



**HOUSE ARMED SERVICES COMMITTEE  
DUNCAN HUNTER – CHAIRMAN**

***PRESS RELEASE***

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**HOUSE ARMED SERVICES COMMITTEE APPROVES  
FISCAL YEAR 2007 DEFENSE AUTHORIZATION BILL**

*Focus on Personnel Benefits, Force Protection Measures and Immediate Needs of  
America's Warfighters*

Washington, DC – House Armed Services Committee Chairman Duncan Hunter (R-CA) today announced that H.R. 5122, the National Defense Authorization Act for Fiscal Year 2007, was reported out of committee by a vote of 60-1.

H.R. 5122 authorizes \$512.9 billion in budget authority for the Department of Defense (DoD) and the national security programs of the Department of Energy. The legislation includes \$50 billion in supplemental funding to support current operations in Iraq, Afghanistan and elsewhere in the Global War on Terrorism. Hunter's statement follows:

“This legislation serves as the annual policy and funding blueprint for the vast national security activities of the Departments of Defense and Energy. The bill for Fiscal Year 2007 reflects the committee's goal of ensuring that American warfighters in Iraq and Afghanistan have the equipment they need to win the war on terrorism.

“The defense bill contains hundreds of different policy and budget initiatives, all important in their own right. However, this year's defense authorization is based on several pillars.

“First, we continue to support our most valuable assets – our military personnel. This legislation blocks increases to TRICARE Prime and TRICARE Standard fees and moves towards establishing a comprehensive policy and fiscal basis for sustaining future medical health care benefits. This legislation completes the transition to full coverage for Selected Reserve personnel, and provides for generic and formulary prescriptions through the TRICARE mail order pharmacy at no cost to military beneficiaries.

“Second, we provide for improved capabilities to counter improvised explosive devices (IEDs). We continue to support the force protection needs of our warfighters this year through an initiative to ‘take back the roads’ and provide the best available IED-jamming devices for vehicle convoys and dismounted personnel.

“This new initiative includes \$109.7 million for radio signal jamming devices that will prevent the radio-initiation of roadside bombs, including \$69 million to purchase jammers that can be carried by individual personnel, providing an umbrella of protection for small patrols. We also provide \$40.7 million for vehicle-borne jammers based on an extremely effective, proven technology.

“The second part of this new initiative is \$100 million for at least 10 manned persistent surveillance aircraft to patrol road segments and other areas where IED activity is greatest. These surveillance platforms will be tactical assets controlled by ground commanders in combination with quick reaction forces to prevent IED emplacement and secure the roadways. The goal is to create the expectation that IED emplacement is a suicide mission for the enemy.

“Third, we continue to have strong concerns about the escalating costs of military platforms. Building upon past successes, such as Nunn-McCurdy enhancements that we legislated last year, we continue to push the Department of Defense to develop and implement significant reforms. This legislation updates the Defense Acquisition Challenge Program to protect the confidentiality of challengers who might face reprisal from prime contractors during the contract bid process. In addition, we afford the Department the opportunity to use the Challenge Program as a means of cutting costs following a Nunn-McCurdy breach by requiring a review to seek lower cost alternatives to current programs.

“This legislation would also establish a Strategic Materials Protection Board, which would create a process for identifying items and services that are critical to United States national security interests. This board will prove essential in protecting the long-term domestic supply of such items and services and in strengthening our defense industrial base – so that critical national security needs are not dependent on foreign suppliers. Moreover, H.R. 5122 would require the Department of Defense to buy specialty metals and any item identified as critical by this Board – with certain exceptions – only if they are reprocessed, reused or produced in the United States.

“Finally, the committee has a continuing concern about the ability of certain federal departments and agencies to help safeguard U.S. national security interests both here at home and abroad. For example, I am not comfortable with the level of national security scrutiny that the Committee on Foreign Investment in the United States (CFIUS) places on potential mergers, acquisitions and takeovers between foreign-owned and United States companies. H.R. 5122 contains directive report language for the Secretary of Defense to explain the Defense Department’s role in CFIUS so that we can ensure that the committee’s decisions are the right ones for our nation’s security.

“I am very grateful to Ranking Member Ike Skelton (D-MO), Subcommittee Chairmen Curt Weldon (R-PA), Joel Hefley (R-CO), Jim Saxton (R-NJ), John McHugh (R-NY), Terry Everett (R-AL), Roscoe Bartlett (R-MD) and all the members of the committee for their hard work in advancing this important legislation.”

Highlights of the bill include:

- An additional **\$50 billion in supplemental funding** to support the Global War on Terror’s operational costs, personnel expenses and procurement of new equipment.
- Additional funding for **force protection** needs in support of Operation Enduring Freedom and Operation Iraqi Freedom, including **up-armored Humvees, Humvee IED protection kits and gunner protection kits, improvised explosive device (IED) jammers and state-of-the-art body armor.**
- Additional **increases of 30,000 Army and 5,000 Marine Corps active duty personnel** to sustain our required missions.
- A **2.7% pay raise** for all members of the armed forces.

- Increases **end strength for the Army National Guard by 17,100** over the original budget request. The legislation provides an additional **\$471 million for National Guard personnel, operations and maintenance and defense health program**, as well as **\$318 million for procurement** to support the recommended **National Guard end strength of 350,000**.
- **Blocks the Department of Defense's proposed TRICARE Prime and TRICARE Standard fee increases and zeroes out co-pays for generic and formulary mail order prescriptions for military beneficiaries.**
- **Authorizes grants and loan guarantees to U.S. shipyards to improve their efficiency, cost-effectiveness and international competitiveness.**

H.R. 5122 is expected to be considered on the House floor next week.

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**SUMMARY OF MAJOR PROVISIONS FOR H.R. 5122**  
**H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007**

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## **ABOUT H.R. 5122**

### **H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007**

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#### **Rationale**

H.R. 5122, the National Defense Authorization Act for Fiscal Year 2007, reflects the House Armed Services Committee's steadfast support of the courageous, professional and dedicated men and women of the United States armed forces and the committee's appreciation for the sacrifices they make to accomplish their required missions. Events of the last year – ranging from on-going operations in Iraq and Afghanistan to robust counter-terrorism efforts around the globe to time-sensitive disaster and humanitarian responses both at home and abroad – serve to highlight the United States military's flexibility and responsiveness in defending our nation's interests and addressing security challenges, wherever and whenever they may arise.

For example, with the support of our coalition partners and over 220,000 Iraqi Security Forces personnel, members of the United States military helped to establish secure, stable conditions under which more than 12 million Iraqis could cast their votes for new national assembly representatives last December. That month also figured prominently in Afghanistan, where United States, Afghan and allied forces maintained security and stability as 351 men and women from all provinces, tribes and ethnic groups were inaugurated into the National Assembly. At home, United States forces actively contributed to Hurricane Katrina relief efforts with approximately 20,000 Active Duty and 50,000 National Guard troops providing military support to civil authorities.

The committee considers it critical that the capabilities and capacity of the armed forces continue to improve so they can accomplish the full range of diverse 21<sup>st</sup> century missions, minimize risks associated with such challenges and effectively engage in hostilities, when necessary, as far from American shores as possible. Thus, the committee's top priority remains ensuring that our military personnel receive the best equipment, weapons systems and training possible. As such, H.R. 5122 would provide for both near- and longer-term military personnel and force structure requirements. It also highlights the need for improvements in acquisition processes and cooperation among key federal departments and agencies.

#### *Taking Care of Our Military Personnel*

Through H.R. 5122, the committee continues its support for the outstanding Soldiers, Sailors, Airmen and Marines, who selflessly make significant personal sacrifices to protect and defend our nation. To ensure that the United States armed forces remain robust enough to meet the full range of 21<sup>st</sup> Century security challenges, particularly those related to the Global War on Terrorism, the committee recommends for Fiscal Year 2007 additional active duty growth of 30,000, or 6 percent, for the Army and 5,000, or about 3 percent, for the Marine Corps above the budget request. These recommendations would bring the Army end strength to 512,400 and the Marine Corps to 180,000. In addition, the committee supports the Department of the Army's decision to request an Army National Guard (ARNG) end strength of 350,000 and recommends adding about 2,300 full-time ARNG support personnel. To support this additional manpower, H.R. 5122 would increase ARNG funding by \$789 million for personnel and equipment costs.

H.R. 5122 also reflects the committee's on-going commitment to improving the efficiency and effectiveness of servicemembers' benefits. The committee recommends an across-the-board pay raise,

which would decrease the 4.5 percent gap between military and private sector pay to about 4.0 percent. Moreover, the committee has determined that the Department of Defense's proposed cost-sharing arrangement through the TRICARE health program requires further study to ensure that a comprehensive policy and fiscal basis for sustaining future military health care benefits are in place. H.R. 5122 also improves programs for our nation's wounded military personnel and the surviving family members of those who have died or have been seriously injured in service.

### *Balancing Near- and Longer-Term Military Capabilities*

H.R. 5122 provides insight into how the committee believes the Department of Defense should strike the right balance between accepting technical risk and providing increased capabilities to the warfighter. It also reflects the committee's continuing concerns about long lead times required for major systems and the possibility that programs do not focus adequately on the near-term requirements of the United States armed forces.

For example, the committee questions how the Department of the Army plans to fund the Future Combat System (FCS), the Modular Force Initiative and reset programs – three costly efforts that would require funding in excess of the funds programmed for the next five years. H.R. 5122 reflects the committee's decision to balance the health and capability of the current force with the future needs of the Army by reducing the FCS program by \$326 million and requiring a Defense Acquisition Board review of the FCS program.

In addition, the committee notes that the Fiscal Year 2007 budget request included \$2 billion for the Department of the Air Force's F-22 aircraft program. However, despite the Fiscal Year 2006 projection for procurement of 29 F-22's in Fiscal Year 2007, the funds requested for Fiscal Year 2007 were for subassemblies and not aircraft. Rather than authorize incremental funding for major aircraft programs, which Congress has not done in decades, the committee recommends an additional \$1.4 billion for the full funding for procurement of 20 F-22 aircraft.

Over the last five years, the Global War on Terrorism has demonstrated time and again that U.S. intelligence, surveillance and reconnaissance (ISR) capabilities are critical to military effectiveness. The Department of Defense's most recent Quadrennial Defense Review, released in February 2006, highlighted gaps in ISR capabilities, and as a result of several hearings and briefings over the last year, the committee agrees that the United States currently has insufficient capacity and capability to meet all national and combatant commander requirements or provide tactical control over needed ISR assets at the small-unit level. One key area for improvement is persistent surveillance platforms, which the DoD could usefully deploy for operations ranging from combat and counterterrorism scenarios to stability and humanitarian operations and domestic crises. For example, unmanned aerial vehicles could provide a reliable battlefield picture on a 24-hours-a-day/7-days-a-week basis. However, the committee notes with concern that despite highlighting existing ISR gaps, DoD officials decided to retire U-2 aircraft to achieve savings without identifying a similar capability that will be available in the near-term. H.R. 5122 would prohibit this retirement until the Department certifies to Congress that the U-2 program is not required to mitigate gaps in ISR capabilities.

Finally, H.R. 5122 underscores the need for operationally responsive space capabilities. Adversaries recognize that the backbone of the United States military's command, control, communication, computers, intelligence, surveillance and reconnaissance (C4ISR) system is space-based, making it vulnerable to asymmetric attack and not easily reconstituted. The committee believes that the United States must develop a responsive space infrastructure, including flexible space launch and rapidly deployable C4ISR platforms, to address this vulnerability and reduce the temptation for adversaries to

attack our space assets. This legislation would establish an Office of Operationally Responsive Space in the DoD to contribute to the development of low-cost rapid reaction payloads to fulfill joint military operational requirements.

### *Fielding the Right Equipment at the Right Time*

The rising cost and lengthening production schedules of major defense acquisition programs has led to more expensive platforms fielded in fewer numbers. The committee believes that internal DoD pressure to develop follow-on weapons systems that include all necessary and anticipated military capabilities may create an over-reliance on individual “mega” systems that are potentially more expensive and time-consuming to develop than less sophisticated but capable systems. These increases in cost and development time generally result in smaller numbers of platforms purchased, creating a “high demand, low density” situation in which the needed platforms have higher operational tempos, wear out faster, increase stress on military personnel, undermine the ability to conduct traditional presence missions intended to shape the strategic choices of potential adversaries and limit the strategic depth of United States forces responding to multiple contingencies. Moreover, the shrinking pool of skills and experience maintained by the acquisition workforce and the inadequate prioritization of combatant commands’ requirements in deference to the military services’ priorities are strong concerns of the committee. At the end of the day, the Department needs to recognize that its acquisition process must result in cost-effectively ‘putting metal on targets’ – which in some cases will not require costly, leading-edge technologies. H.R. 5122 would address these issues by requiring training programs, improving management oversight and internal controls and closely monitoring implementation of acquisition reform in the Department of Defense.

### *Developing Partnerships*

The committee notes that international coalition partners have proven essential to military successes in Afghanistan, Iraq and elsewhere and appreciates the diplomatic, financial and military contributions made by foreign governments to the Global War on Terrorism. However, the committee believes that several key federal departments and agencies may lack the same operational commitment to success in the on-the-ground war effort.

Achieving United States security objectives requires the integration of all national power – political, military and economic. In many cases, non-military departments and agencies lack planning, surge and overseas deployment capabilities, and the interagency process – which coordinates national-level policy development – has not been effective in executing national security policy. As a result, our servicemembers routinely fill gaps in civil capabilities, such as reconstruction efforts, coordination of humanitarian relief and training and equipping police forces. These missions are in addition to the full range of military operational requirements and may, in some cases, place an unfair burden on our armed forces.

H.R. 5122 would require that the President assess the non-DoD elements required to achieve the full spectrum of U.S. national security interests, including organizational structures, planning and assessment capabilities, information-sharing policies, command and control systems, personnel policies and acquisition authorities. The President would also provide specific legislative proposals to improve interagency capacity and enhance civilian capabilities for national security purposes.

## **Supplemental Funding**

The committee recommends authorization of \$50 billion in funds to support the defense activities principally associated with Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). These funds are designated for emergency contingency operations to support force protection equipment, operational needs and military personnel requirements of the units deployed and engaged in the Global War on Terrorism.

Included in the force protection recommendation is funding for up-armored Humvees, tactical wheeled vehicle recapitalization and modernization programs for the most heavily used vehicles in OIF and OEF, night vision devices and improvised explosive device jammers. In addition, the committee recognizes the need to replenish critical small-arms and ammunition procurement programs, including funding for the M16 rifle, M240 medium machine gun and M4 carbine modifications, and .50 caliber cartridges, 120mm tank ammunition canisters and 155mm high explosive projectiles. Incorporated in the day-to-day operation recommendation is funding to pay for food, fuel, spare parts, maintenance, transportation, base expenses, as well as costs incurred by stateside installations for increased mobilizations and demobilizations due to OIF and OEF.

Over the past four years, the committee has recommended increases in the active component manpower to sustain the full range of capabilities required of the mission assigned to the armed forces. The committee recommends funding a cumulative active component increase of 30,000 for the Army and 5,000 for the Marine Corps over the budget request.



# Overview of Committee Actions

## H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007

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### Full Committee

Key initiatives include:

- **Improved Capabilities to Counter Improvised Explosive Devices** – Through oversight hearings, briefings, and trips to Iraq and Afghanistan, House Armed Services Committee members quickly recognized the significant threat to our Soldiers and Marines of improvised explosive devices (IEDs), or roadside bombs. In fact, the committee was responsible for the creation two years ago of Rapid Acquisition Authority for the Secretary of Defense and encouraged the use of this authority to acquire IED jammers for dismounted military personnel in Operation Iraqi Freedom. The committee also assisted with expediting the production of these portable jammers for deployment to Iraq. H.R. 5122 continues to support the protection of our warfighters this year through an initiative to ‘take back the roads’ and provide the best available IED jamming devices for vehicle convoys and dismounted personnel, including:
  - \$109.7 million for signal jamming devices that will prevent the radio-initiation of roadside bombs. These bombs currently cause the majority of U.S. casualties in Iraq and Afghanistan, and these jamming devices will help defeat this current threat. Of the total amount:
    - \$69 million would fill a gap in current protection by providing jammers that can be carried by individual personnel, providing an umbrella of protection for small patrols.
    - \$40.7 million would provide vehicle-born jammers based on an extremely effective, proven technology.
  - \$100 million for at least 10 manned surveillance aircraft to patrol road segments and other areas where IED activity is greatest. These surveillance platforms will be tactical assets controlled by the ground commanders in combination with quick reaction forces to prevent IED emplacement and secure the roadways. The goal is to create the expectation that IED emplacement is a suicide mission.
- **Increased Assistance to Coalition Partners** – H.R. 5122 clearly indicates our continued appreciation for international coalition partners, especially those forces participating side-by-side with ours in the Global War on Terrorism. In particular, it would authorize the Secretary of Defense to provide assistance for our partners’ personnel protection and survivability and to enable their participation in combined operations. For example, the legislation would provide:
  - Authority to use up to \$100 million of Department of Defense operations and maintenance funds to provide logistics support, supplies, and services to foreign military forces participating in operations alongside our troops; and

- Authority for Fiscal Years 2007 and 2008 to lend certain military equipment to coalition forces in Iraq and Afghanistan. For example, if foreign partners are willing to participate in patrols along dangerous roadways, they deserve our assistance – such as armored vehicles – to help with their personnel protection.
- **Oversight of International Military Relations** – Over the last year, the committee has explored the international security challenges and opportunities facing our nation. Recognizing members’ on-going concerns about export control policies of key nations and potential proliferation of sensitive technology, materials, and information, H.R. 5122 fully funds the Administration’s \$372.1 million request for the Cooperative Threat Reduction program. This program supports cooperative efforts to dismantle, secure, and eliminate weapons of mass destruction and associated infrastructure and to prevent the proliferation of such weapons in the former Soviet Union. Also, this legislation enhances our non-proliferation knowledge by requiring a report on the Department of Energy’s nuclear non-proliferation activities with India, including how these activities complement those efforts of the Defense and State Departments.

This legislation addresses other sensitive international military issues aside from export controls and proliferation. For example, it encourages more balanced interaction of high-level U.S. officials with the People’s Republic of China and Taiwan. It also requires a report on the Defense Department’s strategy for addressing current and foreseeable Iranian threats to U.S. and international security.

- **Acquisition Reform** – Over the last several years, this committee has pushed the Department of Defense to develop and implement significant reforms in its acquisition processes. With such reforms in place, now is the time for us to begin actively monitoring their implementation so that we can make any necessary adjustments in the years to come. H.R. 5122 provides the Department with mechanisms to report on their progress.

This legislation would also establish a Strategic Materials Protection Board, which would create a process for identifying items and services that are critical to United States national security interests. This Board will be essential in protecting the long-term domestic supply of such items and services and strengthening the industrial base so that our critical national security needs are not dependent on foreign suppliers.

- **Interagency Capabilities** – The committee believes that key federal departments and agencies must develop the right capabilities to safeguard U.S. national security interests both at home and abroad. This legislation:
  - Requires the President to identify the capabilities necessary to address 21st national security challenges, describe how best to enhance the integration of civilian and military capabilities, and provide recommendations on possible legislative changes that might strengthen U.S. national security;
  - Directs the Secretary of Defense to explain the Defense Department’s role in the interagency committee that evaluates national security implications of mergers, acquisitions or takeovers. Our nation’s security depends on this committee’s decisions. We must ensure that these decisions are the right ones.

## **Subcommittee on Tactical Air and Land Forces**

Under the leadership of Chairman Curt Weldon (R-PA), this subcommittee has oversight responsibilities for approximately 1,000 programs in procurement and research, development, test and evaluation in the military services and defense agencies. The subcommittee's jurisdiction includes \$73 billion in Department of Defense procurement and research and development. Highlights of the subcommittee's work include:

- Multi-year procurement for the V-22;
- Multi-year procurement for the F-22, contingent upon receiving the necessary supporting justification from the Department of Defense;
- Multi-year procurement for medium tactical vehicles;
- A requirement for a funding profile for the Army's Modular Force Initiative – referred to as modularity;
- A limitation on funding Bridge to Future Networks until submission of a report; and
- A requirement to accomplish a Defense Acquisition Board Review of the Future Combat Systems program.

Major program adjustments recommended include:

- \$1.4 billion additional funding for 20 F-22 aircraft;
- \$408 million increase for the alternate engine for the F-35 Joint Strike Fighter program;
- \$318 million added for the Army National Guard to fund equipment requirements for an increase in end strength of 17,100 personnel;
- An increase of \$276 million for M-1 tank and Bradley fighting vehicle upgrades;
- A reduction in the FCS program of \$325 million, approximately 6 to 8 percent, for unjustified program cost increases and excess management reserve; and
- Cutting \$39 million for the purchase of long lead materials for three VH-71 increment two aircraft to reduce program concurrency.

## **Subcommittee on Readiness**

Under Chairman Joel Hefley (R-CO), the subcommittee held hearings on the Administration's budget request for military construction, operations and maintenance accounts, historic military facilities, naval transformation, service contracting's impact on operations and maintenance accounts and the ability of the services to reset, reconstitute and recapitalize equipment returning from Iraq and Afghanistan.

The legislative and funding recommendations made by the subcommittee address the challenge of balancing current readiness requirements with the need to transform the services in the future. As the military enters the fifth year of the Global War on Terror, it is imperative to fund current readiness needs. Accordingly, the subcommittee agreed to fully fund ship operations, depot maintenance, flying hours, repositioned stocks and other training requirements.

The members of the Readiness Subcommittee share a number of concerns about the budget request in operations and maintenance. Notwithstanding the increase of \$7.4 billion over spending levels authorized and appropriated in Fiscal Year 2006, given increased fuel costs and inflation, the operations and maintenance account request is essentially flat.

This year was an especially difficult year for the military construction account. The increasing price of fuel and construction materials made all projects more expensive. However, the subcommittee was able to fully fund the \$5.6 billion BRAC account, which is crucial for implementation of base closure and realignment.

## **Subcommittee on Terrorism, Unconventional Threats and Capabilities**

Chairman Jim Saxton's (R-NJ) subcommittee emphasized initiatives directly assisting U.S. military forces currently deployed overseas. We remain a nation at war, with our troops engaged in battle every day. As such, the subcommittee kept its focus on measures that would immediately benefit our troops. Of note, the subcommittee:

- Held six hearings in preparation for this legislation, exploring defense science and technology, Special Operations Command, the world-wide terrorist threat and information technology (IT);
- Included several items to improve the capabilities of the Special Operations Command;
- Included two legislative measures to improve Pentagon processes. One would provide for more effective test and evaluation procedures, bringing them into synch with the Rapid Acquisition Authorities the Department of Defense has, and the other would speed the development of information technology systems;
- Continued and expanded last year's successful initiative to develop chemical and biological countermeasures, and supported programs for the equally important medical research and development; and
- Continued its scrutiny of the Department's IT programs, though not as strenuously as in past years. In fact, our recommended reductions are barely one percent of the requested \$31 billion IT budget request.

## **Subcommittee on Military Personnel**

The Military Personnel Subcommittee addressed a range of issues and problems resulting from the tremendous pressures on the military services – active, guard and reserve. Under Chairman John McHugh's (R-NY) leadership, the subcommittee worked to help to relieve some of that stress and also recognize the significant sacrifices made each day in the lives of the men and women who serve in

uniform, and in the lives of the families that support them. To those ends, the subcommittee took several actions, including:

- **Military Pay Raise**

- H.R. 5122 recommends a 2.7 percent across-the-board military pay raise; and
- An additional \$300 million to fund the increased basic pay raise.

- **Active and National Guard End Strengths**

- Increasing the active Army end strength by 30,000, or six percent, and the Marine Corps end strength by 5,000, or nearly 3 percent above the budget request; and
- H.R. 5122 supports the requested Army National Guard end strength of 350,000 and also increases Army National Guard full-time support personnel by nearly 2,300. To support the additional force structure, H.R. 5122 increases Army National Guard funding by \$471 million.

- **Health Care**

- H.R. 5122 prohibits (until December 31, 2007) the Department's ability to increase TRICARE Prime, Standard and TRICARE Reserve Select cost shares. That delay will allow the subcommittee to assess recommendations from an independent task force, as well as the Comptroller General and the Congressional Budget Office, for a comprehensive policy and fiscal basis for sustaining the future military health care benefit;
- The legislation also adds \$735 million to the Defense Health Program (DHP) to restore funding cut from DHP by the budget request in anticipation of increased beneficiary cost shares;
- TRICARE coverage for forensic examinations following sexual assaults and domestic violence;
- TRICARE coverage for anesthesia and hospital costs for dental care provided to young children and mentally or physically challenged beneficiaries; and
- A demonstration project to evaluate the benefits of including over-the-counter drugs as an additional option in the pharmacy benefits program.

- **Recruiting and Retention**

- An additional \$100 million for Army recruiting and retention bonuses; \$100 million for the Army Reserve to fund Army-wide basic officer courses; and \$59 million for Air National Guard bonuses;
- An increase in the maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties from \$10,000 to \$25,000;

- An increase in the maximum amount of the nuclear career accession bonus from \$20,000 to \$30,000;
  - An increase in the maximum amount of the incentive bonus for transfer between armed forces from \$2,500 to \$10,000;
  - A two-year pilot program to offer additional financial recruiting incentives under the Armed Forces Health Professions Scholarship and Financial Assistance Program for up to five critical medical specialties; and
  - A test to determine whether commercially-available test preparation guides and education programs would assist recruit candidates in achieving improved scores on military recruit qualification tests.
- **Casualty Assistance Programs**
    - Oversight efforts by the subcommittee have identified the need to improve the programs that directly affect not only those who have been wounded or injured, but provide for the surviving family members of those who have died or have been seriously injured in service. Therefore, the legislation:
      - Requires that the remains of military personnel who die during combat operations or who die of non-combat related injuries in the theater of combat be moved by dedicated military or military contracted aircraft from Dover Air Force Base, Delaware, to the military airfield nearest to the servicemember's place of interment or to a location designated by the next of kin. It also requires that proper military honors be rendered by military personnel at the destination airfield;
      - Reforms the military services' physical evaluation board (PEB) process (the process that awards disability ratings) to address concerns of military members, particularly reserve component members, about the consistency and timeliness of PEB decisions, the ability of members to gain information about PEB procedures, and the rationale supporting board decisions;
      - Authorizes the Secretary of Defense to provide computer/electronic assistive technology, devices, and technology services to military personnel who have sustained a severe or debilitating illness or injury while serving in support of a contingency operation. Such devices and services could be provided for an indefinite period, without regard to whether the person being assisted continues to be a member of the armed forces or not; and
      - Directs the development of a comprehensive and systematic approach for the identification, treatment, disposition and documentation of traumatic brain injuries, given the increased incidence of traumatic brain injury in our returning combat veterans.

## Subcommittee on Strategic Forces

Chairman Terry Everett's (R-AL) subcommittee has jurisdiction in the areas of ballistic missile defense, the military use of space, strategic weapon systems and platforms, and nuclear weapons. For Fiscal Year 2007, the subcommittee authorized approximately \$51.1 billion in programs within the budget request, including:

- \$7.9 billion for procurement;
- \$29.1 billion for research and development; and
- \$14.1 billion for Department of Energy national security programs.

The subcommittee worked to find the right balance between technical risks and providing increased capabilities to the warfighter. Accordingly, H.R. 5122 shifts funds to programs with a more near-term capability for the warfighter and makes reductions to several programs that are less mature. Other highlights include:

- Funding the Missile Defense Agency at \$183.5 million below the budget request. This represents:
  - A \$20 million increase for concurrent test and operations resources for the ground-based midcourse defense system;
  - An additional \$40 million for the Aegis BMD system including \$20 million for additional SM-3 interceptors;
  - A \$100 million reduction to the Kinetic Energy Interceptor program;
  - A \$55.8 million reduction for funding for the third site activation for GMD;
  - A \$65 million reduction to the Multiple Kill Vehicle program; and
  - A \$40.7 million reduction to the High Altitude Airship technology demonstration.
- Assisting the Army with one of their key unfunded requirements by adding \$140 million for transitioning Patriot missile batteries from the PAC-2 to the PAC-3 configuration.
- In the area of military space, the legislation recommends:
  - An \$80 million reduction for the Transformational Satellite Communications System, and a \$30 million reduction for the Space Radar program. The committee supports both programs but has concerns with whether the Fiscal Year 2007 budgets were executable. The legislation adds \$20 million for operationally responsive space; and
  - Establishment of an Office of Operationally Responsive Space under the Department of Defense Executive Agent for Space. The provision also sets forth the mission for this office: to contribute to the development of low-cost rapid reaction payloads to fulfill joint military operational requirements.

- In the area of strategic and intelligence programs, H.R. 5122 includes legislative provisions that would:
  - Prohibit retirement of the U-2 aircraft in Fiscal Year 2007 and in any subsequent year unless the Department of Defense (DoD) certifies to Congress that the U-2 ISR capability is not required to mitigate any of the ISR gaps identified in the 2006 QDR;
  - Add the Commander of STRATCOM to the Nuclear Weapons Council; and
  - Increase the authorized number of Defense Intelligence Senior Executive Service personnel by 50.
- Within Atomic Energy Defense Activities of the Department of Energy, the legislation funds the Department at the budget request. Highlights include:
  - A provision that requires the Secretary of Energy and Secretary of Defense to submit a plan to Congress for the transformation of the nuclear weapons complex;
  - A provision directing the National Academy of Sciences to conduct a study of the methods used by NNSA to certify the nuclear stockpile;
  - Provisions that allow the Secretary of Energy to receive international funding for two defense nuclear nonproliferation programs: the Global Threat Reduction Initiative and the Second Line of Defense program;
  - A reduction to the Mixed Oxide Fuel, or MOX, plutonium disposition program. The subcommittee is concerned that the Russian government is not committed to funding construction of the Russian plutonium disposition facility. The bill also adds funds to other nonproliferation programs; and
  - Adds \$20 million to environmental cleanup activities for R&D efforts leading to better techniques for dealing with tank wastes.

## **Subcommittee on Projection Forces**

Chairman Roscoe Bartlett (R-MD) and the Projection Forces Subcommittee has jurisdiction over a myriad of procurement and research and development programs representing over \$30 billion dollars in the Fiscal Year 2007 budget request. Overall, the legislation adds \$1.3 billion to the Administration's \$30.7 billion dollar request. Specifically the bill includes several initiatives that support the President's budget submission. They include:

- \$784 million for advance procurement for CVN-78;
- \$2.5 billion for procurement of one Virginia Class submarine;
- \$521 million for procurement of two Littoral Combat Ships;
- \$455 million for procurement of one T-AKE; and



- \$1.1 billion which represents the first increment of funding for LHA-6.

H.R. 5122 also contains several additional procurement initiatives that were not in the President's budget. They include:

- \$400 million for an additional Virginia class submarine to be procured in Fiscal Year 2009;
- \$200 million to accelerate the modernization program for the DDG-51 class destroyers;
- \$66.8 million to buy out the lease for an additional Maritime Prepositioning ship; and
- \$299.8 million to procure three additional C-17s.

The subcommittee also made several cuts to the President's budget:

- \$87.6 million cut from the KC-X program (the replacement aviation tanker);
- \$50 million cut from the Conventional Trident missile program; and
- Redirects \$389.6 million identified to close down the C-17 production line (and adds \$299.8 million to procure the 3 C-17s).

The subcommittee also includes legislative initiatives to contain shipbuilding costs by holding the Navy to their cost estimates on CVN-21, LHA(R) and LPD-17.

The bill also provides the President's request of \$2.6 billion dollars for the next generation destroyer (DD(X)) program. It authorizes the procurement of one ship, but also authorizes the Secretary of the Navy to enter into detail design contracts with two shipyards, allowing both efforts to move forward.

The subcommittee also included provisions regarding force structure:

- Mandates a minimum attack submarine force of 48 submarines;
- Allows for limited retirements of KC-135E tankers (the legislation allows 29, the Department of Defense proposed 78);
- Prohibits retirement of any B-52s (except for one operated by NASA); and
- Sets a minimum strategic airlift force structure at 299 aircraft.

# **Supporting America's Military Personnel**

## **H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007**

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### **Force Protection Initiatives**

**Up-armor Humvees.** H.R. 5122 authorizes an increase of \$636.5 million for the procurement of Level 1 Up-Armored Humvees (UAHs) for Army, Air Force and Marine Corps units. These additional funds would procure additional M1114 UAHs and the M1151/2 UAHs in order to address United States Central Command theater requirements, as well as to continue to ramp-up and sustain monthly maximum production rates. The additional funds also address the Army and Air Force Chiefs of Staff unfunded requirements. The M1114 UAH is an integrated armor Humvee that is built on a robust chassis and comes off the production line fully up-armored with 360 degree protection. The M1151/2 is a new UAH model based on lessons learned from Operation Iraqi Freedom. The M1151/2 is a robust heavy chassis UAH that is manufactured with an easily installed and easily removed add-on armor kit.

**Up-Armor Humvee IED Fragmentation Kits and Gunner Protection Kits.** The legislation authorizes an increase of \$364.0 million for the procurement of Improvised Explosive Device (IED) fragmentation kits and gunner protection kits for Up-Armored Humvees. The funds would be used to continue upgrade efforts to UAHs that provide additional protection to the doors, door frames, fuel tanks and underbody regions. In addition, the funds would be used to continue efforts to provide protection to gunners operating in turrets.

**IED Counter-Measures (Jammers).** H.R. 5122 authorizes an increase of \$109.7 million for the procurement of Improvised Explosive Devices (IED) Electronic Countermeasures Jammers. IEDs continue to be the primary cause of casualties among U.S. armed forces operating in Operation Iraqi Freedom and Operation Enduring Freedom. The additional funds would procure man-portable and vehicle-mounted IED jammers to address emerging low and high power threats in theater. These new jammers would utilize new design enhancements and would be capable of effectively using new techniques and procedures. Out of the \$109.7 million recommended by the committee, \$69.0 million would be used to procure and field 10,000 man-portable jammers as well as \$40.7 million to procure and field 460 vehicle-mounted jammers.

**Persistent Surveillance.** The legislation authorizes an increase of \$100 million for persistent surveillance platforms. Specifically, the \$100 million would be used to procure and field manned, aerial, persistent surveillance platforms for use in tactical operations by ground commanders in OIF and OEF. The committee believes that if these platforms are employed in tactical operations, such as conducting persistent road surveillance missions, then these platforms could prevent the emplacement of IEDs as well as counter other threats faced by U.S. armed forces on the roads in Iraq.

**Body Armor.** H.R. 5122 increases funding for the continued production of body armor and body armor components by \$930 million. Personnel body armor or Interceptor Body Armor (IBA) consists of an outer tactical vest (OTV) and a set of ballistic plate inserts called Small Arms Protective Inserts (SAPI), located in the front, back, and sides of the vest. The Army and the Marine Corps had anticipated the potential for more severe small arm threats and have accelerated the production of an enhanced, slightly heavier-weight inserts referred to as ESAPI. There are also other component pieces that can be applied to IBA to protect the throat, groin, shoulders, arms and legs. The vest by itself,

without SAPI or ESAPI plates, protects against small fragmentation and 9mm rounds (used in pistols). SAPI plates increase the level of ballistic protection of the IBA system up to the 7.62mm round (the most prevalent small arm threat in Iraq; the round used in medium machine guns like the AK-47). ESAPI plates provide further protection (details of which are classified). The additional funds would be used to continue rapid procurement of enhanced side ballistic inserts to address the OIF theater requirement as well as address other backfill requirements for enhanced front and back inserts for the Army in addition to component protection pieces for the United States Marine Corps.

**Ammunition Industrial Base Upgrades.** The committee recommends an increase of \$35 million to upgrade small and medium caliber Army ammunition plants. The committee understands these upgrades are required, to not only update World War II-era production lines, but also to fulfill the production requirements as a result of increased training and operational expenditures resulting from the Global War on Terrorism.

**Armored Security Vehicle.** H.R. 5122 authorizes an increase of \$83 million to procure Armored Security Vehicles (ASV) and address an unfunded requirement by the Army Chief of Staff. The ASV is an all-wheel drive armored vehicle that provides ballistic protection, overhead protection and protection against land mines and IEDs.

## **Increasing Military Manpower**

**Increase in Active Army and Marine Corps Troop Levels.** To address manpower needs, the committee recommends an increase of 30,000 personnel in the Army and 5,000 in the Marine Corps in 2007. That would bring the Army end strength to 512,400 and the Marine Corps to 180,000. In addition, the committee would provide the Secretary of Defense with the authority to continue to grow the Army to 532,400 and the Marine Corps to 184,000 during the 2007 through 2009 period.

**Increase in Army National Guard End Strength.** The original budget request for Fiscal Year 07 proposed an end strength for the Army National Guard of 332,900. Subsequently, the Secretary of Defense submitted a revised Army National Guard end strength authorization of 350,000 for FY07. The committee supports that higher authorization and provides the required additional funding of \$471 million for military personnel, operations and maintenance and defense health. The committee recommends an additional \$318 million for Army National Guard equipment procurement to support the recommended end strength.

**Increase in Army National Guard Full Time Support Personnel.** The committee recommends an increase of 2,821 in the end strength of Army National Guard military technicians (dual status) and active-guard and reserve personnel. The committee's recommendation would provide for a 5.3 percent growth in the strength of the Army National Guard full-time support force above the levels authorized in Fiscal Year 2006.

## **Personnel Programs and Military Construction**

**Defense Health Program.** While the committee recognizes that the military health care program faces the same escalating costs that plague the private sector, the committee was concerned with the DoD proposal to increase cost shares for military retirees enrolled in the TRICARE program. Therefore, H.R. 5122 prohibits DoD from implementing its proposed increased cost shares for TRICARE Standard, TRICARE Prime and TRICARE Reserve Select. Since the committee believes

that changes to the military health care benefit require careful deliberate consideration with a full accounting of the potential impact across the board, the legislation calls for an independent review by a task force, the Government Accountability Office and the Congressional Budget Office to present its findings to Congress.

**TRICARE Pharmacy Program Cost-Share Requirements.** In order to provide beneficiaries with the incentives to use the TRICARE mail order pharmacy program, the committee recommends that the costs for generic and formulary drugs would be reduced to zero. Conversely, the committee recommends modest cost share increases for formulary and non-formulary drugs through the retail pharmacy program.

**Basic Military Pay.** The committee remains dedicated to increasing income levels for military personnel and recommends a 2.7 percent across-the-board pay raise for our men and women in uniform. The raise would reduce the gap between average military and private sector pay raises from 4.5 percent to 4.0 percent. This is the eighth consecutive year the committee has recommended a pay raise larger than the level of private sector pay raises.

**Active Duty and Reserve Component Special Pays and Bonuses.** The committee recommends many special pays and bonuses, including:

- extension of nurse officer candidate accession program;
- extension of accession bonus for registered nurses;
- extension of incentive special pay for nurse anesthetists;
- extension of accession bonus for dental officers;
- extension of accession bonus for pharmacy officers;
- extension of special pay for nuclear-qualified officers extending their period of service;
- extension of nuclear career accession bonus;
- extension of nuclear career annual incentive bonus;
- increases the incentive bonus for transfer between armed forces from \$2,500 to \$10,000;
- retention bonus for members with critical skills; and
- accession bonus for new officers in critical skills.

**POW-MIA Programs.** The committee supports the full funding of all four major Department of Defense organizations directly involved in the full accounting of U.S. military personnel who are missing in action and prisoners of war. The committee is concerned about shortfalls in both funding and manpower, and as the first step in assuring adequate resources, H.R. 5122 requires future budget submissions to display the full funding requirements of all four organizations.

**Postal Benefits for Members of the Armed Forces.** As an additional benefit for those who are serving in Iraq, Afghanistan, or who are hospitalized at a medical facility as a result of disease or injury incurred while serving in Iraq or Afghanistan, service personnel will be provided a postal benefit including the mailing of letters, sound and video recordings, and ground parcels not exceeding 15 pounds at no cost.

**Department of Defense Computer/Electronics Program for Severely Wounded Members.** The committee authorizes the Secretary of Defense to provide assistive technology, assistive technology devices, and assistive technology services to a member of the armed forces who has sustained a severe or debilitating illness or injury while serving in a contingency operation. The authorization is for an indefinite period, without regard if the individual being assisted continues to be a member of the armed forces.

**Second Basic Housing Allowance for Reserve Component or Retired Members in Support of Contingency Operations.** The committee authorizes a second monthly housing allowance to reserve component members without dependents mobilized in support of a contingency operation and serving in a duty location that does not allow the members to reside at their permanent residence.

**Reduction of Time-in-Grade Requirement for Promotion to Captain in the Army, Air Force, Marine Corps and Lieutenant in the Navy.** The committee makes permanent the authority to reduce from 24 months to 18 months the minimum time-in-grade required as on O-2 before promotion to the grade of O-3.

**Military Construction.** The committee recommends \$16.7 billion for military construction and family housing, including:

- \$2.1 billion (\$75.8 million more than the Administration's request) for Army construction projects;
- \$1.2 billion (\$57.8 million more than the Administration's request) for Navy construction projects;
- \$1.2 billion (\$77.5 million more than the Administration's request) for Air Force construction projects;
- \$1.0 billion (\$153.9 million more than the Administration's request) for Guard and Reserve construction projects;
- \$4.1 billion (\$28.5 million less than the Administration's request) for family housing operations, maintenance, and construction projects, and
- \$5.8 billion (matching the Administration's request) for base realignment and closure (BRAC) activities, including construction, moving costs, and environmental cleanup associated with the 2005 and prior BRAC rounds.

# Major Weapons Programs

## H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007

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### Shipbuilding

**Next Generation Destroyer.** The Administration's budget request is \$2.6 billion for split procurement of two destroyers; however, the committee is very concerned regarding the cost. The committee believes the Navy is attempting to insert too much capability into a single platform and that there is significant risk of not being able to design and build the two lead ships for the amount budgeted. Originally, the Navy proposed building 32 destroyers, then reduced the number to 24, then finally to seven in order to make the program affordable. In such small numbers, the committee cannot see how the original requirements for the next generation destroyer can be met. The committee advocates reducing requirements for the next generation destroyer and instead relying on other networked elements of the battle group. As such, the committee authorizes the procurement of one ship, but also authorizes the Secretary of the Navy to enter into detail design contracts with two shipyards, allowing both efforts to move forward.

**Virginia Class Submarine.** The committee believes the Navy's attack submarine force structure must be maintained at no less than 48 submarines in order to meet potential global commitments. However, the Navy's long-range plan shows the force will decrease below that number in future years – putting the nation in a position of unacceptable risk. Therefore, the committee recommends \$400 million more than the Administration's budget request, for advance procurement of a second submarine in Fiscal Year 2009.

**DDG modernization program.** The committee provides \$202.2 million, \$200 million more than the Administration's budget request to accelerate the modernization of the DDG-51 Arleigh Burke-class destroyers.

**Shipbuilding Industrial Base Improvement Program.** H.R. 5122 authorizes the Secretary of the Navy to provide grants and loan guarantees to U.S. shipyards to improve their efficiency, cost-effectiveness and international competitiveness. The grants would be awarded to qualified shipyards to facilitate the development of innovative design and production technologies or processes or to improve their shipbuilding infrastructure. The loan guarantees would be awarded to qualified shipyards to facilitate the purchase of previously developed technology, process or infrastructure improvements that would boost their productivity and cost-effectiveness.

### Ground Systems

**Army Modularity and Future Combat Systems (FCS).** The Army is currently implementing its future force modernization strategy at a time when U.S. ground forces continue to operate at high operational tempos in Iraq and Afghanistan, as well as fill a critical role in the Global War on Terrorism. Given current fiscal realities, the Army's challenge of simultaneously funding the reset of equipment and inventories used during ongoing operations and the move toward modular forces, as well as the high technical risks involved in the development of Future Combat Systems, the committee is concerned the Army may sacrifice current warfighting capability in order to fund FCS.

While conceptually supporting modularity, the committee continues to have concerns about the details, not the least of which is its escalating costs, uncertainty in adequate resources for active Army and Army National Guard equipping strategies, and whether the new modular designs for brigade combat teams (BCTs) will provide sufficient capability for sustained, high-intensity combat operations. Specifically, the committee is concerned about the Army's decision to field modular heavy BCTs with only two maneuver battalions instead of three.

Accordingly, the committee directs the Secretary of Defense to obtain assessments of the Army's modularity initiative from all combatant commanders and submit them to Congress along with the Fiscal Year 2008 budget request.

The FCS budget request for Fiscal Year 2007 is \$3.8 billion. It is difficult to know the real costs of FCS because it is funded across dozens of lines within the Army budget. The low level of knowledge available today on requirements and technologies makes FCS cost projections very uncertain. FCS program costs are estimated at \$160.7 billion, an increase of 76 percent since the program began.

The committee is concerned that the spiraling cost growth for Department of Defense acquisition programs is at a point where it directly places at risk the ability of the United States to field weapons platforms in sufficient numbers to support U.S. military strategy and national security requirements. The committee notes that the Army's spiraling costs per FCS BCT are forcing the Army into a situation similar to that experienced by the Navy with its next generation destroyer (DD(X)) program. Similar to the DD(X) program, costs for a FCS BCT are approaching a price where the Army will have to continue to slow down procurement to make the program more affordable, reduce the quantities of FCS BCTs, or attempt to reduce force structure.

Projected dates for maturation of FCS critical technologies have slipped. Design and production maturity would not be demonstrated under the current program plan until after the production decision is made. CBO notes that based on historical trends, the FCS program costs can be expected to grow 60 percent.

Due to the committee's concerns and those voiced by the GAO and CBO, H.R. 5122 requires a Defense Acquisition Board "go/no go" decision after preliminary design review, not later than September 30, 2008.

H.R. 5122 reflects an objective of balancing the health and capability of the current force with the needs of future Army capability. As such, the committee recommends a reduction in the FCS program of \$325 million, approximately 6 to 8 percent, for unjustified program cost increases and excess management reserve.

**Abrams and Bradley Modernization.** Current operations continue to demonstrate that there are few conflicts where main battle tanks and Bradley fighting vehicles do not play a significant role in ensuring the survivability and offensive firepower of our troops. The committee remains resolute in its assessment that the Army should pure fleet, at a minimum, 18 of its active component heavy brigade combat teams (BCTs) with the M1A2 Abrams System Enhancement Program (SEP) tank and the Bradley A3 fighting vehicle. The committee notes that even if the Army develops a plan that funds the M1A2 SEP tank and the Bradley A3 production at the minimum economic quantity it will take the Army up to 10 years to meet the total requirement for 18 M1A2 Abrams SEP tank and Bradley A3 equipped heavy BCTs. Accordingly, the Secretary of the Army is directed to include the M1A2 Abrams SEP tank and Bradley A3 fighting vehicles within the Army's modularity funding profile beginning with the 2008 budget submission. In addition, the committee directs the Secretary of the

Army to submit a report providing the feasibility and rationale for multi-year procurement authority for the M1A2 Abrams SEP tank and the Bradley A3.

## **Aircraft**

**B-52 Force Structure.** The budget request included a proposal to retire 18 B-52s in Fiscal Year 2007 and 20 more in Fiscal Year 2008. The 2006 Quadrennial Defense Review called for the Air Force to reduce the number of these bombers and use the savings to upgrade the remaining B-52s, B-1s and B-2s to support global strike operations. However, the committee understands that the estimated savings has not been reinvested, but instead applied toward Air Force transformational activities. The committee is also concerned that the current number of combat B-52s is insufficient to meet combatant commander requirements for conventional long-range strike in the event of simultaneous operations in two major regional conflicts. The committee further disagrees with the decision to reduce the B-52 force structure given that the Air Force has not begun the planned analysis of alternatives to determine what conventional long-range strike capabilities and platforms will be needed to meet future requirements.

The committee strongly opposes a strategy to reduce capability in present day conventional long-range strike capability in order to provide funding for a replacement that will not be operational until well into the future. Therefore H.R. 5122 includes a provision to prohibit the Air Force from retiring any B-52s, except for the one no longer in use by the National Aeronautics and Space Administration for testing. Additionally, the committee would require the Air Force to maintain at least 44 combat B-52s until 2018, or until a long-range strike replacement aircraft with equal or greater capability than the B-52H has attained initial operational capability.

**KC-135 Aerial Refueling Recapitalization Program.** The committee fully supports recapitalization of the KC-135 aerial refueling fleet. However, the committee notes that a system development and design contract would likely not be awarded until the end of Fiscal Year 2007 and believes that it is premature to authorize advanced procurement funding at such an early stage of the KC-X program. Furthermore, the committee notes that the Air Force has been restricted since Fiscal Year 2004 from retiring KC-135E aircraft. However, the committee believes that it is premature to retire all 78 KC-135E aircraft in Fiscal Year 2007, since the tanker recapitalization program is still in the early stages of execution.

Therefore, legislation includes a provision that would permit the Secretary of the Air Force to retire 29 KC-135E aircraft, and would require the Secretary of the Air Force to maintain all retired KC-135Es, beginning in Fiscal Year 2007, in a condition that would allow recall to future service in the Air Force reserve, guard, or active forces aerial refueling force structure.

**Strategic Airlift Force Structure.** H.R. 1522 includes a provision that would require the Secretary of the Air Force to maintain a minimum strategic airlift force structure of 299 aircraft beginning in Fiscal Year 2009, and lifts the prohibition on retiring C-5A aircraft.

**C-5 Modernization Programs.** The committee understands that the average C-5 aircraft has approximately 70 percent of its forecasted structural life remaining and supports initiatives to modernize the C-5 fleet. The committee notes that both C-5 modernization programs are projected to increase wartime operational availability from a current average of 60 percent, to at least 75 percent. The committee understands that certain aircraft are prohibited from directly delivering cargo into airfields assessed as having a man-portable air defense system threat, causing an increased delay in



getting supplies and equipment to the warfighter. Therefore, H.R. 5122 authorizes an increase of \$66.7 million for C-5 modernization and defensive system programs.

**C-17 Globemaster.** The Commander, U.S. Transportation Command and the Commander, Air Mobility Command, both testified before the committee that no more than 20 C-17s, in addition to the 180 C-17s currently in the Department of Defense's program of record, are needed to meet both the inter-theater and intra-theater airlift requirements and provide a recapitalization solution for older C-17s being used at a higher than planned utilization rate. Also, the Chief of Staff of the Air Force identified seven additional C-17s as the number one request on the Air Force's unfunded priority list. Therefore, the committee authorized an increase of \$299.8 million for procurement of 3 additional C-17s, and redirects \$389.6 million of C-17 production line shutdown costs towards the procurement of these 3 additional C-17s.

**F-22 Raptor.** The budget request contained \$1.5 billion for the F-22 aircraft procurement program, but included insufficient funds to procure 20 F-22s in Fiscal Year 2007. The committee believes that the Department of Defense's F-22 incremental funding strategy presents an unacceptable budgeting risk, and that a full-funding policy should apply to F-22 procurement and to any other Department of Defense aircraft procurement program contemplated in the foreseeable future. Therefore, the committee recommends \$2.9 billion to fully fund and procure 20 F-22s in Fiscal Year 2007, an increase of \$1.4 billion over the budget request. The committee very strongly urges the DoD and the Air Force to restructure its future F-22 procurement budget plans to comply with the full-funding policy.

**F-35 Joint Strike Fighter.** The committee recommends full funding for the Navy's and Air Force's combined request of \$4 billion for Joint Strike Fighter (JSF) development, and for the Air Force request of \$870 million for five JSFs in Fiscal Year 2007. However, the committee recommends a decrease of \$241 million to the DoD's \$390 million request for long-lead funding for Navy and Air Force JSFs. The remaining \$149 million would provide sufficient long-lead funds to procure five JSFs in 2008, instead of the 16 planned by the Department of Defense. The committee believes that an increased amount of testing and development should be conducted before the DoD procures additional aircraft beyond five aircraft authorized for Fiscal Year 2007, thereby avoiding some concurrent development and production.

**F-35 Joint Strike Fighter Alternate Engine.** The committee recommends an increase of \$408 million in H.R. 5122 for the F-35 JSF alternate engine program. Because of the problems with the F100 engine for the F-15 and F-16 in the late 1970s and early 1980s and the resulting evolution of the competitive F110 alternative fighter engine, Congress has for the last 10 years supported an alternate engine program for the JSF. The committee believes the Department of Defense did not consider the benefit of competition with respect to future operations and maintenance costs. Therefore, added funding to sustain the alternate engine through Fiscal Year 2007.

**VH-71A Presidential Helicopter Replacement Program.** H.R. 5122 provides \$644 million for the VH-71 program in H.R. 5122, a decrease of \$39 million. Similar to the Joint Strike Fighter concurrency issue, the committee recommends a delay in the purchase of long-lead materials for three VH-71 increment two aircraft, planned for procurement in Fiscal Year 2008, to reduce program concurrency.

**KC-130J and C-130J.** H.R. 5122 matches the budget request of \$253 million for four KC-130Js for the Marine Corps and \$697 million for nine C-130Js for the Air Force.

**Joint Primary Air Training System (JPATS).** JPATS, consisting of T-6A Navy aircraft and ground-based training systems enables safe and effective primary training for Navy and Air Force pilots. Fiscal Year 2007 is the first year that the Navy has requested funding for JPATS, and to expedite its introduction into the Navy's primary training fleet, the committee \$175 million (\$29 million more than the Administration's request) for additional aircraft and their ground-based training systems.

**F/A-18E/F Superhornet and EA-18G Growler.** The F/A-18E/F Superhornet began production eight years ago and is operating on Navy aircraft carriers today, replacing the F-14 which retired earlier this year. To continue to provide the Navy with the improved capabilities of the Superhornet, the committee recommends \$2.3 billion (matching the Administration's request) for procurement of 30 F/A-18E/Fs. The committee also recommends \$865 million (matching the Administration's request) for 12 EA-18G Growler aircraft. The Growler will eventually replace the EA-6B, currently used as the Navy and Air Force tactical stand-off jamming aircraft.

**MV-22 and CV-22 Osprey.** The MV-22, which will replace the Marine Corps' aging CH-46 and CH-53D helicopters, became operational earlier this year and is expected to make its first at-sea deployment in 2007. To continue to provide the Marine Corps with the improved speed and range of the MV-22, the committee recommends \$1.3 billion (matching the Administration's request) for procurement of 14 MV-22 Ospreys. The committee also recommends \$209 million (matching the Administration's request) for 2 CV-22 Ospreys. The CV-22 is the Special Operations Forces (SOF) variant of the V-22 and will provide a critical capability to insert, extract, and re-supply SOF. Additionally, H.R. 5122 authorizes of a five-year multi-year procurement for 185 MV-22 and 26 CV-22 aircraft.

## **Other Programs**

**Patriot Missile Modifications.** H.R. 5122 provides the Army with one of its key unfunded requirements by increasing funding for the transition of Patriot missile batteries from the PAC-2 to PAC-3 configuration. The committee recommends \$209.9 million, an increase of \$140 million, to restart the PAC-3 production line and for upgrading tactical Patriot fire units to the PAC-3 configuration for deployment by the end of Fiscal Year 2009.

**TOW Missile Inventory.** The committee believes the Army and Marine Corps face a significant challenge in maintaining an adequate inventory of TOW missiles. The minimum TOW requirement is supposedly 20,000 missiles, but the Army's current program of record supports an inventory of only 6,500. The Army and Marines Corps have fired more than 6,000 TOW missiles in Operation Iraqi Freedom (OIF); yet by 2009, based on shelf life, the Army will have fewer missiles in its inventory than it had before the start of OIF. The committee supports the Army's intent to increase procurement, but notes the Army has not defined a minimum warfighting inventory requirement. As such, the committee directs the Secretary of the Army to submit a report by March 15, 2007 detailing the acquisition strategy for TOW procurement across the Future Years Defense Program and the current minimum warfighting requirement.

**Ammunition.** H.R. 5122 authorizes an additional \$77.4 million for small caliber ammunition, which includes 9mm, 5.56mm, 7.62mm and .50 caliber rounds. The additional funds address U.S. Army and Marine Corps shortfalls.

## **Additional Committee Initiatives**

### **H.R. 5122 – National Defense Authorization Act for Fiscal Year 2007**

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**Prioritization of Funds within Army Reconstitution and Transformation.** H.R. 5122 would limit to \$2.85 billion the funds that may be used for the Future Combat Systems (FCS) after Fiscal Year 2007 if the Secretary of the Army fails in any year to fully fund the reset of equipment used in the Global War on Terrorism, the fulfillment of equipment requirements for units transforming to modularity and the reconstitution of prepositioned stocks. Based on previous testimony by the U.S. Army before the House Armed Services Committee, the committee calculates that at least \$72.3 billion over the Fiscal Year 2008 Future Years Defense Program would be required to adequately fund equipment reset in both the Active and Reserve Components. Additionally, the committee calculates that at least \$47.6 billion over the Fiscal Year 2008 Future Years Defense Program would be needed to fully fund modularity requirements, and expects the Army to include the procurement of Abrams SEPs and Bradley A3s in these funding requirements.

**Increase in Authorized Number of Defense Intelligence Senior Executive Service Employees.** H.R. 5122 would increase authorization for the number of Defense Intelligence Senior Executive Service (DISES) employees by 50 in Fiscal Year 2007. Intelligence is key to ongoing operations in the Global War on Terrorism. As such, the intelligence community is growing and reorganizing to better meet warfighter demands.

**Talks Between the United States and the Islamic Republic of Iran.** Given that the Islamic Republic of Iran poses a grave threat to U.S. national security through a number of potentially destabilizing acts, H.R. 5122 directs the Secretary of Defense to provide a classified report by January 31, 2007, which describes the Department of Defense's strategy for addressing current and foreseeable Iranian threats to U.S. security and international security. To supplement this report, H.R. 5122 directs the Secretary of Defense to provide regular, timely briefings to the committee on a detailed political-military assessment of the existing and emerging threats posed by Iran to the security of the United States and the peace and stability of the international community and DoD's plans to address such threats. Finally, in the event the U.S. participates in direct talks with Iran on the subject of Iraq, H.R. 5122 urges the appropriate U.S. officials to address in any such talks the need for Iran to stop the flow of Iranian-supplied explosives to Iraq, withdraw any presence of the Iranian Revolutionary Guard Corps in Iraq, and end Iranian financial support to insurgent groups in Iraq.

**Report on Certain Cooperative Activities Involving the United States and India.** The committee emphasizes its support for a robust U.S.-India strategic partnership and commends India for its recent efforts to bring its national export controls for dual-use and other sensitive materials and technologies in line with international standards. Given the President's proposed deepening of U.S.-India nuclear cooperation and its possible effect on safeguards that prevent theft or other illicit transfer of nuclear materials and technologies, H.R. 5122 would require the Secretary of Energy to report on: the Energy Department's current and planned cooperative activities to enhance India's export control system and nuclear safeguards and to prevent such theft or transfer; how the Energy Department coordinates these activities with the Departments of Defense and State; the limits and vulnerabilities in India's export control system and other safeguards; and possible areas for expanded U.S.-India export control- or nuclear-related cooperative activities.

**Death Gratuity Authorized for Federal Employees.** H.R. 5122 increases the gratuity to civilian employees of the U.S. Government in the case of a death resulting from wounds, injuries, or illnesses that are incurred in the performance of duty in a combat zone from \$10,000 to \$100,000. The gratuity would be payable retroactively for deaths after October 7, 2001, in the theater of operations of Operation Enduring Freedom or Operation Iraqi Freedom. During this period of time, eight civilian employees of the Defense Department have lost their lives as a direct result of their assignments to Afghanistan and Iraq.

**Military Educational Exchanges Between Senior Officers and Officials of the United States and Taiwan.** The committee would require the Secretary of Defense to conduct a program of senior-level visits with the Republic of China on Taiwan in order to improve that nation's defenses and preserve stability across the Taiwan straits. Currently the U.S. does not conduct such exchange visits, even though it does conduct them with the People's Republic of China. DoD conducted over 80 such visits with the PRC in the 1990s and about 14 during the last few years.

**CAPSTONE Overseas Field Studies Trips to the People's Republic of China and Republic of China on Taiwan.** H.R. 5122 would require the Secretary of Defense to allow one field studies trip per year to the People's Republic of China and one field studies trip per year to the Republic of China on Taiwan during the overseas section of the CAPSTONE course for newly-selected flag and general officers.

**Consolidation and Standardization of Authorities Relating to Department of Defense Regional Centers for Security Studies.** The five DoD Regional Centers for Security Studies are key foreign policy tools that allow the U.S. military and civilian personnel to interact with foreign military officers and civilian defense and security personnel. This interaction allows a healthy exchange of ideas and improves foreign understanding of the U.S. armed forces. H.R. 5122 would allow broader foreign participation, including non-governmental and private-sector personnel, to attend and contribute to these centers, and toward that end, the committee would allow the Secretary of Defense to waive reimbursement of costs for military officers and civilian defense and security officials from developing countries.

**Logistics Support for Allied Forces Participating in Combined Operations.** H.R. 5122 would allow the Secretary of Defense, with the concurrence of the Secretary of State, to use up to \$100 million of funds available to the Department of Defense for operations and maintenance in any given Fiscal Year to provide logistics support, supplies, and services to foreign military forces. To receive such support, foreign military forces must be participating in an operation, such as active hostilities, a contingency, or a non-combat operation, with U.S. armed forces. Also, the Secretary of Defense must determine that the support is essential to the success of the combined operation and without it, the foreign military forces would be unable to participate in the combined operation.

**Temporary Authority to Use Acquisition and Cross-Servicing Agreements to Lend Certain Significant Military Equipment to Foreign Forces in Iraq and Afghanistan for Personnel Protection and Survivability.** H.R. 5122 would provide the Secretary of Defense with the authority to lend certain significant military equipment, using acquisition and cross-servicing agreements and for up to one year, to the military of forces of nations participating in combined operations with the U.S. armed forces in Iraq and Afghanistan. This authority is limited to Fiscal Years 2007 and 2008 and to such "significant military equipment" in categories I, II, III, and VII on the U.S. Munitions List for personnel protection and survivability, such as armored vehicles. The Secretary of Defense must also submit detailed reports to the House and Senate Armed Services Committees on the exercise of such authority.

**Procurement Restrictions Against Foreign Persons That Transfer Certain Defense Articles and Services to China.** The committee is concerned that China's military modernization now exceeds its legitimate security needs, is undermining the balance of power that has maintained peace and security in the Western Pacific for decades, may be undermining deterrence in the region, and may be contributing to the increasingly bellicose nature of Chinese foreign policy. H.R. 5122 would create disincentives for potential arms exports to China by denying sellers access to Department of Defense procurement opportunities and would provide incentives for foreign persons to choose not to export arms to the People's Republic of China in order to maintain their ability to sell goods and services to the Department of Defense.

**Cooperative Threat Reduction (CTR) with States of the Former Soviet Union.** The committee supports the Administration's request for \$372.1 million to use the CTR program to dismantle, secure, and eliminate weapons of mass destruction and associated infrastructure and to prevent the proliferation of such weapons in the former Soviet Union. This is a decrease of \$43.4 million from the amount authorized for Fiscal Year 2006, exclusive of any supplemental funds appropriated for Fiscal Year 2006. H.R. 5122 also provides limited authority to obligate amounts for CTR program elements in excess of the amount specifically authorized for that purpose.

**Temporary Authority to Waive Limitation on Funding for Russian Chemical Weapons Destruction Facility.** The committee notes that the Administration requested \$65.8 million less for Fiscal Year 2007 construction of a chemical weapons destruction facility in Russia than for Fiscal Year 2006, due in large part to the fact that the majority of major expenditures has already occurred. H.R. 5122 extends, until that facility's completion, the President's authority to waive restrictions established in section 1305 of the National Defense Authorization Act for FY 2000 (Public Law 106-65) for continuing the construction. This authority would otherwise expire at the end of calendar year 2006, which is before construction will be complete. The Secretary of Defense is also required to submit to Congress a notification that specifies the date of completion of the facility, no later than 30 days after completion.

**Transformation Plan for the Nuclear Weapons Complex.** H.R. 5122 would require the Secretary of Energy and the Secretary of Defense to develop a plan to transform the nuclear weapons complex so as to achieve the responsive infrastructure capability envisioned by the 2001 Nuclear Posture Review while consolidating and disposing of special nuclear material. This plan shall be submitted to Congress by February 1, 2007, and shall meet certain objectives called for in the legislation. The plan would address factors such as: supporting the Reliable Replacement Warhead Program, eliminating duplication of production capability except as necessary to ensure the safety, reliability and security of the nuclear stockpile; continuing the national security mission as the primary mission for national security laboratories; and conducting other laboratory work so as to maintain the primary mission of supporting the nuclear weapons stockpile. The committee encourages the Secretary of Energy in the formulation of this transformation plan to take a long-term strategic view of the desired optimal mix of primary mission work (National Nuclear Security Administration work) and other laboratory work to ensure a responsive capability into the future.

**Mixed Oxide Fuel Facility.** H.R. 5122 includes direction on the Mixed Oxide (MOX) Fuels project within National Nuclear Security Administration nuclear nonproliferation programs. Based on U.S.-Russian negotiations earlier this year, it now appears that the Russians are no longer committed to financing elements of the original Russian MOX program for the disposition of weapons grade plutonium under the 2000 Plutonium Disposition Agreement with the United States. While the committee continues to support the goals of the surplus fissile materials disposition program, the

committee does not support further funding for the Russian MOX program if the Russians are not willing to provide some level of their own financing for a Russian plutonium disposition program. Accordingly, the committee recommends no funds for the Russian surplus fissile materials disposition program, a reduction of \$34.7 million, while expressing future support should the Russians commit to meaningful Russian financing for the Russian MOX or other Russian plutonium disposition projects consistent with the 2000 agreement. The committee believes that moving forward with the U.S. MOX facility is a cost-effective manner for disposing of a significant portion of the U.S. plutonium inventory, and provides \$174.2 million for construction of the U.S. MOX facility. This construction is subject to certification by the Secretary of Energy that proceeding with the U.S. MOX facility is a cost-effective means for domestic plutonium disposition when compared to other alternatives and subject to the Secretary addressing certain MOX project problems identified by a recent Department of Energy Inspector General report. The committee further directs the Secretary of Energy to provide to Congress a detailed plan for the consolidation and disposition of all weapons-grade plutonium held by the Department of Energy.

**Global Threat Reduction Initiative.** H.R. 5122 provides \$126.8 million, an increase of \$20 million as follows: \$5 million for international radiological threat reduction and \$15 million to be used exclusively for other GTRI activities outside the United States. The committee is supportive of the Global Threat Reduction Initiative and shifts to that program some of the funds from the Fissile Materials Disposition or MOX program.

**Major Defense Acquisition Reform.** The committee took significant steps to reform the Department of Defense's process for acquiring major defense programs last year in the National Defense Authorization Act for Fiscal Year 2006. The committee's actions led to 36 major weapons programs being identified by the Department as experiencing either "significant" or "critical" cost growth in the most recent Selected Acquisition Report. H.R. 5122 directs the Department of Defense to submit a report to Congress on the progress made to implement two major reform measures in the National Defense Authorization Act for Fiscal Year 2006 (Sections 801 and 802). The committee also directs the Department to provide quarterly updates on implementation of acquisition reforms suggested by five major studies in 2005.

**Prime Vendor Program.** H.R. 5122 directs the Comptroller General to review the Department of Defense's actions taken to improve the Prime Vendor Program. The Department began reforming the program after media and Congressional reviews found inconsistent pricing in the supply chain.

**Prohibition on Procurement from Beneficiaries of Foreign Subsidies.** The legislation would prohibit the Secretary of Defense from entering into a contract with a foreign person, including a joint venture, cooperative organization, partnership or contracting team, who has received a subsidy from a foreign government that is a member of the World Trade Organization, if the United States has requested a consultation with that foreign government on the basis that the subsidy is prohibited under the Agreement on Subsidies and Countervailing Measures. This provision is the same as one passed in H.R.1815, the House-passed version of the FY06 National Defense Authorization Act.

**Presidential Report on Improving Interagency Support for United States 21<sup>st</sup> Century National Security Missions.** The legislation requires the President to submit to Congress by February 1, 2007, a report that identifies interagency capabilities needed to achieve U.S. national security goals and objectives in the 21<sup>st</sup> Century, describes how best to enhance the integration of those capabilities with those of the deployed military, and discusses the criteria and considerations used to evaluate progress in building and integrating such capacity.

**Improving Interagency Coordination in the Global War on Terrorism.** The committee believes the Global War on Terrorism requires the seamless application of all elements of national power. Though the National Counterterrorism Center (NCTC) has improved coordination between federal agencies, the committee is concerned that the NCTC alone will not solve the problem of interagency coordination. H.R. 5122 directs the Secretary of Defense to report on how the Department of Defense is implementing the Quadrennial Defense Review objective of improving interagency operations and strengthening internal DoD mechanisms for war on terror interagency coordination at the strategic, operational and tactical level.

**Use of Federal Supply Schedules by State and Local Governments.** H.R. 5122 would provide the Administrator of General Services the authority to allow state and local governments to use the General Services Administration's federal supply schedules for goods and services to facilitate recovery from natural disasters, terrorism or nuclear, biological, chemical or radiological attack.

**Improving International Pandemic Preparedness through Theater Security Cooperation Programs.** The committee notes the success the Department of Defense has had in rapidly providing humanitarian assistance in response to natural disasters around the world. The committee believes that during foreign military training and joint exercise with international partners, the Department should actively seek to improve the capabilities of military allies in the areas of surveillance and early warning of infectious disease outbreak and pandemic preparedness, particularly in Africa and Southeast Asia.

**Joint Training and Certification for Nuclear, Chemical and Biological Defense.** H.R. 5122 directs the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense Programs, in coordination with the military service secretaries, to perform a gap analysis on nuclear, chemical and biological (NCB) defense training, to review NCB defense doctrine across each of the military services and to make recommendations to the Secretary of Defense and Congress by October 1, 2007, regarding the implementation of joint training, certification and doctrinal alignment of NCB defense for both the active and reserve components.

**Quadrennial Defense Review (QDR) Implementation Quarterly Reports.** H.R. 5122 requires the Secretary of Defense to report to Congress quarterly on the work of established working groups in implementing the various "roadmaps" and recommendations outlined in the QDR. Because the 21<sup>st</sup> Century security landscape evolves so rapidly, the report shall indicate changes in DoD assessment of defense strategy or capabilities required since the publication of the 2006 QDR.

**Report on Strategic Languages.** The committee notes that the Department of Defense has placed great emphasis on improving the strategic language posture of the United States. Accordingly, H.R. 5122 would direct the Secretary of Defense to identify objectives for developing capabilities in immediate investment languages and stronghold languages, as specified on the Fiscal Year 2006 Department of Defense Strategic Languages List and develop a comprehensive implementation plan as to how the Secretary and the military departments will achieve those objectives.

**Report on the Status and Implementation of Military Support for Stability, Security, Transition, and Reconstruction Operations.** In November 2005, the Department of Defense released a directive on "Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations," highlighting the fact that such operations will remain common critical military tasks in the foreseeable future, and outlining steps to ensure that the Department is prepared to execute such tasks. H.R. 5122 would require the Secretary of Defense to report on the status and plan (including timeline) to implement the directive, including a special focus on professional military education.

**Strategic Materials Protection Board.** H.R. 5122 would establish a Strategic Materials Protection Board in order to create a process for identifying items that are critical to United States national security interests. The board would be established by the Secretary of Defense and include the Undersecretary of Defense for Acquisition, Technology & Logistics, Undersecretary of Defense for Intelligence, Secretary of the Army, Secretary of the Navy and Secretary of the Air Force.

**Protection of Strategic Materials Critical to National Security.** H.R. 5122 would prohibit the use of funds for the procurement of a specialty metal or an item critical to national security, as determined by the Strategic Materials Protection Board, unless the item is reprocessed, reused or produced in the United States. The legislation also clarifies the original intent of the “Berry Amendment” by noting that it applies to subcontracts at any tier under a prime contract, as well as the prime contract. Finally, this section requires public notice of non-compliance with the specialty metals portion of the Berry Amendment, submission of a formal compliance plan to DoD, and allows a manufacturer to ‘challenge’ for the right to provide DoD with compliant materials.

**Establishment of Operationally Responsive Space Program Office.** The legislation would establish an Operationally Responsive Space Program at the Department of Defense and would require a report setting forth a plan for acquisition of capabilities for operationally responsive space support to the warfighter.

**Department of Defense Counter-Narcotics Activities.** H.R. 5122 authorizes \$926.9 million for the Department of Defense’s drug interdiction and counter-narcotics activities, including international and domestic support, as well as intelligence technology and other demand reduction. The legislation supports the Department of Defense’s efforts in Afghanistan to use drug interdiction and counter-narcotics resources to support the Global War on Terrorism and notes that there are clear links between international narcotics trafficking and international terrorism.

**Extension of Authority to Support Unified Counter-Narcotics and Counter-Terrorism Campaign in Colombia.** H.R. 5122 extends for two years the authorization for up to 800 U.S. military personnel and 600 federally-funded civilian contractors to be employed to support Plan Colombia, the government of Colombia’s long-term blueprint to end the country’s long-running civil war, reduce narcotics trafficking and promote economic and social development.

**Southwest Border Fencing.** The legislation authorizes \$10 million to build and maintain fencing on the United States-Mexico border in order to curtail human and drug smuggling. The legislation would provide funds to complete construction of the 14-mile wide Double Fence Infrastructure Project in San Diego, as well as to design, plan, deploy and rehabilitate fencing on either side of the Laredo, Texas, port of entry and the U.S. Marine Air Base at Yuma, Arizona.

**Department of Defense Participation in the Committee on Foreign Investment in the United States (CFIUS).** H.R. 5122 directs the Secretary of Defense to report to Congress explaining how the Department evaluates the national security implications of mergers, acquisitions or takeovers, which could result in foreign control of persons engaged in interstate commerce in the United States. The committee believes that CFIUS does not adequately scrutinize the effects on national security of such transactions and is concerned about how CFIUS resolves the legitimate national security concerns raised by Department of Defense officials during that process.



**Establishment of Defense Challenge Process for Critical Cost Growth Threshold Breaches in Major Defense Acquisition Programs.** The committee is concerned about substantial cost growth in major defense acquisition programs. H.R. 5122 includes additional requirements for a critical cost growth threshold breach, which occurs in the event a major defense acquisition program exceeds 25% of its current per unit baseline cost estimate or 50% of its original per unit baseline cost estimate. The Secretary of Defense would be required: (1) to use the Defense Acquisition Challenge Program to carry out a rapid assessment of alternative components, subsystems, or systems that may result in near-term improvements in affordability for a major defense acquisition program with a critical cost growth threshold breach, and (2) in the event that no meritorious proposals are identified after a preliminary review by a Defense Acquisition Challenge Program review panel, to certify that the Defense Acquisition Challenge Program issued a competitive solicitation, but found no promising solutions for the major defense acquisition program. The legislation also includes additional details regarding the process to be used by the Defense Acquisition Challenge Program for soliciting, reviewing, and evaluating critical cost growth challenge proposals.

**Increased Hunting and Fishing Opportunities for Service Members, Military Retirees and Disabled Veterans.** H.R. 5122 would prohibit the Secretary of the Interior from exterminating or nearly exterminating the deer and elk on Santa Rosa Island, California. Under the existing settlement agreement, the deer and elk herds on the island will be slaughtered in a mass eradication program that will eliminate all deer and elk on the island by 2012. The legislation would also require the Secretary of Defense to report on actions necessary to improve access to hunting and fishing opportunities for service members, military retirees and disabled veterans on Department of Defense properties.

**Terrorist Use of the Internet.** The committee is concerned that terrorist organizations are using the Internet to carry out strategic and operational objectives. H.R. 5122 directs the Secretary of Defense to submit to Congress by May 1, 2007, a report that describes how terrorist organizations use the Internet and recommend ways the Department can counter terrorists' use of the Internet. The report shall also state how the Department is currently countering terrorist recruiting, training and operations that are executed through the Internet.

**Authority to Pay Rewards for Assistance in Combating Terrorism.** The committee recognizes combatant commanders' need for flexibility and responsiveness in offering rewards for information or non-lethal assistance that assists U.S. forces in counterterrorism operations or force protection. H.R. 5122 would allow combatant commanders to delegate approval authority for such rewards to subordinate commanders, provided that the Secretary of Defense, the Deputy Secretary of Defense, or an Under Secretary of Defense designated by the Secretary approve of such delegation. This legislation would also increase reward authority, which the combatant commander may further delegate, from \$2,500 to \$10,000.

**Advanced SEAL Delivery System (ASDS).** H.R. 5122 directs the Secretary of Defense to report to Congress on the results of the ASDS Improvement Program by June 1, 2007. Additionally, the legislation directs the Secretary of Defense to conduct an ASDS design competition during Fiscal Year 2007 and authorizes an additional \$10 million in research and development funding to support this competition.

**Actions on Major Programs in the Fiscal Year 2007 Defense Authorization Act**  
(dollars in millions)

**Major Army Programs**

	<i>FY 2007 Budget Request</i>			<i>Committee Recommendation</i>		
	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>
Army Science and Technology	\$1,718.8	-	-	\$2,054.8	-	-
AH-64 Mods	-	-	\$775.6	-	-	\$775.6
CH-47 Upgrades	-	-	\$583.3	-	-	\$583.3
H-60 Blackhawks	-	38	\$554.6	-	44	\$669.6
Future Combat Systems	\$3,745.5	-	-	\$3,419.7	-	-
*Small Arms and Modifications	\$13.4	-	\$187.3	\$20.9	-	\$227.0
*Stryker	-	-	\$796.0	-	-	\$861.8
*Up-Armor HMMWVs	-	-	\$582.6	-	-	\$1,082.6
*FBCB2	\$26.3	-	-	\$26.3	-	-
*FMTV	\$1.9	-	\$695.1	\$2.3	-	\$695.1
*Night Vision Devices	\$112.3	-	\$321.0	\$143.5	-	\$341.0
Excaliber XM982	\$102.5	-	-	\$113.5	-	-
*Ammunition Industrial Base Upgrades	-	-	\$116.2	-	-	\$151.2
Abrams SEP	-	-	\$171.1	-	-	\$300.0
Bradley	-	-	\$285.0	-	-	\$432.0
*Up-Armor HMMWV Fragmentation and Gunner Protection	-	-	\$0.0	-	-	\$364.0
*Tactical Radios	-	-	\$91.4	-	-	\$142.0
*Armored Security Vehicle	-	-	\$155.5	-	-	\$238.5

\*Title XV Emergency Authorization

**Major Navy and Marine Corps Programs**

	<i>FY 2007 Budget Request</i>			<i>Committee Recommendation</i>		
	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>
CVN-21	\$309.0	-	\$784.1	\$309.0	-	\$784.1
CVN(RCOH)	-	-	\$1,100.0	-	-	\$1,100.0
**T-AKE	-	1	\$455.0	-	1	\$455.0
LHA -R	-	1	\$1,100.0	-	1	\$1,100.0
DD (X)	-	2	\$2,600.0	\$819.0	1	\$2,600.0
DDG-51	\$794.0	-	\$355.8	-	-	\$355.8
DDG Modernization	-	-	\$2.2	-	-	\$202.2
E-2C Hawkeye	\$497.8	2	\$265.2	\$497.8	2	\$265.2
F/A-18E/F	\$31.1	30	\$2,341.3	\$31.1	30	\$2,341.3
EA-18G	\$372.4	12	\$905.2	\$372.4	12	\$905.2
JPATS	-	21	\$146.1	-	21	\$175.0
Joint Strike Fighter - Navy	\$2,030.1	-	\$245.0	\$2,030.1	-	\$92.0
P-3/EP-3 Upgrades	\$35.0	-	\$261.4	\$35.0	-	\$274.4
UH-1Y/AH-1Z	\$7.8	18	\$446.7	\$7.8	18	\$446.7
KC-130J	-	4	\$298.9	-	4	\$298.9
Multi-Mission Aircraft (MMA)	\$1,131.7	-	-	\$1,131.7	-	-
LPD-17	\$6.0	-	\$297.5	\$6.0	-	\$297.5
Littoral Combat Ship (Seaframe)	\$320.0	2	\$521.0	\$320.0	2	\$521.0
Littoral Combat Ship (Mission Module)	-	-	\$79.1	-	-	\$79.1
SSGN Conversion	\$26.0	-	\$10.1	\$26.0	-	\$10.1
Navy Science & Technology	\$1,599.2	-	-	\$1,748.0	-	-
T-45	-	12	\$376.4	-	12	\$376.4
Tomahawk	\$18.6	350	\$354.6	\$18.6	350	\$354.6
*Up-Armor HMMWVs	-	-	\$72.4	-	-	\$159.8
*Small Arms and Modifications	-	-	\$9.0	-	-	\$59.0
*Night Vision Equipment	-	-	\$13.7	-	-	\$61.8
*Tactical Radios	-	-	\$53.5	-	-	\$193.9
VH-71	\$682.6	-	-	\$643.6	-	-
LW 155mm Towed Howitzer	-	-	\$282.4	-	-	\$294.8
Expeditionary Fighting Vehicle	\$188.0	15	\$256.0	\$188.0	15	\$256.0
*AAV Enhanced Applique Armor Kits (EAAK)	-	-	-	-	-	\$7.0
VA Class Submarine	\$170.0	1	\$2,500.0	\$215.0	1	\$2,900.0
V-22 Osprey	\$268.5	14	\$1,498.8	\$268.5	14	\$1,498.8

\*Title XV Emergency Authorization

\*\*National Defense Sealift Fund

### Major Air Force Programs

	<i>FY 2007 Budget Request</i>			<i>Committee Recommendation</i>		
	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>
Air Force Science and Technology	\$2,148.1	-	-	\$2,257.5	-	-
TSAT	\$867.1	-	-	\$787.1	-	-
Space Radar	\$266.4	-	-	\$236.4	-	-
EELV	\$18.5	-	-	\$18.5	-	-
B-1B Bomber	\$130.5	-	\$53.3	\$130.5	-	\$57.8
B-2 Stealth Bomber	\$224.2	-	\$191.3	\$240.2	-	\$191.3
Next Generation Long Range Strike	\$25.6	-	-	\$25.6	-	-
C-17	\$173.8	12	\$2,636.2	\$173.8	15	\$2,936.0
C-130J Hercules	\$40.5	9	\$787.3	\$40.5	9	\$787.3
C-5 Modernization	\$150.2	-	\$223.1	\$150.2	-	\$289.8
F-22	\$584.3	-	\$1,981.3	\$584.3	20	\$3,381.3
Joint Strike Fighter - Air Force	\$1,999.1	5	\$1,015.0	\$2,408.6	5	\$927.0
JPATS	-	48	\$305.1	-	48	\$305.1
KC-X	\$203.9	-	\$36.1	\$152.4	-	\$0.0
*Up-Armor HMMWVs	-	-	\$11.3	-	-	\$63.1
*Predator UAVs	\$61.5	26	\$229.1	\$61.5	26	\$309.1
Global Hawk UAS	\$247.7	6	\$429.3	\$247.7	6	\$429.3
Advanced EHF MILSATCOM	\$633.3	-	-	\$633.3	-	-
Space Based Infrared System (SBIRS) High	\$668.9	-	-	\$668.9	-	-
CV-22	\$26.6	2	\$243.0	\$26.6	2	\$243.0

### Major Defense-Wide Programs

	<i>FY 2007 Budget Request</i>			<i>Committee Recommendation</i>		
	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R &amp; D</i>	<i>Quantity</i>	<i>Procurement</i>
Ammunition (all services)	-	-	\$3,539.8	-	-	\$3,718.4
Boost Defense Segment	\$631.6	-	-	\$631.6	-	-
BMD Sensors	\$514.5	-	-	\$514.5	-	-
Aegis BMD	\$1,031.9	-	-	\$1,071.9	-	-
Defense Agency Science & Technology	\$5,617.0	-	-	\$5,675.3	-	-
Mid-Course Defense Segment	\$2,877.0	-	-	\$2,841.2	-	-
Terminal Defense Segment	\$1,038.3	-	-	\$1,038.3	-	-
*IED Electronic Countermeasures	-	-	\$0.0	-	-	\$109.7
*Manned Tactical Persistent Surveillance Platforms	-	-	\$0.0	-	-	\$100.0
Chemical/Biological Defense Program	\$959.1	-	\$506.4	\$954.1	-	\$506.4
Chemical Demilitarization Program	-	-	\$1,277.3	-	-	\$1,277.3