

# PRESS RELEASE



**United States Senate  
Committee on Armed Services**

**John Warner, Virginia  
Chairman**

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## **SENATE AND HOUSE COMPLETE CONFERENCE ON JOHN WARNER NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007**

Today Senator John Warner, R-Va., Chairman of the Senate Armed Services Committee, and Senator Carl Levin, D-Mich., the Committee's Ranking Minority Member, announced that the Senate and House conferees reached agreement on the John Warner National Defense Authorization Act for Fiscal Year 2007. The bill authorizes funding for the Department of Defense and the national security programs of the Department of Energy.

Senator Warner said, "I am humbled and honored to have served on this historic committee for twenty eight years, 12 of which as either Ranking Member or Chairman. This strong, bipartisan bill will provide the resources to our men and women in uniform, and their families, as they stand guard the world over – in some 60 countries – to keep America safe. Our forces are protecting us at great personal sacrifice, and we in Congress have a very sacred and constitutional obligation to care for them, and their families. This bill provides our military with the resources to fight the war on terror and defend our security interests around the globe, thereby safeguarding the liberty and freedom we have in America."

"In this bill – the last bill of my six-year tenure as Chairman, under the rules of the Republican caucus – I am particularly pleased that we have focused on the priorities of enhancing force protection for our troops facing asymmetrical threats in the field; re-setting essential equipment for all the Services, particularly the Army and the Marine Corps; modernizing the force, including strengthening the shipbuilding program and the industrial base; enhancing the Department's homeland defense capabilities and authorities; improving the quality of life for our dedicated service members and their families; and fulfilling our responsibility to exercise strong congressional oversight of the Department and the ongoing operations in Iraq and Afghanistan," added Senator Warner.

Senator Levin said, "I am pleased that this bill supports our service members and families by improving health care and increasing military pay and benefits. We expand eligibility for TRICARE to all members of the Selected Reserve and their families without regard to active duty service, and we prohibit increases in TRICARE fees until we can complete a study of TRICARE costs. We also have taken steps to address predatory payday lending practices that target our service members and their families, and we require DoD to implement full replacement value for household goods lost or damaged in military moves. These measures will significantly improve the quality of life for our military families."

"The conference report also strengthens Congressional oversight over current operations in Iraq and Afghanistan by requiring future budgets to include the costs of ongoing military operations there and by strengthening the oversight authorities of the Special Inspector General for Iraq Reconstruction," Senator Levin added.

Senator Levin concluded, "I want to congratulate Senator Warner on leading us for one last time through the Defense Authorization conference and producing his usual excellent results. I have had the pleasure to work with him for almost 28 years and I commend him for being guided by the principle of doing what is right for our nation and its military members. It is most fitting that this bill is being named after Senator Warner."

### **FUNDING LEVELS**

The conferees authorized funding of \$462.8 billion in budget authority for defense programs in fiscal year 2007, an increase of \$21.2 billion – or 3.6% in real terms – above the amount authorized by the Congress for fiscal year 2006. The conferees authorized \$84.2 billion in procurement funding, a \$1.3 billion increase above the President's budget request; \$73.6 billion in funding for research, development, test and evaluation, a \$452.0 million increase over the request; \$155.3 billion for operation and maintenance and other programs; and \$110.1 billion for military personnel.

The conferees also authorized \$70.0 billion in emergency supplemental funding for fiscal year 2007 for activities in support of operations in Iraq, Afghanistan, and the global war on terrorism. The emergency supplemental funding includes \$23.8 billion to help reset Army and Marine Corps equipment, \$2.1 billion for the Joint Improvised Explosive Device Defeat Fund, \$1.7 billion to help train and equip Iraq Security forces, and \$1.5 billion to help train and equip Afghanistan Security forces.

### **CONFERENCE REPORT HIGHLIGHTS**

The conferees emphasized a number of defense priorities in this year's bill. Specifically, the conferees included provisions:

- To provide the Department of Defense with resources and authorities needed to win the global war on terrorism, including:

- Authorizing a \$70.0 billion supplemental to cover the cost of ongoing military operations in Iraq, Afghanistan, the global war on terrorism, and Army and Marine Corps reset of equipment in fiscal year 2007.
- Adding more than \$135.0 million over the President's budget request for combating terrorism.
- Adding nearly \$2.5 billion over the President's budget request for force protection research and equipment for service members.
- To address the Quadrennial Defense Review (QDR) priorities of strengthening interagency operations and providing greater flexibility in the U.S. government's ability to partner directly with nations in fighting terrorism, including:
  - Authorizing expanded funding and authority for the Department to train and equip foreign military forces.
  - Authorizing expanded authority for geographic combatant commanders to provide urgent humanitarian relief and reconstruction assistance to foreign nations in their areas of responsibility.
  - Authorizing expanded Department authority to provide logistics support, supplies and services to allies and coalition partners.
  - Authorizing expanded Department authority to lease or lend equipment for personnel protection and survivability to allies and coalition partners participating in combined military operations with U.S. forces.
  - Authorizing a provision that would eliminate the limitations in the American Servicemembers' Protection Act of 2002 on the provision of International Military Education and Training to foreign nations.
  - Authorizing the QDR-related request for an eleven percent increase for the fiscal year 2007 Special Operations Command budget.
  - Requiring the President to submit a report on building interagency capacity to address 21<sup>st</sup> century national security missions, including the development of procedures for Federal agencies to plan and conduct stability, security, transition, and reconstruction operations.
  - Authorizing the creation of one additional Assistant Secretary of Defense, bringing the total number to nine, to facilitate a reorganization of the Office of the Undersecretary of Defense for Policy. The conferees also directed the Secretary of Defense to submit a detailed description and explanation of the proposed reorganization, including a response to a list of concerns enumerated by the conferees.
- To enhance the Department's homeland defense capabilities, notably:

- Authorizing the Secretary of Defense to expand the types of emergencies for which the Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) could be deployed to include the intentional or unintentional release of nuclear, biological, radiological, toxic or poisonous chemical materials; or natural or manmade disasters.
  - Requiring the Secretary of Defense, in consultation with the Secretary of Homeland Security, to develop plans to support civilian authorities, and to maintain a database of emergency response capabilities resident in each State's National Guard that could be deployed in response to a natural or manmade disaster.
  - Authorizing the Secretary of Defense to preposition prepackaged food, water, communications equipment, and medical supplies to improve the ability of the Department of Defense to respond to requests from civil authorities.
  - Revising and updating the Insurrection Act, to clarify the President's authority to use the armed forces in cases where, as the result of natural disaster, terrorism, or other event, public order has broken down and is beyond the capacity of the constituted authorities to restore.
- To enhance Congressional oversight of ongoing operations in Iraq and Afghanistan, and the global war on terrorism including:
- Requiring the President to submit, for each fiscal year after 2007, a request for funds for ongoing military operations in Afghanistan and Iraq as part of the annual budget submission to Congress.
  - Extending the operation and oversight of the Special Inspector General for Iraq Reconstruction, and requiring submission of a detailed transition plan to ensure robust contract oversight by the Inspectors General of the Department of Defense, the Department of State, and the U.S. Agency for International Development.
- To improve the quality of life for those who serve and their families, including:
- Providing a 2.2 percent pay raise for all military personnel plus targeted pay raises for senior enlisted personnel and warrant officers.
  - Authorizing expansion of eligibility for TRICARE to all members of the Selected Reserve.
  - Approving significant increases in recruiting and retention incentives for military medical personnel.
  - Limiting to a maximum of 36 percent the interest rate charged on payday loans to servicemembers and their dependents, and prohibiting predatory practices by creditors who loan to military personnel.

- To ensure the Department provides needed equipment and has authorities necessary to protect our deployed forces, including:

- Authorizing \$2.1 billion for the Joint Improvised Explosive Device Defeat Fund to facilitate the rapid development of new technology and tactics and the rapid deployment of equipment to counter the IED threat, including \$209.7 million for persistent surveillance platforms and IED electronic countermeasures.

- Authorizing an additional \$66.2 million for the Counter Rocket, Artillery, and Mortar platforms.

- Authorizing an additional \$2.5 billion for force protection equipment including \$1.7 billion for up-armored high mobility multi-purpose wheeled vehicles (HMMWVs), and \$700.0 million for interceptor body armor.

- Directing the Department to ensure that all vehicle movements in Iraq and Afghanistan are protected by counter-IED jammers.

- To continue necessary modernization and transformation efforts, including:

- Authorizing \$3.4 billion for the Future Combat Systems (FCS) program including \$322.9 million for the Non-line of Sight Launch System and \$112.3 million for the Non-line of Sight Cannon, and requiring the Department to submit an independent cost estimate of the core FCS program, FCS spinouts and FCS complementary systems.

- Adding \$71.0 million for UH-60 Black Hawk helicopters and \$333.1 million for CH-47 Chinook helicopters to replace Operation Iraqi Freedom battle losses.

- Strengthening the shipbuilding program and the industrial base by: authorizing \$11.1 billion for the construction of 7 ships, including 2 lead ships of the DD(X) destroyer class, the lead ship of the LHA-Replacement amphibious assault ship class, and follow ships of the *Virginia* class, T-AKE auxiliary class, and the Littoral Combat Ship class; authorizing advance procurement for the lead ship of the CVN-21 class of aircraft carriers and continued construction of the *San Antonio* amphibious ship class; and authorizing an additional \$54.6 million for *Virginia* class submarine design to improve affordability and support efforts to accelerate increased submarine build rates.

- Authorizing \$4.4 billion for strategic air lift capability for a total procurement of 22 C-17 aircraft, and establishing a minimum strategic airlift aircraft inventory of 299 C-5 and C-17 aircraft.

- Authorizing \$3.3 billion for Navy/Marine Corps airlift assets, for total procurement of 43 MH-60R/S helicopters, 14 MV-22 Ospreys, and 18 UH-1Y/AH-1Z helicopters; and authorizing multiyear procurements for MH-60 helicopters and MV-22 Ospreys to achieve program savings and efficiencies.

- To increase Congressional oversight of U.S. policy on North Korea, the conferees included a provision requiring the President to appoint a senior coordinator of U.S. policy on North Korea, and to submit to Congress a semi-annual report on the nuclear and missile programs of North Korea.

### **SUBCOMMITTEE ON PERSONNEL**

The Personnel Subcommittee continued to support recruiting and retention goals for military personnel, enhance compensation and benefits improving the quality of life for Department personnel, and provide for the severely wounded and the survivors of military personnel killed on active duty. In the area of personnel, the conferees:

- Approved a 2.2 percent pay raise for all military personnel effective January 1, 2007; targeted pay raises for senior enlisted personnel and warrant officers effective April 1, 2007; and extension of the pay table from 30 years to 40 years of service.
- Authorized an increase of 1,000 in the active-duty Marine Corps end strength for a total of 180,000; and maintained the active-duty end strength of the Army at 512,400.
- Maintained the authorized end strength of the Army National Guard at 350,000.
- Authorized use of enhanced voluntary separation incentives for officer and enlisted personnel, and an increase in the maximum amount of the interservice transfer bonus from up to \$2,500 to \$10,000 for active and reserve members who transfer to the active or reserve component of another military service.
- Directed changes to provisions controlling joint officer management aimed at ensuring more officers become joint qualified and that officer career patterns take full account of valuable joint warfare experience and capabilities.
- Authorized payment of over 20 types of bonuses and special pays aimed at encouraging enlistment, reenlistment, and continued service by active-duty and reserve military personnel.
- Directed suspension of current policies of the Air Force and Navy regarding religious practices pending committee hearings on the issue of public prayer by military chaplains.
- Directed the Secretary of Defense to establish a working group to assess the needs for transitioning to civilian employment of members of the National Guard and Reserve returning from deployment to Operation Iraqi Freedom and Operation Enduring Freedom.

To assist the Services in recruitment and retention incentives for military medical personnel, the conferees:

- Authorized the detail of up to 25 commissioned officers in each military department as students at medical schools.
- Approved an increase in the maximum amount of repayment from \$22,000 to \$60,000 under educational loan repayment for officers in certain health professions.
- Authorized an increase in benefits under the Health Professions Scholarship program and Financial Assistance Program.
- Expanded the eligibility of dental officers for additional special pay.
- Approved an increase in the maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
- Enhanced accession bonus authorities for dental officers and medical officers in critically short wartime specialties.

To enhance the quality of life for servicemembers, civilian employees, and their families, the conferees:

- Extended the Department of Defense telecommunications benefit for members of the Armed Forces serving in support of a contingency operation, and extended the benefit to those who remain hospitalized as a result of wounds or injury they incurred.
- Required the Department to include a "full replacement value" standard for lost or damaged household goods in contracts with movers by March 1, 2008, and extended this coverage to Department civilian employees.
- Authorized a total of \$50.0 million in aid to local civilian school districts, including \$35.0 million in impact aid to local education agencies affected by the assignment of military personnel; \$10.0 million in special impact aid to assist those local agencies affected by the relocation of military families, creation of new military units or BRAC; and \$5.0 million for local education support for military children with severe disabilities.
- Required the Secretary of Defense to report to Congress on a plan to assist local non-DoD schools experiencing growth because of relocation of military families.

To continue their commitment to quality health care for all beneficiaries, the conferees:

- Authorized expansion of eligibility for TRICARE to all members of the Selected Reserve while in a non-active duty status and their families, based on payment of 28 percent of the premium amount established by the Department of Defense.
- Prohibited any increase in TRICARE enrollment premiums under TRICARE Prime and TRICARE Reserve Select in fiscal year 2007.

- Prohibited any increase in copayments for pharmaceuticals dispensed through the TRICARE retail pharmacy program during fiscal year 2007.
- Required the development of a comprehensive disease and chronic care management program for Department beneficiaries.
- Required an independent review of the department's quality improvement program and new quality standards for civilian medical personnel supporting military medical treatment facilities.
- Extended to TRICARE prohibitions in Medicare on the provision of financial incentives not to enroll in the employer's health plan.
- Authorized \$10.0 million for projects to improve early diagnosis and treatment of post traumatic stress disorder and other mental health conditions.
- Authorized \$12.0 million for treatment and rehabilitation for traumatic brain injuries, and required a longitudinal study of members of the Armed Forces who experience traumatic brain injury.

To strengthen the Department's civilian workforce, the conferees required the development of a strategy for improving the senior management, functional and technical workforce.

### **SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT**

The conferees' efforts reflected an emphasis on supporting projects and programs that are important to the near-term readiness of the Army, Navy, Air Force, and Marines, both active and reserve components. To address the readiness needs of the military, the conferees added:

- \$36.6 billion for operation and maintenance costs related to the global war on terrorism, including:
  - \$700 million for body armor;
  - \$149.5 million for ammunition;
  - \$121 million for Navy ship operations;
  - \$75 million for Navy flying hour program;
  - \$425 million for Navy and Marine Corps depot maintenance; and
  - \$23.8 billion in procurement and operation and maintenance supplemental funding to reset Army and Marine Corps equipment used in the global war on terror.



The conferees authorized several provisions designed to improve the Department's management and accountability, including:

- Three provisions relating to depots that would: permanently authorize public-private partnerships at maintenance depots; require that, at a minimum, the public depots must reinvest 6 percent of total revenues in these depots' infrastructure, equipment, information technology and software; and authorize the Department to establish an Industrial Facilities Investment Account to use military construction funds for industrial process improvements.
- A provision that would extend the Department's authority to contract for security guards through the end of fiscal year 2009, along with restrictions on the amount of contractors authorized during those years.

The conferees included several provisions designed to improve the Department's oversight of its acquisition programs. These provisions would better align the authority and tenure of program managers with desired acquisition outcomes; require joint policies and plans for contingency requirements generation, contracting and program management; ensure evaluation of contract performance that is linked to acquisition outcomes; require a GAO review of the statutes and rules governing employment of former senior Department officials; and continue oversight of interagency contracting. Specifically, the conferees included provisions:

- Authorizing the Department to conduct a pilot program for the acquisition of major weapons systems that uses program schedule as a key performance parameter, implementing a key recommendation of the Department's Defense Acquisition Performance Assessment.
- Requiring a comprehensive plan for managing contractors and projects in a contingency or post-conflict environment.
- Authorizing continued oversight of interagency contracting by extending the current series of Department of Defense Inspector General audits to include joint reviews with the Inspectors General of the National Institutes of Health and the Department of Veteran's Affairs.
- Adding additional certification requirements before a major defense acquisition program can receive Milestone B approval.
- Ensuring that evaluation of contract performance is linked to acquisition outcomes, and that award and incentive fees are used appropriately to incentivize excellent performance.
- Requiring the General Accountability Office to investigate and report on the effectiveness of existing laws and rules governing the employment of former senior Department officials by defense contractors.

The conferees supported efforts to provide better environmental quality across the armed forces while sustaining combat readiness. Specifically, the conferees authorized:

- \$45.0 million, an increase of \$25.0 million over the budget request, to promote implementation of conservation buffer zones in the vicinity of military facilities under the Department's Readiness and Environmental Protection Initiative.
- \$282.8 million for remediation of Formerly Used Defense Sites, an increase of \$40.0 million over the budget request.

In the area of military construction and family housing programs, the conferees continued to support construction to support service transformation, the establishment of new weapon systems, as well as the military services' efforts to modernize, renovate, and improve aging defense facilities. The conferees focused funding priorities on improving quality-of-life facilities, upgrading mobility capabilities, and constructing readiness-related projects for the active and reserve components.

The budget request included \$16.7 billion for military construction and family housing programs. The conferees authorized \$17.1 billion for military construction and family housing, but adjusted certain amounts in the request to provide a prudent investment in overseas locations and increased investment in installations in the United States. The conferees fully supported the budget request of \$5.7 billion for activities related to the 2005 Defense Base Realignment and Closure round. In addition, the conferees authorized over \$130.0 million for critical unfunded military construction requirements identified by the military services, and an additional \$395.0 million to fund improvements to facilities supporting National Guard and Reserve forces.

The conferees also agreed to provide authorization to the services to expand opportunities for the effective management of excess real property and the modernization of industrial facilities. The conferees agreed to increase the parameters of the Department's energy conservation program to take into account emerging technologies and alternative fuels.

### **SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES**

The Emerging Threats and Capabilities Subcommittee focused on supporting and enhancing Department of Defense efforts to: combat terrorism globally; defend the homeland; counter the threat of proliferation of weapons of mass destruction; transition technology from the laboratory to the battlefield; and improve the Armed Forces' ability to meet existing and emerging threats. In these areas, the conferees increased the President's budget request by over \$625.0 million. Specifically:

In the areas of combating terrorism and domestic preparedness, the conferees added nearly \$93.0 million and launched a number of important initiatives, including:

- Adding over \$80.0 million for U.S. Special Operations Command (USSOCOM) to enhance special operations capabilities in the global war on terrorism – a major priority of the QDR.

- Directing the Secretary of Defense to designate a senior acquisition official within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics to coordinate and oversee the exercise of acquisition authorities for combatant commanders and heads of Defense Agencies.
- Requiring the Secretary of Defense to conduct an assessment of USSOCOM's posture to conduct the global war on terror, including whether the command is appropriately resourced, manned and equipped; whether sufficient balance exists between the active and reserve components; and whether sufficient numbers of Army Special Forces are available for foreign security assistance.

In the area of chemical demilitarization and chemical and biological defense, the conferees added nearly \$42.0 million for research, equipment, and treatments to counter the threat of chemical and biological weapons.

In the area of nonproliferation and cooperative threat reduction, the conferees:

- Authorized \$1.7 billion for the Department of Energy (DOE) nonproliferation programs.
- Authorized the requested amount of \$372.1 million for the Department of Defense Cooperative Threat Reduction (CTR) Program.
- Included a provision that would extend for five years the President's authority to waive on an annual basis the conditions that must be met before CTR funds can be obligated for the Shchuch'ye chemical weapons demilitarization facility in Russia.
- Included provisions that would provide the Secretary of Energy authority to accept international contributions to the Second Line of Defense Core Program and certain Global Threat Reduction Initiative programs.
- Included a provision requiring an independent cost estimate for the U.S. plutonium disposition facility.

In the area of counterdrug activities, the conferees:

- Authorized over \$925.0 million to support counterdrug activities.
- Extended the authority to support the unified counterdrug and counterterrorism campaign in Colombia through fiscal year 2008.
- Extended and expanded certain authorities of the Department of Defense to support counterdrug activities in other countries for two years.

In the area of science and technology, the conference:

- Authorized an increase of nearly \$600.0 million for defense science and technology (S&T) programs, for a total authorization of \$11.7 billion.
- Increased funding for development and transition of technologies to support the warfighter of today and tomorrow in confronting current and emerging threats by adding:
  - nearly \$50 million for unmanned systems components, integration and testing;
  - over \$50 million for energy and power solutions;
  - close to \$40 million for information assurance, modeling and simulation, training and education;
  - approximately \$55 million for manufacturing technologies and support of legacy systems;
  - nearly \$30 million for combat medicine;
  - over \$50 million for force protection; and
  - over \$80 million for transformational and counter terrorism technologies.
- Included provisions requiring the Secretary of Defense to develop a department-wide policy for development and operation of unmanned systems; and requiring reports to Congress from both the Department and the Federal Aviation Administration on actions taken to develop standards for testing and operation of unmanned aerial vehicles (UAVs) in the National Airspace System.
- Included a provision that would direct the Secretary of Defense to establish a joint technology office (JTO) to accelerate the transition of hypersonics technology to operational systems.
- Included a provision that would require the Department to review and update test and evaluation practices to account for changes in acquisition policies, and would update the responsibilities of the Director of Operational Test and Evaluation to include specific attention to force protection equipment, such as helmets and body armor.
- Included a provision to expand and extend the Department's authority to award prizes for advanced technology competitions, such as the DARPA Grand Challenge robotic race.
- Included a requirement for the Secretary of Defense to submit a report to Congress assessing the adequacy of the biometrics program, and detailing current and future requirements, capabilities gaps, and actions being taken by the Department to coordinate and integrate biometrics programs with other relevant departments and agencies.

## **SUBCOMMITTEE ON STRATEGIC FORCES**

The Subcommittee on Strategic Forces continued its efforts to strengthen Department of Defense programs for national security space, strategic forces, ballistic and cruise missile defense, and intelligence, reconnaissance and surveillance programs, as well as Department of Energy nuclear weapons and environmental management programs.

With respect to Ballistic Missile Defense, the conferees:

- Included a provision that would make it the policy of the United States to accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the Ground-based Midcourse Defense system, the Aegis ballistic missile defense system, the Patriot PAC-3 system, and the Terminal High Altitude Area Defense system.
- Required plans for test and evaluation of the operational capability of the ballistic missile defense system and annual reports to Congress on the transition of ballistic missile defense programs to the military departments.
- Authorized the President's budget request of \$9.3 billion for the Missile Defense Agency, but shifted some funds from longer-term activities to support the development, testing and fielding of near-term missile defense capabilities that are starting to provide a measure of protection for the United States, its deployed forces, and allies, including:
  - Adding \$225.0 million for the Ground-based Midcourse Defense System to accelerate the ability of the GMD system to conduct concurrent test and operations, enhance and increase the pace of GMD flight testing, and for advance procurement of an additional six flight test missiles;
  - Adding \$100.0 million for the sea-based Aegis BMD system for procurement of additional SM-3 block IB missiles, development of the S-band radar and 2-color seeker, and acceleration of the open architecture program to expand the number of ships in the fleet capable of performing the ballistic missile defense mission.
  - To accommodate the above increases for near-term capabilities, decreasing funding for the Kinetic Energy Interceptor program (-\$160.0 million); the Space Tracking and Surveillance System (-\$67.0 million); the Multiple Kill Vehicle program (-\$40.0 million) and in other areas.

In the area of National Security Space, the conferees:

- Included a provision that would make it the policy of the United States to demonstrate, acquire, and deploy an effective operationally responsive space (ORS) capability to support military users and operations from space. This would include the ability to launch affordable, militarily useful satellites when needed to provide surge capability, reconstitute incapacitated satellites, or provide timely availability of new capabilities to

the military user. The provision directs the Secretary of Defense to establish a new joint program office to coordinate and execute ORS capabilities within the Department.

- Expressed support for two new developmental efforts, the Transformational Satellite (TSAT) program and the Space Radar program, while decreasing funding for both programs due to unexecutable program growth. The \$266.4 million request for Space Radar was decreased by \$66.4 million; the \$867.0 million request for TSAT was decreased by \$80.0 million.

- Authorized an increase of \$23.5 million for operationally responsive space capabilities to support the development of payloads, satellite busses, integration, command and control, and joint warfighter experimentation.

With respect to strategic forces, the conferees:

- Included a provision that would restrict the Department of Defense from terminating any Minuteman III ICBM modernization program or withdrawing any Minuteman III ICBMs from the active force until 30 days after the Secretary of Defense submits to Congress a report explaining the rationale and security implications of such reductions to the ICBM force structure.

- Authorized \$30.0 million in research and development funding for the Conventional Trident Modification program and required the Secretary of Defense and the Secretary of State to provide a joint report to Congress addressing the technical, operational, and international implications of converting 24 Trident submarine launched ballistic missiles for use as conventional prompt global strike assets.

- Authorized the Secretary of the Air Force to retire up to 18 B-52H bomber aircraft, but maintain not less than 44 combat coded aircraft, beginning 45 days after the Secretary submits to the congressional defense committees a report on the amount and type of bomber force required to carry out the National Security Strategy of the United States.

With respect to intelligence issues, the conferees directed the Director of National Intelligence to submit to Congress an updated and comprehensive national intelligence estimate on Iran, and required the President to submit to Congress a report on policy objectives and U.S. strategy regarding Iran.

With respect to Department of Energy programs, the conferees:

- Supported efforts to strengthen the nation's nuclear weapons program and to improve oversight and management of Department of Energy national security and environmental cleanup activities. Specifically, the conferees:

- Added \$20.0 million to accelerate the study of the feasibility of developing a reliable, replacement warhead.

- Added \$52.0 million for infrastructure recapitalization and enhanced technical readiness at National Nuclear Security Administration facilities.
- Added \$25.8 million to enhance security and further harden Department of Energy nuclear sites against potential terrorist attack.
- Added \$45.0 million for environmental cleanup and the development of new cleanup techniques at Department of Energy sites.

-Included provisions that would require notification to Congress of any Department of Energy third party financing arrangements and would make further improvements in project management controls for the cleanup of radioactive waste tanks at the Department of Energy site in Hanford, Washington.

- Included a provision that would consolidate the counterintelligence programs of the Department of Energy and the National Nuclear Security Administration; would require a report by the Inspector General of the Department of Energy on the effectiveness of the consolidated program; and would establish a sunset date for this consolidated program of September 30, 2010, unless otherwise extended by Congress.

- Included a provision that would require a report from the Secretary of Energy on plans to transform the nuclear weapons complex to establish a responsive infrastructure by the year 2030.

- Included a provision that would require a report from the National Academy of Sciences on the adequacy of methods being used to assess the safety and reliability of the nuclear weapons stockpile.

### **SUBCOMMITTEE ON SEAPOWER**

The Subcommittee on Seapower focused on the needs of the Navy, Marine Corps, and strategic mobility forces. The conferees placed particular emphasis on support for Marines and naval forces engaged in combat operations, the continuing transformation of the Navy, and the strategic airlift requirements for the future force.

The conferees focused on the declining size of the naval fleet and have taken significant strides to strengthen the shipbuilding program and provide much-needed stability for the industrial base in support of the Chief of Naval Operations' plan for a 313-ship future naval force. Similarly, the conferees were concerned with long term force structure requirements in support of the National Military Strategy, and took steps to protect the capability of the Navy and the Transportation Command to provide the necessary global presence into the future. Specifically, the conferees:

- Authorized construction of 7 warships; including two new warship classes designed to meet the future threat; the next generation destroyer, DD(X), and the amphibious assault replacement ship, LHA(R).

- Authorized split funding for LHA(R) and two DD(X) destroyers.
- Authorized a long term plan for affordable construction of the future aircraft carrier class, CVN-21; providing \$794.0 million advance procurement authority and 4-year incremental funding authority to enable efficient financial management and program stability for construction of the first three ships of the class.
- Authorized the budget request for *Virginia*-class attack submarine research and development, and added \$54.6 million to affordably incorporate critical capabilities in support of increasing the submarine build rate at the earliest opportunity in the future years defense program.
- Added \$50.0 million to accelerate modernization of the 62-ship DDG-51 *Arleigh Burke* destroyer class.
- Added \$20.0 million for the National Shipbuilding Research Program for increased innovation and efficiency in ship construction.
- Addressed critical shortfalls to strategic airlift and Navy and Marine Corps vertical lift programs, including:
  - Authorized \$4.4 billion to procure 22 C-17 strategic lift aircraft.
  - Added \$12.0 million for the C-5 Avionics Modernization Program to accelerate closure of this critical capability gap.
  - Authorized \$1.4 billion for procurement of 14 Marine Corps MV-22 aircraft, and included authorization to enter into a multiyear procurement contract beginning with the fiscal year 2008 program year to procure additional V-22 aircraft.
  - Authorized \$446.7 million budget request for the procurement of UH-1Y / AH-1Z helicopters.
  - Authorized \$1.5 billion for the procurement of 43 Navy MH-60R/S helicopters.
- Authorized \$3.3 billion for major weapons procurement for the Navy and Marine Corps, including \$354.6 million for Tomahawk missiles, \$461.3 million for tactical missiles, \$165.5 million for gun weapon systems, and \$184.3 million for torpedoes.
- Added \$36.5 million to meet Navy/Marine Corps weapon and weapon system inventory objectives.
- Authorized \$444.5 million for the development and procurement of the Expeditionary Fighting Vehicle for the Marine Corps.



- Increased support for the force protection of our armed forces, including:
  - Adding \$83.5 million for the procurement of High Mobility Artillery Rocket System re-supply vehicle armor.
  - Adding \$30.6 million for the procurement of night vision equipment.
  - Adding \$508.0 million for M1151/M1152 high mobility multipurpose wheeled vehicles (HMMWV);
  - Adding \$84.7 million for the procurement of up-armored high mobility multipurpose wheeled vehicles.
- Added \$143.0 million to continue research and development efforts to close future naval capability gaps and sustain maritime dominance.
- Added \$120.4 million for the procurement of radio systems.
- Added \$83.8 million to improve warfare system safety, reliability and maintainability in order to increase operational readiness and reduce operating cost, including:
  - \$22.5 million for the AAV7A1 Product Improvement Program.
  - \$20.0 million for critical industrial facilities.

### **SUBCOMMITTEE ON AIRLAND**

The Subcommittee on Airland emphasized Army transformation and rotary-wing aircraft and Navy, Marine Corps and Air Force tactical aviation fixed programs. The subcommittee also exercised acquisition oversight responsibilities with specific reviews of the Army's Future Combat Systems and Joint Strike Fighter programs. Specifically, the conferees:

Continued its support for force protection of our armed forces by:

- Adding \$77.0 million for Abrams tank urbanization survival kits;
  - Adding \$1.1 billion for M1151/M1152 high mobility multipurpose wheeled vehicles (HMMWV);
  - Adding \$5.7 million for up-armored HMMWVs for the Air Force; and
  - Adding \$24.4 million for Stryker slat armor.
- Added \$518.8 million for Army modularity (Abrams tanks, Bradley Fighting Vehicles, and M113 armored personnel carrier refurbishment), and included a provision which

required Army and Government Accountability Office reports to monitor the progress of the modularity initiative.

- Authorized \$3.9 billion for the procurement of Army aviation assets, \$294.9 million above the budget request, including:

- \$729.7 million for 44 UH-60 Black Hawk helicopters, including an increase of \$71.0 million for 5 UH-60 Black Hawk helicopter battle losses and \$19.2 million for 1 UH-60L Medevac Helicopter;

- \$843.9 million for the Apache AH-64 helicopters program, including an increase of \$49.5 million to replace battle losses;

- \$953.4 million for CH-47 cargo helicopters, including an increase of \$333.1 million to replace 11 CH-47 cargo helicopter battle losses;

- \$333.6 million for aircraft survivability equipment;

- transferring \$109.2 from the Army's Future Cargo Aircraft program to the Air Force's Light Cargo Aircraft program; and reducing the Armed Reconnaissance Helicopter Program by \$39.6 million due to schedule risk.

- Authorized \$841.0 million for 122 Stryker vehicles, including \$41.5 million for battle losses.

- Reduced the A-10 propulsion upgrade program by \$48.0 million.

- Added \$340.0 million for the continued development and sustainment of two interchangeable engines for the Joint Strike Fighter (JSF) by two separate contractors, and included a provision that requires three separate and independent cost analyses of the JSF engine program.

- Added \$1.4 billion for 20 F-22A Raptor fighter aircraft, and included a provision which prohibits incremental funding, but authorizes a multiyear contract for up to 60 F-22A aircraft over three program years. The provision would also require a new cost analysis by a Federally Funded Research and Development Center and certification by the Secretary of Defense that all criteria required by law to enter a multiyear contract are met.

- Reduced funding for KC-135 tanker replacement aircraft by \$88.0 million because of a schedule slip.

- Reduced the Joint Strike Fighter program \$122.0 million and \$72.0 million in advanced procurement for the Navy and Air Force respectively, and \$140.0 million in procurement for the Air Force due to program delays.

- Added \$214.4 million for Abrams tank reset and force protection equipment.

- Continued its oversight of the Future Combat Systems program and modularity initiatives by including provisions that:
  - direct the Government Accountability Office to review the recently signed FAR part 15 contract for compliance and protection of government interests;
  - direct the Secretary of Defense to conduct an independent cost estimate of the FCS program using a Federally Funded Research and Development Center; and
  - direct the Secretary of the Army to provide the full costs of Army modularity, including a breakout of modularity costs for the Army National Guard.
- Required the Secretary of Defense to initiate an independent assessment of vehicle-based active protection systems to determine long and short-term feasibility for their development and deployment.
- Included provisions that authorize the retirement of up to 29 KC-135E and 51 C-130E aircraft.
- Included a provision that would authorize the retirement of up to 10 F-117 aircraft.
- Included a provision that directs the Air Force to convert the Joint Primary Aircraft Training System Aircraft FAR part 12 commercial item contract to a FAR part 15 traditional government contract.
- Included a provision that would prohibit the retirement of any U-2 aircraft.
- Included four provisions to improve the acquisition system by:
  - Requiring the Secretary to modify Department regulations regarding the determination of contract type for development programs and adds a requirement that the Milestone Decision Authority to document the basis for the contract type selected.
  - Requiring the Department to develop a plan of action to ensure that certain critical positions for each major defense acquisition program are filled by government employees.
  - Requiring the Department to update acquisition regulations regarding lead systems integrators to address potential organizational conflicts of interest.
  - Requiring the Department to issue regulations preventing contractors from adding excessive “pass-through” charges to contracts on which they perform little or no work.

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