. to detain these individuals, yet conditions are not conducive to their return. Currently, they remain in detention at Guantanamo Bay indefinitely. This situation is unacceptable, and DoD and the international community are encouraged to find a solution.

- **Contracting in Iraq and Afghanistan**

Requires that the Secretary of Defense, Secretary of State and the U.S. Agency for International Development (USAID) sign a memorandum of understanding (MOU) regarding matters relating to contracting in Iraq or Afghanistan. The MOU would clarify the roles and responsibilities in managing and overseeing contracts, including tracking and overseeing contractor personnel and maintaining a common database on such contracts. GAO must also report every six months on the handling of contracts in Iraq and Afghanistan.

- **Financial Accountability for DoD Initiative**

Establishes essential management goals for DoD, which must include:

- A comprehensive business management plan
- A well-defined, enterprise-wide business systems architecture
- Financial statements for all elements of DoD that receive clean audit opinions during independent financial audits

- **Sale of F-14 Parts**

The DoD is responsible for auctioning surplus U.S. military equipment, and U.S. customs agents have discovered parts of the recently retired F-14 “Tomcat” fighter aircraft in Iran. The continued sale of spare parts for the F-14 fighter aircraft could make it more difficult to confront the nuclear weapons capability of Iran. The Committee therefore prohibits the sale of F-14 parts by DoD to any entity other than a museum or similar organization in the U.S. wanting to acquire the parts for historical purposes.

Aircraft

Joint Cargo Aircraft

The Air Force and the Army are delayed from using funds to continue the Joint Cargo Aircraft program until DoD completes studies on intra-theater airlift requirements. The Committee is concerned that moving ahead with an additional cargo aircraft program in this area could invoke unnecessary duplication of effort and expenditure of resources.

Armed Reconnaissance Helicopter (ARH)

In light of the Army's recent decision to issue a show cause order to the contractor, the more than doubling of the per unit cost estimate and the crash of one of only four test aircraft, the Committee recommends the Army terminate the ARH program. \$50 million is authorized for research and development, and \$51.8 million, an increase of \$31 million, is authorized for modifications to the OH-58, the aircraft ARH was intended to replace.

C-17 Aircraft

The Committee authorizes \$2.7 billion, an increase of \$2.4 billion, for procurement of 10 additional C-17s. Given the dilapidated condition of the C-130E/H fleet of aircraft, a lack of well defined airlift requirements for the Army's modularity and Future Combat Systems, the personnel increases of both the Army and Marine Corps, the increased use of the C-17 for the intra-theater airlift mission, and the uncertainty associated with C-5 modernization testing and possible cost growth, the Committee feels that C-17 procurement should continue.

VH-71 Presidential Helicopter

The Committee wants to ensure that most of the future VH-71 helicopters dedicated to transporting the President of the United States are assembled in a U.S. facility. Accordingly, the Committee includes a provision which allows the Navy to fund the assembly of no more than five VH-71 helicopters, unless final assembly of subsequent helicopters is carried out within the U.S.

B-52 Upgrade

The DoD requested sufficient funding to modernize only 56 of the 76 B-52s currently in the fleet. The fiscal year 2007 NDAA prohibited the retirement of more than 18 B-52s until a replacement platform was available. With a replacement platform still unavailable, the Committee continues to oppose the retirement of 20 additional aircraft, and provides \$106.4 million for upgrading and maintaining the entire B-52 fleet.

U-2 Aircraft Retirement

The Committee remains concerned with the DoD's schedule for retiring the U-2 aircraft. The Secretary of Defense is directed to provide an annual review on the status of migrating the U-2's intelligence, surveillance and reconnaissance capabilities to the Global Hawk until the transition is complete.

KC-X Aerial Refueling Aircraft

\$114.5 million, a reduction of \$200 million, is authorized for the KC-X aircraft. The Committee notes that the System Development and Design contract award has been delayed until fiscal year 2008, and budget documents submitted by the Air Force identify \$173.5 million available in prior year appropriations for developmental activities.

Additional Aircraft Programs:

- \$1.414 billion for **six CH-47 Helicopters** plus modifications to fleet
- \$717.9 million for **11 KC-130J** aircraft
- \$1.9 billion for **24 C-130J** aircraft
- \$358.8 million, an increase of \$29.4 million, for **F-16 engine upgrades**
- \$2.4 billion to procure **12 F-35 Joint Strike Fighters**, in addition to \$3.5 billion for research and development
- \$480 million for the **Joint Strike Fighter competitive engine** program
- \$1.9 billion to procure **23 new MV-22 Ospreys**
- \$1.3 billion for **18 new EA-18G Growler** aircraft
- \$2.6 billion for **33 new F/A-18 E/F Super Hornets**
- \$641.9 million for **26 UH-1Y/AH-1Z** Iroquois/Super Cobra helicopters
- \$511.5 million for **21 MH-60S Knight Hawk** helicopters
- \$1.05 billion for **33 MH-60R Sea Hawk** helicopters
- \$514 million to procure **five Global Hawk** UAVs
- \$336.5 million for **28 Predator/Reaper** UAVs

Ground Vehicles

Joint Light Tactical Vehicle Program (JLTV)

The Committee is concerned the JLTV program may not possess the required technology for the program to advance to the next phase of development and testing. This program is too important to fall victim to the cost growth and schedule delays that have plagued other major defense programs that have taken this step prematurely. Because of this, no funds may be used for the JLTV beyond its Design Readiness Review until the Secretary of Defense provides a report stating the JLTV has met its full requirements for developmental technology.

Marine Corps Expeditionary Fighting Vehicle (EFV)

The EFV program currently faces review by DoD, and spending of funds provided for research and development in fiscal year 2007 have been suspended pending the outcome. The Committee feels it is unlikely the full amount will be spent. Therefore funding authorized for the EFV in fiscal year 2008 is \$88 million, a reduction of \$200 million, with the assumption that excess fiscal year 2007 funds combined with this amount will provide sufficient resources to continue development of the EFV.

Medium and Heavy Tactical Trucks

The Committee authorizes over \$4.6 billion for medium and heavy tactical trucks. These funds help to maintain maximum and/or very high rates of production and would address battle losses, reset, and Guard and Reserve Component requirements.

Stryker Vehicles

The Committee authorizes \$1.5 billion, an increase of \$70 million, for 161 new Stryker vehicles plus additional force protection upgrades on existing vehicles.

M1 Abrams tanks and M2 Bradley Fighting Vehicles

\$2.3 billion is authorized for M1 Abrams tank upgrades, and \$1.8 billion for M2 Bradley Fighting Vehicle upgrades. Multi-year procurement authority is also authorized for both vehicles. The Army is encouraged to shift funding for this procurement to the regular President's budget request, rather than continuing to fund the requirement through the supplemental budget requests.

Ground Systems

Future Combat Systems (FCS)

Provides \$2.8 billion in fiscal year 2008 for continued development of the Future Combat Systems, a reduction of \$867 million. This reduction is based on a combination of factors including schedule and cost challenges, a history of Army changes to the program and a serious concern about how the cost of the FCS program could affect the future financial health of the Army. Overall, the Committee is concerned that **the larger context in which the FCS program exists has changed significantly** since the program began, but the Army has not sufficiently adjusted the program to accommodate this new reality.

The Army has identified bigger, more critical priorities that must be addressed before devoting such large resources to futuristic technologies. The funding level supports the aspects of the FCS program that could, if successful, benefit the entire Army and deliver needed force-multiplier technologies into the hands of soldiers in the field by 2010. Cuts are focused on elements of FCS that will not deliver capability until 2014 or later, or are redundant given other existing Army capabilities. The Committee is

committed to pursuing a funding strategy that seeks the appropriate balance between the near and long term requirements of our soldiers.

The Committee also includes a legislative provision on FCS that requires the Army to conduct a realistic operational test of the FCS communications network prior to initiating low-rate production of FCS manned ground vehicles.

Joint Network Node (JNN)

The Committee authorizes \$462.8 million, a reduction of \$2.125 billion, for the JNN in fiscal year 2008. The Committee feels the Army cannot execute the requested \$2.6 billion in fiscal year 2008, given the Army's goal of producing a set of JNN equipment and conducting operational testing and evaluation in the same year. The Committee **uses the excess funding to support procurement of IED-resistant MRAP vehicles** for U.S. military forces in Iraq and Afghanistan, and other higher-priority equipment needs.

In addition, the Army may only spend 50 percent of the total JNN program funding provided until the Secretary of the Army certifies that JNN has been made a program of record, a plan exists for its operational test and evaluation, and the Army plans to seek competitive bids for future JNN equipment.

Warfighter Information Network – Tactical (WIN-T)

\$120 million, a reduction of \$102.3 million, is authorized for the WIN-T program. The WIN-T program faces significant cost overruns and challenges from unclear requirements, schedule changes and high-risk technology development. In addition, the Committee is **concerned that there is overlap and a lack of coordination between the WIN-T and JNN programs**. The Committee urges the Army to consolidate the management of the two programs to achieve greater efficiency down the road towards a single battlefield network capability.

Single Channel Ground and Airborne Radio System (SINCGARS)

Authorizes **\$763.5 million for 54,256 radios**, reflecting the Committee's concern that the cost per unit of each radio increased dramatically and without apparent cause from fiscal year 2007 to fiscal year 2008, the lack of clarity in Army SINCGARS requirements, and the very slow delivery timelines projected by the Army.

Shipbuilding

San Antonio Class Vessel (LPD)

The DoD requested funding for the ninth and final San Antonio class LPD. The Committee notes that both the Navy and the Marine Corps have an unfunded requirement for an additional ship of this class. To meet the needs of the Navy and Marine Corps for future expeditionary warfare

requirements the Committee authorizes **an additional \$1.7 billion for procurement of a second LPD** in fiscal year 2008, bringing the total authorized for both ships to \$3.1 billion.

Virginia Class Submarine Advanced Procurement

The Committee understands that advanced procurement of a ship-set of reactor plant and main propulsion components provides valuable savings in both cost and production time of a Virginia class submarine. The Committee authorizes **\$588 million for an additional ship-set of Virginia class long lead material components** to reduce cost and schedule risk during construction. This will also allow Congress flexibility of increasing submarine production to two ships per year prior to the Navy's goal of doing so in fiscal year 2012.

T-AKE Dry Cargo Vessel

The Committee understands that accelerating the construction of the T-AKE class of vessels would more fully support the Maritime Propositioning Force, Future (MPF(F)) concept and notes that acceleration of this ship class is the Chief of Naval Operations number two priority on his Unfunded Priority List.

Littoral Combat Ship (LCS)

The DoD originally requested three Littoral Combat Ships (LCS). Subsequent to the budget request, significant costs overruns were discovered on the first ships of the class, currently under construction, and the Navy lowered its request to only two ships. The Committee remains concerned with the cost and schedule performance of the LCS program but understands the need for this class of ships to counter asymmetric threats in littorals around the world. The Committee also believes that **maintaining a competitive environment in LCS procurement is in the best interest of the Navy and the nation**. Therefore the Committee authorizes \$710.5 million for the procurement of two LCS class ships in fiscal year 2008.

Additional Shipbuilding Programs:

- \$2.65 billion for **one Virginia class submarine**, with \$702.7 million advanced procurement of another
- \$2.724 billion for the first increment funding of the **next generation aircraft carrier**
- \$2.77 billion for second increment funding for **an LHA(R) vessel**
- \$2.8 billion for second increment funding for **two DDG 1000 vessels**
- \$297.3 million advanced procurement for a carrier refueling overhaul

Missile Defense

Since 1985, over \$107 billion has been invested in the ballistic missile defense program, much of which has been oriented towards longer-term technologies that do not address the current national security needs of the United States, its deployed forces and allies. The Committee

firmly believes **we need real capabilities to address real threats**. Last year, the conferees on the fiscal year 2007 National Defense Authorization Act even noted this fact saying,

“The Department’s excessive focus in the development in long-term technologies has made it difficult for the Missile Defense Agency (MDA) to successfully develop, test and field—in sufficient numbers—the initial missile defense capabilities necessary to address the current threat... The conferees believe that the emphasis of our missile defense efforts should be on the current generation of missile defense capabilities.”

The MDA’s focus on long-term threats that have yet to emerge **has taken efforts and resources away from the real threats facing our homeland, our deployed forces and our allies** around the world today. Additionally, the Committee believes that MDA, which is fundamentally a research and development organization, needs to be re-focused into an organization that works to provide direct support to the warfighter.

The Committee also notes that the Fiscal Year 2007 National Defense Authorization also made it the policy of the U.S. to give priority to effective near-term capabilities such as the ground-based midcourse defense system (GMD), the Aegis Ballistic Missile Defense system, the Patriot PAC-3 system and the Terminal High Altitude Area Defense (THAAD) system. These programs provide real capability to the warfighter, and the Committee has prioritized them above other long-term research projects.

- **Patriot PAC-3/Medium Extended Air Defense System (MEADS)**
\$1.4 billion is authorized for Patriot PAC-3 and MEADS. These funds will be used to purchase additional PAC-3 interceptors, upgrade the remaining PAC-2 firing units to PAC-3 configuration, continue the development of the MEADS program, and purchase equipment for two additional Patriot battalions.
- **Aegis Ballistic Missile Defense**
The Committee authorizes \$1.1 billion for Aegis BMD, an increase of \$78.0 million above the budget request. These funds will be used to continue and expand the fielding of the Standard Missile-3, improve the discrimination capabilities of the Aegis SPY1 radar, and continue the joint development with Japan of the SM-3 Block IIA missile.
- **Ground-Based Missile Defense (GMD)**
\$2.3 billion is authorized to fund the existing GMD system. The mark also authorizes procurement of an additional ten GMD interceptors, with the understanding that those interceptors could be deployed at Ft. Greely, Alaska or at a potential future European site.
- **Terminal High Altitude Area Defense (THAAD)**
The Committee fully supports THAAD and authorizes \$858.2 million to continue the purchase of the first two THAAD firing units, and begin the purchase of two additional units. Additionally, the Committee strongly recommends that MDA reconsider its recent decision to cancel three THAAD flight tests.
- **European Missile Defense Site**

The U.S. has not yet reached a formal agreement with Poland or the Czech Republic regarding the deployment of missile defense capabilities in their territories. The Committee feels it would be premature to authorize funds for a project expected to cost over \$4.0 billion before reaching an agreement on how those funds would be spent. The Committee also recommends that the Administration focus its efforts on obtaining the support of its NATO allies before moving forward with this plan. Therefore, the Committee recommends eliminating all funding for construction of a third missile defense site, and requires DoD to contract for an independent study to examine technical, political, operational, force structure, and budgetary issues surrounding the implications of developing a third site.

- **Ballistic Missile Defense Space Programs**

The Committee authorizes no funding for the space test bed, a decrease of \$10 million.

Military Space

In the area of modernization of space systems and infrastructure, the Department of Defense needs to walk before it runs. For too long resources have been poured into futuristic technologies rather than concentrating efforts on strengthening current capabilities. The Committee focuses its efforts on two main areas that have been overlooked for many years.

First is space situational awareness. Our space assets cannot be truly protected unless there is full awareness of the surrounding environment and potential threats can be identified.

- **Space Situational Awareness (SSA) and Space Control**

An additional \$130 million is authorized for space situational awareness and space control programs which will increase awareness of our space assets and more effectively monitor the threats targeted against them. The Committee feels this is an important priority that has received inadequate attention in recent years.

Second is redundancy. The Committee believes it is more important to have systems that overlap in the short-term than to have a capabilities gap while waiting for a next generation technology to be deployed. We must make progress in providing near-term capabilities to the warfighter. Our service members are engaged throughout the world, and enhancing their ability to successfully perform their missions must be a higher priority.

Protected Satellite Communications

- **Advanced Extremely High Frequency (AEHF)**

The DoD budget request contained \$603.2 million for RDT&E for the AEHF satellites. The Committee feels the current needs of our troops in harm's way must take priority over long-term conceptual systems, and redundancy is crucial in protected satellite communications. The Committee authorizes \$703.2 million for continued analysis of

technology issues associated with procurement of AEHF number four, an increase of \$100 million.

- **Transformational Satellite Communications (TSAT)**
The Committee strongly supports the goals of the TSAT program and commends the Air Force for focusing on technology maturation and risk reduction. Therefore, the Committee recommends \$963.6 million for the program.

Space-Based Missile Warning

- **Space Based Infrared System, Geosynchronous Satellites (SBIRS GEO)**
The Committee authorizes \$687 million, an increase of \$100 million, for parts obsolescence analysis in preparation for future procurement for SBIRS GEO satellite number four. This will support strategic and theater missile warning capabilities.
- **Alternate Infrared Satellite System (AIRSS)**
The Committee is concerned that the AIRSS technologies are risky and its current requirements, schedule and cost estimates are not clearly understood or well defined. The Committee feels the AIRSS program is too premature for support at this time, therefore funding for the program has been reduced to \$30 million for technology development, a reduction of \$200.9 million.

Global Positioning System (GPS)

- **GPS IIF**
The Committee understands the importance of the GPS system to military, as well as to civil and commercial endeavors around the world. The strength of the GPS system is in its availability and continuity of operations. As a result, the Committee authorizes an additional \$40 million for parts obsolescence studies supporting procurement of GPS satellites 13 through 15.
- **GPS III**
\$437.2 million is authorized for the GPS III system, a reduction of \$150 million. Rather than pursue a new competition and acquisition, the Committee recommends the Air Force focus resources on solving problems within the current GPS system through improved investment in user equipment and technology risk-mitigation efforts.
- **Modernized GPS User Equipment**
\$104 million, an increase of \$63.2 million, is authorized for accelerated development of modernized user equipment to allow our service members to more efficiently utilize GPS system equipment.

Nuclear Weapons

The Committee feels it is time to reassess and publicly debate the future nuclear posture of the United States. What role will nuclear deterrence play? How should the possession of nuclear weapons influence our overall national security strategy? What is the most effective way to integrate our current modernization programs with future needs that may arise? To foster this conversation, the Committee establishes the Congressional Commission on Strategic Posture of the United States.

- **Congressional Commission on Strategic Posture of the United States**
This new bipartisan, congressionally-appointed commission will examine these important questions while **analyzing the appropriate strategic posture for the U.S.** The Committee remains concerned that while ambitious new nuclear programs have been proposed, clear policy objectives have not been established in many years. The Commission would be charged with establishing these objectives and recommending an overall strategic posture along with specific nuclear weapons policies.
- **Reliable Replacement Warhead (RRW)**
As the Commission works to develop its recommendations for future nuclear policy, the Committee believes current modernization efforts should be slowed pending the outcome. Funding for the **RRW is reduced nearly 40 percent to \$74.9 million**, because while the Committee sees promise in the program, many questions remain. Limiting the scope of the RRW program to further study of the proposed design and cost will ensure that the RRW program is capable of meeting its primary objectives of reducing the need to test these weapons in the future and facilitating further reductions in the weapons stockpile.
- **Halting New Pit Production**
Additionally, funding is reduced for the planning of a new facility to produce plutonium pits, and the Department of Energy is asked to evaluate the extent to which the U.S. can reuse existing plutonium pits rather than manufacture new ones to meet stockpile needs. The Committee notes that recent National Nuclear Security Administration (NNSA) findings on pit aging suggest that the reuse of existing pits warrants further examination for their potential to perform as well as newly manufactured pits, without the need for additional testing.

Energy and the Environment

The Committee believes it is in the national interest for DoD to increase its use of renewable energy, work to protect our energy security, prepare for the ramifications of climate change and consider the impact of the Department's activities on the environment. As such, the Committee includes the following provisions to achieve these goals:

Renewable Energy

- Adds \$10 million to the **Army Venture Capital Fund** for investment in companies with renewable energy technologies that could assist the Army in meeting the goal of consuming 25 percent renewable energy by fiscal year 2025.
- Adds \$15 million for the **Advanced Energy Storage Technology Initiative**, to provide for the competitive selection of battery, fuel cell, and capacitor technologies for further research, development, testing or demonstration.

Energy Efficiency

- Restores congressional notification requirements regarding cancellation ceilings for **DoD Energy Savings Performance Contracts (ESPCs)** to \$10 million, which is consistent with the ceiling established for all other government agencies.
- Authorizes \$70.0 million for energy conservation projects.

Energy Security

- Requires DoD to report on opportunities for leveraging funds available to the Department and the states to prevent disruption in the event of major electric grid or natural gas or petroleum pipeline failures.
- The Committee believes major combatant vessels should have maximum freedom of operations through increased speed, endurance, and the lack of reliance on foreign port fuel replenishment. Therefore, the Committee **requires that all new ship classes of submarines, cruisers and aircraft carriers are built with integrated nuclear power systems**, unless the Secretary of Defense determines it is not in the national interest to do so.

Climate Change

- Requires the next National Security Strategy, National Defense Strategy and Quadrennial Defense Review to include consideration of the risks posed by climate change to current and future DoD missions.

Environmental Impact

- The Navy issued a two year waiver from the **Marine Mammal Protection Act (MMPA)** in January 2007. The Committee directs the Navy to submit a report on activities undertaken under the exemption.
- Currently, DoD is exempted from various parts of nine environmental protection laws. The Committee directs the Comptroller General to conduct a study on the extent to which current environmental laws, regulations and exemptions are affecting the Department's training activities, readiness and the environment.
- The Committee **fully funds over \$5.36 billion for the Department of Energy's continued defense environmental clean up efforts**, such as those at the Savannah River

site and the Hanford site. Additionally, the Committee fully funds \$292 million for defense nuclear waste disposal including the Yucca Mountain project.