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COMMITTEE ON APPROPRIATIONS

Together with

DISSENTING VIEWS

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DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1998

JULY 25, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Florida, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 2266]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Defense, and for other purposes, for the fiscal year ending September 30, 1998.

BILL TOTALS

Appropriations for most military functions of the Department of Defense are provided for in the accompanying bill for the fiscal year 1998. This bill does not provide appropriations for military construction, military family housing, civil defense, or nuclear warheads, for which requirements are considered in connection with other appropriations bills.

The President's fiscal year 1998 budget request for activities funded in the Department of Defense Appropriations Bill totals \$243,923,541,000 in new budget (obligational) authority. The amounts recommended by the Committee in the accompanying bill total \$248,335,303,000 in new budget authority. This is \$4,411,762,000 above the budget estimate and \$3,868,897,000¹ above the sums made available for the same purposes for fiscal year 1997.

In terms of overall defense spending for fiscal year 1998, when the amounts in this bill are combined with proposed defense funding in other annual appropriations bills the Committee's recommendations are approximately equal to the \$269 billion in discretionary appropriations for the National Defense Function (050)

¹This amount includes \$1,846,200,000 in emergency supplemental appropriations for the Department of Defense enacted into law in Public Law 105-18.

agreed to by the Congress and the President in April 1997, and subsequently approved by Congress in the Concurrent Resolution on the Budget for Fiscal Years 1998–2002. Despite the proposed increase over the President’s request, however, the Committee notes that with this recommendation funding in the Department of Defense Appropriations Act for fiscal year 1998 will still fail to keep pace with inflation. Total funding in the bill is 0.6 percent, or \$1.5 billion, less than what would be required to freeze funding at the fiscal year 1997 level, adjusted for inflation. As a consequence, if enacted into law, the Committee’s recommendations would result in the thirteenth straight year of real, inflation-adjusted reductions in defense spending.

The new budget authority enacted for the fiscal year 1997, the President’s budget estimates, and amounts recommended by the Committee for fiscal year 1998 appear in summary form in the following table:

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998**

(1) Agency and item	(2) Appropriated, 1997 (enacted to date)	(3) Budget estimates, 1998	(4) Recommended in bill	(5) Bill compared with appro- priated, 1997	(6) Bill compared with budget estimates, 1998
RECAPITULATION					
Title I - Military Personnel.....	70,016,500,000	69,411,762,000	69,343,194,000	-673,306,000	-68,568,000
Title II - Operation and Maintenance.....	79,163,222,000	82,280,940,000	82,925,753,000	+3,762,531,000	+644,813,000
(By transfer).....	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....
Title III - Procurement.....	43,815,484,000	41,585,178,000	45,515,962,000	+1,700,478,000	+3,930,784,000
(By transfer).....	.....	(400,000,000)	.....	.....	(-400,000,000)
Title IV - Research, Development, Test and Evaluation.....	37,441,121,000	35,934,491,000	36,704,924,000	-736,197,000	+770,433,000
Title V - Revolving and Management Funds.....	2,375,902,000	2,163,378,000	2,171,878,000	-204,024,000	+8,500,000
Title VI - Other Department of Defense Programs.....	11,912,712,000	11,713,312,000	11,761,512,000	-151,200,000	+48,200,000
Title VII - Related agencies.....	340,664,000	331,480,000	334,480,000	-6,184,000	+3,000,000
Title VIII - General provisions.....	-788,047,000	103,000,000	-422,400,000	+365,647,000	-525,400,000
(Additional transfer authority).....	(2,000,000,000)	(2,500,000,000)	(2,000,000,000)	.....	(-500,000,000)
Net effect of P.L. 105-18.....	188,848,000	.....	.....	-188,848,000	.....
Total, Department of Defense.....	244,466,406,000	243,523,541,000	248,335,303,000	+3,868,897,000	+4,811,762,000
Scorekeeping adjustments.....	-2,076,680,000	400,000,000	.....	+2,076,680,000	-400,000,000
Grand total.....	242,389,726,000	243,923,541,000	248,335,303,000	+5,945,577,000	+4,411,762,000

Note: Grand total includes -\$2,076,680,000 in emergency appropriations and other scorekeeping adjustments resulting from P.L. 105-18.

COMMITTEE BUDGET REVIEW PROCESS

During its review of the fiscal year 1998 budget, the Subcommittee on National Security held a total of 19 hearings during the time period of February 26, 1997 to June 11, 1997. Testimony received by the Subcommittee totaled 1,625 pages of transcript. Approximately half of the hearings were held in open session. Executive or closed sessions were held only when the security classification of the material to be discussed presented no alternative.

INTRODUCTION

The bill reported by the Committee reflects its obligation to provide adequate resources for the nation's defense while attempting to strike a balance between the many competing challenges confronting the armed forces of the United States.

The international environment remains uncertain and potentially explosive. Political instability remains on the rise, as does the threat posed by the proliferation of technology, giving even small nations or groups the ability to threaten entire populations. Transnational issues such as ethnic conflicts, terrorism, the international drug trade, and "information age" threats continue to loom while more traditional regional threats, such as those posed by North Korea, Iraq, and Iran still must factor prominently in U.S. military planning.

Despite having been drawn down to the lowest force levels since the end of World War II, U.S. armed forces remain forward deployed and continue to sustain high rates of operation, a condition exacerbated by the deployment of U.S. forces on non-traditional peacekeeping missions, such as the Bosnia deployment. These frequent deployments have led to a host of problems including hardships for service members and their families, disruptions in standard rotation and training schedules, and the need to finance the substantial costs of such operations.

The President's fiscal year 1998 budget proposal for the Department of Defense clearly reflects the tensions inherent in trying to cope with such existing, ongoing demands while living within the fiscal constraints dictated by the Administration's overall budget priorities. The combination of self-imposed defense spending limits, the spiraling cost of overseas contingency operations, and the need to maintain forces subject to deployment at high rates of readiness, has resulted once again in major funding shortfalls throughout other portions of the defense budget proposed by the President.

The Committee notes that subsequent to transmittal of the President's budget, the Military Services identified high priority, unfunded shortfalls for fiscal year 1998 totaling nearly \$11 billion. In addition, the Secretary of Defense has called to the Committee's attention nearly \$1.5 billion in additional unbudgeted fiscal year 1998 requirements involving defense health care, missile defense and chemical/biological defenses, and a sizable shortage in funding for flying hour support and related spare parts. Running the gamut from quality of life programs, medical care, training and operating budgets, and weapons modernization and research programs, the fiscal year 1998 defense budget submission demonstrably falls

short of meeting both the immediate and long-term requirements of the U.S. armed forces.

QUADRENNIAL DEFENSE REVIEW

These problems are not new, and were the driving force behind Congress' mandate last year for an in-depth review of U.S. military strategy, force structure and deployments, and competing budget priorities. The result was the Quadrennial Defense Review (QDR), which combined with the appointment of a new Secretary of Defense resulted in a fresh look at the many competing and difficult demands confronting U.S. military planners.

The Committee is aware of, and in some instances sympathetic to, the criticisms levied at the QDR since its results were announced in May 1997. For example, the QDR has been criticized for not being daring enough, particularly with respect to its rejection of force structure cuts well beyond the roughly one-third reduction already levied since the fall of the Berlin Wall. However, the Committee does not find such critiques persuasive in the face of continued regional threats on both the Korean Peninsula and in the Persian Gulf region which, of necessity, drive near-term manpower and forward deployment requirements. The Committee does find more substance in the claim that the QDR was a fiscally-constrained exercise. Yet, the announcement of the QDR's findings occurred almost simultaneously with the agreement reached between the President and the Congressional leadership on a balanced budget agreement. This resulted in a long-term budget plan for defense which, from fiscal years 2000–2002, approximates that used as the basis for QDR planning (namely, the President's proposed defense program). While there is merit to the charge that the Secretary of Defense should have conducted solely a strategy and requirements driven review, in hindsight the Secretary's decision that the QDR should reflect current fiscal realities as well as strategic considerations must be viewed as being both pragmatic and practical.

Nonetheless, despite giving the Department relatively high marks on the broad aspects of its QDR recommendations, the Committee is troubled by the many optimistic assumptions embedded in its recommendations. The Committee is highly skeptical, for example, about whether the military services can successfully draw down planned force structure by an additional 60,000 active duty and 55,000 Reserve personnel, while maintaining forward presence deployments and high OPTEMPO rates, without sacrificing the quality of the force and adversely affecting the combat capability of front-line units.

Of more proximate concern to the Committee in its budgetary role is the degree to which the Department is relying on QDR recommendations which forecast sizable budget savings. These savings are intended to finance the Department's many unfunded out-year requirements, especially those involving the development and eventual production of the new generation of major weapons systems. The Committee's concern has already been substantiated by the admission by senior Department of Defense officials that most of the non-personnel savings assumed in the QDR (amounting to approximately \$7–8 billion per year by the year 2002) are premised

on yet-to-be determined reductions in headquarters, duplicative organizations, and improved business practices.

These fiscal concerns are central in that, if not dealt with successfully as the QDR recommendations are implemented, they threaten to undermine one of the core objectives of the QDR itself: Freeing up resources to enable the overdue modernization of many components of the military's existing weaponry and equipment.

RATIONALE FOR THE COMMITTEE BILL

When considering its fiscal year 1998 recommendations, the Committee was therefore confronted with two overriding concerns. First, the fiscal year 1998 budget request (prepared before the QDR), while including many noteworthy aspects, still proposed funding levels for many activities and programs which the Secretary of Defense has himself conceded are inadequate, particularly in light of subsequent QDR decisions. Second, the QDR itself has now become the basis for outyear defense planning, and therefore presents both a guide and an opportunity for the Committee in making its recommendations for fiscal year 1998.

In fashioning this bill, the Committee took both these factors into account while remaining committed to several key objectives:

- (1) Ensuring an adequate level of readiness, training and quality of life for all service members, both in the Active and Reserve components;
- (2) Providing for a modernization program which both meets today's requirements and the security needs of the future;
- (3) Giving special priority to redressing shortfalls in less visible, yet mission-essential programs and equipment; and finally,
- (4) Cutting, reforming, or eliminating programs or activities with little military utility, or which have not shown demonstrable success or have encountered delays in development or production, or are duplicative, excessive or unnecessary.

In particular, given the Committee's deep concern that many of the QDR's cost-saving assumptions may prove to be highly optimistic, the Committee believes it cannot wait until the fiscal year 1999 budget cycle to begin to implement QDR-sanctioned reforms or cost-cutting. The Committee has made a concerted effort to reduce and in some instances cancel funding for programs or functions which, while meritorious, are simply of lower priority, can be performed at a lower cost, are as "nice to have" rather than essential.

The following section of the report details major Committee recommendations in support of these objectives.

MAJOR COMMITTEE RECOMMENDATIONS

ADDRESSING HIGH PRIORITY UNFUNDED SHORTFALLS

The Committee bill fully funds the unbudgeted shortfalls identified by the Secretary of Defense with respect to defense medical programs, National Missile Defense, and Navy and Air Force flying hours. The Committee also recommends increases over the budget request of \$107,650,000 for improved chemical and biological defensive technologies, equipment and training. Finally, the Committee also recommends additions over the budget request which address more than one-third (by dollar amount) of the unbudgeted short-

falls identified by the military Service Chiefs. Specific details are cited throughout this report.

ENSURING A QUALITY, READY FORCE

Personnel Issues: The Committee has recommended fully funding the 2.8 percent military pay raise as requested by the Department, and has added \$60,000,000 above the budget request for housing and family separation allowances in conformance with House authorization action. For the Reserve components, the Committee recommends restoral of \$85,000,000 deleted in the budget request in order to fully fund the Reserves' pay accounts. The Committee has fully funded all child care and family support programs. Finally, the Committee has added \$22,900,000 over the budget request for military recruiting, to ensure new accessions are of the highest possible quality.

Military Medical Programs: The Committee has included \$274,000,000 above the amounts originally requested by the President to fully fund unbudgeted shortfalls in the Defense Health Program. The Committee has added \$125,000,000 over the request to continue the Army's highly successful peer-reviewed breast cancer research program as well as the Committee's ongoing efforts to specifically improve breast cancer detection and treatment for both service personnel and dependents.

Training/OPTEMPO: The Committee has fully funded the requested amounts for all the Services' training and OPTEMPO accounts and has added \$99,013,000 over the request in those areas where the services identified shortfalls.

Emergent flying hour/spare parts shortfall: Following submission of the budget, the Secretary of Defense notified the Committee of significant unfunded shortfalls which had emerged in the flying hour and associated maintenance programs of the Navy and Air Force. The Committee recognizes the immediate impact these shortfalls will have on readiness and therefore recommends an increase of \$622,000,000 over the budget request to fully fund Navy and Air Force requirements.

Equipment repair/maintenance: The Committee is distressed over the continuing existence of substantial unfunded backlogs in the Services' depot maintenance accounts and has added \$473,300,000 over the budget request to meet the most urgent unfunded equipment maintenance requirements.

Real property maintenance: For years the Committee has expressed its concern over the growing backlog in real property maintenance accounts used to support the Department's base infrastructure, including barracks and mission-essential facilities. The Committee recommends an increase of \$924,840,000 over the budget request for real property maintenance, including an additional \$360,000,000 for barracks and living facilities, continuing the Committee's commitment to revitalizing the Department's base infrastructure.

Defense Drug Interdiction: The Committee recommends an increase over the budget request of \$60,500,000 for Department of Defense counter-drug and drug interdiction programs, nearly a 10 percent increase over the Department's proposed fiscal year 1998 levels.

“Contingency” operations: The fiscal year 1997 Department of Defense Appropriations Act created a separate appropriations account for operation and maintenance costs resulting from major contingency deployments. The Committee recommends similar action this year and consolidates all requested operation and maintenance funding for the Bosnia operation, as well as continued sanctions enforcement around Iraq, into one single account. The Committee has also provided military personnel funding associated with these operations, but has funded these requirements in the regular appropriations accounts. In all, the Committee recommends total funding of \$2,145,100,000 for these operations (\$1,467,500,000 for Bosnia, as requested by the President; and \$677,600,000 for Southwest Asia).

MODERNIZATION PROGRAMS

Department of Defense officials freely admit that the most serious shortcoming in the budget proposal is in those accounts providing for procurement and research and development of new equipment and technologies. Based on extensive testimony and a concerted effort to identify critical shortfalls in existing requirements, the Committee is recommending increases to the budget request specifically targeted at meeting existing equipment/capability shortfalls as well as providing for the projected military requirements of the future. In all, the bill recommends increases over the budget request of \$4.7 billion for modernization programs, including net increases of over \$3.9 billion for procurement and \$770 million for research and development.

The most significant recommendations include:

Missile defense: The Committee recommends total funding of \$3,673,659,000, a net increase of \$707,115,000, for the Ballistic Missile Defense Organization. The Committee bill includes a total of \$978,090,000 (\$474,000,000 over the budget request) for national missile defense and \$2,695,568,000 (a net increase of \$233,115,000 over the budget request) for theater systems. The Committee has fully funded the budget request for the joint U.S.-Israel ARROW missile defense program, and has added \$41,500,000 over the budget request for the joint U.S.-Israel “Nautilus” Tactical High-Energy Laser program. The Committee has also fully funded the Air Force’s Airborne Laser program at the requested amount (\$157,136,000).

Ship Self-Defense/Cooperative Engagement: Mindful of the growing threat to U.S. forces posed by both theater ballistic and cruise missiles, the Committee has continued its long-standing emphasis on ship self-defense and “cooperative engagement” (the sharing of tracking and targeting information among many different platforms), and has added \$401,800,000 over the budget for these efforts.

Major weapons programs: The Committee recommends fully funding the budget request for: The Army’s Comanche helicopter, Crusader next-generation artillery system, and Force XXI/digitization initiatives (although the Committee has realigned requested funding to more appropriate accounts); the Navy’s production of 20 new F/A–18 E/F fighters, three DDG–51 destroyers, one New Attack Submarine, the overhaul of the U.S.S. Nimitz aircraft

carrier, and the procurement of two LMSR sealift ships; and the Air Force's F-15 fighter and F-22 fighter programs. The Committee has also funded the requested number of Air Force C-17 transport aircraft; provided an additional nine C-130J variants over the budget request for the Marine Corps, Air Force, and Air National Guard, pursuant to House authorization action; and the budget request for the Joint Strike Fighter.

The Committee has added funds over the request for: Army Blackhawk helicopters (a total of \$309,231,000 for 30 helicopters, \$126,000,000 and 12 helicopters more than requested) and Kiowa Warrior helicopters (\$151,700,000); the Navy E-2C airborne early warning aircraft (a total of \$304,474,000 for four aircraft, \$68,000,000 and one aircraft over the budget request); the Marine Corps V-22 tactical transport (a total of \$661,307,000 for seven aircraft, \$189,300,000 and two aircraft more than in the budget request), and advance procurement for the second LPD-17 amphibious ship (an increase of \$185,000,000 over the budget request); and the Air Force B-2 bomber (a total of \$505,286,000, an increase over the budget request of \$331,200,000, consistent with House authorization action), and F-16 fighter programs (\$82,500,000 and three aircraft more than the budget request).

Mission-essential shortfalls: The Committee has always emphasized less-glamorous, yet mission-essential items which are critical to the troops in the field. The Committee bill recommends increases over the budget request for such items as: Additional combat communications systems (\$32,000,000), night vision devices (\$14,400,000), and Bradley fighting vehicle upgrades (\$115,000,000) for the Army; new and remanufactured trucks and HMMWV's for the Army and Marine Corps (\$156,700,000); Army, Navy and Marine Corps ammunition (a net increase of \$258,900,000); modifications and upgrades for EA-6B (\$83,000,000) and P-3 aircraft (\$129,000,000) for the Navy; initial issue gear (\$40,700,000) and base telecommunications for the Marine Corps (\$42,600,000); and additional aging aircraft and engine reliability enhancements (\$33,000,000), force protection measures (\$27,800,000) and base information systems protection (\$51,000,000) for the Air Force. The Committee also provided \$31 million for development and procurement of lighterage systems to support joint service strategic sealift operations.

Guard and Reserve Components: The Committee bill for fiscal year 1998 continues its support of the Guard and Reserve, with a recommended increase of \$274,189,000 over the budget request for the personnel and operation and maintenance accounts. With respect to modernization programs, the Committee has fully funded those programs requested in the budget for Guard and Reserve equipment (\$968,500,000, requested in the active services' accounts) and has provided an additional \$1,651,800,000 throughout the bill for additional aircraft, tactical vehicles, and various miscellaneous equipment and upgrades to existing equipment for the Guard and Reserve components.

REFORMS/PROGRAM REDUCTIONS

As mentioned earlier in this report, the Committee has always sought to reduce excess or unnecessary funding when possible. The

Department of Defense is no more sacrosanct than any other portion of the Federal government in terms of its need to be constantly reviewed, assessed, and improved.

This year the Committee's efforts to reduce unnecessary spending in the Department of Defense are even more important. This is due to the need to address critical unfunded shortfalls in the fiscal year 1998 budget submission, many directly affecting readiness and quality of life programs, as well as the Committee's broader concerns about whether the savings forecast from implementation of the Quadrennial Defense Review can realistically be expected to materialize.

Accordingly, a major priority throughout the Committee's budget oversight process has been the identification of lower priority programs which, although they contribute to the military mission, can be cut or eliminated in order to fund higher priority programs and activities. The Committee has also recommended many budget reductions intended to reform and streamline existing Department of Defense structure or operations, and in so doing the Committee intends to accelerate already-planned QDR initiatives. Finally, the Committee has identified budget savings stemming from audits by the General Accounting Office, the Department's audit and inspector general functions, and the Committee's Surveys and Investigations staff, as well as changes in program status identified by the military departments.

Budget execution/lower-priority programs: The following table shows selected programs in the budget request which the Committee has eliminated or reduced funding based on its having a relatively low priority or where the requested funding was considered excessive.

<i>Program</i>	<i>Reduction</i>
Civilian personnel overbudgeting	-\$245,500,000
Consultants and advisory services	-\$210,000,000
Defense dual use and commercialization programs	-187,602,000
Growth in automated data processing programs	-110,000,000
Excess inventory	-100,000,000
Inappropriate budgeting/working capital funds	-127,654,000
Joint Aerostat Program	-93,193,000
Environmental fund recoupment	-73,000,000
Growth in FFRDC's	-55,000,000
NATO RDT&E	-53,479,000
Growth in civilian employee travel	-51,990,000
JCS Exercises	-50,000,000
OSD administrative savings	-20,000,000

Reform/restructuring: The Committee notes that DoD, with a decade of reduced budgets and downsizing behind it, has already implemented or is well into implementing a series of management and organizational reforms. Among other things, these initiatives have already resulted in the defense civilian workforce being reduced by nearly 30 percent with significant additional reductions projected in the near future. While DoD is to be commended for such moves, and although it intends to make even additional reductions associated with implementation of the QDR, the Committee believes more must and can be done. Accordingly, it has recommended a number of budget reductions intended to further streamline and rationalize operations.

<i>Program</i>	<i>Reduction</i>
QDR-related civilian personnel reductions	-\$253,273,000
Other headquarters reductions	- 149,443,000
Joint standoff missile program consolidation	- 140,321,000
Defense Agencies (QDR Task Force)	- 72,000,000
Using RDT&E funding for production	- 70,875,000
Acquisition reform (warranties)	- 50,000,000
Overseas disaster aid	- 24,573,000

Program/budget execution: In addition to the reductions cited above, the Committee proposes more than 150 other reductions to budgeted items based on delays in program execution, contract savings, or other events resulting in the requested amount being clearly excessive to program needs. These reductions have resulted in over \$2.5 billion in savings in this legislation.

U.S. FORCES IN BOSNIA

The fiscal year 1998 budget request includes, and the Committee recommends in this bill, a total of \$1,467,500,000 in order to finance the additional incremental military personnel and operation and maintenance costs resulting from the continued U.S. participation in the NATO-led Stabilization Force in Bosnia, through June 1998. With this appropriation, the Committee notes it will have provided roughly \$6.5 billion in either supplemental appropriations acts, approved reprogramming actions or annual Department of Defense Appropriations Acts for the additional costs associated with U.S. military operations in and around the former Yugoslavia since October 1995. The Committee has on numerous occasions expressed its commendation for the professional and expert manner in which U.S. forces involved in the Bosnia operation have carried out their missions, and does so once again. These forces and their commanders have performed in an exemplary manner, as have all coalition military participants, in an uncertain and dangerous environment.

Even before a decision was made to deploy U.S. forces to Bosnia, the Committee had expressed its concern and disappointment over the failure of the Administration to adequately consult with the Congress regarding peacekeeping operations. The mission change in Somalia, and Presidential commitments to deploy forces to Rwanda, Haiti and Bosnia all were undertaken after little, if any, advance consultation with the Congress. While having repeatedly admonished the Administration for failing to adequately seek Congressional advice and consent, the Committee has also consistently expressed its willingness to work constructively with the Administration to try and find consensus over how best to carry out these missions while addressing the Nation's overall foreign policy objectives. And despite the political controversy surrounding the Bosnia deployment—beginning with the initial decision to deploy American forces, to the mission extension announced by the President last November, and now, concerns over a possible second mission extension as well as possible expanded roles for U.S. forces on the ground—the Committee observes that it has in each and every instance provided the funds deemed necessary by the Department of Defense to support this mission. The Committee's record of "supporting the troops" cannot be questioned.

Regrettably, the Administration has yet to adequately address the key issues initially raised by the Committee and others nearly two years ago with respect to the Bosnia deployment. These include questions about the exact mission of U.S. forces and other Stabilization Force participants; what, if any exit strategy or criteria have been established for the withdrawal of American forces; and the ultimate duration of the U.S. deployment, the make-up of any international force in Bosnia after June 1998, and the overall long-term commitment which the U.S. intends to make to the region (both in terms of military support and deployments as well as other U.S. aid and assistance programs).

The Committee recognizes these are difficult issues, made more complex due to the international involvement in the region and the fragile peace within the former Yugoslavia. Yet it is precisely because these issues are difficult that the Administration's continued refusal to engage the Congress in efforts to seek a consensus for future policy decisions cannot be understood. The Committee believes it is imperative for the Administration to address these policy questions, both through consultation with Congress and openly with the American people.

The Committee recognizes that the course of future Bosnia policy carries with it significant implications for NATO as well as European security in general. In addition, the Committee understands that using the legislative "power of the purse" to prohibit or limit prospective military operations has been and will no doubt continue to be one of the supreme tests between the executive and legislative branches. The Committee does not take lightly any use of this prerogative. The Committee still expresses its willingness to work with the Administration on seeking solutions to the immediate and longer term issues involving policy towards Bosnia. However, in the absence of any declared post-June 1998 plan for the NATO-led peacekeeping and peace enforcement operation in the former Yugoslavia, the Committee recommends for inclusion in this bill the provision passed by the House on June 23, 1997 during consideration of the Defense Authorization bill (H.R. 1119), providing that no funds available to the Department of Defense may be used to support the deployment of U.S. ground forces in the Republic of Bosnia and Herzegovina after June 30, 1998 (the current mission limit set by the President), unless specifically prescribed by law.

NATO EXPANSION

With the recent Madrid Summit and through other policy pronouncements, the Administration has clearly expressed its intent to expand the number of nations in the North Atlantic Treaty Organization (NATO). Unfortunately, the financial impact of this expansion on the Department of Defense budget is not yet clear as no funds have been requested in the fiscal year 1998 budget request. The Committee is dubious regarding current estimates of the cost of NATO expansion, which according to the Administration will be approximately \$200 million per year. The estimate is significantly lower than that of most observers, and the Committee notes it is premised on only three new member nations.

In order to gain better insight into the financial requirements for an expanded NATO, the Committee recommends a new general

provision (Section 8101) requiring that, in future budget requests, DoD establish a new budget subactivity in the Operation and maintenance request that isolates incremental costs associated with NATO expansion. The Committee directs that this new budget entry shall display all future costs funded through annual Department of Defense Appropriations Acts relating to NATO expansion. To the degree such costs may be more properly carried in other titles of the Act, such as Military personnel or Procurement, the Committee directs that these costs be displayed in their entirety in a separate budget subactivity in the appropriate appropriations account, as needed. The Committee further directs that detailed justification materials be included in future budget requests to support any cost estimates.

BUDGET FORMULATION ISSUES

The Committee is increasingly concerned about a number of practices which have become more prevalent in both the Department of Defense's annual budget submissions as well as the execution of funding once it has been provided by the Congress.

The first issue involves the underbudgeting of many critical programs and activities, particularly those which are known to enjoy support in Congress, in an evident attempt to elicit the required funding through the annual defense authorization and appropriations process. Examples include the now routine underbudgeting of real property and depot maintenance accounts, as well as conventional ammunition, tactical vehicle and missile programs, equipment needs of the Guard and Reserve components, and of particular concern to the Committee, funding for defense medical programs. Over the past three years, as it became apparent that Congress was inclined to add substantial sums to the President's programmed defense budgets, this practice has become more rampant with the Office of the Secretary of Defense (OSD) and the Military Departments appearing to willfully delete or refuse to commit funding for other high priority programs such as national and theater missile defense programs, Navy ship self-defense initiatives, and aircraft navigational and safety upgrades.

The Committee believes these actions are clearly unconscionable given the direct threat to the lives of service personnel should such programs not be adequately funded or ultimately fielded. They are even less supportable when viewed in the context of the Department's overall fiscal year 1998 budget request. This budget proposes that the Congress ignore these high priority programs and, instead, approve sizable budget increases for efforts less relevant to immediate military requirements, such as consultants, basic research, and generic technology demonstrations. (One such effort, the Joint Aerostat Program discussed later in this report, is estimated to require over \$600,000,000 over the next few years yet has no validated mission nor user requirement.) The Department has in place processes and organizations, such as the Joint Requirements Oversight Council (JROC), which were expressly created to ensure that warfighting requirements are rationalized and given due regard in budget deliberations. Given this, the Committee is puzzled why it is being asked to approve a budget which fails to adequately fund programs needed by deployed forces, and which

still falls short when it comes to choosing among competing service programs and initiatives.

A related issue is the Department's budget proposal in each of the past two years to transfer proceeds from asset sales from the National Defense Stockpile to fund either operation and maintenance or procurement programs. Under the Budget Act such practices are not allowed unless the sales in question are consistent with historical levels. Despite knowing this both DoD and the Office of Management and Budget have persisted in forwarding requests to the Congress which rely on generating sales revenue from the National Defense Stockpile in excess of Budget Act limits. As a consequence, over the past two years the President's defense budgets have actually contained \$800,000,000 more in proposed spending that could actually be made available in appropriations bills without running afoul of Budget Act scorekeeping conventions.

The Committee wishes to serve notice to OSD, the Military Departments, and OMB the obvious fact that such misallocation of resources and budget gamesmanship will simply be self defeating in the future. As a result of the recently approved budget agreement, beginning in fiscal year 1999 the Congress has agreed to the same defense budget topline as has the President, and therefore deliberations over the content of future defense bills will by definition be a zero-sum game. This problem will only become more intense should anticipated savings from the QDR and other reforms fall short of expectations. Should OSD and the Services, with the knowledge of OMB, persist in underfunding critical programs or resorting to budget gimmicks in anticipation that the Committee and Congress will "fix the problem", they should do so knowing full well that these problems will be corrected only through reductions to other budgeted programs.

ABUSE OF TRADITIONAL ACQUISITION AND APPROPRIATIONS PRACTICES

The Committee is similarly concerned about what, from its perspective, is a breakdown of existing and longstanding procedures regarding the institution of multiyear contracting for major weapons systems, as well as a fundamental breach of appropriations discipline whereby the Department is using funds provided for research, development, test and evaluation of weapons programs to instead initiate production contracts, in many instances without the knowledge of OSD or the Congress.

With respect to multiyear contracting, the Committee remains convinced that when used appropriately, multiyear contracts offer substantial benefits in terms of both cost savings and program stability. However, another aspect of multiyear contracting is that once initiated for a particular program, funding for that program is basically committed for several years, and unlikely to be reduced because of the termination liability costs associated with failure to adequately fund the multiyear program. The Committee is aware of instances where the military services have sought multiyear contracting authority from the Congress even though the current defense program does not contain enough funding to actually execute the contract, evidently in an effort to leverage increased budget allocations from OSD.

Over the past two years the Committee has witnessed a significant increase in efforts by the military services to importune the Congress to grant their favored programs multiyear contracting authority. Given the major restructuring of Departmental spending priorities associated with implementation of the QDR, as well as the need of OSD to maintain at least some degree of management control over future defense spending decisions, the Committee believes it appropriate to require that the Secretary of Defense, approve all major multiyear contract initiatives and therefore has recommended amending an existing general provision (Section 8008) to require that no multiyear contracts over a certain threshold may be requested unless that program is specifically identified in official budget documents transmitted to the Congress by the President, or through written communication from the Secretary. This should not be perceived as the Committee losing favor with multiyear contracting as a means to achieve cost savings; rather, the Committee's intent is to give the Secretary of Defense as well as the Congress greater opportunities to carefully review any proposed multiyear program acquisition.

With respect to the abuse of RDT&E appropriations, the Committee is concerned about what appears to be an increasing lack of discipline within the Department of Defense in budgeting programs in the proper appropriations, especially among acquisition programs. The Committee is aware of desires within the DOD acquisition community to merge development and procurement funding into a single appropriation as a convenience to program managers. Such a change to fundamental budget practices would severely impede oversight by both senior managers in the Department as well as Congress. The Department has declined to make any such formal recommendations to the Congress; however, the Committee has become convinced the Department has instead placated its acquisition community by allowing program managers, under the guise of acquisition reform, to blur distinctions between appropriations. The Committee has identified a number of instances in this report in which the Department has requested funding in the research and development accounts to initiate production, and production funding to initiate development. Most notable are the cases of EFOG-M, LOSAT, WCMD, WRAP initiatives, and F-22 discussed at length elsewhere in this report. The Committee is particularly disturbed over a trend in missile programs to initiate production to provide an "interim warfighting capability" using research and development funding, contrary to Committee direction and DOD policy on the use of such funding.

The Committee takes its oversight responsibilities seriously and will not tolerate lax observance of the long-standing policies on the proper use of appropriations. Accordingly, the Committee has included a general provision (Section 8100) which prohibits the Department from using funds provided in Title IV of the bill (funding for research, development, test, and evaluation) to procure end-items of any DoD system unless said items are physically utilized in test and evaluation activities which lead to a production decision for the system. This provision exempts programs funded in this bill under the National Foreign Intelligence Program, and also includes

limited waiver authority should the Secretary of Defense determine it is in the national security interest.

SHIP SELF DEFENSE

In fiscal year 1992, the Committee discovered that the Navy's ship self-defense programs were in disarray and it began an initiative to fix the problem. In every fiscal year since 1992, the Committee has recommended significant funding increases for ship self-defense programs. The Committee was vindicated when former Secretary of Defense William Perry witnessed at sea tests of the cooperative engagement capability, a main target of the Committee's interest. He called cooperative engagement "the most significant technological development since stealth" and directed that the program be accelerated. In the most recent tests using cooperative engagement, 17 of 19 missile shots were direct hits, at much farther distances than can be achieved by Aegis ships today, and in one case the ship firing its missiles in self-defense could not even see the target due to radar jamming. In hearings during the past few years, the Committee has commended Navy officials for their attention to committee direction on ship self defense programs.

In the fiscal year 1998 budget, something went awry. The Assistant Secretary of the Navy for Research, Development and Acquisition testified to the Committee this year that the Navy's budget continues "an all out effort to protect our Sailors and Marines serving aboard ships against missile attack". Yet, the Navy's budget is a considerable step backward in terms of achieving this objective. Many ship defense programs that have longstanding yet unfulfilled warfighting requirements and which have successfully completed R&D have no funds requested in the fiscal year 1998 budget ostensibly due to lack of funds. Among those are installation of cooperative engagement capability on two surface battle groups, ship self defense upgrades on two amphibious assault ships, and CIWS surface mode gun upgrades on 8 combatant ships to protect them against the terrorist patrol boat threat identified in the early 1990s. The Committee wonders how the Navy can rationalize no production funds for a system declared to be "the most significant technological development since stealth", after the system successfully reached initial operating capability and whose fielding was directed by the Secretary of Defense to be accelerated. The Navy also proposes to overhaul the U.S.S. Nimitz aircraft carrier without including \$120,000,000 of necessary equipment that directly contributes to the ability of the ship to perform its mission and to defend thousands of her sailors against cruise missile attack, ostensibly due to lack of funds. The Navy also proposes a multiyear contract for 12 new DDG-51 destroyers which would be delivered to the fleet as late as 2006 without either cooperative engagement or theater ballistic missile defense capability, again ostensibly due to lack of funds.

It is apparent to the Committee that ship self-defense and theater ballistic missile defense programs were given short shrift in the Navy's fiscal year 1998 budget due to the propensity of the Navy to request budget growth in (1) lower priority programs such as basic research, NATO R&D, studies, and (2) R&D for new platforms for every Naval community. The Committee's bill rectifies

this misallocation of resources by providing an increase of \$401,800,000 in R&D and procurement appropriations for ship self-defense and DDG-51 theater ballistic missile defense related programs, with attendant reductions to lower priority programs requested by the Navy.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAMS

The Committee has expressed its concern for several years about the Department's slow response to organize more effectively and to provide adequate resources to combat the growing threat posed by the potential use of chemical and biological agents—both at home and abroad. The serious nature of this threat was well stated in the discussion of biological weapons contained in the 1997 Strategic Assessment report issued by the National Defense University:

BIOLOGICAL WEAPONS—THE NEW WEAPON OF CHOICE?

Although often treated as less threatening than nuclear weapons, increased attention is now being given to the biological threat. Many of the Cold War assumptions about the strategic and tactical utility of biological weapons (BW) no longer appear valid. In fact, given the diffusion of the dual-use technologies involved, the pursuit of BW is now recognized as a relatively cheap and easily available path to acquire a weapon of mass destruction—the poor man's atomic bomb. * * * It is possible for BW agents to inflict massive casualties against soft targets such as cities to an extent that rivals megaton nuclear weapons. Further, because only small quantities of these highly lethal agents are needed to achieve significant effects, an aggressor can choose between multiple delivery modes and attack options. Moreover, as the number of states engaged in BW research has grown, the sophistication of their work has also grown, leading to technical advances (e.g., micro-encapsulation to produce more stable agents for use over longer periods) that may permit biological agents and toxins to be used in more controlled fashion to advance military goals.

The threat from chemical weapons, employed by organized militaries or by terrorist groups is also significant and growing. According to the same 1997 Strategic Assessment report:

Chemical weapons are currently possessed by more states than either biological or nuclear weapons, and are the only one of the three to be used in the post-World War II era. * * * some experts tend to minimize the potential consequences of CW use, arguing that CW does not merit consideration as a weapon of mass destruction. In fact, analysis suggests that CW use against U.S. and allied forces and critical infrastructure facilities can have a major impact on the outcome of a major regional conflict.

The danger that a terrorist group could acquire the capability to launch a CW or BW attack continues to exist. According to the May 1997 Report to Congress on the Activities and Programs for Coun-

tering Proliferation and NBC Terrorism, by the multiagency Counterproliferation Program Review Committee:

U.S. Intelligence continues to assess and analyze the threat of terrorist CW and BW attack, a threat that remains ever present. The Aum Shinrikyo attacks in June 1994, in Matsumoto, Japan which killed seven and injured 500, and on the Tokyo subway in March 1995, which killed 12 and injured 5,500, were the first instances of large scale terrorist use of CW agents, but a variety of incidents and reports over the last two years indicate continuing terrorist interest in these weapons. * * * The fact that only 12 Japanese died in the Tokyo subway attack has tended to mask the significance of the 5,500 people who were treated or examined at medical facilities. Such a massive influx of injured—many critically—has the potential to overwhelm emergency medical facilities, even in a large metropolitan area.

The Committee realizes that providing an effective chemical/biological defense program to combat both the military threat and the domestic terrorist threat is highly challenging. Effective action requires a multipronged approach that coordinates disparate activities within the Department and within other federal, state and local agencies in such areas as foreign and domestic intelligence; enforcement of counterproliferation policies and programs; medical research into vaccines, antidotes, and treatments; development and deployment of detection, warning and decontamination equipment; development of individual protection suits and collective shelters; training of military personnel and of federal, state and local “first responders”; and systems to find and destroy CW and BW delivery systems.

For the last several years, the Committee has added funding above the budget and mandated special studies to advance this effort. While progress has been slower than the Committee would have liked, the Committee is encouraged by the new emphasis being given to countering the threat of chemical and biological weapons in the Quadrennial Defense Review. The Secretary of Defense has committed in the QDR to spending an extra \$1 billion over the Future Years Defense Plan for nuclear, biological, and chemical weapons counterproliferation programs and to task the National Guard with a new mission for chemical/biological defense in the United States. Just as important as these initiatives is the stated goal in the QDR of “institutionalizing counterproliferation as an organizing principle in every facet of military activity”. This is a key element of improving our CBW defenses. The Committee is pleased with the direction outlined in the QDR and will continue to press the Department to follow through with these commitments.

In addition to fully funding the budget request on high priority chemical/biological defense programs, the Committee recommends increasing the budget request by \$107,650,000 for various high priority research and development, procurement, and study requirements. This includes:

\$10,000,000 for procurement of chemical/biological detection and treatment equipment for the Marine Corps Chemical/Biological Incident Response Force;

\$1,300,000 for training and assistance to "first responders", bring the total recommended in the bill for this purpose to \$50,000,000;

\$8,000,000 to develop new biological defense vaccines and antisera against botulinum toxins;

\$10,000,000 to develop advanced technologies for wide area decontamination and other decontamination priorities;

\$12,850,000 to purchase additional JSLIST individual protection suits and perform related research;

\$2,000,000 for research into novel nerve agents leading to antidotes and pretreatments.

\$20,000,000 for various types of special equipment for decontamination, collective protection, and treatment;

\$10,000,000 for detailed planning and concept studies to support a comprehensive effort to expand the National Guard mission into the area of chemical/biological domestic defense;

\$10,000,000 for high priority equipment needs identified by the Air Force Pacific Command;

\$17,700,000 for Air Force medical research into vaccines and antidotes; and

\$5,800,000 for the SAFEGUARD chemical warfare detection and monitoring system.

COMMITTEE RECOMMENDATIONS BY MAJOR CATEGORY

ACTIVE MILITARY PERSONNEL

The Committee recommends a total of \$60,136,801,000 for active military personnel, a reduction of \$158,729,000 below the budget request. The Committee agrees with the authorized end strength as requested in the President's budget, and has also fully funded the proposed pay raise of 2.8 percent. In keeping with the emphasis on the quality of life initiatives started in fiscal year 1996, the Committee recommends an increase of approximately \$56,000,000 for certain Pays and Allowances for active personnel, such as the Basic Allowance for Quarters and Family Separation Allowance.

GUARD AND RESERVE

The Committee recommends a total of \$9,206,393,000, an increase of \$90,161,000 above the budget request for Guard and Reserve personnel. The Committee agrees with the authorized end strength as requested in the President's budget for Selected Reserve, and has also fully funded the proposed pay raise of 2.8 percent. The Committee recommends an increase of approximately \$4,000,000 for Basic Allowance for Quarters for Reserve personnel. In addition, the Committee restores \$85,000,000 in the Reserve accounts for pay of reservists who are also Federal civilian employees.

OPERATION AND MAINTENANCE

The Operation and Maintenance appropriation provides for the readiness of U.S. forces as well as the maintenance of facilities and

equipment, the infrastructure that supports the combat forces and the quality of life of Service members and their families.

The Committee recommends \$82,925,753,000, an increase of \$644,813,000 above the fiscal year 1998 budget request. As described elsewhere in this report, this increase is driven primarily by the need to address shortfalls in: readiness training, Navy and Air Force flying hours, facility and infrastructure maintenance and repairs, and equipment maintenance. The Committee has also recommended budget reductions that can be taken by the Department as a result of the Quadrennial Defense Review and in such areas as headquarters and administrative operating costs and by taking advantage of fact of life changes since preparation of the budget request.

PROCUREMENT

The Committee recommends \$45,515,962,000 in new obligational authority for Procurement, an increase of \$3,930,784,000 over the fiscal year 1998 budget request. Major programs funded in the bill include:

- \$309,231,000 for 30 UH-60 Blackhawk helicopters
- \$474,832,000 for upgrades and modifications to Apache helicopters
- \$228,287,000 for 1,056 Hellfire missiles
- \$143,112,000 for 1,080 Javelin missiles
- \$240,591,000 for Bradley vehicle industrial base sustainment
- \$594,856,000 for upgrades to Abrams tanks
- \$209,446,000 for medium tactical vehicles
- \$302,164,000 for SINCGARS radios
- \$2,101,100,000 for 20 F/A-18 E/F fighter aircraft
- \$661,307,000 for 7 V-22 (Osprey) aircraft
- \$304,474,000 for 4 E-2C early warning aircraft
- \$243,960,000 for 12 T-45 trainer aircraft
- \$1,632,544,000 for the modification of naval aircraft
- \$181,092,000 for 127 Standard missiles
- \$2,314,903,000 for 1 new SSN attack submarine
- \$1,628,403,000 for 1 carrier refueling overhaul
- \$2,695,367,000 for 3 DDG-51 destroyers
- \$505,286,000 for B-2 aircraft
- \$159,000,000 for 3 F-15 fighter aircraft
- \$1,914,211,000 for 9 C-17 airlift aircraft
- \$1,464,861,000 for modification of Air Force aircraft
- \$107,168,000 for 173 AMRAAM missiles
- \$384,600,000 for Ballistic Missile Defense

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The Committee recommends \$36,704,924,000 in new obligational authority for Research, Development, Test and Evaluation, an increase of \$770,433,000 from the fiscal year 1998 budget request. Major programs funded in the bill include the following:

- \$324,380,000 for artillery system development
- \$282,009,000 for the Comanche helicopter
- \$202,302,000 for the Brilliant Anti-Armor Submunition
- \$930,807,000 for the Joint Strike Fighter
- \$396,500,000 for the New Attack Submarine

\$2,077,234,000 for the F-22 tactical aircraft
 \$676,690,000 for the MILSTAR communications satellite
 \$3,289,059,000 for Ballistic Missile Defense

FORCES TO BE SUPPORTED

DEPARTMENT OF THE ARMY

The fiscal year 1998 budget is designed to support active Army forces of 10 divisions, 3 armored cavalry regiments, and reserve forces of 8 divisions, 3 separate brigades, and 15 enhanced National Guard brigades. These forces provide the minimum force necessary to meet enduring defense needs and execute the National Military Strategy.

A summary of the major active forces follows:

	Fiscal year—		
	1996	1997	1998
Divisions:			
Airborne	1	1	1
Air Assault	1	1	1
Light	2	2	2
Infantry	0	0	0
Mechanized	4	4	4
Armored	2	2	2
Total	10	10	10
Non-divisional Combat units:			
Armored cavalry regiments	3	3	3
Separate brigades	0	0	0
Total	3	3	3
Active duty military personnel, end strength (thousands)	495	495	495

DEPARTMENT OF THE NAVY

The fiscal year 1998 budget supports battle forces totaling 346 ships at the end of fiscal year 1998, a decrease from fiscal year 1997. Forces in fiscal year 1998 include 18 strategic ships, 11 aircraft carriers; 262 other battle force ships, 324 support ships, reserve force ships, 1,746 Navy/Marine Corps tactical/ASW aircraft, 673 Undergraduate Training aircraft, 443 Fleet Air Support aircraft, 480 Fleet Air Training aircraft, 443 Reserve aircraft, 177 RDT&E aircraft and 470 aircraft in the pipeline.

A summary of the major forces follows:

	Fiscal year		
	1996	1997	1998
Strategic Forces			
Submarines	17	18	18
Other	0	0	0
SLBM Launchers (MIR)	408	432	432
General Purpose			
Aircraft Carriers	11	11	11
Surface Combatants	116	119	116

	Fiscal year		
	1996	1997	1998
Submarines	80	73	66
Amphibious Warfare Ships	42	43	41
Combat Logistics Ships	41	40	41
Other	11	11	11
Support Forces	29	24	24
Mobile Logistics Ships	6	4	4
Support Ships	23	20	20
Mobilization Category A	18	18	18
Aircraft Carriers	1	1	1
Surface Combatants	10	10	10
Amphibious Warfare Ships	2	2	2
Mine Warfare	5	5	5
Total Ships, Battle Force	365	357	346
Total Local Defense/Misc. Forces	159	165	167
Auxiliaries/Sealift Forces	135	143	144
Surface Combatant Ships	5	3	2
Coastal Defense	13	13	13
Research and Development	191	228	.....
Mobilization Category B	3	6	8
Surface Combatants	0	0	0
Mine Warfare Ships	3	6	8
Support Ships	0	0	0
Naval Aircraft:			
Primary Authorized (Plus-Pipe)	4,130	4,072	4,104
Authorized Pipeline	464	465	470
Tactical/ASW Aircraft	1,756	1,730	1,746
Fleet Air Training	474	475	480
Fleet Air Support	323	303	292
Training (Undergraduate)	654	654	673
Reserve	459	445	443
Naval Personnel:			
Active	602,000	580,900	564,082
Navy	428,000	406,900	390,082
Marine Corps	174,000	174,000	174,000
Reserve:			
Navy	96,608	95,941	94,294
SELRES	80,920	79,285	78,158
Sea/Air Mariners	198	150	.....
TARS	17,490	16,506	16,506

DEPARTMENT OF THE AIR FORCE

The fiscal year 1998 Air Force budget was designed to support a total active inventory force structure of 51 fighter and attack squadrons, 10 Air National Guard air defense interceptor squadrons and 9 bomber squadrons, including B-2s, B-52s, and B-1s. The Minuteman and Peacekeeper ICBM forces will consist of 700 active launchers.

A summary of the major forces follows:

FISCAL YEAR 1998 MAJOR FORCES
[Includes only Combat Coded Squadrons]

	1996	1997	1998
USAF fighter and attack (Active)	51	52	51
USAF fighter and attack (ANG and AFRC)	36	36	36
Air defense interceptor (ANG)	10	10	10
Strategic bomber (Active)	8	9	9
Strategic bomber (ANG and AFRC)	3	3	3
ICBM launchers/silos	700	700	700
ICBM missile boosters	580	580	580
USAF airlift squadrons (Active):			
Strategic airlift	15	13	13
Tactical airlift	11	11	9
Total airlift	26	24	22
Total Active Inventory ¹	6,369	6,337	6,242

¹ Includes Primary, Backup, and Attrition Reserve Aircraft for all Purpose Identifiers for Active, Air National Guard, and Air Force Reserve.

End strength	1997	1998
Active Duty	381,087	371,577
Reserve Component	182,489	180,786
Air National Guard	109,178	107,355
Air Force Reserve	73,311	73,431

SPECIAL INTEREST ITEMS

Items for which funds have specifically been provided in any appropriation in this report using the phrases “only for” or “only to” are congressional interest items for the purpose of the Base for Re-programming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount, or a revised amount if changed during conference action on this bill, unless the item is denied in conference or if otherwise specifically addressed in the conference report.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee considers the full and effective implementation of the Government Performance and Results Act, P.L. 103-62, to be a priority for all agencies of government.

Starting with fiscal year 1999, the Results Act requires each agency to “prepare an annual performance plan covering each program activity set forth in the budget of such agency”. Specifically, for each program activity the agency is required to “establish performance goals to define the level of performance to be achieved by a program activity” and “performance indicators to be used in assessing the relevant outputs, service levels, and outcomes of each program activity”.

The Committee takes this requirement of the Results Act very seriously and plans to carefully examine agency performance goals and measures during the appropriations process. As a result, starting with the fiscal year 1999 appropriations cycle, the Committee will consider agencies progress in articulating clear, definitive, and results-oriented (outcome) goals and measures as it reviews requests for appropriations.

The Committee suggests agencies examine their program activities in light of their strategic goals to determine whether any changes or realignments would facilitate a more accurate and informed presentation of budgetary information. Agencies are encouraged to consult with the Committee as they consider such revisions prior to finalizing any requests pursuant to 31 U.S.C. 1104. The Committee will consider any requests with a view toward ensuring that fiscal year 1999 and subsequent budget submissions display amounts requested against program activity structures for which annual performance goals and measures have been established.

TITLE I
MILITARY PERSONNEL

PROGRAMS AND ACTIVITIES FUNDED BY MILITARY PERSONNEL
APPROPRIATIONS

The President's budget request reflects a continuation in the drawdown of military personnel and force structure. The budget proposes a decrease of 21,000 active duty personnel, and 10,000 Reserve and Guard personnel from fiscal year 1997 levels. The Department's reductions in active end strength is about 98.8 percent complete at the end of fiscal year 1998. The Committee recommends to fully fund the proposed 2.8 percent pay increase, and includes an increase of approximately \$60,000,000 over the budget request for Basic Allowance for Quarters and Family Separation Allowance.

SUMMARY OF MILITARY PERSONNEL RECOMMENDATIONS
FOR FISCAL YEAR 1998

Fiscal year 1997	\$70,016,500,000
Fiscal year 1998 budget request	69,411,762,000
Fiscal year 1998 recommendation	69,343,194,000
Change from budget request	-68,568,000

The Committee recommends an appropriation of \$69,343,194,000 for the Military Personnel accounts. The recommendation is a decrease of \$673,306,000 below the \$70,016,500,000 appropriated in fiscal year 1997. These military personnel budget total comparisons include appropriations for the active, reserve, and National Guard accounts. The following tables include a summary of the recommendations by appropriation account. Explanations of changes from the budget request appear later in this section.

SUMMARY OF APPROPRIATION ACCOUNT OF THE FISCAL YEAR 1998 MILITARY PERSONNEL
RECOMMENDATION

[In thousands of dollars]

Account	Budget	Recommendation	Change from budget
Military Personnel:			
Army	\$20,492,257	\$20,445,381	-\$46,876
Navy	16,501,118	16,504,911	+3,793
Marine Corps	6,147,599	6,141,635	-5,964
Air Force	17,154,556	17,044,874	-109,682
Subtotal, Active	60,295,530	60,136,801	-158,729
Reserve Personnel:			
Army	2,024,446	2,045,615	+21,169
Navy	1,375,401	1,377,249	+1,848
Marine Corps	381,070	391,953	+10,883
Air Force	814,936	814,772	-164

SUMMARY OF APPROPRIATION ACCOUNT OF THE FISCAL YEAR 1998 MILITARY PERSONNEL
RECOMMENDATION—Continued
(In thousands of dollars)

Account	Budget	Recommendation	Change from budget
National Guard Personnel:			
Army	3,200,667	3,245,387	+44,720
Air Force	1,319,712	1,331,417	+11,705
Subtotal, Guard and Reserve	9,116,232	9,206,223	+90,161
Total, Title I	69,411,762	69,343,194	-68,568

The fiscal year 1998 budget request included a decrease of 20,721 end strength for the active forces and a decrease of 10,781 end strength for the selected reserve over fiscal year 1997 authorized levels.

The Committee recommends the following levels highlighted in the tables below.

OVERALL ACTIVE END STRENGTH

Fiscal year 1997 estimate	1,452,100
Fiscal year 1998 budget request	1,431,379
Fiscal year 1998 House authorization	1,445,000
Fiscal year 1998 recommendation	1,431,379
Compared with Fiscal year 1997	-20,721
Compared with Fiscal year 1998 budget request .....	.....

OVERALL SELECTED RESERVE END STRENGTH

Fiscal year 1997 estimate	902,399
Fiscal year 1998 budget request	891,618
Fiscal year 1998 House authorization	891,618
Fiscal year 1998 recommendation	891,685
Compared with Fiscal year 1997	-10,781
Compared with Fiscal year 1998 budget request	+67

	Fiscal year 1997 estimate	Fiscal year 1998			Change from request
		Budget request	House author- ization	Recommendation	
Active Forces (end strength):					
Army	495,000	495,000	495,000	495,000	.....
Navy	402,013	390,802	395,000	390,802	.....
Marine Corps	174,000	174,000	174,000	174,000	.....
Air Force	381,087	371,577	381,000	371,577	.....
Total, Active Force	1,452,100	1,431,379	1,445,000	1,431,379	.....
Guard and Reserve (end strength):					
Army Reserve	215,254	208,000	208,000	208,000	.....
Navy Reserve	95,898	94,294	94,294	94,326	+32
Marine Corps Reserve	42,000	42,000	42,000	42,000	.....
Air Force Reserve	73,311	73,431	73,431	73,466	+35
Army National Guard	366,758	366,516	366,516	366,516	.....
Air National Guard	109,178	107,377	107,377	107,377	.....
Total, Guard and Reserve	902,399	891,618	891,618	891,685	+67

ADJUSTMENTS TO MILITARY PERSONNEL ACCOUNT

OVERVIEW

SPECIAL PAYS AND ALLOWANCES

The Committee recommends a total increase of \$35,000,000 for Basic Allowance for Quarters, a housing allowance, to help offset the "out-of-pocket" costs to service members when they change duty stations, and for living in high-cost geographical areas. In addition, the Committee recommends an increase of \$25,000,000 for Family Separation Allowances, an allowance paid to members on temporary duty (TDY) status. The House-passed Defense Authorization bill approved an increase in the monthly rate of this allowance from \$75 to \$100 per month.

END STRENGTH ADJUSTMENTS

The Committee agrees with the fiscal year 1998 budget request on active and Reserve end strength levels, a reduction of approximately 31,000 over fiscal year 1997 authorized personnel levels. In addition, based on the latest end strength levels provided by the Department, the Services, primarily the Army and Navy, will begin fiscal year 1998 with approximately 12,000 fewer military personnel on-board than budgeted, which means the 1998 pay and allowances requirements are overstated. Therefore, the Committee recommends an understrength reduction of \$214,700,000 to the budget request.

TEMPORARY EARLY RETIREMENT AUTHORITY

The Committee recommends a total reduction of \$184,738,000 to the Army and Air Force budget requests as a result of the suspension of the 15-year Temporary Early Retirement Authority during fiscal year 1998, as proposed in the House-passed Defense Authorization bill.

FOREIGN CURRENCY

The President recently submitted a fiscal year 1998 budget amendment, which reduced the active duty military personnel accounts by a total of \$62,000,000 for foreign currency savings. This amendment to the budget was proposed in order to cover a shortfall in the Defense Health Program. The Committee agrees there are more savings due to favorable fluctuations in overseas exchange rates and recommends a total reduction of \$68,000,000 for foreign currency, an additional reduction of \$6,000,000 to the Services' personnel accounts.

CONTINGENCY OPERATIONS FUNDING

The budget request recommends \$213,600,000 for pay and allowances of military personnel in the "Overseas Contingency Operations Transfer Fund", for cost of operations in Bosnia during fiscal year 1998. The Committee does not agree to the realignment of these funds, and has increased the Services military personnel accounts by this amount.

MILITARY PERSONNEL COMPENSATION

The House-passed Defense Authorization bill has included numerous recommendations that would affect military personnel compensation and benefits for fiscal year 1998. The Committee supports the intent of the House National Security Committee's recommendations which raises rates for current allowances; however Committee's practice has been not to appropriate funds for pending changes to entitlements. Implementation of these changes is usually left to the discretion of the Department, and the precise costs during the initial year of implementation are not known as a result. The Committee will entertain a prior-approval reprogramming action if the Department decides to implement any recommendations which are enacted into law.

PERSONAL FINANCIAL MANAGEMENT TRAINING

The Committee believes that an increasing number of young men and women joining the Services have inadequate knowledge and understanding of the skills required for personal financial management and fiscal responsibility. Many recruits lack the basic skills required for checkbook or credit card management resulting in growing levels of bankruptcy and indebtedness. This lack of knowledge can have a significant impact on the readiness of the force when individuals leave the military or suffer family troubles due to financial problems. The Committee believes that the Department should develop and implement a standardized course curriculum for all new officers and enlisted personnel in all Services covering the basic skills of personal financial management. The Committee directs the Department to report by December 15, 1997 on actions taken to correct this problem.

"AIM HIGH" PROGRAM

The "Aim High" program in eastern Washington state promotes citizenship and scholarship while reducing drug use among youths through interaction with military facilities. The Committee believes that the military services can provide an excellent model of self-discipline and responsibility for students, and opportunities to visit military installations can be an effective recruiting tool, as well as a powerful incentive for students to refrain from illegal drug use. The Committee urges the Department to continue to support similar initiatives within the constraints of available resources.

FULL-TIME SUPPORT STRENGTHS

There are four categories of full-time support in the Guard and Reserve components: civilian technicians, active Guard and Reserve (AGR), non-technician civilians, and active component personnel.

Full-time support personnel organize, recruit, train, maintain and administer the Reserve components. Civilian (Military) technicians directly support units, and are very important to help units maintain readiness and meet the wartime mission of the Army and Air Force.

Full-time support end strength in all categories totalled 152,950 in fiscal year 1997. The fiscal year 1998 budget request is 150,484.

The following table summarizes Guard and Reserve full-time support end strengths:

GUARD AND RESERVE FULL-TIME END STRENGTHS

	FY 1997 estimate	Budget request	House authorization	Recommendation	Change from request
Army Reserve:					
AGR	11,804	11,500	11,500	11,500	
Technicians	6,799	6,501	6,799	6,501	
Navy Reserve TAR	16,626	16,136	16,136	16,168	+32
Marine Corps Reserve	2,559	2,559	2,559	2,559	
Air Force Reserve:					
AGR	655	963	748	963	
Technicians	9,802	9,622	9,802	9,638	+16
Army National Guard:					
AGR	22,798	22,310	22,310	22,310	
Technicians	25,500	25,250	25,384	25,250	
Air National Guard:					
AGR	10,403	10,616	10,616	10,616	
Technicians	23,274	22,968	23,247	22,968	
Total					
AGR/TAR	64,845	64,084	63,869	64,116	+32
Technicians	65,375	64,341	65,232	64,357	+16

MILITARY LEAVE FOR RESERVISTS

The budget request recommended a reduction to the Reserve personnel accounts pursuant to a legislative proposal placing a limitation on military basic pay of Federal civilian employees who are Reservists. The House-passed Defense Authorization bill did not contain this proposal, and therefore, the Committee recommends restoring \$85,000,000 to the Reserve personnel accounts to fully fund their basic pay.

MILITARY PERSONNEL, ARMY

Fiscal year 1997 appropriation	\$20,633,998,000
Fiscal year 1998 budget request	20,492,257,000
Committee recommendation	20,445,381,000
Change from budget request	-46,876,000

The Committee recommends an appropriation of \$20,445,381,000 for Military Personnel, Army. The recommendation is a decrease of \$188,617,000 below the \$20,633,998,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+10,326
Foreign Currency Savings	-4,000
Temporary Early Retirement Authority	-36,902
Service Academies Foreign Students	-1,000
Personnel Understrength Savings	-183,100
Family Separation Allowance	+9,600
Contingency Operations Transfer—Bosnia	+158,200
Total	-46,876

MILITARY PERSONNEL, NAVY

Fiscal year 1997 appropriation	\$16,986,976,000
Fiscal year 1998 budget request	16,501,118,000
Committee recommendation	16,504,911,000
Change from budget request	+3,793,000

The Committee recommends an appropriation of \$16,504,911,000 for Military Personnel, Navy. The recommendation is a decrease of \$482,065,000 below the \$16,986,976,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+9,393
Foreign Currency Savings	- 1,000
Service Academies Foreign Students	- 1,000
Personnel Understrength Savings	-10,000
Unemployment Compensation Savings	-10,000
Family Separation Allowance	+9,300
Contingency Operations Transfer—Bosnia	+7,100
Total	+3,793

MILITARY PERSONNEL, MARINE CORPS

Fiscal year 1997 appropriation	\$6,111,728,000
Fiscal year 1998 budget request	6,147,599,000
Committee recommendation	6,141,635,000
Change from budget request	- 5,964,000

The Committee recommends an appropriation of \$6,141,635,000 for Military Personnel, Marine Corps. The recommendation is an increase of \$29,907,000 above the \$6,111,728,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+2,736
Personnel Understrength Savings	- 3,600
Unemployment Compensation Savings	-10,000
Family Separation Allowance	+3,600
Contingency Operations Transfer—Bosnia	+1,300
Total	- 5,964

MILITARY PERSONNEL, AIR FORCE

Fiscal year 1997 appropriation	\$17,069,490,000
Fiscal year 1998 budget request	17,154,556,000
Committee recommendation	17,044,874,000
Change from budget request	- 109,682,000

The Committee recommends an appropriation of \$17,044,874,000 for Military Personnel, Air Force. The recommendation is a decrease of \$24,616,000 below the \$17,069,490,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+8,654
Foreign Currency Savings	-1,000
Temporary Early Retirement Authority	-147,836
Service Academies Foreign Students	-1,000
Personnel Understrength Savings	-18,000
Family Separation Allowance	+2,500
Contingency Operations Transfer—Bosnia	+47,000
Total	-109,682

RESERVE PERSONNEL, ARMY

Fiscal year 1997 appropriation	\$2,073,479,000
Fiscal year 1998 budget request	2,024,446,000
Committee recommendation	2,045,615,000
Change from budget request	+21,169,000

The Committee recommends an appropriation of \$2,045,615,000 for Reserve Personnel, Army. The recommendation is a decrease of \$27,864,000 below the \$2,073,479,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Unit Readiness/Training	+8,000
Basic Allowance for Quarters	+569
Reserve Duty Drill Pay	+20,400
Health Scholarship Stipend	-7,800
Total	+21,169

RESERVE PERSONNEL, NAVY

Fiscal year 1997 appropriation	\$1,405,606,000
Fiscal year 1998 budget request	1,375,401,000
Committee recommendation	1,377,249,000
Change from budget request	+1,848,000

The Committee recommends an appropriation of \$1,377,249,000 for Reserve Personnel, Navy. The recommendation is a decrease of \$28,357,000 below the \$1,405,606,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+648
Reserve Duty Drill Pay	+8,500
Magic Lantern Aircraft	+1,700
Health Scholarship Stipend	-9,000
Total	+1,848

MAGIC LANTERN

The Committee recommends an increase of \$1,700,000 over the request in "Reserve Personnel, Navy", and \$1,300,000 in "Operation and Maintenance, Navy" to provide additional personnel, and operational and training costs in support of the Magic Lantern airborne mine detection system.

NAVY RESERVE FORCES

The Committee is very concerned about possible Navy Program Review 99 (PR-99) recommendations that would make major reductions in Navy Reserve hardware and combat/warfare missions. The Committee would find such recommendations unacceptable and continues to believe the Navy Reserve and other Reserve components should remain a viable component of the Total Force. The Navy Reserve and other Reserve components are able to retain force structure and equipment at lower cost than their active counterparts. The Navy Reserve consumes only three percent of the "total Navy's" budget, yet comprises nearly 20 percent of the force structure. Elimination of or serious reductions in the remaining Navy Reserve Air Wing, or the reliance on "augment" crews with no hardware for Navy Reserve Air Wing, or the reliance on "augment" crews with no hardware for Navy Reserve P-3 squadrons, would result in detrimental problems for active and reserve Navy forces, seriously increase active PERSTEMPO, and result in the loss of an experienced cadre of Reserve personnel. Reductions in the Navy Reserve surface fleet, or denying new surface fleet missions to the Navy Reserve, would adversely impact active fleet manning and surface warfare capabilities.

The Committee is aware that the Navy Reserve continues to right-size its forces in lean budget years, and urges the Secretary of the Navy not to further reduce Navy Reserve forces. The Navy Reserve has already downsized more and faster than any active or Reserve component, having reduced force structure well over 30 percent since 1990. The Committee strongly supports the current Navy Reserve missions, and fully expects the Secretary of the Navy to consult with Congress prior to any final recommendations that may further reduce Navy Reserve forces.

RESERVE PERSONNEL, MARINE CORPS

Fiscal year 1997 appropriation	\$388,643,000
Fiscal year 1998 budget request	381,070,000
Committee recommendation	391,953,000
Change from budget request	+10,883,000

The Committee recommends an appropriation of \$391,953,000 for Reserve Personnel, Marine Corps. The recommendation is an increase of \$3,310,000 above the \$388,643,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Annual Training/School Tours	+7,000
Basic Allowance for Quarters	+183
Reserve Duty Drill Pay	+3,700
Total	+10,883

RESERVE PERSONNEL, AIR FORCE

Fiscal year 1997 appropriation	\$783,697,000
Fiscal year 1998 budget request	814,936,000
Committee recommendation	814,772,000
Change from budget request	-164,000

The Committee recommends an appropriation of \$814,772,000 for Reserve Personnel, Air Force. The recommendation is an increase of \$31,075,000 above the \$783,697,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+266
Reserve Duty Drill Pay	+8,200
Health Scholarship Stipend	- 8,800
WC-130 Weather Recon	+170
Total	- 164

NATIONAL GUARD PERSONNEL, ARMY

Fiscal year 1997 appropriation	\$3,266,393,000
Fiscal year 1998 budget request	3,200,667,000
Committee recommendation	3,245,387,000
Change from budget request	+44,720,000

The Committee recommends an appropriation of \$3,245,387,000 for National Guard Personnel, Army. The recommendation is a decrease of \$21,006,000 below the \$3,266,393,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

School/Special Training	+10,000
Basic Allowance for Quarters	+1,520
Reserve Duty Drill Pay	+33,200
Total	+44,720

NATIONAL GUARD PERSONNEL, AIR FORCE

Fiscal year 1997 appropriation	\$1,296,490,000
Fiscal year 1998 budget request	1,319,712,000
Committee recommendation	1,331,417,000
Change from budget request	+11,705,000

The Committee recommends an appropriation of \$1,331,417,000 for National Guard Personnel, Air Force. The recommendation is an increase of \$34,927,000 above the \$1,296,490,000 appropriated for fiscal year 1997. The adjustments to the fiscal year 1998 budget request are as follows:

[In thousands of dollars]

Basic Allowance for Quarters	+705
Reserve Duty Drill Pay	+11,000
Total	+11,705

TITLE II

OPERATION AND MAINTENANCE

The fiscal year 1998 budget request for Operation and maintenance is \$82,280,940,000 in new budget authority, which is an increase of \$3,117,718,000 above the amount appropriated in fiscal year 1997. The request also includes a \$150,000,000 cash transfer from the National Defense Stockpile Transaction Fund.

The accompanying bill recommends \$82,925,753,000 for fiscal year 1998, which is an increase of \$644,813,000 from the budget request. In addition, the Committee recommends that \$150,000,000 be transferred from the National Defense Stockpile Transaction Fund.

These appropriations finance the costs of operating and maintaining the Armed Forces, including the reserve components and related support activities of the Department of Defense (DoD), except military personnel costs. Included are pay for civilians, services for maintenance of equipment and facilities, fuel, supplies and spare parts for weapons and equipment. Financial requirements are influenced by many factors, including force levels such as the number of aircraft squadrons, Army and Marine Corps divisions, installations, military personnel strength and deployments, rates of operational activity, and the quantity and complexity of equipment such as aircraft, ships, missiles and tanks in operation.

OPERATION AND MAINTENANCE OVERVIEW

While the Department has provided robust funding in the Operation and maintenance accounts to maintain the combat readiness of U.S. forces, the Committee notes that there are critical funding shortfalls in the fiscal year 1998 budget request. Further, the Committee is concerned that these shortfalls may pose a serious near term risk to the capabilities of U.S. forces. These shortfalls are evident in a number of functions financed by the Operation and maintenance accounts including readiness related training, operating tempo programs, weapons system maintenance, and real property maintenance. To correct these deficiencies, the Committee recommends increased funding over the budget request in a number of areas including: Navy and Air Force flying hours, depot maintenance, real property maintenance, training rotations, force protection, and inclement weather gear and other initial issue equipment.

The Committee also notes that there are areas in the Operation and maintenance accounts where substantial savings are achievable. Given the widely recognized need to modernize the equipment available to U.S. forces by increasing funding in the procurement, and research and development accounts, the Committee believes it is imperative that the Department use its Operation and maintenance funding as efficiently as possible. Therefore, the Committee

recommends certain reductions based on recent DoD policy changes, particularly those emphasized in the Quadrennial Defense Review, and fact of life changes that have occurred since preparation of the budget request.

The table summarizes the Committee's recommendations:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RECAPITULATION			
O & M, ARMY.....	17,049,484	17,078,218	+28,734
TRANSFER - STOCKPILE.....	(50,000)	(50,000)	---
O & M, NAVY.....	21,508,130	21,779,365	+271,235
TRANSFER - STOCKPILE.....	(50,000)	(50,000)	---
O & M, MARINE CORPS.....	2,301,345	2,598,032	+296,687
O & M, AIR FORCE.....	18,817,785	18,740,167	-77,618
TRANSFER - STOCKPILE.....	(50,000)	(50,000)	---
O & M, DEFENSEWIDE.....	10,390,938	10,066,956	-323,982
O & M, ARMY RESERVE.....	1,192,891	1,207,891	+15,000
O & M, NAVY RESERVE.....	834,711	924,711	+90,000
O & M, MARINE CORPS RESERVE.....	110,366	119,266	+8,900
O & M, AIR FORCE RESERVE.....	1,624,420	1,635,250	+10,830
O & M, ARMY NATIONAL GUARD.....	2,258,932	2,313,632	+54,700
O & M, AIR NATIONAL GUARD.....	2,991,219	2,995,719	+4,500
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND.....	1,467,500	1,855,400	+387,900
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES...	6,952	6,952	---
ENVIRONMENTAL RESTORATION, ARMY.....	377,337	377,337	---
ENVIRONMENTAL RESTORATION, NAVY.....	277,500	277,500	---
ENVIRONMENTAL RESTORATION, AIR FORCE.....	378,900	378,900	---
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE.....	27,900	27,900	---
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	202,300	202,300	---
FORMER SOVIET UNION THREAT REDUCTION.....	382,200	284,700	-97,500
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID.....	80,130	55,557	-24,573
QUALITY OF LIFE ENHANCEMENTS, DEFENSE.....	---	---	---
GRAND TOTAL, O & M.....	82,280,940	82,925,753	+644,813

REAL PROPERTY MAINTENANCE

The Committee has continuing concerns about the state of the facilities in DoD, and the effect that such facilities have on the quality of life of U.S. service personnel. The overview of the DoD Operation and maintenance accounts indicates that in fiscal year 1998, the backlog of real property maintenance and minor construction will total over \$16,000,000,000. The overview also shows the backlog growing by over \$1,600,000,000 from fiscal year 1997 to 1998. In order to arrest the growth in the backlog of RPM and address the shortfalls identified by the Services and the Reserve components, the Committee recommends an increase over the budget request of \$924,840,000. Of this amount, the Committee directs that the Department obligate not less than \$360,000,000 for the maintenance and repair of barracks, dormitories, and related facilities.

FLYING HOUR SHORTFALL

In the letter transmitting the Quadrennial Defense Review, the Secretary of Defense highlighted a significant shortfall in the budget request associated with Navy and Air Force flying hours. The Committee understands that this shortfall stems primarily from significantly higher than anticipated failure rates for a number of critical parts. To ensure that an adequate supply of parts is available to support the operational and readiness training requirements of the Navy and Air Force, the Committee recommends an increase over the budget request totaling \$622,000,000. The Committee also directs that the Secretary of the Navy and the Secretary of the Air Force each provide a report to the congressional defense committees not later than December 1, 1997. In addition to providing the data provided pursuant to the issues raised in the report accompanying the fiscal year 1998 Defense Authorization bill, this report should identify the specific causes of this shortfall, the method used to estimate the cost of flying hours, the measures that will be taken to correct this situation in the fiscal year 1999 budget request and over the Future Years Defense Program (FYDP), and any proposed measures that may be needed to improve the models used to estimate spare and repair parts usage and flying hour costs.

READINESS TRAINING

The budget request for readiness related training in both the Army and the Marine Corps has significant shortfalls addressed by the Committee's recommendations. The Army budget request calls for units that are scheduled to conduct rotations at the National Training Center (NTC) to absorb the cost of such rotations. In the Committee's view this is a significant policy change that has the effect of reducing funding to maintain the readiness of the Army's combat units. To address this situation as well as shortfalls identified by the Marine Corps, the Committee recommends an increase totaling \$99,013,000 above the budget request. In addition, the Committee directs that the Army fully fund rotations to the NTC in the fiscal year 1999 and subsequent years budget requests.

DEPOT MAINTENANCE

The Committee continues to have concerns about DoD practices for the funding of depot maintenance. For example, in the fiscal year 1998 budget request, the financial backlog of depot maintenance totals nearly \$1,500,000,000, and grows by \$180,000,000 from fiscal year 1997 to 1998. Further, the Services continue to routinely fund significantly less than the minimum amounts needed to meet depot maintenance requirements; for example, the Army budget request for fiscal year 1998 funds only 58 percent of required depot maintenance. To address these shortfalls, the Committee recommends an increase of \$473,300,000 above the budget request.

QUADRENNIAL DEFENSE REVIEW REDUCTIONS

The Committee notes that the Quadrennial Defense Review (QDR) proposes reducing the civilian workforce by 80,000 personnel from fiscal year 1998 through 2003. The Committee also recognizes that, due to the timing of the completion and release of this study, the Department did not have an opportunity to incorporate the results into the fiscal year 1998 budget request. The Committee commends the Department for embarking on a serious effort to reduce the size of the DoD support infrastructure and accordingly recommends a net reduction of \$307,273,000 from the budget request for the Services and Defense-Wide activities in anticipation of several QDR-related savings initiatives described in detail in subsequent portions of this report. The Committee also recommends a restructuring reserve, discussed elsewhere in this report, to ease the burden of reducing the size of the civilian workforce.

HEADQUARTERS AND ADMINISTRATIVE COSTS

In addition to the QDR initiatives discussed elsewhere in this report, the Committee notes that the Department of Defense continues to maintain an excessive administrative and headquarters infrastructure. Based on fiscal year 1998 budget justification materials, the Department reports that it maintains a headquarters and administrative staff totaling over 42,000 personnel and costing nearly \$3 billion per year. The Committee also observes that the number of personnel assigned to administrative and headquarters activities is relatively constant compared to the overall 3.5 percent reduction proposed for DoD civilian personnel from fiscal year 1997 to 1998. To equalize the rate of reduction in the headquarters and administrative activities as compared to other activities in the Department, the Committee recommends a reduction of \$149,443,000 from the budget request.

INDUSTRIAL PREPAREDNESS

The Committee observes significant growth in the industrial preparedness subactivity in the Operation and maintenance accounts of the Army, Navy and Air Force. Based on the recommendations of the Quadrennial Defense Review to significantly reduce the infrastructure maintained by the Department of Defense, the growth in these subactivities appears to be out of step with the DoD strat-

egy. Therefore, the Committee recommends a reduction of \$52,602,000 from the budget request.

CONTINGENCY OPERATIONS FUNDING

The Committee notes the Department's decision to exclude operations in Southwest Asia from the "Overseas Contingency Operations Transfer Fund". The Department realigned funding for these operations on the grounds that they have become part of the recurring base of DoD activity. While the Committee recognizes that U.S. operations in Southwest Asia do not have a definitive end date, the Committee believes that separately identifying the cost of such operations provides valuable insight into the amount budgeted to meet U.S. commitments.

Therefore, the Committee has realigned the Operation and maintenance budget authority requested to support Southwest Asia, and placed these funds in the "Overseas Contingency Operations Transfer Fund". The Committee directs that DoD budget for all future operations costs for Southwest Asia, and all other contingency operations in the "Overseas Contingency Operations Transfer Fund". Further, the Committee directs that in all future budget requests, DoD shall support the request for all contingency operations by detailing the amount required in each appropriation account for each operation within each theater of operations. In addition, the Committee directs that in all future supplemental requests the Department provide detailed data on the incremental funding required for each appropriation account for each operation within each theater of operations.

REPROGRAMMING IN OPERATION AND MAINTENANCE ACCOUNTS

The Committee supports the concerns on the reprogramming of Operation and maintenance funds as expressed in the report accompanying the House-passed Defense Authorization bill for fiscal year 1998 (House Report 105-132). In particular, the Committee is concerned by the mounting volume of audit materials prepared by the General Accounting Office and other audit organizations which highlights the annual migration of Operation and maintenance funds from those budget activities and subactivities that have the most direct relationship to the readiness of U.S. forces to other accounts that are required to fund the support infrastructure. The Committee is also disturbed by the Department's inability to provide prior notification to the Committee, as required by the House report accompanying the Department of Defense Appropriations bill for fiscal year 1997 (House Report 104-208), on the movement of funds from the readiness related activity and subactivity groups. Therefore, the Committee supports the provision included in the House-passed Defense Authorization bill for fiscal year 1998 requiring DoD to follow customary reprogramming procedures for all Operation and maintenance subactivity groups, and directs that the Department comply with this provision.

REPORTING ON THE EXECUTION OF REAL PROPERTY MAINTENANCE
FUNDING

The Committee reiterates the recommendations contained in the report accompanying the Military Construction Appropriations bill for fiscal year 1998 on the need to develop better information on DoD expenditures for major real property maintenance, and the relationship of these expenditures to major military construction projects. Therefore, the Committee directs that the Undersecretary of Defense (Comptroller) provide a report to the Committee not later than April 30, 1998, detailing all proposed major RPM projects expected to exceed \$10,000,000 to complete.

BUDGET JUSTIFICATION AND EXECUTION DATA

The Committee continues to require detailed data in support of the Department's proposed Operation and maintenance budget such as the O-1 presentation of the Operation and maintenance budget, including the revisions to Budget Activity 1, Operating Forces, as reflected in the fiscal year 1998 budget request for the Army. However, the Committee also agrees with the observations of the House National Security Committee in the report accompanying the House-passed Defense Authorization bill that there are certain inconsistencies that should be remedied in upcoming budget submissions. In addition, the Committee directs the Department to continue the submission of O-1 budget execution data for each O-1 subactivity group. The Department shall provide such data to the House and Senate Committees on Appropriations within 60 days of the end of each quarter of the fiscal year.

PURCHASES OF FOREIGN MADE GOODS

The Committee has become aware of an apparent increase in the amount of foreign made goods acquired by the Department of Defense through small purchase procedures at bases throughout the U.S. Because the Department does not have in place a system to track such small purchases, the Committee directs the DoD Inspector General to conduct random audits of small-purchases at U.S. military bases to determine how often foreign made products are acquired through the use of small-purchase, local purchase, or micro-purchase procedures. The DoD Inspector General should report to the House and Senate Committees on Appropriations with its findings not later than April 30, 1998.

ENVIRONMENTALLY SAFE FUEL STORAGE TANKS

The Committee is aware of the continuing problem of underground fuel storage tank leakage. Therefore, the Committee recommends that the Department of Defense proceed with the program for above-ground, environmentally-safe fuel storage tanks as described in the recommendations of the report accompanying the House-passed Defense Authorization bill for fiscal year 1998, and directs that \$2,000,000 be made available for this purpose within funds available for both the Marine Corps and the Air Force.

FEDERAL FIRE FIGHTER PAY

The Committee is disturbed about the continuing lack of progress to resolve the question of pay inequities between the fire fighters employed by the federal government and their counterparts employed by states and localities. The large majority of the approximately 10,000 full-time federal fire fighters work for the Department of Defense protecting military installations. According to information supplied to the Committee, a typical municipal fire fighter earns 89 percent more per hour than a comparable federal fire fighter. The Committee understands that the Office of Personnel Management has undertaken staff studies of this issue substantiating the claim that there are inequities in the pay calculation and supporting the proposition that pay adjustments are warranted. Proposals to rectify this situation have not moved forward due, in part, to past opposition from the Department of Defense. The Committee believes these inequities hinder the federal government's ability to recruit and retain qualified fire fighters putting the safety of our service members and billions of dollars of investment at risk. The Department is directed to reevaluate its position on this issue with the primary goal of ensuring pay equity for these employees and preserving a high quality fire fighting force. The Department shall report to Congress no later than December 31, 1997 on the results of this evaluation which shall include recommended legislation to correct this situation.

RECRUITING AND ADVERTISING

The Committee recognizes that the military's recruiting mission is becoming increasingly difficult and recommends an increase of \$22,900,000 over the budget request to support the Department's efforts in recruiting and advertising.

CLASSIFIED PROGRAMS

Adjustments to classified operation and maintenance programs are addressed in a classified annex accompanying this report.

OPERATION AND MAINTENANCE, ARMY

Fiscal year 1997 appropriation	\$17,519,340,000
Fiscal year 1998 budget request	17,049,484,000
Committee recommendation	17,078,218,000
Change from budget request	28,734,000

The Committee recommends an appropriation of \$17,078,218,000 for Operation and maintenance, Army. The recommendation is a decrease of \$441,122,000 below the amount appropriated for fiscal year 1997.

LOW RATE INITIAL PRODUCTION (LRIP) FOR ABRAMS XXI

The Committee supports the action taken by the House National Security Committee on this program in its recommendations for the fiscal year 1998 Defense Authorization bill. The Committee urges the Department to consider a plan for the refurbishment of M1A1 tanks under the Department of the Army's Abrams Integrated Management XXI (AIM XXI) program if the Secretary of Defense determines that the program is cost effective. In addition, if

this program is successfully validated, the Committee expects the Army to include adequate funding in the fiscal year 1999 budget request.

DEPOT MAINTENANCE

The Committee recommends increasing Army depot maintenance funding by \$169,700,000 above the budget request. The Committee remains concerned about backlogs in the repair and maintenance of communications and electronic equipment. Accordingly, \$53,000,000 of the total depot maintenance increase is allocated to the U.S. Army Communications-Electronics Command Battlefield Communications Review program, for performance at Army depots, of the following workloads: \$25,000,000 for repair/maintenance of Mobile Subscriber Equipment shelters, prime movers, and accessories or support equipment; \$20,000,000 for the repair/maintenance of Non-Integrated Communications Secure and Integrated Communications Secure SINCGARS radios and accessories or support equipment; and \$8,000,000 for the repair, maintenance or modification of the AN/TS-85 and AN/TSC-93 Tactical Satellite Communications Terminals, associated antenna systems, accessories or support equipment.

NATIONAL TRAINING CENTER ROTATIONS

As expressed elsewhere in this report, the Committee is troubled by the reduced level of funding requested by the Army in fiscal year 1998 for rotations at the National Training Center (NTC). In addition, the Committee is concerned that the Army's decision to reduce the number of annual troop rotations at the National Training Center from 12 to 10 could adversely affect readiness. The Committee will be closely monitoring this change for any adverse effects on the readiness of Army units.

ARMY LOGISTICS AUTOMATION

Information on this project can be found in the Information Resources Management section of this report.

HIGH RISK AUTOMATION SYSTEMS

Information on this project can be found in the Information Resources Management section of this report.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
100 OPERATION AND MAINTENANCE, ARMY			
150 BUDGET ACTIVITY 1: OPERATING FORCES			
200 LAND FORCES			
250 DIVISIONS.....	1,221,794	1,267,007	+45,213
300 CORPS COMBAT FORCES.....	350,942	350,942	---
350 CORPS SUPPORT FORCES.....	323,190	323,190	---
400 ECHELON ABOVE CORPS FORCES.....	440,542	440,542	---
450 LAND FORCES OPERATIONS SUPPORT.....	658,057	658,057	---
500 LAND FORCES READINESS			
550 FORCE READINESS OPERATIONS SUPPORT.....	898,356	898,356	---
600 LAND FORCES SYSTEMS READINESS.....	346,651	346,651	---
650 LAND FORCES DEPOT MAINTENANCE.....	637,044	806,744	+169,700
700 LAND FORCES READINESS SUPPORT			
750 BASE SUPPORT.....	2,417,712	2,441,712	+24,000
800 MAINTENANCE OF REAL PROPERTY.....	693,328	693,328	---
850 MANAGEMENT AND OPERATIONAL HEADQUARTERS.....	130,012	130,012	---
900 UNIFIED COMMANDS.....	70,620	70,620	---
950 MISCELLANEOUS ACTIVITIES.....	179,864	185,264	+5,400
1045 TOTAL, BUDGET ACTIVITY 1.....	8,368,122	8,612,435	+244,313
1050 BUDGET ACTIVITY 2: MOBILIZATION			
1100 MOBILITY OPERATIONS			
1200 STRATEGIC MOBILIZATION.....	317,241	317,241	---
1250 WAR RESERVE ACTIVITIES.....	171,100	171,100	---
1300 INDUSTRIAL PREPAREDNESS.....	78,103	59,099	-19,004
1350 TOTAL, BUDGET ACTIVITY 2.....	566,444	547,440	-19,004
1400 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
1450 ACCESSION TRAINING			
1500 OFFICER ACQUISITION.....	63,992	62,592	-1,400
1550 RECRUIT TRAINING.....	12,620	12,620	---
1600 ONE STATION UNIT TRAINING.....	14,723	14,723	---
1650 RESERVE OFFICER TRAINING CORPS (ROTC).....	113,128	113,128	---
1700 BASE SUPPORT (ACADEMY ONLY).....	72,470	72,470	---
1750 MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY).....	28,123	28,123	---
1800 BASIC SKILL/ ADVANCE TRAINING			
1850 SPECIALIZED SKILL TRAINING.....	217,202	217,202	---
1900 FLIGHT TRAINING.....	213,906	213,906	---
1950 PROFESSIONAL DEVELOPMENT EDUCATION.....	69,594	69,594	---
2000 TRAINING SUPPORT.....	484,484	484,484	---
2050 BASE SUPPORT (OTHER TRAINING).....	897,433	897,433	---
2100 MAINTENANCE OF REAL PROPERTY (OTHER TRAINING).....	321,089	321,089	---
2150 RECRUITING/OTHER TRAINING			
2200 RECRUITING AND ADVERTISING.....	222,718	229,718	+7,000
2250 EXAMINING.....	75,922	75,922	---
2300 OFF-DUTY AND VOLUNTARY EDUCATION.....	94,364	94,364	---
2350 CIVILIAN EDUCATION AND TRAINING.....	81,481	78,629	-2,852
2400 JUNIOR ROTC.....	73,439	74,189	+750
2450 BASE SUPPORT (RECRUITING LEASES).....	163,010	163,010	---
2500 TOTAL, BUDGET ACTIVITY 3.....	3,219,698	3,223,196	+3,498
2550 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
2600 SECURITY PROGRAMS			
2650 SECURITY PROGRAMS.....	366,085	366,085	---
2700 LOGISTICS OPERATIONS			
2750 SERVICEWIDE TRANSPORTATION.....	531,326	531,326	---
2800 CENTRAL SUPPLY ACTIVITIES.....	405,371	405,371	---
2850 LOGISTIC SUPPORT ACTIVITIES.....	253,138	286,338	+33,200
2900 AMMUNITION MANAGEMENT.....	369,407	369,407	---
2950 SERVICEWIDE SUPPORT			
3000 ADMINISTRATION.....	294,972	246,971	-48,001
3050 SERVICEWIDE COMMUNICATIONS.....	620,825	620,825	---
3100 MANPOWER MANAGEMENT.....	152,437	152,437	---
3150 OTHER PERSONNEL SUPPORT.....	155,307	155,307	---
3200 OTHER SERVICE SUPPORT.....	593,446	595,446	+2,000
3250 ARMY CLAIMS ACTIVITIES.....	151,092	151,092	---
3300 REAL ESTATE MANAGEMENT.....	63,526	63,526	---
3350 BASE SUPPORT.....	667,779	624,279	-43,500
3400 MAINTENANCE OF REAL PROPERTY.....	131,528	131,528	---
3550 SUPPORT OF OTHER NATIONS			
3600 INTERNATIONAL MILITARY HEADQUARTERS.....	270,413	270,413	---
3650 MISC SUPPORT OF OTHER NATIONS.....	34,568	34,568	---
3700 TOTAL, BUDGET ACTIVITY 4.....	5,061,220	5,004,919	-56,301
3710 CLASSIFIED PROGRAMS UNDISTRIBUTED.....	---	-6,895	-6,895
3715 CIVILIAN PERSONNEL UNDERSTRENGTH.....	---	-33,300	-33,300
3720 GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND.....	-50,000	-50,000	---
3730 FOREIGN CURRENCY FLUCTUATION/BUDGET AMEND.....	-116,000	-135,000	-19,000
3770 INFORMATION RESOURCE MANAGEMENT.....	---	-25,000	-25,000
3785 REAL PROPERTY MAINTENANCE.....	---	232,000	+232,000

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
3790 TDY EXPENSES.....	---	-19,930	-19,930
3795 ODR CIVILIAN PERSONNEL REDUCTIONS.....	---	-140,347	-140,347
3800 CONTINGENCY OPERATIONS TRANSFER - SWA.....	---	-80,300	-80,300
3815 NON-BRAC CARETAKER STATUS.....	---	-51,000	-51,000
=====			
4100 TOTAL, OPERATION AND MAINTENANCE, ARMY.....	17,049,484	17,078,218	+28,734
4150 TRANSFER.....	(50,000)	(50,000)	---
4200 TOTAL FUNDING AVAILABLE.....	(17,099,484)	(17,128,218)	(+28,734)

The adjustments to the budget activities for Operation and maintenance, Army are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
250 Readiness Training—NTC Rotation Shortfall	60,213
250 Parachute Maintenance and Repair	2,000
250 Flying Hour Efficiencies	-17,000
650 Depot Maintenance—Other	111,000
650 Depot Maintenance—Communications and Electronics	53,000
650 Depot Maintenance—Aviation Depot Maintenance Plan Equipment	5,700
750 Organizational Clothing and Equipment (Increment I)	20,000
750 Range Safe System	2,700
750 Ft. Irwin, George AFB Airhead	1,300
950 Fort Gordon Center for Total Access (Telemedicine)	5,400
Budget Activity 2: Mobilization:	
1300 Industrial Preparedness—Nominal Growth	-19,004
Budget Activity 3: Training and Recruiting:	
1500 Service Academies—Foreign Students	-1,400
2200 Recruiting and Advertising	7,000
2350 Civilian Education and Training	-2,852
2400 Indian University Northwest JROTC Mentoring Program	750
Budget Activity 4: Administration and Servicewide Activities:	
2850 Central Logistics—SSTS, Depot Maintenance, SDT	22,000
2850 Army Logistics Automation	11,200
3000 Headquarters and Administrative Activity Reduction	-48,001
3200 Eisenhower Center	2,000
3350 Laser Leveling	1,500
3350 FEMP	-45,000
Other Adjustments:	
3710 Classified Undistributed	-6,895
3715 Civilian Personnel Understrength	-33,300
3730 Foreign Currency Fluctuation	-19,000
3770 High Risk Automation Systems	-25,000
3785 Real Property Maintenance	232,000
3790 TDY Expenses	-19,930
3795 QDR—Civilian Personnel Reductions	-140,347
3800 Contingency Operations Transfer—Southwest Asia	-80,300
3815 Non-BRAC Caretaker Status	-51,000

OPERATION AND MAINTENANCE, NAVY

Fiscal year 1997 appropriation	\$20,061,961,000
Fiscal year 1998 budget request	21,508,130,000
Committee recommendation	21,779,365,000
Change from budget request	271,235,000

The Committee recommends an appropriation of \$21,779,365,000 for Operation and maintenance, Navy. The recommendation is an increase of \$1,717,404,000 above the amount appropriated for fiscal year 1997.

CNET DISTANCE LEARNING

The Committee directs that the Chief of Naval Education and Training (CNET), as the Navy's organization responsible for training technology, continue efforts that will lead to maximizing returns on technology investment in distance learning and computer mediated learning. This would include developing more efficient use of the Internet for training requirements, developing models for appropriate applications of training technologies and developing models to assess leadership training effectiveness. The Committee

recommends adding \$2,000,000 above the budget request for this effort.

NATIONAL OCEANOGRAPHY PARTNERSHIP ACT

The Committee encourages DoD efforts to implement the goals of the National Oceanography Act by addressing the backlog of military hydrographic survey requirements. Accordingly, the Committee directs that within available funds, the Navy apply \$7,500,000 for additional ship-years as directed by the House report accompanying the House-passed Defense Authorization bill for fiscal year 1998.

SOFTWARE PROGRAM MANAGERS NETWORK

Information on this project can be found in the Information Resources Management section of this report.

HIGH RISK AUTOMATION SYSTEMS

Information on this project can be found in the Information Resources Management section of this report.

ASBESTOS ERADICATION

The Committee is concerned about the environmental challenge associated with the disposal of large volumes of asbestos from the Navy's surface fleet and submarine inactivation programs. The Committee is aware of an asbestos disposal process that offers great potential for solving this current problem, a mineral conversion process that changes the asbestos to a stable non-hazardous mineral. This thermochemical conversion process has been tested on a variety of asbestos-containing materials from actual abatement sites with great success. A commercially viable transportable production system, capable of processing substantial amounts of asbestos per day has been demonstrated with the Department of Energy and approved by the Environmental Protection Agency. Accordingly, the Committee provides \$2,000,000 only for the development of an asbestos thermochemical conversion pilot plant, to be used in conjunction with the ongoing submarine inactivation program at Puget Sound Naval Shipyard.

ELECTROTECHNOLOGIES

The Committee recommends an increase of \$5,500,000 in Environmental Compliance only for evaluating and demonstrating electrotechnologies and other environmental technologies at Naval Station Mayport as the East Coast demonstration base for the Navy Environmental Leadership Program.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
4250 OPERATION AND MAINTENANCE, NAVY			
4300 BUDGET ACTIVITY 1: OPERATING FORCES			
4350 AIR OPERATIONS			
4400 MISSION AND OTHER FLIGHT OPERATIONS	2,101,423	2,423,423	+322,000
4450 FLEET AIR TRAINING	667,112	667,112	---
4500 INTERMEDIATE MAINTENANCE	58,087	58,087	---
4550 AIR OPERATIONS AND SAFETY SUPPORT	73,248	73,248	---
4600 AIRCRAFT DEPOT MAINTENANCE	716,300	865,300	+149,000
4650 AIRCRAFT DEPOT OPERATIONS SUPPORT	21,575	21,575	---
4700 BASE SUPPORT	789,892	789,892	---
4750 MAINTENANCE OF REAL PROPERTY	262,452	262,452	---
4800 SHIP OPERATIONS			
4850 MISSION AND OTHER SHIP OPERATIONS	2,130,636	2,130,636	---
4900 SHIP OPERATIONAL SUPPORT AND TRAINING	735,660	735,660	---
4950 INTERMEDIATE MAINTENANCE	511,125	511,125	---
5000 SHIP DEPOT MAINTENANCE	2,040,690	2,115,690	+75,000
5050 SHIP DEPOT OPERATIONS SUPPORT	786,021	786,021	---
5100 BASE SUPPORT	840,646	840,646	---
5150 MAINTENANCE OF REAL PROPERTY	245,904	245,904	---
5200 COMBAT OPERATIONS/SUPPORT			
5250 COMBAT COMMUNICATIONS	210,776	210,776	---
5300 ELECTRONIC WARFARE	7,763	7,763	---
5350 SPACE SYSTEMS AND SURVEILLANCE	136,869	136,869	---
5400 WARFARE TACTICS	125,892	125,892	---
5450 OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	209,188	209,188	---
5500 COMBAT SUPPORT FORCES	383,830	383,830	---
5550 EQUIPMENT MAINTENANCE	177,708	178,208	+500
5600 DEPOT OPERATIONS SUPPORT	908	908	---
5650 BASE SUPPORT	317,266	317,266	---
5700 MAINTENANCE OF REAL PROPERTY	42,864	42,864	---
5750 WEAPONS SUPPORT			
5800 CRUISE MISSILE	92,482	92,482	---
5850 FLEET BALLISTIC MISSILE	811,451	811,451	---
5900 IN-SERVICE WEAPONS SYSTEMS SUPPORT	54,927	54,927	---
5950 WEAPONS MAINTENANCE	400,817	422,717	+21,900
6000 BASE SUPPORT	71,540	71,540	---
6050 MAINTENANCE OF REAL PROPERTY	27,516	27,516	---
6200 TOTAL, BUDGET ACTIVITY 1	15,052,568	15,620,968	+568,400
6250 BUDGET ACTIVITY 2: MOBILIZATION			
6300 READY RESERVE AND PREPOSITIONING FORCES			
6350 SHIP PREPOSITIONING AND SURGE	455,030	455,030	---
6400 ACTIVATIONS/INACTIVATIONS			
6450 AIRCRAFT ACTIVATIONS/INACTIVATIONS	3,081	3,081	---
6500 SHIP ACTIVATIONS/INACTIVATIONS	701,583	701,583	---
6550 MOBILIZATION PREPAREDNESS			
6600 FLEET HOSPITAL PROGRAM	19,814	19,814	---
6650 INDUSTRIAL READINESS	29,196	703	-28,493
6700 COAST GUARD SUPPORT	18,363	18,363	---
6750 TOTAL, BUDGET ACTIVITY 2	1,227,067	1,198,574	-28,493
6800 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
6850 ACCESSION TRAINING			
6900 OFFICER ACQUISITION	69,274	67,874	-1,400
6950 RECRUIT TRAINING	4,646	4,646	---
7000 RESERVE OFFICERS TRAINING CORPS (ROTC)	67,795	67,795	---
7050 BASE SUPPORT	57,605	57,605	---
7100 MAINTENANCE OF REAL PROPERTY	74,215	42,715	-31,500
7150 BASIC SKILLS AND ADVANCED TRAINING			
7200 SPECIALIZED SKILL TRAINING	236,487	236,487	---
7250 FLIGHT TRAINING	314,790	314,790	---
7300 PROFESSIONAL DEVELOPMENT EDUCATION	69,044	65,071	-3,973
7350 TRAINING SUPPORT	135,051	137,051	+2,000
7400 BASE SUPPORT	339,627	339,627	---
7450 MAINTENANCE OF REAL PROPERTY	95,601	95,601	---
7500 RECRUITING, AND OTHER TRAINING AND EDUCATION			
7550 RECRUITING AND ADVERTISING	122,454	129,454	+7,000
7600 OFF-DUTY AND VOLUNTARY EDUCATION	69,495	69,495	---
7650 CIVILIAN EDUCATION AND TRAINING	29,198	28,176	-1,022
7700 JUNIOR ROTC	23,642	23,642	---
7750 BASE SUPPORT	445	445	---
7800 MAINTENANCE OF REAL PROPERTY	62	62	---
7850 TOTAL, BUDGET ACTIVITY 3	1,709,431	1,680,536	-28,895
7900 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
7950 SERVICEWIDE SUPPORT			
8000 ADMINISTRATION	574,305	535,225	-39,080
8050 EXTERNAL RELATIONS	24,141	24,141	---
8100 CIVILIAN MANPOWER AND PERSON MANAGEMENT	118,544	118,544	---
8150 MILITARY MANPOWER AND PERSON MANAGEMENT	124,403	124,403	---
8200 OTHER PERSONNEL SUPPORT	189,446	189,446	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
8250 SERVICEWIDE COMMUNICATIONS.....	260,056	260,056	---
8300 BASE SUPPORT.....	197,537	172,537	-25,000
8400 MAINTENANCE OF REAL PROPERTY.....	39,623	39,623	---
8450 LOGISTICS OPERATIONS AND TECHNICAL SUPPORT			
8500 SERVICEWIDE TRANSPORTATION.....	149,675	149,675	---
8550 PLANNING, ENGINEERING AND DESIGN.....	258,779	258,779	---
8600 ACQUISITION AND PROGRAM MANAGEMENT.....	491,003	455,003	+4,000
8650 AIR SYSTEMS SUPPORT.....	271,149	271,149	---
8700 HULL, MECHANICAL AND ELECTRICAL SUPPORT.....	46,904	46,904	---
8750 COMBAT/WEAPONS SYSTEMS.....	41,547	41,547	---
8800 SPACE AND ELECTRONIC WARFARE SYSTEMS.....	70,344	70,344	---
8850 BASE SUPPORT.....	152,606	152,606	---
8900 MAINTENANCE OF REAL PROPERTY.....	20,470	20,470	---
8950 SECURITY PROGRAMS			
9000 SECURITY PROGRAMS.....	536,691	536,691	---
9050 BASE SUPPORT.....	6,886	6,886	---
9100 MAINTENANCE OF REAL PROPERTY.....	1,520	1,520	---
9150 SUPPORT OF OTHER NATIONS			
9200 INTERNATIONAL HEADQUARTERS AND AGENCIES.....	6,435	6,435	---
9350 TOTAL, BUDGET ACTIVITY 4.....	3,592,064	3,531,984	-60,080
9360 CLASSIFIED PROGRAMS UNDISTRIBUTED.....	---	1,902	+1,902
9365 INFORMATION RESOURCE MANAGEMENT.....	---	-19,000	-19,000
9370 GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND.....	-50,000	-50,000	---
9380 FOREIGN CURRENCY FLUCTUATION/BUDGET AMEND.....	-23,000	-23,000	---
9390 CIVILIAN PERSONNEL UNDERSTRENGTH.....	---	-108,300	-108,300
9415 ENVIRONMENTAL COMPLIANCE.....	---	5,500	+5,500
9420 OTHER CONTRACTS.....	---	-29,719	-29,719
9425 REAL PROPERTY MAINTENANCE.....	---	98,540	+98,540
9430 TDY EXPENSES.....	---	-12,060	-12,060
9435 ODR CIVILIAN PERSONNEL REDUCTIONS.....	---	-34,960	-34,960
9440 ASBESTOS ERADICATION.....	---	2,000	+2,000
9445 CONTINGENCY OPERATIONS TRANSFER - SWA.....	---	-84,900	-84,900
9450 MAGIC LANTERN.....	---	1,300	+1,300
9750 TOTAL, OPERATION AND MAINTENANCE, NAVY.....	21,508,130	21,779,365	+271,235
9800 TRANSFER.....	(50,000)	(50,000)	---
9850 TOTAL FUNDING AVAILABLE.....	(21,558,130)	(21,829,365)	(+271,235)

The adjustments to the budget activities for Operation and maintenance, Navy are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
4400 Flying Hour Program Shortfalls	322,000
4600 Depot Maintenance—Aviation Backlog	149,000
5000 Depot Maintenance—Unfunded Ship Availabilities	75,000
5550 Reverse Osmosis Desalinators—Refurbishment	500
5950 Gun Weapon Overhaul and Support, Louisville	15,900
5950 Ship Self Defense System (SSDS) Equipment—Wallops Island	6,000
Budget Activity 2: Mobilization:	
6650 Industrial Preparedness—Nominal Growth	-28,493
Budget Activity 3: Training and Recruiting:	
6900 Service Academies—Foreign Students	-1,400
7100 Bancroft Hall Renovation Program	-31,500
7300 Naval Postgraduate School—Laboratory Improvements	2,000
7300 Professional Development Education—Nominal Growth	-5,973
7350 CNET—Distance Learning	2,000
7550 Recruiting and Advertising	7,000
7650 Civilian Education and Training	-1,022
Budget Activity 4: Administration and Servicewide Activities:	
8000 Defense Computer Investigations Training Program/Computer Forensics Lab	8,500
8000 Headquarters and Administrative Activity Reduction	-47,580
8300 FEMP	-25,000
8600 ATIS	4,000
Other Adjustments:	
9360 Classified Undistributed	1,902
9365 Software Program Managers Network	6,000
9365 High Risk Automation Systems	-25,000
9390 Civilian Personnel Understrength	-108,300
9415 Electrotechnologies	5,500
9420 Other Contracts—Program Growth	-29,719
9425 Real Property Maintenance	98,540
9430 TDY Expenses	-12,060
9435 QDR—Civilian Personnel Reductions	-34,960
9440 Asbestos Eradication	2,000
9445 Contingency Operations Transfer—Southwest Asia	-84,900
9450 Magic Lantern	1,300

OPERATION AND MAINTENANCE, MARINE CORPS

Fiscal year 1997 appropriation	\$2,254,119,000
Fiscal year 1998 budget request	2,301,345,000
Committee recommendation	2,598,032,000
Change from budget request	296,687,000

The Committee recommends an appropriation of \$2,598,032,000 for Operation and maintenance, Marine Corps. The recommendation is an increase of \$343,913,000 above the amount appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
9900 OPERATION AND MAINTENANCE, MARINE CORPS			
9950 BUDGET ACTIVITY 1: OPERATING FORCES			
10000 EXPEDITIONARY FORCES			
10050 OPERATIONAL FORCES	345,077	404,577	+59,500
10100 FIELD LOGISTICS	183,660	183,660	---
10150 DEPOT MAINTENANCE	121,339	146,339	+25,000
10200 BASE SUPPORT	639,495	674,895	+35,400
10250 MAINTENANCE OF REAL PROPERTY	263,593	263,593	---
10300 USMC PREPOSITIONING			
10350 MARITIME PREPOSITIONING	77,380	77,380	---
10400 NORWAY PREPOSITIONING	3,603	3,603	---
10450 TOTAL, BUDGET ACTIVITY 1	1,634,147	1,754,047	+119,900
10500 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
10550 ACCESSION TRAINING			
10600 RECRUIT TRAINING	9,098	9,098	---
10650 OFFICER ACQUISITION	282	282	---
10700 BASE SUPPORT	51,266	61,266	+10,000
10750 MAINTENANCE OF REAL PROPERTY	18,115	18,115	---
10800 BASIC SKILLS AND ADVANCED TRAINING			
10850 SPECIALIZED SKILLS TRAINING	28,647	28,647	---
10900 FLIGHT TRAINING	156	156	---
10950 PROFESSIONAL DEVELOPMENT EDUCATION	5,803	5,803	---
11000 TRAINING SUPPORT	78,749	78,749	---
11050 BASE SUPPORT	54,557	64,557	+10,000
11100 MAINTENANCE OF REAL PROPERTY	25,051	25,051	---
11150 RECRUITING AND OTHER TRAINING EDUCATION			
11200 RECRUITING AND ADVERTISING	74,442	78,842	+4,400
11250 OFF-DUTY AND VOLUNTARY EDUCATION	15,063	15,063	---
11300 JUNIOR ROTC	9,006	9,006	---
11350 BASE SUPPORT	8,100	8,100	---
11400 MAINTENANCE OF REAL PROPERTY	2,447	2,447	---
11450 TOTAL, BUDGET ACTIVITY 3	380,782	405,182	+24,400
11500 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
11550 SERVICEWIDE SUPPORT			
11650 SPECIAL SUPPORT	219,312	219,312	---
11700 SERVICEWIDE TRANSPORTATION	30,617	30,617	---
11750 ADMINISTRATION	26,105	26,105	---
11800 BASE SUPPORT	12,370	12,370	---
11850 MAINTENANCE OF REAL PROPERTY	2,012	2,012	---
11900 TOTAL, BUDGET ACTIVITY 4	290,416	290,416	---
11915 FOREIGN CURRENCY FLUCTUATION/BUDGET AMEND.	-4,000	-4,000	---
11935 REAL PROPERTY MAINTENANCE	---	154,100	+154,100
11940 QDR CIVILIAN PERSONNEL REDUCTIONS	---	-1,713	-1,713
12300 TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,301,345	2,598,032	+296,687

The adjustments to the budget activities for Operation and maintenance, Marine Corps are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
10050 Readiness Training—Operating Forces Training Support	38,800
10050 Initial Issue (Clothing/Body Armor/Bivouac gear)	20,700
10150 Depot Maintenance Backlog Reduction	25,000
10200 Personnel Support Equipment	25,400
10200 Base Support	10,000
Budget Activity 3: Training and Recruiting:	
10700 Base Support	10,000
11050 Base Support	10,000
11200 Recruiting and Advertising	4,400
Budget Activity 4: Administration and Servicewide Activities:	
11800 Base Support	10,000
11800 FEMP	-10,000
Other Adjustments:	
11935 Real Property Maintenance	154,100
11940 QDR—Civilian Personnel Reductions	-1,713
Environmentally Safe Fuel Storage Tanks	(2,000)

OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 1997 appropriation	\$17,263,193,000
Fiscal year 1998 budget request	18,817,785,000
Committee recommendation	18,740,167,000
Change from budget request	-77,618,000

The Committee recommends an appropriation of \$18,740,167,000 for Operation and maintenance, Air Force. The recommendation is an increase of \$1,476,974,000 above the amount appropriated for fiscal year 1997.

INSTRUMENT ROUTES 102 AND 141

The Committee recognizes the need for Air Force low altitude training and strongly supports this requirement. The Committee urges the Air Force to give every consideration to public comments and community concerns in the impacted areas when utilizing Instrument Routes 102 and 141 for such training. The Air Force should report to the congressional defense committees by March 31, 1998 on possible alternative routes.

AIR FORCE MANUFACTURING TECHNOLOGY ASSISTANCE PILOT PROGRAM

The Air Force Manufacturing Technology Assistant Pilot Program (MTAPP) will strengthen and expand the service's manufacturing supplier base by improving the manufacturing skills and business practices of small to medium sized businesses, particularly those with an established non-defense background. Accordingly, the Committee supports the Air Force MTAPP program and recommends that the service allocate \$2,000,000 of available funds for this program.

MISAWA ANTENNAS

The Committee directs the Air Force to allocate \$300,000 of the additional infrastructure funding provided in this bill to the repair and maintenance of the antennas at the Misawa Cryptologic Operations Center.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL

The Committee recommends an increase of \$500,000 above the budget request to support completion of the CAMP facility at Lackland Air Force Base, Texas, and directs that this increase in funding be used only for the purpose of supporting this program.

REMIS

Information on this project can be found in the Information Resources Management section of this report.

HIGH RISK AUTOMATION SYSTEMS

Information on this project can be found in the Information Resources Management section of this report.

AIR FORCE INSTITUTE OF TECHNOLOGY

The Air Force proposes eliminating new student starts at the in-residence programs of the Air Force Institute of Technology (AFIT) in fiscal year 1998. Although the Air Force proposal is explained for budgetary reasons, no comprehensive cost-benefit study has been undertaken recently. Therefore, the Committee includes a general provision (Section 8086) prohibiting the Air Force from sending to civilian institutions graduate students who would otherwise attend AFIT. The Committee further directs that the National Academy of Sciences do a complete cost-benefit analysis including the value of research done by faculty and graduate students, to be provided to the Committee not later than April 1, 1998.

MALMSTROM AIR FORCE BASE

The Committee believes that the Air Force should maintain the airfield at Malmstrom AFB, Montana including the runways at the airfield. The existing runway and facilities at Malmstrom are in excellent condition and, for that reason, the National Aeronautics and Space Administration has identified this site as a possible facility for future testing and program development.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
12450 OPERATION AND MAINTENANCE, AIR FORCE			
12500 BUDGET ACTIVITY 1: OPERATING FORCES			
12550 AIR OPERATIONS			
12600 PRIMARY COMBAT FORCES	2,719,301	3,020,301	+301,000
12650 PRIMARY COMBAT WEAPONS	457,939	457,939	---
12700 COMBAT ENHANCEMENT FORCES	253,099	253,099	---
12750 AIR OPERATIONS TRAINING	617,828	617,828	---
12800 COMBAT COMMUNICATIONS	981,936	981,936	---
12850 BASE SUPPORT	1,758,461	1,786,261	+27,800
12900 MAINTENANCE OF REAL PROPERTY	576,409	576,409	---
12950 COMBAT RELATED OPERATIONS			
13000 GLOBAL C3I AND EARLY WARNING	712,916	712,916	---
13050 NAVIGATION/WEATHER SUPPORT	131,608	131,608	---
13100 OTHER COMBAT OPS SUPPORT PROGRAMS	205,449	208,249	+2,800
13150 JCS EXERCISES	45,306	45,306	---
13200 MANAGEMENT/OPERATIONAL HEADQUARTERS	113,400	113,400	---
13250 TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	231,411	234,411	+3,000
13300 SPACE OPERATIONS			
13350 LAUNCH FACILITIES	226,956	226,956	---
13400 LAUNCH VEHICLES	103,576	103,576	---
13450 SPACE CONTROL SYSTEMS	283,597	283,597	---
13500 SATELLITE SYSTEMS	42,235	42,235	---
13550 OTHER SPACE OPERATIONS	82,972	82,972	---
13600 BASE SUPPORT	310,370	310,370	---
13650 MAINT OF REAL PROPERTY	119,869	119,869	---
13700 TOTAL, BUDGET ACTIVITY 1	9,974,638	10,309,238	+334,600
13750 BUDGET ACTIVITY 2: MOBILIZATION			
13800 MOBILITY OPERATIONS			
13850 AIRLIFT OPERATIONS	1,793,506	1,848,106	+54,600
13900 AIRLIFT OPERATIONS C3I	16,267	16,267	---
13950 MOBILIZATION PREPAREDNESS	145,868	149,763	+3,895
14000 PAYMENTS TO TRANSPORTATION BUSINESS AREA	514,000	514,000	---
14050 BASE SUPPORT	427,865	427,865	---
14100 MAINTENANCE OF REAL PROPERTY	151,842	151,842	---
14150 TOTAL, BUDGET ACTIVITY 2	3,049,348	3,098,843	+49,495
14200 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
14250 ACCESSION TRAINING			
14300 OFFICER ACQUISITION	51,605	50,205	-1,400
14350 RECRUIT TRAINING	3,971	3,971	---
14400 RESERVE OFFICER TRAINING CORPS (ROTC)	47,611	47,611	---
14450 BASE SUPPORT (ACADEMIES ONLY)	57,262	57,262	---
14500 MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	50,662	50,662	---
14550 BASIC SKILLS AND ADVANCED TRAINING			
14600 SPECIALIZED SKILL TRAINING	196,980	196,980	---
14650 FLIGHT TRAINING	394,075	394,075	---
14700 PROFESSIONAL DEVELOPMENT EDUCATION	88,682	68,216	-20,466
14750 TRAINING SUPPORT	63,296	63,296	---
14800 BASE SUPPORT (OTHER TRAINING)	370,436	370,436	---
14850 MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	87,072	87,072	---
14900 RECRUITING AND OTHER TRAINING AND EDUCATION			
14950 RECRUITING AND ADVERTISING	55,039	59,539	+4,500
15000 EXAMINING	2,212	2,212	---
15050 OFF DUTY AND VOLUNTARY EDUCATION	85,609	85,609	---
15100 CIVILIAN EDUCATION AND TRAINING	67,183	64,832	-2,351
15150 JUNIOR ROTC	26,052	26,052	---
15200 TOTAL, BUDGET ACTIVITY 3	1,647,747	1,628,030	-19,717
15250 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
15300 LOGISTICS OPERATIONS			
15350 LOGISTICS OPERATIONS	788,680	793,680	+5,000
15400 TECHNICAL SUPPORT ACTIVITIES	390,267	390,267	---
15450 SERVICEWIDE TRANSPORTATION	236,372	236,372	---
15500 BASE SUPPORT	753,449	720,449	-33,000
15550 MAINTENANCE OF REAL PROPERTY	194,617	194,617	---
15600 SERVICEWIDE ACTIVITIES			
15650 ADMINISTRATION	126,642	75,480	-51,162
15700 SERVICEWIDE COMMUNICATIONS	297,316	297,316	---
15750 PERSONNEL PROGRAMS	100,343	100,343	---
15800 RESCUE AND RECOVERY SERVICES	55,881	55,881	---
15900 ARMS CONTROL	29,565	29,565	---
15950 OTHER SERVICEWIDE ACTIVITIES	524,545	525,045	+500
16000 OTHER PERSONNEL SUPPORT	33,623	33,623	---
16050 CIVIL AIR PATROL CORPORATION	17,927	18,727	+800
16100 BASE SUPPORT	155,791	155,791	---
16150 MAINTENANCE OF REAL PROPERTY	10,728	10,728	---
16200 SECURITY PROGRAMS			
16250 SECURITY PROGRAMS	510,046	510,046	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
16300 SUPPORT TO OTHER NATIONS			---
16350 INTERNATIONAL SUPPORT	13,260	13,260	---
16400 TOTAL, BUDGET ACTIVITY 4	4,239,052	4,161,190	-77,862
16410 CLASSIFIED PROGRAMS UNDISTRIBUTED	---	13,900	+13,900
16415 CIVILIAN PERSONNEL UNDERSTRENGTH	---	-70,000	-70,000
16420 GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	-50,000	-50,000	---
16430 FOREIGN CURRENCY FLUCTUATION/BUDGET AMEND	-43,000	-53,000	-10,000
16475 INFORMATION RESOURCE MANAGEMENT	---	-16,100	-16,100
16490 OTHER CONTRACTS	---	-93,981	-93,981
16495 CHEMICAL/BIOLOGICAL DEFENSE - PACOM	---	10,000	+10,000
16500 CONTINGENCY OPERATION TRANSFER - SWA	---	-459,900	-459,900
16505 REAL PROPERTY MAINTENANCE	---	358,200	+358,200
16510 TDY EXPENSES	---	-20,000	-20,000
16515 QDR - CIVILIAN PERSONNEL REDUCTIONS	---	-76,253	-76,253
16800 TOTAL, O&M, AIR FORCE	18,817,785	18,740,167	-77,618
16850 TRANSFER	(50,000)	(50,000)	---
16900 TOTAL FUNDING AVAILABLE	(18,867,785)	(18,790,167)	(-77,618)

The adjustments to the budget activities for Operation and maintenance, Air Force are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
12600 Flying Hour Program Shortfalls	300,000
12600 Battle Labs	1,000
12850 Force Protection—Base Physical Security	12,100
12850 Force Protection—Air Base Ground Defense	5,800
12850 Force Protection—Antiterrorism	5,300
12850 Force Protection—NBC Defense Program	3,100
12850 Force Protection—Contingency Operations	1,500
13100 SIMVAL	2,800
13250 JFACC Situational Awareness System (JSAS)	3,000
Budget Activity 2: Mobilization:	
13850 Depot Maintenance—KC-135 DPEM	54,600
13950 Industrial Preparedness—Nominal Growth	-5,105
Budget Activity 3: Training and Recruiting:	
14300 Service Academies—Foreign Students	-1,400
14700 Professional Development Education—Nominal Growth	-20,466
14950 Recruiting and Advertising	4,500
15100 Civilian Education and Training	-2,351
Budget Activity 4: Administration and Servicewide Activities:	
15350 Supply Asset Tracking System (SATS at ACC Installations) ...	5,000
15500 FEMP	-33,000
15650 Defense Computer Investigations Training Program/Computer Forensics Lab	2,700
15650 Headquarters and Administrative Activity Reduction	-53,862
15950 CAMP	500
16050 Civil Air Patrol	800
Other Adjustments:	
16410 Classified Undistributed	8,500
16415 Civilian Personnel Understrength	-70,000
16430 Foreign Currency Fluctuation	-10,000
16475 REMIS	8,900
16475 High Risk Automation Systems	-25,000
16490 Other Contracts—Program Growth	-93,981
16495 Chemical/Biological Defense—PACOM	10,000
16500 Contingency Operations Transfer—Southwest Asia	-459,900
16505 Real Property Maintenance	358,200
16510 TDY Expenses	-20,000
16515 QDR—Civilian Personnel Reductions	-76,253
Environmentally Safe Fuel Storage Tanks	(2,000)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 1997 appropriation	\$10,044,200,000
Fiscal year 1998 budget request	10,390,938,000
Committee recommendation	10,066,956,000
Change from budget request	-323,982,000

The Committee recommends an appropriation of \$10,066,956,000 for Operation and Maintenance, Defense-Wide. The recommendation is an increase of \$22,756,000 from the amount appropriated in fiscal year 1997.

JCS EXERCISES

In the Quadrennial Defense Review, DoD announced its plans to decrease the number of man-days required for joint exercises in fiscal year 1998 to 15 percent below the level of fiscal year 1996. Given the high demands of ongoing operations, this reduction is a prudent step to avoid overstressing the military forces required to perform these operations. The Committee supports this measure

and recommends a reduction of \$50,000,000 to the budget request, consistent with the House-passed Defense Authorization bill.

SPECIAL OPERATIONS COMMAND

The Committee recommends an increase of \$43,100,000 above the budget request for the United States Special Operations Command. These additional funds will meet the unfunded requirements for counterproliferation, readiness and OPTEMPO. The Committee also recommends \$3,300,000 within this amount only to outfit Special Operations Forces aircrews with Goretex-Nomex flight suits.

WITHIN-GRADE INCREASES

In the budget request, the Defense Contract Audit Agency requested an increase to cover “within-grade increases”. While individual employees are entitled to within-grade or “step” increases, for an agency those increases are usually offset by employees who are promoted and go back to step one, or retire at a high step and are replaced by new employees at step one. Thus the average “step” within an agency, like the average grade, should not be gradually increasing over time. The DCAA request is therefore unique among all DoD activities. The Committee denies this increase and reduces the DCAA budget request by \$2,500,000 accordingly.

DEFENSE FINANCE AND ACCOUNTING SERVICE

The Defense Finance and Accounting Service (DFAS) is financed through the Defense Working Capital Fund (DWCF). The fund is designed to capture all the relevant costs to run DFAS and to reflect those costs in the prices that DFAS charges its customers. The Committee is concerned that the budget request proposes to shift out of the DWCF costs that are part of DFAS operating costs.

DFAS developed, designed and fielded its Property Accountability System using resources from the DWCF. The Committee believes that any upgrade to this system should also be paid for out of the DWCF and reduces the request accordingly by \$16,500,000.

The Executive and Professional Training program primarily pays for the training of employees who are paid from the DWCF. While the Committee supports having a highly trained workforce, it believes that training is an inherent part of any organization’s operating costs and thus should be paid for from within the DWCF. The Committee therefore reduces the request by \$30,154,000.

Finally, the budget requests \$45,000,000 as the first increment of a \$117,000,000 renovation project. The Committee notes that DoD and the General Services Administration have not yet reached the agreement that is necessary to begin this project. In addition, the budget proposes to pay for the renovation using appropriated funds even though the payback on this renovation will be directly to the DWCF. The Committee also notes the concern expressed in the House-passed Defense Authorization bill, which denied authorization for this request and noted that a renovation of this size is likely to be outside the scope of a standard maintenance and repair project and may need to be funded as a military construction project. As a result, the budget request is reduced by \$45,000,000.

DEFENSE HUMAN RESOURCES FIELD ACTIVITY

To improve operating efficiency and reduce costs, DoD combined the former Defense Civilian Personnel Management Service with the Defense Manpower Data Center to form the Defense Human Resources Field Activity (DHRFA). The budget request for the new DHRFA is \$138,935,000, the sum of the two activities' individual budgets. The Committee believes that the budget for the new organization should reflect at least some of the savings expected to result from the reorganization and thus recommends a reduction of \$2,000,000.

WHITE HOUSE COMMUNICATIONS AGENCY

The budget requested \$63,945,000 for the White House Communications Agency (WHCA), which is managed by the Defense Information Systems Agency (DISA). The Committee agrees to the realignment of \$7,200,000 from Operation and Maintenance, Defense-Wide to Procurement, Defense-Wide as requested by the Director, DISA. After accounting for inflation, the shift of funds to procurement, and other program realignments, the requested funding for this activity still shows net growth of \$4,910,000, only a portion of which WHCA has been able to adequately justify. The Committee therefore recommends a reduction of \$8,200,000 in Operation and Maintenance, Defense-Wide and an increase of \$7,200,000 in Procurement, Defense-Wide.

AUTOMATED DOCUMENT CONVERSION

Information on this project can be found in the Information Resources Management section of this report.

IMPROVED CARGO METHODS AND TECHNOLOGIES

The Committee believes cost saving opportunities exist to integrate the latest private sector logistics research, transport technology, and security developments into the practices and procedures for moving military cargo around the United States and around the world. The bill includes \$3,000,000 only to continue work initiated in fiscal year 1997 in conjunction with a not-for-profit foundation operating exclusively as a trucking research institute to: (1) continue the examination of private sector practices as they may relate to the transport of containerized ammunition, to include the development of multi-modal standards, and ammunition configuration requirements; (2) evaluate U.S. commercial third-party logistics providers to determine the most efficient public-private partnership structures to meet readiness requirements and to identify ways to streamline the third-party selection process by the Department; and (3) study the current cargo security environment in the context of national defense and assess the feasibility of implementing an efficient information partnership between motor carriers, the Department, and the law enforcement community to include development of a nation-wide cargo theft reporting system modeled after the real time database, Cargo Tips.

DLA—DWCF TRANSFER

Within the Defense Logistics Agency, the budget requests \$42,900,000 to cover the cost of transferring certain programs from the Defense Working Capital Fund (DWCF) to Operation and Maintenance, Defense-Wide. A review of these programs indicates, however, that only those items related to hazardous waste handling are appropriate to transfer out of the DWCF. The Committee therefore recommends a reduction of \$36,000,000.

SECURITY LOCKS

The Committee recommends an addition to the budget request of \$25,000,000 only for the Security Lock Retrofit program. The Committee understands that these funds are sufficient for DoD to meet all validated requirements for this upgrade.

FEDERAL ENERGY MANAGEMENT PROGRAM

The Committee is concerned that the Federal Energy Management Program (FEMP) within the Department of Defense has been seriously eroded. Estimates show that only a fraction of the funds provided for this function were actually used to reduce energy use and costs.

The Department of Defense is central to the government's efforts to reduce energy costs. Over 70 percent of the energy consumed by the Federal Government is used to heat, light, cool and operate Department of Defense facilities at a cost of nearly \$3 billion a year. Energy efficiency improvements can save DoD almost \$2 billion per year in utility bills and energy system maintenance operations. The Committee believes that the focus on energy efficiency should not be limited to FEMP projects, but should be a consideration in every maintenance and repair project.

The Committee therefore provides \$15,000,000 to the central FEMP account to assist DoD in reducing its energy costs.

MILITARY PERSONNEL INFORMATION SYSTEM

Information on this project can be found in the Information Resources Management section of this report.

ENVIRONMENTAL RESTORATION

The United States government has recently completed an exchange of letters with the Canadian government regarding the return of several U.S. military facilities in Canada. Consistent with this agreement, the budget requests \$10,200,000 in Operation and Maintenance, Defense-Wide for the first in a series of payments to cover the cost of environmental restoration at those sites. Since this expense deals with environmental restoration at what were mostly Air Force sites, the Committee believes that it is more appropriate to pay for it out of the Environmental Restoration, Air Force account. The Committee therefore recommends a reduction of \$10,200,000 to Operation and Maintenance, Defense-Wide and has adjusted the general provision proposed in the budget request accordingly.

OSD COMMISSIONS AND STUDIES

The Committee is very disappointed to learn that special studies and commissions initiated by the Office of the Secretary of Defense are not subject to the same level of fiscal review as normal funding requests. Although this problem pre-dates the current DoD leadership, the Committee is concerned that this problem will continue absent senior management attention. The Committee therefore directs the Department to report no later than November 30, 1997 on the steps it is taking to correct this deficiency.

TRAVEL REENGINEERING

The Travel Project Management Office (TPMO) was created in fiscal year 1997 to reengineer the DoD's temporary duty (TDY) travel process. Under the proposed reengineering concept all temporary duty travel functions are to be processed through a highly integrated management information system. While the Committee supports the reengineering effort, it is concerned that this project is moving ahead without taking the necessary steps, such as a formal cost effectiveness study. The Committee therefore recommends a reduction of \$14,300,000 to the budget request to continue this effort, but at its fiscal year 1997 level.

HIGH RISK AUTOMATION SYSTEMS

Information on this project can be found in the Information Resources Management section of this report.

QUADRENNIAL DEFENSE REVIEW—DEFENSE AGENCY REDUCTIONS

In the Quadrennial Defense Review, the Department proposed reducing all defense agencies "by 6 percent, as a down payment until a detailed follow-up review is completed by November 30, 1997". The Committee supports this effort, currently being carried out by the Task Force on Defense Reform and includes a reduction to the budget request of \$72,000,000 or two percent in fiscal year 1998 as an initial increment. The Committee recommendation specifically excludes the National Foreign Intelligence Program, Special Operations Command and the Department of Defense Dependents Schools from its calculation and directs the Department not to apply any of the \$72,000,000 reduction to those activities. This does not prohibit the Task Force from including those organizations in its study.

QDR RESTRUCTURING RESERVE

The Committee recognizes that there is an up-front cost to any major restructuring effort and therefore recommends an increase of \$18,000,000 to the budget request to be used only for facilitating the downsizing of defense agencies and headquarters' activities pursuant to the findings of the Task Force on Defense Reform cited above. The Committee further directs that the Department provide 30 days prior notification to the Committee on any proposed use of these funds.

USE OF RE-REFINED OIL

The Committee notes that the statistics compiled by the Federal Environmental Executive, established by Executive Order 12873, shows that during fiscal years 1994 and 1995, the Department of Defense's re-refined oil purchases were only 1.5 percent of its total oil purchases for those years. The Committee notes that using re-refined oil conserves valuable natural resources, protects the environment and reduces U.S. dependence on imported fuels. The Committee therefore encourages the Department of Defense to increase its use of re-refined fuels to the maximum extent practical.

NUTRITION

The Committee believes that proper diet and nutrition play an important role in providing for a high quality of life in the military. In order to enhance our military's diet, the Committee requests the Department report on the potential benefits of increasing the quantity of beef, lamb and chevon meats in meals provided servicemembers.

VINT HILL FARMS

The Committee is concerned about the costs associated with building demolition and asbestos removal at Vint Hill Farms in Fauquier County, Virginia, an Army facility closing as a result of the 1993 Base Realignment and Closure Commission. It is estimated that 49 percent of the existing structures at Vint Hill Farms do not meet current standards and require remediation estimated at \$30,000,000. The Committee urges in the strongest possible terms that the Department of Defense assist the community with said demolition and asbestos removal.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

ADJUSTMENTS

The Committee recommends a net increase of \$4,000,000 over the budget request for the Department of Defense Dependents Schools (DoDDS). The Committee agreed to several adjustments based on the Committee's Survey and Investigative (S&I) staff's survey of the fiscal year 1998 budget request. The Committee recommends a reduction of \$11,000,000 from the budget request for an error to the fiscal year 1997 baseline, which had the effect of increasing the fiscal year 1998 request by this amount. In addition, the Committee recommends a reduction of \$10,000,000 for unliquidated balances. The S&I staff reported that there has been a trend in the increase of unused obligations from fiscal year 1994 through fiscal year 1997, even though the DoDDS school program has been relatively stable over the years. Finally, the Committee recommends an increase of \$20,000,000 to be applied to the backlog of Real Property Maintenance.

FAMILY COUNSELING AND CRISIS SERVICES

In addition to the adjustments above, the Committee recommends an increase of \$5,000,000 to the budget request in the Department of Defense Dependents Schools (DoDDS) account only

for enhancements to Family Advocacy programs. The Committee directs the Department to use these additional funds for expansion of counseling and crisis services, treatment options and solutions for children of active duty members between the ages of 7–18 years who have emotional and behavioral problems. The Committee recommends that these services be provided by organizations accredited with commendation from the Joint Commission on Accreditation Health Care Organizations, and that have associated research centers and offer a full continuum of care.

SOCIAL WORK FELLOWSHIP PROGRAM

The Committee urges the Department to fund predoctoral or postdoctoral fellowships for social work researchers to examine the process, outcome, and cost-effectiveness of military family advocacy programs, with particular attention to issues of family violence and child maltreatment. The Department of the Air Force's current postdoctoral initiative with the Department of Agriculture and the Institute for the Advancement of Social Work Research is a model for this type of cooperative sponsorship program.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
16950 OPERATION AND MAINTENANCE, DEFENSE-WIDE			
17000 BUDGET ACTIVITY 1: OPERATING FORCES			
17050 JOINT CHIEFS OF STAFF	541,169	491,169	-50,000
17100 SPECIAL OPERATIONS COMMAND	1,085,927	1,129,027	+43,100
17150 TOTAL, BUDGET ACTIVITY 1	1,627,096	1,620,196	-6,900
17200 BUDGET ACTIVITY 2: MOBILIZATION			
17250 DEFENSE LOGISTICS AGENCY	27,260	27,260	---
17350 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
17400 DEFENSE ACQUISITION UNIVERSITY	99,964	96,064	-3,900
17450 AMERICAN FORCES INFORMATION SERVICE	11,586	11,586	---
17500 DEFENSE HUMAN RESOURCES FIELD ACTIVITY	14,200	14,200	---
17550 DEFENSE SPECIAL WEAPONS AGENCY	475	475	---
17600 SPECIAL OPERATIONS COMMAND	37,930	37,930	---
17650 TOTAL, BUDGET ACTIVITY 3	164,155	160,255	-3,900
17700 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
17750 AMERICAN FORCES INFORMATION SERVICE	94,956	94,956	---
17800 CLASSIFIED AND INTELLIGENCE	3,490,397	3,392,136	-98,261
17900 DEFENSE CONTRACT AUDIT AGENCY	329,264	326,764	-2,500
17950 DEFENSE FINANCE AND ACCOUNTING SERVICE	91,654	---	-91,654
18000 DEFENSE HUMAN RESOURCES FIELD ACTIVITY	124,735	122,735	-2,000
18050 DEFENSE INFORMATION SYSTEMS AGENCY	725,858	717,658	-8,200
18100 DEFENSE INVESTIGATIVE SERVICE	186,861	186,861	---
18150 DEFENSE LEGAL SERVICES AGENCY	8,839	8,839	---
18200 DEFENSE LOGISTICS AGENCY	1,086,443	1,138,043	+51,600
18300 DEFENSE POW/MIA OFFICE	14,195	14,195	---
18350 DEFENSE SPECIAL WEAPONS AGENCY	87,837	87,837	---
18400 DEFENSE SUPPORT ACTIVITIES	69,270	69,270	---
18450 DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	10,545	10,545	---
18500 DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,321,196	1,325,196	+4,000
18550 FEDERAL ENERGY MANAGEMENT PROGRAM	---	15,000	+15,000
18600 JOINT CHIEFS OF STAFF	128,561	126,561	-2,000
18650 OFFICE OF ECONOMIC ADJUSTMENT	40,217	49,217	+9,000
18700 OFFICE OF THE SECRETARY OF DEFENSE	406,894	341,127	-65,767
18800 ON SITE INSPECTION AGENCY	109,226	98,026	-11,200
18850 SPECIAL OPERATIONS COMMAND	45,532	45,532	---
18900 WASHINGTON HEADQUARTERS SERVICE	213,147	198,847	-14,300
18950 TOTAL, BUDGET ACTIVITY 4	8,585,427	8,369,145	-216,282
18970 CIVILIAN PERSONNEL UNDERSTRENGTH	---	-33,900	-33,900
18975 FOREIGN CURRENCY FLUCTUATION/BUDGET AMEND	-13,000	-13,000	---
18980 IMPACT AID	---	35,000	+35,000
19010 INFORMATION RESOURCE MANAGEMENT	---	-15,000	-15,000
19030 PENTAGON RENOVATION SWING SPACE	---	-9,500	-9,500
19045 DEFENSE AUTOMATED PRINTING SERVICE	---	-15,000	-15,000
19065 CENTER FOR THE STUDY OF THE CHINESE MILITARY	---	5,000	+5,000
19085 CONTINGENCY OPERATIONS TRANSFER - SWA	---	-9,500	-9,500
19090 QDR - 6% REDUCTION	---	-72,000	-72,000
19095 QDR - RESTRUCTURING RESERVE	---	18,000	+18,000
19350 TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,390,938	10,066,956	-323,982

The adjustments to the budget activities for Operation and Maintenance, Defense-Wide are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
17050 JCS Exercises	- 50,000
17100 SOCOM	43,100
Budget Activity 3: Training and Recruiting:	
17400 DAU—Continuing Acquisition Education	- 3,900
Budget Activity 4: Administration and Servicewide Activities:	
17800 Classified and Intelligence	- 98,261
17900 DCAA—Within Grade Increases	- 2,500
17950 DFAS—Property Accountability System	- 16,500
17950 DFAS—Executive and Professional Training	- 30,154
17950 DFAS—Facility Renovation	- 45,000
18000 DHRFA—Operations	- 2,000
18050 DISA—White House Communications Agency	- 8,200
18200 DLA—Automated Document Conversion	30,000
18200 DLA—Security Locks	25,000
18200 DLA—Procurement Technical Assistance Program	17,000
18200 DLA—DPSC Demolition	15,000
18200 DLA—Cargo Methods and Technologies	3,000
18200 DLA—Blankets	- 2,400
18200 DLA—DWCF transfer	- 36,000
18500 DoDDS—Real Property Maintenance	20,000
18500 DoDDS—Family Counseling and Crisis Services	5,000
18500 DoDDS—Unobligated Balances	- 10,000
18500 DoDDS—Baseline Adjustment	- 11,000
18550 Federal Energy Management Program	15,000
18600 JCS—Travel and Administrative Costs	- 2,000
18650 Monterey Institute Counter-Proliferation Analysis	9,000
18700 OSD—Military Personnel Information System	5,000
18700 OSD—First Responder Training	1,300
18700 OSD—C3I Mission and Analysis Fund	- 10,000
18700 OSD—Environmental Restoration	- 10,200
18700 OSD—Administrative Savings	- 20,000
18700 OSD—Civil/Military Programs	- 31,867
18800 OSIA—Treaty Requirements	- 11,200
18900 WHS—Travel Reengineering	- 14,300
Other Adjustments:	
18970 Civilian Personnel Understrength	- 33,900
18980 Impact Aid	35,000
19010 High Risk Automation Systems	- 15,000
19030 Pentagon Renovation Fund—Swing Space Costs	- 9,500
19045 Defense Automated Printing Service	- 15,000
19065 Center for the Study of the Chinese Military	5,000
19085 Contingency Operations Transfer—Southwest Asia	- 9,500
19090 QDR Defense Agency Reductions	- 72,000
19095 QDR Restructuring Reserve	18,000

OPERATION AND MAINTENANCE, ARMY RESERVE

Fiscal year 1997 appropriation	\$1,119,436,000
Fiscal year 1998 budget request	1,192,891,000
Committee recommendation	1,207,891,000
Change from budget request	+15,000,000

The Committee recommends an appropriation of \$1,207,891,000 for Operation and maintenance, Army Reserve. The recommendation is an increase of \$88,455,000 above the \$1,119,436,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

19500 OPERATION AND MAINTENANCE, ARMY RESERVE			
19550 BUDGET ACTIVITY 1: OPERATING FORCES			
19600 MISSION OPERATIONS			
19650 BASE SUPPORT	309,446	309,446	---
19700 MAINTENANCE OF REAL PROPERTY	85,255	90,255	+5,000
19750 DEPOT MAINTENANCE	41,366	41,366	---
19850 TRAINING OPERATIONS	620,827	630,827	+10,000
19900 TOTAL, BUDGET ACTIVITY 1	1,056,894	1,071,894	+15,000
19950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
20000 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
20050 INFORMATION MANAGEMENT			
20100 PUBLIC AFFAIRS	20,033	20,033	---
20150 PERSONNEL ADMINISTRATION	489	489	---
20200 STAFF MANAGEMENT	50,196	50,196	---
20250 RECRUITING AND ADVERTISING	27,405	27,405	---
20300 TOTAL, BUDGET ACTIVITY 4	37,874	37,874	---

20700 TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,192,891	1,207,891	+15,000

The adjustments to the budget activities for Operation and maintenance, Army Reserve are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
19700 Maintenance of Real Property	+5,000
19850 Training Operations, Ground OPTEMPO	+10,000

COMMERCIAL CONSTRUCTION AND MATERIAL HANDLING EQUIPMENT

The Committee understands that a large amount of the Commercial Construction and Material Handling Equipment inventory, such as motor graders and scrapers, for the Army Reserve is approaching the fifteen year service life threshold. The Committee is aware of the significant cost savings and readiness improvements that can be gained with the Extended Service Program of older items of equipment in the inventory, and urges the Army Reserve to continue the rebuild program.

RESERVE UNITS IN CENTRAL FLORIDA

The Committee understands that once the Orlando Naval Training Center is closed that several Army, Navy and Marine Corps Reserve units residing on this base will have to be moved to other locations in Central Florida. The Committee directs the Department to report to the Committee, by March 1, 1998, detailing the individual Reserve units involved, and the possibility of constructing a joint complex. In addition, the report should provide details on the resulting cost savings to be achieved by co-locating units.

OPERATION AND MAINTENANCE, NAVY RESERVE

Fiscal year 1997 appropriation	\$886,027,000
Fiscal year 1998 budget request	834,711,000
Committee recommendation	924,711,000
Change from budget request	+90,000,000

The Committee recommends an appropriation of \$924,711,000 for Operation and maintenance, Navy Reserve. The recommendation is an increase of \$38,684,000 above the \$886,027,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
20850 OPERATION AND MAINTENANCE, NAVY RESERVE			
20900 BUDGET ACTIVITY 1: OPERATING FORCES			
20950 RESERVE AIR OPERATIONS			
21000 MISSION AND OTHER FLIGHT OPERATIONS.....	302,531	302,531	---
21050 FLEET AIR TRAINING.....	200	200	---
21100 INTERMEDIATE MAINTENANCE.....	17,528	17,528	---
21150 AIR OPERATION AND SAFETY SUPPORT.....	3,074	3,074	---
21200 AIRCRAFT DEPOT MAINTENANCE.....	58,053	68,053	+10,000
21250 AIRCRAFT DEPOT OPS SUPPORT.....	315	315	---
21300 BASE SUPPORT.....	99,563	99,563	---
21350 MAINTENANCE OF REAL PROPERTY.....	24,512	24,512	---
21400 RESERVE SHIP OPERATIONS			
21450 MISSION AND OTHER SHIP OPERATIONS.....	59,509	59,509	---
21500 SHIP OPERATIONAL SUPPORT AND TRAINING.....	638	638	---
21550 INTERMEDIATE MAINTENANCE.....	10,326	10,326	---
21600 SHIP DEPOT MAINTENANCE.....	68,324	68,324	---
21650 SHIP DEPOT OPERATIONS SUPPORT.....	1,487	1,487	---
21700 RESERVE COMBAT OPERATIONS SUPPORT.....			
21800 COMBAT SUPPORT FORCES.....	25,632	25,632	---
21850 BASE SUPPORT.....	38,503	38,503	---
21900 MAINTENANCE OF REAL PROPERTY.....	9,220	9,220	---
21950 RESERVE WEAPONS SUPPORT.....			
22000 WEAPONS MAINTENANCE.....	4,136	4,136	---
22050 TOTAL, BUDGET ACTIVITY 1.....	723,551	733,551	+10,000
22100 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
22150 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
22200 ADMINISTRATION.....	6,209	6,209	---
22250 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT.....	2,012	2,012	---
22300 MILITARY MANPOWER AND PERSONNEL MANAGEMENT.....	32,102	32,102	---
22400 SERVICEWIDE COMMUNICATIONS.....	33,155	33,155	---
22450 BASE SUPPORT.....	26,692	26,692	---
22500 MAINTENANCE OF REAL PROPERTY.....	5,051	5,051	---
22550 COMBAT/WEAPONS SYSTEMS.....	2,723	2,723	---
22600 GENERAL DEFENSE INTELLIGENCE PROGRAM.....	511	511	---
22605 LOGISTICS OPERATIONS AND TECHNICAL SUPPORT			
22610 AIR SYSTEMS SUPPORT.....	2,705	2,705	---
22750 TOTAL, BUDGET ACTIVITY 4.....	111,160	111,160	---
22760 NSIPS.....	---	43,500	+43,500
22765 CONTINGENCY OPERATIONS TRANSFER - SWA.....	---	-500	-500
22770 MAINTENANCE OF REAL PROPERTY.....	---	37,000	+37,000
23150 TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE.....	834,711	924,711	+90,000

The adjustments to the budget activities for Operation and maintenance, Navy Reserve are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
21200	Aircraft Depot Maintenance	+10,000
Other Adjustments:		
22760	NSIPS	+43,500
22765	Contingency Operations Transfer—SWA	-500
22770	Maintenance of Real Property	+37,000

NSIPS

Information on this project can be found in the Information Resources Management section of this report.

NAVY RESERVE CENTER IN MANSFIELD, OHIO

The Committee understands that the Navy Reserve has included funds in the fiscal year 1998 budget request for remediation activities at the former Naval Reserve Center in Mansfield, Ohio. The Committee directs the Navy to proceed with the site-cleanup of these vacant buildings during fiscal year 1998.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Fiscal year 1997 appropriation	\$109,667,000
Fiscal year 1998 budget request	110,366,000
Committee recommendation	119,266,000
Change from budget request	+8,900,000

The Committee recommends an appropriation of \$119,266,000 for Operation and maintenance, Marine Corps Reserve. The recommendation is an increase of \$9,599,000 above the \$109,667,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

23300 OPERATION AND MAINTENANCE, MARINE CORPS RESERVE			
23350 BUDGET ACTIVITY 1: OPERATING FORCES			
23400 MISSION FORCES			
23450 TRAINING.....	14,559	18,459	+3,900
23500 OPERATING FORCES.....	30,174	35,174	+5,000
23550 BASE SUPPORT.....	16,309	16,309	---
23600 MAINTENANCE OF REAL PROPERTY.....	6,898	6,898	---
23660 DEPOT MAINTENANCE.....	2,555	2,555	---
23700 TOTAL, BUDGET ACTIVITY 1.....	70,495	79,395	+8,900

23750 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
23800 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
23850 RECRUITING AND ADVERTISING.....	7,726	7,726	---
23900 SPECIAL SUPPORT.....	11,199	11,199	---
23950 SERVICEWIDE TRANSPORTATION.....	5,161	5,161	---
24000 ADMINISTRATION.....	7,039	7,039	---
24050 BASE SUPPORT.....	8,746	8,746	---
24200 TOTAL, BUDGET ACTIVITY 4.....	39,871	39,871	---

24600 TOTAL, O&M, MARINE CORPS RESERVE.....	110,366	119,266	+8,900

The adjustments to the budget activities for Operation and maintenance, Marine Corps Reserve are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
23450	Training, MIAI tank	+3,900
23500	Operating Forces, Initial Issue	+5,000

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Fiscal year 1997 appropriation	\$1,496,553,000
Fiscal year 1998 budget request	1,624,420,000
Committee recommendation	1,635,250,000
Change from budget request	+10,830,000

The Committee recommends an appropriation of \$1,635,250,000 for Operation and maintenance, Air Force Reserve. The recommendation is an increase of \$138,697,000 above the \$1,496,553,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

24750 OPERATION AND MAINTENANCE, AIR FORCE RESERVE			
24800 BUDGET ACTIVITY 1: OPERATING FORCES			
24850 AIR OPERATIONS			
24900 AIRCRAFT OPERATIONS.....	1,227,609	1,227,609	---
24950 MISSION SUPPORT OPERATIONS.....	39,482	39,482	---
25000 BASE SUPPORT.....	216,573	216,573	---
25050 MAINTENANCE OF REAL PROPERTY.....	60,314	70,314	+10,000
25150 TOTAL, BUDGET ACTIVITY 1.....	1,543,978	1,553,978	+10,000

25200 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
25250 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
25300 ADMINISTRATION.....	46,363	46,363	---
25350 MILITARY MANPOWER AND PERSONNEL MANAGEMENT.....	19,262	19,262	---
25400 RECRUITING AND ADVERTISING.....	7,966	7,966	---
25450 OTHER PERSONNEL SUPPORT.....	6,310	6,310	---
25500 AUDIOVISUAL.....	541	541	---
25510 WC-130 WEATHER RECONN.....	---	830	+830
25550 TOTAL, BUDGET ACTIVITY 4.....	80,442	81,272	+830

25950 TOTAL, O&M, AIR FORCE RESERVE.....	1,624,420	1,635,250	+10,830

The adjustments to the budget activities for Operation and maintenance, Air Force Reserve are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
25050 Maintenance of Real Property	+10,000
Budget Activity 4: Administration and Servicewide Activities:	
25510 WC-130 Weather Reconnaissance	+830

WC-130 WEATHER RECONNAISSANCE MISSION

The Committee continues to strongly believe that the weather reconnaissance mission is critical to the protection of Defense installations and the entire population living along the east and Gulf coasts of the United States. Section 8026 has been included which prohibits funds to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron (Hurricane Hunters) of the Air Force Reserve if such action would reduce the Weather Reconnaissance mission below the levels funded in this Act. The level specifically funded in this Act is to support a stand alone squadron with dedicated 10 PAA aircraft, 20 line assigned aircrews, evenly divided between Air Reserve Technician (ART) and Reserve aircrews. The Committee directs the Air Force to provide a minimum of 3,000 flying hours to perform tropical cyclone and winter storm reconnaissance missions, aircrew training, counterdrug support, and airland missions in support of contingency operations during the non-hurricane season or slow periods during the season. The Committee insists that this important mission and flying hours be provided and funded in accordance with this direction. The Committee has also provided an additional \$1,000,000 in the personnel and operation and maintenance accounts, and directs that these funds be used for additional manning for this squadron to meet maintenance shortfalls. The Committee directs the Air Force to submit future budget requests reflecting this year's direction.

The Committee is aware that advancements in two pilot cockpit technology do not provide an adequate margin of safety in the unique and dangerous hurricane reconnaissance missions that range from tropical storms to category 5 hurricanes which have winds in excess of 200 miles per hour. The Committee is pleased that the Air Force agrees with user recommendations to include a fully equipped augmented crew station to be manned by a navigator in all WC-130J aircraft and directs that the final operational requirements document reflect this decision.

MARCH AIR RESERVE BASE

The Committee understands that an agreement was recently signed between the Department of the Air Force and the March Joint Powers Authority to form a joint use airport. In addition, the community is discussing with the Air Force the possibility of making improvements to the existing navigational aids and construction of a commercial jet fuel project at this airport. The Committee directs the Air Force to report to the Committee by December 15, 1997, on the need and military necessity for the improved navigational aids and construction of a commercial jet fuel capability to March Air Reserve Base, the funding required, and whether these

improvements are warranted in order to accommodate commercial aircraft at this airport.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Fiscal year 1997 appropriation	\$2,254,477,000
Fiscal year 1998 budget request	2,258,932,000
Committee recommendation	2,313,632,000
Change from budget request	+54,700,000

The Committee recommends an appropriation of \$2,313,632,000 for Operation and maintenance, Army National Guard. The recommendation is an increase of \$59,155,000 above the \$2,254,477,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

26100 OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD			
26150 BUDGET ACTIVITY 1: OPERATING FORCES			
26200 MISSION OPERATIONS			
26250 TRAINING OPERATIONS.....	1,704,250	1,728,950	+24,700
26350 MEDICAL SUPPORT.....	26,701	26,701	---
26400 DEPOT MAINTENANCE.....	53,824	58,824	+5,000
26450 BASE SUPPORT.....	250,700	250,700	---
26500 MAINTENANCE OF REAL PROPERTY.....	50,618	60,618	+10,000
26550 TOTAL, BUDGET ACTIVITY 1.....	2,086,093	2,125,793	+39,700

26600 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
26650 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
26700 INFORMATION MANAGEMENT.....	32,376	32,376	---
26800 PERSONNEL ADMINISTRATION.....	62,082	62,082	---
26850 STAFF MANAGEMENT.....	45,190	45,190	---
26900 RECRUITING AND ADVERTISING.....	33,191	33,191	---
26910 CHEM/BIO MISSION STUDIES.....	---	10,000	+10,000
26915 SOFTWARE ACQUISITION AND SECURITY TRAINING.....	---	5,000	+5,000
26950 TOTAL, BUDGET ACTIVITY 4.....	172,839	187,839	+15,000

27350 TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD...	2,258,932	2,313,632	+54,700

The adjustments to the budget activities for Operation and maintenance, Army National Guard are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:		
26250	Training Operations, Ground OPTEMPO	+20,000
26250	Training Operations, Angel Gate Academy	+4,200
26250	Training Operations, Laser Leveling	+500
26400	Depot Maintenance	+5,000
26500	Maintenance of Real Property	+10,000
Budget Activity 4: Administration and Servicewide Activities:		
26910	Chemical/Biological Mission Studies	+10,000
26915	Software Acquisition and Security Training	+5,000

DOMESTIC CHEMICAL/BIOLOGICAL COUNTER TERRORISM MISSION
PLANNING

The Committee strongly supports the recommendations of the Secretary of Defense in the May 1997 Quadrennial Defense Review to assign the National Guard with the new role of countering chemical and biological terrorism in the United States. The Committee believes this mission is a natural complement to other current National Guard missions such as disaster assistance and counter-drugs which have given the Guard the ability to develop effective working relationships with state and local officials in the law enforcement, firefighting, and emergency medical communities. The National Guard is the ideal organization to transfer specialized military knowledge and expertise to the local domestic level according to long standing norms and practices in this country.

The Committee expects this mission to be comprehensively and aggressively pursued. This will require a detailed planning effort to develop a comprehensive program that is fully coordinated and integrated with other relevant organizations within the Department of Defense, with other federal agencies, and with state and local authorities. In this respect, the Committee believes it is important that each state be given the opportunity and resources to develop detailed components of this plan relating to their own special circumstances under the overall guidance the National Guard Bureau.

The Committee recommends \$10,000,000 for detailed planning and concept studies that will assist the National Guard to:

- (1) define and clarify the National Guard mission compared to the roles of other federal/state and local authorities with similar responsibilities;
- (2) develop a capability to understand the threat;
- (3) train Guard personnel and state/local first responders;
- (4) evaluate and acquire new chemical/biological defense technology; and
- (5) develop appropriate response plans.

Mission Definition. Currently, many federal, state, and local agencies have fragmented and sometimes overlapping responsibilities for different aspects of domestic emergency preparedness. Federal agencies with significant responsibilities range from FEMA, to HHS, to DOE, to the FBI. There are, of course, literally thousands of state and local law enforcement agencies, emergency medical departments, and fire departments with different levels of expertise and responsibility that play the primary role in responding to

emergencies. A first critical stage for the National Guard will be to sort out its roles and responsibilities compared to all other relevant organizations in accordance with applicable law.

Threat Assessment. Funds should be used to develop detailed plans to determine what information is routinely required to understand the threat posed by different terrorist groups that may operate in the U.S., the capabilities of different chemical and biological weapons they may come to possess, what vulnerability assessments on key local facilities such as subways should be conducted, and other key data. This effort should also catalog and identify who can provide key information on a routine and ongoing basis, how such information is to be collected and disseminated, and what new capabilities are required.

Training. Funds should be used to devise a comprehensive, long term training regimen for appropriate Guard personnel, law enforcement personnel, firefighters, emergency medical personnel and other federal, state and local officials on all aspect of chemical/biological defense, including field training exercises. Rather than creating an entirely new training establishment for this mission, the Committee believes the existing National Guard training structure for the counter-drug mission in conjunction with enhanced use of the distance learning network would be cost effective and should be used to the maximum extent possible. This effort must also be fully coordinated with the plans and programs of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, the DoD Office of Emergency Preparedness, the Army Chemical and Biological Defense Command, and the Marine Corps' Chemical Biological Incident Response Force.

Technology. Funds should be used to structure a continuing National Guard program for testing and evaluating chemical/biological defense equipment that is available to the National Guard and to state and local authorities as well as to determine specific requirements for new technology.

Response Plans. Funds should be used to assess the quality of existing chemical/biological incident response plans around the country, and devise a plan for identifying shortfalls and taking corrective action. This effort should include significant input from individual state authorities.

The Committee expects this comprehensive effort to leverage existing federal assets, programs, and contract activities to the maximum extent feasible. The Committee believes there is a rich source of existing intelligence, research capability, facilities, and technology at the federal level that can be focused to meet this new mission requirement.

The Army National Guard shall submit a report to the congressional defense committees no later than February 1, 1998 explaining in detail how these funds will be used, and setting detailed milestones for future planning and implementation of this mission.

SOFTWARE ACQUISITION AND SECURITY TRAINING

The Committee recommends an increase of \$5,000,000 above the budget request only to use the Distance Learning Network to deliver standardized courseware to train and certify National Guard

and Department of Defense personnel in the areas of software acquisition management and information security.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Fiscal year 1997 appropriation	\$2,716,379,000
Fiscal year 1998 budget request	2,991,219,000
Committee recommendation	2,995,719,000
Change from budget request	+4,500,000

The Committee recommends an appropriation of \$2,995,719,000 for Operation and maintenance, Air National Guard. The recommendation is an increase of \$279,340,000 above the \$2,716,379,000 appropriated for fiscal year 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

27500 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD			
27550 BUDGET ACTIVITY 1: OPERATING FORCES			
27600 AIR OPERATIONS			
27650 AIRCRAFT OPERATIONS.....	2,243,510	2,245,010	+1,500
27700 MISSION SUPPORT OPERATIONS.....	334,314	334,314	---
27750 BASE SUPPORT.....	296,196	296,196	---
27800 MAINTENANCE OF REAL PROPERTY.....	77,879	77,879	---
27850 DEPOT MAINTENANCE.....	30,048	33,048	+3,000
27900 TOTAL, BUDGET ACTIVITY 1.....	2,981,947	2,986,447	+4,500

27950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
28000 SERVICEWIDE ACTIVITIES			
28050 ADMINISTRATION.....	3,073	3,073	---
28100 RECRUITING AND ADVERTISING.....	6,199	6,199	---
28150 TOTAL, BUDGET ACTIVITY 4.....	9,272	9,272	---

28550 TOTAL, O&M, AIR NATIONAL GUARD.....	2,991,219	2,995,719	+4,500

The adjustments to the budget activities for Operation and maintenance, Air National Guard are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
27650 Aircraft Operations, 159th Fighter Group	+1,500
27850 Depot Maintenance	+3,000

159TH AIR NATIONAL GUARD FIGHTER GROUP

The Committee recommends an increase of \$1,500,000 over the budget request in Operation and Maintenance, Air National Guard, and directs that these funds be used for the operation of C-130H operational support aircraft of the 159th ANG Fighter Group.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

Fiscal year 1997 appropriation	\$1,140,157,000
Fiscal year 1998 budget request	1,467,500,000
Committee recommendation	1,855,400,000
Change from budget request	+387,900,000

The Committee recommends an appropriation of \$1,855,400,000 for the Overseas Contingency Operations Transfer Fund. The recommendation is an increase of \$715,243,000 from the amount appropriated in fiscal year 1997.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

Fiscal year 1997 appropriation	\$6,797,000
Fiscal year 1998 budget request	6,952,000
Committee recommendation	6,952,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$6,952,000 for the United States Court of Appeals for the Armed Forces. The recommendation is an increase of \$155,000 from the amount appropriated in fiscal year 1997.

ENVIRONMENTAL RESTORATION, ARMY

Fiscal year 1997 appropriation	\$339,109,000
Fiscal year 1998 budget request	377,337,000
Committee recommendation	377,337,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$377,337,000 for Environmental Restoration, Army. The recommendation is an increase of \$38,228,000 from the amount appropriated in fiscal year 1997.

ROCKY MOUNTAIN ARSENAL

The Committee believes that priority should continue to be given to the implementation of the ten-year cleanup plan for the Rocky Mountain Arsenal property that has been agreed to by the Army, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, the State of Colorado and the Shell Oil Company.

ENVIRONMENTAL RESTORATION, NAVY

Fiscal year 1997 appropriation	\$287,788,000
Fiscal year 1998 budget request	277,500,000
Committee recommendation	277,500,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$277,500,000 for Environmental Restoration, Navy. The recommendation is a decrease of \$10,288,000 from the amount appropriated in fiscal year 1997.

NAVAL AIR STATION BERMUDA

In 1995, the U.S. Navy closed its air station on the island of Bermuda. A study commissioned by the Government of Bermuda conducted a comprehensive environmental assessment that found evidence of underground storage tanks that were leaking oil, a cave filled with abandoned industrial waste, lead and solvents in excessive of permissible levels and asbestos. The Committee notes that DoD policy directs DoD Components to take "prompt action to remedy known imminent and substantial danger to human health and safety" that is due to environmental contamination caused by DoD operations, even when dealing with DoD installations that have already been returned to a host nation. The Committee therefore directs the Secretary of the Navy to review the environmental study provided by the Government of Bermuda to determine any potential responsibilities and obligations and to provide to the Committee a report on this review not later than October 31, 1997.

ENVIRONMENTAL RESTORATION, AIR FORCE

Fiscal year 1997 appropriation	\$394,010,000
Fiscal year 1998 budget request	378,900,000
Committee recommendation	378,900,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$378,900,000 for Environmental Restoration, Air Force. The recommendation is a decrease of \$15,110,000 from the amount appropriated in fiscal year 1997.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

Fiscal year 1997 appropriation	\$36,722,000
Fiscal year 1998 budget request	27,900,000
Committee recommendation	27,900,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$27,900,000 for Environmental Restoration, Defense-wide. The recommendation is a decrease of \$8,822,000 from the amount appropriated in fiscal year 1997.

ENVIRONMENTAL RESTORATION, FORMERLY USED
DEFENSE SITES

Fiscal year 1997 appropriation	\$256,387,000
Fiscal year 1998 budget request	202,300,000
Committee recommendation	202,300,000
Change from budget request .....	.....

The Committee recommends an appropriation of \$202,300,000 for Environmental Restoration, Formerly Used Defense Sites. The recommendation is a decrease of \$54,087,000 from the amount appropriated in fiscal year 1997.

NEWMARK

The Committee understands that both the Environmental Protection Agency and the City of San Bernardino believe that the Newmark and Muscoy plume contamination in San Bernardino, California is a direct result of industrial waste from a World War II depot and maintenance facility (Camp Ono). Report language in the conference report accompanying the fiscal year 1997 DoD Appropriations Bill highlighted the urgency of this problem and requested prompt action by the Department of Defense. Because the Department has not adequately responded to last year's report language concerning this important issue, the Committee directs the DoD, within 90 days of enactment of this Act, to provide a report to the Committee which fully explains the Department's current and future plans relating to its role in the cleanup of the Newmark/Muscoy site.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

Fiscal year 1997 appropriation	\$49,000,000
Fiscal year 1998 budget request	80,130,000
Committee recommendation	55,557,000
Change from budget request	-24,573,000

The Committee recommends an appropriation of \$55,557,000 for Overseas Humanitarian, Disaster, and Civic Aid. The recommendation is an increase of \$6,557,000 from the amount appropriated in fiscal year 1997.

HUMANITARIAN DEMINING

The budget requests \$80,130,000 for Overseas Humanitarian, Disaster, and Civic Aid. This is an increase of \$31,130,000 over the fiscal year 1997 levels. While the Committee believes an across the board increase of this scope is unwarranted, it does support the Department's increased efforts in Humanitarian Demining. The Committee therefore recommends a reduction of only \$24,573,000.

FORMER SOVIET UNION THREAT REDUCTION

Fiscal year 1997 appropriation	\$327,900,000
Fiscal year 1998 budget request	382,200,000
Committee recommendation	284,700,000
Change from budget request	-97,500,000

The Department requested \$382,200,000 for Cooperative Threat Reduction (CTR) programs. The Committee recommends \$284,700,000, a reduction of \$97,500,000, consistent with the House-passed Defense Authorization bill. The Committee recommends the following reductions:

Weapons Storage Security	-\$12,500,000
Reactor Core Conversion	-41,000,000
Chemical Weapons Destruction	-41,000,000
Defense and Military Contacts (Belarus)	-1,000,000
Other Assessments	-2,000,000

These reductions are due to: availability of prior year funds (Weapons Storage, -\$12,500,000); lack of an implementing agreement (Reactor Core Conversion, -\$41,000,000); lack of proper costing data, justification or site (Chemical Weapons Destruction, -\$41,000,000); and, lack of certification (Defense and Military Contacts, -\$1,000,000) and reduced administrative requirements (Other, -\$2,000,000).

In addition, the Committee also notes that current unobligated balances for CTR are in excess of \$600,000,000. This slow execution rate has been a pattern throughout the history of this program. The Committee believes that the Department should pay closer attention to the management of these funds and therefore recommends that fiscal year 1998 CTR funds be available for obligation only for 3 years.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

Fiscal year 1997 appropriation	\$600,000,000
Fiscal year 1998 budget request	0
Committee recommendation	0
Change from budget request	0

Budget request did not include, and the Committee recommends no funding for, Quality of Life Enhancements, Defense. The recommendation is a decrease of \$600,000,000 below the amount appropriated in fiscal year 1997.

As described elsewhere in this report, the Committee continues its vigorous support for improvements to the quality of life for Service personnel. The Committee has recommended an increase of \$360,000,000 above the budget request (out of a total real property maintenance increase of \$924,840,000 above the budget request) for improvements to barracks, dormitories and related facilities. The Committee designates this increased funding as a special interest item, subject to prior approval reprogramming procedures discussed elsewhere in this report.

TITLE III
PROCUREMENT

ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1998 Department of Defense procurement budget requests totals \$41,585,178,000. The accompanying bill recommends \$45,515,962,000. The total amount recommended is an increase of \$3,930,784,000 above the fiscal year 1998 budget estimate and is \$1,700,478,000 above the total provided in fiscal year 1997. The Committee recommendation includes \$850,000,000 for National Guard and Reserve Equipment. The table below summarizes the budget estimates and the Committee's recommendations:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
SUMMARY						
ARMY:						
AIRCRAFT.....		1,029,459		1,541,217		+511,758
TRANSFER.....		(133,000)		---		(-133,000)
MISSILES.....		1,178,151		771,942		-406,209
WEAPONS, TRACKED COMBAT VEHICLES.....		1,065,707		1,332,907		+267,200
AMMUNITION.....		890,902		1,062,802		+171,900
OTHER.....		2,455,030		2,502,886		+47,856
TOTAL, ARMY.....		6,619,249		7,211,754		+592,505
NAVY:						
AIRCRAFT.....		5,951,965		6,753,466		+801,500
TRANSFER.....		(134,000)		---		(-134,000)
WEAPONS.....		1,136,293		1,175,393		+39,100
AMMUNITION.....		336,797		423,797		+87,000
SHIPS.....		7,438,158		7,628,158		+190,000
OTHER.....		2,825,500		3,084,485		+258,985
MARINE CORPS.....		374,306		491,198		+116,892
TOTAL, NAVY.....		18,063,019		19,556,496		+1,493,477
AIR FORCE:						
AIRCRAFT.....		5,684,847		6,386,479		+701,632
TRANSFER.....		(133,000)		---		(-133,000)
MISSILES.....		2,557,741		2,320,741		-237,000
AMMUNITION.....		403,984		414,884		+10,900
OTHER.....		6,561,253		6,588,939		+27,686
TOTAL, AIR FORCE.....		15,207,825		15,711,043		+503,218
DEFENSE-WIDE.....		1,695,085		2,186,669		+491,584
NATIONAL GUARD AND RESERVE EQUIPMENT.....		---		850,000		+850,000
TOTAL PROCUREMENT.....		41,585,178		45,515,962		+3,930,784
TRANSFER.....		(400,000)		---		(-400,000)

REDUCED USE OF SOLVENT ADHESIVES

With the enactment of the Pollution Prevention Act, Congress recognized that there are significant opportunities for industry to reduce or prevent pollution at the source through cost-effective changes in manufacturing production, operations, and raw material use. The Act states that source reduction is more desirable than waste management or pollution control. The Committee believes that there are many products procured by the military which can be manufactured with a substantial reduction of solvents used in the manufacturing process. In particular, many materials used in products must be joined together in the manufacturing process with multiple coats of solvent adhesives. The Committee urges the Defense Department to purchase products which are manufactured in a manner that minimizes the use of solvent adhesives during manufacturing because it reduces pollution at its source and is cost effective.

ALTERNATIVE FUELED VEHICLES

The DoD requested authorization to procure 811 passenger vehicles in fiscal year 1998. The Committee approves the DoD request for passenger vehicles.

Public Law 102-486 (Sec. 303) directs that of the total number of vehicles acquired in fiscal year 1998 by a federal fleet, at least 50 percent must be alternative fueled vehicles. The Committee directs the Secretary of Defense to procure, within available funds, alternative fueled vehicles to comply with P.L 102-486 (Sec. 303). The alternative fueled vehicles are to include, but not be limited to, natural gas and electric vehicles.

COMMANDER'S TACTICAL TERMINAL/JOINT TACTICAL TERMINAL

The Committee is aware that an ongoing contract protest is preventing the Services from procuring the Joint Tactical Terminal (JTT). The Committee understands how critical it is for commanders to have the capability to receive data and supports the Services in the procurement of the Commander's Tactical Terminal (CTT) to meet their immediate requirements. The Committee approves the budget request for CTT/JTT procurement with the understanding that the Services continue to use these funds and prior year funds to procure CTTs until the JTT contract is awarded.

CLASSIFIED PROGRAMS

Adjustments to classified procurement programs are addressed in a classified annex accompanying this report.

AIRCRAFT PROCUREMENT, ARMY

Fiscal year 1997 appropriation	\$1,348,434,000
Fiscal year 1998 budget request	1,029,459,000
Committee recommendation	1,541,217,000
Change from budget request	+511,758,000

This appropriation finances the acquisition of tactical and utility airplanes and helicopters, including associated electronics, electronic warfare, and communications equipment and armament, modification of in-service aircraft; ground support equipment, com-

ponents and parts such as spare engines, transmissions, gear boxes, and sensor equipment. It also funds related training devices such as combat flight simulators and production base support.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
Short range UAV	0	20,000	+20,000
C-12 Cargo Mods	613	6,613	+6,000
Aircraft Survivability Equipment	905	15,705	+14,800

FIXED WING

GUARDRAIL COMMON SENSOR

The Army requested \$3,388,000 for the Guardrail Common Sensor (GRCS). The Committee recommends \$13,046,000 an increase of \$9,658,000. Of this amount, \$3,000,000 is to upgrade the Communication High Accuracy Airborne Location System (CHAALS) capability to the GRCS system in Korea; and \$6,658,000 is to complete the fielding of the GRCS program embedded training requirement.

ROTARY WING

UH-60 BLACKHAWK

The Army requested \$183,231,000 for UH-60 Blackhawk helicopters. The Committee recommends \$309,231,000, an increase of \$126,000,000. Of the increase, \$64,000,000 is only to procure eight additional Blackhawk helicopters for the Army National Guard (ARNG), \$56,000,000 is only to procure four Blackhawk derivatives (CH-60) for the Naval Reserve, and \$6,000,000 is only for modification kits to configure three of the ARNG aircraft as enhanced medical evacuation models.

The Army's budget submission to the Secretary of Defense did not include funding for Blackhawk production. The Office of the Secretary of Defense added funding to the Army budget for Blackhawks to maintain the current multi-year contract until the Navy begins procuring a Blackhawk variant in fiscal year 2000. In testimony to the Committee, the Army stated that it has satisfied the active Army's warfighting requirement for Blackhawks and has no plans to procure additional aircraft in the near future. In contrast, the ARNG has a pressing need to update its utility helicopter fleet. Therefore, the Committee directs that the 18 helicopters requested in the fiscal year 1998 budget request be provided only to the National Guard. The Committee notes that the Army has planned for 18 aircraft in fiscal year 1999 and directs that adequate funding for the multi-year contract be submitted with the fiscal year 1999 budget request.

In fiscal year 1997, the Committee provided an additional 6 Blackhawk helicopters to the Army. The Committee directs that one of the 1997 aircraft is to replace the Blackhawk loaned to the Navy for the VERTERP Demonstration Program.

KIOWA WARRIOR

The Army requested \$38,822,000 for Kiowa Warrior helicopters. The Committee recommends \$213,822,000, an increase of \$175,000,000. Of the increase, \$151,700,000 is only for Kiowa Warrior production and \$23,300,000 is only for safety enhancements. The Committee notes that fiscal year 1998 is the second year that the Army has not funded Kiowa Warrior safety modifications and has identified the item as an unfunded requirement. Given the importance of the safety modification program, the Committee directs the Army to provide sufficient funds in the fiscal year 1999 budget request.

EH-60 QUICKFIX MODIFICATIONS

The Army requested \$38,140,000 for the EH-60 Quickfix mods. The Committee recommends \$44,640,000, an increase of \$6,500,000 to procure Ground Based Common Sensor/AQF institutional training devices.

ASE MODIFICATIONS

The Army requested \$4,578,000 for ASE modifications. The Committee recommends \$19,078,000, an increase of \$14,500,000. Of the additional funds, \$7,000,000 is only to procure and install AN/AVR-2A laser detecting sets and \$7,500,000 is only for the Advanced Threat Infrared Countermeasures/Common Missile Warning System for the Longbow Apache helicopter.

OTHER SUPPORT EQUIPMENT

TRAINING DEVICES

The Army requested no funds for training devices. The Committee recommends \$9,300,000 only for improved flight simulators which include geographic specific data-bases.

COMMON GROUND EQUIPMENT

The Army requested \$30,636,000 for common ground equipment. The Committee recommends \$27,636,000, a decrease of \$3,000,000 which was budgeted for the Air Traffic Navigation, Integration and Coordination System (ATNAVICS). Subsequent to the fiscal year 1998 budget submission, the Committee learned that the budget did not include funding to complete ATNAVICS testing. Therefore, the Committee has transferred funds not required for procurement to research and development.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
AIRCRAFT PROCUREMENT, ARMY						
AIRCRAFT						
FIXED WING						
ARL (TIARA)	--	41,048	--	41,048	--	---
GUARDRAIL COMMON SENSOR (TIARA)	--	3,398	--	13,046	--	+9,658
SHORT RANGE UAV	--	---	--	20,000	--	+20,000
ROTARY						
UH-60 BLACKHAWK (MYP)	18	183,231	30	309,231	+12	+126,000
UH-60 BLACKHAWK (MYP) (AP-CY)	--	25,000	--	25,000	--	---
TOTAL, AIRCRAFT		252,667		408,325		+155,658
MODIFICATION OF AIRCRAFT						
GUARDRAIL MODS (TIARA)	--	15,613	--	15,613	--	---
AH1F MODS	--	451	--	451	--	---
AH-64 MODS	--	41,168	--	41,168	--	---
OH-67 CARGO HELICOPTER MODS (MYP)	--	63,854	--	63,854	--	---
C-12 CARGO AIRPLANE MODS	--	613	--	6,613	--	+6,000
OH-58 MODS	--	748	--	748	--	---
C-20 AIRCRAFT MODS	--	853	--	853	--	---
LONGBOW	--	474,832	--	474,832	--	---
LONGBOW (AP-CY)	--	36,932	--	36,932	--	---
UH-1 MODS	--	4,679	--	4,679	--	---
UH-60 MODS	--	14,353	--	14,353	--	---
KIOWA WARRIOR	--	38,822	--	213,822	--	+175,000
EH-60 QUICKFIX MODS	--	38,140	--	44,640	--	+6,500
AIRBORNE AVIONICS	--	42,860	--	42,860	--	---
ASE MODS	--	4,578	--	19,078	--	+14,500
MODIFICATIONS LESS THAN \$2.0M	--	1,735	--	1,735	--	---
TOTAL, MODIFICATION OF AIRCRAFT		780,231		982,231		+202,000
SPARES AND REPAIR PARTS						
SUPPORT EQUIPMENT AND FACILITIES						
GROUND SUPPORT AVIONICS	--	905	--	15,705	--	+14,800
AIRCRAFT SURVIVABILITY EQUIPMENT						
OTHER SUPPORT						
AVIONICS SUPPORT EQUIPMENT	--	2,701	--	2,701	--	---
TRAINING DEVICES	--	---	--	9,300	--	+9,300
COMMON GROUND EQUIPMENT	--	30,636	--	27,636	--	-3,000
AIRCREW INTEGRATED SYSTEMS	--	12,472	--	12,472	--	---
AIR TRAFFIC CONTROL	--	5,802	--	5,802	--	---
INDUSTRIAL FACILITIES	--	2,049	--	2,049	--	---
AIRBORNE COMMUNICATIONS	--	47,450	--	47,450	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		102,015		123,115		+21,100
TRANSFER FROM NATIONAL DEFENSE STOCKPILE	--	-133,000	--	---	--	+133,000
TOTAL, AIRCRAFT PROCUREMENT, ARMY		1,029,459		1,541,217		+511,758
TRANSFER		(133,000)		---		(-133,000)
TOTAL FUNDING AVAILABLE		1,162,459		1,541,217		+378,758

MISSILE PROCUREMENT, ARMY

Fiscal year 1997 appropriation	\$1,041,867,000
Fiscal year 1998 budget request	1,178,151,000
Committee recommendation	771,942,000
Change from budget request	-406,209,000

This appropriation finances the acquisition of surface-to-air, surface-to-surface, and anti-tank/assault missile systems. Also included are major components, modifications, targets, test equipment, and production base support.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action.

(In thousands of dollars)

Item	Budget request	Committee recommendation	Change from request
Stinger Mods	12,411	21,711	+9,300

OTHER MISSILES

PATRIOT

The Army requested \$349,109,000 for Patriot. The Committee recommends transferring this amount to the Ballistic Missile Defense Organization in the "Procurement, Defense-Wide" appropriation, as proposed in the House-passed Defense Authorization bill.

HELLFIRE

The Army requested \$279,687,000 for procurement of Hellfire missiles. The Committee recommends \$228,287,000, a decrease of \$51,400,000. This decrease includes a GAO recommended reduction of \$5,400,000 for unused prior year Hellfire II engineering change order (ECO) funding, a GAO recommended reduction of \$38,300,000 to Longbow Hellfire for overstated missile requirements, and a reduction of \$7,700,000 for tooling. With regard to Longbow missile quantities, a recent GAO audit report states, "The Army used an outdated helicopter carrying capability of 16 missiles instead of the current 12, double counted missiles when figuring the residual readiness portion of the requirement, and used an unsubstantiated mix ratio between Longbow Hellfire and Hellfire II missiles. Correcting these mistakes would potentially reduce the current 12,722 missile requirement for Longbow Hellfire missiles by 7,145 missiles." The report goes on to identify limitations in Apache carriage that could lead to reductions of another 1,184 missiles. The DoD response did not dispute any of these GAO observations, but simply stated it will consider an updated acquisition strategy for the fiscal year 1999 budget. Given these circumstances, the Committee does not believe that the 50 percent ramp-up in production in fiscal year 1998 compared to fiscal year 1997 nor procurement of additional tooling in fiscal year 1998 is prudent until these requirement issues are resolved.

MLRS ROCKET

The Army requested \$2,863,000 for MLRS Extended Range (MLRS-ER) rockets. The Committee recommends \$14,863,000, an increase of \$12,000,000. While preparing its fiscal year 1998 budget, the Army shifted funds from the MLRS-ER rockets line-item to the launcher line-item. At the time of submission of the budget, the Army hoped that foreign military sales (FMS) would be sufficient to maintain the rocket production line. However, the Army has since learned that FMS has not materialized as expected and therefore requires an additional \$12,000,000 in the rockets line-item to maintain the production base. The Committee therefore recommends increasing MLRS rocket funding by \$12,000,000 with an equal reduction to the MLRS launcher program.

MLRS LAUNCHER SYSTEMS

The Army requested \$102,649,000 for MLRS Launchers. The Committee recommends \$105,649,000, a net increase of \$3,000,000. The recommended adjustment includes a \$12,000,000 decrease to finance MLRS rocket production as discussed above, and a \$15,000,000 increase only for Vehicular Intercommunication System (VIS) upgrades to MLRS vehicles.

BAT

The Army requested \$85,208,000 for production of the BAT submunition. The Committee recommends \$45,208,000, a decrease of \$40,000,000 equating to a reduction of 165 BAT submunitions. The BAT submunition will be deployed on ATACMS Block II missiles which do not enter production until fiscal year 1999. The Committee believes that the quantity reduction can be accommodated with little impact to the fiscal year 1999 ATACMS Block II production program.

MODIFICATION OF MISSILES

PATRIOT MODS

The budget requests \$20,825,000 for modifications to the Patriot missile. The Committee recommends \$30,825,000, an increase of \$10,000,000 only for procurement of additional GEM +/- upgrades.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
MISSILE PROCUREMENT, ARMY						
OTHER MISSILES						
SURFACE-TO-AIR MISSILE SYSTEM						
PATRIOT SYSTEM SUMMARY (MYP)	52	349,109	--	---	-52	-349,109
AIR-TO-SURFACE MISSILE SYSTEM						
HELLFIRE SYS SUMMARY	1,465	279,687	1,056	228,287	-409	-51,400
ANTI-TANK/ASSAULT MISSILE SYSTEM						
JAVELIN (AAWS-M) SYS SUM (MYP)	1,080	143,112	1,080	143,112	--	---
TOW 2 SYSTEM SUMMARY	--	1,326	--	1,326	--	---
MLRS ROCKET	--	2,863	--	14,863	--	+12,000
MLRS LAUNCHER SYSTEMS	29	102,649	29	105,649	--	+3,000
ARMY TACTICAL MSL SYS (ATACMS) (MYP)	153	97,814	153	97,814	--	---
BAT	305	85,208	140	45,208	-165	-40,000
TOTAL, OTHER MISSILES		1,061,768		636,259		-425,509
MODIFICATION OF MISSILES						
MODIFICATIONS						
PATRIOT MODS	--	20,825	--	30,825	--	+10,000
STINGER MODS	--	12,411	--	21,711	--	+9,300
ITAS/TOW MODS	--	62,755	--	62,755	--	---
MLRS MODS	--	2,188	--	2,188	--	---
TOTAL, MODIFICATION OF MISSILES		98,179		117,479		+19,300
SPARES AND REPAIR PARTS	--	11,381	--	11,381	--	---
SUPPORT EQUIPMENT AND FACILITIES						
AIR DEFENSE TARGETS	--	998	--	998	--	---
ITEMS LESS THAN \$2.0 MILLION (MISSILES)	--	954	--	954	--	---
MISSILE DEMILITARIZATION	--	1,507	--	1,507	--	---
PRODUCTION BASE SUPPORT	--	3,364	--	3,364	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		6,823		6,823		---
TOTAL, MISSILE PROCUREMENT, ARMY		1,178,151		771,942		-406,209

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Fiscal year 1997 appropriation	\$1,470,286,000
Fiscal year 1998 budget request	1,065,707,000
Committee recommendation	1,332,907,000
Change from budget request	+267,200,000

This appropriation finances the acquisition of tanks; personnel and cargo carriers; fighting vehicles; tracked recovery vehicles; self-propelled and towed howitzers; machine guns; mortars; modification of in-service equipment; initial spares; and production base support.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

(In thousands of dollars)

Item	Budget request	Committee recommended	Change from request
Improved Recovery Vehicle	28,601	56,401	+27,800
Armor Machine Gun	0	20,000	+20,000

TRACKED COMBAT VEHICLES

BRADLEY BASE SUSTAINMENT

The Army requested \$125,591,000 for Bradley base sustainment. The Committee recommends \$240,591,000, an increase of \$115,000,000 only to modify Bradley AO variants to the ODS variant for the Army National Guard.

FIELD ARTILLERY AMMUNITION SUPPORT VEHICLE

The Army requested no funds for the Field Artillery Ammunition Support Vehicle (FAASV). The Committee recommends \$40,000,000 only to procure two battalion sets for the Army National Guard.

MODIFICATION OF TRACKED COMBAT VEHICLES

CARRIER MODIFICATIONS

The Army requested \$20,244,000 for carrier modifications. The Committee recommends \$28,644,000, an increase of \$8,400,000 only to procure night vision driver viewers for the M113A3.

HOWITZER, 155MM M109A6 (MOD)

The Army requested \$18,706,000 for the modification of M109A6 howitzers. The Committee recommends \$74,706,000, an increase of \$56,000,000 only to modify two battalion sets of Paladins for the Army National Guard.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE
	QTY	AMOUNT	RECOMMENDED	FROM REQUEST
			AMOUNT	QTY
PROCUREMENT OF W&TCV, ARMY				
TRACKED COMBAT VEHICLES				
ABRAMS TRNG DEV MOD.....	--	2,222	--	2,222
BRADLEY BASE SUSTAINMENT.....	--	125,591	--	240,591
BRADLEY FVS TRAINING DEVICES.....	--	1,417	--	1,417
FIELD ARTILLERY AMMUNITION SUPPORT VEH.....	--	--	36	40,000
ABRAMS TANK TRAINING DEVICES.....	--	13,351	--	13,351
COMMAND & CONTROL VEHICLE.....	5	30,897	5	30,897
MODIFICATION OF TRACKED COMBAT VEHICLES				
CARRIER, MOD.....	--	20,244	--	28,644
F1ST VEHICLE (MOD).....	--	14,656	--	14,656
BFVS SERIES (MOD).....	--	61,232	--	61,232
HOWITZER, MED SP FT 155MM M109A6 (MOD).....	--	18,706	36	74,706
FAASV PIP TO FLEET.....	--	1,922	--	1,922
IMPROVED RECOVERY VEHICLE (MR8 MOD).....	--	28,601	24	56,401
HEAVY ASSAULT BRIDGE (HAB) SYS (MOD).....	--	42,205	--	42,205
M1 ABRAMS TANK (MOD).....	--	25,643	--	25,643
ABRAMS UPGRADE PROGRAM.....	--	594,856	--	594,856
MODIFICATIONS LESS THAN \$2.0M (TCV-WTCV).....	--	1,030	--	1,030
SUPPORT EQUIPMENT AND FACILITIES				
ITEMS LESS THAN \$2.0 MILLION (TCV-WTCV).....	--	139	--	139
PRODUCTION BASE SUPPORT (TCV-WTCV).....	--	8,942	--	8,942
TOTAL, TRACKED COMBAT VEHICLES.....		995,854		1,243,054
WEAPONS AND OTHER COMBAT VEHICLES				
ARMOR MACHINE GUN, 7.62MM M240 SERIES.....	--	--	2,100	20,000
MACHINE GUN, 5.56MM (SAW).....	406	5,569	406	5,569
M16 RIFLE.....	11,297	5,089	11,297	5,089
5.56 CARBINE M4.....	7,484	5,089	7,484	5,089
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHI				
M4 CARBINE MODS.....	--	2,152	--	2,152
M16 RIFLE MODS.....	--	4,977	--	4,977
M16 RIFLE MODS.....	--	7,603	--	7,603
MODIFICATIONS LESS THAN \$2.0M (WOCV-WTCV).....	--	1,406	--	1,406
SUPPORT EQUIPMENT AND FACILITIES				
ITEMS LESS THAN \$2.0 MILLION (WOCV-WTCV).....	--	1,215	--	1,215
PRODUCTION BASE SUPPORT (WOCV-WTCV).....	--	5,195	--	5,195
INDUSTRIAL PREPAREDNESS.....	--	5,758	--	5,758
SMALL ARMS (SOLDIER ENH PROG).....	--	4,178	--	4,178
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES.....		49,231		69,231
SPARE AND REPAIR PARTS				
SPARES AND REPAIR PARTS (WTCV).....	--	20,622	--	20,622
TOTAL, PROCUREMENT OF W&TCV, ARMY.....		1,065,707		1,332,907
				+267,200

PROCUREMENT OF AMMUNITION, ARMY

Fiscal year 1997 appropriation	\$1,127,149,000
Fiscal year 1998 budget request	890,902,000
Committee recommendation	1,062,802,000
Change from budget request	+171,900,000

This appropriation finances the acquisition of ammunition, modification of in-service stock, and related production base support including the maintenance, expansion, and modernization of industrial facilities and equipment.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

(In thousands of dollars)

Item	Budget request	Committee recommended	Change from request
CTG, 5.56MM, All types	63,588	65,988	+2,400
CTG 7.62MM, All types	1,136	7,136	+6,000
.50 Cal, All types	19,977	20,177	+200
120MM HE Mortar (M934)	29,908	38,908	+9,000
120MM Illum (XM930)	0	3,000	+3,000
120MM TP-T M831/831A1	52,226	62,026	+9,800
120MM TPCSDS-TM865	111,653	124,453	+12,800
Fuze, Multi-option	0	20,000	+20,000
Simulators (all types)	4,573	5,073	+500
Conventional ammo demil	106,118	96,118	-10,000

AMMUNITION SHORTFALLS

The Committee has recommended an increase of \$145,900,000 over the budget request to satisfy ammunition shortfalls identified by the Army. The Committee has recommended additional funds for the following items:

(In thousands of dollars)

Item	Budget request	Committee recommended	Change from request
CTG, 5.56MM, All types	63,588	65,988	+2,400
.50 Cal, All types	19,977	20,177	+200
120MM HE Mortar (M934)	29,908	38,908	+9,000
120MM TP-T M831/831A1	52,226	62,026	+9,800
120MM TPCSDS-T M865	111,653	124,453	+12,800
155MM HE M795	0	55,000	+55,000
Fuze, Multi-option	0	20,000	+20,000
Rocket, Hydra (all types)	12,067	48,267	+36,200
Simulators (all types)	4,573	5,073	+500

MORTAR AMMUNITION

120MM FULL RANGE PRACTICE (M931)

The Army requested \$24,432,000 for 120MM full range practice (M931) mortar ammunition. The Committee recommends \$34,432,000, an increase of \$10,000,000 only to procure M931 rounds.

TANK AMMUNITION

120MM HEAT-MP-T M830A1

The Army requested no funds for CTG 120MM HEAT M830A1 ammunition. The Committee recommends \$10,000,000. Of the increase, \$1,800,000 is only for the modification of the existing M830A1 tank ammunition to the XM908 configuration and \$8,200,000 is only to procure new M830A1 tank rounds to replace the rounds which are modified. The Committee has learned that the XM908 may satisfy an Army requirement to rapidly demolish concrete obstacles and structures, especially in Korea. The Committee directs that none of the funds appropriated for the XM908 may be obligated until the Army develops a formal requirements document for XM908 ammunition.

ARTILLERY AMMUNITION

105MM DPICM XM915

The Army requested no funds for 105MM DPICM artillery ammunition. The Committee recommends \$20,000,000 only to procure DPICM ammunition.

ROCKETS

BUNKER DEFEATING MUNITION

The Army requested no funds for the Bunker Defeating Munition (BDM). The Committee recommends \$8,000,000 only to continue the procurement of BDM.

AMMUNITION PRODUCTION BASE SUPPORT

PROVISION OF INDUSTRIAL FACILITIES

The Army requested \$45,857,000 for the provision of industrial base facilities. The Committee recommends \$24,857,000, a decrease of \$21,000,000. The Committee continues to believe that maintaining the unique capabilities of the ammunition industrial base is vital to ensure that future ammunition requirements are satisfied. However, historical data indicates slow obligation and execution rates for funds appropriated in this account. Army accounting records show significant amounts of fiscal year 1995, 1996, and 1997 unobligated funds. Therefore, the Committee recommends that the budget request be reduced.

Of the available funds, \$3,000,000 is only for the large caliber deep drawn cartridge case program. The Committee directs that the Army provide adequate funding for this effort in future budget submissions.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT OF AMMUNITION, ARMY						
AMMUNITION						
SMALL/MEDIUM CAL AMMUNITION						
CTG. 5.56MM, ALL TYPES	--	63,588	--	65,988	--	+2,400
CTG 5.56MM ARMOR PIERCING XM995	1,406	1,976	1,406	1,976	--	---
CTG. 7.62MM, ALL TYPES	--	1,136	--	7,136	--	+6,000
CTG 7.62MM ARMOR PIERCING XM993	1,013	1,994	1,013	1,994	--	---
CTG. 9MM, ALL TYPES	--	4,229	--	4,229	--	---
CTG. .45 CAL, ALL TYPES	--	73	--	73	--	---
CTG. .50 CAL, ALL TYPES	--	19,977	--	20,177	--	+200
CTG CAL .50 API MK211 MOD 0	286	1,994	286	1,994	--	---
CTG. 25MM, ALL TYPES	--	88,166	--	88,166	--	---
CTG. 30MM, ALL TYPES	--	10,357	--	10,357	--	---
CTG. 40MM, ALL TYPES	--	26,203	--	26,203	--	---
MORTAR AMMUNITION						
CTG MORTAR 60MM SMOKE WP M722	23	4,744	23	4,744	--	---
CTG MORTAR 120MM FULL RANGE PRACTICE M931	59	24,432	59	34,432	--	+10,000
CTG MORTAR 120MM HE M934 W/MO FUZE	32	29,908	32	38,908	--	+9,000
CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ	--	---	--	3,000	--	+3,000
TANK AMMUNITION						
CTG 120MM APFSDS-T M829A2/M829E3	21	72,920	21	72,920	--	---
CTG 120MM HEAT-MP-T M830A1	--	---	--	10,000	--	+10,000
CTG TANK 120MM TP-T M831/M831A1	80	52,226	80	62,026	--	+9,800
CTG TANK 120MM TPCSDS-T M865	184	111,653	184	124,453	--	+12,800
ARTILLERY AMMUNITION						
CTG ARTY 75MM BLANK M337A1	70	2,964	70	2,964	--	---
CTG ARTY 105MM DPICM XM915	--	---	--	20,000	--	+20,000
PROJ ARTY 155MM SMOKE WP M825	--	12,586	--	12,586	--	---
PROJ ARTY 155MM HE M795	--	---	--	55,000	--	+55,000
PROJ ARTY 155MM SADARM M898	507	67,909	507	67,909	--	---
ARTILLERY FUZES						
FUZE MULTI OPTION	--	---	--	20,000	--	+20,000
MINES						
WIDE AREA MUNITIONS	215	15,323	215	15,323	--	---
ROCKETS						
BUNKER DEFEATING MUNITION (BDM)	--	---	--	8,000	--	+8,000
ROCKET, HYDRA 70, ALL TYPES	--	12,067	--	48,267	--	+36,200
OTHER AMMUNITION						
DEMOLITION MUNITIONS, ALL TYPES	--	18,766	--	18,766	--	---
GRENADES, ALL TYPES	--	14,637	--	14,637	--	---
SIGNALS, ALL TYPES	--	7,862	--	7,862	--	---
SIMULATORS, ALL TYPES	--	4,573	--	5,073	--	+500
MISCELLANEOUS						
AMMO COMPONENTS, ALL TYPES	--	4,823	--	4,823	--	---
CAD/PAD ALL TYPES	--	1,067	--	1,067	--	---
ITEMS LESS THAN \$2.0 MILLION	--	819	--	819	--	---
AMMUNITION PECULIAR EQUIPMENT	--	8,627	--	8,627	--	---
FIRST DESTINATION TRANSPORTATION (AMMO)	--	6,558	--	6,558	--	---
TOTAL, AMMUNITION		694,177		897,077		+202,900
AMMUNITION PRODUCTION BASE SUPPORT						
PRODUCTION BASE SUPPORT						
PROVISION OF INDUSTRIAL FACILITIES	--	45,857	--	24,857	--	-21,000
LAYAWAY OF INDUSTRIAL FACILITIES	--	16,750	--	16,750	--	---
MAINTENANCE OF INACTIVE FACILITIES	--	23,000	--	23,000	--	---
CONVENTIONAL AMMO DEMILITARIZATION	--	106,118	--	36,118	--	-70,000
ARMS INITIATIVE	--	5,000	--	5,000	--	---
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT		196,725		165,725		-31,000
TOTAL, PROCUREMENT OF AMMUNITION, ARMY		890,902		1,062,802		+171,900

OTHER PROCUREMENT, ARMY

Fiscal year 1997 appropriation	\$3,172,485,000
Fiscal year 1998 budget request	2,455,030,000
Committee recommendation	2,502,886,000
Change from budget request	+47,856,000

This appropriation finances the acquisition of: (a) tactical and commercial vehicles, including trucks, semi-trailers, and trailers of all types to provide mobility and utility support to field forces and the worldwide logistical system; (b) communications and electronics equipment of all types to provide fixed, semi-fixed, and mobile strategic and tactical communications equipment; and (c) other support equipment, such as chemical defensive equipment, tactical bridging, shop sets, and construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and non-system training devices. In each of these activities funds are also included for modifications of in-service equipment, investment spares and repair parts, and production base support.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
HMMWV	66,233	104,933	+38,700
Items less than \$2.0M (TIARA)	0	2,800	+2,800
Training Devices, Nonsystem	49,688	53,688	+4,000
Depot Maintenance of Other End Items	24,819	0	-24,819

TACTICAL AND SUPPORT VEHICLES

SEMI-TRAILER, CONTAINER TRANSPORTER

The Army requested \$9,361,000 for the procurement of semi-trailer container transporters. The Committee recommends no funding. Since, the Army will not complete the testing of the semi-trailers until December 1998 and will not initiate full procurement until fiscal year 1999, the Committee believes the fiscal year 1998 budget request should be denied.

SEMI-TRAILER, TANK, 5000 GALLON

The Army requested \$7,581,000 for the procurement of 5000 gallon tank semi-trailers. The Committee recommends \$3,000,000, a decrease of \$4,581,000. The Committee has learned that the program has been delayed and testing will not be completed until December 1998. Full scale production is scheduled for fiscal year 1999. The Committee believes that the remaining funds are adequate to procure test articles and associated engineering support services.

SEMI-TRAILER, TANK 7500 GALLON

The Army requested \$10,408,000 for the procurement of 7500 gallon tank semi-trailers. The Committee recommends \$2,000,000, a reduction of \$8,408,000. The Committee has learned that the program has been delayed and full scale production is scheduled for fiscal year 1999. The Committee believes the remaining funds are sufficient to procure test articles and engineering support services.

FAMILY OF MEDIUM TACTICAL VEHICLES

The Army requested \$209,446,000 for the Family of Medium Tactical Vehicles (FMTV). The Committee recommends the requested amount.

The Army has approved a dual source strategy for FMTV. The Army believes that developing a second production source for FMTV's will yield significant savings and expects to award a competitive contract in fiscal year 2000. Since the current contract will expire in 1998 and the competitive contract will not be awarded until 2000, the Committee understands that the Army may achieve savings in fiscal years 1998 and 1999 through a multi-year contract for FMTV. Therefore, in section 8008 of the General Provisions, the Committee has provided the necessary authority for a two-year multi-year contract. However, the Army may not enter into a multi-year contract without prior approval from the congressional defense committees. The Committee expects that the multi-year proposal will be supported with the standard multi-year justification materials. Furthermore, the Committee directs the award of a multi-year contract is to have no impact on the current FMTV competition strategy.

FAMILY OF HEAVY TACTICAL VEHICLES

The Army requested \$9,071,000 for the Family of Heavy Tactical Vehicles. The Committee recommends \$87,071,000, an increase of \$78,000,000. Of the increase, \$45,000,000 is only to procure Heavy Equipment Transporters and \$33,000,000 is only to procure Heavy Expanded Mobility Tactical Trucks.

ARMORED SECURITY VEHICLES

The Army requested \$9,470,000 for armored security vehicles. The Committee recommends \$10,970,000, an increase of \$1,500,000 only to procure Vehicular Intercommunications Systems for the armored security vehicle fleet.

TRUCK, TRACTOR, LINE HAUL

The Army requested \$36,079,000 to procure line haul tractor trailers. The Committee recommends no funds. The line haul trailers will be used to pull 7500 gallon tank semi-trailers. Since the trailer program has been delayed until fiscal year 1999, the Committee believes the budget request should be denied.

SELF-LOADING/OFF-LOADING TRAILER

The Committee understands that the Army is finalizing the operational requirements document for single operator trailer equip-

ment. The Committee encourages the Army to consider commercially available technologies to satisfy this tactical trailer requirement.

COMMUNICATIONS—SATELLITE COMMUNICATIONS

DEFENSE SATELLITE COMMUNICATIONS SYSTEM

The Army requested \$87,643,000 for defense satellite communications systems. The Committee recommends \$83,143,000, a reduction of \$4,500,000. The budget request includes funds to accelerate the production of the universal modem system. However, the required testing for the system will not be completed until late 1999. The recommended funding will maintain the current rate of production.

SATELLITE TERMINALS, EMUT

The Army requested \$7,264,000 for Enhanced Manpack UHF Terminal programs (EMUT). The Committee recommends \$6,064,000, a decrease of \$1,200,000. As a result of a combined Army and Air Force procurement, contract savings were achieved for the EMUT in fiscal year 1997. Therefore, the Committee believes the savings in fiscal year 1997 can be used to offset the fiscal year 1998 budget request.

NAVSTAR GLOBAL POSITIONING SYSTEM

The Army requested \$6,796,000 for the NAVSTAR global positioning system. The Committee recommends \$5,596,000, a decrease of \$1,200,000. The Committee understands that both quantity and price budgeted for miniaturized airborne global positioning system receivers were reduced in fiscal year 1997. Additionally, reductions in program management have also resulted in program savings.

SCAMP

The Army requested \$4,305,000 to procure Single Channel Anti-jam manportable (SCAMP) terminals. The Committee recommends \$10,405,000, an increase of \$6,100,000 only to procure new SCAMP terminals.

GLOBAL BROADCAST SERVICE

The Army requested \$4,967,000 to procure global broadcast service ground receive terminals. The Committee recommends no funding. Subsequent to the budget submission, the Army decided not to procure the terminals, but instead will use Air Force terminals.

COMMUNICATIONS—COMBAT COMMUNICATIONS

ARMY DATA DISTRIBUTION SYSTEM

The Army requested \$57,165,000 for the Army Data Distribution System. The Committee recommends \$57,065,000, a decrease of \$100,000. This includes an increase of \$20,000,000 only for the Enhanced Position Locating and Report System and a decrease of \$20,100,000 for the Joint Tactical Information System (JTIDS). The Committee recommends transferring JTIDS funds to the Ballistic

Missile Defense Office under the Procurement, Defense-wide appropriation.

SINGGARS FAMILY

The Army requested \$290,164,000 for the SINGGARS family. The Committee recommends \$302,164,000, an increase of \$12,000,000 only for Frequency Hopping Multiplexers.

COMBAT SURVIVOR EVADER LOCATOR

The Army requested \$5,677,000 for the procurement of combat survivor evader locator systems. The Committee recommends no funding. Since the combat survivor evader system development program has been delayed until the end of fiscal year 1998, the procurement funding can be delayed.

ELECTRONIC EQUIPMENT

ALL SOURCE ANALYSIS SYSTEM

The Army requested \$7,772,000 for the All Source Analysis System. The Committee recommends \$26,959,000, an increase of \$19,187,000. Of this amount, \$13,500,000 is only to procure ASAS Remote Workstation (RWS) and \$5,687,000 is to procure the CI/HUMINT Automated Tool Set (CHATS) for Echelons Corps and Below units.

IEW—GROUND BASED COMMON SENSORS

The Army requested \$26,817,000 for IEW-Ground Based Common Sensor. The Committee denies this request because of the Army's decision to reschedule the IOT&E for this program.

ELECTRONIC EQUIPMENT—ELECTRONIC WARFARE

SHORTSHOP

The Army requested no funds for Shortstop Electronic Protection System (SEPS). The Committee recommends \$6,000,000 to procure Shortstop SEPS so that deployed forces have adequate protection for artillery, mortar and rocket attacks.

SENTINEL

The Army requested \$41,014,000 for Sentinel. The Committee recommends \$51,014,000, an increase of \$10,000,000 only to procure additional Sentinel systems.

NIGHT VISION DEVICES

The Army requested \$85,312,000 for night vision devices. The Committee recommends \$99,712,000, an increase of \$14,400,000. Of the increase, \$3,000,000 is only for light weight video reconnaissance systems and \$11,400,000 to only for AN/PAS-13 thermal weapons sights.

ELECTRONIC EQUIPMENT—TACTICAL C2 SYSTEMS

MANEUVER CONTROL SYSTEM

The Army requested \$15,669,000 for Maneuver Control System (MCS) hardware. The Committee recommends no funding. The MCS software program which has been in development since the 1980's, was restructured in fiscal year 1993. MCS software Initial Operational Test and Evaluation (IOT&E) initially scheduled for November 1995 has slipped three times and is currently scheduled for March 1998. According to the GAO, MCS failed two of four Developmental Operational Test and Evaluation operational issues. Furthermore, a System Confidence Demonstration (SCD), a post-SCD, and a post-post SCD, demonstrated that the software was not ready for IOT&E. The Army requested that it be allowed to procure training base computers for MCS prior to Milestone III. Since the MCS system has yet to pass an operational test, the Committee does not believe that the Army has a critical need to acquire training base computers prior to a Milestone III decision.

STANDARD INTEGRATED COMMAND POST SYSTEM

The Army requested \$26,551,000 for standard integrated command post systems. The Committee recommends \$36,551,000, an increase of \$10,000,000 only to add vehicular intercommunications systems (AN/VIC3) to standard integrated command post vehicles.

ELECTRONIC EQUIPMENT—AUTOMATION

AUTOMATED DATA PROCESSING EQUIPMENT

Information on this project can be found in the Information Resources Management section of this report.

RESERVE COMPONENT AUTOMATION SYSTEM

The Army requested \$114,323,000 for the Reserve Component Automation System. The Committee supports this request and recommends the full \$114,323,000 only for this program.

ELECTRONIC EQUIPMENT—TEST MEASUREMENT EQUIPMENT

INTEGRATED FAMILY OF TEST EQUIPMENT

The Army requested no funds for the Integrated Family of Test Equipment (IFTE). The Committee recommends \$29,000,000 only for IFTE procurement.

MAINTENANCE EQUIPMENT

ITEMS LESS THAN \$2.0 MILLION

The Army requested \$1,167,000 for items less than \$2.0 million (maintenance equipment). The Committee recommends \$5,167,000, an increase of \$4,000,000 only for laser leveling devices.

RAIL FLOAT CONTAINERIZATION EQUIPMENT

RAILWAY CAR, FLAT, 100 TON

The Army requested \$17,755,000 for 100 ton, flat railway cars. The Committee recommends no funding. Subsequent to the budget submission, the Committee learned that the Army procured 300 used railway cars in fiscal year 1997. Since the fiscal year 1997 buy satisfies the Army's plan to procure railway cars in fiscal year 1997 and 1998, the Committee believes that the fiscal year 1998 request is unnecessary.

TRAINING EQUIPMENT

SIMNET/CLOSE COMBAT TACTICAL TRAINER

The Army requested \$92,968,000 for the Simnet/Close Combat Tactical Trainer (CCTT). The Committee recommends no funding. Since the submission of the budget request, the Army has made significant schedule changes to the CCTT acquisition plan. Software stability problems have delayed the program by almost one year. CCTT operational testing will begin in 1998 and a Milestone III decision to proceed to full-scale production will not be made until fiscal year 1999. The Committee's Survey's and Investigations staff has learned that the Army needs 48 simulators to conduct required testing. To date, the Army has purchased 110 simulators. Since the Army has sufficient simulators for testing and full-rate production will not begin until 1999, the Committee denies procurement funding. However, the Committee recommends additional funds in research and development for required testing which was not included in the budget request.

TACTICAL FACSIMILE SYSTEM

The Committee has learned that the Army is replacing aging facsimile machines. The fielded facsimile machines provide poor image quality and experience reliability and maintenance problems because of their age. The Committee encourages the Army to procure TS-21 Blackjack facsimile systems to meet Army requirements for interoperability, speed of transmission, and transportability.

GUN LAYING POSITIONING SYSTEM

The Army requested no funds for the Gun Laying Positioning System (GLPS). The Committee recommends \$6,000,000 only for GLPS. Additional details are provided under the heading "Force XXI Initiatives."

RADIO FREQUENCY TECHNOLOGY

The Army requested no funds for the Radio Frequency Technology. The Committee recommends \$2,900,000 only for Radio Frequency Technology. Additional details are provided under the heading "Force XXI Initiatives."

LIGHTWEIGHT LASER DESIGNATOR/RANGE FINDER

The Army requested no funds for Lightweight Laser Designator/Range Finder. The Committee recommends \$2,800,000 only for the

lightweight laser designator/range finder. Additional details are provided under the heading "Force XXI Initiatives."

COMBAT SYNTHETIC TRAINING ASSESSMENT RANGE

The Army requested no funds for Combat Synthetic Training Assessment Range. The Committee recommends \$5,400,000 only for the Combat Synthetic Training Assessment Range. Additional details are provided under the heading "Force XXI Initiatives."

AIRBORNE COMMAND AND CONTROL SYSTEM

The Army requested no funds for Airborne Command and Control System. The Committee recommends \$11,100,000 only for the Airborne Command and Control System. Additional details are provided under the heading "Force XXI Initiatives."

AVENGER SLEW TO CUE

The Army requested no funds for Avenger Slew to Cue System. The Committee recommends \$7,400,000 only for Avenger Slew to Cue. Additional details are provided under the heading "Force XXI Initiatives."

PALLETIZED LOADING SYSTEM ENHANCED

The Army requested no funds for Palletized Loading System Enhanced. The Committee recommends \$3,000,000 only for Palletized Loading System Enhanced. Additional details are provided under the heading "Force XXI Initiatives."

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following programs in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	AMOUNT	CHANGE FROM REQUEST QTY	AMOUNT
OTHER PROCUREMENT, ARMY						
TACTICAL AND SUPPORT VEHICLES						
TACTICAL TRAILERS/DOCK SETS	--	8,053	--	8,053	--	---
SEMITRAILER FB BB/CONT TRANS 22 1/2 T	350	9,361	--	---	-350	-9,361
SEMITRAILER LB 40T M870A1 (CCE)	3	991	3	991	---	---
SEMITRAILER, TANK, 5000G	74	7,581	74	3,000	---	-4,581
SEMITRAILER, TANK, 7500G, BULKHAUL	231	10,408	231	2,000	---	-8,408
SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	51	4,296	51	4,296	---	---
H1 MOB MULTI-PURP WILD VEH (HMMV)(MYP)	774	86,233	774	104,333	---	+38,700
FAMILY OF MEDIUM TACTICAL VEH (MYP)	1,506	209,446	1,506	209,446	---	---
FAMILY OF HEAVY TACTICAL VEHICLES (MYP)	--	9,071	--	87,071	---	+78,000
ARMORED SECURITY VEHICLES (COMBAT SPT) TACTIC	25	9,470	25	10,970	---	+1,500
TRUCK, TRACTOR, LINE HAUL, M915/M916	293	36,079	--	---	-293	-36,079
MODIFICATION OF IN SVC EQUIP	--	3,610	--	3,610	---	---
ITEMS LESS THAN \$2.0 MILLION (TAC VEH)	--	189	--	189	---	---
SYSTEM FIELDING SUPPORT PED	--	1,876	--	1,876	---	---
PROJECT MANAGEMENT SUPPORT	--	596	--	596	---	---
SYSTEM FIELDING SUPPORT (TACOM)	--	934	--	934	---	---
TOTAL, TACTICAL AND SUPPORT VEHICLES		378,194		437,965		+59,771
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
COMM - JOINT COMMUNICATIONS						
JCS EQUIPMENT (USREDCOM)	--	3,075	--	3,075	---	---
COMM - SATELLITE COMMUNICATIONS						
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC	--	87,643	--	83,143	---	-4,500
SAT TERM, EMUT (SPACE)	207	7,264	207	6,064	---	-1,200
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	17	6,796	17	5,596	---	-1,200
GROUND COMMAND POST	--	589	--	589	---	---
SMART-T (SPACE)	--	22,762	--	22,762	---	---
SCAMP (SPACE)	--	4,305	--	10,405	---	+6,100
GLOBAL BRDST SVC GBS	--	4,967	--	---	---	-4,967
MOD OF IN-SVC EQUIP (TAC SAT)	--	2,021	--	2,021	---	---
COMM - COMBAT SUPPORT COMM						
COMM - C3 SYSTEM						
ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	--	17,315	--	17,315	---	---
COMM - COMBAT COMMUNICATIONS						
ARMY DATA DISTRIBUTION SYSTEM (ADDS)	--	57,165	--	57,065	---	-100
SINGARS FAMILY	--	290,164	--	302,164	---	+12,000
JOINT TACTICAL AREA COMMS SYS	--	10,684	--	10,684	---	---
ACUS MOD PROGRAM (WIN-T/T)	--	82,391	--	82,391	---	---
C-E CONTINGENCY/FIELDING EQUIP	--	2,023	--	2,023	---	---
SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS	--	1,003	--	1,003	---	---
COMBAT SURVIVOR EVASION LOCATOR (CSEL)	--	5,677	--	---	---	-5,677
COMM - INTELLIGENCE COMM						
CI AUTOMATION ARCHITECTURE	--	2,297	--	2,297	---	---
INFORMATION SECURITY						
TSEC - ARMY KEY MGT SYS (AKMS)	--	4,714	--	4,714	---	---
INFORMATION SYSTEM SECURITY PROGRAM - ISSP	--	10,208	--	10,208	---	---
COMM - LONG HAUL COMMUNICATIONS						
TERRESTRIAL TRANSMISSION	--	20,811	--	20,811	---	---
BASE SUPPORT COMMUNICATIONS	--	1,953	--	1,953	---	---
ARMY DISN ROUTER	--	2,991	--	2,991	---	---
ELECTROMAG COMP PROG (EMC)	--	469	--	469	---	---
VW TECH COM IMP PROG (VWTCIP)	--	944	--	944	---	---
COMM - BASE COMMUNICATIONS						
INFORMATION SYSTEMS	--	20,498	--	20,498	---	---
DEFENSE MESSAGE SYSTEM (DMS)	--	7,962	--	7,962	---	---
LOCAL AREA NETWORK (LAN)	--	17,576	--	17,576	---	---
PENTAGON INFORMATION MGT AND TELECOM	--	28,249	--	28,249	---	---
ELECT EQUIP - NAT FOR INT PROG (NFIP)						
FOREIGN COUNTERINTELLIGENCE PROG (FCI)	--	3,897	--	3,897	---	---
GENERAL DEFENSE INTELL PROG (GDIP)	--	18,856	--	19,756	---	+900
ITEMS LESS THAN \$2.0M (INTEL SPT) - TIARA	--	---	--	2,800	---	+2,800
ELECT EQUIP - TACT INT REL ACT (TIARA)						
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	--	7,772	--	26,959	---	+19,187
JIT/CIBS-M (TIARA)	56	11,438	56	11,438	---	---
IEW - GND BASE COMMON SENSORS (TIARA)	--	26,817	--	---	---	-26,817
JOINT STARS (ARMY) (TIARA)	--	118,873	--	118,873	---	---
NATO-AGS	--	26,153	--	26,153	---	---
INTEGRATED BROADCAST TERMINAL MODS (TIARA)	--	3,294	--	3,294	---	---
DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	4	7,465	4	7,465	---	---
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	--	1,679	--	1,679	---	---
JOINT TACTICAL GROUND STATION MODS	--	2,913	--	2,913	---	---
TROJAN (TIARA) EQUIP (INTEL SPT) (TIARA)	--	3,828	--	3,828	---	---
MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)	--	1,676	--	1,676	---	---
ITEMS LESS THAN \$2.0M (TIARA)	--	526	--	526	---	---
ELECT EQUIP - ELECTRONIC WARFARE (EW)						
SHORTSTOP	--	---	--	6,000	---	+6,000
COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES	--	2,325	--	2,325	---	---
ELECT EQUIP - TACTICAL SURV. (TAC SURV)						
SENTINEL	12	41,014	12	51,014	---	+10,000
NIGHT VISION DEVICES	--	85,312	--	99,712	---	+14,400
ARTILLERY ACCURACY EQUIP	--	4,548	--	4,548	---	---
MOD OF IN-SVC EQUIP (TAC SURV)	--	1,223	--	1,223	---	---
INTEGRATED MET SYS SENSORS (IMETS) - TIARA	2	1,379	2	1,379	---	---
SHF TERM	--	14,328	--	14,328	---	---
ELECT EQUIP - TACTICAL C2 SYSTEMS						
ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	253	33,245	253	33,245	---	---
FIRE SUPPORT ADA CONVERSION	--	3,306	--	3,306	---	---
CMBT SVC SUPT CONTROL SYS (CSCS)	50	5,759	50	5,759	---	---
FAAD C2	3	13,080	3	13,080	---	---
FORWARD ENTRY DEVICE (FED)	--	2,382	--	2,382	---	---
LIFE CYCLE SOFTWARE SUPPORT (LCSS)	--	1,978	--	1,978	---	---
LOGTECH	--	3,358	--	3,358	---	---
TC AIMS II	--	2,197	--	2,197	---	---
ISVSCON EQUIPMENT	--	10,645	--	10,645	---	---
MANEUVER CONTROL SYSTEM (MCS)	145	15,699	145	---	---	-15,699
STANIS TACTICAL COMPUTERS (STACOMP)	1,615	36,124	1,615	36,124	---	---
STANDARD INTEGRATED CMD POST SYSTEM	--	26,551	--	36,551	---	+10,000

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
ELECT EQUIP - AUTOMATION						
ARMY TRAINING XXI MODERNIZATION	--	25,238	--	25,238	--	---
AUTOMATED DATA PROCESSING EQUIP	--	125,099	--	151,899	--	---
RESERVE COMPONENT AUTOMATION SYS (RCAS)	--	114,323	--	114,323	--	+25,800
ELECT EQUIP - AUDIO VISUAL SYS (A/V)						
AFRTS	--	459	--	459	--	---
ITEMS LESS THAN \$2.0 MILLION (A/V)	--	2,624	--	2,624	--	---
ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)						
INTEGRATED FAMILY OF TEST EQUIP (IFTE)	--	---	--	29,000	--	+29,000
ELECT EQUIP - SUPPORT						
PRODUCTION BASE SUPPORT (C-E)	--	418	--	418	--	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,531,417		1,608,444		+77,027
OTHER SUPPORT EQUIPMENT						
CHEMICAL DEFENSIVE EQUIPMENT						
GEN SMK MECH-MTRZD DUAL PURP M56	70	12,560	70	12,560	--	---
GENERATOR, SMOKE, MECH M56	34	9,159	34	9,159	--	---
LT VEH OBSCURANT SMK SYS	486	2,164	486	2,164	--	---
BRIDGING EQUIPMENT						
RIBBON BRIDGE	--	4,200	--	4,200	--	---
ENGINEER (NON-CONSTRUCTION) EQUIPMENT						
METALLIC MINE DETECTOR, VEHICLE MOUNTED	10	12,574	10	12,574	--	---
BN COUNTERMINE SIP	--	3,357	--	3,357	--	---
COMBAT SERVICE SUPPORT EQUIPMENT						
AIR CONDITIONERS VARIOUS SIZE/CAPACITY	--	1,468	--	1,468	--	---
ARMY SPACE HEATER, 120,000 BTU (ASH)	94	930	94	930	--	---
SOLDIER ENHANCEMENT	--	1,709	--	1,709	--	---
FORCE PROVIDER	2	11,633	2	11,633	--	---
ITEMS LESS THAN \$2.0 MILLION (CSS-EQ)	--	2,020	--	2,020	--	---
PETROLEUM EQUIPMENT						
TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	116	949	116	949	--	---
INLAND PETROLEUM DISTRIBUTION SYSTEM	--	1,037	--	1,037	--	---
ITEMS LESS THAN \$2.0 MILLION (POL)	--	6,275	--	6,275	--	---
WATER EQUIPMENT						
ITEMS LESS THAN \$2.0 MILLION (WATER EQ)	--	2,862	--	2,862	--	---
MEDICAL EQUIPMENT						
COMBAT SUPPORT MEDICAL	--	11,808	--	11,808	--	---
MAINTENANCE EQUIPMENT						
SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	28	1,635	28	1,635	--	---
ITEMS LESS THAN \$2.0 MILLION (MAINT EQ)	--	1,167	--	5,167	--	+4,000
CONSTRUCTION EQUIPMENT						
ROLLER, VIBRATORY, SELF-PROPELLED (CCE)	90	6,072	90	6,072	--	---
HYDRAULIC EXCAVATOR	11	2,825	11	2,825	--	---
DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	6,985	23	6,985	--	---
CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	22	6,055	22	6,055	--	---
ITEMS LESS THAN \$2.0 MILLION (CONST EQUIP)	--	845	--	845	--	---
RAIL FLOAT CONTAINERIZATION EQUIPMENT						
PUSHER TUG, SMALL	2	6,755	2	6,755	--	---
FLOATING CRANE, 100-250 TON	1	14,073	1	14,073	--	---
RAILWAY CAR, FLAT, 100 TON	165	17,755	--	--	-165	-17,755
ITEMS LESS THAN \$2.0 MILLION (FLOAT/RAIL)	--	9,165	--	9,165	--	---
GENERATORS						
GENERATORS AND ASSOCIATED EQUIP	--	7,706	--	7,706	--	---
MATERIAL HANDLING EQUIPMENT						
ALL TERRAIN LIFTING ARTICULATING SYSTEM	34	3,554	34	3,554	--	---
ITEMS LESS THAN \$2.0 MILLION (MHE)	--	1,724	--	1,724	--	---
TRAINING EQUIPMENT						
COMBAT TRAINING CENTERS SUPPORT	--	26,724	--	26,724	--	---
TRAINING DEVICES, NONSYSTEM	--	49,668	--	53,668	--	+4,000
SIMNET/CLOSE COMBAT TACTICAL TRAINER	--	92,968	--	---	--	-92,968
FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	--	19,860	--	19,860	--	---
TEST MEASURE AND DIG EQUIPMENT (TMD)						
CALIBRATION SETS EQUIPMENT	--	6,572	--	6,572	--	---
INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	--	14,828	--	14,828	--	---
TMDE MODERNIZATION (TMOD)	--	6,572	--	6,572	--	---
RECONFIGURABLE SIMULATORS	--	13,823	--	13,823	--	---
PHYSICAL SECURITY SYSTEMS (OPAS)	--	6,472	--	6,472	--	---
SYSTEM FIELDING SUPPORT (OPA-3)	--	4,941	--	4,941	--	---
BASE LEVEL COM'L EQUIPMENT	--	4,283	--	4,283	--	---
SHED PROFILOMETER	--	2,968	--	2,968	--	---
ELECTRONIC REPAIR SHELTER	3	5,678	3	5,678	--	---
MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)	--	16,659	--	16,659	--	---
PRODUCTION BASE SUPPORT (OTH)	--	2,241	--	2,241	--	---
DEPT MAINTENANCE OF OTHER END ITEMS	--	24,819	--	---	--	-24,819
SPECIAL EQUIPMENT FOR USER TESTING	--	14,922	--	14,922	--	---
TRACTOR VAPOR	--	4,243	--	4,243	--	---
TOTAL, OTHER SUPPORT EQUIPMENT		491,182		363,640		-127,542
SPARE AND REPAIR PARTS						
INITIAL SPARES - TSV	--	101	--	101	--	---
INITIAL SPARES - C&E	--	53,284	--	53,284	--	---
INITIAL SPARES - OTHER SUPPORT EQUIP	--	852	--	852	--	---
TOTAL, SPARE AND REPAIR PARTS		54,237		54,237		---
GUN LAYING POSITIONING SYSTEM	--	---	--	6,000	--	+6,000
RADIO FREQUENCY TECHNOLOGY	--	---	--	2,900	--	+2,900
LIGHTWEIGHT LASER DESIGNATOR/RANGE FINDER	--	---	--	2,800	--	+2,800
COMBAT SYNTHETIC TRAINING ASSESSMENT RANGE	--	---	--	5,400	--	+5,400
ARMY AIRBORNE COMMAND & CONTROL SYSTEM	--	---	--	11,100	--	+11,100
AVENGER SLEW TO CLUE	--	---	--	7,400	--	+7,400
PALLETIZED LOADING SYSTEM ENHANCED	--	---	--	3,000	--	+3,000
TOTAL, OTHER PROCUREMENT, ARMY		2,455,030		2,502,886		+47,856

AIRCRAFT PROCUREMENT, NAVY

Fiscal year 1997 appropriation	\$7,027,010,000
Fiscal year 1998 budget request	6,085,965,000
Committee recommendation	5,951,965,000
Change from budget request	+801,500,000

This appropriation provides funds for the procurement of aircraft and related support equipment and programs; flight simulators; equipment to modify in-service aircraft to extend their service life, eliminate safety hazards, and improve their operational effectiveness; and spares and ground support equipment for all end items procured by this appropriation.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

	Budget re- quest	Committee recommenda- tion	Change from request
AV-8B	277,648	310,648	+33,000
V-22	472,007	661,307	+189,300
E-2C	236,474	304,474	+68,000
KC-130J	0	179,700	+179,700
Common ground equipment	287,114	274,114	- 13,000

COMBAT AIRCRAFT

F/A-18E/F HORNET

The Navy requested \$2,101,100,000 to procure 20 F/A-18E/F Hornet aircraft. The Committee recommends providing the amount requested. The Navy has invested \$4,982,000,000 in development and \$2,408,000,000 to produce F/A-18E/F aircraft through fiscal year 1997. The F/A-18E/F offers significant warfighting improvements for Naval aviation which will be used for decades: the F/A-18E/F can fly 40 percent farther, remain on station 80 percent longer, carry more weapons, and is more lethal and survivable than current generation F/A-18C/D aircraft which have no room for modern avionics upgrades. Aircraft weight remains well below the specification weight requirement, even with all known potential increases considered. With funds appropriated by Congress in prior years, production of the F/A-18E/F is well underway. The program is considered to be a model acquisition and it was recently endorsed in the Quadrennial Defense Review. The Secretary of Defense recently informed the defense committees that the F/A-18E/F Super Hornet program is a cornerstone of the Defense Department's tactical air modernization program. Recent General Accounting Office reports on the F/A-18E/F have raised valid points about potential cost savings from buying older generation F/A-18C/D model aircraft rather than the new model, but they have not disclosed a single major significant cost or technical difficulty. For these many reasons, the Committee endorses the need to increase F/A-18E/F production in fiscal year 1998 because of the need to at-

tain lower per unit costs through efficient high-rate production, but more importantly, to field vital warfighting capability to the fleet as soon as possible.

MODIFICATION OF AIRCRAFT

EA-6 SERIES

The Navy requested \$86,783,000 for EA-6B modifications. The Committee recommends \$169,783,000, an increase of \$83,000,000. Within this amount, \$50,000,000 is for wing center sections, \$18,000,000 is for turbine blade containment upgrades, and \$15,000,000 is for USQ-113 communications jammers.

H-1 SERIES

The Navy requested \$18,489,000 for H-1 series modifications. The Committee recommends \$16,389,000, a decrease of \$2,100,000. This amount includes an increase of \$3,500,000 only for UH-1 internal rescue hoists and a transfer of \$5,600,000 to research and development for UH-1 upgrades (PE 0604245N).

P-3 SERIES

The Navy requested \$164,907,000 for P-3 modifications. The Committee recommends \$293,907,000, an increase of \$129,000,000. Within this amount, \$56,600,000 is for the anti-surface warfare improvement program, \$35,100,000 is for the sustained readiness program, \$18,500,000 is only to modify AIP processors with specific emitter identification capability, \$12,800,000 is only for the replacement data storage system, and \$6,000,000 is only for the lightweight environmentally sealed parachute assembly.

E-2 SERIES

The Navy requested \$49,073,000 for E-2 modifications. The Committee recommends \$50,673,000, an increase of \$1,600,000 only for the oil debris detection and burnoff system. The increased funds may also be used for C-2 and P-3 aircraft.

COMMON AVIONICS CHANGES

The Navy requested \$131,599,000 for common avionics changes. The Committee recommends \$130,599,000, a decrease of \$1,000,000. This includes a decrease of \$10,000,000 recommended in the House-passed Defense Authorization bill and an increase of \$9,000,000 only for the AN/AWW-13 guided weapon control monitor set.

AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES

COMMON GROUND EQUIPMENT

The Navy requested \$287,114,000 for common ground equipment. The Committee recommends \$274,114,000, a decrease of \$13,000,000 as recommended in the House-passed Defense Authorization bill. Within the total amount provided, \$1,000,000 is only to support the establishment and implementation of computer based training programs for naval air reserve aircrews.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
AIRCRAFT PROCUREMENT, NAVY						
COMBAT AIRCRAFT						
AV-8B (V/STOL) HARRIER	11	277,648	12	310,648	+1	+33,000
AV-8B (V/STOL) HARRIER (AP-CY)	--	18,914	--	18,914	--	---
F/A-18E/F (FIGHTER) HORNET	20	2,101,100	20	2,101,100	--	---
F/A-18E/F (FIGHTER) HORNET (AP-CY)	--	80,476	--	80,476	--	---
V-22 (MEDIUM LIFT)	5	472,007	7	661,307	+2	+189,300
V-22 (MEDIUM LIFT) (AP-CY)	--	69,659	--	69,659	--	---
E-2C (EARLY WARNING) HAWKEYE	3	236,474	4	304,474	+1	+68,000
E-2C (EARLY WARNING) HAWKEYE (AP-CY)	--	19,481	--	19,481	--	---
TOTAL, COMBAT AIRCRAFT		3,285,758		3,576,058		+290,300
AIRLIFT AIRCRAFT						
CH-53 HELICOPTER (AP-CY)	--	31,837	--	31,837	--	---
TRAINER AIRCRAFT						
T-45TS (TRAINER) GOSHAWK	12	243,960	12	243,960	--	---
T-45TS (TRAINER) GOSHAWK (AP-CY)	--	6,235	--	6,235	--	---
TOTAL, TRAINER AIRCRAFT		250,195		250,195		---
OTHER AIRCRAFT						
KC-130J	--	---	3	179,700	+3	+179,700
MODIFICATION OF AIRCRAFT						
EA-6 SERIES	--	86,783	--	169,783	--	+83,000
AV-8 SERIES	--	32,647	--	32,647	--	---
F-14 SERIES	--	290,500	--	290,500	--	---
ADVERSARY	--	115	--	115	--	---
ES-3 SERIES	--	5,233	--	5,233	--	---
F-18 SERIES	--	156,213	--	156,213	--	---
H-46 SERIES	--	33,450	--	33,450	--	---
AH-1W SERIES	--	34,518	--	34,518	--	---
H-53 SERIES	--	35,704	--	35,704	--	---
SH-60 SERIES	--	74,300	--	74,300	--	---
H-1 SERIES	--	18,489	--	16,389	--	-2,100
H-3 SERIES	--	1,417	--	1,417	--	---
EP-3 SERIES	--	4,386	--	4,386	--	---
P-3 SERIES	--	164,907	--	293,907	--	+129,000
S-3 SERIES	--	44,606	--	44,606	--	---
E-2 SERIES	--	49,073	--	50,673	--	+1,600
TRAINER A/C SERIES	--	7,919	--	7,919	--	---
C-2A	--	19,159	--	19,159	--	---
C-130 SERIES	--	12,645	--	12,645	--	---
FEWSG	--	537	--	537	--	---
CARGO/TRANSPORT A/C SERIES	--	29,911	--	29,911	--	---
E-6 SERIES	--	96,344	--	96,344	--	---
EXECUTIVE HELICOPTERS SERIES	--	22,763	--	22,763	--	---
SPECIAL PROJECT AIRCRAFT	--	16,527	--	16,527	--	---
T-45 SERIES	--	5,442	--	5,442	--	---
POWER PLANT CHANGES	--	13,972	--	13,972	--	---
COMMON ECM EQUIPMENT	--	32,655	--	32,655	--	---
COMMON AVIONICS CHANGES	--	131,599	--	130,599	--	-1,000
TOTAL, MODIFICATION OF AIRCRAFT		1,422,044		1,632,544		+210,500
AIRCRAFT SPARES AND REPAIR PARTS						
SPARES AND REPAIR PARTS	--	740,214	--	740,214	--	---
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
COMMON GROUND EQUIPMENT	--	287,114	--	274,114	--	-13,000
AIRCRAFT INDUSTRIAL FACILITIES	--	17,585	--	17,585	--	---
WAR CONSUMABLES	--	16,014	--	16,014	--	---
OTHER PRODUCTION CHARGES	--	10,185	--	10,185	--	---
SPECIAL SUPPORT EQUIPMENT	--	23,302	--	23,302	--	---
FIRST DESTINATION TRANSPORTATION	--	1,717	--	1,717	--	---
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		355,917		342,917		-13,000
TRANSFER FROM NATIONAL DEFENSE STOCKPILE	--	-134,000	--	---		+134,000
TOTAL, AIRCRAFT PROCUREMENT, NAVY		5,951,965		6,753,465		+801,500
TRANSFER		(134,000)		---		(-134,000)
TOTAL FUNDING AVAILABLE		6,085,965		6,753,465		+667,500

WEAPONS PROCUREMENT, NAVY

Fiscal year 1997 appropriation	\$1,389,913,000
Fiscal year 1998 budget request	1,136,293,000
Committee recommendation	1,175,393,000
Change from budget request	+39,100,000

This appropriation provides funds for the procurement of strategic and tactical missiles, target drones, torpedoes, guns, associated support equipment, and modification of in-service missiles, torpedoes, and guns.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action.

(In thousands of dollars)

Item	Budget request	Committee recommendation	Change from request
JSOW	58,665	68,665	+10,000
Hellfire	0	37,500	+37,500
Standard missile	35,601	68,601	+33,000
Weapons industrial facilities	34,932	25,932	-9,000
CIWS MODS (surface mode)	9,990	29,990	+20,000

BALLISTIC MISSILES

TRIDENT ADVANCE PROCUREMENT

The Navy requested \$47,021,000 for advance procurement of long lead items for fiscal year 1999 Trident II missiles. The Committee recommends \$32,021,000, a decrease of \$15,000,000. The Committee notes that over \$19,000,000 of fiscal year 1996 Trident II long lead funding has not been obligated based on DOD accounting reports. In fiscal year 1997, \$26,456,000 remains unobligated. Further, Navy budget documentation indicates that fiscal year 1998 long lead funding for the airframe and motor will not be obligated until fiscal year 1999. Since funding is being requested ahead of need, the Committee recommends a reduction of \$15,000,000 to the Trident II advanced procurement request.

OTHER MISSILES

ESSM

The Navy requested \$15,529,000 for the Evolved Seasparrow Missile (ESSM) program. The Committee recommends \$5,529,000, a reduction of \$10,000,000. The ESSM program begins low rate production in fiscal year 1999 with 87 missiles, including foreign military sales. Though the tooling procured in the research and development program supports procurement rates of up to 180 missiles per year, the Navy's fiscal year 1998 budget nevertheless requests funding for full rate production tooling one year prior to approval of low rate production and two years prior to approval for full rate production. The Committee believes that such a request is premature, and therefore recommends a reduction of \$10,000,000.

STANDARD MISSILE

The Navy requested \$196,492,000 for Standard Missile. The Committee recommends \$181,092,000, a decrease of \$15,400,000. The funds for the Navy Lower Tier program have been transferred to the Ballistic Missile Defense Organization, in the "Procurement, Defense-Wide" appropriation as proposed in the House-passed Defense Authorization bill.

AERIAL TARGETS

The Navy requested \$72,923,000 for aerial targets. The Committee recommends \$65,923,000, a decrease of \$7,000,000 due to reduced requirements.

SPARES AND REPAIR PARTS

The Navy requested \$26,943,000 for spares and repair parts. The Committee recommends \$21,943,000, a reduction of \$5,000,000 based on large unobligated balances in fiscal years 1995, 1996, and 1997.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE	FROM
	QTY	AMOUNT	RECOMMENDED	QTY	REQUEST
			AMOUNT		AMOUNT
WEAPONS PROCUREMENT, NAVY					
BALLISTIC MISSILES					
TRIDENT II	7	292,248	7	292,248	---
TRIDENT II (AP-CY)	--	47,021	--	32,021	-15,000
SUPPORT EQUIPMENT AND FACILITIES					
MISSILE INDUSTRIAL FACILITIES	--	2,143	--	2,143	---
TOTAL, BALLISTIC MISSILES		341,412		326,412	-15,000
OTHER MISSILES					
STRATEGIC MISSILES					
TOMAHAWK	65	51,820	65	51,820	---
ESSM	--	15,529	--	5,529	-10,000
TACTICAL MISSILES					
AMRAAM	100	57,066	100	57,066	---
JSOW	113	56,665	113	68,665	+10,000
STANDARD MISSILE	127	196,492	127	181,092	-15,400
RAM	100	44,082	100	44,082	---
AERIAL TARGETS	--	72,923	--	65,923	-7,000
DRONES AND DECOYS	--	298	--	298	---
OTHER MISSILE SUPPORT	--	18,294	--	18,294	---
HELLFIRE	--	---	700	37,500	+37,500
MODIFICATION OF MISSILES					
SIDEWINDER MODS	--	333	--	333	---
HARPOON MODS	--	21,694	--	21,694	---
STANDARD MISSILES MODS	--	35,601	--	68,601	+33,000
SUPPORT EQUIPMENT AND FACILITIES					
WEAPONS INDUSTRIAL FACILITIES	--	34,932	--	25,932	-9,000
ORDNANCE SUPPORT EQUIPMENT					
ORDNANCE SUPPORT EQUIPMENT	--	5,264	--	5,264	---
TOTAL, OTHER MISSILES		612,993		652,093	+39,100
TORPEDOES AND RELATED EQUIPMENT					
ASW TARGETS	--	685	--	685	---
MOD OF TORPEDOES AND RELATED EQUIP					
MK-46 TORPEDO MODS	--	274	--	274	---
MK-48 TORPEDO ADCAP MODS	--	55,392	--	55,392	---
SUPPORT EQUIPMENT					
TORPEDO SUPPORT EQUIPMENT	--	25,509	--	25,509	---
ASW RANGE SUPPORT	--	11,847	--	11,847	---
DESTINATION TRANSPORTATION					
FIRST DESTINATION TRANSPORTATION	--	2,008	--	2,008	---
TOTAL, TORPEDOES AND RELATED EQUIPMENT		95,715		95,715	---
OTHER WEAPONS					
GUNS AND GUN MOUNTS					
SMALL ARMS AND WEAPONS	--	994	--	994	---
MODIFICATION OF GUNS AND GUN MOUNTS					
CIWS MODS	--	9,980	--	29,980	+20,000
5/54 GUN MOUNT MODS	--	241	--	241	---
MODS UNDER \$2.0 MILLION	--	1,320	--	1,320	---
SUPPORT EQUIPMENT					
PIONEER	--	3,962	--	3,962	---
OTHER					
PIONEER	--	42,723	--	42,723	---
TOTAL, OTHER WEAPONS		59,230		79,230	+20,000
SPARES AND REPAIR PARTS					
	--	26,943	--	21,943	-5,000
TOTAL, WEAPONS PROCUREMENT, NAVY		1,136,293		1,175,393	+39,100

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE
CORPS**

Fiscal year 1997 appropriation	\$289,695,000
Fiscal year 1998 budget request	336,797,000
Committee recommendation	423,797,000
Change from budget request	+87,000,000

This appropriation finances the acquisition of ammunition, ammunition modernization and ammunition related materiel for the Navy and Marine Corps.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

[In thousands of dollars]

Item	Budget re- quest	Committee rec- ommended	Change from request
5.56MM, All types	33,000	36,000	+3,000
CTG 7.62MM, All types	2,900	8,900	+6,000
Fuze, ET, XM762	0	7,000	+7,000

AMMUNITION SHORTFALLS

The Committee has recommended an additional \$30,000,000 to satisfy ammunition shortfalls identified by the Marine Corps. The Committee has recommended additional funds for the following items:

[In thousands of dollars]

Item	Budget re- quest	Committee rec- ommended	Change from request
5.56MM, All types	33,000	36,000	+3,000
Linear charges, all types	2,290	17,290	+15,000
40MM, All types	5,701	10,701	+5,000
Fuze, ET, XM762	0	7,000	+7,000

NAVY AMMUNITION

PRACTICE BOMBS

The Navy requested \$41,766,000 for practice bombs. The Committee recommends \$56,766,000, an increase of \$15,000,000 only to procure laser guided training rounds.

5 INCH/54 GUN AMMUNITION

The Navy requested \$27,669,000 for 5 inch/54 gun ammunition. The Committee recommends \$60,169,000, an increase of \$32,500,000 only to procure DPICM ammunition.

20MM PGU-28

The Navy requested no funds for 20MM PGU-28 ammunition. The Committee recommends \$3,500,000 only to procure 20MM PGU-28 ammunition.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE
	QTY	AMOUNT	RECOMMENDED	FROM REQUEST
			AMOUNT	QTY
				AMOUNT
PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP				
PROC AMMO, NAVY				
NAVY AMMUNITION				
AIR LAUNCHED ORDNANCE				
GENERAL PURPOSE BOMBS	--	12,849	-- 12,849	-- ---
JDM	668	38,520	668 38,520	-- ---
2.75 INCH ROCKETS	--	15,833	-- 15,833	-- ---
MACHINE GUN AMMUNITION	--	7,823	-- 7,823	-- ---
PRACTICE BOMBS	--	41,766	-- 56,766	-- +15,000
CARTRIDGES & CART ACTUATED DEVICES	--	24,373	-- 24,373	-- ---
AIRCRAFT ESCAPE ROCKETS	--	8,544	-- 8,544	-- ---
AIR EXPENDABLE COUNTERMEASURES	--	22,724	-- 22,724	-- ---
MARINE LOCATION MARKERS	--	655	-- 655	-- ---
JATOS	--	4,517	-- 4,517	-- ---
SHIP ORDNANCE				
5 INCH/54 GUN AMMUNITION	--	27,669	-- 60,169	-- +32,500
CIWS AMMUNITION	--	467	-- 467	-- ---
76MM GUN AMMUNITION	--	3,446	-- 3,446	-- ---
OTHER SHIP GUN AMMUNITION	--	4,499	-- 4,499	-- ---
OTHER ORDNANCE				
SMALL ARMS & LANDING PARTY AMMO	--	7,756	-- 7,756	-- ---
PYROTECHNIC AND DEMOLITION	--	10,216	-- 10,216	-- ---
MINE NEUTRALIZATION DEVICES	--	6,321	-- 6,321	-- ---
20MM PGU-28	--	---	-- 3,500	-- +3,500
TOTAL, PROC AMMO, NAVY		237,978	288,978	+51,000
PROC AMMO, MC				
MARINE CORPS AMMUNITION				
5.56 MM, ALL TYPES	--	33,000	-- 36,000	-- +3,000
7.62 MM, ALL TYPES	--	2,900	-- 8,300	-- +5,000
LINEAR CHARGES, ALL TYPES	--	2,290	-- 17,290	-- +15,000
.50 CALIBER	--	1,700	-- 1,700	-- ---
40 MM, ALL TYPES	--	5,701	-- 10,701	-- +5,000
120MM, ALL TYPES	--	15,481	-- 15,481	-- ---
FUZE, ET, XM762	--	---	-- 7,000	-- +7,000
CGO 25MM, ALL TYPES	--	2,181	-- 2,181	-- ---
9 MM ALL TYPES	--	3,684	-- 3,684	-- ---
GRENADES, ALL TYPES	--	2,882	-- 2,882	-- ---
ROCKETS, ALL TYPES	--	15,047	-- 15,047	-- ---
DEMOLITION MUNITIONS, ALL TYPES	--	600	-- 600	-- ---
NON LETHALS	--	2,000	-- 2,000	-- ---
AMMO MODERNIZATION	--	9,888	-- 9,888	-- ---
ITEMS LESS THAN \$2.0 MILLION	--	1,465	-- 1,465	-- ---
TOTAL, PROC AMMO, MC		98,819	134,819	+36,000
TOTAL, PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP		336,797	423,797	+87,000

SHIPBUILDING AND CONVERSION, NAVY

Fiscal year 1997 appropriation	\$5,613,665,000
Fiscal year 1998 budget request	7,438,158,000
Committee recommendation	7,628,158,000
Change from budget request	+190,000,000

This appropriation provides funds for the construction of new ships and the purchase and conversion of existing ships, including hull, mechanical, and electrical equipment, electronics, guns, torpedo and missile launching systems, and communications systems.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

	Budget Re- quest	Committee Rec- ommenda- tion	Change from Request
LPD-17	0	185,000	+185,000
Outfitting	28,140	21,140	-7,000
Post Delivery	90,177	81,177	-9,000

OTHER WARSHIPS

CVN REFUELING OVERHAULS

The Navy requested \$1,615,003,000 for a complex refueling overhaul of the U.S.S. Nimitz (CVN-68). The Committee is disappointed that the Navy has elected to overhaul the Nimitz—the first ship of its class—without cooperative engagement, integrated ship self defense, the advanced combat direction system, the rolling airframe missile, the SPQ-9 navigation radar, a common high-band data link, the battlegroup passive horizon extension system, an outboard weapons elevator, conversion of nuclear magazines, emergency ordnance handling, and improved propellers. At the same time the Navy proposes to delete these essential warfighting improvements from a front line combat ship, ostensibly due to lack of funds, it has proposed a “business-as-usual” R&D budget with growth in basic research, advanced technology demonstrations, and other programs less relevant to near-term warfighting requirements. The Committee questions these priorities and whether the Theater CINC agree with them. The Committee urges the leadership of the Navy to reconsider these priorities as it executes the fiscal year 1998 budget, and to request through the reprogramming process sufficient funds to ensure that the Nimitz is returned to duty with the best warfighting improvements available, rather than with holes where modern equipment is supposed to go. The Committee recommends \$1,628,403,000, an increase of \$13,400,000. This includes a decrease of \$5,600,000 as recommended in the House-passed Defense Authorization bill due to cancellation of the requirement for CIWS guns and an increase of \$20,000,000 only for installation of the ship self defense system.

CVN REFUELING OVERHAULS—ADVANCE PROCUREMENT

The Navy requested \$92,855,000 for advance procurement for the overhaul of CVN-69, a Nimitz class aircraft carrier. Given the deficiencies on the overhaul of the lead ship of the class, the Committee is not willing to support a second overhaul until they are remedied for both ships. The Committee recommends \$46,855,000, a decrease of \$46,000,000, as well as proposed bill language to ensure that funds are not obligated on an aircraft carrier overhaul that delivers CVN-69 back to the fleet without installations of cooperative engagement and the ship self defense system.

DDG-51

The Navy requested \$2,665,767,000 to procure 3 DDG-51 Aegis ships. The Committee is dismayed at the Navy's plan to build 12 ships between 1997 and 2001 which are planned to be delivered to the fleet without cooperative engagement or theater ballistic missile defense capability. This shipbuilding plan is counter to the theater missile defense goals of the Administration, the Navy, and the Congress and may unnecessarily put at risk the lives of U.S. forces deployed in hostile situations. The Committee recommends \$2,695,367,000, an increase of \$29,600,000. This includes an additional \$19,400,000 to accelerate baseline 6 hardware and software needed to incorporate theater ballistic missile defense in these ships, \$14,000,000 only to install cooperative engagement on the third ship in 1998, and a decrease of \$3,800,000 due to savings in the program resulting from a FMS sale to Spain of Aegis combat systems. The Committee also proposes bill language to preclude the Navy from awarding a multiyear contract for construction of twelve DDG-51 ships, unless at least four of the ships will be delivered to the Navy with cooperative engagement and theater ballistic missile capability installed.

CRUISER OVERHAULS

The Navy has indicated to the congressional defense committees that it plans to begin an extensive overhaul program for 27 of its Aegis cruisers. Since no funds are requested in the budget for this purpose, the Department of Defense would have to submit a new start reprogramming request if the Navy planned to begin cruiser conversion prior to fiscal year 1999. The Committee directs that all the overhauls for these ships must be competed between U.S. shipyards and that no non-competitive allocations be made for industrial base reasons. The Committee understands that this direction is consistent with the Navy's plan.

AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAMS

LCAC LANDING CRAFT

The Navy requested no funds for LCAC landing craft service life extension (SLEP). The Committee recommends \$24,000,000 and directs the Navy to accelerate the SLEP, while the production line is still warm, due to recent disclosure of corrosion and component failures from fleet LCAC operating units. The Navy has informed the Committee that this program can be started in fiscal year 1998

using unique existing facilities and retaining a trained labor force, resulting in a net savings of \$18,300,000.

ADC(X)

The Navy requested no funds for ADC(X) construction, but plans to build such a class of ships in the outyears. The Committee directs that the construction cost of such ships, if proposed to the Congress by the Navy, be funded in the Shipbuilding and Conversion appropriation.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
SHIPBUILDING & CONVERSION, NAVY						
OTHER WARSHIPS						
SSN-21.....	--	153,444	--	153,444	--	---
NEW SSN.....	1	2,314,903	1	2,314,903	--	---
NEW SSN (AP-CY).....	--	284,859	--	284,859	--	---
CVN REFUELING OVERHAULS.....	1	1,615,003	1	1,628,403	--	+13,400
CVN REFUELING OVERHAULS (AP-CY).....	--	92,855	--	46,855	--	-46,000
DDG-51.....	3	2,685,767	3	2,695,367	--	+29,600
DDG-51 (AP-CY).....	--	157,806	--	157,806	--	---
TOTAL, OTHER WARSHIPS.....		7,284,637		7,281,637		-3,000
AMPHIBIOUS SHIPS						
LPD-17.....	--	---	--	185,000	--	+185,000
AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM						
AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAM COS						
SERVICE CRAFT.....	--	33,859	--	33,859	--	---
LCAC LANDING CRAFT.....	--	---	--	24,000	--	+24,000
OUTFITTING.....	--	28,140	--	21,140	--	-7,000
POST DELIVERY.....	--	90,177	--	61,177	--	-9,000
FIRST DESTINATION TRANSPORTATION.....	--	1,345	--	1,345	--	---
TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM...		153,521		181,521		+8,000
TOTAL, SHIPBUILDING & CONVERSION, NAVY.....		7,438,158		7,628,158		+190,000

OTHER PROCUREMENT, NAVY

Fiscal year 1997 appropriation	\$3,067,944,000
Fiscal year 1998 budget request	2,825,500,000
Committee recommendation	3,084,485,000
Change from budget request	+258,985,000

This appropriation provides funds for the procurement of major equipment and weapons other than ships, aircraft, missiles, and torpedoes. Such equipment range from the latest electronic sensors for updating our naval forces to trucks, training equipment, and spare parts.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

(In thousands of dollars)

	Budget Re- quest	Committee Rec- ommenda- tion	Change from Request
Reactor components	193,880	180,880	- 13,000
Radar Support	1,708	23,708	+22,000
Surface sonar windows/domes	0	6,000	+6,000
Cooperative engagement	0	114,800	+114,800
AN/SSQ-36 sonobouy	1,402	2,902	+1,500
AN/SSQ-57 sonobouy	0	4,500	+4,500
Weapons range support equipment	4,858	14,358	+9,500
Airborne mine counter-measures (SWIMS)	20,192	27,692	+7,500

SHIPS SUPPORT EQUIPMENT

LM-2500 GAS TURBINE

The Navy requested \$7,548,000 for the LM-2500 gas turbine engine. The Committee recommends \$5,548,000, a decrease of \$2,000,000 due to reduced requirements resulting from ship deactivations.

NAVIGATION EQUIPMENT

OTHER NAVIGATION EQUIPMENT

The Navy requested \$31,552,000 for other navigation equipment. The Committee recommends \$39,052,000, an increase of \$7,500,000. This includes an increase of \$9,000,000 only for the WSN-7 ring laser gyro and a decrease of \$1,500,000 due to contract savings in this program.

OTHER SHIPBOARD EQUIPMENT

FIREFIGHTING EQUIPMENT

The Navy requested \$14,081,000 for other firefighting equipment. The Committee recommends \$27,081,000, an increase of \$13,000,000 only for self contained breathing apparatus as recommended in the House-passed Defense Authorization bill.

POLLUTION CONTROL EQUIPMENT

The Navy requested \$156,775,000 for pollution control equipment. The Committee recommends \$147,775,000, a decrease of \$9,000,000 due to reduced requirements and excess prior year funds identified by the General Accounting Office.

SUBMARINE BATTERIES

The Navy requested \$9,043,000 for submarine batteries. The Committee recommends \$8,443,000, a decrease of \$600,000 due to contract savings.

STRATEGIC PLATFORM SUPPORT EQUIPMENT

The Navy requested \$6,435,000 for strategic platform support equipment. The Committee recommends \$21,435,000, an increase of \$15,000,000 only to install AN/UYQ-70 displays in submarines.

COMMUNICATIONS AND ELECTRONIC EQUIPMENT

RADAR SUPPORT

The Navy requested \$1,708,000 for radar support. The Committee recommends \$23,708,000, an increase of \$22,000,000 as recommended in the House-passed Defense Authorization bill of which \$13,000,000 is only for the SPS-73(V) radar and \$9,000,000 is only for the AN/BPS-16 submarine navigation radar.

SHIP SONARS

AN/SQQ-89 SURFACE ASW COMBAT SYSTEM

The Navy requested \$16,628,000 for AN/SQQ-89. The Committee recommends \$16,228,000, a decrease of \$400,000 due to contract and installation savings.

SSN ACOUSTICS

The Navy requested \$77,953,000 for SSN Acoustics. The Committee recommends \$46,453,000, a decrease of \$31,500,000. This consists of a decrease of \$39,500,000 to the Acoustic Rapid Commercial Off-the-Shelf Insertion (A-RCI) program and an increase of \$8,000,000 only for refurbishment of TB-23 arrays. Concerning the A-RCI program, the Committee believes the program is concurrent since the Navy plans to buy 14 A-RCI kits in 1998 even though initial operational test and evaluation is not planned until the first quarter of 1999. The Committee recommends that A-RCI production funds be deferred one year to reduce program risk.

CARRIER ASW MODULE

The Navy requested \$16,000 for the carrier ASW module. The Committee recommends \$12,016,000, an increase of \$12,000,000 only for procurement and installation of six AN/UQX-5(V) Fast Time Analyzer System engineering change two acoustic intercept processors, six CV ASW Module on-board trainers, one CV tactical support center upgrade, and integration of a real time sensor data link.

ELECTRONIC WARFARE EQUIPMENT

C3 COUNTERMEASURES

The Navy requested \$6,891,000 for C3 countermeasures. The Committee recommends \$6,591,000, a decrease of \$300,000 due to reduced requirements.

RECONNAISSANCE EQUIPMENT

COMBAT DIRECTION FINDING EQUIPMENT

The Navy requested \$10,473,000 for combat direction finding equipment. The Committee recommends \$5,873,000, a decrease of \$4,600,000 due to contract savings on automated digital acquisition systems.

BATTLE GROUP PASSIVE HORIZON EXTENSION (BGPHEs)

The Navy requested \$50,221,000 for BGPHEs. The Committee recommends \$47,421,000, a decrease of \$2,800,000 due to contract savings.

OTHER SHIP ELECTRONIC EQUIPMENT

NAVY TACTICAL DATA SYSTEM

The Navy requested \$14,335,000 for the Navy Tactical Data System. The Committee recommends \$24,335,000, an increase of \$10,000,000 only to install AN/UYQ-70 displays on Aegis cruisers.

ADVANCED TACTICAL DATA LINK SYSTEMS

The Navy requested \$16,991,000 for advanced tactical data link systems. The Committee recommends \$15,391,000, a decrease of \$1,600,000 due to contract savings in AN/VRC-107(V) terminals.

AVIATION ELECTRONIC EQUIPMENT

AUTOMATIC CARRIER LANDING SYSTEM

The Navy requested \$13,200,000 for the automatic carrier landing system. The Committee recommends \$12,200,000, a decrease of \$1,000,000 due to cancellation of the AN/SPN-46(V) landing system.

ID SYSTEMS

The Navy requested \$11,293,000 for identification systems. The Committee recommends \$9,193,000, a decrease of \$2,100,000 for shipboard advanced radar target identification systems which have slipped until 1999.

OTHER SHORE ELECTRONIC EQUIPMENT

JMCIS TACTICAL/MOBILE

The Navy requested \$2,888,000 for JMCIS Tactical/Mobile. The Committee recommends \$47,888,000, an increase of \$45,000,000 only for procurement of AN/SQR-17A(V)3 underwater systems, in-

cluding preplanned product improvement, for Mobile Inshore Undersea Warfare operations.

SUBMARINE COMMUNICATIONS

SUBMARINE COMMUNICATION EQUIPMENT

The Navy requested \$37,239,000 for submarine communication equipment. The Committee recommends \$47,239,000, an increase of \$10,000,000 only for procurement of AN/USC-42(V)V mini-Demand Assigned Multiple Access (DAMA) UHF Fleet SATCOM communications terminals for submarines, surface ships, and airborne platforms.

SHORE COMMUNICATIONS

NSIPS

Information on this project can be found in the Information Resources Management section of this report.

JEDMICS

Information on this project can be found in the Information Resources Management section of this report.

AVIATION SUPPORT EQUIPMENT

SONOBOUYS

AN/SQQ-53 (DIFAR)

The Navy requested \$28,382,000 for procurement of AN/SQQ-53 sonobouys. The Committee recommends \$49,382,000, an increase of \$21,000,000 identified by the Navy as a critical shortfall.

AN/SQQ-62 (DICASS)

The Navy requested \$24,291,000 for procurement of AN/SQQ-62 sonobouys. The Committee recommends \$32,291,000, an increase of \$8,000,000 identified by the Navy as a critical shortfall.

AIRCRAFT SUPPORT EQUIPMENT

AVIATION LIFE SUPPORT

The Navy requested \$15,345,000 for aviation life support equipment. The Committee recommends \$12,645,000, a decrease of \$2,700,000 due to reduced requirements.

LAMPS MK III SHIPBOARD EQUIPMENT

The Navy requested \$5,805,000 for LAMPS MK III Shipboard Equipment. The Committee recommends \$4,560,000, a decrease of \$1,245,000 due to excess funds identified by the General Accounting Office.

SHIP MISSILE SYSTEMS EQUIPMENT

NATO SEASPARROW

The Navy requested \$6,866,000 for the NATO Seasparrow program. The Committee recommends \$10,866,000, an increase of \$4,000,000 only for low-light, solid state electro-optic cameras.

SHIP SELF-DEFENSE SYSTEM

The Navy requested \$5,841,000 for the ship-self defense system. The Committee recommends \$17,841,000, an increase of \$12,000,000 only for installation of the SSDS on two LSD-41 class ships with rolling airframe missile launchers to be allocated from assets procured in 1998 or earlier fiscal years.

AEGIS SUPPORT EQUIPMENT

The Navy requested \$26,813,000 for Aegis support equipment. The Committee recommends \$21,113,000, a reduction of \$5,700,000 due to reduced requirements because of ship deactivations.

SURFACE TOMAHAWK SUPPORT EQUIPMENT

The Navy requested \$65,502,000 for surface Tomahawk support equipment. The Committee recommends \$65,302,000, a decrease of \$200,000 due to reduced requirements because of ship deactivations.

FLEET BALLISTIC MISSILE SUPPORT EQUIPMENT

STRATEGIC MISSILE SYSTEMS EQUIPMENT

The Navy requested \$231,528,000 for strategic missile systems equipment. The Committee recommends \$228,728,000, a decrease of \$2,800,000 due to excess funds identified by the General Accounting Office.

OTHER ORDNANCE SUPPORT EQUIPMENT

UNMANNED SEABORNE TARGET

The Navy requested \$4,271,000 for unmanned seaborne target development. The Committee recommends \$2,271,000, a decrease of \$2,000,000 due to reduced requirements.

OTHER EXPENDABLE ORDNANCE

SURFACE TRAINING DEVICE MODIFICATIONS

The Navy requested \$4,829,000 for surface training device modifications. The Committee recommends \$13,329,000, an increase of \$8,500,000 only for procurement of Carry-on Combat Systems Trainers (COCST) for the Battle Force Tactical Training (BFTT) system.

CIVIL ENGINEERING SUPPORT EQUIPMENT

CONSTRUCTION AND MAINTENANCE EQUIPMENT

The Navy requested \$3,700,000 for construction and maintenance equipment. The Committee recommends \$5,200,000, an increase of \$1,500,000 only for laser leveling devices.

AMPHIBIOUS EQUIPMENT

The Navy requested \$6,233,000 for amphibious equipment. The Committee recommends \$11,233,000, an increase of \$5,000,000 only for the Elevated Causeway (Modular).

POLLUTION CONTROL EQUIPMENT

The Navy requested \$28,650,000 for pollution control equipment. The Committee recommends \$25,080,000, a decrease of \$3,570,000 due to reduced requirements because of ship deactivations.

COMMAND SUPPORT EQUIPMENT

The Navy requested \$15,915,000 for command support equipment. The Committee recommends \$17,915,000, an increase of \$2,000,000 only for the Advanced Technical Information System.

OTHER

SPARES AND REPAIR PARTS

The Navy requested \$248,717,000 for spares and repair parts. The Committee recommends \$228,717,000, a decrease of \$20,000,000 due to reduced requirements because of ship deactivations.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE
	QTY	AMOUNT	RECOMMENDED	FROM REQUEST
			AMOUNT	QTY
OTHER PROCUREMENT, NAVY				
SHIPS SUPPORT EQUIPMENT				
SHIP PROPULSION EQUIPMENT				
LM-2500 GAS TURBINE		7,548	5,548	-2,000
ALLISON 501K GAS TURBINE		5,937	5,937	---
STEAM PROPULSION IMPROVEMENT		541	541	---
OTHER PROPULSION EQUIPMENT		12,077	12,077	---
GENERATORS				
OTHER GENERATORS		1,810	1,810	---
PUMPS				
OTHER PUMPS		444	444	---
PROPELLERS				
OTHER PROPELLERS AND SHAFTS		1,496	1,496	---
NAVIGATION EQUIPMENT				
OTHER NAVIGATION EQUIPMENT		31,552	39,052	+7,500
UNDERWAY REPLENISHMENT EQUIPMENT				
UNDERWAY REPLENISHMENT EQUIPMENT		8,189	8,189	---
PERISCOPES				
SUB PERISCOPES & IMAGING EQUIP.		32,131	32,131	---
OTHER SHIPBOARD EQUIPMENT				
FIREFIGHTING EQUIPMENT		14,081	27,081	+13,000
COMMAND AND CONTROL SWITCHBOARD		8,049	8,049	---
POLLUTION CONTROL EQUIPMENT		156,775	147,775	-9,000
SUBMARINE SILENCING EQUIPMENT		4,285	4,285	---
SUBMARINE BATTERIES		9,043	8,443	-600
SSN-1 CLASS SUPPORT EQUIPMENT		6,442	6,442	---
STRATEGIC PLATFORM SUPPORT EQUIP.		6,435	21,435	+15,000
DSSP EQUIPMENT		7,269	7,269	---
MINESWEEPING EQUIPMENT		4,940	4,940	---
HM&E ITEMS UNDER \$2.0 MILLION		51,059	51,059	---
SURFACE IMA		2,026	2,026	---
RADIOLOGICAL CONTROLS		163	163	---
MINI/MICROMINI ELECTRONIC REPAIR		495	495	---
REACTOR PLANT EQUIPMENT				
REACTOR POWER UNITS		108,542	108,542	---
REACTOR COMPONENTS		193,880	180,880	-13,000
OCEAN ENGINEERING				
DIVING AND SALVAGE EQUIPMENT		4,860	4,860	---
EOD UNDERWATER EQUIPMENT		9,050	9,050	---
SMALL BOATS				
STANDARD BOATS		4,932	4,932	---
TRAINING EQUIPMENT				
OTHER SHIPS TRAINING EQUIPMENT		1,815	1,815	---
PRODUCTION FACILITIES EQUIPMENT				
PRODUCTION SUPPORT FACILITIES		353	353	---
OPERATING FORCES IPE		888	888	---
OTHER SHIP SUPPORT				
NUCLEAR ALTERATIONS		74,053	74,053	---
TOTAL, SHIPS SUPPORT EQUIPMENT		771,120	782,020	+10,900
COMMUNICATIONS AND ELECTRONICS EQUIPMENT				
SHIP RADARS				
AN/SPS-40		669	669	---
AN/SPS-48		230	230	---
AN/SPS-49		13,401	13,401	---
MK-23 TARGET ACQUISITION SYSTEM		1,923	1,923	---
RADAR SUPPORT		1,708	23,708	+22,000
TISS		13,703	13,703	---
SHIP SONARS				
SURFACE SONAR SUPPORT EQUIPMENT		3,810	3,810	---
AN/SQQ-89 SURF ASW COMBAT SYSTEM		16,628	16,228	-400
SSN ACOUSTICS		77,953	46,453	-31,500
SURFACE SONAR WINDOWS AND DOME		---	6,000	+6,000
SONAR SUPPORT EQUIPMENT		5,430	5,430	---
SONAR SWITCHES AND TRANSDUCERS		11,574	11,574	---
ASW ELECTRONIC EQUIPMENT				
SUBMARINE ACOUSTIC WARFARE SYSTEM		4,259	4,259	---
SSTD		344	344	---
ACOUSTIC COMMUNICATIONS		412	412	---
FIXED SURVEILLANCE SYSTEM		15,175	15,175	---
SURTASS		7,108	7,108	---
ASW OPERATIONS CENTER		5,255	5,255	---
CARRIER ASW MODULE		16	12,016	+12,000
ELECTRONIC WARFARE EQUIPMENT				
AN/SLO-32		2,119	2,119	---
INFORMATION WARFARE SYSTEMS		3,781	3,781	---
EW SUPPORT EQUIPMENT		4,216	4,216	---
C-3 COUNTERMEASURES		6,891	6,891	-300
RECONNAISSANCE EQUIPMENT				
COMBAT DF		10,473	5,873	-4,600
OUTBOARD		11,674	11,674	---
BATTLE GROUP PASSIVE HORIZON EXTEN.		50,221	47,421	-2,800
SUBMARINE SURVEILLANCE EQUIPMENT				
AN/WLO-4		4,479	4,479	---
SUBMARINE SUPPORT EQUIPMENT PROG.		6,904	6,904	---
OTHER SHIP ELECTRONIC EQUIPMENT				
NAVY TACTICAL DATA SYSTEM		14,335	24,335	+10,000
COOPERATIVE ENGAGEMENT CAPABILITY		---	114,800	+114,800
JNCIS APLANT		22,403	22,403	---
NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)		49,710	49,710	---
ATDLS		16,991	15,391	-1,600
MINESWEEPING SYSTEM REPLACEMENT		15,848	15,848	---
NAVSTAR GPS RECEIVERS (SPACE)		5,006	5,006	---
ARMED FORCES RADIO AND TV		15,665	15,665	---
STRATEGIC PLATFORM SUPPORT EQUIP.		7,499	7,499	---

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST	AMOUNT
TRAINING EQUIPMENT							
OTHER SPARAW TRAINING EQUIPMENT	---	3,569	---	3,569	---	---	---
OTHER TRAINING EQUIPMENT	---	24,529	---	24,529	---	---	---
AVIATION ELECTRONIC EQUIPMENT							
MATCALS	---	9,726	---	9,726	---	---	---
SHIPBOARD AIR TRAFFIC CONTROL	---	2,971	---	2,971	---	---	---
AUTOMATIC CARRIER LANDING SYSTEM	---	13,200	---	12,200	---	-1,000	---
NATIONAL AIR SPACE SYSTEM	---	2,239	---	2,239	---	---	---
AIR STATION SUPPORT EQUIPMENT	---	9,495	---	9,495	---	---	---
MICROWAVE LANDING SYSTEM	---	5,311	---	5,311	---	---	---
FACSFAC	---	7,001	---	7,001	---	---	---
ID SYSTEMS	---	11,293	---	9,193	---	-2,100	---
TAC A/C MISSION PLANNING SYS(TAMPS)	---	15,722	---	15,722	---	---	---
OTHER SHORE ELECTRONIC EQUIPMENT							
JWCIS ASHORE	---	3,393	---	3,393	---	---	---
JWCIS OED	---	343	---	343	---	---	---
TADIX-B	---	5,239	---	5,239	---	---	---
JWCIS TACTICAL/MOBILE	---	2,868	---	47,888	---	+45,000	---
RADIAC	---	6,093	---	6,093	---	---	---
QPETE	---	7,461	---	7,461	---	---	---
INTEG COMBAT SYSTEM TEST FACILITY	---	3,877	---	3,877	---	---	---
CALIBRATION STANDARDS	---	2,075	---	2,075	---	---	---
EMI CONTROL INSTRUMENTATION	---	4,984	---	4,984	---	---	---
SHORE ELEC ITEMS UNDER \$2.0 MILLION	---	3,425	---	3,425	---	---	---
SHIPBOARD COMMUNICATIONS							
SHIPBOARD TACTICAL COMMUNICATIONS	---	24,497	---	24,497	---	---	---
PORTABLE RADIOS	---	2,375	---	2,375	---	---	---
SIMCGARS	---	7,426	---	7,426	---	---	---
SHIP COMMUNICATIONS AUTOMATION	---	25,799	---	25,799	---	---	---
SHIP COMM ITEMS UNDER \$2.0 MILLION	---	12,374	---	12,374	---	---	---
SUBMARINE COMMUNICATIONS							
SHORE LF/VLF COMMUNICATIONS	---	7,751	---	7,751	---	---	---
SUBMARINE COMMUNICATION EQUIPMENT	---	37,239	---	47,239	---	+10,000	---
ADVANCED VLF RECEIVER	---	7,643	---	7,643	---	---	---
SATELLITE COMMUNICATIONS							
SATCOM SHIP TERMINALS (SPACE)	---	107,608	---	107,608	---	---	---
SATCOM SHORE TERMINALS (SPACE)	---	4,987	---	4,987	---	---	---
SHORE COMMUNICATIONS							
JCS COMMUNICATIONS EQUIPMENT	---	2,603	---	2,603	---	---	---
NSIPS	---	---	---	20,500	---	+20,500	---
JEDMICS	---	---	---	5,000	---	+5,000	---
GCCS EQUIPMENT	---	1,560	---	1,560	---	---	---
NAVAL SHORE COMMUNICATIONS	---	72,465	---	72,465	---	---	---
CRYPTOGRAPHIC EQUIPMENT							
INFO SYSTEMS SECURITY PROGRAM (ISSP)	---	31,667	---	31,667	---	---	---
CRYPTOLOGIC EQUIPMENT							
CRYPTOLOGIC COMMUNICATIONS EQUIP	---	7,122	---	7,122	---	---	---
TOTAL, COMMUNICATION & ELECTRONICS EQUIPMENT	---	925,763	---	1,126,763	---	+201,000	---
AVIATION SUPPORT EQUIPMENT							
SONOBUOYS							
AN/SSQ-36 (BT)	---	1,402	---	3,902	---	+1,500	---
AN/SSQ-53 (DIFAR)	---	28,392	---	49,392	---	+21,000	---
AN/SSQ-57	---	---	---	4,500	---	+4,500	---
AN/SSQ-62 (DICASS)	---	24,291	---	32,291	---	+8,000	---
SIGNAL, UNDERWATER SOUND (SUS)	---	672	---	672	---	---	---
AIRCRAFT SUPPORT EQUIPMENT							
WEAPONS RANGE SUPPORT EQUIPMENT	---	4,858	---	14,358	---	+9,500	---
EXPEDITIONARY AIRFIELDS	---	1,252	---	1,252	---	---	---
AIRCRAFT REARMING EQUIPMENT	---	10,356	---	10,356	---	---	---
AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	---	29,630	---	29,630	---	---	---
METEOROLOGICAL EQUIPMENT	---	17,816	---	17,816	---	---	---
OTHER PHOTOGRAPHIC EQUIPMENT	---	805	---	805	---	---	---
AVIATION LIFE SUPPORT	---	15,345	---	12,845	---	-2,500	---
AIRBORNE MINE COUNTERMEASURES	---	20,192	---	27,592	---	+7,500	---
LAMPS MK III SHIPBOARD EQUIPMENT	---	5,805	---	4,560	---	-1,245	---
REWSON PHOTOGRAPHIC EQUIPMENT	---	693	---	693	---	---	---
STOCK SURVEILLANCE EQUIPMENT	---	1,586	---	1,586	---	---	---
OTHER AVIATION SUPPORT EQUIPMENT	---	6,165	---	6,165	---	---	---
TOTAL, AVIATION SUPPORT EQUIPMENT	---	169,250	---	217,905	---	+48,055	---
ORDNANCE SUPPORT EQUIPMENT							
SHIP GUN SYSTEM EQUIPMENT							
GUN FIRE CONTROL EQUIPMENT	---	9,753	---	9,753	---	---	---
SHIP MISSILE SYSTEMS EQUIPMENT							
MK-32 FIRE CONTROL SYSTEM	---	906	---	906	---	---	---
HARPOON SUPPORT EQUIPMENT	---	243	---	243	---	---	---
ENGAGEMENT SYSTEMS SUPPORT	---	6,881	---	6,881	---	---	---
NATO SEASPARROW	---	6,866	---	10,866	---	+4,000	---
RAM OMLS	---	68,292	---	68,292	---	---	---
SHIP SELF DEFENSE SYSTEM	---	5,841	---	17,841	---	+12,000	---
AEGIS SUPPORT EQUIPMENT	---	26,813	---	21,113	---	-5,700	---
SURFACE TOMAHAWK SUPPORT EQUIPMENT	---	65,502	---	65,302	---	-200	---
SUBMARINE TOMAHAWK SUPPORT EQUIP	---	1,425	---	1,425	---	---	---
VERTICAL LAUNCH SYSTEMS	---	7,591	---	7,591	---	---	---
FBM SUPPORT EQUIPMENT							
STRATEGIC PLATFORM SUPPORT EQUIP	---	2,312	---	2,312	---	---	---
STRATEGIC MISSILE SYSTEMS EQUIP	---	231,628	---	228,728	---	-2,900	---
ASW SUPPORT EQUIPMENT							
SSN COMBAT CONTROL SYSTEMS	---	20,511	---	20,511	---	---	---
SUBMARINE ASW SUPPORT EQUIPMENT	---	3,442	---	3,442	---	---	---
SURFACE ASW SUPPORT EQUIPMENT	---	5,929	---	5,929	---	---	---
ASW RANGE SUPPORT EQUIPMENT	---	3,551	---	3,551	---	---	---
OTHER ORDNANCE SUPPORT EQUIPMENT							
EXPLOSIVE ORDNANCE DISPOSAL EQUIP	---	7,521	---	7,521	---	---	---
UNMANNED SEABORNE TARGET	---	4,271	---	2,271	---	-2,000	---
ANTI-SHIP MISSILE DECOY SYSTEM	---	24,696	---	24,696	---	---	---
INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT)	---	1,373	---	1,373	---	---	---
STOCK SURVEILLANCE EQUIPMENT	---	1,292	---	1,292	---	---	---

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE
	QTY	AMOUNT	RECOMMENDED	FROM REQUEST
			QTY	QTY
			AMOUNT	AMOUNT
OTHER EXPENDABLE ORDNANCE				
FLEET MINE SUPPORT EQUIPMENT	--	5,269	--	5,269
SURFACE TRAINING DEVICE MODS	--	4,829	--	19,329
SUBMARINE TRAINING DEVICE MODS	--	23,025	--	23,025
TOTAL, ORDNANCE SUPPORT EQUIPMENT		539,662		553,462
CIVIL ENGINEERING SUPPORT EQUIPMENT				
ARMORED SEDANS	--	274	--	274
PASSENGER CARRYING VEHICLES	194	5,689	194	5,689
SPECIAL PURPOSE VEHICLES	--	2,795	--	2,795
CONSTRUCTION & MAINTENANCE EQUIP	--	3,700	--	5,200
FIRE FIGHTING EQUIPMENT	--	1,543	--	1,543
TACTICAL VEHICLES	--	2,459	--	2,459
AMPHIBIOUS EQUIPMENT	--	6,233	--	11,233
COMBAT CONSTRUCTION SUPPORT EQUIP	--	245	--	245
MOBILE UTILITIES SUPPORT EQUIPMENT	--	1,160	--	1,160
COLLATERAL EQUIPMENT	--	530	--	530
OCEAN CONSTRUCTION EQUIPMENT	--	332	--	332
POLLUTION CONTROL EQUIPMENT	--	28,650	--	25,080
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT		53,610		56,540
SUPPLY SUPPORT EQUIPMENT				
FORKLIFT TRUCKS	--	6,328	--	6,328
OTHER MATERIALS HANDLING EQUIPMENT	--	2,063	--	2,063
FIRST DESTINATION TRANSPORTATION	--	3,930	--	3,930
SPECIAL PURPOSE SUPPLY SYSTEMS	--	44,207	--	44,207
TOTAL, SUPPLY SUPPORT EQUIPMENT		56,528		56,528
PERSONNEL AND COMMAND SUPPORT EQUIPMENT				
TRAINING DEVICES				
TRAINING SUPPORT EQUIPMENT	--	2,065	--	2,065
COMMAND SUPPORT EQUIPMENT				
INTELLIGENCE SUPPORT EQUIPMENT	--	15,915	--	17,915
OPERATING FORCES SUPPORT EQUIPMENT	--	22,449	--	22,749
ENVIRONMENTAL SUPPORT EQUIPMENT	--	4,743	--	4,743
ENVIRONMENTAL SUPPORT EQUIPMENT	--	15,678	--	15,678
TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT		60,850		63,160
OTHER				
SPARES AND REPAIR PARTS	--	248,717	--	228,717
TOTAL, OTHER PROCUREMENT, NAVY		2,825,500		3,084,485
				+258,985

PROCUREMENT, MARINE CORPS

Fiscal year 1997 appropriation	\$569,073,000
Fiscal year 1998 budget request	374,306,000
Committee recommendation	491,198,000
Change from budget request	+116,892,000

This appropriation provides the Marine Corps with funds for procurement, delivery, and modification of missiles, armament, communication equipment, tracked and wheeled vehicles, and various support equipment.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

(In thousand of dollars)

Item	Budget request	Committee recommended	Change from request
Javelin	42,146	59,146	+17,000
Communications and Elec Infrastructure Supt.	41,809	84,409	+42,600

WEAPONS AND COMBAT VEHICLES

ITEMS UNDER \$2 MILLION (TRACKED VEHICLES)

The Marine Corps requested \$99,000 for items under \$2 million (tracked vehicles). The Committee recommends \$1,999,000, an increase of \$1,900,000 only for a supplemental fuel carrying capability.

OTHER COMMUNICATIONS AND ELECTRONICS EQUIPMENT

INTELLIGENCE SUPPORT EQUIPMENT

The Marine Corps requested \$16,413,000 for Intelligence Support Equipment. The Committee recommends an increase of \$5,392,000. Of this amount, \$4,600,000 is only to procure CI/HUMINT Program equipment, and \$792,000 is to procure portable satcom radios.

TACTICAL VEHICLES

HIGH MOBILITY MULTI-PURPOSE WHEELED VEHICLES

The Marine Corps requested \$696,000 for High Mobility Multi-purpose Wheeled Vehicles (HMMWV). The Committee recommends \$40,696,000, an increase of \$40,000,000 only to begin the production of a HMMWV service-life extension program.

GENERAL PROPERTY

FIELD MEDICAL EQUIPMENT

The Marine Corps requested \$1,081,000 for field medical equipment. The Committee recommends \$11,081,000, an increase of \$10,000,000 only to procure equipment for the Chemical Biological Incident Response Force.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE
	QTY	AMOUNT	RECOMMENDED	FROM REQUEST
			QTY	QTY
			AMOUNT	AMOUNT
PROCUREMENT, MARINE CORPS				
WEAPONS AND COMBAT VEHICLES				
TRACKED COMBAT VEHICLES				
AAV7A1 PIP	--	13,520	--	13,520
LAV PIP	--	600	--	600
LIGHT ARMORED VEHICLE	--	6,727	--	6,727
MODIFICATION KITS (TRKD VEH)	--	4,483	--	4,483
ITEMS UNDER \$2.0 MILLION (TRKD VEH)	--	99	--	1,999
ARTILLERY AND OTHER WEAPONS	--	1,787	--	1,787
MOD KITS (ARTILLERY)	--	810	--	810
ITEMS UNDER \$2.0 MILLION (ALL OTHER)	--	1,513	--	1,513
MARINE ENHANCEMENT PROGRAM	--		--	
TOTAL, WEAPONS AND COMBAT VEHICLES		29,539		31,439
GUIDED MISSILES AND EQUIPMENT				
HAWK MOD	--	3,475	--	3,475
JAVELIN (MYP)	194	42,146	380	59,146
PEDESTAL MOUNTED STINGER (PMS) (MYP)	--	217	--	217
OTHER SUPPORT	--		--	
MODIFICATION KITS	--	842	--	842
TOTAL, GUIDED MISSILES AND EQUIPMENT		46,680		63,680
COMMUNICATIONS AND ELECTRONICS EQUIPMENT				
REPAIR AND TEST EQUIPMENT				
AUTO TEST EQUIP SYS	--	12,121	--	12,121
GENERAL PURPOSE ELECTRONIC TEST EQUIP	--	9,142	--	9,142
OTHER COMM/ELEC EQUIPMENT	--		--	
INTELL/COMM EQUIPMENT (NON-TEL)				
AN/TPQ-36 FIRE FINDER RADAR UPGRADE	--	172	--	172
INTELLIGENCE SUPPORT EQUIPMENT	--	18,413	--	21,805
MOD KITS (INTELL)	--	5,824	--	5,824
ITEMS LESS THAN \$2M (INTELL)	--	631	--	631
REPAIR AND TEST EQUIPMENT (NON-TEL)	--	2,179	--	2,179
GENERAL PURPOSE MECHANICAL TMD	--		--	
OTHER COMM/ELEC EQUIPMENT (NON-TEL)	--		--	
OTHER SUPPORT (NON-TEL)	--		--	
COMMAND POST SYSTEMS	--	13,923	--	13,923
MANEUVER C2 SYSTEMS	--	15,690	--	15,690
RADIO SYSTEMS	--	16,907	--	16,907
COMM SWITCHING & CONTROL SYSTEMS	--	44,741	--	44,741
COMM & ELEC INFRASTRUCTURE SUPPORT	--	41,809	--	84,409
MOD KITS MAGTF C41	--	22,974	--	22,974
ITEMS LESS THAN \$2.0 MILLION MAGTF C41	--	371	--	371
MODIFICATION KITS (OTHER)	--	1,734	--	1,734
ITEMS LESS THAN \$2.0 MILLION (OTHER)	--	3,018	--	3,018
AIR OPERATIONS C2 SYSTEMS	--	9,371	--	9,371
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		217,020		265,012
SUPPORT VEHICLES				
ADMINISTRATIVE VEHICLES				
COMMERCIAL PASSENGER VEHICLES	40	1,276	40	1,276
COMMERCIAL CARGO VEHICLES	--	6,946	--	6,946
TACTICAL VEHICLES				
5/4T TRUCK HMMV (MYP)	--	696	--	40,696
OTHER SUPPORT	--		--	
ITEMS LESS THAN \$2.0 MILLION	--	594	--	594
TOTAL, SUPPORT VEHICLES		9,512		49,512
ENGINEER AND OTHER EQUIPMENT				
ENVIRONMENTAL CONTROL EQUIP ASSORT	--	1,968	--	1,968
BULK LIQUID EQUIPMENT	--	7,913	--	7,913
POWER EQUIPMENT ASSORTED	--	3,627	--	3,627
MATERIALS HANDLING EQUIPMENT				
COMMAND SUPPORT EQUIPMENT	--	613	--	613
PHYSICAL SECURITY EQUIPMENT	--	1,514	--	1,514
GARRISON MOBILE ENGR EQUIP	--	2,998	--	2,998
WAREHOUSE MODERNIZATION	--	1,584	--	1,584
MATERIAL HANDLING EQUIP	--	5,241	--	5,241
FIRST DESTINATION TRANSPORTATION	--	1,396	--	1,396
GENERAL PROPERTY				
FIELD MEDICAL EQUIPMENT	--	1,081	--	11,081
TRAINING DEVICES	--	10,585	--	10,585
CONTAINER FAMILY	--	6,191	--	6,191
OTHER SUPPORT	--		--	
MODIFICATION KITS	--	1,215	--	1,215
ITEMS LESS THAN \$2.0 MILLION	--	714	--	714
TOTAL, ENGINEER AND OTHER EQUIPMENT		46,640		56,640
SPARES AND REPAIR PARTS				
	--	24,915	--	24,915
TOTAL, PROCUREMENT, MARINE CORPS		374,306		491,198
				+116,892

AIRCRAFT PROCUREMENT, AIR FORCE

Fiscal year 1997 appropriation	\$6,404,980,000
Fiscal year 1998 budget request	5,684,847,000
Committee recommendation	6,386,479,000
Change from budget request	+701,632,000

This appropriation provides for the procurement of aircraft, and for modification of in-service aircraft to improve safety and enhance operational effectiveness. It also provides for initial spares and other support equipment to include aerospace ground equipment and industrial facilities. In addition, funds are provided for the procurement of flight training simulators to increase combat readiness and to provide for more economical training.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
B-2	174,086	505,286	+331,200
EC-130J	0	49,900	+49,900
JPATS	65,415	77,615	+12,200
Predator UAV	116,506	146,506	+30,000
B-1B Mods	114,245	138,245	+24,000
H-1 Mods	2,778	3,578	+800
DARP Mods	67,136	139,136	+72,000
DARP	141,493	146,493	+5,000

COMBAT AIRCRAFT

ADVANCED TACTICAL FIGHTER (F-22)

ADVANCE PROCUREMENT

The Air Force requested \$80,864,000 for advance procurement for the F-22 aircraft. The Committee recommends \$74,864,000, a decrease of \$6,000,000. The Air Force has indicated that these funds will be used for redesign efforts associated with Out of Production Parts (OPPs). Since such redesign efforts are properly funded in the research and development account, the Committee has reduced F-22 procurement by \$6,000,000 and has increased F-22 research and development by a like amount. The Committee directs the Secretary of the Air Force to budget for these redesign efforts in the research and development accounts in future budgets.

In addition to OPP redesign efforts, the Air Force has requested authority to use procurement funds to purchase OPPs for more than one aircraft lot. The Committee understands that these parts are defined as electro/mechanical components or electronic piece parts. Electro/mechanical components include parts below the Line Replaceable Units/Line Replaceable Module (LRU/LRM) level, such as actuators, fuel pumps, or hydraulic pumps; however such components do not include structural parts such as wings, bulkheads, flaps, ailerons, doors, or landing gear struts; or subsystems at or

above the LRU/LRM level such as an auxiliary power unit. Electronic piece parts include parts below the LRU/LRM level such as multi-chip modules, Application Specific Integrated Circuits (ASICs), microprocessors, integrated circuits, microcircuits, diodes, and transistors. OPPs are parts that are currently unavailable or projected to be unavailable from the original equipment supplier or any alternative source. Often these parts become unavailable because industry has moved to the next generation of technology and no longer finds it cost effective to maintain the capability to produce the older technology, or the supplier elects to end business with the government, or the supplier goes out of business.

The Committee approves the Air Force request to use procurement funds to purchase OPPs for multiple aircraft lots based on the following criteria: (1) the OPPs must meet the definition of parts described above; (2) the OPPs must meet the definition of "out of production" as described above; (3) OPPs can only be purchased in cases in which a redesign of the parts cannot be accomplished in time to prevent an impact to the production schedule; (4) the Air Force shall not procure more parts than required to bridge the gap between the end of availability of the parts and the availability of the redesigned part; and (5) no more than five aircraft lots of parts can be procured. Any purchases beyond the scope of the criteria above require prior notification to the congressional defense committees. Finally, the Committee is aware that the Air Force needs to procure a video tape deck because of diminishing manufacturing sources. Since such an item would not otherwise meet the criteria above, the Committee provides separate and specific approval for this item.

F-16

The Air Force requested no funding for the F-16 program. The Committee recommends \$82,500,000 for 3 additional aircraft.

AIRLIFT AIRCRAFT

C-17

The Air Force requested \$1,923,311,000 for the C-17 aircraft. The Committee recommends \$1,914,211,000, a decrease of \$9,100,000. This GAO recommended reduction is based on C-17 program office financial execution forecasts that show that fiscal year 1996 and fiscal year 1997 funds will not be obligated prior to funds expiration.

C-17 ADVANCE PROCUREMENT

The Air Force requested \$278,200,000 for C-17 advance procurement in support of fiscal year 1999 aircraft. The Committee recommends \$265,600,000, a decrease of \$12,600,000. This GAO recommended reduction is based on contract savings associated with prior year advance procurement contracts.

CIVIL AIR PATROL

The Air Force requested \$2,645,000 for the Civil Air Patrol. The Committee recommends \$4,498,000, an increase of \$1,853,000.

OTHER AIRCRAFT

E-8C

The Air Force requested \$313,991,000 for the E-8C (JSTARS) aircraft. The Committee recommends \$317,991,000, a net increase of \$4,000,000. The adjustment includes an additional \$16,000,000 to address funding requirements rephased from fiscal year 1996 and an additional \$1,000,000 only for integration of an Improved Data Modem on the JSTARS aircraft. The adjustment also includes a \$13,000,000 reduction based on unjustified growth in the Engineering Change Order (ECO) line. The Committee notes that the Air Force is requesting \$21,400,000 for ECOs in fiscal year 1998 to support one aircraft, compared to \$3.6 million in fiscal year 1997 for two aircraft. The Air Force has indicated that the JSTARS airframe estimates have already been increased in the fiscal year 1998 budget to reflect recent experience of increased costs associated with refurbishing used airframes. Since these higher costs are already built into the airframe estimate, the level of growth in ECO funding is unwarranted.

MODIFICATION OF INSERVICE AIRCRAFT

B-52 MODIFICATIONS

The Air Force requested \$28,907,000 for B-52 modifications. The Committee recommends \$31,807,000, an increase of \$2,900,000 only for B-52 Electro-optical Viewing System Reliability and Maintainability upgrade, identified by the Air Force as a high priority unfunded requirement.

F-15 MODIFICATIONS

The Air Force requested \$169,568,000 for F-15 modifications. The Committee recommends \$157,068,000, a net decrease of \$12,500,000. The adjustment includes an increase of \$22,800,000 only for additional PW-220E engine modifications, a decrease of \$11,800,000 based on two recently terminated modifications in fiscal year 1997, a decrease of \$13,500,000 for APG-63 radar upgrade pricing, and a decrease of \$10,000,000 for radar support equipment. The \$11,800,000 reduction for the terminated modifications is based on a \$21,200,000 GAO recommended reduction adjusted for amounts already reprogrammed to support an Air Traffic Control and Landing System initiative. With regard to the radar upgrade modification, the Committee notes that the Air Force has not adequately justified the unusually high cost of the radar in fiscal year 1998 as compared to the budget last year and as compared to other fiscal years in the current budget. The Committee reduction brings the fiscal year 1998 program in line with the fiscal year 1997 column of the current budget. The Air Force has also indicated that funds are no longer required for radar equipment as displayed in the current budget, but needed instead for support equipment. No justification for this latter requirement has been provided to the Committee.

The Committee is concerned with the new cost estimates appearing in the budget this year; the average unit cost of the radar over the life of the program has approximately doubled. To date, the Air

Force has not provided a satisfactory explanation of this change. Further, this \$600,000,000 program has been justified as a reliability and maintainability (R&M) upgrade, not a performance upgrade. Given the doubling in cost, the original cost/benefit assumptions for the program may no longer be valid. Accordingly, the Committee directs the Secretary of the Air Force to submit a report to the congressional defense committees including an explanation of the average unit cost growth compared to the budget last year and a revised cost/benefit analysis, including break even point, justifying continued pursuit of the program. The Committee directs that this report be provided at least 15 days prior to award of the first production contract.

F-16 MODIFICATIONS

The Air Force requested \$216,158,000 for F-16 modifications. The Committee recommends \$199,358,000, a decrease of \$16,800,000. The decrease includes a \$13,000,000 reduction to GPS and a \$3,800,000 reduction to Block 40 CAS Night Vision Imaging System (NVIS). The Air Force budget requests 330 GPS kits in fiscal year 1998, up from 150 in fiscal year 1997 and higher than the outyears. The rate of production resulting from the fiscal year 1998 buy exceeds the rate in which the kits can be installed, resulting in kits unnecessarily sitting on the shelf for up to five months. A reduction of 94 kits will bring the production rate in line with the installation rate. The budget also includes \$3,800,000 for NVIS integration. However, the Air Force has indicated no further integration is required.

C-130 MODIFICATIONS

The Air Force requested \$94,511,000 for C-130 modifications. The Committee recommends \$119,211,000, an increase of \$24,700,000 only for the electronic suite modifications associated with the new production EC-130 funded separately in this account.

AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES

F-15 POST PRODUCTION SUPPORT

The Air Force requested \$8,089,000 for F-15 Post Production Support. The Committee recommends \$6,289,000, a decrease of \$1,800,000. This GAO recommended adjustment is based on prematurely budgeting for F-15 tooling disposition given continued production of F-15 attrition aircraft.

WAR CONSUMABLES

The Air Force requested \$67,565,000 for war consumables. The Committee recommends \$60,165,000, a decrease of \$7,400,000. The GAO has identified excess engineering change order (ECO) funding in the towed decoy program.

MISCELLANEOUS PRODUCTION CHARGES

The Air Force requested \$275,805,000 for miscellaneous production charges. The Committee denies the budget request of \$6,221,000 to procure podded electro-optical camera systems. The

Committee disagrees with the Air Force's acquisition strategy to sole-source the second Theater Airborne Reconnaissance System (TARS) sensor and Advanced TARS Medium Altitude Electro-optical (MAEO) sensor.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST	AMOUNT
AIRCRAFT PROCUREMENT, AIR FORCE							
COMBAT AIRCRAFT							
STRATEGIC OFFENSIVE							
B-1B	--	10,851	--	10,851	--	---	---
B-2A	--	174,086	--	505,286	--	+331,200	---
TACTICAL FORCES							
ADVANCED TACTICAL FIGHTER (AP-CY)							
F-15A	3	159,000	3	159,000	---	---	---
F-15A (AP-CY)	--	11,000	--	11,000	---	---	---
F-16 C/D (MYP)	--	---	3	82,500	+3	+82,500	---
TOTAL, COMBAT AIRCRAFT		435,801		643,501		+407,700	
AIRLIFT AIRCRAFT							
TACTICAL AIRLIFT							
C-17 (MYP)	9	1,923,311	9	1,914,211	---	---	-9,100
C-17 (MYP) (AP-CY)	--	278,200	--	265,600	---	---	-12,600
EC-130J	--	---	1	49,900	+1	+49,900	---
OTHER AIRLIFT							
C-130J	1	49,928	1	49,928	---	---	---
TOTAL, AIRLIFT AIRCRAFT		2,251,439		2,279,639		+28,200	
TRAINER AIRCRAFT							
OPERATIONAL TRAINERS							
JPATS	18	65,415	22	77,615	+4	+12,200	---
TOTAL, TRAINER AIRCRAFT		65,415		77,615		+12,200	
OTHER AIRCRAFT							
HELICOPTERS							
MISSION SUPPORT AIRCRAFT							
CIVIL AIR PATROL A/C	27	2,645	27	4,498	---	---	+1,853
LARGE VCX (C-32A)	2	190,116	2	190,116	---	---	---
OTHER AIRCRAFT							
E-8C	1	313,991	1	317,991	---	---	+4,000
E-8C (AP-CY)	--	22,400	--	22,400	---	---	---
PREDATOR UAV	15	116,506	15	146,506	---	---	+30,000
TOTAL, OTHER AIRCRAFT		645,658		681,511		+35,853	
MODIFICATION OF INSERVICE AIRCRAFT							
STRATEGIC AIRCRAFT							
B-2A MODS	--	13,853	--	13,853	---	---	---
B-1B MODS	--	114,245	--	138,245	---	---	+24,000
B-52 MODS	--	28,907	--	31,607	---	---	+2,900
F-117 MODS	--	28,296	--	28,296	---	---	---
TACTICAL AIRCRAFT							
A-10 MODS	--	24,971	--	24,971	---	---	---
F-16 MODS	--	169,568	--	157,068	---	---	-12,500
F-16 MODS	--	216,158	--	199,358	---	---	-16,800
EF-111 MODS	--	236	--	236	---	---	---
T/AT-37 MODS	--	95	--	95	---	---	---
AIRLIFT AIRCRAFT							
C-5 MODS	--	83,036	--	83,036	---	---	---
C-9 MODS	--	16,323	--	16,323	---	---	---
C-17 MODS	--	59,053	--	59,053	---	---	---
C-21 MODS	--	6,911	--	6,911	---	---	---
C-22 MODS	--	276	--	276	---	---	---
C-STOL MODS	--	51	--	51	---	---	---
C-137 MODS	--	2,262	--	2,262	---	---	---
C-141 MODS	--	30,705	--	30,705	---	---	---
TRAINER AIRCRAFT							
T-1 MODS	--	6,974	--	6,974	---	---	---
T-3 MODS	--	100	--	100	---	---	---
T-3B MODS	--	14,806	--	14,806	---	---	---
T-41 MODS	--	100	--	100	---	---	---
T-43 MODS	--	10,256	--	10,256	---	---	---
OTHER AIRCRAFT							
KC-10 MODS	--	14,533	--	14,533	---	---	---
C-12 MODS	--	4,680	--	4,680	---	---	---
C-18 MODS	--	272	--	272	---	---	---
C-20 MODS	--	6,535	--	6,535	---	---	---
VC-25A MOD	--	10,760	--	10,760	---	---	---
C-130 MODS	--	94,511	--	119,211	---	---	+24,700
C-135 MODS	--	137,861	--	137,861	---	---	---
E-3 MODS	--	134,659	--	134,659	---	---	---
E-4 MODS	--	11,385	--	11,385	---	---	---
H-1 MODS	--	2,778	--	3,578	---	---	+800
H-60 MODS	--	16,852	--	16,852	---	---	---
OTHER AIRCRAFT MODS		33,065		33,065			
OTHER MODIFICATIONS							
CLASSIFIED PROJECTS MODS	--	7,552	--	7,552	---	---	---
DARP MODS	--	67,136	--	139,136	---	---	+72,000
TOTAL, MODIFICATION OF INSERVICE AIRCRAFT		1,369,761		1,464,861		+95,100	

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE	FROM
	QTY	AMOUNT	RECOMMENDED	QTY	REQUEST
			AMOUNT		AMOUNT

AIRCRAFT SPARES AND REPAIR PARTS					
SPARES AND REPAIR PARTS.....	--	350,010	-- 350,010	--	---
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES					
COMMON SUPPORT EQUIPMENT.....	--	151,238	-- 151,238	--	---
POST PRODUCTION SUPPORT					
A-10 POST PROD SUPP.....	--	2,753	-- 2,753	--	---
F-15 POST PROD SUPP.....	--	8,089	-- 6,289	--	-1,800
F-16 POST PROD SUPP.....	--	22,402	-- 22,402	--	---
INDUSTRIAL PREPAREDNESS.....	--	25,855	-- 25,855	--	---
WAR CONSUMABLES.....	--	67,565	-- 60,165	--	-7,400
MISC PRODUCTION CHARGES.....	--	275,804	-- 269,583	--	-6,221
COMMON ECM EQUIPMENT.....	--	4,564	-- 4,564	--	---
DARP.....	--	141,493	-- 146,493	--	+5,000
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES.....		699,763	689,342		-10,421
TRANSFER FROM NATIONAL DEFENSE STOCKPILE.....	--	-133,000	--	--	+133,000

TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE.....		5,684,847	6,386,479		+701,632
TRANSFER.....		(133,000)			(-133,000)
TOTAL FUNDING AVAILABLE.....		5,817,847	6,386,479		+568,632

MISSILE PROCUREMENT, AIR FORCE

Fiscal Year 1997 appropriation	\$2,297,145,000
Fiscal Year 1998 budget request	2,557,741,000
Committee recommendation	2,320,741,000
Change from budget request	-237,000,000

The appropriation provides for the procurement, installation, and checkout of strategic ballistic and other missiles, modification of in-service missiles, and initial spares for missile systems. It also provides for operational space systems, boosters, payloads, drones, associated ground equipment, non-recurring maintenance of industrial facilities, machine tool modernization, and special program support.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action.

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
JSOW	1,139	30,139	+29,000
AGM-130	1,539	42,539	+41,000
MAVERICK	0	11,000	+11,000
Titan Space Boosters	555,304	473,304	-82,000

OTHER MISSILES

AMRAAM

The Air Force requested \$117,768,000 for continued production of AMRAAM. The Committee recommends \$107,168,000, a reduction of \$10,600,000. This GAO-recommended reduction is based on unneeded funds for engineering change orders (ECOs). The Committee also notes that the AMRAAM program has inappropriately budgeted recurring efforts such as program management, technical services, production support, and acceptance testing in its non-recurring budget line. Such budgeting practices are misleading and should be corrected in future budget submissions.

MODIFICATION OF INSERVICE MISSILES

CONVENTIONAL ALCM

The Air Force requested no funding for the Conventional Air Launched Cruise Missile program. The Committee recommends \$15,300,000 to continue conversions of nuclear Air Launched Cruise Missiles. The Committee notes that this effort has been identified as a high priority by the Air Force.

SPACE PROGRAMS

GLOBAL POSITIONING SYSTEM (GPS) SPACE SEGMENT

The Air Force requested \$163,837,000 for the acquisition of 3 GPS Block IIF satellites. The Committee recommends

\$122,137,000, a decrease of \$41,700,000. The funds provided by the Committee will enable the Air Force to acquire 2 Block IIF satellites in fiscal year 1998.

In making this recommendation the Committee notes that the present GPS constellation contains 24 satellites consisting of 21 operational spacecraft and three on-orbit spares. If present delivery schedules are maintained one to five spacecraft will be in storage available for launch within 60 days of an on-orbit failure as called for by present department policy. The Committee believes that the probability is extremely low that three GPS satellites will ever fail simultaneously or in rapid succession. Even in the highly unlikely event that such a failure should occur, the Air Force does not have enough medium class launch vehicles available to replenish the constellation as swiftly as called for by present DoD policy. In essence, by requesting GPS satellites for acquisition before they are needed or could ever be launched, the Air Force is attempting to underwrite an "insurance policy" that, in practical terms, it could never implement.

The Committee recognizes the importance of the total GPS system to the Department of Defense and remains totally supportive of the program. The Committee also feels that as a cost savings measure and a more realistic phasing of program funding to requirements, the acquisition of one GPS Block IIF satellite can be deferred until the next multi-year block buy. Accordingly, the Committee makes this recommendation without prejudice.

MEDIUM LAUNCH VEHICLES

The Air Force requested \$165,783,000 for the medium launch vehicle program. The Committee recommends \$147,783,000, a decrease of \$18,000,000. According to the General Accounting Office lower than expected cost growth in fiscal year 1997, and the overstatement of funds requested for Delta launch failure recovery efforts in fiscal year 1998 makes this reduction possible. The Committee makes this recommendation without prejudice to the program.

DEFENSE SUPPORT PROGRAM

The Air Force requested \$113,708,000 for the Defense Support Program. The Committee recommends \$108,708,000, a decrease of \$5,000,000. The Committee has reduced the budget request due to the availability of prior year program funds and the Air Force's recent decision not to pursue research studies to identify modifications needed to launch the DSP satellite on the Evolved Expendable Launch Vehicle. Funds for these studies were requested as part of this year's budget.

SPECIAL PROGRAMS

Details of this adjustment are discussed fully in the classified annex to this report.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
MISSILE PROCUREMENT, AIR FORCE						
BALLISTIC MISSILES						
MISSILE REPLACEMENT EQUIPMENT - BALLISTIC						
MISSILE REPLACEMENT EQ-BALLISTIC.....	--	27,604	--	27,604	--	---
OTHER MISSILES						
STRATEGIC						
ADVANCED CRUISE MISSILE.....	--	843	--	843	--	---
TACTICAL						
JOINT STANDOFF WEAPON.....	--	1,139	100	30,139	+100	+29,000
AMRAAM.....	173	117,768	173	107,168	--	-10,600
AGM-130 POWERED GBU-15.....	--	1,539	100	42,539	+100	+41,000
TARGET DRONES.....	--	25,718	--	25,718	--	---
MISSILE INDUSTRIAL FACILITIES.....	--	3,492	--	3,492	--	---
TOTAL, OTHER MISSILES.....		150,499		209,899		+59,400
MODIFICATION OF INSERVICE MISSILES						
CLASS IV						
CONVENTIONAL ALCM.....	--	---	--	15,300	--	+15,300
PEACEKEEPER(M-X).....	--	5,250	--	5,250	--	---
MM III MODIFICATIONS.....	--	106,899	--	106,899	--	---
MODIFICATIONS UNDER \$2.0M.....	--	199	--	199	--	---
AGM-65 MAVERICK.....	--	---	--	11,000	--	+11,000
TOTAL, MODIFICATION OF INSERVICE MISSILES.....		112,348		138,648		+26,300
MISSILE SPARES + REPAIR PARTS						
SPARES AND REPAIR PARTS.....	--	28,808	--	28,808	--	---
OTHER SUPPORT						
SPACE PROGRAMS						
SPACEBORNE EQUIP (COMSEC).....	--	9,304	--	9,304	--	---
GLOBAL POSITIONING (MYP) SPACE.....	3	163,837	2	122,137	-1	-41,700
NUDET DETECTION SYSTEM.....	--	1,194	--	1,194	--	---
INERTIAL UPPER STAGES SPACE.....	--	49,990	--	49,990	--	---
TITAN SPACE BOOSTERS SPACE.....	--	555,304	--	473,304	--	-82,000
MEDIUM LAUNCH VEHICLE SPACE.....	4	165,783	4	147,783	--	-18,000
MEDIUM LAUNCH VEHICLE SPACE (AP-CV).....	--	52,715	--	52,715	--	---
DEF METEOROLOGICAL SAT PROG SPACE.....	--	35,243	--	35,243	--	---
DEFENSE SUPPORT PROGRAM (MYP) SPACE.....	--	113,708	--	108,708	--	-5,000
DEFENSE SATELLITE COMM SYSTEM SPACE.....	--	76,434	--	76,434	--	---
SPECIAL PROGRAMS.....	--	241,570	--	241,570	--	---
SPECIAL UPDATE PROGRAMS.....	--	773,400	--	597,400	--	-176,000
SPECIAL PROGRAMS.....	--	---	--	---	--	---
TOTAL, OTHER SUPPORT.....		2,238,482		1,915,782		-322,700
TOTAL, MISSILE PROCUREMENT, AIR FORCE.....		2,557,741		2,320,741		-237,000

PROCUREMENT OF AMMUNITION, AIR FORCE

Fiscal Year 1997 appropriation	\$293,153,000
Fiscal Year 1998 budget request	403,984,000
Committee recommendation	414,884,000
Change from budget request	+10,900,000

This appropriation finances the acquisition of ammunition, modifications, spares, weapons, and other ammunition-related items for the Air Force.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

(In thousands of dollars)

Item	Budget request	Committee recommendation	Change from request
GBU-28 Hard Target Penetrator	0	16,800	+16,800

WIND CORRECTED MUNITIONS DISPENSER

The Air Force requested \$19,871,000 for the Wind Corrected Munitions Dispenser. The Committee recommends \$10,471,000, a decrease of \$9,400,000 based on contract savings identified by the GAO.

CARTRIDGES

20MM PGU-28

The Air Force requested no funds for 20MM PGU-28 ammunition. The Committee recommends \$3,500,000 only to procure 20MM PGU-28 ammunition

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
PROCUREMENT OF AMMUNITION, AIR FORCE						
PROCUREMENT OF AMMO, AIR FORCE						
ROCKETS						
2.75 INCH ROCKET MOTOR	23,718	8,856	23,718	8,856	--	---
2.75" ROCKET HEAD SIGNATURE	13,940	919	13,940	919	--	---
ITEMS LESS THAN \$2,000,000	--	50	--	50	--	---
CARTRIDGES						
5.55 MM	23,273	7,590	23,273	7,590	--	---
20MM PGU-28	--	--	--	3,500	--	+3,500
30 MM TRAINING	3,278	27,447	3,278	27,447	--	---
CARTRIDGE CHAFF RR-180	845	12,088	845	12,088	--	---
SIGNAL MK-4 MOD 3	598	1,122	598	1,122	--	---
ITEMS LESS THAN \$2,000,000	--	4,097	--	4,097	--	---
BOMBS						
MK-82 INERT/BDU-50	30,672	22,218	30,672	22,218	--	---
GBU-28 HARD TARGET PENETRATOR	--	--	--	16,800	--	+16,800
BOMB PRACTICE 25 POUND	397,760	5,613	397,760	5,613	--	---
MK-84 BOMB-EMPTY	994	2,482	994	2,482	--	---
SENSOR FUZED WEAPON	556	153,861	556	153,861	--	---
JOINT DIRECT ATTACK MUNITION	2,673	81,307	2,673	81,307	--	---
WIND CORRECTED MUNITIONS DISPENSER	280	19,871	280	10,471	--	-9,400
ITEMS LESS THAN \$2,000,000	--	167	--	167	--	---
ITEMS LESS THAN \$2,000,000						
FLARE, IR MJU-7B	662,280	14,698	662,280	14,698	--	---
MJU-108	190,824	11,477	190,824	11,477	--	---
M-206 CARTRIDGE FLARE	1099,600	17,507	1099,600	17,507	--	---
CAD/PAD	--	12,821	--	12,821	--	---
REPLENISHMENT SPARES	--	979	--	979	--	---
MODIFICATIONS	--	148	--	148	--	---
ITEMS LESS THAN \$2,000,000	--	4,608	--	4,608	--	---
FUZES						
JOINT PROGRAMMABLE FUZE(JPF)	1,170	5,880	1,170	5,880	--	---
TOTAL, AMMUNITION		395,807		406,707		+10,900
WEAPONS						
SMALL ARMS						
M-16 A2 RIFLE	--	6,009	--	6,009	--	---
9MM COMPACT PISTOL	260	183	260	183	--	---
M-9 PISTOL	2,265	1,127	2,265	1,127	--	---
ITEMS LESS THAN \$2.0 MILLION	--	858	--	858	--	---
TOTAL, WEAPONS		8,177		8,177		---
TOTAL, PROCUREMENT OF AMMUNITION, AIR FORCE		403,984		414,884		+10,900

OTHER PROCUREMENT, AIR FORCE

Fiscal year 1997 appropriation	\$5,944,680,000
Fiscal year 1998 budget request	6,561,253,000
Committee recommendation	6,588,939,000
Change from budget request	+27,686,000

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapon systems and supporting structure.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
Weather observ/forecast	18,013	22,013	+4,000
TAC SIGINT support	4,114	9,114	+5,000
Radio Equipment	12,844	19,344	+6,500
DARP RC-135	12,778	47,778	+35,000

CARGO AND UTILITY VEHICLES

ITEMS LESS THAN \$2,000,000

The Air Force requested \$5,025,000 for items less than \$2,000,000. The Committee recommends \$3,625,000, a reduction of \$1,400,000. The budget request included \$1.4 million for minor replacement items. However, Air Force officials advised that there are no known requirements for these items.

SPECIAL PURPOSE VEHICLES

HMMWV, ARMORED

The Air Force requested \$24,181,000 for armored HMMWVs. The Committee recommends \$7,781,000, a reduction of \$16,400,000. The fiscal year 1998 budget requested additional funds for the Force Protection/Anti-Terrorism initiative. However, these vehicles are already budgeted in the Force Protection/Anti-terrorism line of the budget.

ITEMS LESS THAN \$2,000,000

The Air Force requested \$6,738,000 for items less than \$2,000,000. The Committee recommends \$6,194,000, a reduction of \$544,000 based on fiscal year 1997 contract savings and unrequired contingency funding.

MATERIALS HANDLING EQUIPMENT

60K A/C LOADER

The Air Force requested \$83,143,000 for the 60K A/C loader program. The Committee recommends \$51,143,000, a reduction of \$32,000,000. This program has been troubled by producibility and reliability problems which have led to testing delays and a production stop. Independent Operational Test and Evaluation will now occur in December 1997, with the first contract award after the production break to follow in April 1998. The Committee notes that the Air Force has budgeted a full rate lot in fiscal year 1998 of 60 units, and has scheduled delivery of the first units in just nine months, even though the loader's normal manufacturing lead-time is 16 months. Given the production problems in this program, the Committee views this recovery plan to be overly aggressive. Accordingly, the Committee recommends reducing the fiscal year 1998 buy from 60 to 45 loaders, the level that had been planned in fiscal year 1997.

INTELLIGENCE PROGRAMS

INTELLIGENCE DATA HANDLING SYSTEM

The Air Force requested \$20,739,000 for intelligence data handling. The Committee recommends \$24,339,000, an increase of \$3,600,000 only to provide JSAS to Air Force battlelabs.

ELECTRONIC PROGRAMS

STRATEGIC COMMAND AND CONTROL

The Air Force requested \$20,505,000 for Strategic Command and Control. The Committee recommends \$19,005,000 a net decrease of \$1,500,000. The adjusted amount includes a decrease of \$10,000,000 for the terminated Improved Technical Data System (ITDS) and an increase of \$8,500,000 only for the DIRECT program. The Committee notes that the Air Force has identified DIRECT as a high priority unfunded requirement.

SPECIAL COMMUNICATIONS-ELECTRONICS PROJECTS

C3 COUNTERMEASURES

The Air Force requested \$14,904,000 for Command, Control, and Communications Countermeasures. The Committee recommends \$13,004,000, a reduction of \$1,900,000 based on excess funds available in fiscal year 1997.

AIR FORCE COMMUNICATIONS

BASE INFORMATION INFRASTRUCTURE

The Air Force requested \$88,945,000 for Base Information Infrastructure enhancements. The Committee recommends \$136,945,000, an increase of \$48,000,000 only for security enhancements to Air Force base information systems.

AIR FORCE SATELLITE CONTROL NETWORK

The Air Force requested \$32,197,000 for satellite control network activities. The Committee recommends \$23,097,000, a reduction of \$9,100,000 based on cancellation of the fiscal year 1997 Military Satellite Communications system.

ORGANIZATION AND BASE

ITEMS LESS THAN \$2,000,000

The Air Force requested \$8,960,000 for items less than \$2,000,000. The Committee recommends \$6,160,000, a reduction of \$2,800,000 based on contract award problems and delayed obligation of funds for the Power Conditioning and Continuation Interface Equipment (PCCIE) program.

PERSONNEL SAFETY AND RESCUE EQUIPMENT

NIGHT VISION GOGGLES

The Air Force requested \$2,371,000 for night vision goggles. The Committee recommends \$13,271,000, an increase of \$10,900,000 only for accelerated procurement of night vision goggles and test sets.

ELECTRICAL EQUIPMENT

FLOODLIGHTS SET TYPE NF2D

The Air Force requested \$7,696,000 for floodlights. The Committee recommends \$4,696,000, a reduction of \$3,000,000 based on production contract award delays associated with the FL-1D floodlight.

BASE SUPPORT EQUIPMENT

MEDICAL/DENTAL EQUIPMENT

The Air Force requested \$13,295,000 for medical and dental equipment. The Committee recommends \$8,095,000, a reduction of \$5,200,000 based on prior year contract savings in several programs.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
OTHER PROCUREMENT, AIR FORCE						
VEHICULAR EQUIPMENT						
PASSENGER CARRYING VEHICLES						
SEDAN, 4 DR 4X2	88	1,520	88	1,520	--	---
STATION WAGON, 4X2	7	120	7	120	--	---
BUSES	17	929	17	929	--	---
AMBULANCES	3	247	3	247	--	---
LAW ENFORCEMENT VEHICLE	80	1,603	80	1,603	--	---
ARMORED SEDAN	1	232	1	232	--	---
CARGO + UTILITY VEHICLES						
TRUCK, CARGO-UTILITY, 3/4T, 4X4	154	4,414	154	4,414	--	---
TRUCK, CARGO-UTILITY, 1/2T, 4X2	106	2,575	106	2,575	--	---
TRUCK, PICKUP, 1/2T, 4X2	292	4,006	292	4,006	--	---
TRUCK, PICKUP, COMPACT	206	2,681	206	2,681	--	---
TRUCK MULTI-STOP 1 TON 4X2	301	8,219	301	8,219	--	---
TRUCK CARRYALL	150	3,548	150	3,548	--	---
COMMERCIAL UTILITY CARGO VEHICLE	43	1,451	43	1,451	--	---
MEDIUM TACTICAL VEHICLE	21	2,594	21	2,594	--	---
HIGH MOBILITY VEHICLE (MYP)	100	5,165	100	5,165	--	---
TRUCK TRACTOR, OVER ST	27	1,916	27	1,916	--	---
CAP VEHICLES	--	746	--	746	--	---
ITEMS LESS THAN \$2,000,000	--	5,025	--	3,625	--	-1,400
SPECIAL PURPOSE VEHICLES						
HMMV, ARMORED	125	24,181	125	7,781	--	-16,400
TRACTOR, TOW, FLIGHTLINE	124	3,837	124	3,837	--	---
ITEMS LESS THAN \$2,000,000	--	6,738	--	6,194	--	-544
FIRE FIGHTING EQUIPMENT						
TRUCK CRASH P/9	7	2,048	7	2,048	--	---
ITEMS LESS THAN \$2,000,000	--	3,652	--	3,652	--	---
MATERIALS HANDLING EQUIPMENT						
TRUCK, F/L 10,000 LB	26	1,758	26	1,758	--	---
60K A/C LOADER	60	83,143	45	51,143	-15	-32,000
ITEMS LESS THAN \$2,000,000	--	2,148	--	2,148	--	---
BASE MAINTENANCE SUPPORT						
TRUCK, DUMP SCV	32	2,087	32	2,087	--	---
MODIFICATIONS	--	200	--	200	--	---
ITEMS LESS THAN \$2,000,000	--	3,833	--	3,833	--	---
TOTAL, VEHICULAR EQUIPMENT		180,616		130,272		-50,344
ELECTRONICS AND TELECOMMUNICATIONS EQUIP						
COMM SECURITY EQUIPMENT (COMSEC)						
COMSEC EQUIPMENT	--	27,494	--	27,494	--	---
MODIFICATIONS (COMSEC)	--	476	--	476	--	---
INTELLIGENCE PROGRAMS						
INTELLIGENCE DATA HANDLING SYS	--	20,739	--	24,339	--	+3,600
INTELLIGENCE TRAINING EQUIPMENT	--	2,473	--	2,473	--	---
INTELLIGENCE COMM EQUIP	--	7,644	--	7,644	--	---
ELECTRONICS PROGRAMS						
NATIONAL AIRSPACE SYSTEM	--	16,615	--	16,615	--	---
THEATER AIR CONTROL SYS IMPROVEMENT	--	38,329	--	38,329	--	---
WEATHER OBSERV/FORECAST	--	18,013	--	22,013	--	+4,000
STRATEGIC COMMAND AND CONTROL	--	20,505	--	19,005	--	-1,500
CHEYENNE MOUNTAIN COMPLEX	--	737	--	737	--	---
TAC SIGINT SUPPORT	--	4,114	--	9,114	--	+5,000
SPECIAL COMM-ELECTRONICS PROJECTS						
AUTOMATIC DATA PROCESSING EQUIP	--	36,105	--	36,105	--	---
AF GLOBAL COMMAND & CONTROL SYS	--	7,319	--	7,319	--	---
MOBILITY COMMAND AND CONTROL	--	6,728	--	6,728	--	---
AIR FORCE PHYSICAL SECURITY SYSTEM	--	15,112	--	15,112	--	---
COMBAT TRAINING RANGES	--	13,272	--	13,272	--	---
MINIMUM ESSENTIAL EMERGENCY COMM NET	--	3,468	--	3,468	--	---
FORCE PROTECTION/ANTI-TERRORISM	--	54,439	--	54,439	--	---
C3 COUNTERMEASURES	--	14,904	--	13,004	--	-1,900
BASE LEVEL DATA AUTO PROGRAM	--	46,778	--	46,778	--	---
THEATER BATTLE MGT C2 SYS	--	48,989	--	48,989	--	---
AIR FORCE COMMUNICATIONS						
INFORMATION TRANSMISSION SYSTEMS	--	10,889	--	10,889	--	---
BASE INFORMATION INFRASTRUCTURE	--	88,945	--	136,945	--	+48,000
USCENTCOM	--	4,031	--	4,031	--	---
AUTOMATED TELECOMMUNICATIONS PRG	--	15,900	--	15,900	--	---
DISA PROGRAMS						
NAVSTAR GPS SPACE	--	3,129	--	3,129	--	---
DEFENSE METEOROLOGICAL SAT PRG SPAC	--	11,898	--	11,898	--	---
NUDET DETECTION SYS (NDS) SPACE	--	7,995	--	7,995	--	---
AF SATELLITE CONTROL NETWORK SPACE	--	32,197	--	23,097	--	-9,100
EASTERN/WESTERN RANGE I&M SPACE	--	81,957	--	81,957	--	---
WLSATCOM SPACE	--	20,353	--	20,353	--	---
SPACE MODS SPACE	--	18,932	--	18,932	--	---
ORGANIZATION AND BASE						
TACTICAL C-E EQUIPMENT	--	16,968	--	16,968	--	---
COMBAT SURVIVOR/EVADER LOCATER RADIO	--	5,731	--	5,731	--	---
RADIO EQUIPMENT	--	12,844	--	19,344	--	+6,500
TV EQUIPMENT (AFRTV)	--	2,112	--	2,112	--	---
COV/AUDIOVISUAL EQUIPMENT	--	3,969	--	3,969	--	---
BASE COMM INFRASTRUCTURE	--	30,874	--	30,874	--	---
CAP COM & ELECT	--	387	--	387	--	---
ITEMS LESS THAN \$2,000,000	--	8,960	--	6,160	--	-2,800
MODIFICATIONS						
COMM ELECT MODS	--	53,260	--	53,260	--	---
TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP		835,604		887,404		+51,800

(IN THOUSANDS OF DOLLARS)

	BUDGET	REQUEST	COMMITTEE	CHANGE	FROM
	QTY	AMOUNT	RECOMMENDED	QTY	REQUEST
			AMOUNT		AMOUNT
OTHER BASE MAINTENANCE AND SUPPORT EQUIP					
TEST EQUIPMENT					
BASE/ALC CALIBRATION PACKAGE	--	10,468	--	10,468	---
PRIMARY STANDARDS LABORATORY PACKAGE	--	1,665	--	1,665	---
ITEMS LESS THAN \$2,000,000	--	9,627	--	9,627	---
PERSONAL SAFETY AND RESCUE EQUIP					
NIGHT VISION GOGGLES	--	2,371	--	13,271	+10,900
ITEMS LESS THAN \$2,000,000	--	3,509	--	3,509	---
DEPOT PLANT + MATERIALS HANDLING EQ					
MECHANIZED MATERIAL HANDLING EQUIP	--	10,747	--	10,747	---
ITEMS LESS THAN \$2,000,000	--	3,980	--	3,980	---
ELECTRICAL EQUIPMENT					
GENERATORS-MOBILE ELECTRIC	--	3,692	--	3,692	---
FLOODLIGHTS SET TYPE NF2D	--	7,696	--	4,696	-3,000
ITEMS LESS THAN \$2,000,000	--	3,968	--	3,968	---
BASE SUPPORT EQUIPMENT					
BASE PROCURED EQUIPMENT	--	6,855	--	6,855	---
MEDICAL/DENTAL EQUIPMENT	--	13,295	--	8,095	-5,200
ENVIRONMENTAL PROJECTS	--	1,000	--	1,000	---
AIR BASE OPERABILITY	--	4,214	--	4,214	---
PALLET AIR CARGO	--	1,189	--	1,189	---
NET ASSEMBLY, 108"X88"	--	2,998	--	2,998	---
BLADDERS FUEL	--	2,749	--	2,749	---
AERIAL BULK FUEL DELIVERY SYSTEM	--	2,097	--	2,097	---
PHOTOGRAPHIC EQUIPMENT	--	6,063	--	6,063	---
PRODUCTIVITY INVESTMENTS	--	5,980	--	5,980	---
MOBILITY EQUIPMENT	--	26,524	--	26,524	---
DEPLOYMENT/EMPLOYMENT CONTAINERS	--	2,013	--	2,013	---
AIR CONDITIONERS	--	9,627	--	9,627	---
ITEMS LESS THAN \$2,000,000	--	9,731	--	9,731	---
SPECIAL SUPPORT PROJECTS					
INTELLIGENCE PRODUCTION ACTIVITY	--	60,572	--	58,572	-2,000
TECH SURV COUNTERMEASURES EQ	--	1,998	--	1,998	---
DARP RCIS	--	12,778	--	47,778	+35,000
DARP WRIGS	--	66,279	--	66,279	---
SELECTED ACTIVITIES	--	5,003,960	--	4,994,490	-9,470
SPECIAL UPDATE PROGRAM	--	174,830	--	174,830	---
INDUSTRIAL PREPAREDNESS	--	1,243	--	1,243	---
MODIFICATIONS	--	193	--	193	---
FIRST DESTINATION TRANSPORTATION	--	15,351	--	15,351	---
TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP		5,489,262		5,515,492	+26,230
SPARE AND REPAIR PARTS					
SPARES AND REPAIR PARTS	--	55,771	--	55,771	---
TOTAL, OTHER PROCUREMENT, AIR FORCE		6,561,253		6,588,939	+27,686

PROCUREMENT, DEFENSE-WIDE

Fiscal year 1997 appropriation	\$1,978,005,000
Fiscal year 1998 budget request	1,695,085,000
Committee recommendation	2,186,669,000
Change from budget request	+491,584,000

This appropriation provides funds for the Procurement activities of centrally managed programs and the Defense Agencies.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

(In thousands of dollars)

	Budget request	Committee recommendation	Change from request
Major Equipment, DSPO	19,334	14,334	- 5,000

MAJOR EQUIPMENT

The Department requested \$104,601,000 for Major Equipment. The Committee recommends \$114,601,000, an increase of \$10,000,000 only for the Mentor-Protégé program.

AUTOMATED DOCUMENT CONVERSION

Information on this project can be found in the Information Resources Management section of this report.

BALLISTIC MISSILE DEFENSE ORGANIZATION (BMDO)

The Department requested no funds in Procurement, Defense-wide for Patriot PAC-3, Navy Lower Tier and Battle Management and Control. The Committee recommends that funds provided for these programs in other Service accounts be transferred to BMDO, as proposed in the House-passed Defense Authorization bill.

SPECIAL OPERATIONS COMMAND

PC, CYCLONE CLASS

The Department requested no funds for Cyclone Class, Patrol Coastal craft. The Committee recommends \$10,700,000 only for the completion of the fourteenth CYCLONE Patrol Coastal craft.

SOF INTELLIGENCE SYSTEMS

The Department requested \$21,175,000 for SOF intelligence systems. The Committee recommends \$25,475,000, an increase of \$4,300,000. Of this amount, \$800,000 is to procure additional data collection systems to support the Integrated Survey Program; \$1,500,000 is to purchase eight B-Multi-Mission Advanced Tactical Terminals; and \$2,000,000 is only for the development of training capabilities for the Joint Threat Warning System (JTWS). Additional O&M and RDT&E funds are also provided for JTWS.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

INDIVIDUAL PROTECTION

The Department requested \$64,855,000 for Chemical and Biological Individual Protection. The Committee recommends \$74,855,000, an increase of \$10,000,000 only for 5,000 chemical biological (JSLIST) suits.

COLLECTIVE PROTECTION

The Department requested \$17,316,000 for Chemical and Biological Collective Protection. The Committee recommends \$37,316,000, an increase of \$20,000,000. Within this increase, \$10,000,000 is only for Collective Protection Equipment shortfalls in Korea, \$4,000,000 is only for 300 additional M-17LDS water sprayers for decontamination of airfields, and \$6,000,000 is only for 14 HMVV medical shelters.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
PROCUREMENT, DEFENSE-WIDE						
MAJOR EQUIPMENT						
MAJOR EQUIPMENT, OSD/WHS	--	104,601	--	114,601	--	+10,000
MAJOR EQUIPMENT, OSD	--	18,956	--	18,956	--	---
MAJOR EQUIPMENT, WHS	--	8,037	--	8,037	--	---
ARMED FORCE INFORMATION SERVICE	--	1,609	--	1,609	--	---
DEPARTMENT OF DEFENSE EDUCATION ACTIVITY	--	688	--	688	--	---
DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	--	97,452	--	97,452	--	---
DARP	--		--		--	---
MAJOR EQUIPMENT, NSA	--	14,380	--	44,955	--	+30,575
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	--		--		--	---
MAJOR EQUIPMENT, DSWA	--	218	--	218	--	---
VEHICLES	--	17,199	--	17,199	--	---
OTHER MAJOR EQUIPMENT	--		--		--	---
MAJOR EQUIPMENT, DISA	--	3,748	--	3,748	--	---
WMCCS ADP SYSTEMS	--	9,990	--	9,990	--	---
MOBILE SATELLITE SYSTEM TECHNOLOGIES	--	19,585	--	19,585	--	---
INFORMATION SYSTEMS SECURITY	--	4,637	--	4,637	--	---
CONTINUITY OF OPERATIONS	--	44,470	--	44,470	--	---
DEFENSE MESSAGE SYSTEM	--	5,889	--	5,889	--	---
GLOBAL COMBAT SUPPORT SYSTEM	--	3,900	--	3,900	--	---
PLANS & PROGRAM ANALYSIS SUPPORT CENTER	--	7,461	--	14,661	--	+7,200
ITEMS LESS THAN \$2.0 MILLION	--		--		--	---
MAJOR EQUIPMENT, DLA	--	21,814	--	21,814	--	---
DEFENSE SUPPORT ACTIVITIES	--		--	10,000	--	+10,000
AUTOMATIC DOCUMENT CONVERSION SYSTEM	--		--		--	---
MAJOR EQUIPMENT, DWA	--		--		--	---
MAJOR EQUIPMENT, DIS	258	3,100	258	3,100	--	---
VEHICLES	--	1,837	--	1,837	--	---
OTHER CAPITAL EQUIPMENT	--		--		--	---
MAJOR EQUIPMENT, DCAA	--	3,786	--	3,786	--	---
ITEMS LESS THAN \$2.0 MILLION	--		--		--	---
MAJOR EQUIPMENT, DSPD	--	19,334	--	14,334	--	-5,000
MAJOR EQUIPMENT, DSPO	--		--		--	---
MAJOR EQUIPMENT, TJS	--	46,847	--	46,847	--	---
MAJOR EQUIPMENT, TJS	--		--		--	---
ON-SITE INSPECTION AGENCY	--	112	--	112	--	---
OTHER CAPITAL EQUIPMENT	--		52	349,109	+52	+349,109
BALLISTIC MISSILE DEFENSE ORGANIZATION	--		--	15,400	--	+15,400
PATRIOT PAC	--		--	20,100	--	+20,100
NAVY AREA TBDM PROGRAM	--		--		--	---
BMC3	--		--		--	---
DEFENSE COMMISSARY AGENCY, DECA	--	1,970	--	1,970	--	---
EQUIPMENT	--		--		--	---
TOTAL, MAJOR EQUIPMENT		461,620		899,004		+437,384
SPECIAL OPERATIONS COMMAND						
AVIATION PROGRAMS	--	36,042	--	36,042	--	---
SOF ROTARY WING UPGRADES	--	3,352	--	3,352	--	---
SOF TRAINING SYSTEMS	--	34,656	--	34,656	--	---
MC-130J COMBAT TALON II	--	55,105	--	55,105	--	---
AC-130J GUNSHIP ACQUISITION	--	96,592	--	96,592	--	---
C-130 MODIFICATIONS	--	7,997	--	7,997	--	---
OH-6 PROCUREMENT & MODIFICATIONS	--	3,041	--	3,041	--	---
AIRCRAFT SUPPORT	--		--		--	---
SHIPBUILDING	--		--		--	---
PC CYCLONE CLASS	--		--	10,700	--	+10,700
ADVANCED SEAL DELIVERY SYSTEM (ASDS)	--	38,800	--	38,800	--	---
ADVANCED SEAL DELIVERY SYSTEM (ASDS) (AP-CY)	--	2,465	--	2,465	--	---
MK VIII MOD I - SEAL DELIVERY VEHICLE	3	2,229	3	2,229	--	---
SUBMARINE CONVERSION	--	17,157	--	17,157	--	---
MK V SPECIAL OPERATIONS CRAFT (MK V SOC)	6	36,402	6	36,402	--	---
AMMUNITION PROGRAMS	--	17,202	--	17,202	--	---
SOF ORDNANCE ACQUISITION	--	33,379	--	33,379	--	---
SOF ORDNANCE REPLENISHMENT	--		--		--	---
OTHER PROCUREMENT PROGRAMS	--	9,807	--	9,807	--	---
MARITIME EQUIPMENT MODIFICATIONS	--	18,121	--	18,121	--	---
NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT	--	42,538	--	42,538	--	---
SPARES AND REPAIR PARTS	--	57,406	--	57,406	--	---
COMM EQUIPMENT & ELECTRONICS	--	21,175	--	25,475	--	+4,300
SOF INTELLIGENCE SYSTEMS	--	10,269	--	10,269	--	---
SOF SMALL ARMS & WEAPONS	--	598	--	598	--	---
SOF MARITIME EQUIPMENT	--	5,646	--	5,646	--	---
MISCELLANEOUS EQUIPMENT	--	568	--	568	--	---
SOF PLANNING AND REHEARSAL SYSTEM (SOPPARS)	--	108,280	--	112,539	--	+4,200
CLASSIFIED PROGRAMS	--	108,280	--	108,280	--	---
PSYOP EQUIPMENT	--		--		--	---
TOTAL, SPECIAL OPERATIONS COMMAND		669,166		688,366		+19,200
CHEMICAL/BIOLOGICAL DEFENSE						
CRDP	--	64,855	--	74,855	--	+10,000
INDIVIDUAL PROTECTION	--	24	--	24	--	---
DECONTAMINATION	--	65,432	--	65,432	--	---
JOINT BIO DEFENSE PROGRAM	--	17,316	--	37,316	--	+20,000
COLLECTIVE PROTECTION	--	62,383	--	62,383	--	---
CONTAMINATION AVOIDANCE	--		--		--	---
TOTAL, CHEMICAL/BIOLOGICAL DEFENSE		210,010		240,010		+30,000
DEFENSE-WIDE						
CLASSIFIED PROGRAMS	--	354,289	--	359,289	--	+5,000
TOTAL, PROCUREMENT, DEFENSE-WIDE		1,695,085		2,186,669		+491,584

NATIONAL GUARD AND RESERVE EQUIPMENT

Fiscal year 1997 appropriation	\$780,000,000
Fiscal year 1998 budget request .....	.....
Committee recommendation	850,000,000
Change from budget request	+850,000,000

This appropriation provides funds for the procurement of tactical aircraft and other equipment for the National Guard and Reserve.

COMMITTEE RECOMMENDATION

The Committee recommends \$850,000,000 to meet high priority requirements of the National Guard and Reserve. This is in addition to \$1,770,300,000 provided elsewhere in Title III of the Committee bill for equipment which the Committee intends to be provided to the National Guard and the Reserve Components.

MELIOS AN/PVS-6

The Committee is aware that the Army National Guard has a requirement for an improved eye-safe laser range finder that is compatible with the devices fielded in the Active Army. The Mini-Eye-safe Laser Infrared Observation Set (MELIOS) provides an improved capability and is being fielded to the active Army. The Committee recommends \$5,000,000 only for procurement of MELIOS for the Army National Guard.

T-39 REPLACEMENT AIRCRAFT

The Committee recommends \$10,000,000 to procure T-39 replacement aircraft for the Marine Corps Reserve. The Committee directs that these aircraft should meet the speed, range, payload, and cost per passenger mile requirements as identified by the Commanding General, Marine Forces Reserve.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET QTY	REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE QTY	FROM REQUEST AMOUNT
NATIONAL GUARD & RESERVE EQUIPMENT						
RESERVE EQUIPMENT						
ARMY RESERVE	--	---	--	20,000	--	+20,000
MISCELLANEOUS EQUIPMENT.....	--	---	3	65,000	+3	+65,000
CH-47 D. CARGO (CHINOOK).....						
NAVY RESERVE	--	---	--	5,000	--	+5,000
MISCELLANEOUS EQUIPMENT.....	--	---	--	34,000	--	+34,000
F-14A MODS.....	--	---	--	7,500	--	+7,500
MAGIC LANTERN.....	--	---	--	68,000	--	+68,000
F/A-18 MODS.....						
MARINE CORPS RESERVE	--	---	--	25,000	--	+25,000
MISCELLANEOUS EQUIPMENT.....	--	---	--	64,000	--	+64,000
CH-53 HELICOPTERS.....	--	---	--	10,000	--	+10,000
T-39 REPLACEMENT AIRCRAFT.....						
AIR FORCE RESERVE	--	---	--	45,000	--	+45,000
MISCELLANEOUS EQUIPMENT.....	--	---	--	27,000	--	+27,000
C-5 SIMULATOR.....						
TOTAL, RESERVE EQUIPMENT.....				360,500		+360,500
NATIONAL GUARD EQUIPMENT						
ARMY NATIONAL GUARD	--	---	--	43,000	--	+43,000
MISCELLANEOUS EQUIPMENT.....	--	---	--	3,000	--	+3,000
VIBRATION MANAGEMENT ENHANCEMENT PROGRAM.....	--	---	--	3,000	--	+3,000
UH-50L.....	--	---	--	1,000	--	+1,000
LASER LEVELING.....	--	---	--	3,000	--	+3,000
ENGAGEMENT SKILLS TRAINERS.....	--	---	--	5,000	--	+5,000
MELIOS, AN-PVS-6.....						
AIR NATIONAL GUARD	--	---	--	5,000	--	+5,000
MISCELLANEOUS EQUIPMENT.....	--	---	5	293,000	+5	+293,000
C-130L.....	--	---	--	100,000	--	+100,000
KC-135R ENGINE KITS.....	--	---	--	32,000	--	+32,000
F-16 IMPROVED AVIONICS INTERMEDIATE SHOP.....	--	---	--	1,500	--	+1,500
ULTIMATE BUILDING MACHINES.....						
TOTAL, NATIONAL GUARD EQUIPMENT.....				489,500		+489,500
TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT.....				850,000		+850,000

MISCELLANEOUS EQUIPMENT

The Committee has provided \$143,000,000 for miscellaneous equipment and believes that the Chiefs of the Reserve and National Guard components should exercise control of funds provided for miscellaneous equipment. The Committee directs that separate, detailed submissions of its modernization priorities by each of the Guard and Reserve component commanders be submitted to the congressional defense committees and recommends including bill language carried in previous years requiring this submission. The Committee expects the component commanders to give priority consideration to the following items: all-terrain cranes, modular airborne fire fighting system units, CH-47 internal crash worthy fuel cells, back scatter truck inspection systems, ALR-56M radar warning receivers, theater deployable communication packages, AN/TQM-41 MMS, M1A2s, M2A2s, night vision equipment, CH-47 ICH aircraft, listening target and navigation pods, commercial industrial equipment, high speed dirt compactors, AH-64 combat mission simulators, heavy equipment transporter vehicles, MLRS launchers, high mobility trailers for HMMWV, palletized loading systems, heavy expanded mobility tactical truck wreckers, avengers, M109A6, automatic building machines, air defense alerting device systems, interactive simulators, master cranes, deployable universal combat earth movers, palletized loading systems, and HEMTT wreckers.

INFORMATION RESOURCES MANAGEMENT

The Defense Department requested \$10,273,037,000 for information resources management. The Committee recommends \$10,387,937,000, an increase of \$114,900,000 as explained below:

[In thousands of dollars]

Operation and Maintenance, Army:	
High Risk Automation Systems	- 25,000
Army Logistics Automation	11,200
Operation and Maintenance, Navy:	
High Risk Automation Systems	- 25,000
Software Program Managers Network	6,000
Operation and Maintenance, Air Force:	
High Risk Automation Systems	- 25,000
REMIS	8,900
Operation and Maintenance, Defense-Wide:	
High Risk Automation Systems	- 15,000
Automated Document Conversion	30,000
Military Personnel Information System	5,000
Operation and Maintenance, Navy Reserve:	
NSIPS	43,500
Operation and Maintenance, Defense Health Program:	
High Risk Automation Systems	- 20,000
PACMEDNET	10,000
Other Procurement, Army:	
Army Logistics Automation	13,800
SBIS	13,000
Other Procurement, Navy:	
NSIPS	20,500
JEDMICS	5,000
Other Procurement, Air Force:	
Base Information Infrastructure	48,000

Procurement, Defense-Wide:	
Automated Document Conversion	10,000
Total	114,900

REMIS

The Air Force requested \$32,647,000 for the Reliability and Maintainability Information System (REMIS). The Committee recommends an increase of \$8,900,000 in Operation and Maintenance, Air Force to be used only for REMIS projects related to IMDS conversion.

JEDMICS

The Navy requested \$35,528,000 for the Joint Engineering Data Management Information and Control System (JEDMICS). The Committee is concerned that the unprotected transmittal of sensitive but unclassified data to remote users via the Internet subjects JEDMICS data to potential unauthorized access. The Department of Defense has made a substantial investment in JEDMICS. Without the incorporation of required security precautions, the system cannot be used with assurance. To maximize the utility of JEDMICS and to protect the information as required by law and regulation, the Committee provides \$5,000,000 in the Other Procurement, Navy account to be used only to acquire and integrate an information security solution.

SUSTAINING BASE INFORMATION SERVICES

The Army requested \$18,459,000 to maintain Sustaining Base Information Services, which consists of 13 applications fielded to 33 installations. To take maximum advantage of the substantial investment already made in software development, the Committee recommends adding \$13,000,000 to the Other Procurement, Army account only to field these existing applications to another 15 installations.

ARMY LOGISTICS AUTOMATION

The Army requested \$37,521,000 for its Total Distribution Program. The Committee recommends \$62,521,000 an increase of \$11,200,000 in Operation and Maintenance, Army and an increase of \$13,800,000 in Other Procurement, Army. One of the deficiencies the Army identified during Operation Desert Shield/Desert Storm was an inability to track shipments and quickly locate particular supplies as they moved through the distribution system. The Army has begun acquiring technology that will automatically record when supplies move past each major checkpoint as well as allowing personnel to electronically query the contents of a container without having to open it. The Committee strongly supports this high priority effort.

AUTOMATED DOCUMENT CONVERSION

The Committee supports the Department of Defense goal of digitizing all weapons engineering drawings by the year 2000 and all other drawings by the year 2002. The Committee agrees to provide a total of \$40,000,000 over the budget request only for this ef-

fort, of which \$30,000,000 is in Operation and Maintenance, Defense-Wide for outsourcing bulk conversion services and \$10,000,000 is in Procurement, Defense-Wide for data conversion products. These funds are to be directly managed by the Computer Aided Logistics System executive within the Office of the Secretary of Defense.

MILITARY PERSONNEL INFORMATION SYSTEMS

The Committee continues to strongly support the fiscal year 1997 appropriation conference report direction regarding DoD-wide military personnel information systems and the Navy Standard Integrated Personnel System (NSIPS) program management and implementation. The Department of Defense has officially designated the Navy as the executive agent and program manager for the DoD-wide or objective military personnel information system. The Committee commends this action. After an administrative delay, DoD and the Navy have begun work again and the Committee directs both to provide the necessary resources to put this critical program back on schedule and accelerate it if possible. The Committee directs the Department of the Navy to maintain project and program management and executive agent responsibilities for the objective or DoD-wide system under the operational control and command of the Commander, Naval Reserve Forces.

The Committee has provided \$69,000,000 for NSIPS and DoD objective system shortfalls and related Navy Reserve and Navy personnel information management system functions and needs. Of this total amount, the Committee directs that \$30,500,000 in Operation and Maintenance, Navy Reserve and \$18,000,000 in Other Procurement, Navy be allocated only to the Commander, Naval Reserve Forces, to: (1) address NSIPS and Navy objective system program management funding shortfalls; (2) continue and escalate Navy central design activity (CDA) consolidations and the consolidation of all Navy manpower and personnel information systems with the Naval Reserve Information Systems Office; (3) evaluate and maintain current personnel/manpower legacy systems for migration to NSIPS and the DoD objective systems; (4) establish requirements data bases and development platforms as well as develop pilot projects with industry and academia to attract, train and retain needed skilled software personnel for software incentive projects within the Navy and DoD; and (5) provide initial outfitting equipment, communications, local area network (LAN) equipment, software, hardware and related infrastructure support requirements for information system facilities.

Of the total amount, the Committee directs that \$13,000,000 in Operation and Maintenance, Navy Reserve and \$2,500,000 in Other Procurement, Navy be allocated only to the Commander, Naval Reserve Forces for the Naval Reserve Information Systems Office for Naval Reserve information management systems and related contractor support, COTS integration efforts, and continuing electronic medium, communications and LAN improvements to existing Naval Support Activity and Naval Air Station facilities.

Of the total amount, the Committee has also provided an additional \$5,000,000 in Operation and Maintenance, Defense-Wide,

only for the DoD-wide objective military personnel system to be used by the Joint Requirements and Integration Office.

SOFTWARE PROGRAM MANAGERS NETWORK

The Committee continues to support service programs and related activities provided by the Software Program Managers Network (SPMN). Despite support for this program at the DoD level and previous Committee direction, the budget requested no funds. The Committee recommends \$6,000,000 only for this effort in Operation and Maintenance, Navy. The Committee directs that these funds and operational control of the SPMN effort be transferred to the Assistant Secretary of the Navy for Research and Development to: (1) continue original SPMN efforts to improve acquisition and management of software development and maintenance within all the services and DoD; (2) assist the Navy and Naval Reserve in their program management efforts regarding DoD-wide and Naval military manpower personnel information systems; and (3) assist the Navy and Naval Reserve in the development of industry and academia pilot projects to attract, train and retain skilled software personnel for software intensive projects within the Navy and DoD. It is the Committee's intent that SPMN reflect the needs of program managers at the "grass roots" level and that it not become an OSD top-down directed program.

HIGH RISK AUTOMATION SYSTEMS

The General Accounting Office (GAO) has identified a number of major DoD automation systems as "high risk". The central weakness in these automation systems is that the development effort is moving ahead without a completed economic analysis, proper milestones, measurable goals or a reengineering study of the process being automated. The Committee believes that it is preferable to limit development until these steps have been taken than to risk a major program failure after significant funds have been spent.

The Committee therefore recommends a reduction of \$110,000,000 to be allocated as follows:

Operation and Maintenance, Army	-\$25,000,000
Operation and Maintenance, Navy	- 25,000,000
Operation and Maintenance, Air Force	- 25,000,000
Operation and Maintenance, Defense-Wide	- 15,000,000
Defense Health Program (CHCSII)	- 20,000,000

The Committee directs that DoD provide a report to the congressional defense committees on how these reductions are being applied no later than March 1, 1998. In addition, the Committee directs that none of these reductions are to be applied against Year 2000 conversion efforts, automation programs to which the Committee has recommended increased funding over the budget request, the Reserve Component Automation System or to any item of special interest.

TITLE IV
RESEARCH, DEVELOPMENT, TEST AND EVALUATION

ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1998 Department of Defense Research, Development, Test and Evaluation budget requests totals \$35,934,491,000. The accompanying bill recommends \$36,704,924,000. The total amount recommended is an increase of \$770,433,000 above the fiscal year 1998 budget estimate, and is \$736,197,000 less than the total provided in fiscal year 1997. The table below summarizes the budget estimates and the Committee's recommendations.

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

RECAPITULATION			
RDTE, ARMY.....	4,510,843	4,686,427	+175,584
RDTE, NAVY.....	7,611,022	7,907,837	+296,815
RDTE, AIR FORCE.....	14,451,379	14,315,456	-135,923
RDTE, DEFENSE-WIDE.....	9,069,680	9,494,337	+424,657
DEVELOPMENTAL TEST AND EVALUATION.....	268,183	268,183	---
OPERATIONAL TEST AND EVALUATION.....	23,384	32,684	+9,300
	=====	=====	=====
GRAND TOTAL, RDTE.....	35,934,491	36,704,924	+770,433
	=====	=====	=====

FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS)

The Committee notes that the fiscal year 1998 plan for Federally Funded Research and Development Centers (FFRDCs) is well above the level of effort for the prior year. The planned increase of 231 staff technical years of effort (STE) represents almost a seven percent increase in level of effort over the limitation set by Congress in 1996. Also, given the prior year limitation of \$1,161,000,000 and the reduction of \$52,000,000 taken against FFRDCs in 1997, the Committee fails to understand why the Department is reporting an increase in actual fiscal year 1997 spending.

Moreover, it appears the Department now plans to increase fiscal year 1998 FFRDC expenditures by \$49,520,953 over 1997 levels. These trends and increases are not consistent with prior Congressional direction nor the recommendation of the Defense Science Board (DSB) in January 1997. The DSB report challenged the Department's use of FFRDCs and concluded that the current FFRDC system "does not provide the best available service at the most reasonable cost." The DSB Task Force recommended that: (1) work done by FFRDCs be "more carefully defined and limited" (2) that competition be introduced and, (3) that management practices be changed at the beginning of 1998 to incorporate these changes. The Committee therefore recommends a funding level that is consistent with the DSB report and prior Congressional direction on FFRDCs and recommends a reduction of \$55,000,000 to bring FFRDC spending back in line with the established Congressional funding limitation of \$1,100,000,000.

BASIC RESEARCH

The Department of Defense requested over \$1.1 billion for basic research in fiscal year 1998, an increase of over ten percent compared to the current fiscal year 1997 level. While the Committee supports the need for the Defense Department to conduct a robust basic university research program, in the context of the overall fiscal year 1998 defense budget such funding growth is unwarranted. In each of the services there are many programs that have long-standing yet unfulfilled warfighting requirements and which have successfully completed R&D, yet no production funds are requested in the budget ostensibly due to lack of funds.

In addition, as in past years this year's budget submission included large, unfunded shortfalls in defense medical programs, training and readiness accounts, and other programs such as munitions which have direct and immediate relevance to warfighting needs and the provision of an adequate quality of life for service members and their families. The Committee has provided additional funds in this bill to address these and other critical shortfalls. However the Committee questions whether never-ending budget growth in basic research is wise, particularly in the context of the Administration's failure to adequately address the Defense Department's weapon system modernization needs. In light of the Department's proposed misallocation of resources, the Committee recommends reductions to basic research funding to maintain this program at the 1997 level.

NATO RESEARCH AND DEVELOPMENT

The Department requested \$53,479,000 for NATO Research and Development across Service accounts. The Committee recommends no appropriation.

The Committee remains concerned that the NATO Research and Development program is an example of a well intentioned federal program which, once begun, never ends. This program, which provides initial funding for international cooperative research and development projects, began in fiscal year 1986 at the height of the Cold War. Since that time, over \$800,000,000 has been spent to start cooperative projects, very few of which have actually resulted in systems being fielded to U.S. troops, and all of which require the military departments to find ways to finance outyear costs. The Committee believes that this type of program is not a priority program and is no longer affordable, particularly as the Department and Services are trying to find ways of financing higher priority requirements in areas such as readiness and modernization. Therefore, the Committee recommends no appropriation.

TACTICAL RADIOS

The Committee commends the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASDC3I) for establishing an overall policy and providing planning, programming, and budgetary guidance to the Services, CINC's, and DoD agencies for the acquisition of tactical radios. Given the annual budget for tactical radios, the Committee endorses the ASDC3I's efforts to ensure that diverse Service and CINC communications requirements are satisfied, while at the same time, ensuring that the acquisitions are cost effective. The Committee is pleased that the Under Secretary of Defense for Acquisition and Technology USD(A&T) and the ASDC3I are currently reviewing Service communications programs and will make recommendations for the establishment of a joint program to consolidate existing and planned Service efforts. Since the review is currently on-going, the Committee directs that no more than 25 percent of the funds appropriated for the research and development of a tactical radio may be obligated until the ASDC3I certifies that the development program meets interoperability requirements, is not duplicative of other developmental efforts, and is fully funded in the budget.

SPECIAL ACCESS PROGRAMS

The Committee is concerned about the apparent reluctance of the military services to respond to Committee requests for budgetary data on Special Access Programs (SAPs). In several instances, most notably with the Army, the services failed to provide the Committee with requested information in a timely manner. In each case, the data was eventually provided, but only after repeated requests. This situation is unacceptable. Therefore, the Committee directs the Secretary of Defense to take necessary actions to ensure the services respond fully and expeditiously to Committee requests to the military departments for information on Special Access Programs.

The Committee, during the course of its review, has discovered a number of programs in the Department that have been treated in a SAP-like manner, but have not been formally identified to the Committee as SAPs. Such practices do not conform with agreements between the Congress and the Department on handling such information, and severely complicate Congressional oversight of Departmental activities. The Committee has resolved one such problem with the Air Force already. However, the Committee is aware of a problem with a Navy program that has not been adequately resolved. Accordingly, the Committee directs the Secretary of Defense to submit a report to the Committee no later than September 30, 1997 that includes (1) a description of the program, (2) the amount of funding for the program, past and future, by year, with account and line-item detail, and (3) the steps the Department is taking to avoid such problems in the future. Further details are provided separately in the classified annex of this report.

COMBAT SURVIVOR EVADER LOCATOR (CSEL) SURVIVAL RADIO

The Combat Survivor Evader Locator (CSEL) survival radio system was developed to satisfy a requirement for a communication capability to be used in the search and rescue of downed airman and crew. Although the CSEL was designed and developed to include a secure airborne interrogator, this capability was not included in the current program. The Committee understands that this deficiency increases the risk to an airborne rescue force because the downed crew can not provide secure, real-time position location data and situational awareness to the rescue force. Therefore, the Committee recommends that the Department of Defense provide the necessary funding in future budgets for a secure, airborne interrogator in CSEL.

INSTITUTE FOR DEFENSE ANALYSES

The Committee directs that not more than one-third of the funds (100 staff technical years of effort) in all appropriations in the bill for the Institute for Defense Analyses (IDA) may be obligated until the Under Secretary of Defense for Acquisition and Technology provides the Committee with the results of any and every recent IDA study dealing with tactical aircraft modernization or technical performance issues, at any level of classification. The Committee designates funds for IDA to be an item of special interest, and this prior approval restriction shall be so noted on DD Form 1414 (Base for Reprogramming Actions) for fiscal year 1998.

CLASSIFIED PROGRAMS

Adjustments to classified RDT&E programs are addressed in the classified annex accompanying this report.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

Fiscal year 1997 appropriation	\$5,062,763,000
Fiscal year 1998 budget request	4,510,843,000
Committee recommendation	4,686,427,000
Change from budget request	+175,584,000

This appropriation funds the Research, Development, Test and Evaluation Activities of the Department of the Army.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes to the budget request in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
Ballistics Technology	33,317	38,317	+5,000
Combat Vehicle and Automotive Adv Tech	32,685	35,685	+3,000
Joint Service Small Arms Program	4,754	11,754	+7,000
Armament Enhancement Initiative	40,313	60,313	+20,000
All Source Analysis System	24,045	27,545	+3,500
Aircraft Mod/Prod Improvements	2,609	22,609	+20,000
Information Systems Security	9,647	12,147	+2,500

BASIC RESEARCH

IN-HOUSE LABORATORY RESEARCH

The Army requested \$15,113,000 for in-house laboratory research. The Committee recommends \$14,113,000, a decrease of \$1,000,000 due to fiscal constraints.

DEFENSE RESEARCH SCIENCES

The Army requested \$138,165,000 for defense research sciences. The Committee recommends \$120,165,000 a decrease of \$18,000,000 to limit program growth. Of the available funds, \$1,000,000 is only to accelerate Intelligent Software Agent Research at the Army Research Laboratory.

UNIVERSITY AND INDUSTRY RESEARCH CENTERS

The Committee recognizes the importance of electric gun research and directs that adequate funds be provided in future budget submissions.

ARMY RESEARCH INSTITUTE FOR BEHAVIORAL AND SOCIAL SCIENCES

The Army requested \$16,000,000 for the Army Research Institute (ARI) for Behavioral and Social Sciences. The Committee recommends the budget request. The Committee recognizes the importance of the ARI's research activities related to personnel recruitment and training, as well as issues related to gender and racial integration. The Committee encourages the Army to adequately fund ARI research activities in future budget submissions.

EXPLORATORY DEVELOPMENT

SENSORS AND ELECTRONIC SURVIVABILITY

The Army requested \$19,294,000 for sensors and electronic survivability. The Committee recommends \$24,294,000, an increase of

\$5,000,000 only for the continued development of the passive millimeter wave camera.

AVIATION ADVANCED TECHNOLOGY

The Army requested \$27,282,000 for aviation advanced technology. The Committee recommends \$22,282,000 a decrease of \$5,000,000 which maintains funding at the fiscal year 1997 appropriated level.

COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY

The Army requested \$33,112,000 for combat vehicle and automotive technology. The Committee recommends \$40,112,000 an increase of \$7,000,000. This includes an increase of \$6,000,000 only to modernize the Army's Tank and Vehicle Simulation Laboratory, an increase of \$3,000,000 only for the continued development of a Voice Instructional Device for use on the National Automotive Center's Smart Truck program, and a decrease of \$2,000,000 for program termination.

The Committee directs that of the available funds, \$1,000,000 is only to develop the High Output Diesel Engine at the National Automotive Center.

CHEMICAL, SMOKE, AND EQUIPMENT DEFEATING TECHNOLOGY

The Army requested \$4,739,000 for chemical, smoke and equipment defeating technology. The Committee recommends \$2,739,000, a decrease of \$2,000,000 to limit program growth.

JOINT SERVICE SMALL ARMS PROGRAM

The Army requested \$4,786,000 for the joint service small arms program. The Committee recommends \$9,286,000, an increase of \$4,500,000 only for the accelerated development of the Objective Crew Served Weapon.

WEAPONS AND MUNITIONS TECHNOLOGY

The joint Army and Defense Special Weapons Agency program for Electro-Thermal Chemical technology development (ETC) is evaluating ETC for direct fire applications. The Committee believes that ETC technology may also have indirect fire applications. Therefore, the Committee directs the Secretary of the Army to conduct a study which explores the benefits of ETC for Army indirect fire applications. The study is to address the issues associated with propellant and ETC ignitor development, as well as system issues associated with platform integration. The study is to be completed by March 1998. If the study proves that ETC has indirect fire applications, the Committee encourages the Army to include this program in the fiscal year 1999 budget request.

ELECTRONICS AND ELECTRONIC DEVICES

The Army requested \$20,192,000 for electronics and electronic devices. The Committee recommends \$22,692,000, an increase of \$2,500,000 only for the development of standard-combustion, fuel driven, man-portable, thermophotovoltaic generators.

COUNTERMINE SYSTEMS

The Committee encourages the Army to examine potential funding for the Charged Particle Beam Countermine System (CPB-CMS), which the Committee believes has the potential to detect and detonate all types of surface or buried mines at a safe stand-off distance through the use of a high current electron beam.

HUMAN FACTORS ENGINEERING TECHNOLOGY

The Army requested \$14,256,000 for Human Factors Engineering. The Committee recommends \$18,256,000, an increase of \$4,000,000 only for Medical Teams.

ENVIRONMENTAL QUALITY TECHNOLOGY

The Army requested \$17,519,000 for Environmental Quality Technology. The Committee recommends \$42,219,000, an increase of \$24,700,000. Of this amount, \$5,000,000 is only for support of life-cycle environmental and manufacturing technologies research related to weapons systems and munitions technology assessment and analysis at the Gallo Center, Picatinny Arsenal. In addition, \$2,000,000 is only for the U.S. Army Construction and Engineering Research Laboratory to conduct an industry cost-shared demonstration of emerging high-efficiency natural gas boiler technology. This increase also provides \$5,000,000 only for the implementation of the Commercialization of Technologies to Lower Defense Costs Initiative. Finally, the Committee provides \$4,000,000 only for Bioremediation Education, Science and Technology and \$8,700,000 only for the Plasma Energy Pyrolysis System as provided for in the House-passed Defense authorization bill.

MILITARY ENGINEERING TECHNOLOGY

The Army requested \$36,422,000 for military engineering technology. The Committee recommends \$43,922,000, an increase of \$7,500,000 only for further technology development to enhance the military capabilities and economic efficiency of climate change fuel cells at the U.S. Army Corps of Engineers Construction Engineering Research Laboratories.

MEDICAL TECHNOLOGY

The Army requested \$74,684,000 for Medical Technology. The Committee recommends \$142,484,000, an increase of \$67,800,000. Within this increase, \$25,000,000 is only for the continuation of the Army-managed Neurotoxin Exposure Treatment Research Program, \$9,800,000 is only for neurofibromatosis, \$3,500,000 is only for Army nutrition research, \$3,500,000 is only for orthopedic implant research, \$6,000,000 is only for the LSTAT, \$10,000,000 is only for prostate cancer research, and \$10,000,000 is only for ovarian cancer research.

NEUROFIBROMATOSIS

The Committee recommends \$9,800,000 to continue the Army neurofibromatosis medical research program which has produced important advances in the understanding of NF. This work in-

cludes important investigations into genetic mechanisms governing peripheral nerve regeneration after injury from such things as missile wounds and chemical toxins, and is important to gaining better understandings of wound healing. The Committee compliments the Army Medical Research and Materiel Command for structuring a highly regarded, peer-reviewed program that is well coordinated with other research conducted at the National Institutes of Health. The Committee urges the Army to focus these funds on research leading to clinical trials of promising treatments and therapies for NF.

PROSTATE DISEASE

The Committee recommends \$10,000,000 to continue the Department's nationally-recognized program to conduct basic and clinical research studies to combat diseases of the prostate. The goal of this program is to develop more effective, more specific and less toxic forms of therapy for patients in all stages of prostate disease. The Center for Prostate Disease Research established under this program uses the large network of military hospitals around the country as a resource for information on the improved detection and treatment of prostate disease. The Department should continue to give the highest priority to funding research that is multi-institutional, multi-disciplinary and regionally focused.

ADVANCED DEVELOPMENT

MEDICAL ADVANCED TECHNOLOGY

The Department requested \$10,677,000 for Medical Advanced Technology. The Committee recommends \$142,177,000, an increase of \$131,500,000. Within this increase, \$100,000,000 is only for the Army peer-reviewed breast cancer program, \$8,000,000 is only for the National Medical Testbed, \$6,000,000 is only for catheterization lab upgrades at Walter Reed, \$3,500,000 is only for advanced cancer detection, \$3,000,000 is only for cooperative teleradiology, \$6,000,000 is only for advanced trauma care, \$1,500,000 is only for artificial lung research, and \$3,500,000 is only for emergency telemedicine, as proposed in the House-passed Defense Authorization bill.

AVIATION ADVANCED TECHNOLOGY

The Army requested \$31,330,000 for aviation advanced technology. The Committee recommends \$53,830,000, an increase of \$22,500,000. Within this increase, \$5,000,000 is only to begin development of a short-range unmanned aerial vehicle, \$2,500,000 is only to define the potential operational value and key technical issues related to an integrated manned and unmanned aerial vehicle scout team, \$11,600,000 is only for development of the Stinger Universal Launcher (SUL), and \$3,400,000 is only for the Starstreak missile. The Committee provides the additional funds for the SUL and Starstreak missile to ensure the Army maintains the schedule for a fiscal year 1999 side-by-side test of both the Stinger and the Starstreak missile on the Apache helicopter. The Committee directs the Army to take all necessary steps, including budgeting adequate

fiscal year 1999 funds, to ensure such a side-by-side test will take place in fiscal year 1999.

WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY

The Army requested \$18,255,000 for weapons and munitions advanced technology. The Committee recommends \$25,255,000, an increase of \$7,000,000. Of the increase, \$5,000,000 is only to accelerate trajectory correctable munitions development and \$2,000,000 is only for precision guided mortar munitions development.

MISSILE AND ROCKET ADVANCED TECHNOLOGY

The Army requested \$117,139,000 for missile and rocket advanced technology development. The Committee recommends \$59,439,000, a reduction of \$57,700,000 based on the termination of the Army's Enhanced Fiber Optic Guided Missile (EFOG-M). The Committee notes that EFOG-M was not recommended for authorization this year based on technical and testing concerns.

This program, as currently structured, is essentially a multiyear procurement program incrementally funded in the Army's science and technology (S&T) research budget. Using funds normally associated with fundamental research and technology demonstrations, the Army plans to procure and field 256 missiles, 12 launch vehicles, and 4 command vehicles to the 82nd Airborne for a "limited go to war capability." The Army plans to field the weapon system without independent operational testing and evaluation (IOT&E), formal milestone reviews, or many of the other fundamental acquisition requirements in place to ensure DoD only procures safe, cost effective, operationally suitable, and supportable weapon systems.

The EFOG-M program is part of a larger Rapid Force Projection Initiative (RFPI) Advanced Concept Technology Demonstration (ACTD). A "principle" of ACTDs is that after a technology is demonstrated, it can be left behind to operational units for further use and evaluation. The Army is abusing this "principle" by procuring missiles and vehicles far in excess of those required for the ACTD. The ACTD requires only 44 missiles, 8 launch vehicles, and 2 command vehicles. The Army is using S&T funds to buy an additional 256 missiles that will not be consumed in ACTD testing as well as additional launchers and command vehicles to field an entire company in the 82nd Airborne.

Since the program's funding is buried within a larger R&D line-item, neither Congress nor OSD has visibility into the yearly quantities and costs that would normally appear in a missile procurement budget that complies with the "full funding" policy. The Committee also notes that the 256 missiles are being produced under a multiyear contract that has never been explicitly approved by Congress as would be required had the missiles been funded in a procurement account. Abuse of so many basic acquisition and financial policies jeopardizes the Committee's support of the ACTD "leave behind" principle. The Committee expects DoD to review its ACTD programs to ensure the minimum amount of equipment is being developed to support only the ACTD. The Committee has also included a general provision that addresses this overall growing problem within DoD by prohibiting the use of R&D funds to buy end-items that will not be used in support of testing.

LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY

The Army requested \$19,332,000 for landmine warfare and barrier advanced technology. The Committee recommends \$25,932,000, an increase of \$6,600,000. Of the increase, \$3,900,000 is only to continue the development of the Vehicular Mounted Mine Detection (VMMD) system and \$2,700,000 is only to test the Ground Stand-off Mine detection system as part of the VMMD advanced technology demonstration.

LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION

The Army requested \$13,000,000 for the Line-Of-Sight Advanced Technology anti-tank missile system. The Committee recommends no funding for this program, a decrease of \$13,000,000. Starting with the fiscal year 1998 President's Budget, the Army has restructured the LOSAT program as an ACTD using an acquisition model very similar to the EFOG-M program (discussed elsewhere in this report). Like EFOG-M, the Army is using the "leave behind" principle of ACTDs to develop, procure, and field 13 fire units and 178 missiles to the 82nd Airborne using science and technology research funding. The 178 missiles will not be consumed in testing and Army documentation shows a FY 2003 "fielding" date with a note that states, "funded [R&D] program provides initial operating capability." The Committee strongly objects to this kind of R&D funded procurement scheme and states its intent to deny or realign funding for any programs in the future where such abuse of fundamental and traditional acquisition program and budget procedure is discovered.

The Committee is also concerned with the number of "tank killers" the Army is trying to field in the 82nd Airborne. In the coming years, the 82nd Airborne's anti-tank capabilities will include Hellfire, Javelin, and Follow-On To Tow (FOTT) weapon systems. Each of these will be by far the most advanced anti-tank weapons of their kind on the battlefield. LOSAT would provide the 82nd Airborne with a capability that will be, in many ways, duplicative to FOTT. Both weapon systems are employed on HMMWVs and have similar ranges. While LOSAT has the advantage of extreme lethality, FOTT has the advantage of having greater targeting flexibility and being a fire and forget weapon. Also, FOTT is an objective system for the entire Army and will be proliferated throughout the Service using the existing Tow infrastructure. Given these considerations, the Committee views the LOSAT acquisition program as both inappropriately structured and wasteful and therefore recommends its termination.

DEMONSTRATION AND VALIDATION

ARMY MISSILE DEFENSE SYSTEMS INTEGRATION

The Army requested \$24,138,000 for Army missile defense systems integration. The Committee recommends \$55,638,000, an increase of \$31,500,000 only to test the Tactical High Energy Laser (THEL) demonstrator. Subsequent to the budget submission, the Secretary of Defense and Israel agreed the THEL demonstrator should undergo U.S. government developmental testing. The gov-

ernment developmental test would be the first opportunity to validate the capability of the demonstrator to shoot down rockets in flight before it is given to Israel. The Secretary of Defense proposed that the U.S. provide two-thirds and the Israeli government one-third of the funds required to complete the government developmental test. However, no funds are included in the fiscal year 1998 budget request for the government developmental test. The recommended increase will pay the two-thirds share for THEL testing as proposed by the Secretary of Defense. The Committee notes that the fiscal year 1998 budget includes \$16,500,000 for THEL development and contractor testing. The Committee has also recommended an additional \$10,000,000 in program element 0605605A, High Energy Laser Systems Test Facility, for test site preparation.

AVIATION ADVANCED DEVELOPMENT

The Army requested \$7,132,000 for aviation advanced development. The Committee recommends \$15,132,000, an increase of \$8,000,000. Of the amount, \$3,000,000 is only to continue the development of the aircrew integrated common helmet development and \$5,000,000 is only to develop retinal display technologies for the aircrew integrated common helmet.

ARTILLERY SYSTEMS DEVELOPMENT

The Army requested \$324,380,000 for artillery systems development (Crusader). The Committee recommends the amount requested. The Committee expresses its continued support for the Crusader development program and believes that the Crusader artillery system has the potential to increase future artillery and maneuver force effectiveness. The Committee encourages the Army to provide adequate funding program in future budget submissions to ensure that the Crusader acquisition plan remains on schedule.

ENGINEERING AND MANUFACTURING DEVELOPMENT

EW DEVELOPMENT

The Army requested \$66,212,000 for EW Development. The Committee recommends \$86,524,000, an increase of \$20,312,000 to integrate lessons learned in the Force XXI Advanced Warfighting Experiment and meet the goal of IOT&E in fiscal year 1998.

FAMILY OF HEAVY TACTICAL VEHICLES

The Army requested no funding for the family of heavy tactical vehicles. The Committee recommends \$5,000,000 only to design, develop, and integrate state-of-the-art technologies into future tactical trailers.

AIR TRAFFIC CONTROL

The Army requested \$1,705,000 for air traffic control. The Committee recommends \$4,705,000, an increase of \$3,000,000. The Committee has learned that inadequate funds were budgeted to complete testing of the Air Traffic Navigation Integration and Coordination System (ATNAVICS). Therefore, the Committee has

transferred funds from ATNAVICS procurement to research and development to complete testing.

LIGHT TACTICAL WHEELED VEHICLE

The Army requested \$9,909,000 for light tactical wheeled vehicle development. The Committee recommends no funding for this program. The Army is currently developing a light tactical wheeled vehicle strategy based on future requirements and budgets and is considering four alternatives: continue to procure the current vehicle; modify the current vehicle; procure a new commercial vehicle; or develop a new light tactical wheeled vehicle. The Committee has requested that the Army provide detailed cost and requirement analysis of the light tactical wheeled vehicle strategy; however, the study will not be complete until fiscal year 1998. Although the Army has not completed its evaluation of various alternatives for light weight tactical vehicles, the Army's budget request essentially is predetermining the outcome of the study. The Committee directs that the Army provide by September 15, 1997 a report outlining the light weight tactical vehicle alternatives which the Army is currently evaluating. The report is to include the requirements, estimated development and acquisition costs, and estimated operation and support costs for each alternative.

COMBAT FEEDING, CLOTHING, AND EQUIPMENT

The Army requested \$55,964,000 for combat feeding, clothing and equipment development. The Committee recommends \$65,264,000 an increase of \$9,300,000 only for the continued testing and development of the Force XXI Landwarrior system.

AUTOMATIC TEST EQUIPMENT DEVELOPMENT

The Army requested \$2,582,000 for automatic test equipment development. The Committee recommends \$11,582,000, an increase of \$9,000,000 only for Integrated Family of Test Equipment development.

COMBINED ARMS TACTICAL TRAINER

The Army requested \$2,823,000 for the development of the Combined Arms Tactical Trainer. The Committee recommends \$13,323,000, an increase of \$10,500,000 only for the development and testing of the Close Combat Tactical Trainer (CCTT). After the fiscal year 1998 budget was submitted to the Congress, the Army made significant changes to the CCTT acquisition schedule because of problems associated with system reliability. The new acquisition schedule delays operational testing until April 1998 and the delivery of an operational system by at least one year. Since the fiscal year 1998 budget does not reflect the revised acquisition schedule, the Committee has recommended additional funding to resolve reliability issues associated with the development of the CCTT.

LANDMINE WARFARE/BARRIER ENGINEERING DEVELOPMENT

The Army requested \$22,605,000 for landmine warfare/barrier engineering development. The Committee recommends \$8,905,000, a decrease of \$13,700,000. The Committee has deleted the funds for

the engineering and manufacturing development (EMD) of the Airborne Standoff Minefield Detection System (ASTAMIDS). The Committee has and continues to be a strong supporter of countermine systems and has added funding for the development of such systems. Last year, the Congress believed that the ASTAMIDS system was not ready to enter EMD until results from a Bosnia qualification test were available. Therefore, the Congress provided an additional \$12,000,000 to complete advanced development work required on the two competing systems in anticipation of a Bosnia qualification test. Since the budget submission, the Committee has learned that neither system met the exit criteria for the Bosnia qualification test and that both ASTAMIDS systems are encountering technical difficulties. Once again, the Committee believes that it is premature to enter EMD and appropriates no funds.

SENSE AND DESTROY ARMAMENT MISSILE

The Army requested \$22,372,000 for the Sense and Destroy Armanent Missile (SADARM). The Committee recommends \$5,494,000, a decrease of \$16,878,000 to delay the development of the product improvement program of SADARM. The Committee is a strong supporter of the SADARM program and has provided funding to procure SADARM. However, the baseline SADARM development program was plagued with technical difficulties. Until scheduled testing is completed on the baseline system in fiscal year 1998, the Committee believes that the product improvement program can be delayed.

RDT&E MANAGEMENT SUPPORT

DOD HIGH ENERGY LASER TEST FACILITY

The Army requested \$14,952,000 for the DoD High Energy Laser Test Facility (HELSTF). The Committee recommends \$30,952,000, an increase of \$16,000,000 of which \$10,000,000 is only to conduct live fire tests of the Tactical High Energy Laser System at HELSTF and \$6,000,000 is only for the solid state laser development program.

MATERIEL SYSTEMS ANALYSIS

The Army requested \$29,707,000 for material systems analysis. The Committee recommends \$14,707,000, a decrease of \$15,000,000. The Committee notes that the fiscal year 1998 budget request includes the transfer of funds from operation and maintenance. However, the Committee does not believe that the Army's budget submission adequately justifies the costs associated with material systems analysis. The budget submission does not provide cost data for salaries, travel, and number of personnel. Furthermore, the Committee is concerned with the level of operational testing resources dedicated for Advanced Concept Technology Demonstrations, Advanced Technology Demonstrations, and the Advanced Warfighting Experiments. The Committee believes that since these activities are demonstrations and not formal acquisition programs, testing costs should be included in the budget lines funding the individual demonstrations and experiments. Additionally, given the decrease in Major Defense Acquisition Programs, the

Committee believes that the management and support cost associated with the operational test of such systems should also decrease.

SUPPORT OF OPERATIONAL TESTING

The Army requested \$81,672,000 for support of operational testing. The Committee recommends \$51,672,000, a decrease of \$30,000,000. The Committee is aware that the budget request for this activity increased in fiscal year 1998 because funding was transferred from operation and maintenance to research and development. Based on the Army budget materials, the Committee believes the majority of the fiscal year 1998 funding is to conduct operational testing associated with the Advanced Warfighting Experiments. Furthermore, the Army's budget justification materials do not provide cost data for the number of personnel, salaries, travel and associated operational costs for test and evaluation support activities. The Committee notes that some of the systems scheduled to undergo operational testing in fiscal year 1997 have been delayed, such as the ASTAMIDS, Close Combat Tactical Trainer, and the ATNAVICS system. Therefore, fiscal year 1997 funds should be available to address any fiscal year 1998 shortfalls.

PROGRAMWIDE ACTIVITIES

The Army requested \$86,208,000 for programwide activities. The Committee recommends \$66,208,000, a decrease of \$20,000,000. The fiscal year 1998 budget request is 30 percent higher than last year's appropriated amount. The Committee notes that the majority of the increase was to fund the federal workforce restructure. However, the Committee believes that the Army budget justification materials do not provide sufficient rationale to warrant such an increase in fiscal year 1998.

MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY

The Army requested \$6,317,000 for munitions standardization, effectiveness, and safety. The Committee recommends \$9,317,000, an increase of \$3,000,000 only to develop a blast chamber for demilitarizing excess and obsolete ammunition at the Blue Grass Army Depot.

ENVIRONMENTAL COMPLIANCE

The Army requested \$51,378,000 for environmental compliance. The Committee recommends \$56,378,000, an increase of \$5,000,000 only for the U.S. Army Construction and Engineering Research Laboratory for further technology development to enhance the military applications and economic efficiency of fuel cells.

In the fiscal year 1994 Defense Appropriations Act, the Congress provided an increase of \$2,700,000 in this program element for an environmental remediation project that was authorized in the fiscal year 1994 Defense Authorization Act. The Committee is disappointed to note that the Department redirected \$1,700,000 of this funding to another project. The Committee understands that work has already begun in coordination with the Army Corps of Engineers, but it cannot be completed as planned without the restoration of the funds. The Committee therefore directs the Depart-

ment to provide \$1,700,000 from within available funds to complete this effort and to expand the project area accordingly.

AEROSTAT JOINT PROJECT OFFICE

The Army requested \$86,193,000 for the Aerostat Joint Program Office. The Committee recommends no funding for this activity. The Aerostat Joint Program Office has been conducting concept of operation studies and developing an operational requirements document. Since fiscal year 1996, the Army has spent over \$30,000,000 for concept studies; however, there is still not a validated requirement or a completed vulnerability assessment for the Aerostat system. According to the joint program office, the total cost of the concept development and Advanced Concept Technology Demonstration phase of the Aerostat program will be over \$600,000,000 after which the Army will have one operational Aerostat. The Committee is also aware that the Army five year budget plan for this program is underfunded by \$120,000,000.

The Committee is, frankly, taken aback by the Army development community's grandiose plans for this program in light of the well-documented and understood shortfalls in not only other Army modernization programs, but in all Army accounts. Absent any firm program requirements, validated mission or user need, vulnerability assessment, or plans to ultimately procure Aerostats, the Committee recommends termination of this program, as well as rescission of available prior year appropriations.

COMBAT VEHICLE IMPROVEMENT PROGRAM

The Army requested \$136,520,000 for the combat vehicle improvement program. The Committee recommends \$152,520,000, an increase of \$16,000,000 of which \$12,000,000 is only to integrate field emission flat panel displays on the Abrams tank and \$4,000,000 is only to continue the development of the AN/VVR-1 laser warning receiver.

DIGITIZATION

The Army requested \$156,960,000 for digitization. The Committee recommends \$75,560,000, a decrease of \$81,400,000. Of the amount, \$38,900,000 has been transferred to the Force XXI Initiative appropriation and \$52,500,000 has been transferred to fund Warfighting Rapid Acquisition Program (WRAP) initiatives not included in the fiscal year 1998 budget submission. Further details are provided under the heading Force XXI Initiatives. An additional \$10,000,000 is only to procure Tactical Personnel Communications Services for experimentation at the next Advanced Warfighting Experiment at Fort Hood.

The Army's Training and Doctrine Command (TRADOC) has played an important role in the digitization program; however, the Committee believes that TRADOC's dominant role should not continue into the system acquisition phase. TRADOC represents the "user" and the Committee believes that digitization development, operational tests, and evaluation should be under the management of an acquisition executive. Therefore, the Committee directs that the Army designate a Program Manager and establish a Battlefield

System Acquisition Program Office prior to the Milestone I/II decision to initiate the system acquisition phase. The Committee is concerned that without the establishment of an acquisition program office, that major technical, cost, and schedule issues can not be adequately managed.

During the March 1997 Advanced Warfighting Experiment, the Army found that voice-data contention on SINCGARS nets seriously limited the Commander's ability to command and control his forces. The Army has plans to replace SINCGARS with an interim Near Term Digital Radio (NTDR) followed by Future Digital Radio (FDR). The NTDR is currently in development. FDR development is scheduled for fiscal year 1999; fielding would begin in fiscal year 2004. The Army wants to field its interim digitized division in fiscal year 2000; however, until the FDR is fielded, the division will have a very limited capability to transmit data. The Committee believes that the digital tactical radio acquisition program is not in sync with the overall digitization of the battlefield plan and directs the Army to submit with the fiscal year 1999 budget a tactical radio plan which would meet the requirements of the interim digitized division. The plan is to include requirements, cost, and acquisition schedule. Furthermore, the Committee directs that the Army coordinate the plan with the Assistant Secretary of Defense for Command, Control, Communications and Intelligence.

MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM

The Army requested \$17,412,000 for air defense missile improvements. The Committee recommends \$27,412,000, an increase of \$10,000,000 only for the Patriot Anti-Cruise Missile program.

JOINT TACTICAL GROUND SYSTEM

The Army requested \$3,195,000 for the Joint Tactical Ground System. The Committee recommends \$6,195,000, an increase of \$3,000,000 to continue the upgrades under Phase I of the JTAGS P3I program.

END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES

The Army requested \$44,326,000 for end item industrial preparedness activities. The Committee recommends \$54,326,000, an increase of \$10,000,000. Of that amount \$5,000,000 is only for the development of the M829E3 munitions production capability and \$5,000,000 only to accelerate munitions manufacturing technology.

FORCE XXI INITIATIVE

The Army requested no funds for Force XXI initiatives. The Committee recommends \$38,900,000 only for the Warfighting Rapid Acquisition Program (WRAP). The budget request includes \$100,000,000 for WRAP initiatives in the Army's digitization appropriation. Last year, the Congress established a separate program element for WRAP initiatives. In accordance with last year's Act, the Committee recommends the transfer of WRAP funding from the Digitization to the Force XXI Initiative program element. The Army has identified fiscal year 1998 WRAP funding to continue initiatives which were approved in fiscal year 1997. The Committee

has established new program elements for the fiscal year 1997 initiatives and transferred the fiscal year 1998 WRAP funding as identified by the Army to continue each initiative. The Committee has provided funding for the following WRAP initiatives in fiscal year 1998:

Research, Development, Test and Evaluation, Army	
Striker	\$3,900,000
Mortar Fire Control	10,000,000
Applique (funded in Digitization)	2,600,000
Tactical Internet (funded in Digitization)	6,000,000
Other Procurement, Army	
Gun Laying Positioning System	6,000,000
Radio Frequency Technology	2,900,000
Lightweight Laser Designator/Range Finder	2,800,000
Combat Synthetic Training Assessment Range	5,400,000
Airborne Command and Control System	11,100,000
Avenger Slew to Cue	7,400,000
Palletized Loading System Enhanced	3,000,000

The Committee has recommended a new general provision which prohibits the DoD from using research and development funds to procure end-items for delivery to military forces. To comply with the general provision, the Committee has recommended that the funding budgeted for the procurement of WRAP items be transferred to Other Procurement, Army.

As in fiscal year 1997, the Congress directs that no funds may be obligated from the Force XXI Initiative appropriation without prior notification to the congressional defense committees. Notification is to include the supporting criteria outlining the technical merit and maturity; criticality and priority to warfighting requirements; affordability; effectiveness; and sustainability in future budget submissions for the items under consideration. Once again, the Committee directs that none of the Force XXI funds may be used for technologies included in the budget request, such as applique, night vision equipment, and radios. Instead, Force XXI funds are to be reprogrammed, with prior notification, to the appropriate account for obligation.

The Committee notes that the Army's unfunded requirements list included approximately \$90,000,000 for digitization efforts. The Committee believes that those shortfalls, which ensure interoperability and systems architecture development, should be funded before Force XXI initiatives.

STRIKER

The Army requested no funds for Striker. The Committee recommends \$3,900,000 only for Striker. Additional details are provided under the heading "Force XXI Initiatives."

MORTAR FIRE CONTROL

The Army requested no funds for Mortar Fire Control (MFC). The Committee recommends \$10,000,000 only for MFC. Additional details are provided under the heading "Force XXI Initiatives."

THEATER PRECISION STRIKE OPERATIONS

The Army requested no funds for Theater Precision Strike Operations (TSPO). The Committee recommends \$5,000,000 only for TSPO.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL ARMY			
BASIC RESEARCH			
IN-HOUSE LABORATORY INDEPENDENT RESEARCH.....	15,113	14,113	-1,000
DEFENSE RESEARCH SCIENCES.....	138,165	120,165	-18,000
UNIVERSITY AND INDUSTRY RESEARCH CENTERS.....	45,576	45,576	---
TOTAL, BASIC RESEARCH.....	198,854	179,854	-19,000
EXPLORATORY DEVELOPMENT			
MATERIALS TECHNOLOGY.....	9,811	9,811	---
SENSORS AND ELECTRONIC SURVIVABILITY.....	19,294	24,294	+5,000
TRACTOR HIP.....	7,242	7,242	---
AVIATION TECHNOLOGY.....	27,282	22,282	-5,000
EW TECHNOLOGY.....	16,528	16,528	---
MISSILE TECHNOLOGY.....	22,335	22,335	---
MODELING AND SIMULATION TECHNOLOGY.....	21,059	21,059	---
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY.....	33,112	40,112	+7,000
BALLISTICS TECHNOLOGY.....	33,317	38,317	+5,000
CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY.....	4,739	2,739	-2,000
JOINT SERVICE SMALL ARMS PROGRAM.....	4,786	9,286	+4,500
WEAPONS AND MUNITIONS TECHNOLOGY.....	25,980	25,980	---
ELECTRONICS AND ELECTRONIC DEVICES.....	20,192	22,692	+2,500
NIGHT VISION TECHNOLOGY.....	17,304	17,304	---
COUNTERMINE SYSTEMS.....	10,598	10,598	---
HUMAN FACTORS ENGINEERING TECHNOLOGY.....	14,256	18,256	+4,000
ENVIRONMENTAL QUALITY TECHNOLOGY.....	17,519	42,219	+24,700
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY.....	16,838	16,838	---
COMPUTER AND SOFTWARE TECHNOLOGY.....	679	679	---
MILITARY ENGINEERING TECHNOLOGY.....	36,422	43,922	+7,500
MANPOWER/PERSONNEL/TRAINING TECHNOLOGY.....	9,014	9,014	---
LOGISTICS TECHNOLOGY.....	17,689	19,689	+2,000
MEDICAL TECHNOLOGY.....	74,684	142,484	+67,800
ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY.....	1,255	1,255	---
TOTAL, EXPLORATORY DEVELOPMENT.....	462,935	585,935	+123,000
ADVANCED DEVELOPMENT			
LOGISTICS ADVANCED TECHNOLOGY.....	35,469	35,469	---
MEDICAL ADVANCED TECHNOLOGY.....	10,677	142,177	+131,500
AVIATION ADVANCED TECHNOLOGY.....	31,330	53,830	+22,500
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY.....	18,255	25,255	+7,000
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY.....	32,685	35,685	+3,000
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY.....	19,688	19,688	---
MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY.....	3,003	3,003	---
TRACTOR HIKE.....	14,350	---	-14,350
TRACTOR DIRT.....	3,393	3,393	---
TRACTOR RED.....	5,572	5,572	---
TRACTOR ROSE.....	9,204	9,204	---
MILITARY HIV RESEARCH.....	2,713	2,713	---
GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECHN	11,664	11,664	---
EW TECHNOLOGY.....	8,182	8,182	---
MISSILE AND ROCKET ADVANCED TECHNOLOGY.....	117,139	59,439	-57,700
TRACTOR CAGE.....	6,412	6,412	---
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY.....	19,332	25,332	+6,000
JOINT SERVICE SMALL ARMS PROGRAM.....	4,754	11,754	+7,000
LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION.....	13,000	---	-13,000
NIGHT VISION ADVANCED TECHNOLOGY.....	19,299	19,299	---
MILITARY ENGINEERING ADVANCED TECHNOLOGY.....	12,231	12,231	---
ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECH....	19,970	19,970	---
TOTAL, ADVANCED DEVELOPMENT.....	418,322	510,872	+92,550
DEMONSTRATION & VALIDATION			
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)....	24,138	55,638	+31,500
LANDMINE WARFARE AND BARRIER - ADV DEV.....	18,882	18,882	---
ARMAMENT ENHANCEMENT INITIATIVE.....	40,313	60,313	+20,000
ARTILLERY PROPELLANT DEVELOPMENT.....	8,521	8,521	---
ARMORED SYSTEM MODERNIZATION - ADV DEV.....	2,007	2,007	---
ADVANCED TANK ARMAMENT SYSTEM (ATAS).....	8,982	8,982	---
ARMY DATA DISTRIBUTION SYSTEM.....	21,214	21,214	---
SOLDIER SUPPORT AND SURVIVABILITY.....	7,557	7,557	---
TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV.....	20,920	20,920	---
NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT.....	2,939	2,939	---
NATO RESEARCH AND DEVELOPMENT.....	13,168	---	-13,168
AVIATION - ADV DEV.....	7,132	15,132	+8,000
LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV.....	6,783	6,783	---
COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION AND A	7,673	7,673	---
MEDICAL SYSTEMS - ADV DEV.....	6,765	6,765	---
TRACTOR CAGE (DEM/VAL).....	1,948	1,948	---
ARTILLERY SYSTEMS - DEM/VAL.....	324,380	324,380	---
SCAMP BLOCK II DEM/VAL.....	73	73	---
TOTAL, DEMONSTRATION & VALIDATION.....	523,395	569,727	+46,332

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
ENGINEERING & MANUFACTURING DEVEL			
AIRCRAFT AVIONICS	21,669	21,669	---
COMANCHE	282,009	282,009	---
EW DEVELOPMENT	66,212	86,524	+20,312
ALL SOURCE ANALYSIS SYSTEM	24,045	27,545	+3,500
FOLLOW-ON TO TOW	13,949	13,949	---
TRACTOR CAGE	11	11	---
MEDIUM TACTICAL VEHICLES	3,729	3,729	---
JAVELIN	8,018	8,018	---
LANDMINE WARFARE	19,800	19,800	---
FAMILY OF HEAVY TACTICAL VEHICLES	5,000	5,000	---
AIR TRAFFIC CONTROL	1,705	4,705	+5,000
ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)	8,867	8,867	+3,000
TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,687	2,687	---
LIGHT TACTICAL WHEELED VEHICLES	9,909	---	-9,909
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	56,196	56,196	---
NIGHT VISION SYSTEMS - ENG DEV	33,456	33,456	---
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	55,964	65,264	+9,300
NON-SYSTEM TRAINING DEVICES - ENG DEV	76,749	76,749	---
TERRAIN INFORMATION - ENG DEV	2,942	2,942	---
INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,946	1,946	---
INTEGRATED BROADCAST SERVICE	4,499	4,499	---
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DE	18,350	18,350	---
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	2,582	11,582	+9,000
DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERI	20,895	20,895	---
TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (	19,113	19,113	---
BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	202,302	202,302	---
JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	6,940	6,940	---
POSITIONING SYSTEMS DEVELOPMENT (SPACE)	419	419	---
COMBINED ARMS TACTICAL TRAINER (CATT)	2,823	13,323	+10,500
AVIATION - ENG DEV	5,109	5,109	---
WEAPONS AND MUNITIONS - ENG DEV	3,577	3,577	---
LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	28,039	28,039	---
COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	11,052	11,052	---
MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT	4,483	4,483	---
LANDMINE WARFARE/BARRIER - ENG DEV	22,605	8,905	-13,700
SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	22,372	5,494	-16,878
COMBAT IDENTIFICATION	19,784	19,784	---
ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	20,022	20,022	---
FIREFINDER	2,564	2,564	---
TOTAL, ENGINEERING & MANUFACTURING DEVEL	1,107,393	1,127,518	+20,125
RDTE& MANAGEMENT SUPPORT			
THREAT SIMULATOR DEVELOPMENT	14,004	14,004	---
TARGET SYSTEMS DEVELOPMENT	11,688	11,688	---
MAJOR T&E INVESTMENT	40,449	40,449	---
RAND ARROYO CENTER	17,576	17,576	---
ARMY KWAJALEIN ATOLL	138,769	138,769	---
ARMY TEST RANGES AND FACILITIES	122,117	122,117	---
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,184	33,184	---
SURVIVABILITY/LETHALITY ANALYSIS	32,330	32,330	---
DOD HIGH ENERGY LASER TEST FACILITY	14,952	30,952	+16,000
AIRCRAFT CERTIFICATION	2,919	2,919	---
METEOROLOGICAL SUPPORT TO RDTE& ACTIVITIES	6,434	6,434	---
MATERIEL SYSTEMS ANALYSIS	29,707	14,707	-15,000
EXPLOITATION OF FOREIGN ITEMS	7,762	7,762	---
SUPPORT OF OPERATIONAL TESTING	81,672	51,672	-30,000
PROGRAMWIDE ACTIVITIES	86,208	66,208	-20,000
INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT	1,581	1,581	---
TECHNICAL INFORMATION ACTIVITIES	15,451	15,451	---
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	6,317	9,317	+3,000
ENVIRONMENTAL CONSERVATION	1,778	1,778	---
POLLUTION PREVENTION	5,353	5,353	---
ENVIRONMENTAL COMPLIANCE	51,378	56,378	+5,000
MINOR CONSTRUCTION (RPM) - RDTE&	4,393	4,393	---
MAINTENANCE AND REPAIR (RPM) - RDTE&	85,119	85,119	---
REAL PROPERTY SERVICES (RPS) - RDTE&	88,945	88,945	---
BASE OPERATIONS - RDTE&	231,653	231,653	---
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,837	4,837	---
TOTAL, RDTE& MANAGEMENT SUPPORT	1,136,576	1,095,576	-41,000

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

OPERATIONAL SYSTEMS DEVELOPEMENT			
MLRS PRODUCT IMPROVEMENT PROGRAM.....	26,678	26,678	---
AEROSTAT JOINT PROJECT OFFICE.....	86,193	---	-86,193
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM.....	39,039	39,039	---
COMBAT VEHICLE IMPROVEMENT PROGRAMS.....	136,520	152,520	+16,000
MANEUVER CONTROL SYSTEM.....	25,641	25,641	---
AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS...	2,609	22,609	+20,000
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM.....	2,940	2,940	---
DIGITIZATION.....	156,960	75,560	-81,400
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM.....	17,412	27,412	+10,000
OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS.....	1,255	1,255	---
TRACTOR RUT.....	2,111	2,111	---
TRACTOR CARD.....	6,690	6,690	---
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC).....	8,983	8,983	---
JOINT TACTICAL GROUND SYSTEM.....	3,195	6,195	+3,000
SPECIAL ARMY PROGRAM.....	5,547	7,417	+1,870
INFORMATION SYSTEMS SECURITY PROGRAM.....	9,647	12,147	+2,500
SATCOM GROUND ENVIRONMENT (SPACE).....	57,827	57,827	---
WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM.....	15,045	15,045	---
TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM.....	750	750	---
SECURITY AND INVESTIGATIVE ACTIVITIES.....	500	500	---
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES.....	44,326	54,326	+10,000
NATO JOINT STARS.....	13,500	13,500	---
FORCE XXI INITIATIVE.....	---	38,900	+38,900
STRIKER.....	---	3,900	+3,900
MORTAR FIRE CONTROL.....	---	10,000	+10,000
COUNTER MRL - TSPO.....	---	5,000	+5,000
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT.....	663,368	616,945	-46,423
=====			
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL ARMY.....	4,510,843	4,686,427	+175,584

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Fiscal year 1997 appropriation	\$8,208,946,000
Fiscal year 1998 budget request	7,611,022,000
Committee recommendation	7,907,837,000
Change from budget request	+296,815,000

This appropriation provides funds for the Research, Development, Test and Evaluation activities of the Department of the Navy and the Marine Corps.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
ASW systems development (ADLFP)	22,869	26,669	+3,800
Advanced submarine combat systems development	61,122	62,422	+1,300
Carrier systems development	98,587	10,187	-88,400
Shipboard system component development	19,194	22,694	+3,500
Advanced submarine system development	59,067	162,067	+103,000
Marine Corps assault vehicles	60,134	70,134	+10,000
Marine Corps ground combat support system	36,464	40,064	+3,600
Standards development	36,297	40,297	+4,000
Tactical command system	31,518	41,518	+10,000
H-1 Upgrades	80,735	86,335	+5,600
Acoustic search sensors (AEER)	16,947	20,947	+4,000
Arsenal ship	102,994	0	-102,994
Distributed surveillance	33,048	43,448	+10,400
F/A-18 squadrons	316,976	207,776	-109,200
Tomahawk and Tomahawk mission planning center	93,359	91,500	-1,859
Consolidated training systems development	58,956	36,456	-22,500

BASIC RESEARCH

IN-HOUSE INDEPENDENT LABORATORY RESEARCH

The Navy requested \$15,834,000 for in-house independent laboratory research. The Committee recommends \$14,683,000, a decrease of \$1,151,000 due to fiscal constraints.

DEFENSE RESEARCH SCIENCES

The Navy requested \$366,283,000 for defense research sciences. The Committee recommends \$336,463,000, a decrease of \$29,820,000. This includes a decrease of \$39,820,000 to hold the program to the 1997 level and an increase of \$10,000,000 only for molecular design research as recommended in the House-passed Authorization bill.

EXPLORATORY DEVELOPMENT

SURFACE/AEROSPACE SURVEILLANCE AND WEAPONS TECHNOLOGY

The Navy requested \$32,273,000 for surface/aerospace surveillance and weapons technology. The Committee recommends \$29,273,000, a decrease of \$3,000,000 due to fiscal constraints.

SURFACE SHIP TECHNOLOGY

The Navy requested \$46,859,000 for surface ship technology. The Committee recommends \$53,859,000, an increase of \$7,000,000. This includes increases recommended in the House-passed Defense Authorization bill: \$6,000,000 only for power electronic building blocks, \$1,500,000 only for power node control centers, and \$2,500,000 only for micromechanical systems technology for damage tolerant networks. An additional \$2,000,000 is only to enhance on-going Navy collaborative efforts for the application for underwater vehicle derived component level intelligent distributed control technology to Navy surface ship automation. A decrease of \$5,000,000 is also recommended due to fiscal constraints.

AIRCRAFT TECHNOLOGY

The Navy requested \$23,590,000 for aircraft technology. The Committee recommends \$25,390,000, an increase of \$1,800,000. Within this amount, \$2,800,000 is only to continue the technical evaluation and integration of advanced high resolution and brightness pixel flat panel displays into Navy integrated day/night all-weather helmet mounted displays. A decrease of \$1,000,000 is also recommended due to fiscal constraints.

COMMAND, CONTROL, AND COMMUNICATIONS TECHNOLOGY

The Navy requested \$65,566,000, for C3 technology. The Committee recommends \$59,566,000, a decrease of \$6,000,000 due to fiscal constraints.

READINESS, TRAINING, AND ENVIRONMENTAL QUALITY TECHNOLOGY

The Navy requested \$31,762,000 for readiness, training, and environmental quality technology. The Committee recommends \$47,362,000, an increase of \$15,600,000. Within this amount, \$16,000,000 is only for development of sea-state 3 lighterage systems and \$2,600,000 is only for the Smart Aircrew Integrated Life Support System and psycho-physiological assessment. A decrease of \$3,000,000 is also recommended due to fiscal constraints. Concerning lighterage, the Committee recommends that the Navy test extensively the capabilities of the current ELCAS(M) style pontoons and potential upgrades to perform sea state 3 missions.

MATERIALS, ELECTRONICS, AND COMPUTER TECHNOLOGY

The Navy requested \$76,653,000 for materials, electronics, and computer technology. The Committee recommends \$73,653,000, a decrease of \$3,000,000. Within this amount \$2,000,000 is only for qualification of new processes such as resin transfer molding and second source materials such as carbon fibers and \$2,000,000 is only to develop a composite storage capsule for laboratory and at-sea testing for use by Navy SEALs on submarines. A decrease of \$7,000,000 is also recommended due to fiscal constraints.

ELECTRONIC WARFARE TECHNOLOGY

The Navy requested \$22,810,000 for electronic warfare technology. The Committee recommends \$21,810,000, a decrease of \$1,000,000 due to fiscal constraints.

UNDERSEA SURVEILLANCE WEAPON TECHNOLOGY

The Navy requested \$51,033,000 for undersea surveillance weapon technology. The Committee recommends \$46,033,000, a decrease of \$5,000,000 due to fiscal constraints.

OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY

The Navy requested \$48,211,000 for oceanographic and atmospheric technology. The Committee recommends \$77,711,000, an increase of \$29,500,000 as recommended in the House-passed Defense Authorization bill. Within this amount, \$10,000,000 is only to continue autonomous underwater vehicle and sensor development, \$16,000,000 is only for ocean partnerships, \$2,750,000 is only to implement the consolidation of the Naval Surface Warfare Center South Florida Test Facility through continuation of collaborative marine vehicle research efforts, and \$750,000 is only for PM-10. In addition, \$2,000,000 from available funds is available only for arctic research as recommended by the House-passed Defense Authorization bill.

UNDERSEA WARFARE WEAPONRY TECHNOLOGY

The Navy requested \$35,736,000 for undersea warfare weaponry technology. The Committee recommends \$31,736,000, a decrease of \$4,000,000 due to fiscal constraints. Of the amount provided, \$5,000,000 is only for continued development of COTS airgun technology as an acoustic surveillance source as recommended in the House-passed Defense Authorization bill.

ADVANCED DEVELOPMENT

AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY

The Navy requested \$35,093,000 for air systems and weapons advanced technology. The Committee recommends \$41,193,000, an increase of \$6,100,000. Within that amount, \$11,500,000 is only for Maritime Avionics Subsystems and Technology (MAST) and \$2,000,000 is only for Integrated High Payoff Rocket Technology. A decrease of \$7,400,000 is also recommended due to fiscal constraints.

PRECISION STRIKE AND AIR DEFENSE

The Navy requested \$43,320,000 for precision strike and air defense. The Committee recommends \$44,320,000, an increase of \$1,000,000. This includes an increase of \$5,000,000 only for mobile off-shore basing and a decrease of \$4,000,000 due to fiscal constraints.

ADVANCED ELECTRONIC WARFARE TECHNOLOGY

The Navy requested \$18,144,000 for advanced electronic warfare technology. The Committee recommends \$17,144,000, a decrease of \$1,000,000 due to fiscal constraints.

SHIP PROPULSION SYSTEM

The Navy requested \$39,737,000 for ship propulsion technology. The Committee recommends \$34,737,000, a decrease of \$5,000,000. Within this amount, \$5,000,000 is only for active control of machinery rafts (Project M) which shall be applied to both surface ship and submarine applications. A decrease of \$10,000,000 is also recommended due to fiscal constraints.

MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION

The Marine Corps requested \$34,178,000 for the Marine Corps advanced technology demonstration. The Committee recommends \$63,478,000, an increase of \$29,300,000. Within the increase, \$20,300,000 is only for the Commandant's Warfighting Laboratory, \$5,000,000 is only to continue the SMAW product improvement program and \$4,000,000 is only for two kilowatt proton exchange membrane fuel cell development.

MEDICAL TECHNOLOGY

The Navy requested \$18,332,000 for Medical Technology. The Committee recommends \$72,732,000, an increase of \$54,400,000. Within this increase, \$34,000,000 is available only for bone marrow, \$2,600,000 is only for the naval biodynamics lab, \$5,500,000 is only for biocide materials research, \$2,500,000 is only for freeze-dried blood, \$4,000,000 is only for dental research, \$4,000,000 is only for the mobile medical monitor and \$3,000,000 is only for rural health. In addition, the Committee recommends a reduction of \$1,200,000 for fleet health.

MANPOWER, PERSONNEL AND TRAINING

The Navy requested \$18,812,000 for manpower, personnel, and training technology. The Committee recommends \$20,502,000, an increase of \$1,690,000. Within this amount, \$3,690,000 is only for virtual reality environment research for training for military and non-combat operations. The goal of this research is to develop virtual reality training capability for the Department of Defense, including safe mission rehearsal and realistic battlefield scenario depiction, and flexible training simulations to provide three dimensional tactical pictures. A decrease of \$2,000,000 is also recommended due to fiscal constraints.

ENVIRONMENTAL QUALITY AND LOGISTICS

The Navy requested \$18,249,000 for environmental quality and logistics technology. The Committee recommends \$18,999,999, an increase of \$750,000. Within this amount, \$1,750,000 is only for a 250 kilowatt proton exchange membrane fuel cell demonstration recommended in the House-passed Defense Authorization bill and

\$1,000,000 is only for visualization of technical information. A decrease of \$2,000,000 is also recommended due to fiscal constraints.

UNDERSEA WARFARE ADVANCED TECHNOLOGY

The Navy requested \$54,785,000 for undersea warfare. The Committee recommends \$46,385,000, a decrease of \$8,400,000 due to fiscal constraints.

SHALLOW WATER MCM DEMONSTRATIONS

The Navy requested \$41,602,000 for shallow water mine countermeasure demonstrations. The Committee recommends \$38,352,000, a decrease of \$3,250,000. This includes an increase of \$750,000 only for obstacle destruction through mounting a GPU-5 gunpod on LCAC craft and a decrease of \$4,000,000 due to fiscal constraints.

ADVANCED TECHNOLOGY TRANSITION

The Navy requested \$87,285,000 for advanced technology transition. The Committee recommends \$73,052,000, a decrease of \$14,233,000. This includes a decrease of \$18,233,000 to hold the program to the 1997 level and an increase of \$4,000,000 only for the high frequency surface wave radar. The Committee directs that none of the reduction be applied to the RAMICS or affordable array technology projects.

C3 ADVANCED TECHNOLOGY

The Navy requested \$23,768,000 for C3 advanced technology. The Committee recommends \$22,368,000, a reduction of \$1,400,000 due to fiscal constraints.

DEMONSTRATION AND VALIDATION

AVIATION SURVIVABILITY

The Navy requested \$7,859,000 for aviation survivability. The Committee recommends \$16,959,000, an increase of \$9,100,000 only for development of the Navy Integrated day/night all-weather display helmet into the AV-8B, F/A-18, and Advance Strike Fighter aircraft and \$3,000,000 is only for visualization architecture and technology at the Naval Aircraft Warfare Center Aircraft Division, Patuxent River.

SURFACE AND SHALLOW WATER MINE COUNTERMEASURES

The Navy requested \$58,231,000 for surface and shallow water mine countermeasures. The Committee recommends \$71,131,000, an increase of \$12,900,000, of which \$7,900,000 is for the remote minehunting system and \$5,000,000 is only for the Integrated Combat Weapon System on MCM and MHC mine hunting ships. Both projects are recommended in the House-passed Defense Authorization bill.

ADVANCED SUBMARINE SYSTEM DEVELOPMENT

The Navy requested \$59,067,000 for advanced submarine system development. The Committee recommends \$162,067,000, an increase of \$103,000,000 as recommended in the House-passed De-

fense Authorization bill. The Committee directs that none of these funds may be used for a technology demonstrator program until the Navy submits a program plan to the Appropriations Committees at least 30 days prior to obligation of funds that provides a plan, acquisition strategy, costs, and schedule.

ADVANCED SURFACE MACHINERY SYSTEMS

The Navy requested \$49,741,000 for advanced surface machinery systems. The Committee recommends \$44,741,000, a decrease of \$5,000,000 to the Intercooled Recuperative gas turbine engine. The Intercooled Gas Turbine engine program is an international cooperative development program to develop a more fuel efficient powerplant for surface combatant ships. During hearings this year the Committee discovered that the program requires an additional \$100 million to complete development. After that, there remains an unfunded requirement for an additional \$100 million for at-sea testing of the engine. Without at-sea testing, the engine could never be a candidate for installation in U.S. warships even after expenditure of over \$400 million. The Navy testified this year that it would recommend termination of the ICR program if the United Kingdom and France do not pay at least half of the shortfall for full engine qualification as well as make suitable arrangements for sharing future cost growth in the development program. The Committee makes this reduction in anticipation of savings to the United States due to successful negotiation of an international cost-sharing agreement.

CONVENTIONAL MUNITIONS

The Navy requested \$34,190,000 for conventional munitions technologies. The Committee recommends \$38,190,000, an increase of \$4,000,000 only for development of optical correlator technology.

ADVANCED WARHEAD DEVELOPMENT

The budget requested \$2,012,000 in the MK-50 torpedo line-item. The Committee recommends no appropriations since the effort planned is unrelated to the MK-50 torpedo. The Committee has instead moved these funds to the lightweight torpedo development line-item, and expects the Navy to budget for the effort in the appropriate line-item in the future.

COOPERATIVE ENGAGEMENT

The Navy requested \$139,229,000 for development of cooperative engagement capability. The Committee recommends \$223,229,000, an increase of \$84,000,000. Within this amount \$20,000,000 is for E-2/CEC integration, \$15,000,000 is for CEC/TBMD development efforts, \$15,000,000 is for development of a low cost common equipment set, \$13,000,000 is for reduced schedule risk and integrated logistics support, \$5,000,000 is for CEC/SSDS integration, \$5,000,000 is for Hawk/CEC integration, \$5,000,000 is for design agent transfer, \$3,000,000 is for fleet CEC exercises, and \$3,000,000 is for LAMPS data link interference. The Navy may allocate these funds within the CEC program to best meet overall program objectives.

ENVIRONMENTAL PROTECTION

The Navy requested \$52,401,000 for Environmental Protection. The Committee recommends \$56,401,000, an increase of \$4,000,000 only for the Resource Recovery Technology Center.

FACILITIES IMPROVEMENT

The Navy requested \$1,720,000 for facilities improvement. The Committee recommends \$6,720,000, an increase of \$5,000,000 only for wood composite research.

LAND ATTACK TECHNOLOGY

The Navy requested \$37,809,000 for land attack technology. The Committee recommends \$81,909,000, an increase of \$44,100,000. Within this amount, the following increases are recommended in accordance with the House-passed Defense Authorization bill: \$20,000,000 only for Navy TACMS, \$15,100,000 for the Extended Range Guided Munition, and \$5,000,000 for microelectromechanical systems guidance and control. An additional \$4,000,000 is only for the Land Attack Standard Missile (LASM). The Navy should not assume Committee approval of the LASM program until and unless funds are provided in the final Fiscal Year 1998 Defense Appropriations Act. The Committee strongly supports the next-generation Naval gun system and directs the Navy to keep this initiative on schedule for program definition and risk reduction demonstrations leading to the fielding of an advanced Naval 155mm gun system.

JOINT STRIKE FIGHTER

The Navy requested \$448,855,000 for the Joint Strike Fighter. The Committee has approved the budget request for this program in full in Navy, Air Force, and DARPA accounts. Within this amount, \$6,000,000 is only to develop and test a high temperature version of the eddy current sensor and an eddy current array sensor for use on the propulsive lift system and the engine turbo-machinery. Developing these sensors now will allow their inclusion in the Joint Strike Fighter baseline design, as well as make them available for other aircraft engine diagnostics. An additional \$1,000,000 is available only for engine turbine fan improvement.

ENGINEERING AND MANUFACTURING DEVELOPMENT

OTHER HELO DEVELOPMENT

The Navy requested \$73,354,000 for other helicopter development. The Committee recommends \$85,354,000, an increase of \$12,000,000 of which \$7,000,000 is only to maintain the schedule of the block II upgrade and support the insertion of ruggedized, scalable commercial off-the-shelf avionics technology for the SH-60R helicopter program and \$5,000,000 is only for the air interoperability center fiber optic backbone at the Naval Air Warfare Center Aircraft Division, Patuxent River.

AIRCREW SYSTEMS DEVELOPMENT

The Navy requested \$12,111,000 for aircrew systems development. The Committee recommends \$18,111,000, an increase of \$6,000,000 only to continue phase two of the NACES II ejection seat product improvement program.

ELECTRONIC WARFARE

The Navy requested \$101,803,000 for electronic warfare. The Committee requested \$104,603,000, an increase of \$2,800,000 only for precision targeting as recommended in the House-passed Defense Authorization bill.

SURFACE COMBATANT COMBAT SYSTEM ENGINEERING

The Navy requested \$87,934,000 for surface combatant combat system engineering. The Committee recommends \$142,134,000, an increase of \$54,200,000. This includes \$43,000,000 only for TBMD/UYQ-70 architecture development and \$14,000,000 for program shortfalls. A reduction of \$2,800,000 is recommended by the General Accounting Office since a joint tactical control sea test has been postponed until 1999.

ARSENAL SHIP

The Navy requested \$102,994,000 and DARPA requested \$47,200,000 for development of an Arsenal Ship demonstrator. The Committee agrees with the House National Security Committee that a delay in the program is appropriate, given the great number of changes the Navy proposes to make in purpose and scope of the demonstrator ship. The Committee questions the acquisition strategy of continuing with arsenal ship contracts to construct a \$500 million ship which is twice the size of the surface combatant application to be demonstrated, and which includes contract options for arsenal ships that differ from a land attack combatant demonstrator. The Navy should first define its requirements, and then award contracts; the current acquisition strategy is the reverse. The Committee is also concerned that CINC's have not requested such a ship. In the context of the fiscal year 1998 budget, where the Navy proposes no funding for installation of critical warfighting improvements such as cooperative engagement, ship self defense, CIWS surface mode, and TBMD capabilities for DDG-51 ships, the Arsenal ship is clearly of much lower priority. As noted in the Committee's hearings with Navy witnesses this year, converting Trident submarines to a conventional land attack configuration after START II is probably a more effective and affordable solution to meeting warfighting requirements. Finally, as discussed elsewhere in this report, the Committee is disturbed about the Administration's plan to field 12 new production DDG-51 destroyers to the fleet without cooperative engagement and theater ballistic missile defense capabilities. The Committee notes that if the Navy were to cancel the Arsenal Ship Demonstrator, sufficient funds would be available to fix the destroyer problem as well as many other pressing surface warfare issues.

LPD-17 CLASS SYSTEMS INTEGRATION

The Navy requested \$471,000 for LPD-17 class systems integration. The Committee recommends \$13,471,000, an increase of \$13,000,000 only for initial design studies and ship development efforts for command ship replacement, land attack weapons integration, shipboard personnel reduction technology and work process improvements for LPD-17 class ships.

TSSAM

The Navy requested \$9,644,000 for the Navy's participation in the Air Force JASSM program. The Committee recommends no funds for this program. The Committee has recommended termination of the JASSM program discussed elsewhere in this report since the Navy's SLAM-ER+ missile, in production in fiscal year 1998, meets the JASSM threshold requirements.

VLA UPGRADE

The Navy requested no funds for VLA Upgrades. The Committee recommends \$12,000,000 only for integration of the lightweight hybrid torpedo on the VLA rocket.

AIRBORNE MINE COUNTERMEASURES

The Navy requested \$16,503,000 for airborne mine countermeasures. The Committee recommends \$19,503,000, an increase of \$3,000,000 only for SWIMS projector development.

SSN-688 AND TRIDENT MODERNIZATION

The Navy requested \$42,294,000 for SSN-688 and Trident submarine modernization. The Committee recommends \$52,294,000, an increase of \$10,000,000 for multi-purpose processors as recommended in the House-passed Defense Authorization bill.

SUBMARINE COMBAT SYSTEM

The Navy requested \$23,701,000 for development of submarine combat systems. The Committee recommends \$2,366,000, a decrease of \$21,335,000 as recommended by the General Accounting Office due to postponement of the SSN-21 submarines' AN/BSY-2 combat system technical evaluation and operational evaluations beyond fiscal year 1998.

NEW DESIGN SSN

The Navy requested \$311,076,000 for development of the New Attack Submarine. The Committee recommends \$331,076,000, an increase of \$20,000,000 of which \$17,000,000 is recommended in the House-passed Defense Authorization bill for the Advanced Submarine Tactical Electronic Combat System/Integrated Mast and \$3,000,000 is only for glass reinforced plastic and rubber sandwich sonar domes.

SSN-21 DEVELOPMENTS

The Navy requested \$49,542,000 for SSN-21 developments. The Committee recommends \$12,332,000, a decrease of \$37,210,000 rec-

ommended by the General Accounting Office due to a delay in installation of an advanced special hull treatment and system qualification/inspection during SSN-21 post shakedown availability.

SHIP CONTRACT DESIGN/LIVE FIRE TESTING

The Navy requested \$75,713,000 for ship contract design and live fire testing. The Committee recommends \$64,713,000, a decrease of \$11,000,000. This includes an increase of \$17,000,000 to accelerate advanced technology development for the next aircraft carrier (CVN-77) as recommended in the House-passed Defense Authorization bill and a decrease of \$28,000,000 to slow the pace of development of the next generation destroyer (DD-21). These funds have been applied to more urgent requirements for CIWS surface mode and infrared search and track development.

NAVY TACTICAL COMPUTER RESOURCES

The Navy requested \$4,794,000 for tactical computer resources. The Committee recommends \$39,294,000, an increase of \$34,500,000 of which \$17,500,000 is only for integration of AN/UYQ-70 displays into submarines, \$10,000,000 is only for virtual prototyping of electronic circuits, and \$7,000,000 is only to integrate the AN/UYQ-70 Advanced Display System into existing Marine Expeditionary Force command elements.

LIGHTWEIGHT TORPEDO DEVELOPMENT

The Navy requested \$17,290,000 for development of the lightweight hybrid torpedo. The Committee recommends \$19,302,000, an increase of \$2,012,000 only for lightweight hybrid torpedo software development.

SHIP SELF-DEFENSE

The Navy requested \$132,270,000 for ship self-defense. The Committee recommends \$190,870,000, an increase of \$58,600,000. Within this amount, \$19,000,000 is for the Quick Reaction Combat Capability, \$12,000,000 is for the ship self-defense test ship, \$8,600,000 is only to refurbish an AN/SPS-48E for the Wallops Island ship defense test facility, \$9,000,000 is only for the development of the SPQ-9B radar, and \$10,000,000 is only for Infrared Search and Track.

MEDICAL DEVELOPMENT

The Navy requested \$3,620,000 for Medical Development. The Committee recommends \$16,920,000, an increase of \$13,300,000. Within this increase, \$8,500,000 is only for casualty monitoring and \$4,800,000 is only for Navy Telemedicine.

DISTRIBUTED SURVEILLANCE SYSTEM

The Navy requested \$33,048,000 for the Distributed Surveillance System program. The Committee recommends \$43,448,000, an increase of \$10,400,000. Of this amount, \$7,800,000 is only to package the all-optical deployable system (AODS) into an advanced deployable system (ADS) and to test the deployment of this system

at sea. The remaining \$2,600,000 is for the development of signal processing and detection algorithms for the ADS.

RDT&E MANAGEMENT SUPPORT

TARGET SYSTEMS DEVELOPMENT

The Navy requested \$48,308,000 for target systems development. The Committee recommends \$45,408,000, a reduction of \$2,900,000 due to cancellation of the Non-Cooperative Airborne Vector Scorer after the budget was submitted.

MAJOR T&E INVESTMENT

The Navy requested \$33,236,000 for major test and evaluation investment. The Committee recommends \$39,236,000, an increase of \$6,000,000 only for development of an East Coast Communications Network at the Naval Aircraft Warfare Center Aircraft Division, Patuxent River.

STUDIES AND ANALYSIS SUPPORT

The Navy requested \$8,755,000 for studies and analysis support. The Committee recommends \$6,679,000, a decrease of \$2,076,000 to hold the program at the 1997 level.

TECHNICAL INFORMATION SERVICES

The Navy requested \$8,763,000 for technical information services. Included in that amount is \$8,000,000 proposed for the Acquisition Center of Excellence. When the Committee agreed to a Navy proposal last year to provide funds for the center (\$500,000 was provided in the Department of Defense Appropriations Act for fiscal year 1998), the Committee did not know that an additional \$16,000,000 is required in fiscal years 1998 and 1999, and an undetermined amount thereafter. This amount of funding is inappropriate for a simple support activity to the acquisition community. The Committee notes that this amount of funding in fiscal year 1998 could equip two amphibious assault ships with ship self-defense suites, or six combatant ships with CIWS surface mode, or six LMSR sealift ships with lighterage, or funded the baseline 6/7 shortfall in the DDG-51 program to provide theater ballistic missile defense capability to three ships in 1998. The Committee questions the Navy preference for funding acquisition laboratories in the National Capital Region at the expense of theater CINC critical warfighting requirements. The Committee recommends \$763,000, a reduction of \$8,000,000 with prejudice.

MANAGEMENT, TECHNICAL, AND INTERNATIONAL SUPPORT

The Navy requested \$24,305,000 for management, technical, and international support. The Committee recommends \$19,305,000, a decrease of \$5,000,000 to hold the program at the 1997 level.

SCIENCE AND TECHNOLOGY MANAGEMENT

The Navy requested \$57,591,000 for science and technology management. The Committee recommends \$55,961,000, a decrease of \$1,630,000 due to fiscal constraints.

TEST AND EVALUATION SUPPORT

The Navy requested \$263,934,000 for test and evaluation support. The Committee recommends \$235,908,000, a decrease of \$28,026,000. This includes a decrease of \$30,026,000 to hold the program to the fiscal year 1997 level and an increase of \$2,000,000 only for safety items as recommended in the House-passed Defense Authorization bill.

MARINE CORPS PROGRAM WIDE SUPPORT

The Marine Corps requested \$8,207,000 for Marine Corps program wide support. The Committee recommends \$12,707,000, an increase of \$4,500,000 only for the development of a small unit biological detector.

OPERATIONAL SYSTEMS DEVELOPMENT

HARM IMPROVEMENT

The Navy requested \$6,169,000 for anti-radiation missile development activities. The Committee recommends \$41,169,000, an increase of \$35,000,000 only for continued development of AARGM.

AVIATION IMPROVEMENTS

The Navy requested \$60,025,000 for aviation improvements. The Committee recommends \$51,025,000, a decrease of \$9,000,000 to defer proposed engine component improvement new start initiatives until next year when the production programs are more mature.

MARINE CORPS COMMUNICATIONS SYSTEM

The Marine Corps requested \$38,296,000 for Marine Corps Communications Systems. The Committee recommends \$45,296,000, an increase of \$7,000,000. Of the increase, \$2,000,000 is only for the development of a tactical hand-held radio and \$5,000,000 is only to develop a secure digital data link capability for UAV systems.

MARINE CORPS GROUND COMBAT/SUPPORTING ARMS

The Marine Corps requested \$12,568,000 for Marine Corps Ground Combat and Supporting Arms. The Committee recommends \$14,668,000, an increase of \$2,100,000 only for the development of the AN/VVR-1 laser warning receiver.

DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)

The Navy requested \$3,165,000 for the Defense Meteorological Satellite Program. The Committee recommends \$1,198,000, a decrease of \$1,967,000. The Committee has deleted funds for sensor development for the next generation weather satellite as this effort is premature at this time. The Committee's recommendation concerning this program is discussed more fully in the "Research, Development, Test, and Evaluation, Air Force" section of this report.

MANUFACTURING TECHNOLOGY

The Navy requested no funds for manufacturing technology. The Committee recommends \$55,000,000. The Committee makes this recommendation because Navy witnesses testified that the Navy has identified over \$100,000,000 of manufacturing technology proposals which are deemed by the Navy to have a significant return on investment by lowering the risk of acquisition and to make weapon systems more affordable.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL NAVY			
BASIC RESEARCH			
IN-HOUSE INDEPENDENT LABORATORY RESEARCH.....	15,834	14,683	-1,151
DEFENSE RESEARCH SCIENCES.....	366,283	336,463	-29,820
TOTAL, BASIC RESEARCH.....	382,117	351,146	-30,971
EXPLORATORY DEVELOPMENT			
SURFACE/AEROSPACE SURVEILLANCE AND WEAPONS TECHNOLOGY.....	32,273	29,273	-3,000
SURFACE SHIP TECHNOLOGY.....	46,859	53,859	+7,000
AIRCRAFT TECHNOLOGY.....	23,590	25,390	+1,800
MARINE CORPS LANDING FORCE TECHNOLOGY.....	13,043	13,043	---
COMMAND, CONTROL, AND COMMUNICATIONS TECHNOLOGY.....	65,566	59,566	-6,000
READINESS, TRAINING, AND ENVIRONMENTAL QUALITY TECHNOL.....	31,762	47,362	+15,600
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY.....	76,653	73,653	-3,000
ELECTRONIC WARFARE TECHNOLOGY.....	22,810	21,810	-1,000
UNDERSEA SURVEILLANCE WEAPON TECHNOLOGY.....	51,033	46,033	-5,000
MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE.....	42,737	42,737	---
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY.....	48,211	77,711	+29,500
UNDERSEA WARFARE WEAPONRY TECHNOLOGY.....	35,736	31,736	-4,000
TOTAL, EXPLORATORY DEVELOPMENT.....	490,273	522,173	+31,900
ADVANCED DEVELOPMENT			
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY.....	35,093	41,193	+6,100
PRECISION STRIKE AND AIR DEFENSE.....	43,320	44,320	+1,000
ADVANCED ELECTRONIC WARFARE TECHNOLOGY.....	18,144	17,144	-1,000
SHIP PROPULSION SYSTEM.....	39,737	34,737	-5,000
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD).....	34,178	63,478	+29,300
MEDICAL DEVELOPMENT.....	18,332	72,732	+54,400
MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV.....	18,812	20,502	+1,690
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOG.....	18,249	18,999	+750
UNDERSEA WARFARE ADVANCED TECHNOLOGY.....	54,785	46,385	-8,400
SHALLOW WATER MCM DEMOS.....	41,602	38,352	-3,250
ADVANCED TECHNOLOGY TRANSITION.....	87,285	73,052	-14,233
C3 ADVANCED TECHNOLOGY.....	23,768	22,368	-1,400
TOTAL, ADVANCED DEVELOPMENT.....	433,305	493,262	+59,957
DEMONSTRATION & VALIDATION			
AIR/OCEAN TACTICAL APPLICATIONS.....	16,017	16,017	---
AVIATION SURVIVABILITY.....	7,859	16,959	+9,100
ASW SYSTEMS DEVELOPMENT.....	22,869	26,669	+3,800
TACTICAL AIRBORNE RECONNAISSANCE.....	10,607	10,607	---
ADVANCED COMBAT SYSTEMS TECHNOLOGY.....	5,232	5,232	---
SURFACE AND SHALLOW WATER MINE COUNTERMEASURES.....	58,231	71,131	+12,900
ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT.....	61,122	62,422	+1,300
CARRIER SYSTEMS DEVELOPMENT.....	98,587	10,187	-88,400
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT.....	19,194	22,694	+3,500
SHIP COMBAT SURVIVABILITY.....	7,050	7,050	---
PILOT FISH.....	118,728	118,728	---
RETRACT JUNIPER.....	9,776	9,776	---
RADIOLOGICAL CONTROL.....	3,030	3,030	---
SURFACE ASW.....	5,704	5,704	---
ADVANCED SUBMARINE SYSTEM DEVELOPMENT.....	59,067	162,067	+103,000
SUBMARINE TACTICAL WARFARE SYSTEMS.....	4,931	4,931	---
SHIP CONCEPT ADVANCED DESIGN.....	16,198	16,198	---
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES.....	38,682	38,682	---
ADVANCED NUCLEAR POWER SYSTEMS.....	125,357	125,357	---
ADVANCED SURFACE MACHINERY SYSTEMS.....	49,741	44,741	-5,000
CHALK EAGLE.....	137,442	137,442	---
COMBAT SYSTEM INTEGRATION.....	7,739	7,739	---
CONVENTIONAL MUNITIONS.....	34,190	38,190	+4,000
ADVANCED WARHEAD DEVELOPMENT (MK-50).....	2,012	---	-2,012
MARINE CORPS ASSAULT VEHICLES.....	60,134	70,134	+10,000
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM.....	36,464	40,064	+3,600
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT.....	10,701	10,701	---
COOPERATIVE ENGAGEMENT.....	139,229	223,229	+84,000
OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT.....	12,658	12,658	---
ENVIRONMENTAL PROTECTION.....	52,401	56,401	+4,000
NAVY ENERGY PROGRAM.....	4,159	4,159	---
FACILITIES IMPROVEMENT.....	1,720	6,720	+5,000
CHALK CORAL.....	94,358	94,358	---
RETRACT MAPLE.....	120,033	120,033	---
LINK PLUMERIA.....	29,433	29,433	---
RETRACT ELM.....	21,822	24,522	+2,700
SHIP SELF DEFENSE - DEW/VAL.....	9,961	9,961	---
COMBAT SYSTEMS OCEANOGRAPHIC PERFORMANCE ASSESSMENT.....	11,706	11,706	---
SPECIAL PROCESSES.....	81,439	81,439	---
NATO RESEARCH AND DEVELOPMENT.....	13,330	---	-13,330
LAND ATTACK TECHNOLOGY.....	37,809	81,909	+44,100

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
JOINT STRIKE FIGHTER (JSF) - DEM/VAL.....	448,855	448,855	---
NONLETHAL WEAPONS - DEM/VAL.....	16,807	16,807	---
JOINT PRECISION APPROACH AND LANDING SYSTEM - DEM/VAL.....	2,993	2,993	---
HARDENED TARGET MUNITIONS.....	4,987	4,987	---
SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE.....	4,705	4,705	---
TOTAL, DEMONSTRATION & VALIDATION.....	2,135,069	2,317,327	+182,258
ENGINEERING & MANUFACTURING DEVEL			
TRAINING SYSTEM AIRCRAFT.....	403	403	---
OTHER HELO DEVELOPMENT.....	73,354	85,354	+12,000
AV-8B AIRCRAFT - ENG DEV.....	11,034	11,034	---
STANDARDS DEVELOPMENT.....	36,297	40,297	+4,000
S-3 WEAPON SYSTEM IMPROVEMENT.....	4,735	4,735	---
AIR/OCEAN EQUIPMENT ENGINEERING.....	6,129	6,129	---
P-3 MODERNIZATION PROGRAM.....	3,191	3,191	---
TACTICAL COMMAND SYSTEM.....	31,518	41,518	+10,000
H-1 UPGRADES.....	80,735	86,335	+5,600
ACOUSTIC SEARCH SENSORS.....	16,947	20,947	+4,000
V-22A.....	529,495	529,495	---
AIR CREW SYSTEMS DEVELOPMENT.....	12,111	18,111	+6,000
EW DEVELOPMENT.....	101,803	104,803	+3,000
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING.....	87,934	142,134	+54,200
ARSENAL SHIP.....	102,994	---	-102,994
LPD-17 CLASS SYSTEMS INTEGRATION.....	471	13,471	+13,000
TRI-SERVICE STANDOFF ATTACK MISSILE.....	9,644	---	-9,644
VLA UPGRADE.....	---	12,000	+12,000
STANDARD MISSILE IMPROVEMENTS.....	549	549	---
AIRBORNE MCM.....	16,503	19,503	+3,000
SSN-688 AND TRIDENT MODERNIZATION.....	42,294	52,294	+10,000
AIR CONTROL.....	9,298	9,298	---
ENHANCED MODULAR SIGNAL PROCESSOR.....	3,462	3,462	---
SHIPBOARD AVIATION SYSTEMS.....	9,225	9,225	---
SHIP SURVIVABILITY.....	6,081	6,081	---
COMBAT INFORMATION CENTER CONVERSION.....	11,325	11,325	---
SUBMARINE COMBAT SYSTEM.....	23,701	2,356	-21,335
NEW DESIGN SSN.....	311,076	331,076	+20,000
SSN-21 DEVELOPMENTS.....	49,542	12,332	-37,210
SUBMARINE TACTICAL WARFARE SYSTEM.....	45,663	45,663	---
SHIP CONTRACT DESIGN/ LIVE FIRE T&E.....	75,713	64,713	-11,000
NAVY TACTICAL COMPUTER RESOURCES.....	4,794	39,294	+34,500
MINE DEVELOPMENT.....	2,815	2,815	---
UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS.....	28,890	28,890	---
LIGHTWEIGHT TORPEDO DEVELOPMENT.....	17,290	19,302	+2,012
MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV.....	950	950	---
JOINT DIRECT ATTACK MUNITION.....	12,714	12,714	---
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT.....	6,613	6,613	---
PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS.....	1,022	1,022	---
NAVY ENERGY PROGRAM.....	2,088	2,088	---
BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM.....	4,531	4,531	---
JOINT STANDOFF WEAPON SYSTEMS.....	71,526	71,526	---
SHIP SELF DEFENSE - EMD.....	132,270	190,870	+58,600
MEDICAL DEVELOPMENT.....	3,620	16,920	+13,300
NAVIGATION/ID SYSTEM.....	50,370	50,370	---
DISTRIBUTED SURVEILLANCE SYSTEM.....	33,048	43,448	+10,400
TOTAL, ENGINEERING & MANUFACTURING DEVEL.....	2,085,768	2,178,997	+93,229
RDT&E MANAGEMENT SUPPORT			
THREAT SIMULATOR DEVELOPMENT.....	12,860	12,860	---
TARGET SYSTEMS DEVELOPMENT.....	48,308	45,408	-2,900
MAJOR T&E INVESTMENT.....	33,236	39,236	+6,000
STUDIES AND ANALYSIS SUPPORT - NAVY.....	8,755	6,679	-2,076
CENTER FOR NAVAL ANALYSES.....	43,476	43,476	---
FLEET TACTICAL DEVELOPMENT.....	2,747	2,747	---
TECHNICAL INFORMATION SERVICES.....	8,763	763	-8,000
MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT.....	24,305	19,305	-5,000
STRATEGIC TECHNICAL SUPPORT.....	2,110	2,110	---
RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT.....	57,591	55,961	-1,630
RDT&E INSTRUMENTATION MODERNIZATION.....	8,546	8,546	---
RDT&E SHIP AND AIRCRAFT SUPPORT.....	48,596	48,596	---
TEST AND EVALUATION SUPPORT.....	263,934	235,908	-28,026
OPERATIONAL TEST AND EVALUATION CAPABILITY.....	9,107	9,107	---
NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT.....	2,783	2,783	---
SEW SURVEILLANCE/RECONNAISSANCE SUPPORT.....	11,941	11,941	---
MARINE CORPS PROGRAM WIDE SUPPORT.....	8,207	12,707	+4,500
TOTAL, RDT&E MANAGEMENT SUPPORT.....	595,265	558,133	-37,132

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
OPERATIONAL SYSTEMS DEVELOPEMENT			
STRATEGIC SUB & WEAPONS SYSTEM SUPPORT.....	44,419	44,419	---
SSBN SECURITY TECHNOLOGY PROGRAM.....	24,726	24,726	---
SUBMARINE ACOUSTIC WARFARE DEVELOPEMENT.....	6,058	6,058	---
F/A-18 SQUADRONS.....	316,976	207,776	-109,200
E-2 SQUADRONS.....	64,852	64,852	---
FLEET TELECOMMUNICATIONS (TACTICAL).....	19,336	19,336	---
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC).....	93,359	91,500	-1,859
INTEGRATED SURVEILLANCE SYSTEM.....	9,882	9,882	---
AMPHIBIOUS TACTICAL SUPPORT UNITS.....	672	672	---
CONSOLIDATED TRAINING SYSTEMS DEVELOPEMENT.....	58,956	36,456	-22,500
ELECTRONIC WARFARE (EW) READINESS SUPPORT.....	1,626	1,626	---
HARM IMPROVEMENT.....	6,169	41,169	+35,000
TACTICAL DATA LINKS.....	41,375	41,375	---
SURFACE ASW COMBAT SYSTEM INTEGRATION.....	7,991	7,991	---
MK-48 ADCAP.....	10,786	10,786	---
AVIATION IMPROVEMENTS.....	60,025	51,025	-9,000
F-14 UPGRADE.....	11,704	11,704	---
OPERATIONAL NUCLEAR POWER SYSTEMS.....	55,998	55,998	---
MARINE CORPS COMMUNICATIONS SYSTEMS.....	38,296	45,296	+7,000
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS.....	12,568	14,568	+2,100
MARINE CORPS COMBAT SERVICES SUPPORT.....	5,048	5,048	---
TACTICAL AIM MISSILES.....	60,079	60,079	---
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM).....	5,700	5,700	---
SATELLITE COMMUNICATIONS (SPACE).....	17,026	17,026	---
INFORMATION SYSTEMS SECURITY PROGRAM.....	20,291	20,291	---
HMWCCS/GLOBAL COMMAND AND CONTROL SYSTEM.....	498	498	---
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE).....	3,165	1,198	-1,967
JOINT MILITARY INTELLIGENCE PROGRAMS.....	2,412	2,412	---
MANNED RECONNAISSANCE SYSTEMS.....	344	344	---
NAVAL SPACE SURVEILLANCE.....	399	399	---
INDUSTRIAL PREPAREDNESS.....	---	55,000	+55,000
CLASSIFIED PROGRAM.....	488,489	531,489	+43,000
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT.....	1,489,225	1,486,799	-2,426
TOTAL, RESEARCH DEVELOPEMENT TEST & EVAL NAVY.....	7,611,022	7,907,837	+296,815

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR
FORCE

Fiscal year 1997 appropriation	\$14,499,606,000
Fiscal year 1998 budget request	14,451,379,000
Committee recommendation	14,315,456,000
Change from budget request	- 135,923,000

This appropriation funds the Research, Development, Test and Evaluation activities of the Department of the Air Force.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with House authorization action:

[In thousands of dollars]

Item	Budget re- quest	Committee recommenda- tion	Change from request
Command, Control, Communications	86,067	89,067	+3,000
ICBM DEMVAL	32,837	49,337	+16,500
ICBM EMD	137,944	152,944	+15,000
TITAN	82,384	67,384	- 15,000
DARP	0	14,990	+14,990
RSLP	8,013	33,013	+25,000

AIR FORCE AND ARMY LABORATORY RESTRUCTURING

The Committee understands the need to streamline research and development activities in view of budgetary constraints. However, the Committee is concerned about plans to combine runway R&D conducted by the Air Force with R&D the Army is pursuing on pavement repair. The Committee understands the importance of the airbase deployment and sustainment work currently being conducted by the Air Force and urges the Department to ensure that this capability is not lost due to consolidation of activities at its existing laboratories.

BASIC RESEARCH

DEFENSE RESEARCH SCIENCES

The Air Force requested \$226,832,000 for defense research sciences. The Committee recommends \$183,332,000, a net decrease of \$43,500,000. The Committee has recommended a reduction of \$48,500,000 and an increase of \$5,000,000 only for the Center for Adaptive Optics.

The Committee's recommendation includes the requested amount of \$650,000 for support to the Sacramento Peak Observatory. The Committee directs that the full amount be provided to Sacramento Peak and designates this project to be of specific Committee interest.

EXPLORATORY DEVELOPMENT

MATERIALS

The Air Force requested \$70,224,000 for materials exploratory development. The Committee recommends \$73,224,000, an increase of \$3,000,000 only for development of composite shelters.

AEROSPACE AVIONICS

The Air Force requested \$69,401,000 for aerospace avionics. The Committee recommends \$68,061,000, a decrease of \$1,340,000 which brings the program more in line with the fiscal year 1997 level.

PHILLIPS LAB EXPLORATORY DEVELOPMENT

The Air Force requested \$111,136,000 for Phillips Lab exploratory development. The Committee recommends \$131,636,000, an increase of \$20,500,000. Within this amount \$8,000,000 is only for Phase III of the Terabit fiber optic technology program, \$10,000,000 is only for the MightySat program, and \$7,500,000 is only for integrated high payoff rocket propulsion technology applications.

ADVANCED TECHNOLOGY DEVELOPMENT

ADVANCED MATERIAL FOR WEAPONS SYSTEMS

The Air Force requested \$20,596,000 for advanced material for weapons systems. The Committee recommends \$26,596,000, an increase of \$6,000,000 only for developing enhanced manufacturing capabilities for infrared absorbing aircraft coatings.

AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION

The Air Force requested \$30,564,000 for aerospace propulsion subsystems integration. The Committee recommends \$28,318,000, a reduction of \$2,246,000 which brings the program more in line with the fiscal year 1997 level.

AEROSPACE STRUCTURES

The Air Force requested \$15,032,000 for aerospace structures. The Committee recommends \$10,423,000, a reduction of \$4,609,000 which brings the program more in line with the fiscal year 1997 level.

CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY

The Air Force requested \$17,204,000 for crew systems and personnel protection technology. The Committee recommends \$26,204,000, an increase of \$9,000,000 which includes \$5,000,000 only for ejection seat technology, \$3,000,000 only for helmet display technology and \$1,000,000 only for laser eye protection.

FLIGHT VEHICLE TECHNOLOGY INTEGRATION

The Air Force requested \$7,795,000 for flight vehicle technology integration activities. The Committee recommends \$6,423,000, a re-

duction of \$1,372,000 which brings the program more in line with the fiscal year 1997 level.

ELECTRONIC COMBAT TECHNOLOGY

The Air Force requested \$25,621,000 for electronic combat technology. The Committee recommends \$30,871,000, an increase of \$5,250,000 only for the closed loop infrared countermeasure (CLIRCM) technology program.

SPACE AND MISSILE ROCKET PROPULSION

The Air Force requested \$16,247,000 for space and missile rocket propulsion. The Committee recommends \$30,047,000, an increase of \$13,800,000. Within this amount \$3,800,000 is only for the high payoff rocket propulsion technology initiative, and \$10,000,000 is only for the continuation of rocket testing efforts for the Scorpious low cost expendable launch vehicle technology project.

BALLISTIC MISSILE TECHNOLOGY

The Air Force requested no funding for the ballistic missile technology program. The Committee recommends \$8,000,000 to continue this program.

ADVANCED SPACECRAFT TECHNOLOGY

The Air Force requested \$40,846,000 for advanced spacecraft technology. The Committee recommends \$72,846,000, an increase of \$32,000,000. Within this amount \$15,000,000 is only for the military spaceplane program, \$10,000,000 is only for the solar thermionics orbital transfer vehicle, and \$7,000,000 is only for the miniature threat satellite reporting system.

CONVENTIONAL WEAPONS TECHNOLOGY

The Air Force requested \$26,227,000 for conventional weapons technology. The Committee recommends \$28,227,000, an increase of \$2,000,000 only for development of optical correlator technology.

ADVANCED WEAPONS TECHNOLOGY

The Air Force requested \$41,238,000 for advanced weapons technology. The Committee recommends \$56,238,000, an increase of \$15,000,000. Of the amount added, \$10,000,000 is only for Geo Space Object Imaging and \$5,000,000 is only for the Special Laser Technology Program (LIME).

AIRBORNE LASER

Though the core mission of the Airborne Laser (ABL) is ballistic missile defense, the program is being funded in the Air Force rather than the Ballistic Missile Defense Organization (BMDO). The Committee believes that ballistic missile defense funding should be centrally managed to ensure all such programs are properly integrated into a common architecture and to ensure resources are applied to programs based on overall ballistic missile defense priorities. Accordingly, the Committee directs the Secretary of Defense to submit a report to the congressional defense committees no later

than November 15, 1997 discussing whether the ABL program is or is not more properly budgeted within BMDO.

DEMONSTRATION AND VALIDATION

ADVANCED MILSATCOM

The Air Force requested \$41,448,000 for Advanced Milsatcom. The Committee recommends \$41,000,000, a decrease of \$448,000. The Committee notes that program management costs for the Advanced Milsatcom program are requested to grow at a rate in excess of forecast inflation in fiscal year 1998.

POLAR ADJUNCT

The Air Force requested \$29,585,000 for the Polar Adjunct program. The Committee recommends no funding, a decrease of \$29,585,000. The Committee's recommendation concerning this program is discussed more fully in the classified annex to this report.

NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYSTEM (NPOESS)

The Air Force requested \$51,504,000 for the National Polar-Orbiting Operational Environmental Satellite System (NPOESS). The Committee recommends \$26,504,000, a decrease of \$25,000,000. The Committee notes that the launch date of the first NPOESS satellite has been delayed until 2007 versus 2004 as presented in the fiscal year 1997 budget justification material. Despite this launch delay of three years, the Air Force has decided not to substantially alter the near term funding profile for the NPOESS system. In fact, the Air Force has requested funds to begin sensor design and development work in fiscal year 1998, ten years prior to the scheduled first launch. The Committee judges this approach to be overly conservative even for the satellite community.

The Committee remains fully supportive of the NPOESS program and the ultimate convergence of the meteorological satellite systems of the Departments of Defense and Commerce. In making this reduction the Committee has still provided adequate funding to continue risk reduction and planning efforts for the system in fiscal year 1998.

The Committee believes that the present program schedule provides an opportunity for the Department of Defense Space Architect to conduct a review of the defense space-based meteorological mission area. The space architect has already conducted reviews in the areas of military satellite communications and space control which have proven to be very beneficial to department planning in these areas. The Committee therefore directs the Space Architect to conduct an architectural review of the NPOESS program as part of its fiscal year 1998 program plan. The Office of the Space Architect is further directed to submit to the Committee a report detailing its plans to conduct the review no later than January 15, 1998.

SPACE BASED INFRARED ARCHITECTURE-DEM/VAL

The Air Force requested \$222,401,000 for the demonstration/validation phase of the space-based infrared system (SBIRS). The Com-

mittee recommends \$217,401,000, a decrease of \$5,000,000. The Committee recommends this reduction due to unwarranted cost growth in the areas of program management and FFRDC support.

The Committee also shares the concern of the Defense Science Board Task Force on the Space and Missile Tracking System (SMTS) which found in its August 1996 report that the current lack of an overall system design plan for both SBIRS high and low segments has added "confusion, time and risk to the program." The Committee is also disturbed that the Air Force has retained the present developer of the SBIRS high component as the overall system of systems engineer for the entire program. As a potential competitor on the SMTS, this arrangement places the SBIRS high component developer in a potential conflict of interest. The Committee, consistent with the recommendations of the Defense Science Board, directs the Department of the Air Force to appoint an independent third party systems engineer for the entire SBIRS system. The Committee believes that by doing so, an objective party will be in a position to assess the crucial technical trade-offs needed for a robust SBIRS constellation and ensure deployment at the earliest possible date. The Committee further directs that none of the funds appropriated for the SBIRS program may be used to fund the SBIRS high component developer as the overall system engineer. The Committee also directs the Air Force to report to the Committee on its efforts to establish the independent system engineer no later than January 15, 1998.

WARFIGHTER-1

Warfighter-1 is a joint government and industry funded venture which will provide hyperspectral imaging data to both warfighters and commercial users at 25 percent of the cost of a conventional DoD funded satellite system. An integrated product team (IPT) initiated by the Director of Defense Research and Engineering (DDR&E) recently recommended that the Warfighter-1 program be terminated just days before the Air Force was to make the contract award. The IPT concerns with the program centered around the belief that the Warfighter program did not adequately stress pure technology goals for the processing and exploitation of hyperspectral imaging data. The Committee does not concur with the recommendation of the IPT.

It is the Committee's belief that the Warfighter program will benefit operational users in the field in a timely and cost-effective manner. It is strongly supported by the Air Force, the CINC United States Space Command, the National Imagery and Mapping Agency, and the Central MASINT Office. All of these organizations would be operational users of the data collected by Warfighter-1.

The Committee also believes that the Department should take advantage of the unique leveraging opportunity offered by Warfighter which stands to benefit both operational DoD and commercial users. The conclusion of the IPT does not adequately consider the views and requirements of this community.

The Committee therefore directs the Department of the Air Force to immediately award the contract for the original Warfighter-1 program and also directs the Under Secretary of Defense (Comptroller) to release all fiscal year 1997 funds appropriated for the

program. Should the IPT's subsequent deliberations on the Warfighter program lead to a recommendation for a restructured technology approach to hyperspectral imaging, the results can be provided to the Air Force for incorporation into the Warfighter-1 system design. The Committee further directs the Assistant Secretary of the Air Force for Research, Development, and Acquisition to submit a report to the Committee no later than September 15, 1997 detailing his plans to follow this direction.

EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (EELV)

In December of 1996, the Air Force selected two competitors to develop a new \$2 billion, Evolved Expendable Launch Vehicle (EELV). EELV is important not only to reducing the launch costs of the Department of Defense, but also to the continued world-wide competitiveness of the U.S. commercial launch industry. However, the Committee is concerned that the Department is focusing too narrowly on its national security requirements and not adequately reflecting the needs of the U.S. commercial space launch industry. For example, in order to meet its projected reductions in life cycle costs, the EELV needs to capture at least 15 percent of the commercial market. This will be difficult to achieve since recent projections show that the EELV will not be able to meet the requirements of as much as 42 percent of the estimated commercial market. If that is the case, then the Air Force will have developed a new family of launch vehicles that will be primarily used only for national security payloads, resulting in higher overhead costs to DoD, while missing an opportunity to maximize the competitive posture of U.S. industry.

The EELV program is a partnership between the government and industry. In return for its \$2 billion investment, the Department will obtain a family of launch vehicles with reduced recurring costs of 25 to 50 percent per launch. The ultimate EELV developer will have its competitive posture enhanced and be relieved of internal investment requirements to remain viable in the worldwide launch market.

The Committee would note that while partners share benefits, they also share costs. The Committee believes that the Air Force should aggressively pursue commercial cost sharing and recoupment contractual mechanisms as part of the EELV EMD contract. Accordingly the Committee directs the Air Force to include as significant factors in the EELV acquisition the degree to which the competitive proposals include the commercial needs of the U.S. launch vehicle industry as well as government compensation and cost recoupment offers from the EELV competitors. The Under Secretary of Defense for Acquisition and Technology is directed to provide to the Committee not later than January 1, 1998, a revised EELV Single Acquisition and Management Plan (SAMP) that addresses these concerns.

GLOBAL BROADCAST SERVICE

The Air Force requested \$56,977,000 for the Global Broadcast System (GBS). The Committee recommends \$46,977,000, a decrease of \$10,000,000. The Committee recommends this reduction due to the delay in the release of proposal requests for systems en-

gineering and ground terminal development efforts. The Committee is also concerned that under the present program schedule GBS space segment payloads will be on orbit 8 to 12 months prior to the availability of the ground control segment and terminals. The Committee makes this recommendation without prejudice to the GBS program. Funding provided by the Committee in fiscal year 1998 will still allow the GBS program to proceed to its next phase and allow the program office to incorporate greater user input into GBS requirements definition.

ENGINEERING AND MANUFACTURING DEVELOPMENT

INTEGRATED AVIONICS PLANNING AND DEVELOPMENT

The Air Force requested \$16,494,000 for integrated avionics planning and development. The Committee recommends \$12,994,000, a reduction of \$3,500,000 based on a 4 month delay in the JHMCS EMD contract award.

B-1B

The Air Force requested \$216,886,000 for B-1B upgrade activities. The Committee recommends \$222,886,000, a net increase of \$6,000,000. This adjustment includes a reduction of \$7,000,000 to CMUP engineering change orders (ECOs) and an increase of \$13,000,000 only for acceleration of JSOW and JSLAM integration.

SPECIALIZED UNDERGRADUATE PILOT TRAINING

The Air Force requested \$80,238,000 for specialized undergraduate pilot training improvements. The Committee recommends \$77,238,000, a decrease of \$3,000,000 based on a 3 month delay in T-38 upgrade activities caused by a contract protest.

F-22

The Air Force requested \$2,071,234,000 for the F-22 program. The Committee recommends \$2,077,234,000, an increase of \$6,000,000 transferred from F-22 procurement to this line-item for redesign work associated with out of production parts (OPP).

EW DEVELOPMENT

The Air Force requested \$78,465,000 for electronic warfare system development. The Committee recommends \$65,965,000, a decrease of \$12,500,000. This adjustment includes a \$6,000,000 decrease associated with contract award delays on the F-15 IDECM program and a \$6,500,000 decrease based on the cancellation of the F-15 CMWS program. The Committee notes that the Air Force canceled the F-15 CMWS program for fiscal year 1998 and out, but fiscal year 1997 funds are still identified in the budget for the program and these funds are therefore available to finance other fiscal year 1998 EW requirements.

MUNITIONS DISPENSER DEVELOPMENT

The Air Force requested \$18,076,000 for munitions dispenser development. The Committee recommends \$15,900,000, a decrease of \$2,176,000. Of this decrease, \$1,300,000 is for Wind Corrected Mu-

dition Dispenser (WCMD) contract savings, and \$862,000 is for 20 WCMD assets inappropriately budgeted in the research and development (R&D) account.

Fiscal year 1998 is the first year the Air Force has requested production funding for the WCMD program and ostensibly the Congress must, for the first time, assess the readiness of the program to enter production. However, the Committee was dismayed to learn that the decision to initiate production was made not by the Congress but by the Air Force when it signed a contract to produce 200 WCMD units using fiscal year 1997 R&D funding. The Committee has learned that 150 of these weapons are not required for development or test of the WCMD at all, but will instead be fielded with B-52 squadrons as an "interim operational capability." Though the fiscal year 1997 R&D budget requested 200 WCMDs, these were described in the budget backup documents as "EMD" assets with no mention of an intent to field the weapons in operational units. Procuring assets solely for the purpose of operational use is clearly a production expense and should be funded in the production account. The Committee is concerned with what appears to be a growing trend to get the production "camel's nose under the tent" by using R&D funds to initiate procurement. The Committee has included a general provision in the bill that is intended to end such practices.

The Committee further notes that though the Air Force signed a contract for 200 WCMD units in fiscal year 1997, these units were not all fully funded in that year as a consequence of the R&D incremental funding policy. In fiscal year 1998, the Air Force is requesting funds to complete assembly on 130 units initiated in fiscal year 1997 and to buy an additional 20 units for a total of 150 intended for the early B-52 capability. The Committee notes that the 20 all-up-rounds funded in fiscal year 1998 R&D cost \$43,000 each whereas in the same fiscal year (1998), the Air Force intends to buy production units for \$13,000 each. The Committee sees no reason to pay a 300 percent premium to buy a weapon in the wrong appropriation. Accordingly, the Committee recommends a reduction of \$862,000 for the 20 R&D funded WCMD units.

JOINT DIRECT ATTACK MUNITION (JDAM)

The Air Force requested \$19,553,000 for development of the JDAM weapon. The Committee recommends \$15,353,000, a decrease of \$4,200,000 based on the availability of funds beyond that required to finance the contractor's revised estimate at completion (EAC).

LIFE SUPPORT SYSTEM

The Air Force requested \$3,726,000 for life support system development. The Committee recommends \$5,726,000, an increase of \$2,000,000 only for ejection seats.

COMPUTER RESOURCE TECHNOLOGY TRANSITION

The Air Force requested \$1,459,000 for computer resource technology transition. The Committee recommends \$6,459,000, an in-

crease of \$5,000,000 only for the National Product Line Asset Center (NPLACE) Program/Product Line Asset Support (PLAS).

JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)

The Air Force requested \$203,321,000 for the JASSM program. The Committee recommends no appropriation for the program, and instead proposes a new joint program based on the Navy's SLAM-ER+ missile. JASSM is a follow-on to the very troubled and now terminated TSSAM program. The Air Force invested \$4.3 billion in the missile until the program was terminated in response to severe technical problems, massive cost overruns, and numerous schedule delays. In creating the follow-on JASSM program, the Air Force has not only applied lessons learned from the TSSAM program, but has also applied lessons from recently successful acquisition programs like JDAM. Therefore, in making its recommendation, the Committee does not fault the Air Force's management of the JASSM program. In fact, it is too early even to assess the JASSM program given that the missile is still "on the drawing board" with at least four years of development remaining.

The SLAM-ER program, on the other hand, is already in production with an automatic target acquisition (ATA) upgrade entering production in fiscal year 1998. According to the Navy, this SLAM-ER "+" variant meets or exceeds every threshold requirement for the JASSM program, including the key performance parameters of range, missile mission effectiveness, and carrier suitability. The Navy believes that modifications required to deploy the missile on Air Force aircraft (including bombers) are minor.

The Committee notes that cancellation of JASSM and pursuit of a joint SLAM-ER+ program could save taxpayers anywhere from \$450 to \$800 million while fielding the required capability to the Air Force sooner. The Department of Defense must break the habit of spending hundreds of millions of dollars pursuing the last few ounces of performance when an existing weapon with minor modifications can meet its requirements. Even while faced with severely constrained outyear modernization budgets, the Department failed to seriously consider this alternative to JASSM in either of its recent Quadrennial Defense Review (QDR) or Joint Requirements Oversight Council (JROC) deliberations. Both forums were formed to make recommendations on just these types of issues. The Committee is dismayed that the JROC, in particular, would postpone consideration of the Navy's SLAM-ER+ proposal 6 times before deciding the matter was best addressed by the acquisition community in a process that will take another year. The Committee does not believe that taxpayers or warfighters should have to wait another year and spend another \$200 million on JASSM before considering whether SLAM-ER+ already meets the JASSM requirements. The Committee has carefully reviewed data provided by the Air Force, Navy, and industry on each of the various proposals. The Committee finds the merits of a Joint SLAM-ER+ program compelling and in the absence of a joint, requirements-based analysis conducted expeditiously by the Department, recommends termination of the JASSM program.

JSLAM

The Air Force requested no funds for the JSLAM program. The Committee recommends \$63,000,000 only for Air Force participation in a joint SLAM-ER+ program. Though the Navy has offered to provide the Air Force excess Harpoon missiles for JSLAM conversions, the Committee notes that Air Force inventory requirements will ultimately require production of new build missiles. To take efficient advantage of the existing engine manufacturing capability, the Committee believes that the Air Force program should include new build missiles at the front-end of Air Force JSLAM production.

RDT&E MANAGEMENT SUPPORT

THREAT SIMULATOR DEVELOPMENT

The Air Force requested \$51,846,000 for threat simulator development. The Committee recommends \$50,346,000, a decrease of \$1,500,000. The Committee notes that the budget funds the entire SADS-2b/f effort in fiscal year 1998 though the program is projected to extend well into fiscal year 1999. Since research and development is incrementally funded, the fiscal year 1999 effort should be funded in that year.

MAJOR T&E INVESTMENT

The Air Force requested \$47,336,000 for investment in major test and evaluation facilities. The Committee recommends \$62,136,000, an increase of \$14,800,000 only for instrumentation required to modernize range C4I capabilities at Eglin Air Force Base.

TEST AND EVALUATION SUPPORT

The Air Force requested \$389,348,000 for test and evaluation support. The Committee recommends \$386,348,000, a net decrease of \$3,000,000. The Committee recommendation includes a \$3,000,000 reduction based on unjustified growth in aircraft support, an \$8,000,000 reduction based on unobligated fiscal year 1996 funds, and an \$8,000,000 increase only for enhancements to the South Base Birk Flight Test Facility (BFTF).

OPERATIONAL SYSTEMS DEVELOPMENT

ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)

The Air Force requested \$50,781,000 for the AMRAAM program. The Committee recommends \$33,781,000, a decrease of \$17,000,000. This decrease includes a \$14,000,000 GAO recommended reduction based on rephased missile upgrade efforts, and a \$3,000,000 reduction to delay initiation of AMRAAM P3I Phase III until fiscal year 1999.

AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM

The Air Force requested \$93,122,000 for the engine component improvement program. The Committee recommends \$115,122,000, an increase of \$22,000,000. The Committee is concerned about the growing costs in the Air Force flying hour program attributable to

engine reliability and maintainability issues. Therefore, the Committee recommends additional funds for the CIP program to help reduce these operating costs.

AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM

The Air Force requested no funds for CALCM research and development. The Committee recommends \$3,500,000 only for development of a hard target penetrator variant.

AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)

The Air Force requested \$46,807,000 for AWACS. The Committee recommends \$47,807,000, an increase of \$1,000,000. The Committee notes the availability of \$12,500,000 in fiscal year 1997 funds from the terminated AWACS reengine program. The Committee recommends the Air Force use these prior year funds, in addition to the additional funds provided in fiscal year 1998, for the AWACS Extend Sentry program identified by the Air Force as a high priority unfunded requirement.

JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JSTARS)

The Air Force requested \$119,189,000 for the JSTARS program. The Committee recommends \$123,189,000, an increase of \$4,000,000 only for integration of an Improved Data Modem on the JSTARS platform.

WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEM

The Air Force requested \$6,820,000 for the Global Command and Control System (GCCS). The Committee recommends \$7,820,000, an increase of \$1,000,000 only for integration of JSAS into GCCS.

SECURITY AND INVESTIGATIVE SERVICES

The Air Force requested \$530,000 for security and investigative services. The Committee recommends \$1,530,000, an increase of \$1,000,000 only for the AFOSI Computer Crime Investigations Program.

AIR CARGO MATERIAL HANDLING

The Air Force requested \$7,947,000 for air cargo material handling equipment. The Committee recommends \$3,447,000, a decrease of \$4,500,000. The Committee notes that the fiscal year 1998 budget includes \$4,500,000 for testing of the Next Generation Small Loader that is not scheduled to take place until fiscal year 1999.

INDUSTRIAL PREPAREDNESS

The Air Force requested \$48,429,000 for industrial preparedness. The Committee recommends \$48,429,000 and directs that of this amount, \$1,000,000 is available only to allow the National Technology Transfer Center to compile, analyze, value and license technologies available for commercialization from Air Force research labs.

PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAINABILITY
PROGRAM (PRAM)

The Air Force requested \$1,032,000 for the PRAM program. The Committee recommends \$12,032,000, an increase of \$11,000,000 only for efforts to develop structural fatigue repairs, corrosion prevention and control techniques, and reliability and maintainability improvement opportunities for aging aircraft fleets. The Committee notes that the Air Force has identified this effort as a high priority unfunded requirement.

NATO JOINT STARS

The Air Force requested \$36,061,000 for the NATO JOINT STARS program. The Committee recommends \$18,061,000, a reduction of \$18,000,000 based on the lack of any NATO decision to proceed with JSTARS acquisition. The Committee directs that none of the funds can be obligated until such obligations meet the requirements of current law. The Committee further directs that none of the funds may be reprogrammed out of the NATO JOINT STARS program element without the prior approval of the congressional defense committees.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL AF			
BASIC RESEARCH			
DEFENSE RESEARCH SCIENCES.....	226,832	183,332	-43,500
EXPLORATORY DEVELOPMENT			
MATERIALS.....	70,224	73,224	+3,000
AEROSPACE FLIGHT DYNAMICS.....	60,509	60,509	---
ARMSTRONG LAB EXPLORATORY DEVELOPMENT.....	76,102	76,102	---
AEROSPACE PROPULSION.....	69,303	69,303	---
AEROSPACE AVIONICS.....	69,401	68,061	-1,340
HYPERSONIC TECHNOLOGY PROGRAM.....	9,840	9,840	---
PHILLIPS LAB EXPLORATORY DEVELOPMENT.....	111,136	131,636	+20,500
CONVENTIONAL MUNITIONS.....	40,772	40,772	---
COMMAND CONTROL AND COMMUNICATIONS.....	86,067	89,067	+3,000
TOTAL, EXPLORATORY DEVELOPMENT.....	593,354	618,514	+25,160
ADVANCED DEVELOPMENT			
LOGISTICS SYSTEMS TECHNOLOGY.....	15,338	15,338	---
INTEGRATED DATA SYSTEMS.....	19,753	19,753	---
ADVANCED MATERIALS FOR WEAPON SYSTEMS.....	20,596	26,596	+6,000
AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION.....	30,564	28,318	-2,246
ADVANCED AVIONICS FOR AEROSPACE VEHICLES.....	26,507	26,507	---
FLIGHT VEHICLE TECHNOLOGY.....	5,766	5,766	---
AEROSPACE STRUCTURES.....	15,032	10,423	-4,609
AEROSPACE PROPULSION AND POWER TECHNOLOGY.....	37,014	37,014	---
PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY.....	6,147	6,147	---
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY.....	17,204	26,204	+9,000
FLIGHT VEHICLE TECHNOLOGY INTEGRATION.....	7,795	6,423	-1,372
ADVANCED AVIONICS INTEGRATION.....	12,716	12,716	---
ELECTRONIC COMBAT TECHNOLOGY.....	25,621	30,871	+5,250
SPACE AND MISSILE ROCKET PROPULSION.....	16,247	30,047	+13,800
BALLISTIC MISSILE TECHNOLOGY.....	---	8,000	+8,000
ADVANCED SPACECRAFT TECHNOLOGY.....	40,846	72,846	+32,000
SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY.....	3,151	3,151	---
CONVENTIONAL WEAPONS TECHNOLOGY.....	26,227	28,227	+2,000
ADVANCED WEAPONS TECHNOLOGY.....	41,238	56,238	+15,000
WEATHER SYSTEMS TECHNOLOGY.....	2,036	2,036	---
ENVIRONMENTAL ENGINEERING TECHNOLOGY.....	4,084	4,084	---
C3I SUBSYSTEM INTEGRATION.....	9,922	9,922	---
ADVANCED COMPUTING TECHNOLOGY.....	5,613	5,613	---
C3 ADVANCED DEVELOPMENT.....	12,897	12,897	---
TOTAL, ADVANCED DEVELOPMENT.....	402,314	485,137	+82,823
DEMONSTRATION & VALIDATION			
INTELLIGENCE ADVANCED DEVELOPMENT.....	4,738	4,738	---
AIRBORNE LASER TECHNOLOGY.....	157,136	157,136	---
ADVANCED MILSATCOM (SPACE).....	41,448	41,000	-448
POLAR ADJUNCT (SPACE).....	29,585	---	-29,585
NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SAT.....	51,504	26,504	-25,000
SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL.....	222,401	217,401	-5,000
COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS.....	7,650	7,650	---
COMBAT IDENTIFICATION TECHNOLOGY.....	1,395	1,395	---
NATO RESEARCH AND DEVELOPMENT.....	13,433	---	-13,433
JOINT STRIKE FIGHTER (JSF) - DEM/VAL.....	458,052	458,052	---
INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL.....	32,837	49,337	+16,500
C-130J - DEM/VAL.....	3,968	3,968	---
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE).....	63,260	63,260	---
GLOBAL BROADCAST SERVICE.....	56,977	46,977	-10,000
HARDENED TARGET MUNITIONS.....	4,981	4,981	---
TOTAL, DEMONSTRATION & VALIDATION.....	1,149,365	1,082,399	-66,966
ENGINEERING & MANUFACTURING DEVEL			
INTEGRATED AVIONICS PLANNING AND DEVELOPMENT.....	16,494	12,994	-3,500
ENGINE MODEL DERIVATIVE PROGRAM (EMDP).....	741	741	---
NUCLEAR WEAPONS SUPPORT.....	4,782	4,782	---
B-1B.....	216,886	222,886	+6,000
TRAINING SYSTEMS DEVELOPMENT.....	4,305	4,305	---
SPECIALIZED UNDERGRADUATE PILOT TRAINING.....	80,238	77,238	-3,000
F-22 EMD.....	2,071,234	2,077,234	+6,000
B-2 ADVANCED TECHNOLOGY BOMBER.....	355,750	355,750	---
MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT.....	4,534	4,534	---
EW DEVELOPMENT.....	78,465	65,965	-12,500
SPACE BASED INFRARED ARCHITECTURE (SPACE) - EMD.....	338,413	338,413	---
MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE).....	676,690	676,690	---
GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE).....	71,094	71,094	---
MUNITIONS DISPENSER DEVELOPMENT.....	18,076	15,900	-2,176
ARMAMENT/ORDNANCE DEVELOPMENT.....	1,597	1,597	---
SUBMUNITIONS.....	4,956	4,956	---
AIR BASE OPERABILITY.....	1,424	1,424	---
JOINT DIRECT ATTACK MUNITION.....	19,553	15,353	-4,200
AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS.....	4,354	4,354	---
LIFE SUPPORT SYSTEMS.....	3,725	5,725	+2,000
CIVIL, FIRE ENVIRONMENTAL SHELTER ENGINEERING.....	2,698	2,698	---
JOINT STANDOFF WEAPONS SYSTEMS.....	24,676	24,676	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
COMBAT TRAINING RANGES	20,331	20,331	---
COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	1,459	6,459	+5,000
INTELLIGENCE EQUIPMENT	1,287	1,287	---
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	8,557	8,557	---
JOINT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL	5,929	5,929	---
INTERCONTINENTAL BALLISTIC MISSILE - EMD	137,944	152,944	+15,000
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)	28,376	28,376	---
SENSOR FUSED WEAPONS	19,804	19,804	---
JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	203,321	---	-203,321
JSLAM	---	63,000	+63,000
COMBAT INTELLIGENCE SYSTEM	12,267	12,267	---
COMBAT SURVIVOR EVADER LOCATOR	4,315	4,315	---
TOTAL, ENGINEERING & MANUFACTURING DEVEL	4,444,276	4,312,679	-131,697
RD&E MANAGEMENT SUPPORT			
SPACE TEST PROGRAM (SPACE)	42,241	42,241	---
THREAT SIMULATOR DEVELOPMENT	51,846	50,346	-1,500
TARGET SYSTEMS DEVELOPMENT	4,780	4,780	---
MAJOR T&E INVESTMENT	47,336	62,736	+14,800
RAND PROJECT AIR FORCE	21,768	21,768	---
RANCH HAND II EPIDEMIOLOGY STUDY	10,933	10,933	---
INITIAL OPERATIONAL TEST & EVALUATION	28,319	28,319	---
TEST AND EVALUATION SUPPORT	389,348	386,348	-3,000
DEVELOPMENT PLANNING	6,049	6,049	---
ENVIRONMENTAL CONSERVATION	11,914	11,914	---
POLLUTION PREVENTION	5,880	5,880	---
ENVIRONMENTAL COMPLIANCE	17,126	17,126	---
ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	8,013	33,013	+25,000
MINOR CONSTRUCTION (RPM) - RD&E	1,853	1,853	---
MAINTENANCE AND REPAIR (RPM) - RD&E	55,200	55,200	---
REAL PROPERTY SERVICES (RPS) - RD&E	49,614	49,614	---
BASE OPERATIONS - RD&E	65,365	65,365	---
INTERNATIONAL ACTIVITIES	3,715	3,715	---
TOTAL, RD&E MANAGEMENT SUPPORT	821,300	856,600	+35,300
OPERATIONAL SYSTEMS DEVELOPEMENT			
B-52 SQUADRONS	3,427	3,427	---
ADVANCED CRUISE MISSILE	2,393	2,393	---
JOINT SURVEILLANCE SYSTEM	2,020	2,020	---
REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION	20,512	20,512	---
NORTH ATLANTIC DEFENSE SYSTEM	1,442	1,442	---
F-16 SQUADRONS	100,233	100,233	---
F-15E SQUADRONS	137,538	137,538	---
MANNED DESTRUCTIVE SUPPRESSION	13,561	13,561	---
F-117A SQUADRONS	9,520	9,520	---
TACTICAL AIM MISSILES	53,171	53,171	---
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	50,781	33,781	-17,000
PODDED RECONNAISSANCE SYSTEM	299	299	---
AF TENCAP	15,251	15,251	---
SPECIAL EVALUATION PROGRAM	73,107	73,107	---
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	93,122	115,122	+22,000
AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYS	---	3,500	+3,500
THEATER AIR CONTROL SYSTEMS	393	393	---
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	46,807	47,807	+1,000
ADVANCED COMMUNICATIONS SYSTEMS	2,966	2,966	---
EVALUATION AND ANALYSIS PROGRAM	74,917	74,917	---
ADVANCED PROGRAM TECHNOLOGY	95,056	95,056	---
THEATER BATTLE MANAGEMENT (TBM) C4I	24,013	24,013	---
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	119,189	123,189	+4,000
SEEK EAGLE	17,716	17,716	---
ADVANCED PROGRAM EVALUATION	214,011	224,011	+10,000
USAF MODELING AND SIMULATION	21,718	21,718	---
MISSION PLANNING SYSTEMS	16,526	16,526	---
THEATER MISSILE DEFENSES	29,182	29,182	---
TECHNICAL EVALUATION SYSTEM	105,645	105,645	---
SPECIAL EVALUATION SYSTEM	40,344	40,344	---
MANAGEMENT HEADQUARTERS GDIP	1,360	1,360	---
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	10,547	10,547	---
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK	34,409	34,409	---
INFORMATION SYSTEMS SECURITY PROGRAM	5,298	5,298	---
GLOBAL COMBAT SUPPORT SYSTEM	20,894	20,894	---
ELECTROMAGNETIC COMPATIBILITY ANALYSIS CENTER (ECAC)	7,844	7,844	---
WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEMS	6,820	7,820	+1,000
MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	12,871	12,871	---
SELECTED ACTIVITIES	3,000	3,000	---
SATELLITE CONTROL NETWORK (SPACE)	80,011	80,011	---
WEATHER SERVICE	9,057	9,057	---
AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM	6,571	6,571	---
MEDIUM LAUNCH VEHICLES (SPACE)	5,719	5,719	---
SECURITY AND INVESTIGATIVE ACTIVITIES	530	1,530	+1,000
NATIONAL AIRSPACE SYSTEM (NAS) PLAN	12,830	12,830	---
UPPER STAGE SPACE VEHICLES (SPACE)	3,337	3,337	---
TITAN SPACE LAUNCH VEHICLES (SPACE)	82,384	67,384	-15,000
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	---	14,990	+14,990
TACTICAL TERMINAL	258	258	---
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	14,076	14,076	---
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	46,300	46,300	---
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL)	26,685	26,685	---
EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	34,186	34,186	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
NCMC - TW/AA SYSTEM.....	7,362	7,362	---
SPACETRACK (SPACE).....	28,573	28,573	---
DEFENSE SUPPORT PROGRAM (SPACE).....	23,193	23,193	---
NUDET DETECTION SYSTEM (SPACE).....	14,145	14,145	---
SPACE ARCHITECT.....	14,590	14,590	---
C-5 AIRLIFT SQUADRONS.....	9,751	9,751	---
C-17 AIRCRAFT.....	113,605	113,605	---
AIR CARGO MATERIAL HANDLING (463-L) (NON-IF).....	7,947	3,447	-4,500
KC-135S.....	1,992	1,992	---
DEPOT MAINTENANCE (NON-IF).....	1,482	1,482	---
INDUSTRIAL PREPAREDNESS.....	48,429	48,429	---
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN PRO.	1,032	12,032	+11,000
SUPPORT SYSTEMS DEVELOPMENT.....	3,657	3,657	---
CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING.....	1,427	1,427	---
CIVILIAN COMPENSATION PROGRAM.....	6,497	6,497	---
NATO JOINT STARS.....	36,061	18,061	-18,000
CLASSIFIED PROGRAM.....	4,684,348	4,633,315	-51,033
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT.....	6,813,938	6,776,895	-37,043
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF.....	14,451,379	14,315,456	-135,923

**RESEARCH, DEVELOPMENT, TEST AND EVALUATION,
DEFENSE-WIDE**

Fiscal year 1997 appropriation	\$9,362,800,000
Fiscal year 1998 budget request	9,069,680,000
Committee recommendation	9,494,337,000
Change from budget request	+424,657,000

This appropriation provides funds for the Research, Development, Test and Evaluation activities of centrally managed programs and the Defense Agencies.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

The Committee recommends the following changes in accordance with authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Special Technical Support	11,750	9,750	-2,000
Verification Technology	83,370	69,070	-14,300
Commerical Insertion Technology	47,889	.....	-47,889
Boost Phase Intercept	12,885	.....	-12,885
National Missile Defense	504,091	978,091	+474,000
Navy Lower Tier	267,822	289,822	+22,000
Defense Imagery and Mapping	109,430	134,430	+25,000
Defense Reconnaissance Support	49,403	41,003	-8,400
Manned Reconnaissance	27,784	51,784	+24,000
Defense Airborne Reconnaissance Mgt	21,543	7,543	-14,000
Counter drug .....	.....	2,500	+2,500

BASIC RESEARCH

IN-HOUSE INDEPENDENT RESEARCH

The Department requested \$2,169,000 for In-House Independent Research. The Committee notes that there are ample funds available from fiscal year 1997 for this activity because of poor obligation rates. Therefore, the Committee recommends no appropriation.

DEFENSE RESEARCH SCIENCES

The Department requested \$76,009,000 for Defense Research Sciences. The Committee recommends \$70,000,000, a decrease of \$6,009,000. The Committee notes that the Department has used this activity as a source for reprogramming funds in prior fiscal years and therefore recommends a reduction of \$6,009,000 to reflect an appropriate level of funding.

UNIVERSITY RESEARCH SCIENCES

The Department requested \$237,788,000 for University Research Sciences. The Committee recommends \$215,212,000. This amount includes an increase of \$10,000,000 only for the Defense Experimental Program to Stimulate Competitive Research (DEPSCOR) and a net reduction of \$22,576,000 due to program growth and poor execution. The Committee directs that funds available within the University Research Initiatives account for Gulf War Illness related

research may be used only for that purpose. The Committee also directs that \$3,000,000 be available only for Clinical Assessment Recording Environment (CARE), as authorized. The Committee notes that while the 1997 total program funds were lower than in 1996 (ostensibly due to a change in award dates not a reduction in the level of effort) in fact, on a monthly basis, the Department spent 41 percent more per month in 1997 on university graduate fellowships, traineeships and research instrumentation than in 1996. The Committee therefore recommends a reduction of \$32,576,000 due to program growth.

GOVERNMENT AND INDUSTRY COSPONSORSHIP OF UNIVERSITY
RESEARCH

The Department requested \$14,713,000 for Government and Industry Cosponsorship of University Research (GICUR). The Committee notes that this proposed new activity is aimed at encouraging cooperation and collaboration between government and industry on semiconductor electronics issues. The Committee agrees that semiconductors are a critical priority for the Department. However, the Committee also believes that the Department's prior year investment of \$840,000,000 was adequate to meet the challenges that were presented to the semiconductor industry over the past decade and therefore, the Committee recommends no appropriation.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

The Department requested \$25,190,000 for Chemical and Biological Defense basic research. The Committee recommends \$28,690,000, an increase of \$3,500,000. The Committee recommends an increase of \$1,500,000 only for basic medical research to develop non-antibiotic therapies for anthrax and \$2,000,000 only for novel agent research.

EXPLORATORY DEVELOPMENT

NEXT GENERATION INTERNET

The Department requested \$40,000,000 for the Next Generation Internet (NGI) program. The Committee recommends \$50,000,000, an increase of \$10,000,000 to support the DARPA component of the multi-agency Next Generation Internet program. The goal of the NGI program is to develop and demonstrate the technologies, protocols, and standards for a very high speed, broad bandwidth Next Generation Internet that will offer reliable, affordable, secure information delivery at rates thousands of times faster than today. This should enable the use of a wide variety of new nationally important applications that cannot be accommodated on today's Internet. The additional \$10,000,000 is to be used to support specific connectivity, functionality, services, and software among the applications communities and regional consortia that will maximize the value of the infrastructure connectivity and services deployed by the NGI. The Committee recognizes the large potential benefit that Next Generation Internet technology will have for many important sectors of our economy as well as for national defense. The Committee also recognizes the value of including technical contributions from as many sources of innovation as possible in developing future

Internet technology. Accordingly, the Committee directs that all geographic regions and all qualified concentrations of technical expertise (including government, university, and commercial) be afforded the opportunity and the access necessary to have comparable connectivity to current “very-high speed backbone network service point of presence” (VBNS-POP) on the Internet.

SUPPORT TECHNOLOGIES—APPLIED RESEARCH

The Department requested \$101,932,000 for Support Technologies. The Committee recommends \$141,932,000, an increase of \$40,000,000. Within this increase, \$30,000,000 is only for Atmospheric Interceptor Technology (AIT) to develop new capabilities for current theater missile defense interceptors. In addition, the Committee recommends \$10,000,000 only for wide band gap technologies, as proposed in the House-passed Defense Authorization bill.

LINCOLN LABORATORY RESEARCH PROGRAM

The Department requested \$20,474,000 for Lincoln Laboratory innovative research and development (IR&D). The Committee recommends \$13,730,000, a reduction of \$6,744,000. The Committee notes that the fiscal year 1998 plan for Federally Funded Research and Development Centers (FFRDCs) is well above the level of effort for the prior year. The planned increase of 200 staff technical years of effort (STE) for Lincoln Laboratory represents a 7 percent increase in level of effort and a potential \$41,000,000 increase in funding. Furthermore, this increase is not consistent with prior Congressional direction, the Department’s FFRDC management plan, nor the recommendation of the Defense Science Board (DSB) Report of January 1997. The DSB report challenged the Department’s use of FFRDCs and concluded that the current FFRDC system “does not provide the best available service at the most reasonable cost.” The DSB Task Force recommended that: (1) work done by FFRDCs be “more carefully defined and limited” (2) that competition be introduced and, (3) that management practices be changed at the beginning of 1998 to incorporate these changes. The Committee therefore recommends a funding level that is consistent with the DSB report and prior Congressional direction on FFRDCs.

COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY

The Department requested \$341,752,000 for Computing Systems and Communications Technology. The Committee recommends \$325,057,000, a reduction of \$16,695,000 due to program growth. Within the amounts provided, \$7,500,000 is available only for the Reuse Technology Adoption Program (RTAP), a technology program that enhances the reuse of information technology and complex event sequences or software algorithms.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

The Department requested \$60,023,000 for Chemical and Biological Defense exploratory development. The Committee recommends \$75,323,000, an increase of \$15,300,000. Within this increase,

\$9,500,000 is available only for medical biological research and \$5,800,000 is only for Safeguard.

TACTICAL TECHNOLOGY

The Department requested \$157,329,000 for Tactical Technology. The Committee recommends \$126,244,000, a reduction of \$31,085,000 for program growth. This amount includes an increase of \$3,000,000 only for the continuation of simulation based design and virtual reality efforts, in a collaborative program with private industry, for the Gulf Coast Region Maritime Technology Center. The Committee notes that the request for Tactical Technology has increased by 28 percent without substantial justification. Therefore the Committee recommends a reduction of \$31,085,000, as proposed in the House-passed Defense Authorization bill.

INTEGRATED COMMAND AND CONTROL TECHNOLOGY

The Department requested \$37,000,000 for Integrated Command and Control Technology. The Committee recommends \$39,000,000, an increase of \$2,000,000 only for the high definition camera. Within this amount, \$4,000,000 shall be made available only for high definition display systems technology.

MATERIALS AND ELECTRONICS TECHNOLOGY

The Department requested \$192,192,000 for Materials and Electronics technology. The Committee recommends \$208,192,000, an increase of \$16,000,000. Within this increase, \$10,000,000 is only for the Defense Microelectronics Activity and \$6,000,000 is only for the Nanofabrication Laboratory as proposed in the House-passed Defense Authorization bill.

DEFENSE SPECIAL WEAPONS AGENCY

The Department requested \$211,971,000 for the Defense Special Weapons Agency. The Committee recommends \$200,593,000, a net reduction of \$11,378,000 to maintain the program at the 1997 funding level. The amount includes an increase of \$5,000,000 only to continue ongoing bioenvironmental research.

ADVANCED DEVELOPMENT

EXPLOSIVES DEMILITARIZATION TECHNOLOGY

The Department requested \$12,259,000 for Explosives Demilitarization Technology. Within this amount, the Committee recommends \$2,000,000 only for the cryogenic washout program.

COUNTERPROLIFERATION SUPPORT

The Department requested \$58,264,000 for Counterproliferation Support. The Committee recommends \$67,264,000, an increase of \$9,000,000 only for the Counterproliferation Analysis and Planning System (CAPS).

AUTOMATIC TARGET RECOGNITION

The Department requested \$4,789,000 for Automatic Target Recognition. The Committee recommends \$5,989,000, an increase of

\$1,200,000 only for optical correlators. The Committee encourages the Director of Defense Research and Engineering to provide assistance to the services in their development of miniature ruggedized optical correlators for use on the Navy Standard missile and the Air Force's AGM 130 missile.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

The Department requested \$41,223,000 for Chemical and Biological Defense advanced development. The Committee recommends \$50,773,000, an increase of \$9,550,000. Within this increase, \$6,700,000 is available only for medical biological programs, and \$2,850,000 is only for Joint Service Integrated Suit (JSLIST) industrial production.

SPECIAL TECHNICAL SUPPORT

The Department requested \$11,750,000 for Special Technical Support. The Committee recommends \$9,750,000, a reduction of \$2,000,000, as proposed in the House-passed Defense Authorization bill.

VERIFICATION TECHNOLOGY

The Department requested \$83,370,000 for Verification Technology Demonstration. The Committee recommends \$69,070,000, a net reduction of \$14,300,000, as proposed in the House-passed Defense Authorization bill. Within this amount, the Committee recommends an increase of \$5,000,000 only for the continuation of an industry-based program begun by DARPA to accelerate development of nuclear detection systems, including specialized cryocoolers for portable and remote operations and optoelectronics for portal monitoring for detection of nuclear materials, \$3,000,000 is only for the continuation of an industry-based program begun by DARPA for enhanced segregated-surface solid state detectors, forensics, and analysis techniques in support of nuclear non proliferation and counter terrorism, and \$3,000,000 is only for the continuation of the Russian Monitoring Technologies Project begun by DARPA and for a system to provide early warning of the hazards posed by Russian nuclear reactors in Cuba.

NUCLEAR MONITORING TECHNOLOGIES

In addition, of the amount available for Nuclear Arms Control Technology \$8,800,000 shall be available only for competitive, peer-reviewed basic research in nuclear monitoring technologies—\$7,100,000 for explosion seismology only, and \$700,000 available only for hydroacoustics, infrasound and radionuclide analysis.

To ensure the peer review process works properly, the Committee directs that the program be moved from the Defense Special Weapons Agency to the Nuclear Treaty Programs Office and a program manager position be established within the Nuclear Treaty Programs Office to oversee the program. Contracting for the program and associated operation and maintenance funds should be transferred to the U.S. Army Space and Strategic Defense Command. The Committee directs that the program be managed in accordance with the National Research Council recommendations provided to

the Department on the research needed to meet nuclear treaty monitoring goals. The Committee requests that the Department provide a report to Congress responding to the National Research Council recommendations and explaining how this program meets congressionally mandated objectives.

SEISMIC MONITORING

The Committee concurs with the concerns expressed in the House-passed Defense Authorization bill on seismic monitoring and directs that no funds be available to create redundant capability to that of the U.S. Geological Survey for monitoring, analyzing and reporting on domestic seismic events.

GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS

The Department of Defense requested \$17,267,000 for Generic Logistics R&D Technology Demonstrations. The Committee recommends \$23,867,000, an increase of \$6,600,000 only for the Computer Assisted Technology Transfer Program (CATT). The Committee notes that there can be a high percentage of “no-bids” when the military seeks to purchase spare parts in small quantities, as was the case with the KC-135. CATT, designated by the Defense Logistics Agency as a National Reinvention Laboratory, seeks to increase the industrial base available to support DoD spare parts procurement by enhancing the competitiveness of small and medium sized firms.

STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM

The Department requested \$54,874,000 for the Strategic Environmental Research and Development Program (SERDP). The Committee recommends \$61,874,000, an increase of \$7,000,000 above the budget request. Of these funds \$3,000,000 is to be used only to develop new environmentally insensitive energetic materials as provided for in the House-passed Defense Authorization bill.

In addition, the Committee directs the Director of Defense Research and Engineering, in consultation with the Deputy Under Secretary of Defense for Environmental Security to continue the research, development and demonstration program devoted to health and safety issues of environmental cleanup workers as it relates to the development and introduction of environmental remediation technologies. The program shall continue to develop and evaluate protection and safety methods and techniques necessary for the safe use and application of environmental remediation technology and to transfer such methods and techniques to field use. The Committee recommends an increase of \$2,000,000 to the Strategic Environmental Research and Development Program only for this purpose.

Finally, the Committee provides \$2,000,000 only for a risk-based approach to research the effects of toxic chemicals on human health and the environment. This research should address questions needed to establish cleanup criteria related to toxic chemicals associated with base operations and remediation of waste sites. This research

should improve DoD capabilities for site specific remediation of toxic chemicals.

ADVANCED ELECTRONICS TECHNOLOGIES

The Department requested \$277,044,000 for Advanced Electronics Technologies. The Committee recommends \$285,044,000, an increase of \$8,000,000. Within this increase, the Committee recommends \$3,000,000 only for the Center for Microstructures and \$5,000,000 only for cryoelectronics. Within available funds, the Committee recommends \$18,000,000 for Flat Panel Displays.

MARITIME TECHNOLOGY

The Committee supports the idea that of the funds provided for Maritime Technology (MARITECH) approximately 15 percent should be made available to small businesses which have the technical expertise and that DARPA should have the flexibility to waive or reduce the matching requirement.

ELECTRIC VEHICLES

The Department requested no appropriation for electric vehicles. The Committee recommends \$15,000,000 for Electric Vehicles to continue ongoing programs in this area.

ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS

The Department requested \$121,076,000 for Advanced Concept Technology Demonstrations (ACTDs). The Committee recommends \$61,076,000, a reduction of \$60,000,000 due to unsubstantiated program growth. The Committee notes that the ACTD budget request has doubled since last year.

COMMERCIAL TECHNOLOGY INSERTION PROGRAM

The Department requested \$47,889,000 for the Commercial Technology Insertion Program. The Committee recommends no appropriation as proposed in the House-passed Defense Authorization bill. The Committee believes that many commercial technologies may have promise and should be considered by the Service program managers and acquisition executives as viable alternatives to military-unique equipment. However, the Committee believes this approach should be embedded in the development and procurement plans of the Services.

ELECTRONIC COMMERCE RESOURCE CENTERS

The Department requested \$14,972,000 for Electronic Commerce Resource Centers (ECRCs). The Committee recommends \$47,972,000, an increase of \$33,000,000.

HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM

The Department requested \$126,211,000. The Committee recommends \$124,880,000, a reduction of \$1,331,000 for program growth.

The Committee is concerned that the High Performance Computing Modernization Program future budget plans de-emphasize the purchase of new supercomputers for DoD, as evidenced by a reduc-

tion in planned procurement account funds, yet the plans provide for increasing RDT&E account budgets for the sustainment of operations and related services. According to the DoD HPC Modernization Plan, dated June 1994, “. . . the mission of this program is to modernize the high performance computational capability of DoD laboratories . . .” Because of this, the Committee believes that a more equal balance between Procurement and RDT&E funds is appropriate and that sustainment of operations and related services should not dominate the program budgets. The Committee directs therefore, that DoD provide it verification that the future procurement budgets are adequate to ensure that the high performance computing needs of the DoD-wide user community can be met at the levels planned.

The Committee also notes that DoD, despite a previous request, has not published an updated High Performance Computing Modernization Program Plan or Program Implementation Plan since June 1994. The Committee, therefore, directs again that such plans be published annually no later than March 15.

SENSOR AND GUIDANCE TECHNOLOGY

The Department requested \$166,855,000 for Sensor and Guidance technology. The Committee recommends \$154,855,000, a net reduction of \$12,000,000. Within this amount, \$13,000,000 is available only for GEOSAR technology and \$6,000,000 is available only for the GPS Guidance Package (GGP). The Committee also recommends a reduction of \$25,000,000 as proposed in the House-passed Defense Authorization bill.

The Committee understands DARPA is developing a very promising inertial navigation technology under the Sensor and Guidance Technology Program. The GPS Guidance Package (GGP) is a Fiber Optic Gyro System which has the potential to significantly lower the cost, size and weight of military inertial navigation systems. If the objectives of the program are met, this activity could drastically reduce the cost and size of inertial navigation systems, making precise inertial navigation and positioning available to a much greater number of platforms, both airborne and ground vehicles.

The Committee understands that due to the aggressive program goals and the difference in technology between the two original competitors, DARPA, the Army and the Navy felt strongly that competition should be maintained at least through the remaining development program. The Committee strongly agrees that competition should be maintained and directs DoD to provide not less than \$6,000,000 under the Sensor and Guidance Technology Program to maintain GGP as a competitive program.

MARINE TECHNOLOGY

The Department requested \$69,143,000 for Marine Technology. The Committee recommends \$21,943,000, a reduction of \$47,200,000 for Arsenal Ship, as proposed in the House-passed Defense Authorization bill. Within amounts available, \$6,000,000 is available only for smart anti-submarine warfare (ASW) and Sonar STP technology.

LAND WARFARE TECHNOLOGY

The Department requested \$82,580,000 for Land Warfare Technology. The Committee recommends \$89,180,000, an increase of \$6,600,000 only for Active Structural Control. Active Structural Control technology reduces aircraft noise and vibrations.

DUAL USE PROGRAMS

The Department requested \$225,000,000 for Dual Use programs. The Committee recommends \$100,000,000, a reduction of \$125,000,000.

JOINT WARGAMING SIMULATION MANAGEMENT OFFICE

The Department requested \$71,338,000 for the Joint Wargaming Simulation Management Office. The Committee recommends \$59,968,000, a reduction of \$11,370,000 due to program growth in conformance with authorization action.

DEMONSTRATION AND VALIDATION

PHYSICAL SECURITY EQUIPMENT

The Department requested \$31,553,000 for Physical Security Equipment. The Committee recommends \$18,676,000, a reduction of \$12,877,000 due to program growth. The Committee notes the substantial increase in the physical security account and reduces the account to prior year levels.

JOINT ROBOTICS PROGRAM

The Committee encourages the department to pursue a Joint Robotic Vehicle Technology Development Program for manned and unmanned ground vehicle systems, and make funds available to the U.S. Army Tank-Automotive and Armaments Research, Development and Engineering Center to improve the situational awareness, crew safety, and autonomous control of current and future Army ground vehicle systems that operate in hazardous and hostile environments.

CAL S INITIATIVE

The Department requested \$1,916,000 for the CAL S Initiative. The Committee recommends \$5,916,000, an increase of \$4,000,000 only for the CAL S Integrated Data Environment (IDE).

BALLISTIC MISSILE DEFENSE ORGANIZATION

The Department requested \$2,581,944,000 for Ballistic Missile Defense in the Research, Development, Test and Evaluation title of the bill. The Committee recommends \$3,289,059,000 for the Ballistic Missile Defense Organization's (BMDO) research and development programs, an increase of \$707,115,000. The Committee recommends specific changes in Ballistic Missile Defense Organization programs as detailed in the table below.

BALLISTIC MISSILE DEFENSE

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
National Missile Defense	504,091	978,091	+474,000
Navy Upper Tier	194,898	444,898	+250,000
MEADS (Corps SAM)	47,956	47,956	.....
Boost Phase Intercept	12,885	0	- 12,885
Theater High-Altitude Area Defense			
Dem/Val	294,647	238,647	- 56,000
Theater High-Altitude Area Defense			
EMD	261,480	261,480	.....
AIT .....	.....	.....	+30,000
Navy Lower Tier EMD	267,822	289,822	+22,000

THEATER HIGH ALTITUDE AREA DEFENSE (THAAD)

The Department requested \$294,647,000 for Theater High Altitude Area Defense (THAAD) Demonstration and Validation and \$261,480,000 for Theater High Altitude Area Defense Engineering and Manufacturing. The Committee recommends \$238,647,000 for Demonstration and Validation, a reduction of \$56,000,000.

Due to the slip in the THAAD schedule, associated with flight test failures, fiscal year 1998 funds that were budgeted as the second increment for a contract to acquire 40 User Operational Evaluation System (UOES) missiles are no longer required. The Committee understands that the flight test schedule for THAAD has been restructured and that should an intercept occur in 1998, prior year funds would be available for the UOES contract.

The Committee is very concerned about the Theater High Altitude Area Defense (THAAD) program and the four consecutive test failures which did not achieve an intercept. This type of error points to the need for greater quality control on the part of the contractor and tighter management on the part of the program manager. Despite these concerns, the Committee supports the objectives of the THAAD program and believes the system should be deployed at the soonest possible date.

NAVY LOWER TIER

The Department requested \$267,822,000 for the Navy Lower Tier program. The Committee recommends \$289,822,000, an increase of \$22,000,000 as proposed in the House-passed Defense Authorization bill. The Committee was pleased with the recent successful test of the Navy Lower Tier system and has provided funds for additional targets to reduce program risk.

NAVY UPPER TIER

The Department requested \$194,898,000 for Navy Upper Tier. The Committee recommends \$444,898,000, an increase of \$250,000,000. The Committee believes that the Navy Upper Tier program will provide a substantial defense capability and is concerned that the Administration's proposed plan does not include deployment of the Navy Upper Tier system. Additional funds will enable the Navy to plan for 12 flight tests, to include an intercept in

1999 using the Lightweight Exoatmospheric Projectile (LEAP) and a modified SM-3 Standard Missile. In addition, additional funds will permit engineering and kinetic kill vehicle work needed for system deployment. The current plan only provides for a flight demonstration program and does not plan for deployment.

MEDIUM EXTENDED AIR DEFENSE SYSTEM (MEADS) AND BOOST PHASE INTERCEPT (BPI)

The Committee is concerned about the lack of focus in the Medium Extended Area Defense System (MEADS) program, formerly Corps SAM, and the Boost Phase Interceptor (BPI) program. While the Committee supports the general concept underlying both programs, it believes that neither program is affordable. Due to the international commitment involved with the MEADS program, the Committee recommends a completion of the Preliminary Design and Review program but remains concerned about the future funding of this expensive program. Furthermore, the Committee sees the Air Force Airborne Laser (ABL) program as the prime program for pursuing a boost phase capability. Therefore, the Committee recommends no appropriation for BPI as proposed in the House-passed Defense Authorization bill.

NATIONAL MISSILE DEFENSE

The Committee believes that National Missile Defense (NMD) is one of the highest national security priorities. The Committee is concerned about the proliferation of weapons of mass destruction and the possible emergence of a ballistic missile threat from a rogue nation.

The Department requested \$504,091,000 for National Missile Defense (NMD). The Committee recommends \$978,091,000, an increase of \$474,000,000, as proposed in both the House and Senate Authorization bills. The Committee concurs with the recommendations of the Quadrennial Defense Review and recommends additional funds to significantly reduce the cost, schedule and technical risk associated with the current NMD program. The Committee is pleased with the recent successful NMD flight test which demonstrated the ability of an Exoatmospheric Kill Vehicle (EKV) optical seeker to identify and track a set of threat targets and discriminate between warheads and decoys. However, the Committee remains concerned about the six month delay in the program which was caused because of an earlier flight test malfunction that was attributed to human error. The Committee believes, as with the THAAD program, that quality control and close management are critical to timely deployment of this system.

ENGINEERING AND MANUFACTURING

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

The Department requested \$120,535,000 for Chemical and Biological Defense. The Committee recommends \$138,535,000, an increase of \$18,000,000. Within this increase, \$8,000,000 is only for the Joint Vaccine Program and \$10,000,000 is only for decontamination technologies.

TECHNICAL STUDIES

The Department requested \$38,376,000 for technical studies. The Committee recommends \$31,248,000, a reduction of \$7,128,000 due to program growth.

DEFENSE SUPPORT ACTIVITIES

The Department requested \$5,992,000 for Defense Support Activities. The Committee recommends \$7,492,000, an increase of \$1,500,000 only for the Commodity Management System Consolidation.

MANAGEMENT HEADQUARTERS

The Department requested \$39,193,000 for management headquarters. The Committee recommends \$34,469,000, a reduction of \$4,724,000. The recommended amount funds management headquarters at the prior year level.

TACTICAL UAVS

The Department requested \$122,004,000 for tactical unmanned aerial vehicles (UAVs). The Committee recommends \$60,007,000, a reduction of \$61,997,000.

The Committee agrees with the recommendations set forth in the House-passed fiscal year 1998 Defense Authorization bill regarding the Outrider UAV and therefore denies the funding request of \$87,497,000 for this program. The Committee strongly urges the Department to immediately pursue the recommendation to procure a tactical UAV for the Army.

The Committee provides an additional \$11,500,000 to develop the Tactical Control System (TCS) for the Predator UAV system. The Committee understands that a memorandum of agreement is being developed between the TCS program office and the Naval Strike Warfare Center to coordinate the use of the Predator system in support of CONOPS development. Additionally, the Department should consider integrating the TCS in the Pioneer UAV system, especially since the Navy has decided to extend the service life of the Pioneer UAV.

The Committee also recommends \$4,000,000 to continue the UAV multi-function self-aligned gate array technology development and demonstration program.

An additional \$10,000,000 is recommended to support a vertical takeoff and landing UAV competition.

ENDURANCE UAVS

The Department requested \$216,712,000 for the High Altitude Endurance (HAE) UAV program. The Committee recommends \$192,812,000, a reduction of \$23,900,000. Of this amount, \$14,990,000 is a transfer from this account to an Air Force RDT&E account, PE 0305154F. The request included \$9,000,000 for testing the common ground segment. The Committee understands that there has been considerable delay in both HAE advanced technologies demonstrations and that prior year funds are available for continued testing. Therefore, the Committee denies the request of \$9,000,000.

AIRBORNE RECONNAISSANCE SYSTEMS

The Department requested \$212,961,000 for airborne reconnaissance systems. The Committee recommends \$193,961,000, a reduction of \$19,000,000. The adjustments to this account are described below.

The following are recommended changes in accordance with authorization action:

JMTE Advanced Technology Demonstration	+\$8,000,000
E-O Framing Technology	+15,000,000
ABIT System Test & Evaluation	+3,000,000
JASA Standards	-3,000,000
HFE Development	-3,000,000
Global Hawk SIGINT Design	-16,200,000

The Committee recommends the following additional adjustments:

The Department requested \$25,800,000 for the development and testing of the JSAF Highband Prototype. The Committee is concerned about the significant amount of funds that have been used to develop a joint SIGINT system. The Committee does not understand why there continues to be multiple efforts to develop a SIGINT system to satisfy U-2 requirements: the high band subsystem (HBSS), high band prototype (HBP), and the U-2 Senior Glass upgrade. Because of these reasons, the Committee denies the \$25,800,000 budget request. The Committee recommends an additional \$3,000,000 to continue the development of the long range, high data rate airborne lasercom system.

SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT

The Department requested \$8,009,000 for Special Operations advanced technology development. The Committee recommends \$9,009,000, an increase of \$1,000,000 to continue the development of the PRIVATEER II electronic suite.

SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT

The Department requested \$4,914,000 for Special Operations Intelligence Systems Development. The Committee recommends \$13,914,000, an increase of \$9,000,000. Of this amount \$5,000,000 is to provide enhancements to the Special Operations Intelligence Vehicle, and \$4,000,000 for the Joint Threat Warning System (JTWS).

SOF OPERATIONAL ENHANCEMENTS

The Department requested \$26,357,000 for SOF operational enhancements. The Committee recommends \$32,937,000, an increase of \$6,580,000. Of this amount, \$5,800,000 is for the Special Technology Assault Craft, and \$780,000 for a classified program which is explained in the classified annex to this report.

CASTING EMISSION REDUCTION PROGRAM

The Department of Defense requested no funds for the Casting Emission Reduction Program. The Committee recommends \$12,000,000 only to continue this five-year research and development initiative between DoD and the private sector to develop a

cleaner and more efficient metal casting process in order to meet Clean Air Act requirements.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE			
BASIC RESEARCH			
IN-HOUSE LABORATORY INDEPENDENT RESEARCH.....	2,169	---	-2,169
DEFENSE RESEARCH SCIENCES.....	76,009	70,000	-6,009
UNIVERSITY RESEARCH INITIATIVES.....	237,788	215,212	-22,576
GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIV RESEARCH....	14,713	---	-14,713
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM.....	25,190	28,690	+3,500
TOTAL, BASIC RESEARCH.....	355,869	313,902	-41,967
EXPLORATORY DEVELOPMENT			
NEXT GENERATION INTERNET.....	40,000	50,000	+10,000
SUPPORT TECHNOLOGIES - APPLIED RESEARCH.....	101,932	141,932	+40,000
MEDICAL FREE ELECTRON LASER.....	20,841	20,841	---
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SC	11,485	11,485	---
LINCOLN LABORATORY RESEARCH PROGRAM.....	20,474	13,730	-6,744
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY.....	341,752	325,057	-16,695
BIOLOGICAL WARFARE DEFENSE.....	61,600	61,600	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM.....	60,023	75,323	+15,300
TACTICAL TECHNOLOGY.....	157,329	126,244	-31,085
INTEGRATED COMMAND AND CONTROL TECHNOLOGY.....	37,000	39,000	+2,000
MATERIALS AND ELECTRONICS TECHNOLOGY.....	192,192	208,192	+16,000
DEFENSE SPECIAL WEAPONS AGENCY.....	211,971	200,593	-11,378
MEDICAL TECHNOLOGY.....	8,987	8,987	---
COMMAND AND CONTROL RESEARCH.....	1,937	1,937	---
TOTAL, EXPLORATORY DEVELOPMENT.....	1,267,523	1,284,921	+17,398
ADVANCED DEVELOPMENT			
MEDICAL ADVANCED TECHNOLOGY.....	2,778	2,778	---
EXPLOSIVES DEMILITARIZATION TECHNOLOGY.....	12,259	12,259	---
DEMINEING.....	7,663	7,663	---
ALTERNATIVE TO LANDMINES.....	2,990	2,990	---
COUNTERTERROR TECHNICAL SUPPORT.....	34,863	34,863	---
COUNTERPROLIFERATION SUPPORT - ADV DEV.....	58,264	67,264	+9,000
SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPME	147,557	147,557	---
JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT.....	16,141	16,141	---
AUTOMATIC TARGET RECOGNITION.....	4,789	5,989	+1,200
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADVANCED DEV	41,223	50,773	+9,550
SPECIAL TECHNICAL SUPPORT.....	11,750	9,750	-2,000
VERIFICATION TECHNOLOGY DEMONSTRATION.....	83,370	69,070	-14,300
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS.....	17,267	23,867	+6,600
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM.....	54,874	61,874	+7,000
JOINT WARFIGHTING PROGRAM.....	14,172	14,172	---
ADVANCED ELECTRONICS TECHNOLOGIES.....	277,044	285,044	+8,000
MARITIME TECHNOLOGY.....	37,408	37,408	---
ELECTRIC VEHICLES.....	---	15,000	+15,000
ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS.....	121,076	61,076	-60,000
COMMERCIAL TECHNOLOGY INSERTION PROGRAM.....	47,889	---	-47,889
ELECTRONIC COMMERCE RESOURCE CENTERS.....	14,972	47,972	+33,000
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM.....	126,211	124,880	-1,331
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS.....	163,800	163,800	---
COMMUNICATION AND SIMULATION TECHNOLOGY.....	75,938	75,938	---
SENSOR AND GUIDANCE TECHNOLOGY.....	166,855	154,855	-12,000
MARINE TECHNOLOGY.....	69,143	21,943	-47,200
LAND WARFARE TECHNOLOGY.....	82,580	89,180	+6,600
CLASSIFIED DARPA PROGRAMS.....	134,977	134,977	---
JOINT STRIKE FIGHTER (JSF) - DEM/VAL.....	23,900	23,900	---
DUAL USE APPLICATIONS PROGRAMS.....	225,000	100,000	-125,000
JOINT WARGAMING SIMULATION MANAGEMENT OFFICE.....	71,338	59,968	-11,370
TOTAL, ADVANCED DEVELOPMENT.....	2,148,091	1,922,951	-225,140
DEMONSTRATION & VALIDATION			
PHYSICAL SECURITY EQUIPMENT.....	31,553	18,676	-12,877
INTEGRATED DIAGNOSTICS.....	6,514	6,514	---
JOINT ROBOTICS PROGRAM.....	23,196	23,196	---
ADVANCED SENSOR APPLICATIONS PROGRAM.....	15,379	15,379	---
CALS INITIATIVE.....	1,916	5,916	+4,000
NATO RESEARCH AND DEVELOPMENT.....	13,584	---	-13,584
ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	15,164	15,164	---
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEM/	294,647	238,647	-56,000
NAVY THEATER WIDE MISSILE DEFENSE - DEM/VAL.....	194,898	444,898	+250,000
MEADS CONCEPTS - DEM/VAL.....	47,956	47,956	---
BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISIT	12,885	---	-12,885
NATIONAL MISSILE DEFENSE - DEM/VAL.....	504,091	978,091	+474,000
JOINT THEATER MISSILE DEFENSE - DEM/VAL.....	542,619	542,619	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL.....	55,145	55,145	---
TOTAL, DEMONSTRATION & VALIDATION.....	1,759,547	2,392,201	+632,654

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
ENGINEERING & MANUFACTURING DEVEL			
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD.....	120,535	138,535	+18,000
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	55,429	55,429	---
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	261,480	261,480	---
PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EM	206,057	206,057	---
NAVY AREA THEATER MISSILE DEFENSE - EMD.....	267,822	289,822	+22,000
TOTAL, ENGINEERING & MANUFACTURING DEVEL.....	911,323	951,323	+40,000
RDT&E MANAGEMENT SUPPORT			
TECHNICAL STUDIES, SUPPORT AND ANALYSIS.....	38,376	31,248	-7,128
TECHNICAL SUPPORT TO USD(A)--CRITICAL TECHNOLOGY.....	2,690	2,690	---
BLACK LIGHT.....	4,683	4,683	---
FOREIGN MATERIAL ACQUISITION AND EXPLOITATION.....	37,474	37,474	---
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION....	23,100	23,100	---
CLASSIFIED PROGRAM USD(P).....	5,979	5,979	---
COUNTERPROLIFERATION SUPPORT.....	7,047	7,047	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM.....	18,730	18,730	---
CLASSIFIED PROGRAMS - C3I.....	357	357	---
SMALL BUSINESS INNOVATIVE RESEARCH ADMINISTRATION....	1,738	1,738	---
DEFENSE SUPPORT ACTIVITIES.....	5,992	7,492	+1,500
DEFENSE TECHNICAL INFORMATION CENTER.....	46,930	46,930	---
R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATI	8,285	8,285	---
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)....	39,193	34,469	-4,724
TOTAL, RDT&E MANAGEMENT SUPPORT.....	240,574	230,222	-10,352
OPERATIONAL SYSTEMS DEVELOPEMENT			
C3 INTEROPERABILITY.....	25,670	25,670	---
JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM.....	2,186	2,186	---
NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT.....	2,064	2,064	---
JOINT/DEFENSE INFORMATION SYSTEMS ENGINEERING AND INTE	4,721	4,721	---
LONG-HAUL COMMUNICATIONS (DCS).....	14,520	14,520	---
SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM.....	4,552	4,552	---
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (ME	2,381	2,381	---
INFORMATION SYSTEMS SECURITY PROGRAM.....	258,593	258,593	---
C4I FOR THE WARRIOR.....	5,554	5,554	---
DEFENSE IMAGERY AND MAPPING PROGRAM.....	109,430	134,430	+25,000
FOREIGN COUNTERINTELLIGENCE ACTIVITIES.....	419	419	---
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM.....	4,460	4,460	---
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)....	49,403	41,003	-8,400
C3I INTELLIGENCE PROGRAMS.....	6,249	6,249	---
TACTICAL UAVS.....	122,004	60,007	-61,997
ENDURANCE UAVS.....	216,712	192,812	-23,900
AIRBORNE RECONNAISSANCE SYSTEMS.....	212,961	193,961	-19,000
MANNED RECONNAISSANCE SYSTEMS.....	27,784	51,784	+24,000
DISTRIBUTED COMMON GROUND SYSTEMS.....	37,653	37,653	---
DARP MANAGEMENT SUPPORT.....	21,543	7,543	-14,000
TACTICAL CRYPTOLOGIC ACTIVITIES.....	96,667	96,667	---
COUNTERDRUG INTELLIGENCE SUPPORT.....	---	2,500	+2,500
MANAGEMENT HEADQUARTERS (AUXILIARY FORCES).....	1,926	1,926	---
INDUSTRIAL PREPAREDNESS.....	8,720	8,720	---
MANAGEMENT HEADQUARTERS (OJCS).....	10,035	10,035	---
JOINT SIMULATION SYSTEM.....	24,321	24,321	---
PARTNERSHIP FOR PEACE ACTIVITIES.....	1,993	1,993	---
SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT.....	4,161	4,161	---
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT...	8,009	9,009	+1,000
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT.....	73,073	73,073	---
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT...	4,914	13,914	+9,000
SOF MEDICAL TECHNOLOGY DEVELOPMENT.....	2,029	2,029	---
SOF OPERATIONAL ENHANCEMENTS.....	26,357	32,937	+6,580
CERP.....	---	12,000	+12,000
CLASSIFIED PROGRAM.....	995,689	1,054,970	+59,281
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT.....	2,386,753	2,398,817	+12,064
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE.....	9,069,680	9,494,337	+424,657

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

Fiscal year 1997 appropriation	\$282,038,000
Fiscal year 1998 budget request	268,183,000
Committee recommendation	268,183,000
Change from budget request .....	.....

This appropriation funds Developmental Test and Evaluation, Defense activities, for direction and supervision of test and evaluation, joint testing, improvement of the effectiveness and efficiency of the DoD major ranges and test facilities, and technical and/or operational evaluation of foreign nations' weapons systems, equipment, and technologies.

COMMITTEE RECOMMENDATIONS

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

DEVELOPMENTAL TEST & EVAL, DEFENSE			
RDT&E MANAGEMENT SUPPORT			
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CT)	131,353	131,353	---
FOREIGN COMPARATIVE TESTING.....	33,836	33,836	---
DEVELOPMENT TEST AND EVALUATION.....	102,994	102,994	---
	-----	-----	-----
TOTAL, DEVELOPMENTAL TEST & EVAL, DEFENSE.....	268,183	268,183	---

OPERATIONAL TEST AND EVALUATION, DEFENSE

Fiscal year 1997 appropriation	\$24,968,000
Fiscal year 1998 budget request	23,384,000
Committee recommendation	32,684,000
Change from budget request	+9,300,000

This appropriation funds the activities of the Office of the Director, Operational Test and Evaluation.

COMMITTEE RECOMMENDATIONS

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

OPERATIONAL TEST & EVALUATION, DEFENSE			
RDT&E MANAGEMENT SUPPORT			
OPERATIONAL TEST AND EVALUATION.....	13,187	13,187	---
LIVE FIRE TESTING.....	10,197	19,497	+9,300
TOTAL, OPERATIONAL TEST & EVALUATION, DEFENSE.....	23,384	32,684	+9,300

LIVE FIRE TESTING

The Department requested \$10,197,000 for Live Fire Testing. The Committee recommends \$19,497,000, an increase of \$9,300,000 only for simulation and modeling.

TITLE V
REVOLVING AND MANAGEMENT FUNDS
DEFENSE WORKING CAPITAL FUNDS

Fiscal year 1997 appropriation	\$947,900,000
Fiscal year 1998 budget request	33,400,000
Committee recommendation	971,952,000
Change from budget request	938,552,000

The Committee recommends an appropriation of \$971,952,000 for the Defense Working Capital Fund. The recommendation is an increase of \$24,052,000 from the amount appropriated in fiscal year 1997. As described elsewhere in this report, the Committee supports the recommendations in the House-passed fiscal year 1998 Defense Authorization bill to incorporate the Commissaries into the Defense Working Capital Fund rather than establishing a separate account as proposed in the budget request.

TRANSITION TO THE WORKING CAPITAL FUNDS

The Committee notes that, in the fiscal year 1998 budget request, DoD proposed revising the title and structure of the Defense Business Operations Fund and replacing it with the Army Working Capital Fund, the Navy Working Capital Fund, the Air Force Working Capital Fund, and the Defense Working Capital Fund. Despite the change in name, the Committee recognizes that the financial management improvements brought about by the Defense Business Operations Fund such as capital budgeting and recognition of total costs will continue under the Working Capital Funds. However, the Committee is also aware that the problems that confronted DoD during its use of the Defense Business Operations Fund have not changed with the inception of the Working Capital Funds.

In particular, the cash management problems that the Committee has noted in the past continue under the Working Capital Funds. The Committee has repeatedly expressed its concern about the problems DoD has experienced in maintaining adequate cash balances, and DoD's consequent need to use advance billing. The Committee is encouraged by the steps DoD has taken in the fiscal year 1998 budget request to establish rates that more accurately reflect the costs of the Working Capital Fund activity groups. However, the Committee believes there is room for further improvement, especially in the area of collections. The Committee is aware that the Department has just over \$5 billion of aging accounts receivable due to Working Capital Fund activity groups. Of this amount, the Committee understands that \$1.5 billion are 90 days old or older, and over \$1 billion are over 120 days old. It seems clear that this performance can, and should be improved, and that

such improvement would aid DoD's overall efforts to improve cash management in the Working Capital Fund activities. Therefore, the Committee directs that the Department of Defense submit a report, not later than April 30, 1998, detailing measures to improve cash management by reducing the amount of aging accounts receivable.

MILITARY COMMISSARY FUND, DEFENSE

Fiscal year 1997 appropriation	0
Fiscal year 1998 budget request	\$938,552,000
Committee recommendation	0
Change from budget request	-938,552,000

The Committee supports the recommendation in the House-passed fiscal year 1998 Defense Authorization bill to incorporate the Commissaries into the Defense Working Capital Fund rather than establishing a separate account as proposed by the budget request. The Committee believes that this realignment should improve the management flexibility for the operation of the Defense Commissary Agency.

NATIONAL DEFENSE SEALIFT FUND

Fiscal year 1997 appropriation	\$1,428,002,000
Fiscal year 1998 budget request	1,191,426,000
Committee recommendation	1,199,926,000
Change from budget request	+8,500,000

This appropriation provides funds for the lease, operation, and supply of prepositioning ships; operation of the Ready Reserve Force; and acquisition of ships for the Military Sealift Command, the Ready Reserve Force, and the Marine Corps.

LARGE MEDIUM SPEED ROLL-ON/ROLL-OFF (LMSR) SHIPS

The Navy budgeted \$812,900,000 for acquisition of LMSR ships. The Committee recommends \$806,400,000, a reduction of \$6,500,000 due to excess advanced procurement funds.

LIGHTERAGE

The Defense Department requested no funds for lighterage, equipment which is vital for off-loading sealift ships to get equipment and supplies to shore. Lighterage consists of floating platforms known as RO/RO discharge facilities, floating piers, or causeway ferries. The first LMSR ship went to sea this year without any lighterage. The Committee is disturbed that the Department of Defense is buying 19 LMSR sealift ships for over \$6,000,000,000 for which the proper support equipment is not planned nor budgeted. The Committee recommends \$15,000,000 only for procurement of sea-state two lighterage to meet theater CINC requirements.

TITLE VI
OTHER DEPARTMENT OF DEFENSE PROGRAMS
DEFENSE HEALTH PROGRAM

Fiscal year 1997 appropriation	\$10,207,308,000
Fiscal year 1998 budget request (as amended)	10,301,650,000
Committee Recommendation	10,309,750,000
Change from budget request	8,100,000

The Department requested \$10,301,650,000 for the Defense Health Program. The Committee notes that the fiscal year 1998 President's Budget request submitted to Congress in February underfunded the Defense Health Program by \$274,000,000. Subsequent to the submission of the budget, the Administration submitted a budget amendment to correct this shortfall. The Committee strongly agrees with this action and fully funds the Defense Health Program to include the shortfall of \$274,000,000. The Committee recommends \$10,309,750,000 a net increase of \$8,100,000 over the amended budget request in operations and maintenance only for the following:

Breast Cancer	\$25,000,000
Head Injury	1,000,000
Air Force Neuroscience	4,900,000
Diabetes Research	4,000,000
Epidermolysis Bullosa	1,000,000
Medical Imaging	4,700,000
Tissue Engineering	4,700,000
HIV	15,000,000
Minimally Invasive Research	13,000,000
Lab Upgrades	8,000,000
Nervous System Studies	4,500,000
Gulf War Illness	4,500,000
PACMEDNET	10,000,000
High Risk Automation Systems (CHCSII)	- 20,000,000
Tax Liability	- 70,800,000
Economic Adjustment	- 1,400,000

MEDICAL RESEARCH

The Committee recommends increases to research and development accounts only for the following programs:

602716A:	
Med Teams	\$4,000,000
602787A:	
Nutrition	3,500,000
LSTAT	6,000,000
Orthopedic implants	3,500,000
Neurotoxin Exposure	25,000,000
Ovarian Cancer	10,000,000
Neurofibromatosis	9,800,000
Prostate Cancer	10,000,000
603002A:	
Breast Cancer	100,000,000

National Medical Testbed	8,000,000
Lab Upgrades	6,000,000
Advanced Cancer Detection	3,500,000
Teleradiology	3,000,000
Advanced Trauma Care	6,000,000
Artificial Lung Research	1,500,000
Emergency Telemedicine	3,500,000
603706N:	
Bone Marrow	34,000,000
Naval Biodynamics	2,600,000
Biocide Materials	5,500,000
Freeze-Dried Blood	2,500,000
Dental Research	4,000,000
Mobile Medical Monitor	4,000,000
Rural Health	3,000,000
Fleet Health Technology	-1,200,000
604771N:	
Casualty Monitoring	8,500,000
Navy Telemedicine	4,800,000

BREAST CANCER

The Committee has provided an increase of \$125,000,000 only for breast cancer-related research and treatment. The Committee is pleased that funds appropriated to the Army in prior years for breast cancer research have been well used. This year the Committee has again provided funding for valuable research and to help improve access to care and improve treatment for military members and their dependents with breast cancer. The Committee recommends an increase of \$100,000,000 for peer-reviewed research and \$25,000,000 to improve access to care for military members and their families.

GULF WAR ILLNESS

The Department estimates that it will spend \$74,100,000 for various Gulf War Illness programs in fiscal year 1998. The Committee recommends fully funding these programs. In addition, the Committee recommends an increase of \$4,500,000 in conformance with authorization action, only for Gulf War Clinical Trials to be established by the Secretary of Defense and the Secretary of Veterans Affairs for a total program of \$78,600,000. This represents an increase of \$15,500,000, or 25 percent, over the fiscal year 1997 program for Gulf War Illness initiatives.

The Committee is concerned that the Departments of Defense and Veterans Affairs do not currently have a systematic approach to monitoring the health of Gulf War veterans after their initial examination and are unable to provide information on the effectiveness of treatment or whether veterans are better or worse than when first examined.

The Secretaries of Defense and Veterans Affairs should develop and implement a plan to address the concerns raised in the June 1997 GAO report on this subject providing: (1) data on the effectiveness of the treatments received by these veterans; and (2) data on the long-term progress of veterans who have reported illnesses after the war to identify health conditions which are resistant to current therapies. The application of validated severity indices may be appropriate, but the departments may suggest other methods.

TRICARE

The Committee is pleased with the progress that has been made in implementing TRICARE. However, the Committee believes that there are several areas that deserve further study including: the feasibility of adopting the APR-DRG system; standards relating to quality and access for children with special needs; and corrective measures for outlier payments. The Committee directs the Department of Defense to provide a report on these matters by May 1, 1998.

BONE MARROW RESEARCH

The Committee recommends an increase of \$34,000,000 only for the C.W. Bill Young Marrow Donor Recruitment and Research Program, which is administered by the Naval Medical Research Institute.

The Committee believes that the C.W. Bill Young Marrow Donor Recruitment and Research Program is uniquely qualified to provide support to the Metropolitan Emergency Medical Response teams established by the Defense Against Mass Destruction Act of 1996 (P.L. 104-201). The Committee recommends that procedures be established to make available to these teams the infrastructure and medical expertise of the DoD marrow donor program in the event of an emergency covered by the Act.

SMOKING CESSATION

Tobacco smoking in the military is estimated to cost the Department of Defense an estimated \$930 million in health expenses and lost productivity. It is the stated goal of the Department of Defense to reduce smoking prevalence among active duty personnel from the current level of 32 percent to 20 percent of all service personnel. Nicotine replacement therapy, such as nicotine patches or gum, may offer a cost-effective means of significantly increasing success rates among service personnel attempting to quit smoking. The Committee urges the Assistant Secretary of Defense for Health Affairs to implement an effective smoking reduction plan that meets the objectives of Healthy People 2000. Furthermore, the Committee urges the Department to make replacement therapy available to military members and their families.

DIABETES

The Committee has included \$4,000,000 only for improved methods of diabetes detection, prevention, and care. The Committee recommends that the Department of Defense consider opportunities to conduct this research in conjunction with the Veterans Administration. The Committee directs the Department of Defense to provide a report on the status of this project by February 15, 1998.

MINIMALLY INVASIVE RESEARCH

The Committee recommends \$13,000,000 to support a collaborative effort of industry, medical research institutions, and the Department's health care organizations to identify and evaluate technologies to permit the extensive surgical treatment of patients while minimizing the requirement to open the body with long, deep

incisions. Technologies and techniques under development employing lasers, computers, special optics, and robotics hold promise for advancing minimally invasive surgical capabilities. This could have direct and useful application for battlefield medicine and could reduce the pain, danger, and cost of surgery provided to the military healthcare population.

AIR FORCE NEUROSCIENCE

The Committee recommends \$4,900,000 to fund a Cooperative Research and Development Agreement (CRADA) at Wright Patterson Air Force Base for neuroscience technology.

CENTRAL NERVOUS SYSTEM INJURY RESEARCH

The Committee recommends \$4,500,000 to continue active research programs under Cooperative Agreement DAMD17-93-V-3018 relating to the mechanism and treatment of central nervous system injury (brain trauma, spinal cord injury, stroke) and cognitive dysfunction. It is expected that these funds will support multi-institutional research and training programs in the areas of brain imaging, cognitive science, central nervous system injury/plasticity, and telemedicine with the Walter Reed Institute of Research, the National Institutes of Health, and other Army medical organizations.

WALTER REED ARMY INSTITUTE OF RESEARCH

The Committee recommends \$8,000,000 to acquire essential equipment for the new Walter Reed Army Institute of Research (WRAIR). Because the planned occupancy date for the new replacement laboratory has recently been accelerated from April 1999 to August 1998, funds to equip the facility were not included in this year's budget request.

MOBILE BREAST CARE CENTER

The Committee believes the Mobile Breast Care Center is absolutely essential to effectively addressing the basic and clinical research needs of at-risk underserved rural and urban communities, and encourages the Department to provide support for this effort from within available funds.

PEER REVIEW PANELS

The Committee is pleased with the level of diversity of the DoD prostate cancer initiative's program medical review panel and encourages that it be sustained. In conjunction with the Institute of Medicine's fiscal year 1993 report on strategies for managing the breast cancer research program, the Committee recognizes the critical importance of the participation of minorities on the program management team, advisory council, and peer review group of the DoD breast cancer research program. Thus, the Committee recommends that the DoD breast cancer research program medical review panel maintain equitable representation of minorities.

**CHEMICAL AGENTS AND MUNITIONS DESTRUCTION,
DEFENSE**

Fiscal year 1997 appropriated amount	\$758,447,000
Fiscal year 1998 budget request	620,700,000
Committee recommendation	595,700,000
Change from budget request	-25,000,000

COMMITTEE RECOMMENDATIONS

PROGRAM REDUCTIONS

The DoD requested \$620,700,000 for the destruction of chemical agents and munitions. The Committee recommends \$595,700,000, a decrease of \$25,000,000 due poor obligation rates.

STORAGE FACILITIES

In June 1997, the GAO issued a report which stated that communities surrounding the Umatilla Depot lack a number of safety measures, including decontamination equipment, sirens, and tone alert radios. The GAO report, if accurate, causes the Committee concern for the citizens in the towns surrounding the storage facility. Therefore, the Committee directs the Army to ensure the integrity of the nerve gas storage facilities and to minimize the degree of risk to the surrounding communities.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1997:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE	CHANGE FROM REQUEST
	QTY	RECOMMENDED	QTY
	AMOUNT	AMOUNT	AMOUNT

CHEM AGENTS & MUNITIONS DESTRUCTION, DEF			
CHEM DEMILITARIZATION - O&M.....	-- 472,200	-- 472,200	-- ---
CHEM DEMILITARIZATION - PROC.....	-- 82,200	-- 67,200	-- -15,000
CHEM DEMILITARIZATION - RDTE.....	-- 66,300	-- 56,300	-- -10,000
	-----	-----	-----
TOTAL, CHEM AGENTS & MUNITIONS DESTRUCTION, DEF.....	620,700	595,700	-25,000

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,
DEFENSE

Fiscal year 1997 appropriation	\$807,000,000
Fiscal year 1998 budget request	652,582,000
Committee recommendation	713,082,000
Change from budget request	+60,500,000

This appropriation provides funds for Military Personnel; Operation and Maintenance; Procurement; and, Research, Development, Test and Evaluation, for drug interdiction and counter-drug activities of the Department of Defense.

COMMITTEE RECOMMENDATION

The Department of Defense requested \$652,582,000 for Drug Interdiction and Counter-Drug Activities, a reduction of \$154,418,000 from the fiscal year 1997 appropriated level. The Committee recommends \$713,082,000, an increase of \$60,500,000.

NATIONAL GUARD COUNTER-DRUG PROGRAM

Once again the Department of Defense has not adequately provided funds for the National Guard Counter-Drug Support Program. The budget request would fund less than half the state and local law enforcement requests for National Guard Counter-Drug Support. The Committee has provided additional funds for specific National Guard activities and directs the Department to follow proper reprogramming procedures for each program in this account.

LEA SUPPORT

The Committee provided additional funds in fiscal year 1997 for operation Laser Strike and other projects in the Southern Command area of responsibility. These additional resources, in combination with the programs requested in the budget, have led to recent success achieved by participating nations in stemming the production and transfer of illegal drugs. Among the more immediate effects of this effort is the dramatic reduction in traffic along the air bridge in the Andean region which had been used as the chief means of transport for raw coca to processing sites. The Committee compliments the Commander-in-Chief of the Southern Command and the Department for their contribution and leadership in this area. The Committee recommends an additional \$15,000,000 over the budget request in the LEA Support program to be used to continue and build on this effort in the Source Nations and directs the Department to present a detailed plan on how it will utilize this additional funding to the congressional defense committees within 60 days of enactment of this act.

GULF STATES INITIATIVE

The Committee recommends \$16,166,000 for the Gulf States Initiative (GSI), an addition of \$12,800,000 over the budget request. The Committee believes that the infrastructure and capabilities developed by the participants in the GSI have direct application to counter-terrorism activities. Accordingly, the Committee directs that funds for the GSI shall be used for sustainment costs for the

C4 of GSI, improvements to existing processing and analysis centers for the four GSI states, and for broadening the GSI focus to include counter-terrorism. The Committee directs that \$3,031,000, an addition of \$800,000 over the budget request, be provided to the Regional Counter-drug Training Academy (RCTA).

The Committee is disappointed in the Department's lack of budgetary and management support for the GSI, and in its proposal to shift management responsibility to the Defense Information Systems Agency (DISA). The Committee believes such action is unwise and instead directs the Department to submit a plan to the Committee prior to conference committee action on the fiscal year 1998 bill to transfer all program funding responsibility and program management of the GSI, except those dealing with the RCTA, to the Joint Military Intelligence program.

HIDTA CRACK HOUSE DEMOLITION

The Committee is aware that various Guard units have been used to demolish crack houses in Texas, in a manner which enhances readiness. The Committee is also aware of an urgent need to expand this activity to the state of Indiana. Therefore, the Committee recommends \$2,300,000 above the budget request for Guard State plans only for Crack House Demolition and related missions for the National Guard in the Indiana High Intensity Drug Trafficking Area (HIDTA).

CIVIL AIR PATROL

The Committee recommends \$2,800,000 above the budget request, for the Civil Air Patrol (CAP). Funds made available to the CAP for the Department of Defense Drug Interdiction activities may be used for CAP's demand reduction program involving youth programs as well as operational and training drug reconnaissance missions for federal, state, and local government agencies; for administrative costs, including the hiring of CAP employees; for travel and per diem expenses of CAP personnel in support of those missions; and for equipment needed for mission support performance. The Department of the Air Force should waive reimbursement from the federal, state and local government agencies for use of these funds.

C-26 AIRCRAFT PHOTO RECONNAISSANCE UPGRADES

The Committee recommends \$11,000,000 only to form fit upgrade the KS-87 sensors on Air National Guard C-26 counter-drug aircraft to electro optical framing capability to include image processing equipment and spares support.

MULTIJURISDICTIONAL TASK FORCE TRAINING

The Committee recommends \$4,000,000 above the budget request for multijurisdictional task force training and Military Police School training at the Criminal Justice Institute.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1998:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Dismantling Cartels	54,306	54,306	.....
Source Nation Support	166,763	180,963	+14,200
National Imagery & Mapping Agency	8,374	7,574	-800
LEA Support (1004)	3,585	18,585	+15,000
Detection & Monitoring	124,686	124,686	.....
Law Enforcement Agency Support	223,589	269,389	+45,800
Gulf States Initiative	3,366	16,166	+12,800
Multi-Jurisdictional Task Force	2,047	6,047	+4,000
Southwest Border Information System .....	.....	5,000	+5,000
Civil Air Patrol	1,175	3,975	+2,800
National Interagency Counterdrug Institute .....	.....	3,000	+3,000
Southwest Border Fence .....	.....	7,000	+7,000
Optionally Piloted Air Vehicle .....	.....	2,500	+2,500
HIDTA Crack House Demolition .....	.....	2,300	+2,300
C-26 Aircraft Photo Reconnaissance Upgrade .....	.....	11,000	+11,000
Non-Intrusive Inspection Systems RDT&E	16,013	11,413	-4,600
Demand Reduction	83,238	83,738	+500
Young Marines Programs	500	1,000	+500
Total, Drug Interdiction and Counter-drug Activities, Defense	652,582	713,082	+60,500

OFFICE OF THE INSPECTOR GENERAL

Fiscal year 1997 appropriation	\$139,157,000
Fiscal year 1998 budget request	138,380,000
Committee recommendation	142,980,000
Change from budget request	+4,600,000

The Committee recommends an appropriation of \$142,980,000 for the Office of the Inspector General. The recommendation is an increase of \$3,823,000 from the amount appropriated in fiscal year 1997.

TITLE VII
RELATED AGENCIES

NATIONAL FOREIGN INTELLIGENCE PROGRAM

INTRODUCTION

The National Foreign Intelligence Program consists of those intelligence activities of the Government which provide the President, other officers of the Executive Branch, and the Congress with national foreign intelligence on broad strategic concerns bearing on U.S. National security. These concerns are stated by the National Security Council in the form of long-range and short-range requirements for the principal users of intelligence, and include political and support to military theater commanders.

The National Foreign Intelligence Program budget funded in the Department of Defense Appropriations Act consists primarily of resources of the Central Intelligence Agency; the Defense Intelligence Agency, the National Reconnaissance Office, the National Security Agency, the National Imagery and Mapping Agency, the intelligence services of the Department of the Army, Navy and the Air Force; the Intelligence Community Management Staff; and the CIA Retirement and Disability System Fund.

CLASSIFIED ANNEX

Because of the highly sensitive nature of intelligence programs, the results of the Committee's budget review are published in a separate, detailed and comprehensive classified annex. The intelligence community, Department of Defense and other organizations are expected to comply fully with the recommendations and directives in the classified annex accompanying the fiscal year 1998 Defense Appropriations bill.

**CENTRAL INTELLIGENCE AGENCY RETIREMENT AND
DISABILITY SYSTEM FUND**

Fiscal year 1997 appropriation	\$196,400,000
Fiscal year 1998 budget request	196,900,000
Committee recommendation	196,900,000
Change from budget request	0

This appropriation provides payments of benefits to qualified beneficiaries in accordance with the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (P.L. 88-643). This statute authorized the establishment of a CIA Retirement and Disability System (CIARDS) for a limited number of CIA employees, and authorized the establishment and maintenance of a Fund from which benefits would be paid to those beneficiaries.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Fiscal year 1997 appropriation	\$129,164,000
Fiscal year 1998 budget request	122,580,000
Committee recommendation	125,580,000
Change from budget request	+3,000,000

This appropriation provides funds for the activities that support the Director of Central Intelligence (DCI) and the Intelligence Community.

COMMITTEE RECOMMENDATION

The budget requested \$122,580,000 for the Intelligence Community Management Account. The Committee recommends \$125,580,000, an increase of \$3,000,000. Details of adjustments to this account are included in the classified annex accompanying this report.

NATIONAL SECURITY EDUCATION TRUST FUND

Fiscal year 1997 appropriation	\$5,100,000
Fiscal year 1998 budget request	2,000,000
Committee recommendation	2,000,000
Change from budget request	0

The National Security Education Trust Fund was established to provide scholarships and fellowships to U.S. students to pursue higher education studies abroad and grants to U.S. institutions for programs of study in foreign areas and languages. The budget requested \$2,000,000. The Committee recommends funding the budget request.

PAYMENT TO KAHO'OLAWA ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

Fiscal year 1997 appropriation	\$10,000,000
Fiscal year 1998 budget request	10,000,000
Committee recommendation	10,000,000
Change from budget request	0

The Committee recommends an appropriation of \$10,000,000 for Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund. The Committee recommendation does not change from the amount appropriated in fiscal year 1997.

TITLE VIII

GENERAL PROVISIONS

The accompanying bill includes 102 general provisions. Most of these provisions were included in the Department of Defense Appropriations Act for fiscal year 1997 and many have been included in the Defense Appropriations Act for a number of years.

Actions taken by the Committee to amend last year's provisions or new provisions recommended by the Committee are discussed below or in the applicable section of the report.

DEFINITION OF PROGRAM, PROJECT AND ACTIVITY

For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the following information provides the definitions of the term "program, project, and activity" for appropriations contained in the Department of Defense Appropriations Act. The term "program, project, and activity" shall include the most specific level of budget items, identified in the Department of Defense Appropriations Act, 1997, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee on Conference, the related classified reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action.

In carrying out any Presidential sequestration, the Department of Defense and agencies shall conform to the definition for "program, project, and activity" set forth above with the following exception:

For Military Personnel and the Operation and Maintenance accounts the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act.

The Department and agencies should carry forth the Presidential sequestration order in a manner that would not adversely affect or alter Congressional policies and priorities established for the Department of Defense and the related agencies and no program, project, and activity should be eliminated or be reduced to a level of funding which would adversely affect the Department's ability to effectively continue any program, project and activity.

MILITARY PERSONNEL BUDGET JUSTIFICATION

The Committee has included Section 8092 in the General Provisions, which directs the Department to forward to the congressional

defense committees a budget justification document for the active and reserve personnel accounts with the fiscal year 1999 budget submission. The Committee directs this "M-1" document to identify at the budget activity, activity group, and subactivity group level, the amounts requested by the President for fiscal year 1999.

LIMITATION ON FIELD OPERATING AGENCIES AND HEADQUARTERS ACTIVITIES

The Committee supports efforts to reduce personnel in headquarters activities, but is concerned some organizations may reassign their personnel to other organizations while those personnel continue to perform the same headquarters mission. The Committee therefore recommends amending a previously-enacted General Provision (Section 8052) to place additional limits on the manner in which personnel shifts can take place. The provision does not affect personnel assigned to a non-headquarters activity who take a rotational assignment at a headquarters for career development purposes.

WARRANTIES

The Committee has included a new general provision, Section 8095, which reduces \$50,000,000 of the funds in the Procurement title of the bill due to the proposed elimination of the requirement in Title X of United States Code mandating warranties for the acquisition of defense weapon systems. A recent General Accounting Office report indicates that the Department of Defense spends \$271,000,000 annually on warranties as required by Title X even though most warranties under this legislation have proven to be not cost-effective. The Defense Department has proposed on numerous occasions that the warranty legislation be repealed, and the General Accounting Office now also makes the same recommendation. The House National Security Committee proposes to repeal the warranty legislation in Title X (Section 2403 of Title 10, United States Code) in the House Defense Authorization Bill for fiscal year 1998, while the Senate Armed Services Committee proposes to modify the warranty legislation in the Senate Defense Authorization Bill for fiscal year 1998 to make it optional rather than mandatory. Thus, there is broad consensus that the warranty requirements of Title X will be removed and the Department of Defense will be able to eliminate cost ineffective warranty provisions from defense weapon system acquisition contracts. The Committee recommends a reduction of \$50,000,000 in anticipation of savings from these actions.

NATIONAL IMAGERY AND MAPPING AGENCY

The National Imagery and Mapping Agency (NIMA) has not complied with previous directives regarding the use of the qualifications based selection process for its contracts for mapping production services. Therefore, a General Provision (Section 8096) is included which requires NIMA to use this selection process, commonly referred to as the Brooks Act, for mapping related services. The Committee has provided an exception to this requirement only for purposes that are critical to national security and after the Dep-

uty Secretary of Defense has submitted a notification report to the Committee on Appropriations explaining the reasons for exceptions to this contracting out provision.

NAVIGATION AND SAFETY EQUIPMENT

Last year, in the wake of the fatal air crash in Croatia involving the Secretary of Commerce, Congress appropriated \$96 million in support of Department of Defense initiative to upgrade its military passenger-carrying aircraft with modern, safety related equipment such as global positioning system receivers, flight data recorders, cockpit voice recorders, ground proximity warning systems, and traffic collision avoidance systems. This was intended to be a high priority effort spanning several years. The Committee is disappointed that, despite the Department's stated commitment to make this program a matter of the highest priority, the Air Force failed to request funds in its fiscal year 1998 budget to fully fund the second phase of this program for troops and passenger aircraft. Instead, the Air Force has identified this program as an unfunded requirement. Accordingly, the Committee has designated in the bill \$20 million only for this program to be derived from funds in the Aircraft Procurement, Air Force account. The Committee directs that these modifications may not be funded from any other programs in this bill for which funds have been added over the budget request, or from the phase I navigational safety modifications contained in the fiscal year 1998 President's Budget. The Committee directs the Secretary of the Air Force to report to the congressional defense committees on sources of the funds 30 days prior to phase II obligations. The Committee has further included a general provision (Section 8098) that directs the Department to submit an aviation safety program plan specifying the appropriate level of safety upgrades required for all DoD aircraft and the associated funding profile no later than November 15, 1997.

TACWAR

The Committee recognizes the importance of theater combat simulations for the purpose of acquiring insight into future force structure decisions and funding choices. However, the Committee is concerned over the adequacy of the models being used by the Department to evaluate and determine these significant future decisions. The Committee is particularly concerned over the outdated nature of the TACWAR model which played a key role in supporting the Quadrennial Defense Review (QDR), and its inability to meaningfully assess asymmetrical U.S. advantages such as stealth, communications and airpower. The committee notes that in testimony before the Congress, all four service chiefs and the Chairman of the Joint Chiefs have testified to the inadequacy of the current DOD models.

The Committee believes it is necessary to direct a thorough, independent review of the current models and modeling structure. As such, in Section 8099 of the bill, the Committee directs the Defense Science Board (DSB) to review the current models used by Department of Defense and report back to the Committee as to 1) the DSB's evaluation of the current models utilized by DOD with par-

particular emphasis on the TACWAR model and its ability to adequately measure airpower, stealth and other asymmetrical U.S. advantages and, 2) DSB recommendations for improvements to current models and modeling techniques. The Committee directs the Department to advise the Congress no later than April 15, 1998 of the best alternatives for theater combat simulations.

HOUSE OF REPRESENTATIVES REPORTING REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives.

CHANGES IN APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions which directly or indirectly change the application of existing law.

Language is included in various parts of the bill to continue ongoing activities which require annual authorization or additional legislation, which to date has not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

The bill includes a number of provisions, which have been virtually unchanged for many years, that are technically considered legislation.

The bill provides that appropriations shall remain available for more than one year for some programs for which the basic authorizing legislation does not presently authorize such extended availability.

In various places in the bill, the Committee has earmarked funds within appropriation accounts in order to fund specific programs and has adjusted some existing earmarkings.

The bill includes a number of provisions which make portions of the appropriations subject to enactment of authorizing legislation.

Those additional changes in the fiscal year 1998 bill, which might be interpreted as changing existing law, are as follows:

APPROPRIATIONS LANGUAGE

Language has been deleted in "Operation and Maintenance, Army" which makes funds available to the Department of the Interior to support the Memorial Day and Fourth of July ceremonies in the National Capital Region.

Language has been amended in "Operation and Maintenance, Navy" which changes the amount available for emergency and extraordinary expenses.

Language has been deleted in "Operation and Maintenance, Defense-Wide" which earmarked funds for federally owned education facilities located on military facilities, and which transferred funds to the Harnett County School Board, Lillington, North Carolina. Language has also been amended to change the amount available for emergency and extraordinary expenses.

Language has been included in the "Overseas Contingency Operations Transfer Fund" to allow the Secretary of Defense to transfer funds from this account to operation and maintenance and working capital funds.

Language has been amended in "United States Court of Appeals for the Armed Forces" to change the amount available for official representation purposes.

Language has been deleted in "Environmental Restoration, Army" which restricted the amount of funds which could be used by the Corps of Engineers for total environmental remediation contracts.

Language has been included in "Former Soviet Union Threat Reduction" which limits the obligational availability of funds in this account.

Language has been deleted for the "Quality of Life Enhancements, Defense" appropriation account.

Language has been included in "Aircraft Procurement, Army" which earmarks funds for UH-60 helicopters for the Army National Guard and for the Navy Reserve.

Language has been deleted in "Procurement of Weapons and Tracked Combat Vehicles, Army" which allowed funds to be obligated for future year V903 diesel engine requirements.

Language has been deleted in "Other Procurement, Army" which allowed funds to be obligated for future year V903 diesel engine requirements and which authorized the procurement of passenger replacement vehicles.

Language has been deleted in "Shipbuilding and Conversion, Navy" which earmarked funds for certain ship programs and includes language which restricts the availability of funds for the overhaul of the CVN-69 and the production of DDG-51 destroyers..

Language has been included in "Other Procurement, Navy" concerning the purchase of passenger motor vehicles for replacement.

Language has been amended in "Procurement, Marine Corps" which changes the number of passenger vehicles to be procured.

Language has been included in "Aircraft Procurement, Air Force" which earmarks funds for navigational safety modifications for Air Force troop and passenger aircraft.

Language has been amended in "Other Procurement, Air Force" which changes the number of passenger vehicles to be procured and the price limitation per vehicle.

Language has been amended in "Procurement, Defense-Wide" to change the number of passenger vehicles to be procured.

Language has been deleted in "Research, Development, Test and Evaluation, Air Force" which earmarked funds for the F-22 two seat variant study and for development of reusable launch vehicle technologies.

Language has been included in "Research, Development, Test and Evaluation, Air Force" which earmarked funds for coal-derived jet fuel technologies.

Language has been included in "Research, Development, Test and Evaluation, Defense-Wide" concerning the Dual-Use Application Program. Language has also been amended to change the amount of funds earmarked for the Navy Upper Tier program.

Language has been amended in “Revolving and Management Funds” to change the name of the “Defense Business Operations Fund” to “Defense Working Capital Funds”.

Language has been deleted from “Defense Health Program” which earmarks funds for obtaining emergency communications funds from the Red Cross and which allows the Secretary of Defense to obligate funds for private physicians to work with the U.S. Army on Desert Storm Syndrome research.

Language has been deleted in “Chemical Agents and Munitions Destruction, Defense” which earmarks funds for the Johnston Atoll off-island leave program and which provides authority for service secretaries to grant travel allowances for participants in the program.

Language has been amended in “Office of the Inspector General” to change the amount available for emergency and extraordinary expenses.

Language has been added to the “Intelligence Community Management Account” which restricts obligational availability of funds for the Advanced Research and Development Committee, the Environmental Intelligence and Applications program, and the National Drug Intelligence Center.

GENERAL PROVISIONS

Section 8006 has been amended to allow transfers to be made between working capital funds and the “Foreign Currency Fluctuations, Defense” appropriation.

Section 8008 has been amended to require formal submission of multiyear contract proposals and to authorize the multiyear procurement of the Family of Medium Tactical Vehicles.

Section 8022 has been amended to change a citation with respect to title 10 of the United States Code.

Section 8030 has been amended to change the amount of overall funding made available to the Civil Air Patrol and the amount available for operation and maintenance.

Section 8031 has been amended to delete language which limits the number of staff years of technical effort which may be funded for defense FFRDCs and amends language directing the Secretary of Defense to reduce the number of staff years to be performed by defense FFRDCs and reduces funds for FFRDCs and consultants by \$141,300,000 in fiscal year 1998.

Section 8044 has been amended to change the title of the appropriation from the “Defense Business Operations Fund” to “Working Capital Funds”.

Section 8045 has been amended to make permanent the prohibition on the use of appropriated funds to modify aircraft, weapons, ships or other end-items of the Military Departments that are planned to be retired or disposed of within five years of the completion of the modification.

Section 8052 has been amended concerning the increase or transfer of DoD personnel assigned to headquarters activities and field operating agencies.

Section 8055 has been included to rescind funds from the following programs:

FISCAL YEAR 1996.	
Shipbuilding and Conversion, Navy:	
AFS ship conversion	\$35,600,000
Other Procurement, Navy:	
Shipboard Tactical Communications	3,300,000
FISCAL YEAR 1997.	
Aircraft Procurement, Army:	
Blackhawk Advance Procurement	10,000,000
Procurement of Ammunition, Army:	
Armament Retooling and Manufacturing Support	5,000,000
Other Procurement, Army:	
20-ton Dump Trucks	40,000,000
Maneuver Control System	6,000,000
Aircraft Procurement, Navy:	
F/A-18E/F Advance Procurement	24,000,000
Other Procurement, Navy:	
Shipboard Tactical Communications	2,200,000
Aircraft Procurement, Air Force:	
Small VCX	27,000,000
Research, Development, Test and Evaluation, Army:	
Aerostat	7,000,000

Section 8062 has been amended to change the amount of the Pentagon Reservation renovation total cost cap.

Section 8076 has been amended to extend the obligational availability of funds for the B-2 program.

Section 8078 has been amended concerning the transfer of funds for the "Shipbuilding and Conversion, Navy" account, and for the "Research, Development, Test and Evaluation, Air Force" account for the F-22 project.

Section 8079 has been amended to require a specific date for the Defense Department Comptroller to submit a report to the congressional defense committees detailing programs whose budget request was reduced because Congress appropriated funds above the budget request in the previous fiscal year.

Section 8082 has been amended concerning the National Guard Distance Learning project.

Section 8084 has been added which makes a technical correction extending the availability of funds appropriated to the Army in the fiscal year 1992 Defense Appropriations Act.

Section 8085 has been added which makes a technical correction extending the availability of funds made available in the fiscal year 1994 Defense Appropriations Act for certain activities at Homestead Air Force Base.

Section 8086 has been added which provides for continuation of the graduate education program at the Air Force Institute of Technology.

Section 8087 has been added concerning the deposit of funds to the Foreign Military Sales Trust Fund for credit to the Canadian Government.

Section 8088 has been added concerning the Fisher House Trust Fund.

Section 8089 has been added which grants authority for refunds from Government travel cards to be credited to operation and maintenance accounts.

Section 8090 has been added which grants authority for withdrawal credits for military customers of the Marine Corps supply activity group.

Section 8091 has been added which allows DoD to pay interest penalties associated with the purchase of supplies, materials, services, and other contractual obligations from the appropriation account which made the purchase.

Section 8092 has been added requiring the Department of Defense to submit budget justification documents for the active and reserve Military Personnel accounts which identifies all requested amounts at the budget activity, activity group, and subactivity levels.

Section 8093 has been added which reduces the "Operation and Maintenance, Army" budget request by \$15,000,000 and the "Operation and Maintenance, Navy" budget request by \$85,000,000 to compensate for excess inventory held by these services.

Section 8094 has been added which reduces the "Environmental Restoration, Army" budget request by \$73,000,000 to reflect funds carried by the Army as a result of shared cleanup costs.

Section 8095 has been added which reduces the budget request by \$50,000,000 to reflect savings from the proposed repeal of Section 2403 of title 10, United States Code.

Section 8096 has been added restricting the use of appropriated funds for the National Imagery and Mapping Agency for mapping, charting, and geodesy activities unless contracts for these services are awarded in accordance with the selection process in 40 U.S.C. 541 et seq. and 10 U.S.C. 2855.

Section 8097 has been added which provides for the use of contract authority in Working Capital Funds of the Department of Defense to support the practice of capital budgeting.

Section 8098 has been added requiring the Secretary of Defense to submit a report on an aviation safety plan.

Section 8099 has been added requiring the Secretary of Defense to submit a report on alternatives for current theater combat simulations.

Section 8100 has been added which restricts the use of Research and Development funding for the procurement of end-items.

Section 8101 has been added which requires the Department of Defense to establish new budget subactivities in the applicable appropriations accounts to separately identify all costs associated with NATO expansion. This section also requires that DoD provide detailed budget justification estimates for the cost of such expansion.

Section 8102 has been added which restricts the obligational availability of funds for the deployment of U.S. ground forces in the Republic of Bosnia and Herzegovina after June 30, 1998 or a later date as specifically proscribed by law. The section also prohibits the use of appropriated funds for support of law enforcement activities in the Republic of Bosnia and Herzegovina and directs the President to submit a report no later than December 15, 1997 on the political and military conditions in the Republic of Bosnia and Herzegovina and restricts the availability of funds for the operation of United States ground forces in Bosnia-Herzegovina to 60 percent of the fiscal year 1998 appropriation before the report is submitted.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following lists the appropriations in the accompanying bill which are not authorized by law:

Military Personnel, Army
Military Personnel, Navy
Military Personnel, Marine Corps
Military Personnel, Air Force
Reserve Personnel, Army
Reserve Personnel, Navy
Reserve Personnel, Marine Corps
Reserve Personnel, Air Force
National Guard Personnel, Army
National Guard Personnel, Air Force
Operation and Maintenance, Army
Operation and Maintenance, Navy
Operation and Maintenance, Marine Corps
Operation and Maintenance, Air Force
Operation and Maintenance, Defense-Wide
Operation and Maintenance, Army Reserve
Operation and Maintenance, Navy Reserve
Operation and Maintenance, Marine Corps Reserve
Operation and Maintenance, Air Force Reserve
Operation and Maintenance, Army National Guard
Operation and Maintenance, Air National Guard
Overseas Contingency Operations Transfer Fund
United States Court of Appeals for the Armed Forces
Environmental Restoration, Army
Environmental Restoration, Navy
Environmental Restoration, Air Force
Environmental Restoration, Defense-Wide
Environmental Restoration, Formerly Used Defense Sites
Former Soviet Union Threat Reduction
Overseas Humanitarian, Disaster, and Civic Aid
Aircraft Procurement, Army
Missile Procurement, Army
Procurement of Weapons and Tracked Combat Vehicles
Procurement of Ammunition, Army
Other Procurement, Army
Aircraft Procurement, Navy
Weapons Procurement, Navy
Procurement of Ammunition, Navy and Marine Corps
Shipbuilding and Conversion, Navy
Other Procurement, Navy
Procurement, Marine Corps
Aircraft Procurement, Air Force
Missile Procurement, Air Force
Procurement of Ammunition, Air Force
Other Procurement, Air Force
Procurement, Defense-Wide
National Guard and Reserve Equipment
Research, Development, Test and Evaluation, Army
Research, Development, Test and Evaluation, Navy

Research, Development, Test and Evaluation, Air Force
 Research, Development, Test and Evaluation, Defense-Wide
 Developmental Test and Evaluation, Defense
 Operational Test and Evaluation, Defense
 Defense Capital Working Fund
 National Defense Sealift Fund
 Defense Health Program
 Chemical Agents and Munitions Destruction, Defense
 Drug Interdiction and Counter-Drug Activities, Defense
 Office of the Inspector General
 Central Intelligence Agency Retirement and Disability System
 Fund
 Intelligence Community Management Account
 Payment to Kaho’olawe Island Conveyance, Remediation and Environmental Restoration Fund
 National Security Education Trust Fund

TRANSFER OF FUNDS

Pursuant to clause 1(b), rule X of the House of Representatives the following is submitted describing the transfer of funds provided in the accompanying bill.

Appropriations to which transfer is made	Amount	Appropriations from which transfer is made	Amount
Operation and Maintenance, Army	\$50,000,000	National Defense Stockpile Transaction Fund.	\$150,000,000
Operation and Maintenance, Navy	50,000,000		
Operation and Maintenance, Air Force	50,000,000		

Language has been included in “Overseas Contingency Operations Transfer Fund” which provides for the transfer of funds out of this account to other appropriation accounts of the Department of Defense.

Language has been included in “Environmental Restoration, Army” which provides for the transfer of funds out of and into this account.

Language has been included in “Environmental Restoration, Navy” which provides for the transfer of funds out of and into this account.

Language has been included in “Environmental Restoration, Air Force” which provides for the transfer of funds out of and into this account.

Language has been included in “Environmental Restoration, Defense-Wide” which provides for the transfer of funds out of an into this account.

Language has been included in “Environmental Restoration, Formerly Used Defense Sites” which provides for the transfer of funds out of and into this account.

Language has been included in “Drug Interdiction and Counter-Drug Activities, Defense” which transfers funds to other appropriations accounts of the Department of Defense.

Language has been included in the “Intelligence Community Management Account” which transfers funds to the Department of Justice.

Section 8078 contains language which transfers funds as follows:

	<i>Amount</i>
Appropriations to which transfer is made:	
Shipbuilding and Conversion, Navy 1989/2000	\$21,572,000
Shipbuilding and Conversion, Navy 1991/2001	24,633,000
Shipbuilding and Conversion, Navy 1996/2000	5,592,000
Shipbuilding and Conversion, Navy 1997/2001	24,160,000
Research, Development, Test and Evaluation, Air Force 1997/98	73,531,000
Total	149,488,000
Appropriations from which transfer is made:	
Shipbuilding and Conversion, Navy 1989/2000	21,572,000
Shipbuilding and Conversion, Navy 1991/2000	24,633,000
Shipbuilding and Conversion, Navy 1994/1998	1,454,000
Shipbuilding and Conversion, Navy 1995/1999	715,000
Shipbuilding and Conversion, Navy 1996/2000	23,983,000
Shipbuilding and Conversion, Navy 1997/2001	3,600,000
Aircraft Procurement, Air Force 1997/1999	73,531,000
Total	149,488,000

Six provisions (Sections 8006, 8014, 8037, 8062, 8064, 8078) contain language which allows transfer of funds between accounts.

RESCISSIONS

Pursuant to clause (b) of rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill.

Aircraft Procurement, Army 1997/1999	\$10,000,000
Procurement of Ammunition, Army 1997/1999	5,000,000
Other Procurement, Army 1997/1999	46,000,000
Aircraft Procurement, Navy 1997/1999	24,000,000
Other Procurement, Army 1997/1999	2,200,000
Aircraft Procurement, Air Force 1997/1999	27,000,000
Shipbuilding and Conversion, Navy 1996/2000	35,600,000
Other Procurement, Navy 1996/1998	3,300,000
Research, Development, Test and Evaluation, Army 1997/1999	7,000,000

CONSTITUTIONAL AUTHORITY

Clause 2(1)(4) of rule XI of the Rules of the House of Representatives states that: "Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the joint resolution."

The Committee on Appropriations based its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states: "No money shall be drawn from the Treasury but in consequence of Appropriations made by law . . ."

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports

submitted under section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	602(b) Allocation		This bill	
	Budget au- thority	Outlays	Budget au- thority	Outlays
Discretionary	248,140	244,574	248,138	244,563
Mandatory	197	197	197	197

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget provided in the accompanying bill.

[In millions of dollars]

Budget authority in the bill	\$248,335
1998	165,067
1999	49,031
2000	18,369
2001	8,002
2002	6,132

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, no new budget or outlays are provided by the accompanying bill for financial assistance to state and local governments.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998

(1) Agency and item	(2) Appropriated, 1997 (enacted to date) 3/	(3) Budget estimates, 1998 2/	(4) Recommended in bill	(5) Bill compared with appropriated, 1997	(6) Bill compared with budget estimates, 1998
TITLE I					
MILITARY PERSONNEL					
Military Personnel, Army	20,633,998,000	20,492,257,000	20,445,381,000	-188,617,000	-46,876,000
Military Personnel, Navy	16,986,976,000	16,501,118,000	16,504,911,000	-482,065,000	+ 3,793,000
Military Personnel, Marine Corps	6,111,728,000	6,147,599,000	6,141,635,000	+ 29,907,000	-5,964,000
Military Personnel, Air Force	17,069,490,000	17,154,556,000	17,044,874,000	-24,616,000	-109,682,000
Reserve Personnel, Army	2,073,479,000	2,024,446,000	2,045,615,000	-27,864,000	+ 21,169,000
Reserve Personnel, Navy	1,405,606,000	1,375,401,000	1,377,249,000	-28,357,000	+ 1,848,000
Reserve Personnel, Marine Corps	388,643,000	381,070,000	391,953,000	+ 3,310,000	+ 10,883,000
Reserve Personnel, Air Force	783,697,000	814,936,000	814,772,000	+ 31,075,000	-164,000
National Guard Personnel, Army	3,266,393,000	3,200,667,000	3,245,387,000	-21,006,000	+ 44,720,000
National Guard Personnel, Air Force	1,296,490,000	1,319,712,000	1,331,417,000	+ 34,927,000	+ 11,705,000
Total, title I, Military Personnel	70,016,500,000	69,411,762,000	69,343,194,000	-673,306,000	-68,568,000
TITLE II					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	17,519,340,000	17,049,484,000	17,078,218,000	-441,122,000	+ 28,734,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	.....	.....
Operation and Maintenance, Navy	20,061,961,000	21,508,130,000	21,779,365,000	+ 1,717,404,000	+ 271,235,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	.....	.....
Operation and Maintenance, Marine Corps	2,254,119,000	2,301,345,000	2,598,032,000	+ 343,913,000	+ 296,687,000

Operation and Maintenance, Air Force	17,263,193,000	18,817,785,000	18,740,167,000	+ 1,476,974,000	-77,618,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)		
Operation and Maintenance, Defense-Wide	10,044,200,000	10,390,938,000	10,066,956,000	+ 22,756,000	-323,982,000
Operation and Maintenance, Army Reserve	1,119,436,000	1,192,891,000	1,207,891,000	+ 88,455,000	+ 15,000,000
Operation and Maintenance, Navy Reserve	886,027,000	834,711,000	924,711,000	+ 38,684,000	+ 90,000,000
Operation and Maintenance, Marine Corps Reserve	109,667,000	110,366,000	119,266,000	+ 9,599,000	+ 8,900,000
Operation and Maintenance, Air Force Reserve	1,496,553,000	1,624,420,000	1,635,250,000	+ 138,697,000	+ 10,830,000
Operation and Maintenance, Army National Guard	2,254,477,000	2,258,932,000	2,313,632,000	+ 59,155,000	+ 54,700,000
Operation and Maintenance, Air National Guard	2,716,379,000	2,991,219,000	2,995,719,000	+ 279,340,000	+ 4,500,000
Overseas Contingency Operations Transfer Fund	1,140,157,000	1,467,500,000	1,855,400,000	+ 715,243,000	+ 387,900,000
United States Court of Appeals for the Armed Forces	6,797,000	6,952,000	6,952,000	+ 155,000	
Environmental Restoration, Army	339,109,000	377,337,000	377,337,000	+ 38,228,000	
Environmental Restoration, Navy	287,788,000	277,500,000	277,500,000	-10,288,000	
Environmental Restoration, Air Force	394,010,000	378,900,000	378,900,000	-15,110,000	
Environmental Restoration, Defense-Wide	36,722,000	27,900,000	27,900,000	-8,822,000	
Environmental Restoration, Formerly Used Defense Sites	256,387,000	202,300,000	202,300,000	-54,087,000	
Overseas Humanitarian, Disaster, and Civic Aid	49,000,000	80,130,000	55,557,000	+ 6,557,000	-24,573,000
Former Soviet Union Threat Reduction	327,900,000	382,200,000	284,700,000	-43,200,000	-97,500,000
Quality of Life Enhancements, Defense	600,000,000			-600,000,000	
Total, title II, Operation and maintenance	79,163,222,000	82,280,940,000	82,925,753,000	+ 3,762,531,000	+ 644,813,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)		
TITLE III					
PROCUREMENT					
Aircraft Procurement, Army	1,348,434,000	1,029,459,000	1,541,217,000	+ 192,783,000	+ 511,758,000
(By transfer - National Defense Stockpile)		(133,000,000)			(-133,000,000)
Missile Procurement, Army	1,041,867,000	1,178,151,000	771,942,000	-269,925,000	-406,209,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued**

(1) Agency and item	(2) Appropriated, 1997 (enacted to date)	(3) Budget estimates, 1998 2/	(4) Recommended in bill	(5) Bill compared with appro- priated, 1997	(6) Bill compared with budget estimates, 1998
Procurement of Weapons and Tracked Combat Vehicles, Army.....	1,470,286,000	1,065,707,000	1,332,907,000	-137,379,000	+267,200,000
Procurement of Ammunition, Army.....	1,127,149,000	890,902,000	1,062,802,000	-64,347,000	+171,900,000
Other Procurement, Army.....	3,172,485,000	2,455,030,000	2,502,886,000	-669,599,000	+47,856,000
Aircraft Procurement, Navy.....	7,027,010,000	5,951,965,000	6,753,465,000	-273,545,000	+801,500,000
(By transfer - National Defense Stockpile).....	.....	(134,000,000)	.....	.....	(-134,000,000)
Weapons Procurement, Navy.....	1,389,913,000	1,136,293,000	1,175,393,000	-214,520,000	+39,100,000
Procurement of Ammunition, Navy and Marine Corps	289,695,000	336,797,000	423,797,000	+134,102,000	+87,000,000
Shipbuilding and Conversion, Navy.....	5,613,665,000	7,438,158,000	7,628,158,000	+2,014,493,000	+190,000,000
Other Procurement, Navy.....	3,067,944,000	2,825,500,000	3,084,485,000	+16,541,000	+258,985,000
Procurement, Marine Corps.....	569,073,000	374,306,000	491,198,000	-77,875,000	+116,892,000
Aircraft Procurement, Air Force.....	6,404,980,000	5,684,847,000	6,386,479,000	-18,501,000	+701,632,000
(By transfer - National Defense Stockpile).....	.....	(133,000,000)	.....	.....	(-133,000,000)
Missile Procurement, Air Force	2,297,145,000	2,557,741,000	2,320,741,000	+23,596,000	-237,000,000
Procurement of Ammunition, Air Force.....	293,153,000	403,984,000	414,884,000	+121,731,000	+10,900,000
Other Procurement, Air Force	5,944,680,000	6,561,253,000	6,588,939,000	+644,259,000	+27,686,000
Procurement, Defense-Wide.....	1,978,005,000	1,695,085,000	2,186,669,000	+208,664,000	+491,584,000
National Guard and Reserve Equipment	780,000,000	.....	850,000,000	+70,000,000	+850,000,000
Total, title III, Procurement.....	43,815,484,000	41,585,178,000	45,515,962,000	+1,700,478,000	+3,930,784,000
(By transfer).....	.....	(400,000,000)	.....	.....	(-400,000,000)

TITLE IV					
RESEARCH, DEVELOPMENT, TEST AND EVALUATION					
Research, Development, Test and Evaluation, Army.....	5,062,763,000	4,510,843,000	4,686,427,000	-376,336,000	+175,584,000
Research, Development, Test and Evaluation, Navy.....	8,208,946,000	7,611,022,000	7,907,837,000	-301,109,000	+296,815,000
Research, Development, Test and Evaluation, Air Force.....	14,499,606,000	14,451,379,000	14,315,456,000	-184,150,000	-135,923,000
Research, Development, Test and Evaluation, Defense-Wide.....	9,362,800,000	9,069,680,000	9,494,337,000	+131,537,000	+424,657,000
Developmental Test and Evaluation, Defense.....	282,038,000	268,183,000	268,183,000	-13,855,000	.....
Operational Test and Evaluation, Defense.....	24,968,000	23,384,000	32,684,000	+7,716,000	+9,300,000
Total, title IV, Research, Development, Test and Evaluation.....	37,441,121,000	35,934,491,000	36,704,924,000	-736,197,000	+770,433,000
TITLE V					
REVOLVING AND MANAGEMENT FUNDS					
DBOF/Defense Working Capital Funds.....	947,900,000	33,400,000	971,952,000	+24,052,000	+938,552,000
Military Commissary Fund, Defense.....	.....	938,552,000	.....	.....	-938,552,000
National Defense Sealift Fund:					
Ready Reserve Force.....	266,000,000	302,000,000	302,000,000	+36,000,000	.....
Acquisition.....	1,162,002,000	889,426,000	897,926,000	-264,076,000	+8,500,000
Total.....	1,428,002,000	1,191,426,000	1,199,926,000	-228,076,000	+8,500,000
Total, title V, Revolving and Management Funds.....	2,375,902,000	2,163,378,000	2,171,878,000	-204,024,000	+8,500,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

Agency and item (1)	Appropriated, 1997 (enacted to date) 3/ (2)	Budget estimates, 1998 2/ (3)	Recommended in bill (4)	Bill compared with appro- priated, 1997 (5)	Bill compared with budget estimates, 1998 (6)
TITLE VI					
OTHER DEPARTMENT OF DEFENSE PROGRAMS					
Defense Health Program:					
Operation and maintenance	9,937,838,000	10,027,582,000	10,035,682,000	+ 97,844,000	+ 8,100,000
Procurement.....	269,470,000	274,068,000	274,068,000	+ 4,598,000	.....
Total, Defense Health Program	10,207,308,000	10,301,650,000	10,309,750,000	+ 102,442,000	+ 8,100,000
Chemical Agents and Munitions Destruction, Defense: 1/					
Operation and maintenance	478,947,000	472,200,000	472,200,000	-6,747,000	.....
Procurement.....	191,200,000	82,200,000	67,200,000	-124,000,000	-15,000,000
Research, development, test, and evaluation.....	88,300,000	66,300,000	56,300,000	-32,000,000	-10,000,000
Total, Chemical Agents.....	758,447,000	620,700,000	595,700,000	-162,747,000	-25,000,000
Drug Interdiction and Counter-Drug Activities, Defense.....	807,800,000	652,582,000	713,082,000	-94,718,000	+ 60,500,000
Office of the Inspector General	139,157,000	138,380,000	142,980,000	+ 3,823,000	+ 4,600,000
Total, title VI, Other Dept of Defense Programs.....	11,912,712,000	11,713,312,000	11,761,512,000	-151,200,000	+ 48,200,000

TITLE VII RELATED AGENCIES						
Central Intelligence Agency Retirement and Disability System Fund.....	196,400,000	196,900,000	196,900,000	+500,000		
Intelligence Community Management Account.....	129,164,000	122,580,000	125,580,000	-3,584,000		+3,000,000
Transfer to Dept of Justice.....	(27,000,000)	(27,000,000)	(27,000,000)			
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund.....	10,000,000	10,000,000	10,000,000			
National Security Education Trust Fund.....	5,100,000	2,000,000	2,000,000	-3,100,000		
Total, title VII, Related agencies.....	340,664,000	331,480,000	334,480,000	-6,184,000		+3,000,000
TITLE VIII GENERAL PROVISIONS						
Additional transfer authority (sec. 8005).....	(2,000,000,000)	(2,500,000,000)	(2,000,000,000)	+37,435,000		(-500,000,000)
Disposal & lease of DOD real property (sec. 8037).....	26,565,000	64,000,000	64,000,000	+29,000,000		
Overseas Military Fac Investment Recovery (sec. 8041).....	1,000,000	30,000,000	30,000,000	-120,000		
National Science Center, Army (sec. 8048).....	120,000	1,000,000	1,000,000	-1,000,000		-1,000,000
Export loan guarantee PGM.....	1,000,000			-22,992,000		-160,100,000
Rescissions (sec. 8055).....	-137,108,000		-160,100,000	-300,000,000		
Coast Guard transfer.....	300,000,000			+150,000,000		
Excess funded carryover.....	-150,000,000			+680,552,000		
RDT&E general reduction.....	-680,552,000			+194,500,000		
Air Force DBOF pass through.....	-194,500,000			+13,272,000		
FFRDC's/consultants (sec. 8031).....	-154,572,000		-141,300,000	-100,000,000		-141,300,000
Weapons of Mass Destruction.....	100,000,000					

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

(1) Agency and item	(2) Appropriated, 1997 (enacted to date) 3/	(3) Budget estimates, 1998 2/	(4) Recommended in bill	(5) Bill compared with appropriated, 1997	(6) Bill compared with budget estimates, 1998
Anti-terrorism, counter-terrorism, and security enhancement activities:					
Emergency funding, FY 1997	230,680,000			-230,680,000	
General reduction	-230,680,000			+230,680,000	
RDT&E, Def-Wide dual-use program	100,000,000	2,000,000	2,000,000	-98,000,000	
Fisher Houses (sec. 8088)		1,000,000	1,000,000	+1,000,000	
Travel Cards (sec. 8089)		5,000,000	5,000,000	+5,000,000	
Warranties (sec. 8095)			-50,000,000	-50,000,000	-50,000,000
Excess Inventory (sec. 8093)			-100,000,000	-100,000,000	-100,000,000
Shared Cleanup Costs (sec. 8094)			-73,000,000	-73,000,000	-73,000,000
Total, title VIII	-788,047,000	103,000,000	-422,400,000	+365,647,000	-525,400,000
Effect of P.L. 105-18:					
Rescissions, FY93 - FY96	-464,102,000			+464,102,000	
Rescissions, FY 1997	-1,270,050,000			+1,270,050,000	
Emergency funding	1,846,200,000			-1,846,200,000	
Non-emergency funding	76,800,000			-76,800,000	
Net total effect of P.L. 105-18	188,848,000			-188,848,000	
Grand total	244,466,406,000	243,523,541,000	248,335,303,000	+3,868,897,000	+4,811,762,000
(By transfer)	(177,000,000)	(577,000,000)	(177,000,000)		(-400,000,000)

BUDGET SCOREKEEPING ADJUSTMENTS					
Adjustment for unappropri'd balance transfer (Stockpile)	150,000,000	550,000,000	150,000,000	.....	-400,000,000
Stockpile collections (unappropriated)	-150,000,000	-150,000,000	-150,000,000	.....	.....
Emergency funding for anti-terrorism (sec. 8137)	-230,680,000	.....	.....	+ 230,680,000	.....
Emergency funding (P.L. 105-18)	-1,846,000,000	.....	.....	+ 1,846,000,000	.....
Total adjustments.....	-2,076,680,000	400,000,000	.....	+ 2,076,680,000	-400,000,000
Total, Department of Defense:	.....	.....	.....	.....	.....
Bill total	244,466,406,000	243,523,541,000	248,335,303,000	+ 3,868,897,000	+ 4,811,762,000
Scorekeeping adjustments.....	-2,076,680,000	400,000,000	.....	+ 2,076,680,000	-400,000,000
Grand total.....	242,389,726,000	243,923,541,000	248,335,303,000	+ 5,945,577,000	+ 4,411,762,000

1/ Included in Budget under Procurement title.

2/ FY 1998 budget request reflects a budget amendment to cover a shortfall in the DHP, as follows:
 Military Personnel -\$62,000,000; O&M -\$199,000,000 and Defense Health Program + \$261,000,000.

3/ FY 1997 enacted reflects new budget authority of \$1,923,000,000 and rescissions of \$1,734,152,000, as enacted in P.L. 105-18.

Note: Grand total includes -\$2,076,680,000 in emergency appropriations and other scorekeeping adjustments resulting from P.L. 105-18.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

(1) Agency and item	(2) Appropriated, 1997 (enacted to date) 3/	(3) Budget estimates, 1998 2/	(4) Recommended in bill	(5) Bill compared with appropriated, 1997	(6) Bill compared with budget estimates, 1998
RECAPITULATION					
Title I - Military Personnel.....	70,016,500,000	69,411,762,000	69,343,194,000	-673,306,000	-68,568,000
Title II - Operation and Maintenance.....	79,163,222,000	82,280,940,000	82,925,753,000	+3,762,531,000	+644,813,000
(By transfer).....	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....
Title III - Procurement.....	43,815,484,000	41,585,178,000	45,515,962,000	+1,700,478,000	+3,930,784,000
(By transfer).....	.....	(400,000,000)	.....	.....	(-400,000,000)
Title IV - Research, Development, Test and Evaluation	37,441,121,000	35,934,491,000	36,704,924,000	-736,197,000	+770,433,000
Title V - Revolving and Management Funds	2,375,902,000	2,163,378,000	2,171,878,000	-204,024,000	+8,500,000
Title VI - Other Department of Defense Programs	11,912,712,000	11,713,312,000	11,761,512,000	-151,200,000	+48,208,000
Title VII - Related agencies	340,664,000	331,480,000	334,480,000	-6,184,000	+3,000,000
Title VIII - General provisions	-788,047,000	103,000,000	-422,400,000	+365,647,000	-525,400,000
(Additional transfer authority)	(2,000,000,000)	(2,500,000,000)	(2,000,000,000)	.....	(-500,000,000)
Net effect of P. L. 105-18	188,848,000	.....	.....	-188,848,000	.....
Total, Department of Defense.....	244,466,406,000	243,523,541,000	248,335,303,000	+3,868,897,000	+4,811,762,000
Scorekeeping adjustments.....	-2,076,680,000	400,000,000	.....	+2,076,680,000	-400,000,000
Grand total.....	242,389,726,000	243,923,541,000	248,335,303,000	+5,945,577,000	+4,411,762,000

Note: Grand total includes -\$2,076,680,000 in emergency appropriations and other scorekeeping adjustments resulting from P. L. 105-18.

DISSENTING VIEWS OF HON. DAVE OBEY

Our former Chairman Jamie Whitten used to insist on referring to this bill as a “military spending” bill as opposed to a “defense” bill. The point being that the “spending” inserted in this bill didn’t always coincide with our country’s highest “defense” priorities. I certainly agreed with him back then, and I think his point is magnified many times by what is happening in today’s era.

Today, despite the collapse of the Soviet Empire, and an 80% drop in Russian military spending; despite the dissipation of other serious conventional military threats from places like Iraq and the slow motion disintegration of the North Korean military; despite Defense Secretary Cohen’s studied conclusion that the United States will have no “global peer competitor” between now and at least the year 2015; and despite clear warnings that we should be paying more attention to new, more insidious threats such as:

- the proliferation of weapons of mass destruction, especially chemical and biological weapons, to rogue states and even to terrorist organizations;

- the proliferation of sophisticated conventional weapons capabilities throughout East Asia, the Middle East and now possibly Latin America;

- the ability of international drug lords to corrupt entire countries and even regions of the world,

- the growing capability of some nations and other groups to conduct “cyber warfare” attacks to disrupt critical computer systems that control our banking system, electric grids, telephone systems, air traffic control system, Wall Street, as well as many battlefield information systems;

despite all of these realities, this Congress continues to plow billions of dollars into systems like the F-22 fighter, the B-2 bomber, and the Seawolf submarine that were literally justified and designed to fight the old Soviet Empire at the height of its military power.

One of the Navy personnel assigned to serve on the brand new \$2.4 billion Seawolf submarine summed up this situation pretty well according to an article in the July 19, 1997 Washington Post. In describing the new Seawolf submarine he said:

This is an incredible system, and although a lot of people complain about the cost of the Seawolf, I think it’s worth every penny * * * Now if we could just find somebody to fight with it.

This couldn’t be more poignant. This submarine is a \$2.4 billion anti-ship weapon that lost its military rationale the day the Berlin Wall fell. It is being built and put into service at the same time we are retiring scores of *Los Angeles* class attack submarines years earlier than planned because the threat has evaporated and they

don't have a bona fide mission. The Seawolf can't be justified on a military basis, yet Congress simply can't kick the military spending habit with the result that billions of taxpayers' money is wasted.

GETTING READY FOR THE WRONG WAR?

But the problem is much deeper than the issue of simply wasting billions of tax dollars on unneeded military systems. The pattern of Congressional military spending since the end of the Cold War raises serious questions as to whether backward-looking Congressional defense policies are causing us to get ready for the wrong war.

This is not a new phenomenon, nor is it unique to the United States. The status quo ethos among military decision makers around the world seems to be one of preparing to re-fight the last war instead of preparing for the next. There are countless examples of this throughout history, including such recent examples as the continued emphasis of the U.S. Navy on battleships prior to World War II instead of moving to air power and aircraft carriers, or the stubborn insistence of the French military to continue to rely on the Maginot Line and outdated tactics in the face of changed German *Blitzkrieg* tactics.

But this problem extends beyond the halls of Congress. History shows that Congress has rarely taken meaningful, comprehensive defense policy initiatives on its own. There is no question that Congress depends on the Pentagon and the Administration to lead the way, with Congress making changes mainly on the margins.

Unfortunately, recent leadership from the Pentagon has been disappointing as well. Service turf battles, bureaucratic momentum, and defense industry politics appear to have hamstrung the Pentagon in the critical task of modernizing its overall defense strategy to meet our new post-Cold War defense challenges. The recently completed Quadrennial Defense Review is a case in point. It missed the opportunity to push us forward. Months of work on the QDR by Pentagon strategists culminated in a familiar "Cold War" vision: a force built around carriers, jets, tanks, and other traditional big ticket items.

Former Reagan Administration official Richard Perle said this about the Quadrennial Defense Review:

the QDR is an extremely important missed opportunity. It is, by and large business as usual * * * I wish we had some radical document but we don't. It nibbled at the edges.

An analyst within the Office of the Secretary of Defense put it more clearly:

the QDR put the profits of defense contractors and the interests of the congressional pork barrel before the welfare of the soldier or the taxpayer. [Defense Week, 6-30-97]

A good question is whether our potential adversaries of the future are also standing pat. For instance, many observers have expressed concern about the future direction of China. Although we should resist the notion of creating a self-fulfilling prophecy about

Chinese foreign and military aspirations, there is also no doubt that Chinese military and foreign policy actions must be watched. In this respect, the Pentagon's Office of Net Assessment says the lessons of Desert Storm were not lost on Chinese military planners. Here is what one press report said about a recent Pentagon study of Chinese military doctrine:

Rather than gird for the open land and air battles at which the United States excels, potential foes can invest in cheap but sophisticated sea mines, jamming gear, and missiles. * * * Instead of tanks, ships, and jets, the Chinese theorists list anti-satellite devices, defenses against stealthy aircraft, lasers, and electronic sabotage equipment as key weapons of the future. [U.S. News, 5-12-97]

Pentagon military planners have made similar assessments. The "Joint Strategy Review" issued by the Joint Staff at the Pentagon was summarized as follows:

[the Joint Strategy Review] projected that potential enemies cannot hope to challenge U.S. forces in head-to-head engagements, and instead would seek to strike at potential U.S. vulnerabilities in protecting its vast information infrastructure, engage in acts of terrorism and develop chemical or biological weapons and the long range launchers to use them. * * * Moreover, the assessment found most combat will take place in urban areas where enemies can easily mix with the population. This reduces the advantages of precision weapons * * * [Defense News, March 30, 1997]

One has to ask why we continue to pour billions into Cold War weapons systems designed to fight a huge Soviet Army on the plains of central Europe when our experts tell us the threats of the future will likely come from a different direction. Continuing these expensive, unnecessary Cold War systems squeezes important programs that do have relevance for our future national security, such as the Nunn-Lugar Cooperative Threat Reduction Program and, more importantly, exacts a price from our other non-defense programs to pay for these extravagances.

PELL GRANTS/CANCER RESEARCH/HIGHWAYS

I for one, think we should take the billions we are wasting in this bill for more B-2 bombers the Air Force doesn't want, for more submarines we don't need, for the F-22 fighter that is being brought into service years earlier than it needs to be, and for many other programs the Pentagon doesn't even have in its five-year spending plan and apply it to Pell Grants to give more of our kids an education.

If we cut out the \$4.7 billion in this bill for redundant Cold War weapons like the F-22 fighter, the new attack submarine, and the B-2 bomber and instead applied it to education and cancer research, we could help over 400,000 more kids go to college under the Pell Grant program, raise their maximum grant from \$3,000 to \$3,900, and, as an added bonus, more than double the NIH cancer research program. This could all be done starting next fiscal year.

If we used the \$20 billion “rainy day” reserve fund that is buried in the five-year DoD procurement budget to fix up our roads and bridges, we could increase national highway investments by 20% a year—creating 200,000 additional jobs and helping the local economy in all 50 states.

That is what the American People would like to spend their money on, and that is what this Committee could decide today if it had the will.

FOLLOW THE MONEY

Why can't we find savings in the military and apply it to these worthy areas?

Why is it that all the rhetoric we hear from our Republican friends about cutting the waste out of government programs and making sure that we are spending only for essential items just seems to melt away when this bill, the single largest spending bill we vote on each year, moves forward?

The answer becomes clearer when you look a little deeper as to where the hundreds of billions of dollars in this bill are spent, and who it benefits. How this bill is put together has much more to do with where the spending occurs and who it is spent on, than what it is for.

There is enormous pressure in Congress to keep the dollars and jobs flowing to the same areas, to the same corporations, for the same systems.

There is also a strong incentive to keep the revolving door going between the Pentagon and the military contractors they have come to know so well.

There is pressure to keep military spending up in vote-rich states like California and Texas.

That all adds up to maintaining the status quo and mis-allocating literally billions of dollars that could be better used for a host of more important national purposes.

I had the GAO pull together some information on where the Defense Department spends its money. They produced an extensive report put out by the DoD Directorate for Information entitled “Atlas/Data Abstract for the United States and Selected Areas” that lists where over \$215 billion in DoD spending for FY 1996 for operating costs like military and civilian payrolls, retired pay, and for military procurement/R&D prime contracts over \$25,000 were spent by state and even within the states. These data aren't perfect, but the report as a whole gives as complete a picture of the geographic distribution of military spending as there is. I would suggest every Member take a look at this report. It explains much about why budget priorities are as they are.

It probably won't surprise anyone that the Southern states and California come out the winners and the Midwest, Mountain, and small New England states come out the losers. But what some may not know is how lopsided the military spending geography is between California and the South on the one hand, and the rest of the country on the other.

TOP 4 STATES GET MORE THAN 38 STATES COMBINED

For instance, according to this report, the top four states receiving DoD funds in FY 1996—California, Virginia, Texas, and Florida—received nearly 40% of the total spent.

State	Amount received (in billions)	Percent of total
1. California	\$31.0	14.5
2. Virginia	21.0	9.8
3. Texas	17.4	8.1
4. Florida	12.6	5.9
Total	82.0	38.3

These four states received more military funds than the sum total of 39 other states (including the District of Columbia):

State	Amount received (in billions)	Percent of total
51. Vermont	\$0.3	0.1
50. Wyoming	0.3	0.1
49. South Dakota	0.4	0.2
48. Montana	0.4	0.2
47. Delaware	0.4	0.2
46. West Virginia	0.5	0.2
45. Idaho	0.5	0.2
44. North Dakota	0.6	0.2
43. Iowa	0.6	0.3
42. Oregon	0.7	0.3
41. Rhode Island	0.8	0.4
40. New Hampshire	0.8	0.4
39. Arkansas	1.0	0.5
38. Wisconsin	1.0	0.5
37. Nebraska	1.0	0.5
36. Nevada	1.1	0.5
35. Utah	1.3	0.6
34. Maine	1.3	0.6
33. Minnesota	1.4	0.7
32. Alaska	1.5	0.7
31. Kansas	1.9	0.9
30. New Mexico	1.9	0.9
29. Michigan	2.1	1.0
28. Tennessee	2.2	1.1
27. Louisiana	2.4	1.2
26. Indiana	2.6	1.2
25. Kentucky	2.6	1.2
24. District of Columbia	2.8	1.3
23. Oklahoma	3.0	1.4
22. Mississippi	3.3	1.5
21. Connecticut	3.3	1.5
20. South Carolina	3.3	1.6
19. Hawaii	3.3	1.6
18. Illinois	3.3	1.6
17. New Jersey	4.0	1.9
16. Alabama	4.1	1.9
15. Colorado	4.2	2.0
14. Arizona	4.8	2.3
13. Ohio	5.1	2.4
Total	179.1	136.8

¹ Does not add due to rounding.

NINE SOUTHERN STATES PLUS CALIFORNIA GET 51%

Split another way, these data are even more striking. The DoD spends over half of its funds (51%) in nine Southern states and California.

State	Amount received (in billions)	Percent of total
California	\$31.0	14.5
Virginia	21.0	9.8
Texas	17.4	8.1
Florida	12.6	5.9
Georgia	8.4	3.9
North Carolina	5.7	2.7
Alabama	4.1	1.9
South Carolina	3.3	1.5
Mississippi	3.3	1.5
Louisiana	2.4	1.1
Total	109.2	50.9

Ten states received about \$109 billion in military spending for FY 1996 and the other 40 states and the District of Columbia received about \$106 billion. Four military dollars are spent in these 10 states for every one dollar spent in the 40 other states.

California alone received more DoD dollars than 26 other states combined.

Virginia alone received more DoD dollars than 22 states combined.

Texas alone received more DoD dollars than 20 states combined.

Florida alone received more DoD dollars than 14 states combined.

Georgia alone received more DoD dollars than 13 states combined.

MILITARY SPENDING—GOP LEADERSHIP CONNECTION

When we see this geographic disparity in the distribution of funds and then compare it to a list of the home states of the persons who sit in the top leadership positions in the Congress, and the states represented by those who control the major military spending committees, it becomes crystal clear why we see the distorted and lopsided spending priorities coming out of this Body.

Many people in the rest of the country are being denied educational opportunities, are not getting their roads and bridges fixed, are drinking contaminated water and worrying about the safety of their food supply because the current House leadership won't cut the billions in pork out of this bill—pork that is headed straight home. Billions that can be cut without hurting our national security.

Even though poll after poll shows the American People want to invest more in education, in the environment, in transportation, and in the National Parks, this Congressional leadership is more than willing to give these national priorities short shrift in order to keep pumping money into this military spending machine.

And, for the same reason, this Congressional leadership will continue its heavy resistance to cutting systems designed for yesterday's military threats to pay for meeting the real threats of tomorrow.

These lopsided military spending patterns combined with the geographic representation of the current House leadership all but ensure that we will continue to see larger than necessary military budgets and status quo military policy guidance from Congress.

The following table depicts key state-by-state data on Department of Defense spending for FY 1996 derived from the Department of Defense report *Atlas/Data Abstract for the United States and Selected Areas, Fiscal Year 1996*.

DOD EST. PAYROLL, CONTRACTS, AND GRANTS BY STATE—FISCAL YEAR 1996

[Dollar amounts in thousands]

State	Total compensation ¹	Total contracts ²	Grants ³	Grand total	State percent of total
1. California	\$12,331,651	\$18,229,724	\$480,332	\$31,041,707	14.46
2. Virginia	11,355,738	9,562,978	73,442	20,992,138	9.78
3. Texas	8,382,520	8,819,096	161,353	17,362,969	8.09
4. Florida	6,669,595	5,862,639	116,062	12,648,296	5.89
5. Missouri	1,630,373	7,093,009	38,523	8,761,905	4.08
6. Georgia	4,332,083	3,965,723	52,833	8,350,639	3.89
7. Maryland	3,264,795	4,136,785	98,039	7,499,619	3.49
8. Washington	3,812,840	2,382,417	48,132	6,243,389	2.91
9. Pennsylvania	2,218,245	3,687,357	89,035	5,994,637	2.79
10. North Carolina	4,259,461	1,421,071	44,667	5,725,199	2.67
11. Massachusetts	842,895	4,674,647	123,102	5,640,644	2.63
12. New York	1,687,611	3,501,013	110,062	5,298,686	2.47
13. Ohio	2,336,540	2,732,748	48,924	5,118,212	2.38
14. Arizona	1,864,504	2,910,935	45,937	4,821,376	2.25
15. Colorado	2,157,396	2,045,076	27,742	4,230,214	1.97
16. Alabama	2,182,770	1,838,276	33,918	4,054,964	1.89
17. New Jersey	1,418,681	2,564,266	44,777	4,027,724	1.88
18. Nebraska	711,294	3,220,337	9,317	3,940,948	1.84
19. Illinois	1,988,147	1,256,010	65,983	3,310,140	1.54
20. Hawaii	2,330,507	928,480	49,911	3,308,898	1.54
21. South Carolina	2,262,837	1,012,497	32,781	3,308,115	1.54
22. Connecticut	613,098	2,638,260	30,492	3,281,850	1.53
23. Mississippi	1,300,819	1,912,106	46,468	3,259,393	1.52
24. Oklahoma	2,171,991	771,232	11,940	2,955,163	1.38
25. District of Columbia	1,236,791	1,482,673	39,589	2,759,053	1.29
26. Kentucky	1,723,007	874,094	14,886	2,611,987	1.22
27. Indiana	1,021,635	1,552,012	31,085	2,604,732	1.21
28. Louisiana	1,333,057	1,077,869	28,537	2,439,463	1.14
29. Tennessee	1,071,609	1,137,232	26,537	2,235,378	1.04
30. Michigan	763,592	1,241,336	108,379	2,113,307	0.98
31. New Mexico	1,168,071	676,391	20,408	1,864,870	0.87
32. Kansas	1,079,437	762,593	12,300	1,854,330	0.86
33. Alaska	878,995	564,890	15,893	1,459,778	0.68
34. Minnesota	393,418	960,361	72,548	1,426,327	0.66
35. Maine	524,536	797,224	10,216	1,331,976	0.62
36. Utah	915,508	394,678	15,570	1,325,756	0.62
37. Nevada	776,969	285,262	4,732	1,066,963	0.50
38. Wisconsin	412,549	551,276	44,655	1,008,480	0.47
39. Arkansas	730,388	249,281	27,155	1,006,824	0.47
40. New Hampshire	239,909	567,892	28,243	836,044	0.39
41. Rhode Island	437,243	333,969	13,163	784,375	0.37
42. Oregon	481,196	202,863	40,326	724,385	0.34
43. Iowa	244,354	370,617	21,547	636,518	0.30
44. North Dakota	438,501	106,089	10,176	554,766	0.26
45. Idaho	346,324	132,517	9,073	487,914	0.23
46. West Virginia	241,691	199,324	20,920	461,935	0.22
47. Delaware	331,551	101,554	12,303	445,408	0.21
48. Montana	297,566	90,611	8,904	397,081	0.18
49. South Dakota	257,727	109,969	5,075	372,771	0.17
50. Wyoming	232,534	91,513	5,314	329,361	0.15

DOD EST. PAYROLL, CONTRACTS, AND GRANTS BY STATE—FISCAL YEAR 1996—Continued
[Dollar amounts in thousands]

State	Total com- pensation ¹	Total con- tracts ²	Grants ³	Grand total	State per- cent of total
51. Vermont	89,800	225,426	6,818	322,044	0.15
Total				214,638,651	100.00

¹ Includes funds for civilian pay, military active duty pay, reserve and National Guard pay, retired military pay.

² Prime contract awards over \$25,000 for civil functions contracts and military functions contracts. Prime contracts are generally reported at the location where the work is performed. For example, if a contractor is located in Nevada and wins a construction job in Utah, the contract will be listed for Utah.

³ Funds obligated by grants, cooperative agreements, or other non-procurement instruments reported at the location where the work is performed.

DAVE OBEY.

