



PRESS RELEASE

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**HOUSE AND SENATE CONFEREES
APPROVE 2005 DEFENSE AUTHORIZATION ACT**

“Year of the Troops” Legislation Focuses on Force Protection and Personnel Benefits

Washington, DC – October 8, 2004 – House Armed Services Committee Chairman Duncan Hunter (R-CA) today announced that House and Senate conferees have reached agreement on H.R. 4200, the National Defense Authorization Act for Fiscal Year 2005. The legislation sets policies, programs and funding levels for the nation’s military.

Conferees authorized \$445.6 billion in budget authority for the Department of Defense (DoD) and the national security programs of the Department of Energy (DoE). The conference report will next be passed by the full House and Senate and then sent to President Bush for his signature and enactment into law. Hunter’s statement follows:

“This legislation is for the troops. We owe them our gratitude for defending our freedom. The bill ensures that we protect our troops on the battlefield while supporting their needs at home. More than 200,000 soldiers, sailors, airmen and Marines have served in the Global War on Terrorism. After freeing 50 million people in Iraq and Afghanistan, our troops are leading important multinational efforts to develop stable democracies and build hope for peace elsewhere in the Middle East. Neither Iraq nor Afghanistan serves any longer as a home base for international terrorism, and this has made America safer.

“On the battlefield, we provide critical force protection resources, including countermeasures for improvised explosive devices, improved surveillance and reconnaissance capabilities and the latest infantry equipment. At home, this legislation meets the needs of our military personnel with numerous quality of life improvements. Among the many initiatives are a 3.5% across-the-board pay raise, special pays and bonuses, and improved housing – as well as the complete phase-out of out-of-pocket housing expenses.

“I commend President Bush, Secretary of Defense Rumsfeld and our military leaders for continuing our strategy of taking the fight directly to those who would do us harm, before they can strike us here at home. I am 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 House Armed Services Committee for their hard work in advancing this important legislation.”

Additional highlights of the conference report include:

- \$25 billion to support the Global War on Terror's operational costs, personnel expenses and procurement of new equipment.
- Army and Marines end strength increases.
- Enhanced TRICARE benefits for reservists and family members.
- Eliminating the reduction in Survivor Benefit Plan annuities.
- Concurrent Receipt phase-in improvements.
- Military housing privatization initiative fix (allows for continuation of the program to revitalize military housing).
- Rapid acquisition and armor initiatives to protect our troops.

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SUMMARY OF MAJOR PROVISIONS FOR H.R. 4200
National Defense Authorization Act for Fiscal Year 2005

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SUPPORTING AMERICA'S MILITARY PERSONNEL

H.R. 4200 reprioritizes funding from non-warfighting programs toward more immediate needs. The legislation provides funding to better protect troops engaged in conflict in Iraq and around the world, as well as to provide for improved pay and benefits for all military personnel.

FORCE PROTECTION INITIATIVES

Our men and women in uniform depend on having the necessary systems and equipment to be successful in accomplishing their missions. H.R. 4200 focuses heavily on implementing provisions to help safeguard our military personnel as they engage enemies often found in difficult environments using asymmetric tactics.

H.R. 4200 adds more than \$2 billion for force protection measures, including armor, munitions, communications and surveillance programs. The legislation contains provisions to eliminate procurement obstacles and field commercially available technology on an expedited basis.

Rapid Acquisition Authority to Respond to Combat Emergencies. A lesson learned from the ongoing Global War on Terrorism is that DOD's current acquisition system cannot respond in a timely manner to urgent requests for combat equipment by commanders in the battlefield. A more rapid response to emergency combat situations would minimize combat fatalities when reacting to changes in an opponent's tactics.

The conferees amended Section 806 of the National Defense Authorization Act for Fiscal Year 2003 to require the Secretary of Defense to use a streamlined acquisition process when combat casualties have occurred, the combatant commander has an urgent need of equipment, and delay would cause a continuation of combat fatalities. This process is to be used as a "quick start" bridge to the normal acquisition process.

The goal of the rapid acquisition process is that the time from a combatant commander's request to contract award shall be no more than 15 days. This authority allows the Secretary of Defense to waive provisions of law, policies, and regulations for establishing requirements; research, development, test and evaluation; and the solicitation and selection of sources and award of contracts for the procurement of equipment. Further, when developing equipment that meets 100 percent of the commander's requirement would take a significant amount of time, an interim solution shall be fielded that minimizes combat fatalities and allows time to develop the "100 percent solution." This provision provides \$100 million of additional transfer authority per fiscal year for rapid procurement needs.

M1114 Up-Armor HMMWVs. The Up-Armor HMMWV (Humvee) is a multi-service, four-wheel drive utility vehicle that provides proven ballistic protection for soldiers from anti-personnel, armor piercing munitions and Improvised Explosive Devices (IEDs). The M1114 is the primary light tactical

ground vehicle currently in use by forces in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). To meet the force protection needs of our troops, the conferees authorized an increase of \$572 million to increase and sustain production of the vehicles at the required rate of 450 per month.

Vehicle Add-On Armor. The Army is heavily dependent upon HMMWVs and its truck fleet to provide logistics support for OIF and OEF. The Family of Medium Tactical Vehicles (FMTV): Heavy Expanded Mobility Tactical Trucks (HEMTT), Heavy Equipment Transport Trucks (HET) and Palletized Load Systems (PLS) are performing logistics support missions in Iraq while being subject to attack by insurgents using IEDs. Vehicle Add-On Armor Kits provide critical protection to the driver and crew against anti-personnel projectiles and IEDs. Keeping its commitment to give force protection the highest priority, conferees authorized \$100 million for Vehicle Add-On Armor Kits.

Medium Tactical Vehicle Development (FMTV A2). The family of medium tactical vehicles (FMTV) A2 will be the next generation of FMTVs. The FMTV is the Army's primary medium tactical vehicle and key logistics enabler for combat support and combat service support forces including the Stryker Brigade Combat Teams. The conferees authorized \$12.6 million to develop new combat technologies to further ensure the interoperability of future combat systems similar technologies and to maximize the capability of the medium tactical truck fleet in the Army's future force.

Assault Breacher Vehicle (ABV). The ABV is a tracked, armored combat engineer vehicle designed to breach mine fields and complex obstacles. In addition, the ABV provides strong crew force protection and improves the mobility and expeditionary nature of the Marine Corps, both critical elements in protecting our Marines operating in OIF and OEF. The conferees authorized \$8.1 million to accelerate by one year the fielding of ABVs. This authorization also supports a Commandant of the Marine Corps fiscal year 2005 unfunded requirement.

Bradley Fighting Vehicle. The Bradley Fighting Vehicle's primary mission is to transport troops to the battlefield, provide fire cover to dismounted troops and to suppress enemy tanks and vehicles. The fully armored, fully tracked vehicle has demonstrated itself to be a critical component in protecting our troops. As such, the conferees authorized \$34 million for a sustainment and modernization program to maintain vehicle readiness and \$17.5 million for reactive armor.

M1A2 System Enhancement Package (SEP). The M1A2 Abrams tank is capable of engaging the enemy in all weather conditions and its heavy armor is a critical component in protecting our troops. The conferees recognize the advantages of the M1A2 tank to soldiers in both combat and training and authorized \$292.2 million to procure 67 M1A2 SEPs. The SEP is an upgrade that improves computer systems and night vision capabilities.

Movement Tracking System (MTS). The MTS is a combat proven, satellite-based communications system being used extensively in OIF and OEF to provide troops with secure real-time GPS vehicle tracking and two-way text messaging between stationary base locations and vehicles. The MTS enhances the ability of ground commanders to strategically position tactical vehicles, monitor and track re-supply items, and provides total asset visibility to the ground commander. The conferees authorized \$40 million for procurement of 2,241 movement tracking systems.

Munitions. Operation Iraqi Freedom demonstrated the dramatic technological capability of precision guided munitions to strike targets precisely while reducing the risk to civilians and causing other damage. The conferees authorized:

- **Tactical Tomahawk cruise missiles.** \$280.2 million to procure 321 Tactical Tomahawk cruise missiles, a long-range, precision-strike weapon launched from surface ships or submarines. The increase sustains a higher production rate and helps to restore inventory levels expended during OIF. This is an unfunded priority of the Chief of Naval Operations.
- **Affordable Weapon System.** An additional \$20 million for the Affordable Weapon System (AWS). AWS is an advanced technology initiative to design, develop, and build a capable and affordable cruise missile at a fraction of the cost of other similar systems. AWS has significant potential as a weapon system that could fill the gap between shorter range weapons with smaller warheads and longer range weapons with larger warheads. The conferees authorized \$49 million for AWS.

Predator A and Predator B UAVs. Intelligence, surveillance and reconnaissance are important elements of force protection and are critical to interdict, disrupt, and defeat insurgent and terrorist threats. The conferees authorized \$176.6 million for the Predators. The Predator B is a turbo prop variant of the Predator A that is faster and able to carry a larger payload.

Night Vision Rifle Sights. The AN/PVS-17 is a lightweight, rifle mounted, image intensification night vision sight that replaces obsolete AN/PVS-4. The AN/PEQ-2A is a lightweight, rifle mounted, infrared aiming light target illuminator system also designed to replace older systems. The conferees continue to recognize the benefits of night vision technology provided by this equipment and authorized \$40.8 million for night vision equipment. This represents an increase of \$4 million for AN/PVS-17 miniature night vision sights and an increase of \$6.3 million for AN/PEQ-2A IR aiming light/target illuminators. In addition, the conferees authorized \$4.4 million for the AN/PVS-14, which is a monocular night vision device with state-of-the-art image intensifier technology.

Night Vision Binoculars. A key force protection measure is providing special operations forces with the AN-PVS-15 binocular goggle system. The conferees understand that this new system will substantially improve the ability of troops to conduct night operations by providing a wider field of view and better depth perception than the system currently in use. The conferees authorized \$2 million to procure night vision equipment, an unfunded priority of Special Operations Command.

Advanced Mine Detector (AMD). The AMD is a lightweight, handheld, mine detector that, through new ground penetrating radar technology, ensures nearly 100 percent detection of all classes of mines. It has yielded excellent results in OEF and OIF as a countermine, IED counter measure. As the device has exceeded expectations, the conferees support accelerated procurement and authorized \$8.9 million.

Defense Science and Technology. The conferees authorized \$11.2 billion for the Department of Defense science and technology program, including funding for basic research, applied research, and advanced technology development. The conferees' authorization includes \$2 billion for the Army, \$1.9 billion for the Navy, \$2 billion for the Air Force, and \$5.2 billion for Defense-Wide science and technology. The increase authorized by the conferees brings the DoD closer to the goal of three percent of total defense program spending established in Defense Guidance and recommended by outside experts as the desired level of investment for the science and technology programs. The conferees commended the Department for mobilizing the capabilities of the science and technology community in transitioning advanced technologies for support of operations in Iraq, Afghanistan, and elsewhere in the Global War on Terrorism. The conferees endorsed the need for robust science and technology funding in future budgets and continued emphasis on the development, recruitment, and

retention of the skilled scientists and engineers necessary to ensuring the U.S. military's technological edge.

Chemical and Biological Defense Program. Defending our troops and civilians from chemical and biological attacks is a primary objective of the conferees. The conferees authorized a total of \$1.45 billion for the DOD chemical and biological defense program, including:

- An increase of \$18.8 million above the administration's request for procurement of chemical and biological defense individual and collective protection equipment, including an increase of \$14.2 million for procurement of retrofit kits for improvement of the currently fielded chemical biological protective shelters, and an increase of \$10.5 million for procurement of M22 automatic chemical agent alarms for the Army National Guard.
- An increase of \$68.3 million for chemical and biological defense science and technology initiatives in which emerging technologies and concepts would compete on the basis of technical merit and potential operational contributions, and an increase of \$3.5 million for development of advanced biological detection systems.
- \$151 million for DARPA's biological warfare defense program, including an increase of \$2 million for research in asymmetric protocols that would provide broad spectrum protection against biological threats.

Medical Technology Applied Research Initiative. Operations in the Global War on Terrorism have placed a premium on the need for a range of medical technologies in such areas as infectious diseases and combat casualty care. Recognizing these needs and to sustain the development of advanced medical technology, the conferees authorized \$87.5 million for medical technology applied research, an increase of \$26.6 million to the Administration's budget request. The increase includes \$7 million to establish an applied research initiative that provides the opportunity for emerging medical technologies and concepts to compete for funding on the basis of peer-reviewed technical merit.

AN/ASR-6 Airborne Communications. Providing pilots with modern survival radios to replace older, less capable equipment for MH-60 and MH-47 helicopters will ensure increased security for our troops. The conferees recognize the urgent need to procure communication equipment for special operations forces who are expected to communicate with a wide variety of military personnel during search and rescue missions that involve older legacy radios. The conferees authorized an additional \$2.2 million for this purpose.

IMPROVED PAY AND BENEFITS

Every day, the men and women of our active, guard, and reserve forces make sacrifices to ensure success in the Global War on Terrorism. H.R. 4200 contains numerous quality of life improvements for our brave military personnel including a pay raise and many retention and recruitment incentives.

Improving Quality of Life

H.R. 4200 recognizes the sacrifices of our men and women in uniform, as well as their families:

Pay and Bonuses

- 3.5 percent across-the-board pay raise
- Making permanent the increased rate for imminent danger pay from \$150 to \$225 per month
- Making permanent the increased rate for family separation allowance from \$100 to \$250 per month
- Extending several special pays and bonuses for active duty members and reservists
- Elimination of out-of-pocket housing expenses

Living and Working Conditions

- Eliminating the statutory ceiling on bachelor and family housing privatization programs.
- \$10 billion for military construction and housing.

Healthcare

- Enhanced TRICARE benefits for reservists and family members
- Six months of coverage made permanent for all personnel separating from active duty.

Eliminating the Reduction in Survivor Benefit Plan (SBP) Annuities. The conferees are dedicated to protecting the financial security of the survivors of military retirees. To achieve this goal, the conferees authorized eliminating the Social Security offset under the SBP by increasing the annuities paid to survivors of military retirees who are 62 or older from 35 percent of retired pay to the percentages indicated below:

- (1) For months after September 2005 and before April 2006: 40 percent
- (2) For months after March 2006 and before April 2007: 45 percent
- (3) For months after March 2007 and before April 2008: 50 percent
- (4) For months after March 2008: 55 percent

Concurrent Receipt Phase-in Improvements. The National Defense Authorization Act for Fiscal Year 2004 made great strides in addressing the disparity by which disabled military retirees have their pension benefits reduced, dollar for dollar, by the amount of disability benefits they receive from the Department of Veterans Affairs. The FY04 Act authorized full concurrent receipt to be phased in over 10 years. The conferees continue to build on this improvement by removing disabled retirees, who are

rated as 100% disabled, from the 10-year phase-in period. These retirees are authorized for full concurrent receipt effective January 2005.

Military Housing Privatization. The military housing privatization initiative is a program that allows the Department of Defense to leverage private sector investments and business interests to build and revitalize family and unaccompanied housing at domestic military bases. Since the inception of the housing privatization program, the military services have used the privatization authority to improve or replace more than 60,000 family housing units. Despite the success of the program, a statutory ceiling on government obligations to family housing privatization projects will force a halt to the family housing privatization program in fiscal year 2005, jeopardizing privatization of approximately 60,000 units over the next two years, as well as efforts to eliminate inadequate family housing units by 2007. In support of continued housing privatization and the real improvements to quality of life for U.S. military personnel that result from the program, the conferees included a provision to eliminate the statutory ceiling on the bachelor and family housing privatization programs, effective upon enactment of the bill.

Basic Military Pay. The conferees remain dedicated to increasing income levels for military personnel and authorized a 3.5 percent across-the-board pay raise for our men and women in uniform. The raise would continue Congress' commitment to enhanced pay for the armed forces and reduce the gap between average military and private sector pay from 5.5 to 5.1 percent. This is the sixth consecutive year the conferees have recommended a pay raise larger than the level of private sector pay raises.

Special Pay and Bonuses for Active Duty Members. The conferees authorized extending several special pays and bonuses through December 31, 2005, including:

- reenlistment bonus;
- enlistment bonus;
- retention bonus for service members with critical military skills;
- accession bonus for new officers in critical military skills;
- aviation officer retention bonuses;
- assignment incentive pay;
- nuclear career accession bonus;
- nuclear career annual incentive bonus;
- nurse officer candidate accession bonus;
- accession bonus for registered nurses;
- incentive special pay for nurse anesthetists;
- accession bonus for dental officers; and
- accession bonus for pharmacy officers.

Permanent Increases to Imminent Danger Pay and Family Separation Allowance. The conferees continue to recognize the many sacrifices of our service members and their families. Accordingly, they authorized making permanent the increased rates for imminent danger pay, from \$150 to \$225 per month, and family separation allowance, from \$100 to \$250 per month.

Eliminating Out-of-Pocket Housing Expenses. Honoring its commitment to eliminate out-of-pocket housing expenses for services members, the conferees authorized \$367 million. This marks the final year of a five-year initiative to completely eliminate out-of-pocket expenses.

Housing Allowances. The conferees authorized granting basic housing allowance to service members who elect to leave their families at their previous duty stations while they attend professional military education or training lasting 12 months or less.

Transportation of Family Members to Visit Seriously Injured Service Members. The conferees believe that, especially during times of war, families should be able to visit seriously injured service personnel. Building on last year's improvements to travel provisions, conferees authorized expanding the number of family members that would be entitled to transportation at government expense to visit seriously ill or injured service members. The conferees also authorized family members to receive a per diem or be reimbursed for travel expenses.

Repeal of the Requirement to Pay Subsistence Charges While Hospitalized. Last year, Congress took action to exempt service members injured on the battlefield from paying for their meals while they recuperate in military hospitals. Building on this enhancement, the conferees authorized extending this exemption to all hospitalized military personnel, not just those hospitalized in connection with combat.

Donation of Air Travel. To help reunite deployed military members and their families (or in exceptional cases, persons with a close relationship to the service member) in times of need, the conferees authorized giving the Secretary of Defense the authority and flexibility to accept the donation of frequent flyer miles, credits and tickets to be used for service members. The conferees also authorized giving the Secretary of Defense the authority to enter into agreements with nonprofit organization to help with the collection, distribution and use of donated frequent flyer miles, credits and tickets.

Family Supplemental Subsistence Allowance (FSSA). The National Defense Authorization Act for Fiscal Year 2001 provided a supplemental subsistence allowance FSSA to military households who are eligible for food stamps. The allowance is intended to remove members from food stamp eligibility. The conferees authorized excluding the family separation allowance and hostile fire or imminent danger pay from the calculation of household income for eligibility for FSSA. The conferees also authorized excluding the amount of FSSA received by a service member for determining the eligibility of their spouses and children for certain low-income assistance programs.

Providing Civilian Clothing to Service Members. There have been situations where seriously wounded and ill OIF and OEF military personnel have been medically evacuated from the battlefield without civilian clothes. This posed a dilemma when soldiers recovered and wanted to leave the hospital in civilian clothes, as military officials lacked the authority to purchase the clothes for them. Last year, Congress acted to remedy this situation by temporarily authorizing the purchase of civilian clothing, at a cost not to exceed \$250. The conferees authorized making this authority permanent.

Joint Advertising and Market Research. The Department of Defense plays an important role in complementing recruiting and advertising programs of the military services. DOD's joint advertising and market research effort can have a direct and positive long-term impact on the recruitment of quality personnel. This is especially critical now, when the military's recruiting efforts could face difficulties due to a range of factors. Accordingly, the conferees authorized \$10 million more than the Administration's request for this program.

Enhancement of Death Gratuity. The conferees authorized indexing the amount of the death gratuity payable to survivors of deceased service members to the average percentage of the increase in rates of basic pay taking effect each year.

Improving Living and Working Facilities

Military Construction. The conference recommends \$10 billion for military construction and family housing, again demonstrating the conference's commitment to addressing inadequate DOD infrastructure and facilities. Highlights of the conference recommendations include:

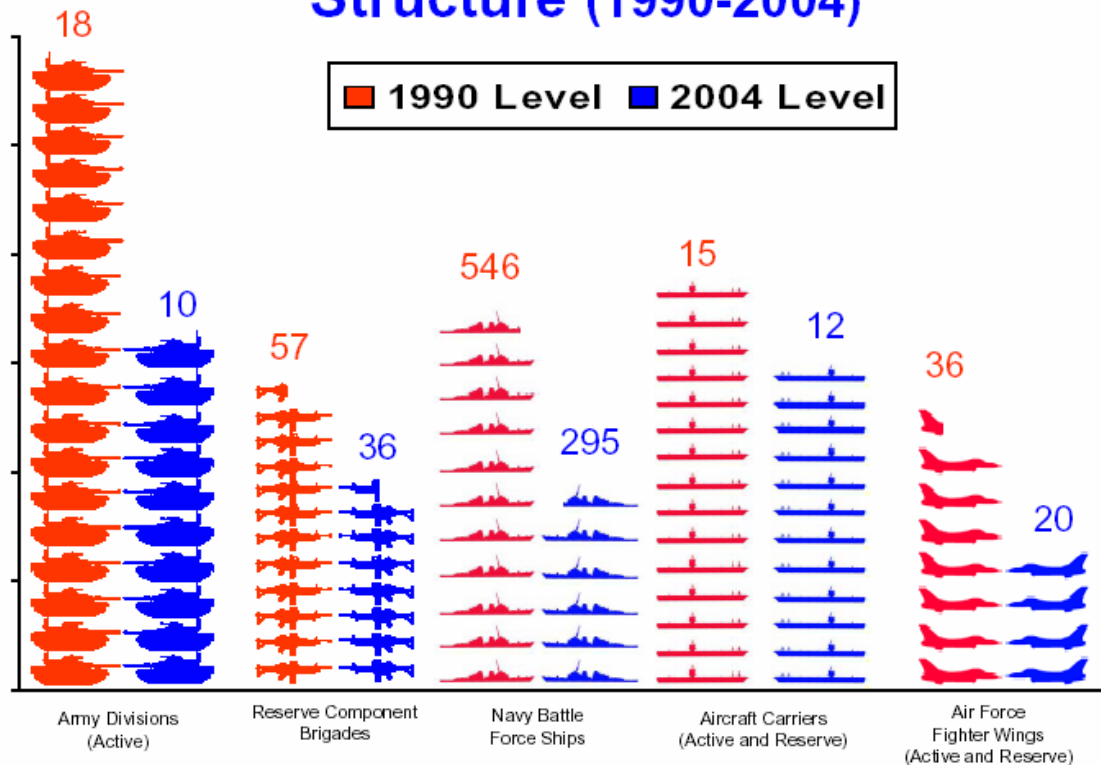
- **Troop Housing.** The conference recommends \$1 billion for the construction of 37 new barracks, dormitories and related facilities to support unaccompanied military personnel.
- **Military Family Housing.** The conference recommends \$992.2 million for construction of approximately 3,825 units.
- **Medical Facilities.** The conference recommends \$179.9 million for the construction of nine medical facilities.
- **Schools for DOD Dependents.** The conference recommends \$72.2 million for the construction and improvement of classrooms and education facilities.
- **Child Development Centers.** The conference recommends \$26 million for five child development centers.
- **Reserve Component Training and Readiness.** The conference recommends \$929.1million for facilities enhancements to improve the training and readiness of the guard and reserves.

INCREASING MILITARY MANPOWER

Increase in Active Army and Marine Corps Troop Levels. To address the Army's manpower shortages and to promote efforts to increase the numbers of modularized brigades, the conference recommended an increase of 20,000 in fiscal year 2005, and a total increase of 30,000 active personnel over five years. In sum, the committee would increase active Army end strengths from the present authorization of 482,400 to 502,400 in 2005, and authorize further increases to 512,400 by 2009.

The committee also believes that an increase in manpower is essential to the Marine Corps' ability to provide and sustain the force levels required of it by our national security strategy. Accordingly, the conference recommended an increase of 3,000 active Marine Corps personnel in fiscal year 2005, and authorized a total increase of 9,000 over five years. In sum, the conference would authorize a Marine Corps increase from the present level of 175,000 to 178,000 in 2005 and to 184,000 by 2009.

Changes in U.S. Military Force Structure (1990-2004)



U.S. force structure was cut drastically during the last decade

Reserve Component Full-time Support Strength. The conference is acutely aware of the demands the Global War on Terrorism has placed on reservists and recognizes that adequate levels of full-time support personnel are critical to sustaining the wartime effort while maintaining overall reserve component readiness. For that reason, the conferees authorized increasing the number of reservists on active duty by 1,669 (or 2.4 percent) over FY2004 authorizations. Included in the increase are additional full-time National Guard personnel to provide for seven more Weapons of Mass Destruction – Civil Support Teams. The conferees also authorized increasing the number of military technicians by 950 (or 1.5 percent) over 2004 authorized levels.

PERSONNEL FACTS

As of August 31, 2004, America's military personnel includes (approximately):

- 375,000 Active Duty Sailors
- 82,000 U.S. Navy Reserve
- 176,000 Marines
- 40,000 Marine Corps Reservists
- 379,000 Air Force Personnel
- 75,000 Air Force Reservist
- 107,000 Air National Guard
- 497,500 Army Soldiers
- 207,000 Army Reservists
- 342,000 Army National Guard

GUARD AND RESERVE IMPROVEMENTS

High deployment rates for members of the National Guard and Reserves have taken a toll on these personnel and their families. H.R. 4200 recognizes their sacrifice and supports their needs.

Special Pay and Bonuses for Reservists. The conferees authorized extending several special pays and bonuses through December 31, 2005, including:

- reenlistment bonus;
- enlistment bonus;
- special pay for enlisted members assigned to high priority reserve units;
- affiliation bonus;
- prior service enlistment bonus;
- special pay for health professionals in critically short wartime specialties;
- repayment of education loans for certain health care professionals.

Accounting and Management of Reservists and National Guard Members on Active Duty. The conferees authorized changing the accounting standard used to track and manage reservists on active duty in support of operational missions. Specifically, the conferees propose eliminating the current 180-day end strength accounting standard that requires reservists on active duty beyond that limit to count against active component end strengths. In its place, the conferees recommend permitting up to 37,000 reservists to serve voluntarily on active duty for up to three years, or a cumulative three years over a four-year period, before counting against active end strengths. The conferees believe that the flexibility in this new authority will reduce the need for some involuntary mobilizations by permitting volunteers to support normal peacetime operations, as well as during times of national emergency.

Reserve Mobilization Process. The Global War on Terrorism has required the mobilization of hundreds of thousands of reservists using an inefficient Cold War-era system which imposes undue stress on reserve personnel and their families. Taking substantial steps toward reforming the mobilization process, the conferees recommends repealing the current prohibition on mobilization for training. Repeal of the prohibition will increase the readiness of the reserves, shorten time between mobilization and deployment and provide for a more orderly, predictable and effective mobilization process that reduces stress on individuals, families and employers. To ensure this new authority does not lengthen the mobilization period, the conferees recommendation requires the time spent during mobilizations for training to count against the statutory limits set for involuntary mobilizations. Those limits on involuntary mobilization periods are two years or 270 days, depending upon which authority is used to bring reservists to active duty.

Tuition Assistance for Reservists The conferees improve tuition assistance for reserve officers on active duty by waiving the two-year active duty service obligation required as a condition for receiving tuition assistance. The conferees also authorized an increase in tuition assistance for Army officers in the reserves.

Restating the Purpose of the Reserve Components. At present, the statutory purpose of the reserves focuses on their roles and functions as a result of planned mobilizations. To more accurately reflect the recent and future utilization of reservists, the conference recommends a restatement of the statutory purpose of the reserves that reflects the requirement for them to provide trained units and qualified persons, not just as the result of involuntary mobilizations, but whenever more units and persons are needed than are in the active components.

Healthcare

Medical and Dental Readiness. Unfortunately, a great number of reservists have been deployed to support the Global War on Terrorism with medical and dental conditions that could hinder their ability to serve. The conferees believe that it is essential for medical personnel and operational commanders to strictly monitor the individual medical and dental readiness of these reservists. The conferees direct the Secretary of Defense to ensure that the military departments have systematic processes for providing appropriate health examinations and assessments and a means for compiling health information. Further, the conferees believe that DOD should hold commanders accountable for enforcing and monitoring medical and dental requirements to ensure medical readiness.

Improvements in Medical Services for Activated Members of the Reserves and Their Families. The conferees recommended making permanent the now temporary eligibility of dependents of reservists to obtain TRICARE health care benefits up to 90 days before the date on which the member's period of active duty is to begin. The conferees also recommend that service members would be allowed to receive the same benefits.

Deductibles Under the TRICARE Program. To mitigate financial hardships on activated reservists, the conferees authorized waiving deductible payments required by TRICARE programs for dependents of reservists who are called to active duty for more than 30 days.

Health Care Payments for Dependents of Reserve Members. The conferees recommend shielding dependents of reservists who are ordered to active duty for more than 30 days from paying a health care provider any amount above the TRICARE maximum allowable cost.

Permanent Health Care Benefits After Separation from Active Duty. The conferees authorized making permanent the authority to provide Transitional Assistance Medical Program benefits to service members and their dependents for up to 180 days following separation from active duty. In addition, the conferees direct the Secretary of Defense to provide physical examinations to all active duty service members prior to separation.

TRICARE Coverage for Reservists Who Commit to Continued Service. The conferees authorized TRICARE Standard coverage for reservists and their families who have been activated for more than 30 days since September 11, 2001, in support of a contingency operation and commit to continued service in the Selected Reserves. For every 90 days of consecutive active duty service, the member and their family are eligible for one year of TRICARE coverage while in a non-active duty status.

Transition to New Resource Sharing Agreements Under TRICARE. To make certain that the transition to new TRICARE contracts does not disrupt beneficiary health care, the conferees encourage the Secretary of Defense to consider the use of all existing authorities to guarantee a smooth transition, especially as the carved-out resource sharing programs evolve to new contractual agreements. The Secretary should also ensure that the new resource sharing contracts are as cost effective as current agreements, provide for similar staffing flexibility, and provide uninterrupted care for beneficiaries during the transition.

Commissaries and Exchanges

Commissary and Exchange Benefits. The conferees remain dedicated to improving and protecting commissary and exchange benefits and:

- Included a clear definition of commissary and exchange systems and clarify that the systems' purpose is to enhance the quality of life of the military, military retirees and their dependents and to support military readiness, recruitment and retention.
- Required the designation of a senior official to oversee both systems and an executive governing body, including military members, to ensure complimentary operations of both systems.
- Authorized the Secretary of Defense to consider the quality of life of reservists whenever assessing whether to close a commissary store.
- Required the Secretary of Defense to submit to Congress written notice of the reasons supporting the closure of a commissary and wait 90 days before undertaking a closure.
- Authorized the Secretary of Defense to conduct a test program on the sale of telephone cards, film and one-time use cameras and report his findings on the impact of the sale of these items on the exchange dividend and any legislative changes that may be necessary to the House and Senate Armed Services Committees.
- Require the Government Accountability Office to evaluate the impact of the expansion of categories of merchandise sold in commissary stores and its impact on the exchange dividend.
- Expect the Secretary of Defense to maintain the décor, format and product selection in military commissaries consistent with modern grocery store norms.

OTHER PERSONNEL INITIATIVES

Improving Prosecution of Sexual Offenses in the Military. The conferees are troubled by the problem of sexual assaults in the military and believe that an examination is warranted of how such offenses are treated in the military justice system. Accordingly, the conferees require the Secretary of Defense to review both the Uniform Code of Military Justice (UCMJ) and Manual for Courts Martial and provide proposed changes in both regarding how sexual offenses are addressed. The conferees also expect that as part of the review, the Secretary will propose changes to more closely conform the Code and the Manual to the federal criminal code dealing with sexual offenses. The Secretary's report, with the rationale for the proposed changes, is due to the House and Senate Armed Services Committees by March 1, 2005. In addition, the conferees understand that DOD is already undertaking a review of sexual assault problems in the military and expect that DOD's legislative proposal for fiscal year 2006 will include any desirable suggestions for revisions in the UCMJ that relate to sexual assault.

Preventing Sexual Assaults in the Military. Continuing a commitment to preventing sexual assaults in the military, the conferees authorized expanding the mission of the Task Force on Sexual Harassment and Violence at the Military Service Academies. The expanded task force, under its new name, the “Defense Task Force on Sexual Assault in the Military Services,” would examine sexual assaults in the military and report to Congress within 12 months of its initial meeting on its findings and recommendations. Within 90 days of receiving the task force report, the Secretary of Defense would be required to provide the report and his evaluation to the House and Senate Armed Services Committees. The Secretary of Defense would also be required to provide those committees an assessment of the effectiveness of the corrective actions being taken by DOD and the military services.

Advanced Amputee Treatment Program. Approximately 60 to 80 percent of all survivable combat injuries are to limbs, with 20 percent resulting in the need for amputation. The goal of this program is state-of-the-art treatment focused on research in amputee treatment, prosthetics, and rehabilitation to ensure that amputee patients receive the kind of care that will allow them to lead lives unconstrained by their amputation. The conferees strongly support the Army’s initiative in establishing the Amputee Patient Care Program at Walter Reed Army Medical Center and authorized an increase of \$17.9 million to the President’s budget for this program.

Military Voters. Operational requirements and the mobility of military personnel may prevent military voters from receiving state-provided absentee ballots by mail in time for an election. To remedy these problems and ensure that military voters are able to participate in the electoral process, the conferees authorized military voters and their dependents, who are stationed in the U.S. but absent from their home states, to use federal write-in absentee ballots.

Federal Voting Assistance Program and the Military Postal System. The conferees continue to be very concerned that DOD is not fully committed to securing the right to vote for our troops who are currently deployed around the world. In keeping with their commitment to ensure that our service members can exercise their voting rights, the conferees require the Secretary of Defense to submit reports to Congress on: (1) the actions that the Secretary has taken to ensure that the Federal Voting Assistance Program functions effectively to support absentee voting; (2) the actions that the Secretary has taken to ensure that the military postal system functions effectively to support the morale of military members and their ability to vote by absentee ballot; and (3) the actions taken to implement the recommendations of the Military Postal Service Agency Task Force of August 28, 2000. The reports are due 90 days after enactment of the authorization act.

Separate Campaign Medals for Operation Enduring Freedom and Operation Iraqi Freedom. The conferees agree with many service members who believe that separate medals for service in OEF and OIF are necessary to properly recognize military personnel in Afghanistan and Iraq. The creation of separate campaign medals for OEF and OIF service is consistent with the award of campaign recognition for prior combat actions, including the Southwest Asia Service Medal and the Kosovo Campaign Medal. The conferees strongly support establishing separate campaign medals to be awarded to service members who participate in OEF and OIF and only acted to withdraw the provision from the bill because the two separate medals have been authorized in a separate law, P.L. 108-234.

Recruiter Access Improvement. For the last several years, a growing number of colleges and universities have treated military recruiters in ways significantly different from the recruiters of other employers. As a result, military recruiters and the persons they seek to interview have been subjected to various degrees of harassment or ill treatment designed to make military recruiting difficult, or to frustrate its objectives. To remedy this situation, the conferees authorized requiring colleges and

universities to give military recruiters access to campuses and students that is at least equal in quality and scope as that provided to any other employer.

Staffing the Defense Prisoner of War Missing Personnel Office (DPMO). DPMO performs a critical range of missions for the nation and the missing personnel of past and future wars. DOD does not appear committed to fully supporting DPMO with even the minimum level of manpower and funding mandated by law. Furthermore, DOD has consistently sought to reduce DPMO manning, in direct contravention of Congressional guidance not to do so. To counter DOD's efforts to reduce manning and resources in DPMO and ensure that DPMO is fully able to carry out its entire range of missions, the conferees reiterated the minimum levels of military and civilians assigned to DPMO, and clarified that those minimum levels applied to both temporary and permanent personnel.

Payment of Health Benefit Premiums for Mobilized Employees. The conferees authorized federal employees, who serve in the military reserves and are ordered into active duty and placed on leave without pay, to continue to receive coverage under the Federal Employee Health Benefit Program for two years. Further, HR 4200 would authorize both the employee's and agency's share of the premiums to be covered for up to two years.

Foreign Language Proficiency Pay. This provision authorized the Secretary of Defense to offer special pay to any DOD employee who is certified to be proficient in a language deemed necessary for national security interests and whose duties require such proficiency.

DEFENDING AMERICA

H.R. 4200 funds programs to protect America and its allies from those who are developing weapons of mass destruction.

COMBATING TERRORISM AND WEAPONS PROLIFERATION

Chemical Agents and Munitions Destruction. The conferees authorized a total of \$1.37 billion to continue the program for destruction of the United States' stockpile of lethal chemical warfare agents and munitions and \$89 million for construction of chemical demilitarization facilities. The conferees reallocated funds within the total program to provide an increase of \$50 million for development of the chemical demilitarization facility at Pueblo, Colorado. The conferees noted concerns about the need to provide sufficient funding in the program for the United States to meet its obligations under the Chemical Weapons Convention and to proceed as rapidly as possible to destroy the stockpile, while ensuring maximum safety. The conferees also directed the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Secretary of the Army to prepare a strategic plan for the program.

Developing Technology to Combat Terrorism. The conferees authorized \$60.2 million for the Combating Terrorism Technology Support (CTTS) Program. Under the direction of the interagency Technical Support Working Group, CTTS addresses technology development that may help efforts to combat terrorism.

Cooperative Threat Reduction (CTR). The conferees support the Administration's request for \$409.2 million to dismantle, secure, and eliminate WMD and WMD facilities in the former Soviet Union through the CTR program. Conferees note the positive steps taken by the Department of Defense in oversight of the program, as directed by the fiscal year 2004 authorization, but continue to be alarmed by Russia's weak commitment to the goals of CTR. Reasons for concern include:

- Russia's continued modernization of its strategic nuclear forces, including its Intercontinental Ballistic Missile (ICBM) force (in contrast, the U.S. has not deployed a new ICBM in nearly 20 years);
- Questions about the completeness and accuracy of Russia's declarations regarding the size of its chemical weapons stockpile; and
- Russia's lack of a credible plan to destroy its nerve agent stockpile.

International Counterproliferation Programs. Conferees authorized the Secretary of Defense to expand existing programs to train foreign border and law enforcement officials to help prevent the illicit transfer of weapons of mass destruction in the states of the former Soviet Union, Eastern Europe and the Baltics, by granting the authority to conduct those programs in countries in which the Secretary determines a significant threat exists.

Silk Road Initiative. Conferees authorize the Secretary of Defense to implement a program promoting non-weapons-related employment for scientists, engineers and technicians formerly engaged in activities to develop weapons of mass destruction in the Caucasus and Central Asia. Many

of these nations have been helpful in the Global War on Terrorism. Conferees believe an initial pilot program of up to \$10 million should be established for the new democratic government in the Republic of Georgia to promote job creation, economic stability and democracy.

Wisconsin Project's International Export Control Center. The Wisconsin Project on Nuclear Arms Control began a public-private initiative to improve export controls in the former Soviet Union and Eastern Europe. This initiative was supported by the Department of Defense, the Department of State, and the U.S. Customs Service. The Wisconsin Project is a leading source of unclassified information on world entities suspected of building weapons of mass destruction. Its database lists the activities of more than 3,700 suspected individuals and organizations. Conferees believe the Project should expand its efforts to help foreign governments improve their export control mechanisms, and recommend an additional \$1.3 million for the expansion of the International Export Control Center.

MISSILE DEFENSE

H.R. 4200 supports the Administration's commitment to ballistic missile defense programs.

The Bush Administration has requested significant increases in funding for missile defense programs, as funding was cut under the previous administration. The Administration's request for fiscal year 2005 includes \$10.2 billion for missile defense programs, an increase of \$1.2 billion over fiscal year 2004.

The conference commends the Administration's continuing commitment to missile defense and recommends the following:

Missile Defense. The conferees recommend \$10 billion for missile defense programs, including \$9.023 billion for ballistic missile defense to focus on near-term missile defense capability development and testing.

Advanced Concepts, Evaluations and Systems. The Administration requested \$256.2 million for Advanced Concepts, Evaluations and Systems; an increase of \$106 million from the fiscal year 2005 projection in last year's budget request. The conferees have reservations that the increase is justified or that it can be effectively executed. Accordingly, the conferees authorize \$231.2 million, a decrease of \$25 million.

Boost Defense Segment. The conferees authorized \$492.6 million, matching the Administration's request, for directed energy boost phase intercept programs.

The conferees remain convinced of the importance of boost phase intercept in the ballistic missile defense architecture, and note that ABL has potentially revolutionary capabilities. The conferees also note that, in response to cost overruns and schedule delays, the program has been restructured to reflect these difficulties and its developmental nature. The conferees applaud this restructuring and are aware of progress in recent months toward achieving key milestones in the ABL program, particularly first light from conjoined laser modules. Demonstrated progress in these areas will be critical to the continuation of the ABL effort. Therefore, the conferees direct the Secretary of Defense to submit a report to the Senate and House Armed Services Committees by February 15, 2005 on the status of these two major component tests and a recommendation for the future of the program.

Midcourse Defense Segment. The conferees authorized \$4.4 billion for the ballistic missile defense midcourse defense segment, including additional funds for GMD enhancements and for the development of a Solid State S-Band Radar to support Aegis ballistic missile defense system radar capability.

System Interceptor. The BMD system interceptors program is intended to develop a family of ground, sea, and space-based interceptors. The conferees authorized \$348.3 million for BMD system interceptors. The conferees remain convinced that the kinetic energy interceptor (KEI) could be an important aspect of the overall ballistic missile defense architecture, potentially contributing intercept capabilities in boost, midcourse, and terminal phases of the threat missile flight. The conferees are concerned about the lack of progress in defining basing modes and direct the director of the Missile Defense Agency to provide a report to the Senate and House Armed Services Committees by February 1, 2005 that includes planned ground and sea-basing modes for KEI and the concept of operations for each.

Terminal Defense Segment. The conferees authorized the President's request of \$937.7 million for the ballistic missile defense terminal defense segment.

MAJOR WEAPONS PROGRAMS

H.R. 4200 includes initiatives to address shortfalls in important warfighting requirements. The legislation places a priority on programs critical to continuing successful military operations in Iraq, Afghanistan and elsewhere in the Global War on Terrorism.

Fixed Wing Aircraft

Aerial Refueling Tanker Aircraft. The Air Force's refueling tanker fleet was utilized extensively over the past several years, and that pattern has continued during more recent operations. The fleet has demonstrated itself to be essential in projecting airpower to fight the war on terrorism. Last year, Congress took action to authorize the lease of 20 and the purchase of 80 new aerial refueling tankers. Since last year, evidence of impropriety in the lease of aerial refueling tankers has been uncovered and, as a result, the conferees recommend that the Air Force's aerial refueling aircraft replacement program be restarted as a 100-aircraft procurement program. Accordingly, the conferees changed last year's legislation to reflect the procurement of 100 new aerial refueling tanker aircraft, and recommend an increase of \$15 million for the advance procurement of aerial refueling tankers, and an increase of \$80 million for development.

B-2 Spirit. The B-2 is the U.S. military's most advanced bomber, providing important deep strike capabilities, especially given limited access to overseas bases. The conferees recommend the Air Force continue to upgrade the existing B-2 fleet with extremely high frequency satellite communications systems and other global strike capabilities. As such, the conferees authorized \$275 million for B-2 improvements.

C-5 Galaxy. One of the largest aircraft in the world, the C-5 provides airlift support for oversized cargo and combat-ready troops, while having the ability to take-off and land in relatively short distances. The C-5 has proven itself to be a critical component in projecting our troops and their

equipment around the world in the ongoing war on terrorism. The conferees authorized \$103.1 million for C-5 modifications. This includes funds for avionics modernization program kits that replace unreliable and unsupportable engine flight instruments and flight system components.

F-15 Eagle. The F-15 is the Air Force's all-weather, supersonic, air superiority attack aircraft. The conferees authorized \$206.7 million for F-15 procurement modifications. Of these funds, \$7 million is for the ALQ-135 band 1.5 countermeasures system modification, a key force protection measure which provides pilots with a jamming capability against modern surface-to-air enemy missiles, \$4.1 million is for upgrades to identification systems, and \$14 million is for engine upgrades. In addition, the conferees authorized \$129.8 million for development of new radar capabilities for the F-15.

F-16 Falcon. The F-16 is a highly maneuverable, multi-role fighter aircraft. The conferees authorized \$357.8 million for procurement of new capabilities for the F-16. The conferees increased the President's request by \$21 million for upgraded engines and \$10.5 million for targeting pods.

F/A-18 Hornet. The F/A-18 is the primary fighter and attack aircraft for both the Navy and the Marine Corps. The F/A-18E/F Superhornet began production six years ago and completed its first operational deployment at sea as part of Operation Iraqi Freedom. To provide the Navy with the improved capabilities of the Superhornet, the conferees authorized \$2.9 billion for procurement of 42 F/A-18E/Fs.

F/A-22 Raptor. Conferees authorize \$4.098 billion to procure 24 aircraft.

F-35 Joint Strike Fighter (JSF). The JSF will be a high technology, affordable, multi-role, combat aircraft based on a common airframe and components that will be used by the Air Force, Navy and Marine Corps. The conferees authorized \$2.1 billion for Navy JSF development and \$2.2 billion for Air Force JSF development. As a result of reprogramming activity, engine development being ahead of other development activities and manufacturing tools requested early to need, the conferees believed that \$260 million of the President's request was early to need and accordingly decreased the request by \$126 million for the Navy and \$134 million 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. Although the Navy had not planned to procure additional JPATS until fiscal year 2007, purchasing JPATS units in fiscal year 2005 will reduce operations, maintenance and procurement costs. Therefore, the conferees authorized \$17.5 million for additional aircraft and their ground-based training systems.

Next Generation Bomber. The Air Force currently plans to begin a new bomber program in approximately three years. However, the bulk of the Air Force bomber fleet consists of 94 B-52s, which will be well over 50 years old by the time a new bomber would be deployed. The conferees believe that this is inadequate to ensure a sufficient bomber force structure to meet future requirements for long-range strike in light of the prospect that future basing for shorter range aircraft may not be assured. Accordingly, the conferees authorized an increase of \$30 million in research and development funding for the next generation bomber program.

UH-1N Huey Modifications. The AN/AAQ-22 night thermal imaging system (NTIS) provides the Marine Corps' UH-1N fleet with the ability to operate in both day and night conditions, as well as in smoke, dust or hazy environments. Reports indicate the system is performing superbly during missions in Iraq and Afghanistan. The conferees authorized \$3.5 million for additional AN/AAQ-22

NTIS product improvement upgrades. This system was among the unfunded requirements for both the Chief of Naval Operations and the Commandant of the Marine Corps.

Helicopters

MH-47 Chinook Modifications. The MH-47 Chinook's primary mission is to transport joint special operations forces and their equipment on deep insertion and extraction missions in all weather conditions. The conferees authorized \$447.3 million for rotary wing upgrades and sustainment, in addition to procuring the infrared engine exhaust suppressors. The conferees understand that these heat suppressors are a critical force protection requirement for the Army's MH-47 special operations fleet now operating in hostile environments and is an unfunded requirement of the Special Operations Command Commander.

Surface Ships

Amphibious Assault Ship Replacement Program (LHA (R)). The conferees authorized the Secretary of the Navy to procure the first amphibious ship of the LHA (R) class. The conferees also authorized \$150 million in shipbuilding and conversion funds and authorized the Secretary of the Navy to enter into contracts to advance the procurement and construction of components for this ship with these funds.

Aviation Ship Integration Center. The Aviation Ship Integration Center supports the identification, development, test and integration of advanced and transformational technologies in the CVN-21 aircraft carrier and other aviation capable ships, thereby permitting identification and resolution of potential problems early in the development cycle. The conferees authorized an increase of \$3.7 million for the Center, to meet this critical unfunded requirement of the Chief of Naval Operations. The additional funds will expand and complete several key initiatives by the shipbuilder.

DDG-51. The DDG-51 class of AEGIS destroyers provides improved radar, fleet defense, missile defense, and land attack capabilities for the Navy's surface fleet. The conferees authorized matching the Administration's request for procurement of three Arleigh Burke-class destroyers. In addition, the conferees authorized an increase of \$50 million to accelerate in-service modernization of the DDG-51 destroyer.

DD(X). DD(X) is a multi-mission surface combatant ship tailored for land attack in support of a ground campaign and for maritime dominance. DD(X) will provide the technology and engineering baseline needed to meet future maritime requirements and for development of a family of future ships, including the future cruiser CG(X) and the Littoral Combat Ship. The conferees have strongly supported the DD(X) program since its inception and agreed to authorize a total of \$1.492 billion to continue development and begin construction of the first DD(X) destroyer, including \$84.4 million to begin detailed design of the second ship of the class. Noting the Government Accountability Office's assessment of the maturity of the 12 technologies that are critical to the DD(X) and concerns regarding the schedule for land-based and other testing of these technologies, the conferees directed that the Secretary of the Navy and the Under Secretary of Defense for Acquisition, Technology, and Logistics, following completion of the DD(X) critical design review, provide an assessment to the

Congress of the readiness of the program to proceed beyond the system development and demonstration phase. The conferees also expect the Navy to take all action necessary to ensure a healthy and competitive industrial base for surface combatants.

Littoral Combat Ship (LCS). The LCS will be a new class of Navy surface combatants and the smallest member in the DD(X) family of next generation surface combatant ships. LCS will be fast, agile, stealthy, affordable, and tailored for specific missions such as anti-submarine, anti-surface, or mine warfare in heavily contested littoral waters, and will use interchangeable mission modules tailored for specific missions. The program includes the development, construction, and operational evaluation of four prototype Flight 0 ships (two each of two different designs), followed closely by the construction of follow-on Flight I ships, the design and construction of which will overlap the construction and evaluation of Flight 0 ships. The conferees agreed to authorize \$350 million for development and construction of the first Flight 0 ship, a reduction to the budget request by \$2 million for initial design of the Flight I ship. The conferees noted concerns about the concurrency of the Flight 0 and Flight I schedules and whether the LCS program schedule provides sufficient time and opportunities for experimentation and evaluation of the operational concepts for LCS in Flight 0 before committing to major serial production of Flight I ships, and expects the Navy to include in the fiscal year 2006 budget request a plan that reduces the risk of concurrency in the LCS development schedule.

Littoral Support Craft-Experimental (LSC-X). The conferees authorized \$11.1 million to complete construction of the LSC-X, an Office of Naval Research program to develop a small stealthy, fast experimental ship that is designed to operate in the littorals. Designed to carry a variety of mission modules, LSC-X will serve as a test bed for new technologies and operational capabilities that might be chosen for the Littoral Combat Ship. The builder expects to deliver the ship to the Navy in February 2005 for sea-trials, mission module demonstrations, and other follow-on evaluations.

Submarines

Common Submarine Radio Room. The radio room on many of today's ships use outdated technologies, which are labor intensive and require large numbers of highly skilled operators. As a part of the Virginia Class submarine program, the Navy developed the Common Submarine Radio Room, which will reduce the cost, training, and maintenance of submarine radio rooms and reduce the number of sailors required to stand watch. To standardize radio rooms across all submarine classes, the conferees authorized an increase of \$8 million for this Chief of Naval Operation's unfunded requirement.

Submarine Sonar Improvements. The conferees have strongly supported the development of the acoustic rapid commercial-off-the-shelf insertion (A-RCI) program and use of advanced processor software builds (APB), which has assisted the Navy to regain a technological advantage over potential enemies. To fulfill an unfunded Navy requirement and ensure the availability of this technology on SSN-688 Los Angeles, SEAWOLF, and SSBN class submarines scheduled for deployment in fiscal year 2006, the conferees authorized \$14 million to the Administration's request for SN-688 and Trident submarine modernization (an increase of \$4 million).

Electric Propulsion for Ships and Submarines. The development of component technologies for the all electric warship is one of the major goals of the Navy's science and technology program. In addition to supporting the development of the permanent magnet motor and integrated propulsion system for the DD(X) destroyer, the conferees authorized the following increases to the President's budget request to accelerate the development of advanced technology electric motors for ship

propulsion: \$3.5 million for the high temperature, super-conducting, alternating current, synchronous ship propulsion motor and \$5.5 million for the super-conducting, direct current homopolar ship propulsion motor.

Development and Implementation of Advanced Submarine Technologies. Congress has strongly supported the development of advanced submarine technologies for integration into the Virginia class nuclear attack. The conferees authorized increases to the budget request of \$5 million for the development and demonstration of advanced submarine payloads and sensors and \$20 million for development of multi-mission modules for the Virginia class submarine.

ATOMIC ENERGY DEFENSE ACTIVITIES

H.R. 4200 funds the testing and security of weapons as well as the clean-up of former weapons sites.

Waste Incidental to Reprocessing. The conferees included a provision that classifies certain waste incidental to reprocessing of spent nuclear fuel as other than high-level radioactive waste. The conferees noted that the legal uncertainty resulting from a 2003 District Court decision in Idaho has halted certain clean up activities, creating potential risks to both the environment and public health. The conferees have used existing Nuclear Regulatory Commission standards dealing with low-level waste to establish new criteria for waste incidental to reprocessing in Idaho and South Carolina. The conferees have also established a monitoring role for the Nuclear Regulatory Commission with respect to clean up in these two states. To assist in studying other alternatives for future clean up strategies, the conferees have also called for a National Academy of Sciences study dealing with nuclear waste clean up.

Energy Employees Occupational Illness Compensation Program. The conferees made significant changes to the current subtitle D Energy Employees Occupational Illness Compensation Program administered by the Department of Energy. The conferees transferred administration of the program from the Department of Energy to the Department of Labor and established federal compensation payments to resolve longstanding problems with the lack of a willing payer under existing state workers' compensation programs for Department of Energy contractor employees. The conferees also have established new process requirements in such areas as residual contamination, the conduct of site profiles and the handling of Special Exposure Cohort petitions.

OTHER INITIATIVES

Reforming the BRAC Process. The U.S. military is experiencing an extraordinary level of stress due to the Global War on Terrorism and the efforts to rebuild Iraq and Afghanistan. DoD also is contemplating realignments of forces in Europe and Asia, as well as undertaking initiatives to transform its forces. As such, the conferees included provisions intended to improve the Base Realignment and Closure (BRAC) process to ensure that realignment and closure decisions support the long-term strategic interests of the United States. Specifically, the conference report:

- Amends and codifies the criteria used by the Secretary of Defense to make recommendations for base realignments and closures to ensure that the Secretary considers the ability of military infrastructure to accommodate surge requirements of the armed forces; and
- Requires the approval of 7 of the 9 BRAC commissioners to close a base not recommended for closure by the Secretary of Defense, realign a base not recommended for realignment or closure by the Secretary, or increase the extent of a realignment of a base recommended for realignment by the Secretary. This provision will ensure that bases that the DoD determines are vital to national defense are not closed or realigned without a supermajority of BRAC commissioners supporting such a decision.

Defense Trade Reciprocity. The conferees are concerned that the use of offsets in foreign export defense sales are done at the expense of U.S. subcontractor jobs and causes the loss of U.S. technology funded for by the American taxpayer. Offsets are defined as compensation required as a condition of purchase in government-to-government or commercial sales of defense products or services.

Therefore, in order to sell defense products to many of our foreign security partners, a significant amount of manufacturing jobs and technology must currently be transferred to the purchasing country. In many cases, the value of the offset compensation of U.S. manufacturing jobs or technology exceeds the value of the product sold. The U.S. has no offset requirements for its foreign trading partners.

The committee believes that defense trade policy must be based upon the principle of fair trade and reciprocity. This provision would require the Secretary of Defense to develop a comprehensive acquisition trade policy to ensure that U.S. firms and U.S. employment in the defense sector are not disadvantaged by unilateral procurement practices by foreign governments, such as the imposition of offset agreements in a manner that undermines the U.S. defense industrial base.

Electromagnetic Gun. The Army, Navy, and Marine Corps are interested in developing electromagnetic propulsion technology for advanced gun systems which use electrical energy to propel projectiles at very high velocities to achieve greater lethality, longer range, and a reduced logistics burden through savings in ammunition weight and volume. Last year, the conferees authorized the Secretary of Defense to establish a collaborative program among the Director of Defense Research and Engineering, the Army, the Navy and the Defense Advanced Research Projects Agency to develop advanced high velocity and long range gun systems. The fiscal year 2005 budget request for the program totals \$56.5 million, including \$30.2 million in the Army science and technology account, \$14.3 million in the Navy account, and \$10 million in the Defense Advanced Research Projects Agency. The conferees authorized an increase of \$3.5 million in the Navy account to accelerate the Administration's program for electromagnetic gun technology development.

Expansion of Firms Defined as a “Communist Chinese Military Company”. The Department of Defense and other agencies are required to maintain a list of companies owned or controlled by the Chinese military operating directly or indirectly in the U.S. These entities are monitored and subject to the provisions of the International Emergency Powers Act, which grants the President authority to regulate foreign commercial and financial transactions in order to deal with a threat to U.S. national security, foreign policy or economic interests, if the President declares a national emergency.

Currently, these companies are defined as being owned or controlled by the People’s Liberation Army, which has formally divested itself of all commercial interests. HR 4200 would include Chinese firms owned or operated by a government ministry of the People’s Republic of China (PRC) or an entity affiliated with the PRC’s defense industrial base, such as the China State Shipbuilding Corporation or the China Overseas Shipping Corporation. This change recognizes a broader and different universe of government and commercial interests now engaged in China’s military modernization.

The PRC continues to seek Western technology with military applications for its ambitious defense modernization program, an initiative that could be used to threaten U.S. forces and allies in the Western Pacific region.

Actions on Major Programs in the Fiscal Year 2005 Defense Authorization Act

(dollars in millions)

	FY 2005 Budget Request			Conference Recommendation		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
AH-64D Apache Longbow	-	-	\$654.4	-	-	\$654.4
AH-64 Modifications	-	-	\$37.2	-	-	\$39.1
CH-47 Upgrades	-	-	\$703.4	-	-	\$678.4
UH-60 Blackhawks	-	27	\$279.7	-	27	\$279.7
Bradley Fighting Vehicle Mods	-	-	\$55.4	-	-	\$106.9
M113A2 Conversions	-	-	\$0.0	-	-	\$10.5
Javelin Missiles	-	-	\$125.4	-	-	\$125.4
FMTVs	\$2.9	-	\$505.6	\$12.6	-	\$505.6
Shadow UAV Vehicles and Mods	\$27.1	-	\$100.4	\$27.1	-	\$118.2
Electronic Protection Systems	-	-	-	-	-	\$18.6
Future Combat Systems	\$3,198.0	-	-	\$2,928.0	-	-
Night Vision Technology	\$50.0	-	-	\$60.5	-	-
Remote Operating Weapon Sys	\$0.0	-	-	\$12.0	-	-
Army Science & Technology	\$1,783.3	-	-	\$2,038.4	-	-

	FY 2005 Budget Request			Conference Recommendation		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
CVN-21	\$327.3	-	\$626.1	\$327.3	-	\$626.1
DD (X)	\$1,450.6	-	-	\$1,492.5	-	-
DDG-51	\$146.5	3	\$3,444.9	-	3	\$3,444.9
DDG-51 Modernization	-	-	\$0.0	-	-	\$50.0
AAV RAM upgrades	-	-	\$58.5	-	-	\$104.9
E-2C Hawkeye	\$ 597.0	2	\$248.0	\$ 597.0	2	\$248.0
F/A-18E/F	-	-	\$2,985.8	-	-	\$2,985.8
JPATS	-	-	\$2.5	-	-	\$17.5
Joint Strike Fighter	\$2,264.5	-	-	\$2,138.5	-	-
P-3 Upgrades	-	-	\$134.9	-	-	\$149.5
H-1 Night Targeting Systems	-	-	\$3.5	-	-	\$8.5
LPD-17	\$9.0	1	\$966.5	\$9.0	1	\$966.5
LHD Amphibious Assault Ship	-	-	\$236.0	-	-	\$386.0
Littoral Combat Ship	\$352.1	-	-	\$350.1	-	-
SSGN Conversion	\$20.0	-	\$638.4	\$20.0	-	\$638.4
Navy Science & Technology	\$1,718.2	-	-	\$1,897.7	-	-
T-45	-	8	\$253.6	-	8	\$306.0
Night Vision Equip for USMC	-	-	\$26.1	-	-	\$40.8
Tomahawk	-	293	\$256.2	-	321	\$280.2
Javelin Missiles for USMC	-	-	-	-	-	\$4.0
VA Class Submarine	\$143.3	-	\$2,053.0	\$155.3	-	\$2,053.0
V-22 Osprey	\$304.2	-	\$918.1	\$262.2	-	\$918.1

	FY 2005 Budget Request			Conference Recommendation		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
Air Force Science and Technology	\$1,918.7	-	-	\$2,010.5	-	-
TSAT	\$774.8	-	-	\$474.8	-	-
Space Based Radar	\$327.7	-	-	\$75.0	-	-
EELV	-	6	\$611.0	-	3	\$511.0
B-1B Bomber	\$59.4	-	\$8.8	\$79.4	-	\$8.8
B-2 Stealth Bomber	\$245.0	-	\$96.0	\$275.0	-	\$96.0
Next Generation Bomber	-	-	-	\$30.0	-	-
C-17 Globemaster	\$199.6	14	\$2,894.2	\$199.6	14	\$2,928.2
C-130J Hercules	\$36.3	11	\$919.1	\$36.3	11	\$919.1
KC-767	-	-	-	\$80.0	-	\$15.0
C-5 Mods	\$332.9	-	\$99.6	\$332.9	-	\$103.1
Multi-Sensor Cmd & Ctl Constellation	\$538.9	-	-	\$498.9	-	-
F-15 Eagle Mods	\$ 115.2	-	\$181.6	\$ 129.8	-	\$206.7
F-16C/D Fighting Falcon Mods.	-	-	\$336.2	-	-	\$357.8
F/A-22	\$564.5	24	\$4,156.9	\$554.5	24	\$4,126.9
JPATS	-	53	\$307.0	-	53	\$307.0
Joint Strike Fighter	\$2,307.4	-	-	\$2,173.4	-	-
Predator UAVs	\$81.3	9	\$146.6	\$81.3	9	\$176.6
CV-22	\$16.4	3	\$316.6	\$16.4	3	\$316.6

	FY 2005 Budget Request			Conference Recommendation		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
Ammunition (all services)	-	-	\$3,699.0	-	-	\$3,715.0
Ammo Industrial Base Upgrades	-	-	\$147.9	-	-	\$203.1
Special Forces Small Arms & Weapons	-	-	\$8.2	-	-	\$27.2
Boost Defense Segment	\$492.6	-	-	\$492.6	-	-
BMD Sensors	\$592.0	-	-	\$601.0	-	-
BMD Technology	\$204.3	-	-	\$210.4	-	-
Defense Agency Science & Technology	\$5,130.1	-	-	\$5,230.2	-	-
Mid-Course Defense Segment	\$4,384.8	-	-	\$4,446.8	-	-
Terminal Defense Segment	\$937.7	-	-	\$937.7	-	-
Joint Unmanned Combat Air System	\$422.9	-	-	\$222.9	-	-
Chemical/Biological Defense Program	\$559.9	-	\$637.7	\$626.0	-	\$675.2
Chemical Demilitarization Program	-	-	\$1,372.0	-	-	\$1,372.0

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