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HOUSE OF REPRESENTATIVES

REPORT
105–591

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1999

R E P O R T

OF THE

COMMITTEE ON APPROPRIATIONS

together with

DISSENTING VIEWS

[To accompany H.R. 4103]

JUNE 22, 1998.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1999

JUNE 22, 1998.—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

together with

DISSENTING VIEWS

[To accompany H.R. 4103]

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, 1999.

BILL TOTALS

Appropriations for most military functions of the Department of Defense are provided for in the accompanying bill for the fiscal year 1999. 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 1999 budget request for activities funded in the Department of Defense Appropriations Bill totals $250,998,803,000 in new budget (obligational) authority. The amounts recommended by the Committee in the accompanying bill total $250,727,097,000 in new budget authority. This is $271,706,000 below the budget estimate and $3,018,575,000 above the sums made available for the same purposes for fiscal year 1998. In addition, the President requested $1,858,600,000 in emergency fiscal year 1999 appropriations. The Committee recommends a total of $1,620,000,000 in emergency fiscal year 1999 appropriations.

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In terms of overall national defense spending for fiscal year 1999, 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 $271.5 billion in discretionary appropriations for the National Defense Function (050) 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. They are also in accord with the House-passed budget resolution for fiscal years 1999–2003. Despite the proposed increase over the fiscal year 1998 appropriation, the Committee notes that with this recommendation funding in the Department of Defense Appropriations Act for fiscal year 1999 will still fail to keep pace with inflation. Total funding in the bill is one percent, or $2.5 billion, less than what would be required to freeze funding at the fiscal year 1998 level, adjusted for inflation. As a consequence, if enacted into law, the Committee's recommendations would result in the fourteenth straight year of real, inflation-adjusted reductions in defense spending.

The new budget authority enacted for the fiscal year 1998, the President's budget estimates, and amounts recommended by the Committee for fiscal year 1999 appear in summary form in the following table:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
RECAPITULATION					
Title I - Military Personnel	69,470,505,000	70,777,086,000	70,551,811,000	+1,081,306,000	-225,275,000
Title II - Operation and Maintenance	82,895,461,000	83,542,237,000	83,942,459,000	+1,046,998,000	+400,222,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....
Title III - Procurement	45,647,215,000	47,849,546,000	48,471,235,000	+2,824,020,000	+621,689,000
Title IV - Research, Development, Test and Evaluation	37,891,324,000	36,078,577,000	35,918,042,000	-1,973,282,000	-160,535,000
Title V - Revolving and Management Funds	2,046,900,000	549,666,000	767,866,000	-1,279,034,000	+218,200,000
(By transfer)	.....	(350,000,000)	(350,000,000)	(+350,000,000)	.....
Title VI - Other Department of Defense Programs	11,821,037,000	11,770,568,000	11,820,381,000	-656,000	+49,813,000
Title VII - Related agencies	354,980,000	360,123,000	355,623,000	+643,000	-4,500,000
Title VIII - General provisions	-2,418,900,000	71,000,000	-1,100,320,000	+1,318,580,000	-1,171,320,000
Total, Department of Defense	247,708,522,000	250,998,803,000	250,727,097,000	+3,018,575,000	-271,706,000
Emergency funding	2,834,775,000	1,858,600,000	1,620,000,000	-1,214,775,000	-238,600,000
Grand total (including emergency funding)	250,543,297,000	252,857,403,000	252,347,097,000	+1,803,800,000	-510,306,000

COMMITTEE BUDGET REVIEW PROCESS

During its review of the fiscal year 1999 budget, the Subcommittee on National Security held a total of 17 hearings during the time period of January 29, 1998 to March 19, 1998. Testimony received by the Subcommittee totaled 1,487 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 fiscal year 1999 budget for the Department of Defense submitted by the President is the first to fully reflect the framework established by last year's Balanced Budget Agreement and the Quadrennial Defense Review (QDR). Accordingly, the fiscal year 1999 budget request before the Committee provides for:

(1) Overall funding levels which increase somewhat over current levels in nominal terms, but which still fail to provide for sufficient resources to offset the effects of inflation (the budget request represents slightly more than a one percent reduction from fiscal year 1998 levels in real, inflation-adjusted terms);

(2) Continued reductions in both active duty and Reserve component military force structure (the tenth consecutive year of proposed cuts in military manpower);

(3) A slight increase in overall funding for operation and maintenance—but inexplicably, within that total there are significant reductions from current levels in funding for many key quality of life and readiness-related programs, such as depot maintenance, base operations, and real property maintenance (as well as military construction and family housing programs, which are addressed by the Committee in separate legislation); and

(4) A slight increase in procurement funding over previously enacted levels (the first such proposed increase in thirteen years), while continuing plans to move into production or advanced development of the next generation of major combat systems.

The Committee therefore notes that the budget submitted by the President, when considered in its entirety, is consistent with previously announced plans and contains no radical departures from what was forecast a year ago.

Last year, while both the long-term fiscal plan (the Balanced Budget Agreement) and the planning framework (the QDR) for national defense were emerging, the Committee observed that in many aspects both the near and long-term outlook for a sensible defense program had improved when compared to previous Administration planning. Nevertheless, the Committee noted with concern that both the budget agreement and the QDR had in all likelihood failed to give sufficient weight to the significant burden, both operational and financial, posed by the continued pace of overseas military deployments and operations. As stated last year, "The Committee is highly skeptical, for example, as to whether the Military Services can in fact draw down planned force structure by an additional 60,000 active duty and 55,000 Reserve service members,

while maintaining forward presence deployments and sustaining high OPTEMPO rates, without sacrificing the quality of the force and adversely affecting the combat capability of frontline units." Regrettably, the Committee concludes that its skepticism is being borne out by events.

The armed forces today are at the lowest manpower levels since the end of World War II. However, they remain forward deployed in key regions and are continuing to sustain the high rates of operational tempo which have become the norm in recent years (for both the Army and Air Force, deployments from home station are three to four times higher than the rates sustained during the 1980's). This condition has been exacerbated by the deployment of U.S. forces on non-traditional peacekeeping missions, such as the Bosnia mission, as well as unexpected operations such as the movement of air, land and naval forces to the Persian Gulf last winter. These 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.

These strains, coupled with the effects of high OPTEMPO on aging equipment inventories, are creating severe challenges to the combat capability and quality of American forces. For example:

(1) Each of the military Service Chiefs have testified before the Committee that it is becoming more difficult to attract, and importantly retain, quality enlisted and officer personnel for the all-volunteer force. And increasingly, the pace of deployments and the lack of essential items needed "to do the job" (adequate equipment, realistic training) are being cited as reasons for departures from the service.

(2) Aging equipment is not only leading to a decline in capability, but to growing problems in weapons maintenance. The mission-capable rate of selected weapons systems in each of the services has dropped steadily since Operation Desert Storm in 1991. This problem is particularly acute for aircraft. Last year, after submission of the budget the Navy and Air Force discovered an aviation spare parts shortfall for fiscal year 1998 in excess of $620 million, due to unexpected problems with older aircraft engines which are being operated at high levels for sustained periods. Even after the Committee added these funds to the fiscal year 1998 appropriations bill, and both the Navy and Air Force increased programmed funding for this problem in their fiscal year 1999 budget submissions, the Navy and Air Force have documented even more funding shortages, over $265 million, for fiscal year 1999 in aviation spare parts.

(3) In addition to this shortfall, the Committee notes that after transmittal of the President's budget, the Service Chiefs provided the Committee with other high priority, unfunded shortfalls for fiscal year 1999 alone totaling nearly $10 billion. Of particular concern, the largest portion of these unfunded needs are in what the Committee considers core readiness categories—funds for training, spare parts, recruitment and retention of personnel, and other basics. The Committee has also been advised that the Department of Defense will soon submit

a fiscal year 1998 reprogramming request in order to move approximately $1 billion into readiness-related accounts.

These and other indicators suggest that despite having proposed increases for selected programs in its fiscal year 1999 budget submission (particularly in procurement, to pursue long-overdue modernization in many categories of equipment), the Department of Defense is still confronting a major near-term readiness problem. In this regard, as well as in weapons modernization (where the proposed fiscal year 1999 budget falls short of the funding levels called for in the QDR just one year ago), the fiscal year 1999 defense budget submission demonstrably falls far short of meeting both the immediate and long-term requirements of the U.S. armed forces.

RATIONALE FOR THE COMMITTEE BILL

When considering its fiscal year 1999 recommendations, the Committee was therefore confronted with three overriding concerns. First, the fiscal year 1999 budget request, while reflecting a nominal increase over fiscal year 1998 levels, still fails to adequately address many critical categories, particularly those directly related to near-term readiness and the preservation of a quality fighting force. These problems must be dealt with in this bill, given the missions assigned to U.S. forces and the resulting operational and fiscal demands on the services. This must also be given high priority because of the increasingly obvious danger signs emanating from forces and commanders in the field.

Second, this year's budget framework significantly constrains the Committee in dealing with these demands. Rather than being able to increase the overall amounts provided for national defense above the budget request, as was done in each of the past three years, the Committee must work within funding levels that approximate those proposed by the President. This has forced the Committee to consider many difficult trade-offs in making its recommendations.

Third, the Committee has determined that even while the President's budget falls short in meeting many readiness and modernization needs of the services, it does propose significant amounts, and in many instances substantial budget growth, for many well-intentioned activities which, while worthy in some instances, are simply not mission-essential. These include a variety of administrative and support activities; consultants and advisory services; new program starts; and several weapons development and acquisition programs which are either duplicative of existing programs, programs started during the Cold War period to counter threats which have since receded in priority, or efforts which are little more than demonstration projects reflecting the predilection of the Department of Defense to indulge its military acquisition bureaucracies. While in and of themselves these may be good or "nice-to-have" programs, the Committee believes they should not be given priority over unfunded programs directly supporting combat readiness or the quality of life of servicemembers and their families. Such a potential misallocation of resources must be dealt with in this bill.

Therefore, in fashioning this bill, the Committee took these considerations 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 as well as 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, which have shown little demonstrable success, which have encountered delays in development or production, or which are duplicative, excessive or unnecessary.

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 recommends additions to the budget request of over $2 billion to address unbudgeted shortfalls identified by the military Service Chiefs in personnel and readiness-related programs. Overall, the Committee proposes additions over the budget request sufficient to redress nearly 40 percent (by dollar amount) of the noncontingency operation-related unbudgeted shortfalls identified by the military Service Chiefs. Specific details are cited throughout this report.

ENSURING A QUALITY, READY FORCE

Personnel Issues: The Committee recommends fully funding the 3.1 percent military pay raise as requested by the Department and has added over $150,000,000 above the budget request for shortfalls in pay, recruiting, and retention programs identified by the services. The Committee has fully funded, and in some instances added funds over the budgeted amount, for all military child care and family support programs.

Military Medical Programs: The Committee recommends fully funding the budget request for the Defense Health Program, and has added more than $350,000,000 over the request for a variety of health care efforts, including $160,000,000 for continuing the Department's efforts in breast cancer research, treatment, and access to care for service personnel and dependents.

Training/OPTEMPO: For active duty forces, the Committee has fully funded the requested amounts for the Services' training and OPTEMPO accounts and has added $60,000,000 over the request for Army training rotations at the National Training Center.

Flying hour/spare parts shortfalls: The Committee recommends increasing funding for aviation depot-level reparables for the Navy and the Air Force by $214,500,000 over the amounts requested in the budget.

Equipment repair/maintenance: The Committee is distressed over the continuing existence of substantial unfunded backlogs in the Services' depot maintenance accounts and has added $300,000,000 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. This bill continues the Committee's efforts in addressing this backlog by providing an increase of $850,000,000 over the budget request for real property maintenance, including funding for barracks and living facilities, continuing the Committee's commitment to revitalizing the Department's base infrastructure.

Defense Drug Interdiction: The Committee recommends $767,595,000, an increase over the budget request of $37,013,000, for Department of Defense counter-drug and drug interdiction programs. This represents nearly a 7.5 percent increase over fiscal year 1998 levels.

"Contingency" operations: The Committee recommends fully funding the request of $746,900,000 for operation and maintenance requirements associated with U.S. operations in Southwest Asia. With regard to funding for Bosnia, the President's budget did not originally contain fiscal year 1999 funding for the U.S. deployment, owing to uncertainty over the mission's duration. Subsequently, the President announced U.S. forces will remain in Bosnia for the foreseeable future, and he has submitted a fiscal year 1999 budget amendment totaling $1,858,600,000 in emergency appropriations for Bosnia operations. The Committee defers action on this request at this time, owing to continued uncertainty over the duration and conditions of U.S. activities in the Balkans region, particularly in light of the situation in Kosovo.

MODERNIZATION PROGRAMS

In previous years, Department of Defense officials conceded the most serious shortcomings in planned budgets was in those accounts providing for procurement and research and development of new equipment and technologies. The fiscal year 1999 budget request proposes increases of nearly $3 billion from fiscal year 1998 levels for modernization programs. As discussed earlier in this report, the Committee bill emphasizes funding for unfunded personnel and readiness requirements. Nonetheless, modernization shortfalls still persist, and based on extensive testimony as well as a concerted effort to identify critical shortfalls in existing requirements, the Committee recommends increases to the 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 to the budget request of over $800 million for procurement programs (after accounting for zero-sum transfers between accounts).

The most significant recommendations include:

Missile defense: The Committee recommends total funding of $3,354,320,000 for the Ballistic Missile Defense Organization. This total includes $950,473,000 for national missile defense and

$2,403,847,000 for theater systems. The Committee has provided $415,694,000 for the Theater High Altitude Air Defense (THAAD) program, a reduction of $406,000,000 from the budget request due to the continued series of flight test failures. A total of $340,446,000, an increase of $150,000,000 over the budget request, is proposed for the Navy Theater-Wide (Upper Tier) program. The Committee has fully funded the budget request for MEADS, the joint U.S.-Israel ARROW missile defense program, and the Air Force's Airborne Laser program.

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 through "cooperative engagement" (the sharing of tracking and targeting information among many different platforms), and has provided $268,400,000 for these programs, an increase of $89,500,000 over the budget request.

Major weapons programs: The Committee recommends fully funding the budget request for: the Army's Crusader next-generation artillery system, the Navy's E–2C aircraft program, one New Attack Submarine, initial funding for the CVN–77 aircraft carrier, and procurement of one LMSR sealift ship. The Committee has also funded the requested number of Army M1A2 tank upgrades, Navy T–45 aircraft, Marine Corps AV–8B Harrier fighters, and Air Force F–22 fighter and C–17 transport aircraft; provided an additional seven C–130J variants over the budget request for the Marine Corps, Air Force, and Air National Guard pursuant to House authorization action; and has fully funded the budget request for the Joint Strike Fighter.

The Committee has added funds to procure additional aircraft over the budget request, such as Army and Navy H–60 helicopters, the Marine Corps V–22 tactical transport, and Air Force F–16 fighters. The Committee has also added funds over the request for Army multiple rocket launch system (MLRS) launchers and Comanche helicopter development, upgrades to existing B–2 bombers, long-lead production of JSTARS surveillance aircraft, and safety and engine reliability upgrades for Air Force aircraft programs.

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 tactical radios ($41,000,000), night vision devices ($9,000,000), and Bradley fighting vehicle upgrades ($86,000,000) for the Army; new HMMWV vehicles for the Army and Marine Corps ($79,800,000); Army, Navy and Marine Corps ammunition (an increase of $134,500,000); modifications and upgrades for EA–6B ($39,000,000) and P–3 aircraft ($72,400,000) for the Navy; initial issue equipment ($60,000,000) for the Army and Marine Corps; and base telecommunications upgrades for the Marine Corps and Air Force ($54,000,000).

Guard and Reserve Components: The Committee bill continues its support of the Guard and Reserve, with recommended increases of $280,200,000 over the budget request for selected personnel and operation and maintenance programs. With respect to modernization programs, the Committee provides $1,334,100,000 for equipment requested in the budget for the Guard and Reserve compo-

nents, and has provided an additional $832,500,000 above the budget request throughout the bill for aircraft, tactical vehicles, 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 spending wherever possible in the Department of Defense are even more important. This is due to the need to address critical unfunded shortfalls in the fiscal year 1999 budget submission, many directly affecting readiness and quality of life programs.

Accordingly, a major priority throughout the Committee's budget oversight process has been the identification of lower priority programs which, although they in some instances 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 has looked to accelerate already-planned initiatives under the QDR. 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 program delays; the program having a relatively low priority; program duplication; or where the requested funding is excessive due to fact-of-life changes or when compared to previously enacted levels.

Program	*Reduction*
Military/civilian personnel underexecution	−$433,800,000
THAAD	−$406,000,000
Consultants and advisory services	−$342,100,000
Military advance pay	−$301,000,000
Fuel price re-estimates	−$295,000,000
Overbudgeting for legacy computer systems	−$298,100,000
Foreign currency re-estimates	−$214,600,000
Revised inflation estimates	−$204,100,000
Joint Aerostat Program	−$103,500,000
Growth in basic research	−$69,338,000
JSOW Unitary	−$65,000,000
Growth in FFRDC's	−$62,000,000
Army anti-tank weapons development	−$61,099,000
NATO RDT&E	−$44,044,000
Defense dual use and commercialization programs	−$47,700,000
Inappropriate budgeting/working capital funds	−$34,566,000
Environmental fund recoupment	−$35,000,000

Reform/restructuring: The Committee notes that DoD, with more than 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 the Department intends to make 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.

Program	*Reduction*
Headquarters activities	−$223,200,000
Travel/TDY expenses	−$132,400,000
Personnel management programs	−$59,600,000
Overseas disaster aid	−$7,200,000

Program/budget execution: In addition to the reductions cited above, the Committee proposes more than 200 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 $3 billion in savings in this legislation.

YEAR 2000 AND INFORMATION SECURITY ISSUES

The Committee bill recommends a new title and provides an emergency appropriation of $1,600,000,000 to ensure that the information technology and national security systems of the Department of Defense and the Intelligence Community are prepared for the year 2000 (or Y2K) date change and are secure against unwanted intrusion. In addition, the Committee recommends two general provisions that relate to ensuring year 2000 compliance and to evaluating year 2000 compliance in major military exercises. From the time of Committee action on this bill, there are only eighteen months remaining during which the year 2000 problem will be transformed from hypothesis to reality. The Committee believes it would be irresponsible not to make available, as soon as possible, additional funding which could be used during fiscal year 1999 to implement and test essential fixes to national security-related information systems, as well as to develop contingency plans to ensure continuity of essential operations in the event needed fixes are not in place. Additional information on this initiative can be found in the portion of this report dealing with title IX.

DOMESTIC RESPONSE TO WEAPONS OF MASS DESTRUCTION

The Committee has strongly supported efforts to strengthen domestic capabilities to defend against and respond to a terrorist or rogue state attack on U.S. cities using chemical, biological, or even radiological weapons. While not employing such weapons (referred to as weapons of mass destruction, or WMD), the 1993 terrorist bombing of the World Trade Center in New York and the 1995 bombing of the Murrah Federal Building in Oklahoma City portend the tremendous response necessary if a weapon of mass destruction is used in the United States. Few communities, including military installations and facilities, have the full array of response assets and expertise required to adequately deal with the effects of these weapons or the necessary depth to sustain their response operations. Any WMD incident would require extraordinary and mas-

sive efforts from local, state, federal, and private organizations to meet the technological, medical, and engineering demands posed by such attacks.

The Committee has been encouraged by the leadership exercised by the Secretary of Defense and by the Administration to initiate the first steps towards building a credible WMD domestic preparedness system. The Department has prepared a conceptual plan outlining the expertise and resources the DoD is willing and able to provide to assist state and local authorities in this respect, and is beginning to organize, train, and equip special units in the Reserve Components and elsewhere to provide this assistance. The fiscal year 1999 budget request includes $49,200,000 to initiate this effort.

The Committee is becoming concerned, however, that lower levels within the Administration may be losing the sense of urgency and priority to implement this major initiative. Signs of bureaucratic resistance, parochialism, and inattention are starting to appear as the more than 40 federal departments, agencies, and bureaus involved in combating terrorism and the hundreds of state and local first responder organizations begin to work out the details of designing new and better WMD emergency response plans. Most troubling is the fact that the Federal Emergency Management Agency, originally designated to lead the coordinated federal effort to enhance WMD preparedness, has decided to withdraw from that role and a successor lead agency has yet to be named. Within the Department of Defense, the Committee notes the internal bureaucratic delays that were evident in initiating basic WMD preparedness planning studies funded by this Committee. The Committee urges the Secretary to renew his directives to all Defense Department officials charged with implementing this program that this is a top priority initiative and that bureaucratic intransigence and delay will not be tolerated.

Fiscal Year 1999 WMD Domestic Preparedness Budget Request: The budget requests a total of $49,200,000 to support the Reserve Components' participation in WMD domestic preparedness and response. This is contained in 14 separate appropriations accounts as follows:

[In thousands of dollars]

Military Personnel:	
Military Personnel, Army	100
Reserve Personnel, Army	820
National Guard Personnel, Army	13,450
Military Personnel, Navy	100
Military Personnel, Air Force	100
National Guard Personnel, Air Force	50
Total, MILPERS	14,620
Operation and Maintenance:	
O&M, Army	10,200
O&M, Army Reserve	5,080
O&M, Army National Guard	10,400
O&M, Navy	400
O&M, Air Force	400
O&M, Air Force Reserve	300

O&M, Air National Guard	900
Total, O&M	27,680
Procurement, Defense-Wide (for contamination avoidance)	6,900
Total funding request	49,200

These funds are expected to fund the following activities:

(a) Rapid Assessment and Initial Detection teams ($19,900,000): This funding establishes ten Army National Guard RAID teams in selected states to support civil authorities and FEMA in managing the effects of a WMD event. Additional RAID teams will be established in subsequent years.

(b) Patient Decontamination and Reconnaissance ($15,900,000): This funding establishes and trains Army National Guard, Air National Guard, Army Reserve, and Air Force Reserve patient decontamination teams and Army National Guard and Army Reserve reconnaissance teams for WMD search and detection. These teams will be made up of personnel from existing chemical companies and medical decontamination teams and will support the RAID teams and augment other civil authorities when necessary.

(c) WMD Program Office ($6,900,000): This funding establishes a 14-person Reserve Component Program Integration Office to oversee and coordinate the WMD response program.

(d) Medical, Training and Simulation ($6,500,000): This funding supports the conduct of two additional Army WMD agent casualty training programs and the initial purchase of response kits for medical specialists; upgrades Army Reserve simulation systems to incorporate WMD effects; and supports additional training for Service Emergency Preparedness Liaison Officers.

Committee Recommendation: Since the President's budget request was formulated, the Committee is aware that additional planning work and detailed discussions with state and local officials have taken place which have identified additional procurement, research and development, and training requirements. The Committee therefore recommends an additional $35,000,000 above the budget request as follows:

O&M, Army National Guard: Consequence management	+$3,000,000
O&M, Army: Consequence management	+2,000,000
Procurement, Defense-Wide: Consequence management	+15,000,000
Research, Development, Test and Evaluation, Army: Consequence management	+15,000,000

Operation and Maintenance: The Committee believes it is particularly important that the National Guard develops close cooperative relationships in this new area with state and local first responders—fire service, emergency medical service, police, and medical personnel—who have the main responsibility for responding to these events. The Committee has added $5,000,000 to assist in this effort by supporting training of first responders on the use of National Guard—provided assets and development of WMD sustainment training for first responders.

Procurement: The Committee has added $15,000,000 in procurement funding to enable the Department to undertake a more vigorous effort to procure (1) chemical-biological protection gear to better

protect local first responders, (2) chemical/biological agent detection kits for first responders, and (3) antidote stockpiles.

Research and Development: The Committee has also added $15,000,000 to the budget request for important research and development work to enhance the future WMD response program. In particular, funds are to be used to conduct interoperability simulations and exercises for domestic response with the National Guard supporting state and local response organizations. Funds are also to be used to plan and design a secure, wireless communications infrastructure that is interoperable between all designated first responders, the National Guard, and other state and federal organizations. In addition, funds shall be used to develop better command, control, and communications links between first responders and the National Guard using the National Guard RCAS and DLN networks. The Committee believes the proposal to establish an Early Responders Distance Learning Training Center in Philadelphia using the National Guard's distance learning network to train local firefighters and other first responders on how to contain and control WMD damage could be an excellent demonstration of this concept. The Committee also believes the Army should use these funds to evaluate the utility of outfitting the Memorial Tunnel near Charleston, West Virginia as a cost effective counterterrorism testing and training facility. The Federal Highway Administration has used this closed highway tunnel to study the dynamics of fire and smoke mitigation in confined spaces, and it could be a valuable asset for similar WMD training and research activities.

NEW START NOTIFICATION

For a third consecutive year, the Committee finds that it must again address failures of the Department of Navy specifically, and the Department of Defense generally, to follow the proper procedures for initiation of new start programs. Last year, after the Committee expressed its concern over the Navy's initiation of two new start programs without prior notification to Congress, the Secretary of the Navy wrote to the Committee that, "while we have longstanding policy guidance regarding budget execution, it will be reinvigorated so that all of our involved organizations follow established DoD policies and procedures regarding changes to Congressionally approved programs, as well as new start programs." During the course of its review of the Department of Navy's budget this year, the Committee has learned of three additional cases in which the Department has initiated new programs, representing billions of dollars of potential expenditure, without prior notification to Congress. Further, the Committee has also learned of similar unapproved new start programs within the Air Force and DARPA. Particularly disturbing to the Committee are unapproved new starts in classified, "special access" programs.

To fulfill its constitutional responsibilities, Congress must know prior to the obligation of any funds when the Department plans to start programs, projects, subprojects or modifications that were not specifically explained in the budget justification material supporting a Presidential budget request for which a subsequent appropriation was made. New starts pertain to specific appropriation line-items and include any new programs, projects, subprojects, or

modifications that were not disclosed to Congress in the justification material. A new start occurs even when such activities may be funded in another appropriation belonging to the same or different military department or defense agency. Since the existing DoD financial management policies governing the new start notification process have failed, the Committee bill includes a new general provision (Section 8103) which prohibits compensation of any DoD employee who initiates a new start program without following the proper procedures required by the DoD financial management regulations. The Committee believes that DoD's acquisition and comptroller organizations, especially at the levels most directly responsible for approval of the obligation of funds, must institute improved management controls to ensure the existing regulations are carefully followed. The Committee is prepared to work with DoD to develop effective enforcement mechanisms for the new start approval process.

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 Reprogramming (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 of if otherwise specifically addressed in the conference report.

COMMITTEE RECOMMENDATIONS BY MAJOR CATEGORY

ACTIVE MILITARY PERSONNEL

The Committee recommends a total of $60,911,876,000 for active duty military personnel, a net reduction of $287,000,000 below the budget request. The Committee has funded the authorized end strength as requested in the President's budget, and has fully funded the proposed pay raise of 3.1 percent. The Committee also recommends $82,200,000 over the budget request for recruiting and retention incentives for military personnel.

GUARD AND RESERVE

The Committee recommends a total of $9,639,935,000, a net increase of $61,725,000 above the budget request for Guard and Reserve personnel. The Committee has funded the authorized end strength as requested in the President's budget for Selected Reserve, and has included funding to provide for additional personnel for the Army Reserve, Navy Reserve, and Army National Guard. The Committee has also fully funded the proposed pay raise of 3.1 percent.

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 servicemembers and their families.

The Committee recommends $83,942,459,000, a net increase of $400,222,000 above the fiscal year 1999 budget request. As described elsewhere in this report, this increase is driven primarily by the need to address shortfalls in Navy and Air Force flying hours, readiness training, depot-level maintenance, and infrastructure maintenance and repairs. The Committee also recommends reductions from the budget request as a result of fact of life changes such as declining world-wide petroleum prices, civilian personnel under strength and for headquarters and administrative activities, and for lower priority operation and maintenance-funded activities.

PROCUREMENT

The Committee recommends $48,471,235,000 in obligational authority for programs funded in Title III of the bill, Procurement, a net increase of $621,689,000 over the fiscal year 1999 budget request. Major programs funded in the bill include the following:

$297,320,000 for 30 UH–60 Blackhawk helicopters
$570,096,000 for Apache Longbow modifications
$313,325,000 for 2,000 Hellfire missiles
$319,988,000 for 3,316 Javelin missiles
$110,387,000 for 24 MLRS launchers
$371,844,000 for Bradley fighting vehicle upgrades
$666,603,000 for M1A2 tank upgrades
$58,476,000 for 1,000 HMMWV vehicles
$51,212,000 for SINCGARS tactical radios
$279,513,000 for 12 AV–8B strike aircraft
$2,568,083,000 for 27 F–18E/F fighters
$144,027,000 for 6 CH–60 helicopters
$267,167,000 for 15 T–45 trainers
$341,033,000 for P–3 modifications
$260,652,000 for 5 Trident II strategic missiles
$39,506,000 for 54 SLAM-ER missiles
$205,702,000 for 120 Standard missiles
$1,498,165,000 for 1 New Attack Submarine
$2,662,078,000 for 3 DDG–51 class destroyers
$812,618,000 for Marine Corps equipment
$525,094,000 for 2 F–22 fighters
$2,596,992,000 for 13 C–17 airlift aircraft
$463,051,000 for 2 JSTARS aircraft
$114,492,000 for 15 Predator UAVs
$60,000,000 for 2 F–16 aircraft
$341,070,000 for C–135 Modifications
$275,869,000 for B–2 modifications
$461,382,000 for 8 C–130J airlift aircraft
$93,727,000 for 180 AMRAAM missiles
$1,961,883,000 for ammunition
$303,235,000 for 40 PAC–3 missiles

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The Committee recommends $35,918,042,000 for Research, Development, Test and Evaluation. Major programs funded in the bill include the following:

$313,166,000 for the Crusader artillery system

$391,823,000 for the Comanche helicopter
$919,539,000 for the Joint Strike Fighter
$321,600,000 for the New Attack Submarine
$186,123,000 for cooperative engagement capability
$148,165,000 for ship self-defense
$292,219,000 for the Airborne Laser program
$1,582,217,000 for the F–22 fighter
$550,940,000 for the Milstar satellite system
$340,466,000 for the Navy Upper Tier missile defense program
$950,473,000 for National Missile Defense
$415,694,000 for Theater High Altitude Area Defense (THAAD)
$177,265,000 for PAC–3
$245,796,000 for Navy Area-Wide missile defense

FORCES TO BE SUPPORTED

DEPARTMENT OF THE ARMY

The fiscal year 1999 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 (6 enhanced brigades will be aligned under 2 AC/ARNG integrated division headquarters). 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		
	1997	1998	1999
Divisions:			
Airborne	1	1	1
Air Assault	1	1	1
Light	2	2	1/1(−)
Infantry	0	0	0
Mechanized	4	4	4
Armored	2	2	2
Total	10	10	10
Non-division Combat units:			
Armored cavalry regiments	3	3	3
Separate brigades	0	0	1
Total	3	3	4
Active duty military personnel, end strength (thousands)	495	488	480

DEPARTMENT OF THE NAVY

The fiscal year 1999 budget supports battle forces totaling 315 ships at the end of fiscal year 1999, a decrease of 18 ships from fiscal year 1998. Forces in fiscal year 1999 include 18 strategic submarines, 11 aircraft carriers, 245 other battle force ships, 324 reserve force ships, 1,871 Navy/Marine Corps tactical/ASW aircraft, 648 Undergraduate Training aircraft, 469 Fleet Air Training aircraft, 242 Fleet Air Support aircraft, 442 Reserve aircraft, and 456 aircraft in the pipeline.

A summary of the major forces follows:

	Fiscal year		
	1997	1998	1999
Strategic Forces	18	18	18
Submarines	18	18	18
Other	0	0	0
SLBM Launchers	432	432	432
General Purpose	292	271	256
Aircraft Carriers	11	11	11
Surface Combatants	118	107	106
Submarines (Attack)	73	65	57
Amphibious Warfare Ships	39	38	37
Combat Logistics Ships	40	39	34
Other	11	11	11
Support Forces	26	26	23
Mobile Logistics Ships	6	6	4
Support Ships	20	20	19
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	354	333	315
Total Local Defense/Misc Forces	165	167	163
Auxiliaries/Sealift Forces	143	144	138
Surface Combatant Ships	3	2	2
Coastal Defense	13	13	13
Mobilization Category B	6	8	10
Surface Combatants	0	0	0
Mine Warfare Ships	6	8	10
Support Ships	0	0	0
Naval Aircraft:			
Primary Authorized (Plus-Pipe)	4,072	4,204	4,128
Authorized Pipeline	465	476	456
Tactical/ASW Aircraft	1,730	1,873	1,871
Fleet Air Training	475	489	469
Fleet Air Support	303	247	242
Training (Undergraduate)	654	675	648
Reserve	445	444	442
Naval Personnel:			
Active	569,470	559,881	544,896
Navy	395,564	386,894	372,696
Marine Corps	173,906	172,987	172,200
Reserve:			
Navy	95,317	94,294	90,843
SELRES	78,660	78,158	75,253

	Fiscal year		
	1997	1998	1999
TARS	16,657	16,136	5,590

DEPARTMENT OF THE AIR FORCE

The fiscal year 1999 Air Force budget is designed to support a total active inventory force structure of 50 fighter and attack squadrons, 6 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 1999 MAJOR FORCES

[Includes only Combat Coded Squadrons]

	1997	1998	1999
USAF fighter and attack (Active)	52	51	50
USAF fighter and attack (ANG and AFRC)	36	36	35
Air defense interceptor (ANG)	10	10	6
Strategic bomber (Active)	9	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	13	13	13
Tactical airlift	11	9	9
Total airlift	24	22	22
Total Active Inventory [1]	6,337	6,242	6,207

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

End strength	1998	1999
Active Duty	371,577	370,882
Reserve Component	180,786	181,233
Air National Guard	107,355	106,991
Air Force Reserve	73,431	74,242

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 as Quadrennial Defense Review reductions are implemented. The budget proposes to reduce approximately 23,500 active duty personnel, and 9,000 Guard and Reserve personnel, a decline of one percent from fiscal year 1998 end strength levels. The Committee recommends fully funding the proposed 3.1 percent pay increase. In addition, the Committee provides $272,600,000 over the budget request for specific shortfalls in the active and reserve military personnel accounts that were identified by the Services as being readiness priorities.

SUMMARY OF MILITARY PERSONNEL RECOMMENDATIONS FOR FISCAL YEAR 1999

Fiscal year 1998	$69,470,505,000
Fiscal year 1999 budget request	70,777,086,000
Fiscal year 1999 recommendation	70,551,811,000
Change from budget request	−225,275,000

The Committee recommends an appropriation of $70,551,811,000 for the Military Personnel accounts. The recommendation is an increase of $1,081,306,000 above the $69,470,505,000 appropriated in fiscal year 1998. 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 1999 MILITARY PERSONNEL RECOMMENDATION

[In thousands of dollars]

Account	Budget	Recommendation	Change from budget
Military Personnel:			
Army	$21,002,051	$20,908,851	−$93,200
Navy	16,613,053	16,560,253	−52,800
Marine Corps	6,272,089	6,241,189	−30,900
Air Force	17,311,683	17,201,583	−110,100
Subtotal, Active	61,198,876	60,911,876	−287,000
Reserve Personnel:			
Army	2,152,075	2,171,675	+19,600
Navy	1,387,379	1,427,979	+40,600
Marine Corps	401,888	403,513	+1,625

SUMMARY OF APPROPRIATION ACCOUNT OF THE FISCAL YEAR 1999 MILITARY PERSONNEL RECOMMENDATION—Continued

[In thousands of dollars]

Account	Budget	Recommendation	Change from budget
Air Force	856,176	850,576	−5,600
National Guard Personnel:			
Army	3,404,595	3,413,195	+8,600
Air Force	1,376,097	1,372,997	−3,100
Subtotal, Guard and Reserve	9,578,210	9,639,935	+61,725
Total, Title I	70,777,086	70,551,811	−225,275

The fiscal year 1999 budget request included a decrease of 23,512 end strength for the active forces and a decrease of 9,020 end strength for the selected reserve from fiscal year 1998 authorized levels.

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

OVERALL ACTIVE END STRENGTH

Fiscal year 1998 estimate	1,419,290
Fiscal year 1999 budget request	1,395,778
Fiscal year 1999 House authorization	1,406,722
Fiscal year 1999 recommendation	1,395,778
Compared with Fiscal year 1998	−23,512
Compared with Fiscal year 1999 budget request	.....

OVERALL SELECTED RESERVE END STRENGTH

Fiscal year 1998 estimate	886,114
Fiscal year 1999 budget request	877,094
Fiscal year 1999 House authorization	878,094
Fiscal year 1999 recommendation	878,290
Compared with Fiscal year 1998	−9,020
Compared with Fiscal year 1999 budget request	+1,196

	Fiscal year 1998 estimate	Fiscal year 1999			
		Budget request	House authorization	Recommendation	Change from request
Active Forces (end strength):					
Army	488,000	480,000	484,800	480,000	.....
Navy	386,894	372,696	376,423	372,696	.....
Marine Corps	172,987	172,200	173,922	172,200	.....
Air Force	371,409	370,882	371,577	370,882	.....
Total, Active Force	1,419,290	1,395,778	1,406,722	1,395,778	.....
Guard and Reserve (end strength):					
Army Reserve	208,000	208,000	209,000	209,000	+1,000
Navy Reserve	94,294	90,843	90,843	91,039	+196
Marine Corps Reserve	40,855	40,018	40,018	40,018	.....
Air Force Reserve	73,447	74,242	74,242	74,242	.....
Army National Guard	361,516	357,000	357,000	357,000	.....
Air National Guard	108,002	106,991	106,991	106,991	.....
Total, Guard and Reserve	886,114	877,094	878,094	878,290	+1,196

ADJUSTMENTS TO MILITARY PERSONNEL ACCOUNT

OVERVIEW

END STRENGTH ADJUSTMENTS

The Committee recommends an understrength reduction of $174,800,000 to the budget request, as a result of a General Accounting Office review of the fiscal year 1999 military personnel end strength levels. The General Accounting Office has been examining the costs for military pay and allowances to determine if the fiscal year 1999 requirements are correct. It has concluded, based on March 1998 end strength projections, that the active and Reserve components will begin fiscal year 1999 with approximately 14,700 fewer military personnel on-board than budgeted. In addition, actual data shows active military personnel on-board, by grade mix, is different than was requested in last year's budget request. This means the fiscal year 1999 pay and allowances requirements for personnel are incorrect and the budgets are overstated. The Committee will continue to monitor the Services' end strength levels as more current data becomes available.

MILITARY ADVANCE PAY

The budget requested a total of $301,000,000 for the active component's personnel accounts in order to implement a change in the accounting procedure when the Services provide military members an advance on their pay associated with permanent change of station moves. The Department of Defense General Counsel's Office, however, has revisited this issue and now concludes that a change in the accounting procedure is not necessary. Therefore, the Committee recommends a reduction of $301,000,000 to the active military personnel accounts for advance pay.

FOREIGN CURRENCY

The Committee recommends a reduction of $20,900,000 in the active duty military personnel accounts due to savings from more favorable exchange rates overseas through fiscal year 1999.

UNFUNDED REQUIREMENTS

The Committee recommends an increase of $272,600,000 over the budget request for additional active duty and reserve component military personnel costs described by the Services as readiness priorities, as follows:

[In thousands of dollars]

Military Pay shortfalls	$74,000
Annual Training	33,000
Enlistment Bonuses	22,400
College Fund	19,800
Full-Time Support personnel	25,000
Increased Use of Guard and Reserve	13,400
Active Duty for Special Work	10,000
Schools/Special Training	75,000
Total	272,600

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 totaled 150,584 in fiscal year 1998. The fiscal year 1999 budget request is 147,871. The following table summarizes Guard and Reserve full-time support end strengths.

GUARD AND RESERVE FULL-TIME END STRENGTHS

	FY 1998 estimate	Budget request	House authorization	Recommendation	Change from request
Army Reserve:					
AGR	11,500	11,804	12,804	12,804	+1,000
Technicians	6,501	6,474	6,664	6,474	.....
Navy Reserve TAR	16,136	15,590	15,590	15,618	+28
Marine Corps Reserve	2,494	2,362	2,362	2,362	.....
Air Force Reserve:					
AGR	867	991	991	991	.....
Technicians	9,622	9,761	9,761	9,761	.....
Army National Guard:					
AGR	22,310	21,763	21,763	21,763	.....
Technicians	25,250	23,815	24,761	24,761	+946
Air National Guard:					
AGR	10,671	10,930	10,930	10,930	.....
Technicians	22,968	22,750	22,750	22,750	.....
Total:					
AGR/TAR	63,978	63,440	64,440	64,468	+1,028
Technicians	64,341	62,800	63,936	63,746	+946

MILITARY PERSONNEL, ARMY

Fiscal year 1998 appropriation	$20,452,057,000
Fiscal year 1999 budget request	21,002,051,000
Committee recommendation	20,908,851,000
Change from budget request	−93,200,000

The Committee recommends an appropriation of $20,908,851,000 for Military Personnel, Army. The recommendation is an increase of $456,794,000 above the $20,452,057,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
50 MILITARY PERSONNEL, ARMY			
100 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER			
150 BASIC PAY	3,439,898	3,439,898	---
200 RETIRED PAY ACCRUAL	1,038,849	1,038,849	---
350 BASIC ALLOWANCE FOR HOUSING	561,424	561,424	---
400 BASIC ALLOWANCE FOR SUBSISTENCE	147,905	147,905	---
450 INCENTIVE PAYS	64,469	64,469	---
500 SPECIAL PAYS	190,936	190,936	---
550 ALLOWANCES	102,643	102,643	---
600 SEPARATION PAY	142,731	142,731	---
650 SOCIAL SECURITY TAX	298,713	298,713	---
700 TOTAL, BUDGET ACTIVITY 1	5,987,568	5,987,568	---
750 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
800 BASIC PAY	7,437,252	7,437,252	---
850 RETIRED PAY ACCRUAL	2,246,050	2,246,050	---
1000 BASIC ALLOWANCE FOR HOUSING	1,171,828	1,171,828	---
1050 INCENTIVE PAYS	68,058	68,058	---
1100 SPECIAL PAYS	165,166	175,166	+10,000
1150 ALLOWANCES	513,801	513,801	---
1200 SEPARATION PAY	325,993	325,993	---
1250 SOCIAL SECURITY TAX	635,065	635,065	---
1300 TOTAL, BUDGET ACTIVITY 2	12,563,223	12,573,223	+10,000
1350 ACTIVITY 3: PAY AND ALLOWANCES OF CADETS			
1400 ACADEMY CADETS	39,084	39,084	---
1500 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
1550 BASIC ALLOWANCE FOR SUBSISTENCE	774,529	774,529	---
1600 SUBSISTENCE-IN-KIND	366,887	366,887	---
1650 TOTAL, BUDGET ACTIVITY 4	1,141,416	1,141,416	---
1700 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL			
1750 ACCESSION TRAVEL	115,723	115,723	---
1800 TRAINING TRAVEL	49,249	49,249	---
1850 OPERATIONAL TRAVEL	143,258	143,258	---
1900 ROTATIONAL TRAVEL	575,172	575,172	---
1950 SEPARATION TRAVEL	161,505	161,505	---
2000 TRAVEL OF ORGANIZED UNITS	16,731	16,731	---
2050 NON-TEMPORARY STORAGE	25,271	25,271	---
2100 TEMPORARY LODGING EXPENSE	11,638	11,638	---
2200 TOTAL, BUDGET ACTIVITY 5	1,098,547	1,098,547	---
2250 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
2300 APPREHENSION OF MILITARY DESERTERS	780	780	---
2350 INTEREST ON UNIFORMED SERVICES SAVINGS	534	534	---
2400 DEATH GRATUITIES	1,962	1,962	---
2450 UNEMPLOYMENT BENEFITS	116,010	116,010	---
2500 SURVIVOR BENEFITS	7,740	7,740	---
2550 EDUCATION BENEFITS	76,807	76,807	---
2600 ADOPTION EXPENSES	380	380	---
2620 ADVANCE MILITARY PAY	161,000	---	-161,000
2700 TOTAL, BUDGET ACTIVITY 6	365,213	204,213	-161,000
2750 LESS REIMBURSABLES	-193,000	-193,000	---
2760 FOREIGN CURRENCY FLUCTUATION	---	-5,500	-5,500
2770 PERSONNEL UNDEREXECUTION	---	-10,700	-10,700
2780 MILITARY PAY SHORTFALL	---	74,000	+74,000
2800 TOTAL, MILITARY PERSONNEL, ARMY	21,002,051	20,908,851	-93,200

The adjustments to the budget activities for Military Personnel, Army are shown below:

(In thousands of dollars)

Budget Activity 2: Pay and Allowances of Enlisted Personnel:	
1100 Special Pays/Enlistment Bonuses	10,000
Budget Activity 6: Other Military Personnel Costs:	
2620 Advance Military Pay	−161,000
Other Adjustments:	
2760 Foreign Currency Fluctuation Savings	−5,500
2770 Personnel Underexecution	−10,700
2780 Military Pay Shortfall	74,000

MILITARY PERSONNEL, NAVY

Fiscal year 1998 appropriation	$16,493,518,000
Fiscal year 1999 budget request	16,613,053,000
Committee recommendation	16,560,253,000
Change from budget request	−52,800,000

The Committee recommends an appropriation of $16,560,253,000 for Military Personnel, Navy. The recommendation is an increase of $66,735,000 above the $16,493,518,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
2850	MILITARY PERSONNEL, NAVY			
2900	ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER			
2950	BASIC PAY	2,419,133	2,419,133	---
3000	RETIRED PAY ACCRUAL	730,578	730,578	---
3150	BASIC ALLOWANCE FOR HOUSING	516,471	516,471	---
3200	BASIC ALLOWANCE FOR SUBSISTENCE	102,537	102,537	---
3250	INCENTIVE PAYS	113,365	113,365	---
3300	SPECIAL PAYS	214,711	214,711	---
3350	ALLOWANCES	73,643	73,643	---
3400	SEPARATION PAY	71,505	71,505	---
3450	SOCIAL SECURITY TAX	205,083	205,083	---
3500	TOTAL, BUDGET ACTIVITY 1	4,447,026	4,447,026	---
3550	ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
3600	BASIC PAY	5,975,635	5,975,635	---
3650	RETIRED PAY ACCRUAL	1,802,223	1,802,223	---
3800	BASIC ALLOWANCE FOR HOUSING	1,320,566	1,320,566	---
3850	INCENTIVE PAYS	88,091	88,091	---
3900	SPECIAL PAYS	487,881	497,281	+9,400
3950	ALLOWANCES	435,031	435,031	---
4000	SEPARATION PAY	175,754	175,754	---
4050	SOCIAL SECURITY TAX	516,201	516,201	---
4100	TOTAL, BUDGET ACTIVITY 2	10,801,382	10,810,782	+9,400
4150	ACTIVITY 3: PAY AND ALLOWANCES OF MIDSHIPMEN			
4200	MIDSHIPMEN	36,947	36,947	---
4300	ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
4350	BASIC ALLOWANCE FOR SUBSISTENCE	514,384	514,384	---
4400	SUBSISTENCE-IN-KIND	281,190	281,190	---
4450	TOTAL, BUDGET ACTIVITY 4	795,574	795,574	---
4500	ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL			
4550	ACCESSION TRAVEL	45,760	45,760	---
4600	TRAINING TRAVEL	59,548	59,548	---
4650	OPERATIONAL TRAVEL	150,000	150,000	---
4700	ROTATIONAL TRAVEL	223,494	223,494	---
4750	SEPARATION TRAVEL	108,796	108,796	---
4800	TRAVEL OF ORGANIZED UNITS	16,840	16,840	---
4850	NON-TEMPORARY STORAGE	13,910	13,910	---
4900	TEMPORARY LODGING EXPENSE	5,751	5,751	---
4950	OTHER	4,638	4,638	---
5000	TOTAL, BUDGET ACTIVITY 5	628,737	628,737	---
5050	ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
5100	APPREHENSION OF MILITARY DESERTERS	826	826	---
5150	INTEREST ON UNIFORMED SERVICES SAVINGS	40	40	---
5200	DEATH GRATUITIES	1,806	1,806	---
5250	UNEMPLOYMENT BENEFITS	62,922	62,922	---
5300	SURVIVOR BENEFITS	3,540	3,540	---
5350	EDUCATION BENEFITS	19,888	33,788	+13,900
5400	ADOPTION EXPENSES	272	272	---
5450	ADVANCE MILITARY PAY	69,000	---	-69,000
5500	TOTAL, BUDGET ACTIVITY 6	158,294	103,194	-55,100
5550	LESS REIMBURSABLES	-253,907	-253,907	---
5570	FOREIGN CURRENCY FLUCTUATION	---	-9,100	-9,100
5580	PERSONNEL UNDEREXECUTION	---	-8,000	-8,000
5590	ACTIVE DUTY SPECIAL WORK	---	10,000	+10,000
5600	TOTAL, MILITARY PERSONNEL, NAVY	16,613,053	16,560,253	-52,800

The adjustments to the budget activities for Military Personnel, Navy are shown below:

(In thousands of dollars)

Budget Activity 2: Pay and Allowances of Enlisted Personnel:	
3900 Special Pays/Enlistment Bonuses	9,400
Budget Activity 6: Other Military Personnel Costs:	
5350 Education Benefits/College Fund	13,900
5450 Advance Military Pay	−69,000
Other Adjustments:	
5570 Foreign Currency Fluctuation Savings	−9,100
5580 Personnel Underexecution	−8,000
5590 Active Duty Special Work	10,000

MILITARY PERSONNEL, MARINE CORPS

Fiscal year 1998 appropriation	$6,137,899,000
Fiscal year 1999 budget request	6,272,089,000
Committee recommendation	6,241,189,000
Change from budget request	−30,900,000

The Committee recommends an appropriation of $6,241,189,000 for Military Personnel, Marine Corps. The recommendation is an increase of $103,290,000 above the $6,137,899,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
5650 MILITARY PERSONNEL, MARINE CORPS			
5700 ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER			
5750 BASIC PAY	780,978	780,978	---
5800 RETIRED PAY ACCRUAL	235,855	235,855	---
5950 BASIC ALLOWANCE FOR HOUSING	132,455	132,455	---
6000 BASIC ALLOWANCE FOR SUBSISTENCE	33,795	33,795	---
6050 INCENTIVE PAYS	39,657	39,657	---
6100 SPECIAL PAYS	938	938	---
6150 ALLOWANCES	18,583	18,583	---
6200 SEPARATION PAY	15,288	15,288	---
6250 SOCIAL SECURITY TAX	65,947	65,947	---
6300 TOTAL, BUDGET ACTIVITY 1	1,323,496	1,323,496	---
6350 ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
6400 BASIC PAY	2,638,628	2,638,628	---
6450 RETIRED PAY ACCRUAL	794,902	794,902	---
6600 BASIC ALLOWANCE FOR HOUSING	401,062	401,062	---
6650 INCENTIVE PAYS	8,376	8,376	---
6700 SPECIAL PAYS	56,918	59,918	+3,000
6750 ALLOWANCES	148,132	148,132	---
6800 SEPARATION PAY	62,104	62,104	---
6850 SOCIAL SECURITY TAX	224,831	224,831	---
6900 TOTAL, BUDGET ACTIVITY 2	4,334,953	4,337,953	+3,000
6950 ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
7000 BASIC ALLOWANCE FOR SUBSISTENCE	228,436	228,436	---
7050 SUBSISTENCE-IN-KIND	134,007	134,007	---
7100 TOTAL, BUDGET ACTIVITY 4	362,443	362,443	---
7150 ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL			
7200 ACCESSION TRAVEL	30,096	30,096	---
7250 TRAINING TRAVEL	5,071	5,071	---
7300 OPERATIONAL TRAVEL	52,995	52,995	---
7350 ROTATIONAL TRAVEL	87,581	87,581	---
7400 SEPARATION TRAVEL	42,014	42,014	---
7450 TRAVEL OF ORGANIZED UNITS	771	771	---
7500 NON-TEMPORARY STORAGE	4,726	4,726	---
7550 TEMPORARY LODGING EXPENSE	2,802	2,802	---
7600 OTHER	1,698	1,698	---
7650 TOTAL, BUDGET ACTIVITY 5	227,754	227,754	---
7700 ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
7750 APPREHENSION OF MILITARY DESERTERS	927	927	---
7800 INTEREST ON UNIFORMED SERVICES SAVINGS	16	16	---
7850 DEATH GRATUITIES	990	990	---
7900 UNEMPLOYMENT BENEFITS	27,846	27,846	---
7950 SURVIVOR BENEFITS	1,614	1,614	---
8000 EDUCATION BENEFITS	6,039	11,939	+5,900
8050 ADOPTION EXPENSES	47	47	---
8100 ADVANCE MILITARY PAY	18,000	---	-18,000
8150 TOTAL, BUDGET ACTIVITY 6	55,479	43,379	-12,100
8200 LESS REIMBURSABLES	-32,036	-32,036	---
8220 FOREIGN CURRENCY FLUCTUATION	---	-3,200	-3,200
8230 PERSONNEL UNDEREXECUTION	---	-18,600	-18,600
8250 TOTAL, MILITARY PERSONNEL, MARINE CORPS	6,272,089	6,241,189	-30,900

The adjustments to the budget activities for Military Personnel, Marine Corps are shown below:

(In thousands of dollars)

Budget Activity 2: Pay and Allowances of Enlisted Personnel:	
6700 Special Pays/Enlistment Bonuses	3,000
Budget Activity 6: Other Military Personnel Costs:	
8000 Education Benefits/College Fund	5,900
8100 Advance Military Pay	−18,000
Other Adjustments:	
8220 Foreign Currency Fluctuation Savings	−3,200
8230 Personnel Underexecution	−18,600

MILITARY PERSONNEL, AIR FORCE

Fiscal year 1998 appropriation	$17,102,120,000
Fiscal year 1999 budget request	17,311,683,000
Committee recommendation	17,201,583,000
Change from budget request	−110,100,000

The Committee recommends an appropriation of $17,201,583,000 for Military Personnel, Air Force. The recommendation is an increase of $99,463,000 above the $17,102,120,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
8300	MILITARY PERSONNEL, AIR FORCE			
8350	ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER			
8400	BASIC PAY	3,346,985	3,346,985	---
8450	RETIRED PAY ACCRUAL	1,010,789	1,010,789	---
8600	BASIC ALLOWANCE FOR HOUSING	579,333	579,333	---
8650	BASIC ALLOWANCE FOR SUBSISTENCE	136,285	136,285	---
8700	INCENTIVE PAYS	208,497	208,497	---
8750	SPECIAL PAYS	188,576	188,576	---
8800	ALLOWANCES	92,782	92,782	---
8850	SEPARATION PAY	108,876	108,876	---
8900	SOCIAL SECURITY TAX	289,575	289,575	---
8950	TOTAL, BUDGET ACTIVITY 1	5,961,698	5,961,698	---
9000	ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL			
9050	BASIC PAY	5,851,982	5,851,982	---
9100	RETIRED PAY ACCRUAL	1,767,299	1,767,299	---
9250	BASIC ALLOWANCE FOR HOUSING	1,008,454	1,008,454	---
9300	INCENTIVE PAYS	25,744	25,744	---
9350	SPECIAL PAYS	80,528	80,528	---
9400	ALLOWANCES	415,835	415,835	---
9450	SEPARATION PAY	66,262	66,262	---
9500	SOCIAL SECURITY TAX	508,263	508,263	---
9550	TOTAL, BUDGET ACTIVITY 2	9,724,367	9,724,367	---
9600	ACTIVITY 3: PAY AND ALLOWANCES OF CADETS			
9650	ACADEMY CADETS	36,021	36,021	---
9750	ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL			
9800	BASIC ALLOWANCE FOR SUBSISTENCE	683,108	683,108	---
9850	SUBSISTENCE-IN-KIND	111,954	111,954	---
9900	TOTAL, BUDGET ACTIVITY 4	795,062	795,062	---
9950	ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL			
10000	ACCESSION TRAVEL	54,193	54,193	---
10050	TRAINING TRAVEL	56,225	56,225	---
10100	OPERATIONAL TRAVEL	149,492	149,492	---
10150	ROTATIONAL TRAVEL	443,964	443,964	---
10200	SEPARATION TRAVEL	96,955	96,955	---
10250	TRAVEL OF ORGANIZED UNITS	27,455	27,455	---
10300	NON-TEMPORARY STORAGE	22,714	22,714	---
10350	TEMPORARY LODGING EXPENSE	38,417	38,417	---
10400	OTHER	2,531	2,531	---
10450	TOTAL, BUDGET ACTIVITY 5	891,946	891,946	---
10500	ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS			
10550	APPREHENSION OF MILITARY DESERTERS	100	100	---
10600	INTEREST ON UNIFORMED SERVICES SAVINGS	575	575	---
10650	DEATH GRATUITIES	1,470	1,470	---
10700	UNEMPLOYMENT BENEFITS	41,623	37,623	-4,000
10750	SURVIVOR BENEFITS	4,442	4,442	---
10800	EDUCATION BENEFITS	5,193	5,193	---
10850	ADOPTION EXPENSES	800	800	---
10900	ADVANCE MILITARY PAY	53,000	---	-53,000
10920	OTHER	550	550	---
10950	TOTAL, BUDGET ACTIVITY 6	107,753	50,753	-57,000
11000	LESS REIMBURSABLES	-205,154	-205,154	---
11010	FOREIGN CURRENCY FLUCTUATION	---	-3,100	-3,100
11020	PERSONNEL UNDEREXECUTION	---	-50,000	-50,000
11050	TOTAL, MILITARY PERSONNEL, AIR FORCE	17,311,683	17,201,583	-110,100

The adjustments to the budget activities for Military Personnel, Air Force are shown below:

(In thousands of dollars)

Budget Activity 6: Other Military Personnel Costs:	
10700 Unemployment Compensation Costs	−4,000
10900 Advance Military Pay	−53,000
Other Adjustments:	
11010 Foreign Currency Fluctuation Savings	−3,100
11020 Personnel Underexecution	−50,000

RESERVE PERSONNEL, ARMY

Fiscal year 1998 appropriation	$2,032,046,000
Fiscal year 1999 budget request	2,152,075,000
Committee recommendation	2,171,675,000
Change from budget request	+19,600,000

The Committee recommends an appropriation of $2,171,675,000 for Reserve Personnel, Army. The recommendation is an increase of $139,629,000 above the $2,032,046,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
11150 RESERVE PERSONNEL, ARMY			
11200 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
11250 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	869,736	869,736	---
11300 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	26,345	26,345	---
11350 PAY GROUP F TRAINING (RECRUITS)	140,498	140,498	---
11400 PAY GROUP P TRAINING (PIPELINE RECRUITS)	8,024	8,024	---
11500 TOTAL, BUDGET ACTIVITY 1	1,044,603	1,044,603	---
11550 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
11600 MOBILIZATION TRAINING	7,330	7,330	---
11650 SCHOOL TRAINING	92,702	92,702	---
11700 SPECIAL TRAINING	101,455	101,455	---
11750 ADMINISTRATION AND SUPPORT	795,108	795,108	---
11800 EDUCATION BENEFITS	20,996	20,996	---
11850 ROTC - SENIOR, JUNIOR, SCHOLARSHIP	57,547	57,547	---
11900 HEALTH PROFESSION SCHOLARSHIP PROGRAM	21,554	21,554	---
11950 OTHER PROGRAMS	10,780	10,780	---
12000 TOTAL, BUDGET ACTIVITY 2	1,107,472	1,107,472	---
12010 PERSONNEL UNDEREXECUTION	---	-5,400	-5,400
12020 FULL TIME SUPPORT/AGR'S	---	26,000	+26,000
12050 TOTAL RESERVE PERSONNEL, ARMY	2,152,075	2,171,675	+19,600

The adjustments to the budget activities for Reserve Personnel, Army are shown below:

(In thousands of dollars)

Other Adjustments:		
12010	Personnel Underexecution	−5,400
12020	Full-Time Support/AGR's	25,000

RESERVE PERSONNEL, NAVY

Fiscal year 1998 appropriation	$1,376,601,000
Fiscal year 1999 budget request	1,387,379,000
Committee recommendation	1,427,979,000
Change from budget request	+40,600,000

The Committee recommends an appropriation of $1,427,979,000 for Reserve Personnel, Navy. The recommendation is an increase of $51,378,000 above the $1,376,601,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
12100 RESERVE PERSONNEL, NAVY			
12150 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
12200 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	551,421	551,421	---
12350 TOTAL, BUDGET ACTIVITY 1.....	551,421	551,421	---
12400 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
12450 MOBILIZATION TRAINING.....	3,028	3,028	---
12500 SCHOOL TRAINING.....	6,091	6,091	---
12550 SPECIAL TRAINING.....	21,741	21,741	---
12600 ADMINISTRATION AND SUPPORT.....	757,567	757,567	---
12650 EDUCATION BENEFITS.....	3,983	3,983	---
12700 ROTC - SENIOR, JUNIOR, SCHOLARSHIP.....	21,175	21,175	---
12750 HEALTH PROFESSION SCHOLARSHIP PROGRAM.....	18,892	18,892	---
12800 OTHER PROGRAMS.....	3,481	3,481	---
12850 TOTAL BUDGET ACTIVITY 2.....	835,958	835,958	---
12870 PERSONNEL UNDEREXECUTION.....	---	-5,000	-5,000
12880 CONTRIBUTORY SUPPORT TO CINCS.....	---	10,000	+10,000
12890 ANNUAL TRAINING.....	---	33,000	+33,000
12891 P-3 SQUADRONS.....	---	2,600	+2,600
12900 TOTAL, RESERVE PERSONNEL, NAVY.....	1,387,379	1,427,979	+40,600

The adjustments to the budget activities for Reserve Personnel, Navy are shown below:

(In thousands of dollars)

Other Adjustments:		
12870	Personnel Underexecution	−5,000
12880	Contributory Support to CINCs	10,000
12890	Annual Training	33,000
12891	P–3 Squadrons	2,600

P–3 SQUADRONS

The Committee recommends an increase over the request of $2,600,000 in "Reserve Personnel, Navy", and $7,600,000 in "Operation and Maintenance, Navy Reserve" to provide additional personnel and operational support funds associated with the restoration of primary authorized aircraft for the Navy Reserve's seven P–3 squadrons.

RESERVE PERSONNEL, MARINE CORPS

Fiscal year 1998 appropriation	$391,770,000
Fiscal year 1999 budget request	401,888,000
Committee recommendation	403,513,000
Change from budget request	+1,625,000

The Committee recommends an appropriation of $403,513,000 for Reserve Personnel, Marine Corps. The recommendation is an increase of $11,743,000 above the $391,770,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
12950 RESERVE PERSONNEL, MARINE CORPS			
13000 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
13050 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	142,438	142,438	---
13100 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY).....	14,951	14,951	---
13150 PAY GROUP F TRAINING (RECRUITS).....	57,276	57,276	---
13200 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	286	286	---
13300 TOTAL, BUDGET ACTIVITY 1.....	214,951	214,951	---
13350 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
13400 MOBILIZATION TRAINING.....	1,933	1,933	---
13450 SCHOOL TRAINING.....	8,736	8,736	---
13500 SPECIAL TRAINING.....	23,417	23,417	
13550 ADMINISTRATION AND SUPPORT.....	126,402	126,402	
13600 EDUCATION BENEFITS.....	14,240	14,240	
13650 ROTC - SENIOR, JUNIOR, SCHOLARSHIP.....	3,184	3,184	
13700 OTHER PROGRAMS.....	9,025	9,025	
13750 TOTAL, BUDGET ACTIVITY 2.....	186,937	186,937	
13760 PERSONNEL UNDEREXECUTION.....	---	-2,000	-2,000
13770 INCREASED USE OF GUARD AND RESERVE.....	---	3,400	+3,400
13780 JROTC.....	---	225	+225
13800 TOTAL, RESERVE PERSONNEL, MARINE CORPS.....	401,888	403,513	+1,625

The adjustments to the budget activities for Reserve Personnel, Marine Corps are shown below:

[In thousands of dollars]

Other Adjustments:	
13760 Personnel Underexecution	−2,000
13770 Increased Use of Guard and Reserve	3,400
13780 JROTC Program	225

RESERVE PERSONNEL, AIR FORCE

Fiscal year 1998 appropriation	$815,915,000
Fiscal year 1999 budget request	856,176,000
Committee recommendation	850,576,000
Change from budget request	−5,600,000

The Committee recommends an appropriation of $850,576,000 for Reserve Personnel, Air Force. The recommendation is an increase of $34,661,000 above the $815,915,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
13850 RESERVE PERSONNEL, AIR FORCE			
13900 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
13950 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	419,362	419,362	---
14000 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY).....	78,998	78,998	---
14050 PAY GROUP F TRAINING (RECRUITS).....	4,452	4,452	---
14150 TOTAL, BUDGET ACTIVITY 1.....	502,812	502,812	---
14200 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
14250 MOBILIZATION TRAINING.....	2,779	2,779	---
14300 SCHOOL TRAINING.....	62,254	62,254	---
14350 SPECIAL TRAINING.....	143,526	143,526	---
14400 ADMINISTRATION AND SUPPORT.....	85,601	85,601	---
14500 ROTC - SENIOR, JUNIOR, SCHOLARSHIP.....	34,922	34,922	---
14550 HEALTH PROFESSION SCHOLARSHIP.....	24,282	24,282	---
14600 TOTAL, BUDGET ACTIVITY 2.....	353,364	353,364	---
14610 PERSONNEL UNDEREXECUTION.....	---	-5,600	-5,600
14650 TOTAL, RESERVE PERSONNEL, AIR FORCE.....	856,176	850,576	-5,600

The adjustment to the budget activities for Reserve Personnel, Air Force is shown below:

[In thousands of dollars]

Other Adjustments:	
14610 Personnel Underexecution	−5,600

NATIONAL GUARD PERSONNEL, ARMY

Fiscal year 1998 appropriation	$3,333,867,000
Fiscal year 1999 budget request	3,404,595,000
Committee recommendation	3,413,195,000
Change from budget request	+8,600,000

The Committee recommends an appropriation of $3,413,195,000 for National Guard Personnel, Army. The recommendation is an increase of $79,328,000 above the $3,333,867,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
14700 NATIONAL GUARD PERSONNEL, ARMY			
14750 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
14800 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	1,650,385	1,650,385	---
14850 PAY GROUP F TRAINING (RECRUITS).....	154,688	154,688	---
14900 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	12,867	12,867	---
15000 TOTAL, BUDGET ACTIVITY 1.	1,817,940	1,817,940	---
15050 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
15100 SCHOOL TRAINING.....	81,189	126,189	+45,000
15150 SPECIAL TRAINING.....	28,845	58,845	+30,000
15200 ADMINISTRATION AND SUPPORT.....	1,433,393	1,433,393	---
15250 EDUCATION BENEFITS.....	43,228	43,228	---
15350 TOTAL, BUDGET ACTIVITY 2.....	1,586,655	1,661,656	+75,000
15360 PERSONNEL UNDEREXECUTION.....	---	-66,400	-66,400
15400 TOTAL, NATIONAL GUARD PERSONNEL, ARMY.....	3,404,595	3,413,195	+8,600

The adjustments to the budget activities for National Guard Personnel, Army are shown below:

[In thousands of dollars]

Budget Activity 2: Other Training and Support:	
15100 School Training	45,000
15150 Special Training	30,000
Other Adjustments:	
15360 Personnel Underexecution	−66,400

NATIONAL GUARD PERSONNEL, AIR FORCE

Fiscal year 1998 appropriation	$1,334,712,000
Fiscal year 1999 budget request	1,376,097,000
Committee recommendation	1,372,997,000
Change from budget request	−3,100,000

The Committee recommends an appropriation of $1,372,997,000 for National Guard Personnel, Air Force. The recommendation is an increase of $38,285,000 above the $1,334,712,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
15450 NATIONAL GUARD PERSONNEL, AIR FORCE			
15500 ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING			
15550 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48).....	590,972	590,972	---
15600 PAY GROUP F TRAINING (RECRUITS).....	22,395	22,395	---
15650 PAY GROUP P TRAINING (PIPELINE RECRUITS).....	1,064	1,064	---
15750 TOTAL, BUDGET ACTIVITY 1.....	614,431	614,431	---
15800 ACTIVITY 2: OTHER TRAINING AND SUPPORT			
15850 SCHOOL TRAINING.....	95,105	95,105	---
15900 SPECIAL TRAINING.....	60,780	60,780	---
15950 ADMINISTRATION AND SUPPORT.....	598,634	598,634	---
16000 EDUCATION BENEFITS.....	7,147	7,147	---
16100 TOTAL, BUDGET ACTIVITY 2.....	761,666	761,666	---
16120 PERSONNEL UNDEREXECUTION.....	---	-3,100	-3,100
16150 TOTAL, NATIONAL GUARD PERSONNEL, AIR FORCE.....	1,376,097	1,372,997	-3,100

The adjustment to the budget activities for National Guard Personnel, Air Force is shown below:

[In thousands of dollars]

Other Adjustments:	
16120 Personnel Underexecution	−3,100

TITLE II

OPERATION AND MAINTENANCE

The fiscal year 1999 budget request for Operation and maintenance is $83,542,237,000 in new budget authority, an increase of $646,776,000 above the amount appropriated in fiscal year 1998. The request also includes a $150,000,000 cash transfer from the National Defense Stockpile Transaction fund.

The accompanying bill recommends $83,942,459,000 for fiscal year 1999, an increase of $400,222,000 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.

The table summarizes the Committee's recommendations:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RECAPITULATION			
O & M, ARMY	17,223,063	16,936,503	-286,560
TRANSFER - STOCKPILE	(50,000)	(50,000)	---
O & M, NAVY	21,877,202	21,638,999	-238,203
TRANSFER - STOCKPILE	(50,000)	(50,000)	---
O & M, MARINE CORPS	2,523,703	2,585,118	+61,415
O & M, AIR FORCE	19,127,004	19,024,233	-102,771
TRANSFER - STOCKPILE	(50,000)	(50,000)	---
O & M, DEFENSEWIDE	10,750,601	10,804,542	+53,941
O & M, ARMY RESERVE	1,202,622	1,201,222	-1,400
O & M, NAVY RESERVE	928,639	949,039	+20,400
O & M, MARINE CORPS RESERVE	114,593	119,093	+4,500
O & M, AIR FORCE RESERVE	1,744,696	1,735,996	-8,700
O & M, ARMY NATIONAL GUARD	2,436,815	2,570,315	+133,500
O & M, AIR NATIONAL GUARD	3,093,933	3,075,233	-18,700
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND	746,900	746,900	---
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES	7,324	7,324	---
ENVIRONMENTAL RESTORATION, ARMY	377,640	342,640	-35,000
ENVIRONMENTAL RESTORATION, NAVY	281,600	281,600	---
ENVIRONMENTAL RESTORATION, AIR FORCE	379,100	379,100	---
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	26,091	26,091	---
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	195,000	195,000	---
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID	63,311	56,111	-7,200
FORMER SOVIET UNION THREAT REDUCTION	442,400	417,400	-25,000
QUALITY OF LIFE ENHANCEMENTS, DEFENSE	---	850,000	+850,000
GRAND TOTAL, O & M	83,542,237	83,942,459	+400,222

OPERATION AND MAINTENANCE OVERVIEW

While the Department has proposed a slight increase in funding for 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 1999 budget request. As in past years, the Committee has requested that the Military Services provide a list of their top unfunded priorities. Unlike previous years, the Committee notes with concern that the shortfall lists provided by the Military Services focus primarily on Operation and maintenance issues. In the Committee's view, these shortfalls 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, the mission capable rates of Air Force and Naval aircraft, and depot level maintenance of major weapon systems. These shortfalls are also apparent in the condition of U.S. military bases, for which both base operations and real property maintenance are chronically underfunded. To correct these deficiencies, the Committee recommends increased funding above the budget request in a number of areas including Navy and Air Force flying hours and spare parts, depot maintenance, Army training rotations, inclement weather gear and other troop support equipment, real property maintenance and base operations support.

The Committee also notes that there are areas in the Operation and maintenance accounts where substantial savings are achievable. Given the need to enhance funding for near-term readiness, and the long-recognized need to, if possible, increase funding in the procurement and research and development accounts, the Committee believes it is imperative that the Department use available Operation and maintenance funding as efficiently as possible. Therefore, the Committee recommends certain reductions based on fact-of-life considerations, as well as management actions that DoD should undertake to streamline activities funded in the Operation and maintenance accounts.

FLYING HOUR SHORTFALL

The Committee has serious concerns about aviation mission capable rates for Air Force and deployed naval aircraft, currently reported at approximately 75 percent. The Committee notes that the overall mission capable rates for these two services have become steadily worse over the past several years. To address these concerns, the Committee directs that the Secretary of Defense provide a report to the congressional defense committees not later than February 15, 1999, detailing trends in aviation mission capable rates from fiscal year 1991 through the present. This report shall assess the causes of the decline in aviation mission capable rates, and describe the actions needed to improve the readiness of aviation assets.

In addition, the Committee recommends an increase of $214,500,000 for aviation spares above the budget request as follows:

Navy	$45,000,000
Air Force	169,500,000

DEPOT MAINTENANCE

The Committee recommends an increase of $300,000,000 above the budget request for depot maintenance. The Committee notes that the fiscal year 1999 budget for depot maintenance for the active components, which totals $5,500,000,000, is $200,000,000 less than the amount funded in fiscal year 1998, and is also $200,000,000 less than the 1999 estimate contained in the fiscal year 1998 budget request. The Committee notes that the Department of Defense continues to request depot maintenance funding at levels well below 100 percent of requirements. For example, the fiscal year 1999 budget request substantially reduces the amount of funding requested for the maintenance of wheeled and tracked vehicles. The reduction in the Army is nearly 50 percent, a decline of $72,000,000, and the Marine Corps budget request for this type of work has been similarly reduced. To address this shortfall and prevent an increase in the backlog of depot maintenance workload, the Committee recommends the following additions to the budget request:

Army	$50,000,000
Navy Aviation	75,000,000
Navy Ships	90,000,000
Marine Corps	20,700,000
Air Force	64,300,000

REAL PROPERTY MAINTENANCE

The Committee recommends an increase of $850,000,000 above the budget request for real property maintenance. The Committee observes that the fiscal year 1999 budget request for real property maintenance (RPM) is nearly $650,000,000 less than the fiscal year 1998 appropriation, including a reduction of over $250,000,000 in the Military Services' Operation and maintenance accounts. The budget also proposes the elimination of the Quality of Life Enhancement, Defense account. Despite past increases provided by the Congress, DoD estimates that the backlog of RPM will increase by $2,000,000,000 to a total of $16,600,000,000 in fiscal year 1999. The Committee also recommends providing this additional funding in the Quality of Life Enhancements, Defense account as noted elsewhere in this report.

BASE OPERATIONS SUPPORT

The Committee recommends an increase of $500,000,000 above the budget request for base operations support costs. The Committee notes that, despite a budget request totaling over $12,000,000,000, the Department of Defense has suffered perennial funding difficulties in the area of base operations support. The Military Services have identified funding shortfalls totaling nearly $760,000,000 in fiscal year 1999. To address this issue, the Committee recommends the following increases for each Service:

Army	$300,000,000
Marine Corps	10,400,000
Air Force	189,600,000

TROOP SUPPORT EQUIPMENT

The Committee recommends an increase of $60,000,000 to purchase increased quantities of initial issue equipment and troop support equipment for the Army and Marine Corps. The Committee is aware that the Army and the Marine Corps appear to suffer from chronic funding shortfalls for this type of equipment. The equipment in question is critical to the Services' ability to deploy and sustain soldiers and Marines in the field. Therefore, the Committee directs the Secretary of the Army and the Secretary of the Navy to submit a report to the congressional defense committees no later than March 15, 1999, that details remaining unfunded requirements for this type of equipment, and indicates the funding profile for such equipment over the Future Years Defense Program.

The funds provided by the Committee over the budget request are allocated as follows:

Army	$35,000,000
Marine Corps	25,000,000

GUARD AND RESERVE UNFUNDED REQUIREMENTS

The Committee recommends an increase of $289,478,000 over the budget request for additional Guard and Reserve Operation and maintenance requirements described by the Services as readiness priorities, as follows:

Real Property Maintenance	$141,978,000
Optempo/Steaming Days	110,000,000
Recruiting and Recruiter Support	7,200,000
Military (civilian) technicians	27,000,000
Active Duty for Special Work/Inc. Use of Guard and Reserve	3,300,000
Total	289,478,000

RECRUITING AND ADVERTISING

The Committee recognizes that the Military Services' efforts to enlist high quality recruits is continuing to be difficult, and recommends an increase of $40,000,000 over the budget request to support requirements in achieving recruiting objectives.

FACT-OF-LIFE ADJUSTMENTS

The Committee notes that there have been fundamental changes in the economic conditions that underlie certain pricing assumptions and program levels built into the fiscal year 1999 budget request. As a result, the Committee recommends reductions of $295,000,000 due to recent declines in the price of both crude oil and refined petroleum products, and $259,000,000 for civilian personnel understrength.

The Committee also recommends a reduction totaling $193,700,000 from the budget request because of favorable foreign currency fluctuation. Of this amount $93,700,000 is due to improvements in the exchange rate of the dollar versus the Korean wan and the Japanese yen, and $100,000,000 is due to the high balance currently available in the Foreign Currency Fluctuation account. The Committee understands that, as a result of these recommenda-

tions, the Department of Defense will still retain a balance of approximately $350,000,000 in the Foreign Currency Fluctuation account available in the event that unfavorable foreign currency fluctuations develop.

Fuel Repricing:	
Army	−$22,300,000
Navy	−108,700,000
Air Force	−116,000,000
Reserve Components	−48,000,000
Civilian Understrength:	
Army	−$164,000,000
Navy	−95,000,000
Foreign Currency Fluctuation:	
Army	−$139,700,000
Navy	−15,900,000
Marine Corps	−2,700,000
Air Force	−29,400,000
Defense-Wide	−6,000,000

HEADQUARTERS AND ADMINISTRATIVE COSTS

The Committee recommends a reduction of $223,200,000 from the budget request for headquarters and administrative activities. Although the fiscal year 1999 budget request shows a slight decline in funding for such activities, the budgeted decline is considerably less than that required by Section 911 of the National Defense Authorization Act for fiscal year 1998. In addition, the Committee observes that the Department of Defense fiscal year 1999 budget request includes over $3.2 billion in funding for headquarters and administrative activities with over 40,000 military and civilian personnel assigned to such activities. A recent GAO report finds that DoD reporting in the budget request significantly understates the amount of funding and number of personnel assigned to such activities. In order to provide additional funding for higher priority activities both within the Operation and maintenance accounts and elsewhere in this bill, the Committee believes that funding should be reduced in this area.

Recommended reductions to the budget request are as follows:

Army	−$38,500,000
Navy	−32,900,000
Air Force	−105,200,000
Defense-Wide	−46,600,000

CIVILIAN PERSONNEL MANAGEMENT

The Committee recommends reducing the budget request by $59,600,000 for civilian personnel management. Several accounts within this title reflect programmatic increases for civilian personnel management initiatives. In the view of the Committee, such growth represents an investment which, in itself, is not objectionable. However, the budget materials indicate that there has been significant growth for such initiatives over at least the past four fiscal years with little indication of the savings or other benefits to be realized. Given the urgency of other requirements in the Operation and maintenance, Procurement, and Research and Development accounts, the Committee recommends that these initiatives be deferred until they can be adequately justified.

Recommended reductions to the budget request are as follows:

Navy	−$36,400,000
Air Force	−23,200,000

INDUSTRIAL PREPAREDNESS

The Committee recommends a reduction of $45,200,000 below the budget request for industrial preparedness. The Committee notes that there is program growth evident in the fiscal year 1999 budget request for this function in several of the Operation and maintenance accounts. Recent DoD initiatives such as those proposed in the Quadrennial Defense Review and the subsequent Defense Reform Initiative focus on the need to reduce the DoD facilities footprint in order to free resources for improved readiness and modernization. It appears, therefore, that a high level of funding for laid away plant capacity in the fiscal year 1999 budget request is inconsistent with the larger effort to reduce DoD facilities.

Recommended reductions to the budget request are as follows:

Army	−$19,800,000
Navy	−1,700,000
Air Force	−23,700,000

TEMPORARY DUTY TRAVEL

The Committee recommends a reduction of $132,400,000 below the budget request for temporary duty travel. The Committee notes that there have been numerous investments made by the Department in technologies such as teleconferencing and distance learning which have been justified in large measure because of their potential to reduce Department of Defense travel expenses. Outlined below are the reductions recommended by the Committee to take advantage of these investments.

Army	−$31,600,000
Navy	−22,900,000
Marine Corps	−400,000
Air Force	−77,500,000

MISCELLANEOUS EQUIPMENT

The Committee recommends a reduction of $55,000,000 below the budget request for miscellaneous equipment. The Committee recommends reducing the purchase of low priority items such as office equipment and furnishings in order to make increased funding available for more urgent needs in the Operation and maintenance accounts as described elsewhere in this report.

Recommended reductions to the budget request are as follows:

Army	−$20,000,000
Navy	−15,000,000
Marine Corps	−5,000,000
Air Force	−15,000,000

CLASSIFIED PROGRAMS

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

REPROGRAMMING IN OPERATION AND MAINTENANCE

The Committee directs that proposed transfers of funds between O–1 budget activity groups in excess of $15,000,000 are subject to normal prior approval reprogramming procedures.

The Committee designates the following O–1 subactivity groups as special interest items. As such, the Department should also follow prior approval reprogramming procedures for the cumulative value of transfers in excess of $15,000,000 into or out of the following O–1 subactivity groups:

Operation and maintenance, Army

Depot maintenance.

Operation and maintenance, Navy

Aircraft depot maintenance, Ship depot maintenance, and Intermediate maintenance.

Operation and maintenance, Marine Corps

Depot maintenance.

Operation and maintenance, Air Force

Operating Forces: Depot maintenance; Mobility Operations: Depot maintenance; Training and Recruiting: Depot maintenance; Administration and Servicewide Activities: Depot maintenance.

Given the continuing problem of funds migrating from activities directly related to the readiness of U.S. forces to other activities, the Committee directs the Department of Defense to continue the practice of providing written notification to the congressional defense committees for the cumulative value of any and all transfers in excess of $15,000,000 from or into the following budget activities and subactivities:

Operation and maintenance, Army

Land Forces: Divisions, Corps combat forces, Corps support forces, Echelon above corps forces, Land forces operations support; Land Forces Readiness: Land forces depot maintenance.

Operation and maintenance, Navy

Air Operations: Mission and other flight operations, Fleet air training, Intermediate maintenance, Aircraft depot maintenance; Ship Operations: Mission and other ship operations, Ship operational support and training, Intermediate maintenance, Ship depot maintenance.

Operation and maintenance, Marine Corps

Expeditionary Forces: Operational forces, Depot maintenance.

Operation and maintenance, Air Force

Air Operations: Primary combat forces, Depot maintenance; Mobility Operations: Airlift operations, Depot maintenance, Payments to transportation business area; Training and Recruiting: Depot maintenance; and Administration and Servicewide Activities: Depot maintenance.

BASELINE FOR OPERATION AND MAINTENANCE REPROGRAMMING

The Committee has concerns about the reprogramming procedures for the Operation and maintenance accounts. Despite the establishment of reporting requirements for readiness related subactivity groups, and prior approval reprogramming procedures for selected subactivities, the Committee is concerned that funds added by Congress for readiness related activities such as depot maintenance and additional training have subsequently been shifted to other activities. The Committee is aware that, prior to submitting any prior approval reprogrammings for the Operation and maintenance accounts, the Department of Defense executes a procedure to establish a baseline for each O–1 budget activity, activity group, and subactivity group. The committee recognizes that such re-baselining is necessary to distribute unallocated congressional adjustments to the O–1 subactivities. However, the Committee strongly disagrees with the DoD practice of combining other fact-of-life changes and emergent Service priorities, along with unallocated congressional adjustments, in establishing the Operation and maintenance reprogramming baseline. Therefore, the Committee directs that the Department of Defense and the Military Services may only distribute unallocated congressional adjustments when establishing the Operation and maintenance reprogramming baseline. All other reprogrammings must comply with the procedures described elsewhere in this report.

BUDGET EXECUTION DATA

The Committee continues to require detailed data in support of the Department's budget such as the O–1 presentation of the Operation and maintenance budget request, including revisions to the presentation of depot maintenance as reflected in the Air Force budget request for fiscal year 1999. In addition, the committee directs the Department of Defense to continue the submission of O–1 budget execution data for each O–1 subactivity group on a quarterly basis. 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.

TEST RANGES AND TRAINING ASSETS

The Committee is aware that the Department is considering means of more efficient operations through consolidation of research, development, test and evaluation ranges. The Committee supports the Department considering enhanced efficiencies that may result from integrating training assets and test ranges in such a consolidation operation.

CHEMICAL-BIOLOGICAL DEFENSE FUNDING

The Committee recommends that the Department of Defense use existing facilities with explosives ranges capable of handling large blasts and existing instructional and research programs in response to blast, radiological, biological and chemical threats.

COMPETITIVE BANKING PROCEDURES

The Committee strongly supports the language included in Section 366 of the House-passed Defense Authorization bill for fiscal year 1999, which requires the public availability of operating and other agreements for financial services, including electronic banking, on military installations in the United States. In order to expedite the introduction of best business practices into this area, the Committee directs the Department of Defense to develop a proposal to implement full and open competition for the provision of electronic banking services on military installations and facilities in the United States. In addition, the Committee directs the Secretary of Defense to submit a report on this proposal to the Committee prior to the House and Senate conference on the Fiscal Year 1999 Department of Defense Appropriations bill. If implemented properly, the Committee believes that significant revenues can be generated for the military installations and facilities, while DoD personnel are afforded high quality banking services at competitive prices.

OPERATION AND MAINTENANCE, ARMY

Fiscal year 1998 appropriation	$16,754,306,000
Fiscal year 1999 budget request	17,223,063,000
Committee recommendation	16,936,503,000
Change from budget request	−286,560,000

The Committee recommends an appropriation of $16,936,503,000 for Operation and maintenance, Army, The recommendation is an increase of $182,197,000 above the amount appropriated for fiscal year 1998.

READINESS TRAINING

The Army budget request for fiscal year 1999 once again proposes absorbing the cost of rotations to the National Training Center from units' home station training funds. The Committee is concerned that this practice is in effect a reduction to readiness related training. To fully fund such training, the Committee recommends an increase of $60,200,000 above the budget request.

ARMY DEPOT MAINTENANCE

The Committee is deeply concerned by the Army's failure to follow the direction and intent of Congress expressed in the fiscal year 1998 House and Conference reports regarding depot maintenance backlogs in communications and electronics workloads. While Congress provided an additional $43,500,000 in fiscal year 1998 for specific communications and electronics workload, the Committee has learned that most of those funds were used for other purposes. The Committee directs the Secretary of the Army to provide by July 20, 1998 a report on the utilization of the $43,500,000 million in fiscal 1998 funding, and an explanation for the failure to follow congressional intent. Furthermore, of the $50,000,000 in additional fiscal year 1999 funding recommended for Army depot maintenance, the Committee directs that $20,000,000 be allocated only for backlogs in communications and electronics workload.

JOINT MULTI-DIMENSIONAL EDUCATION AND ANALYSIS SYSTEM

The bill includes $4,200,000 only to insert, integrate, and operate the Joint Multi-Dimensional Education and Analysis System (J–MEANS) at the National Defense University.

MEDIUM PURPOSE AND TEMPER TENT ACQUISITION

Of the funds made available in "Operation and Maintenance, Army," for additional soldier life support equipment, the Committee directs that $10,000,000 be made available for the purpose of meeting prospective requirements for general purpose, temper and other tents associated with major wartime and other emergency mobilizations. The Committee observes that the procuring agency for such equipment, the Defense Logistics Agency, has employed so-called best value procurement methods. In this case, these methods have resulted in: (1) major attrition of a historically robust small business industrial base that has successfully met tent requirements of the Military Services, and (2) significantly higher unit costs. Accordingly, the Committee expects the Department to revise its acquisition strategy to employ methods that maintain the small business tent supply base at a prominent level. The Committee strongly discourages the use of prime vendor or similar procurement methods for acquiring this type of equipment, since these methods have had the effect of reducing competition, increasing unit costs, and severely eroding the small business industrial base for tents and tent items.

LEASE REDUCTION

The Committee directs the Secretary of the Army to provide a report not later than March 1, 1999 to the Committee on the costs and benefits of implementing lease reduction programs including the vacating of lease space, the utilization of existing administrative space on military installations and the effect of administrative lease reduction on operation and maintenance costs.

FORT ATKINSON GRAVE SITE

The Committee recognizes the historic importance of Fort Atkinson, and believes that the Army should study options for the preservation of Fort Atkinson and the adjacent cemetery. Accordingly, the Committee directs the Secretary of the Army to submit a report, no later than March 31, 1999, assessing the Army's responsibilities for preservation of this site, and providing a plan of action detailing the measures that the Army will take to meet its obligations.

CAMP BUTNER GRAVE SITE

The Committee recognizes the commitment of the Army to the Town of Butner, North Carolina, and believes that the Army should study options for the preservation and maintenance of the grave sites on the former Camp Butner. Accordingly, the Committee directs the Secretary of the Army to submit a report, no later than March 31, 1999, assessing the Army's responsibilities for preservation of this site, and providing a plan of action detailing the measures that the Army will take to meet its obligations.

ACQUISITION POLLUTION PREVENTION INITIATIVE

Of the funds appropriated in Operation and maintenance, Army, the Committee directs that $5,000,000 be utilized to support joint projects initiated as part of the Acquisition Pollution Prevention Initiative. The Acquisition Pollution Prevention Initiative is a valuable partnership between Industry and the Department of Defense to reduce the amount of hazardous materials used in weapon systems. Reduced use of hazardous materials will reduce costs for DoD's suppliers and lower costs at DoD's maintenance depots.

SUPERCOMPUTING WORK

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

JOINT COMPUTER-AIDED ACQUISITION AND LOGISTICS SUPPORT [JCALS]

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

ADP LEGACY SYSTEMS EFFICIENCIES

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 1999:

(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	1,091,232	1,152,432	+61,200
300 CORPS COMBAT FORCES	299,739	299,739	---
350 CORPS SUPPORT FORCES	316,361	316,361	---
400 ECHELON ABOVE CORPS FORCES	434,579	434,579	---
450 LAND FORCES OPERATIONS SUPPORT	824,557	824,557	---
500 LAND FORCES READINESS			
550 FORCE READINESS OPERATIONS SUPPORT	973,814	973,814	---
600 LAND FORCES SYSTEMS READINESS	375,038	375,038	---
650 LAND FORCES DEPOT MAINTENANCE	570,723	620,723	+50,000
700 LAND FORCES READINESS SUPPORT			
750 BASE SUPPORT	2,332,231	2,549,179	+216,948
800 MAINTENANCE OF REAL PROPERTY	641,651	641,651	---
850 MANAGEMENT AND OPERATIONAL HEADQUARTERS	110,538	110,538	---
900 UNIFIED COMMANDS	71,990	71,990	---
950 MISCELLANEOUS ACTIVITIES	63,478	63,478	---
1045 TOTAL, BUDGET ACTIVITY 1	8,105,931	8,434,079	+328,148
1050 BUDGET ACTIVITY 2: MOBILIZATION			
1100 MOBILITY OPERATIONS			
1200 STRATEGIC MOBILIZATION	314,541	314,541	---
1250 ARMY PREPOSITIONED STOCKS	165,349	165,349	---
1300 INDUSTRIAL PREPAREDNESS	78,645	58,845	-19,800
1325 MAINTENANCE OF REAL PROPERTY	66,100	66,100	---
1350 TOTAL, BUDGET ACTIVITY 2	624,635	604,835	-19,800
1400 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
1450 ACCESSION TRAINING			
1500 OFFICER ACQUISITION	63,580	63,580	---
1550 RECRUIT TRAINING	14,264	14,264	---
1600 ONE STATION UNIT TRAINING	14,909	14,909	---
1650 RESERVE OFFICER TRAINING CORPS (ROTC)	130,270	130,270	---
1700 BASE SUPPORT (ACADEMY ONLY)	72,999	78,631	+5,632
1750 MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	42,979	42,979	---
1800 BASIC SKILL/ ADVANCE TRAINING			
1850 SPECIALIZED SKILL TRAINING	215,964	215,964	---
1900 FLIGHT TRAINING	226,501	226,501	---
1950 PROFESSIONAL DEVELOPMENT EDUCATION	192,720	88,920	-103,800
2000 TRAINING SUPPORT	488,799	488,799	---
2050 BASE SUPPORT (OTHER TRAINING)	782,265	842,622	+60,357
2100 MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	258,927	258,927	---
2150 RECRUITING/OTHER TRAINING			
2200 RECRUITING AND ADVERTISING	234,154	234,154	---
2250 EXAMINING	71,593	71,593	---
2300 OFF-DUTY AND VOLUNTARY EDUCATION	100,203	101,203	+1,000
2350 CIVILIAN EDUCATION AND TRAINING	73,517	73,517	---
2400 JUNIOR ROTC	73,423	73,423	---
2450 BASE SUPPORT (RECRUITING LEASES)	178,496	178,496	---
2500 TOTAL, BUDGET ACTIVITY 3	3,235,563	3,198,752	-36,811
2550 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
2600 SECURITY PROGRAMS			
2650 SECURITY PROGRAMS	404,340	404,340	---
2700 LOGISTICS OPERATIONS			
2750 SERVICEWIDE TRANSPORTATION	398,473	398,473	---
2800 CENTRAL SUPPLY ACTIVITIES	370,824	370,824	---
2850 LOGISTIC SUPPORT ACTIVITIES	336,403	342,403	+6,000
2900 AMMUNITION MANAGEMENT	400,299	400,299	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
2950 SERVICEWIDE SUPPORT			
3000 ADMINISTRATION	304,679	305,679	+1,000
3050 SERVICEWIDE COMMUNICATIONS	606,379	566,379	-40,000
3100 MANPOWER MANAGEMENT	142,081	142,081	---
3150 OTHER PERSONNEL SUPPORT	150,483	150,483	---
3200 OTHER SERVICE SUPPORT	618,384	618,384	---
3250 ARMY CLAIMS ACTIVITIES	118,886	118,886	---
3300 REAL ESTATE MANAGEMENT	68,815	68,815	---
3350 BASE SUPPORT	700,689	754,752	+54,063
3375 COMMISSARY OPERATIONS	338,400	338,400	---
3400 MAINTENANCE OF REAL PROPERTY	82,578	82,578	---
3550 SUPPORT OF OTHER NATIONS			
3600 INTERNATIONAL MILITARY HEADQUARTERS	227,377	227,377	---
3650 MISC SUPPORT OF OTHER NATIONS	37,844	34,144	-3,700
3700 TOTAL, BUDGET ACTIVITY 4	5,306,934	5,324,297	+17,363
3710 CLASSIFIED PROGRAMS UNDISTRIBUTED	---	4,500	+4,500
3715 CIVILIAN PERSONNEL UNDERSTRENGTH	---	-164,000	-164,000
3720 GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	-50,000	-50,000	---
3730 FOREIGN CURRENCY FLUCTUATION	---	-139,700	-139,700
3790 TDY EXPENSES	---	-31,600	-31,600
3835 MEMORIAL EVENTS	---	400	+400
3845 HEADQUARTERS AND ADMIN ACTIVITIES	---	-38,500	-38,500
3855 RENTS	---	-7,000	-7,000
3865 COMMUNICATIONS PURCHASES	---	-4,400	-4,400
3875 FUEL REPRICING	---	-22,300	-22,300
3885 CONTRACT AND ADVISORY SERVICES	---	-40,200	-40,200
3895 MISC EQUIPMENT	---	-20,000	-20,000
3905 CRIMINAL INVESTIGATORS COMPUTERS & TRAINING EFFICIENCY	---	-18,000	-18,000
3925 ADP LEGACY SYSTEM EFFICIENCIES	---	-96,660	-96,660
4050 CONSEQUENCE MANAGEMENT	---	2,000	+2,000
4100 TOTAL, OPERATION AND MAINTENANCE, ARMY	17,223,063	16,936,503	-286,560
4150 TRANSFER	(50,000)	(50,000)	---
4200 TOTAL FUNDING AVAILABLE	(17,273,063)	(16,986,503)	(-286,560)

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

[In thousands of dollars]

Budget Activity 1: Operation Forces:	
250 Parachute Maintenance and Repair	1,000
250 Readiness Training-National Training Center (NTC)	60,200
650 Depot Maintenance	50,000
750 Base Support-Land Forces Readiness Support	179,948
750 Ft. Irwin, George AFB	2,000
750 Soldier Life Support	35,000
Budget Activity 2: Mobilization:	
1300 Industrial Preparedness	−19,800
Budget Activity 3: Training and Recruiting:	
1700 Base Support-Academy	5,632
1950 Defense Acquisition University	−108,000
1950 Joint Multi-Dimensional Education and Analysis System	4,200
2050 Base Support-Other Training	60,357
2300 Army Institute for Professional Development	1,000
Budget Activity 4: Administration and Servicewide Activities:	
2850 Supercomputing Work	6,000
3000 Lewis & Clark Exhibit Support	1,000
3050 JCALS	−40,000
3350 Base Support-Servicewide Activities	54,063
3650 Misc Support to Other Nations	−3,700
Undistributed:	
3710 Classified Programs Undistributed	4,500
3715 Civilian Personnel Underexecution	−164,000
3730 Foreign Currency Fluctuation	−139,700
3790 Temporary Duty Travel	−31,600
3835 Memorial Events	400
3845 Headquarters and Administrative Activities	−38,500
3855 Rents	−7,000
3865 Communications Purchases	−4,400
3875 Fuel Repricing	−22,300
3885 Contract and Advisory Services	−40,200
3995 Miscellaneous Equipment	−20,000
3905 Criminal Investigators Computers & Training	−18,000
3925 ADP Legacy Systems Efficiencies	−96,660
4050 Consequence Management	2,000

OPERATION AND MAINTENANCE, NAVY

Fiscal year 1998 appropriation	$21,617,766,000
Fiscal year 1999 budget request	21,877,202,000
Committee recommendation	21,638,999,000
Change from budget request	−238,203,000

The Committee recommends an appropriation of $21,638,999,000 for Operation and maintenance, Navy. The recommendation is an increase of $21,233,000 above the amount appropriated for fiscal year 1998.

NAVY ELECTRICITY AND ELECTRONICS TRAINING SERIES

The Committee recommends $4,000,000 only for the Naval Education and Training Professional Development and Technology Center, for conversion of Navy training manuals in the Electricity and Electronics training series into an enhanced interactive electronic format suitable for distance learning.

NATIONAL OCEANOGRAPHIC LABORATORY SYSTEM

The Committee directs that $7,500,000 of the funds provided in Operation and maintenance, Navy be used only for support of the

National Oceanographic Laboratory System in order to reduce the backlog of hydrographic research.

ADP LEGACY SYSTEMS EFFICIENCIES

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 1999:

(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	2,089,630	2,134,630	+45,000
4450 FLEET AIR TRAINING	751,533	751,533	---
4500 INTERMEDIATE MAINTENANCE	46,925	46,925	---
4550 AIR OPERATIONS AND SAFETY SUPPORT	88,459	88,459	---
4600 AIRCRAFT DEPOT MAINTENANCE	735,731	810,731	+75,000
4650 AIRCRAFT DEPOT OPERATIONS SUPPORT	20,249	20,249	---
4700 BASE SUPPORT	772,678	772,678	---
4750 MAINTENANCE OF REAL PROPERTY	283,600	283,600	---
4800 SHIP OPERATIONS			
4850 MISSION AND OTHER SHIP OPERATIONS	1,987,873	1,987,873	---
4900 SHIP OPERATIONAL SUPPORT AND TRAINING	541,069	541,069	---
4950 INTERMEDIATE MAINTENANCE	388,408	388,408	---
5000 SHIP DEPOT MAINTENANCE	1,947,424	2,037,424	+90,000
5050 SHIP DEPOT OPERATIONS SUPPORT	1,147,209	1,147,209	---
5100 BASE SUPPORT	832,789	832,789	---
5150 MAINTENANCE OF REAL PROPERTY	248,601	248,601	---
5200 COMBAT OPERATIONS/SUPPORT			
5250 COMBAT COMMUNICATIONS	234,450	234,450	---
5300 ELECTRONIC WARFARE	7,734	7,734	---
5350 SPACE SYSTEMS AND SURVEILLANCE	138,271	138,271	---
5400 WARFARE TACTICS	134,014	134,014	---
5450 OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	228,159	228,159	---
5500 COMBAT SUPPORT FORCES	444,072	444,072	---
5550 EQUIPMENT MAINTENANCE	170,937	171,937	+1,000
5600 DEPOT OPERATIONS SUPPORT	694	694	---
5650 BASE SUPPORT	312,259	312,259	---
5700 MAINTENANCE OF REAL PROPERTY	52,603	52,603	---
5750 WEAPONS SUPPORT			
5800 CRUISE MISSILE	121,192	116,292	-4,900
5850 FLEET BALLISTIC MISSILE	812,041	812,041	---
5900 IN-SERVICE WEAPONS SYSTEMS SUPPORT	61,598	61,598	---
5950 WEAPONS MAINTENANCE	389,469	394,469	+5,000
6000 BASE SUPPORT	119,868	119,868	---
6050 MAINTENANCE OF REAL PROPERTY	31,675	31,675	---
6100 WORKING CAPITAL FUND SUPPORT			
6150 NWCF SUPPORT	43,300	43,300	---
6200 TOTAL, BUDGET ACTIVITY 1	15,184,514	15,395,614	+211,100
6250 BUDGET ACTIVITY 2: MOBILIZATION			
6300 READY RESERVE AND PREPOSITIONING FORCES			
6350 SHIP PREPOSITIONING AND SURGE	428,775	428,775	---
6400 ACTIVATIONS/INACTIVATIONS			
6450 AIRCRAFT ACTIVATIONS/INACTIVATIONS	651	651	---
6500 SHIP ACTIVATIONS/INACTIVATIONS	511,976	511,976	---
6550 MOBILIZATION PREPAREDNESS			
6600 FLEET HOSPITAL PROGRAM	23,496	23,496	---
6650 INDUSTRIAL READINESS	16,166	14,466	-1,700
6700 COAST GUARD SUPPORT	17,229	17,229	---
6750 TOTAL, BUDGET ACTIVITY 2	998,293	996,593	-1,700
6800 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
6850 ACCESSION TRAINING			
6900 OFFICER ACQUISITION	75,643	75,643	---
6950 RECRUIT TRAINING	4,556	4,556	---
7000 RESERVE OFFICERS TRAINING CORPS (ROTC)	69,087	69,087	---
7050 BASE SUPPORT	57,036	57,036	---
7100 MAINTENANCE OF REAL PROPERTY	81,371	81,371	---
7150 BASIC SKILLS AND ADVANCED TRAINING			
7200 SPECIALIZED SKILL TRAINING	237,916	237,916	---
7250 FLIGHT TRAINING	315,874	315,874	---
7300 PROFESSIONAL DEVELOPMENT EDUCATION	71,780	71,780	---
7350 TRAINING SUPPORT	138,319	145,319	+7,000
7400 BASE SUPPORT	331,607	331,607	---
7450 MAINTENANCE OF REAL PROPERTY	92,400	92,400	---
7500 RECRUITING, AND OTHER TRAINING AND EDUCATION			
7550 RECRUITING AND ADVERTISING	130,415	151,215	+20,800
7600 OFF-DUTY AND VOLUNTARY EDUCATION	74,669	74,669	---
7650 CIVILIAN EDUCATION AND TRAINING	37,425	37,425	---
7700 JUNIOR ROTC	22,830	22,830	---
7750 BASE SUPPORT	451	451	---
7800 MAINTENANCE OF REAL PROPERTY	61	61	---
7850 TOTAL, BUDGET ACTIVITY 3	1,741,440	1,769,240	+27,800

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
7900	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
7950	SERVICEWIDE SUPPORT			
8000	ADMINISTRATION	565,193	565,193	---
8050	EXTERNAL RELATIONS	21,456	21,456	---
8100	CIVILIAN MANPOWER AND PERSON MANAGEMENT	140,247	103,847	-36,400
8150	MILITARY MANPOWER AND PERSON MANAGEMENT	125,125	125,125	---
8200	OTHER PERSONNEL SUPPORT	201,014	201,014	---
8250	SERVICEWIDE COMMUNICATIONS	244,766	244,766	---
8300	BASE SUPPORT	228,046	228,046	---
8400	MAINTENANCE OF REAL PROPERTY	44,827	44,827	---
8425	COMMISSARY OPERATIONS	255,000	255,000	---
8450	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT			
8500	SERVICEWIDE TRANSPORTATION	144,245	144,245	---
8550	PLANNING, ENGINEERING AND DESIGN	262,615	262,615	---
8600	ACQUISITION AND PROGRAM MANAGEMENT	473,159	475,659	+2,500
8650	AIR SYSTEMS SUPPORT	280,437	280,437	---
8700	HULL, MECHANICAL AND ELECTRICAL SUPPORT	55,467	55,467	---
8750	COMBAT/WEAPONS SYSTEMS	41,700	41,700	---
8800	SPACE AND ELECTRONIC WARFARE SYSTEMS	72,178	72,178	---
8850	BASE SUPPORT	219,826	220,176	+350
8900	MAINTENANCE OF REAL PROPERTY	40,722	40,722	---
8950	SECURITY PROGRAMS			
9000	SECURITY PROGRAMS	568,257	568,257	---
9050	BASE SUPPORT	8,814	8,814	---
9100	MAINTENANCE OF REAL PROPERTY	1,426	1,426	---
9150	SUPPORT OF OTHER NATIONS			
9200	INTERNATIONAL HEADQUARTERS AND AGENCIES	8,435	8,435	---
9350	TOTAL, BUDGET ACTIVITY 4	4,002,955	3,969,405	-33,550
9360	CLASSIFIED PROGRAMS UNDISTRIBUTED	---	17,367	+17,367
9370	GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	-50,000	-50,000	---
9380	FOREIGN CURRENCY FLUCTUATION	---	-15,900	-15,900
9390	CIVILIAN PERSONNEL UNDERSTRENGTH	---	-95,000	-95,000
9430	TDY EXPENSES	---	-22,900	-22,900
9460	HEADQUARTERS AND ADMIN ACTIVITIES	---	-32,900	-32,900
9470	EXCESS CARRY OVER (NCCOSC)	---	-52,000	-52,000
9480	FUEL REPRICING	---	-108,700	-108,700
9490	FEDERAL EXCISE/STATE TAXES FOR FUELS	---	-3,000	-3,000
9500	CONTRACT AND ADVISORY SERVICES	---	-31,000	-31,000
9510	MISC EQUIPMENT	---	-15,000	-15,000
9520	ADP LEGACY SYSTEMS EFFICIENCIES	---	-87,820	-87,820
9540	NAVY ENVIRONMENTAL LEADERSHIP PROGRAM	---	4,000	+4,000
9590	EXECUTIVE EDUCATION DEMONSTRATION PROJECT	---	1,000	+1,000
9750	TOTAL, OPERATION AND MAINTENANCE, NAVY	21,877,202	21,638,999	-238,203
9800	TRANSFER	(50,000)	(50,000)	---
9850	TOTAL FUNDING AVAILABLE	(21,927,202)	(21,688,999)	(-238,203)

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

[In thousands of dollars]

Budget Activity 1: Operation Forces:	
4400 Spares-Navy Flying Hours	45,000
4600 Depot Maintenance-Aviation	75,000
5000 Depot Maintenance-Ships	90,000
5550 Reverse Osmosis Desalinators	1,000
5800 Tactical Tomahawk	−4,900
5950 Phalanx Gun Mounts	5,000
Budget Activity 2: Mobilization:	
6650 Industrial Preparedness	−1,700
Budget Activity 3: Training and Recruiting:	
7350 CNET	3,000
7350 Navy Electricity & Electronics Training Series	4,000
7550 Recruiting and Advertising	20,800
Budget Activity 4: Administration and Servicewide Activities:	
8100 Personnel Management Program Growth	−36,400
8600 ATIS	2,500
8850 Removal of Docks at Sound Lab	350
Undistributed:	
9360 Classified Programs Undistributed	17,367
9380 Foreign Currency Fluctuation	−15,900
9390 Civilian Personnel Underexecution	−95,000
9430 Temporary Duty Travel	−22,900
9460 Headquarters and Administrative Activities	−32,900
9470 Excess Carryover (NCCOSC)	−52,000
9480 Fuel Repricing	−108,700
9490 Federal Excise/State Sales Tax for Fuels	−3,000
9500 Contract and Advisory Services	−31,000
9510 Miscellaneous Equipment	−15,000
9520 ADP Legacy Systems Efficiencies	−87,820
9540 Navy Environmental Leadership Program	4,000
9590 Executive Education Demonstration Project	1,000

OPERATION AND MAINTENANCE, MARINE CORPS

Fiscal year 1998 appropriation	$2,372,635,000
Fiscal year 1999 budget request	2,523,703,000
Committee recommendation	2,585,118,000
Change from budget request	+61,415,000

The Committee recommends an appropriation of $2,585,118,000 for Operation and maintenance, Marine Corps. The recommendation is an increase of $212,483,000 above the amount appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	375,531	400,531	+25,000
10100	FIELD LOGISTICS	221,693	221,693	---
10150	DEPOT MAINTENANCE	78,713	99,413	+20,700
10200	BASE SUPPORT	692,716	701,539	+8,823
10250	MAINTENANCE OF REAL PROPERTY	292,216	292,216	---
10300	USMC PREPOSITIONING			
10350	MARITIME PREPOSITIONING	81,325	81,325	---
10400	NORWAY PREPOSITIONING	4,328	4,328	---
10450	TOTAL, BUDGET ACTIVITY 1	1,746,522	1,801,045	+54,523
10500	BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
10550	ACCESSION TRAINING			
10600	RECRUIT TRAINING	10,202	10,202	---
10650	OFFICER ACQUISITION	289	289	---
10700	BASE SUPPORT	53,526	54,208	+682
10750	MAINTENANCE OF REAL PROPERTY	17,292	17,292	---
10800	BASIC SKILLS AND ADVANCED TRAINING			
10850	SPECIALIZED SKILLS TRAINING	28,269	28,269	---
10900	FLIGHT TRAINING	161	161	---
10950	PROFESSIONAL DEVELOPMENT EDUCATION	6,478	6,478	---
11000	TRAINING SUPPORT	81,338	81,338	---
11050	BASE SUPPORT	55,771	56,481	+710
11100	MAINTENANCE OF REAL PROPERTY	24,009	24,009	---
11150	RECRUITING AND OTHER TRAINING EDUCATION			
11200	RECRUITING AND ADVERTISING	80,798	92,798	+12,000
11250	OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	---
11300	JUNIOR ROTC	9,201	10,616	+1,415
11350	BASE SUPPORT	8,496	8,496	---
11400	MAINTENANCE OF REAL PROPERTY	2,440	2,440	---
11450	TOTAL, BUDGET ACTIVITY 3	393,286	408,093	+14,807
11500	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
11550	SERVICEWIDE SUPPORT			
11650	SPECIAL SUPPORT	224,668	224,668	---
11700	SERVICEWIDE TRANSPORTATION	29,630	29,630	---
11750	ADMINISTRATION	26,509	26,509	---
11800	BASE SUPPORT	14,557	14,742	+185
11850	MAINTENANCE OF REAL PROPERTY	1,931	1,931	---
11875	COMMISSARY OPERATIONS	86,600	86,600	---
11900	TOTAL, BUDGET ACTIVITY 4	383,895	384,080	+185
11915	FOREIGN CURRENCY FLUCTUATION	---	-2,700	-2,700
11965	TDY EXPENSES	---	-400	-400
11975	MISC EQUIPMENT	---	-5,000	-5,000
12300	TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,523,703	2,585,118	+61,415

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

[In thousands of dollars]

Budget Activity 1: Operation Forces:	
10050 Initial Issue Gear	25,000
10150 Depot Maintenance	20,700
10200 Base Support-Expeditionary Forces	8,823
Budget Activity 3: Training and Recruiting:	
10700 Base Support-Accession Training	682
11050 Base Support-Base Skills and Advanced Training	710
11200 Recruiting and Advertising	12,000
11300 Marine Corps Junior ROTC	1,415
Budget Activity 4: Administration and Servicewide Activities:	
11800 Base Support—Servicewide Activities	185
Undistributed:	
11915 Foreign Currency Fluctuation	−2,700
11965 Temporary Duty Travel	−400
11975 Miscellaneous Equipment	−5,000

OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 1998 appropriation	$18,492,883,000
Fiscal year 1999 budget request	19,127,004,000
Committee recommendation	19,024,233,000
Change from budget request	−102,771,000

The Committee recommends an appropriation of $19,024,233,000 for Operation and maintenance, Air Force. The recommendation is an increase of $531,350,000 above the amount appropriated for fiscal year 1998.

REALISTIC BOMBER TRAINING

The Committee is aware that serious concerns have been raised over the environmental impact of the proposed Realistic Bomber Training Initiative (RBTI). The Committee directs that the Air Force complete an Environmental Impact Statement (EIS) on RBTI before proceeding further with implementing this proposal.

SPECIALIZED SKILL TRAINING

The Air Force requested $215,477,000 for specialized skill training. The Committee recommends $218,477,000, an increase of $3,000,000 only to develop the Educational Satellite and Airspace Training System for the Air Force Air Education Training Center.

BATTLE LAB MANAGEMENT SUPPORT

The Committee recommends an increase of $4,000,000 above the budget request only for increasing engineering and technical support for the Air Force Battle Labs program.

AIR FORCE INSTITUTE OF TECHNOLOGY

The Committee approves of the Air Force decision to keep the Air Force Institute of Technology (AFIT) School of Engineering at Wright-Patterson Air Force Base. The Committee further directs the Air Force to keep the School of Acquisition and Logistics, and all other AFIT components, at Wright-Patterson as well. Furthermore, the Committee directs the Air Force to review its use of civilian educational programs to utilize more fully existing programs available in AFIT resident schools.

MINORITY AVIATION TRAINING

The Committee recommends an increase of $450,000 above the budget request to fund increased minority aviation training. The Committee directs that this increase be used only for the purpose of funding cooperative activities at the William Lehman Aviation Center.

ADP LEGACY SYSTEMS EFFICIENCIES

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

FIRST PROGRAM

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 1999:

(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	2,311,299	2,427,799	+116,500
12650	PRIMARY COMBAT WEAPONS	236,147	236,147	---
12700	COMBAT ENHANCEMENT FORCES	196,036	196,036	---
12750	AIR OPERATIONS TRAINING	562,839	562,839	---
12775	DEPOT MAINTENANCE	1,022,087	1,068,366	+46,279
12800	COMBAT COMMUNICATIONS	958,706	958,706	---
12850	BASE SUPPORT	1,538,126	1,620,152	+82,026
12900	MAINTENANCE OF REAL PROPERTY	575,656	575,656	---
12950	COMBAT RELATED OPERATIONS			
13000	GLOBAL C3I AND EARLY WARNING	669,379	669,379	---
13050	NAVIGATION/WEATHER SUPPORT	118,337	118,337	---
13100	OTHER COMBAT OPS SUPPORT PROGRAMS	221,593	222,821	+1,228
13150	JCS EXERCISES	30,521	30,521	---
13200	MANAGEMENT/OPERATIONAL HEADQUARTERS	117,540	117,540	---
13250	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	227,980	227,980	---
13300	SPACE OPERATIONS			
13350	LAUNCH FACILITIES	221,046	221,046	---
13400	LAUNCH VEHICLES	102,064	102,064	---
13450	SPACE CONTROL SYSTEMS	246,940	246,940	---
13500	SATELLITE SYSTEMS	36,152	36,152	---
13550	OTHER SPACE OPERATIONS	85,292	85,292	---
13600	BASE SUPPORT	309,406	325,906	+16,500
13650	MAINTENANCE OF REAL PROPERTY	122,525	122,525	---
13700	TOTAL, BUDGET ACTIVITY 1	9,909,671	10,172,204	+262,533
13750	BUDGET ACTIVITY 2: MOBILIZATION			
13800	MOBILITY OPERATIONS			
13850	AIRLIFT OPERATIONS	1,326,774	1,383,774	+57,000
13900	AIRLIFT OPERATIONS C3I	21,676	21,676	---
13950	MOBILIZATION PREPAREDNESS	134,807	111,107	-23,700
13975	DEPOT MAINTENANCE	316,485	330,815	+14,330
14000	PAYMENTS TO TRANSPORTATION BUSINESS AREA	470,000	470,000	---
14050	BASE SUPPORT	390,876	411,721	+20,845
14100	MAINTENANCE OF REAL PROPERTY	148,331	148,331	---
14150	TOTAL, BUDGET ACTIVITY 2	2,808,949	2,877,424	+68,475
14200	BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
14250	ACCESSION TRAINING			
14300	OFFICER ACQUISITION	57,679	57,679	---
14350	RECRUIT TRAINING	4,360	4,360	---
14400	RESERVE OFFICER TRAINING CORPS (ROTC)	46,522	46,522	---
14450	BASE SUPPORT (ACADEMIES ONLY)	58,828	61,965	+3,137
14500	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	37,655	37,655	---
14550	BASIC SKILLS AND ADVANCED TRAINING			
14600	SPECIALIZED SKILL TRAINING	215,477	218,477	+3,000
14650	FLIGHT TRAINING	406,940	406,940	---
14700	PROFESSIONAL DEVELOPMENT EDUCATION	90,709	90,709	---
14750	TRAINING SUPPORT	65,742	65,742	---
14775	DEPOT MAINTENANCE	12,186	12,738	+552
14800	BASE SUPPORT (OTHER TRAINING)	370,961	390,744	+19,783
14850	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	102,238	102,238	---
14900	RECRUITING, AND OTHER TRAINING AND EDUCATION			
14950	RECRUITING AND ADVERTISING	54,775	54,775	---
15000	EXAMINING	2,668	2,668	---
15050	OFF DUTY AND VOLUNTARY EDUCATION	84,122	84,122	---
15100	CIVILIAN EDUCATION AND TRAINING	61,124	61,124	---
15150	JUNIOR ROTC	26,557	26,557	---
15200	TOTAL, BUDGET ACTIVITY 3	1,698,543	1,725,015	+26,472

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
15250	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
15300	LOGISTICS OPERATIONS			
15350	LOGISTICS OPERATIONS	706,893	706,893	---
15400	TECHNICAL SUPPORT ACTIVITIES	389,685	389,685	---
15450	SERVICEWIDE TRANSPORTATION	196,178	196,178	---
15475	DEPOT MAINTENANCE	69,344	72,484	+3,140
15500	BASE SUPPORT	916,165	953,863	+37,698
15550	MAINTENANCE OF REAL PROPERTY	257,685	257,685	---
15600	SERVICEWIDE ACTIVITIES			
15650	ADMINISTRATION	140,879	140,879	---
15700	SERVICEWIDE COMMUNICATIONS	234,065	234,065	---
15750	PERSONNEL PROGRAMS	127,718	104,518	-23,200
15800	RESCUE AND RECOVERY SERVICES	48,466	48,466	---
15900	ARMS CONTROL	30,005	30,005	---
15950	OTHER SERVICEWIDE ACTIVITIES	517,780	517,780	---
16000	OTHER PERSONNEL SUPPORT	31,828	31,828	---
16050	CIVIL AIR PATROL CORPORATION	13,927	19,697	+5,770
16075	COMMISSARY OPERATIONS	302,071	302,071	---
16100	BASE SUPPORT	180,221	189,832	+9,611
16150	MAINTENANCE OF REAL PROPERTY	26,067	26,067	---
16200	SECURITY PROGRAMS			
16250	SECURITY PROGRAMS	557,256	557,256	---
16300	SUPPORT TO OTHER NATIONS			
16350	INTERNATIONAL SUPPORT	13,608	13,608	---
16400	TOTAL, BUDGET ACTIVITY 4	4,759,841	4,792,860	+33,019
16410	CLASSIFIED PROGRAMS UNDISTRIBUTED	---	-1,500	-1,500
16420	GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	-50,000	-50,000	---
16430	FOREIGN CURRENCY FLUCTUATION	---	-29,400	-29,400
16510	TDY EXPENSES	---	-77,500	-77,500
16525	HEADQUARTERS AND ADMIN ACTIVITIES	---	-105,200	-105,200
16535	RENTS	---	-2,000	-2,000
16545	COMMUNICATIONS PURCHASES	---	-13,600	-13,600
16555	FUEL REPRICING	---	-116,000	-116,000
16565	CONTRACT AND ADVISORY SERVICES	---	-30,900	-30,900
16575	MISC EQUIPMENT	---	-15,000	-15,000
16585	ADP LEGACY SYSTEMS EFFICIENCIES	---	-95,620	-95,620
16605	ELIMINATION OF FIRST PROGRAM	---	-7,000	-7,000
16660	MINORITY AVIATION TRAINING	---	450	+450
16800	TOTAL, O&M, AIR FORCE	19,127,004	19,024,233	-102,771
6850	TRANSFER	(50,000)	(50,000)	---
16900	TOTAL FUNDING AVAILABLE	(19,177,004)	(19,074,233)	(-102,771)

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 Battlelabs	4,000
12600 Spares-Air Operations	112,500
12775 Depot Maintenance-Air Operations	46,279
12850 Base Support-Operating Forces	82,026
13100 SIMVAL	1,228
13600 Base Support-Space Operations	16,500
Budget Activity 2: Mobilization:	
13850 Spares-Mobility Operations	57,000
13950 Industrial Preparedness	−23,700
13975 Depot Maintenance-Mobility Operations	14,330
14050 Base Support-Mobilization	20,845
Budget Activity 3: Training and Recruiting:	
14450 Base Support-Academy	3,137
14600 Educational Satellite and Airspace Training System	3,000
14775 Depot Maintenance-Base Skills Training	552
14800 Base Support-Other Training	19,783
Budget Activity 4: Administration and Servicewide Activities:	
15475 Depot Maintenance-Service-Wide Activities	3,140
15500 Base Support-Logistics Operations	37,698
15750 Personnel Management program growth	−23,200
16050 Civil Air Patrol	5,770
16100 Base Support-Service Wide Activities	9,611
Undistributed:	
16410 Classified Programs Undistributed	−1,500
16430 Foreign Currency Fluctuation	−29,400
16510 Temporary Duty Travel	−77,500
16525 Headquaters and Administrative Activities	−105,200
16535 Rents	−2,000
16545 Communications Purchases	−13,600
16555 Fuel Repricing	−116,000
16565 Contract and Advisory Services	−30,900
16575 Miscellaneous Equipment	−15,000
16585 ADP Legacy Systems Efficiencies	−95,620
16605 FIRST Program	−7,000
16660 Minority Aviation Training	450

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 1998 appropriation	$10,369,740,000
Fiscal year 1999 budget request	10,750,601,000
Committee recommendation	10,804,542,000
Change from budget request	+53,941,000

The Committee recommends an appropriation of $10,804,542,000 for Operation and Maintenance, Defense-Wide. The recommendation is an increase of $434,802,000 from the amount appropriated in fiscal year 1998.

SPECIAL OPERATIONS COMMAND

The Special Operations Command requested $1,238,853,000. The Committee recommends $1,244,503,000, an increase of $5,650,000. Of the amount provided, $2,000,000 is only for the Joint Threat Warning System (JTWS), and $7,650,000 is only for a program discussed in the classified annex accompanying this report. The Committee recommends a reduction of $4,000,000 for operation and maintenance of six Patrol Coastal Craft which are being deployed to the Southern Command theater of operations for counter-drug activities as further described in Title VI, Drug Interdiction and Counter-Drug Activities, Defense.

GROWTH IN ADMINISTRATIVE AND SERVICEWIDE ACTIVITIES

The President's request for the Administrative and Servicewide Activities (BA–4) within Operation and Maintenance, Defense-Wide (excluding intelligence programs, transfers and one year additions) is an increase of 5 percent above the fiscal year 1998 appropriation, even after it is adjusted for inflation. Yet at the same time, the total budget for the Department of Defense is declining in real terms. The Committee does not believe that it is appropriate to increase this activity at the expense of combat forces and has therefore recommended specific reductions to this account totaling over $210,000,000, which is equal to the proposed net growth in this budget activity. The specific reductions are outlined throughout this section of the report.

CIVIL/MILITARY PROGRAMS

The Committee recommends an increase over the request of $10,000,000 for the National Guard Youth Challenge Program. In addition, the Committee urges the Department to give priority consideration for the Chicago Military Academy and the New York State Corps of Cadets youth program for funding under the Department's Youth Challenge Program.

DEFENSE CONTRACT AUDIT AGENCY (DCAA)

The Department requested an increase in the DCAA civilian pay account for within grade increases and for the annual pay increase. As this Committee has noted in the past, DCAA's request for within grade increases is not consistent with DoD policy and the size of the Agency's general pay increase significantly exceeds the increase authorized by law. The Committee denies the unwarranted increases and reduces the DCAA budget request by $4,375,000 accordingly.

DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

The Defense Finance and Accounting Service 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 budget request proposes to move the cost of the Executive and Professional Training program from the DWCF into Operation and Maintenance, Defense-Wide. This program, however, primarily pays for the training of employees who are paid from the DWCF. The Committee believes that training is an inherent part any workforce's operating costs and thus should be paid for from within the DWCF. The Committee notes that House Report 105–265, accompanying the Department of Defense Appropriations Act, 1998 specifically directed the Department to program for these costs in the DWCF. The Committee recommends a reduction of $34,566,000.

DEFENSE HUMAN RESOURCES ACTIVITY (DHRA)

The budget request for DHRA includes an increase in civilian pay over the last two years that greatly exceeds its growth in manpower. Even allowing for the increase in billets for the Defense Leadership and Management Program and the previous years

reimbursables, the request still exceeds the activities requirements by $3,900,000. The Committee, accordingly, has reduced requested funding by a like amount.

DHRA—DEFENSE CIVILIAN PERSONNEL DATA SYSTEM

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

DEFENSE INFORMATION SYSTEMS AGENCY (DISA)

The Committee agrees with the House National Security Committee that a portion of DISA's appropriated budget more properly belongs in the Defense Working Capital Fund. The Committee therefore directs the Department to carefully review DISA's budget and to provide a report to the congressional defense committees no later than February 15, 1999 on what parts of the DISA budget should be moved into the Defense Working Capital Fund.

DISA—GLOBAL COMBAT SUPPORT SYSTEM (GCSS)

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

DLA—EQUIPMENT PURCHASES

The Defense Logistics Agency requested an increase of $29,800,000 in Equipment Purchases to accelerate their life-cycle replacement of computer systems. The Committee believes this increase is excessive and recommends a reduction of $14,900,000.

DLA—IMPROVED CARGO METHODS AND TECHNOLOGIES

The bill includes $2,000,000 only to evaluate cost saving opportunities that exist from integrating the latest private sector logistics research, transport technology, and security development into the practices and procedures for moving military cargo around the United States and throughout the world. The Committee intends that this work be undertaken by a not-for-profit foundation having detailed knowledge of national and international commercial practices in all elements of the supply chain (i.e., manufacturing, retail, transportation, and distribution systems) without bias to any geographic region or industry sector. This analysis shall evaluate the ability of third-party logistics providers to meet military requirements and ways to improve commercial cargo security procedures across different distribution networks.

DLA—DPSC AGREEMENT

The Defense Personnel Support Center (DPSC) of the Defense Logistics Agency (DLA) is being relocated from the Philadelphia Naval Shipyard to a new site in Philadelphia. The new site lacks sufficient space and equipment for its important education, training and distance learning activities. In order to address these problems, the Committee directs the Secretary of Defense to enter into a thirty year lease agreement with the Philadelphia College of Textiles and Science for space to be utilized by DPSC. The location of these DPSC activities at the College, in close proximity to the College's textile science education, research and training programs,

will foster cooperation that will benefit the DPSC's mission in support of the Armed Forces. The Committee expects that the lease shall be at prevailing rates for such space and shall also support the costs of outfitting the space with state-of-the-art distance learning technology and standard utilities and overhead expenses. The Committee also expects the College to build and manage the space and, upon mutual agreement with the DPSC, utilize the space when not in use by the DPSC.

DLA—AUTOMATED DOCUMENT CONVERSION

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

DEFENSE SECURITY ASSISTANCE AGENCY (DSAA)

The Department has requested $4,610,000 to pay for the salaries of 27 civilians transferred to DSAA. Prior to this transfer, all DSAA personnel were funded exclusively through the foreign military sales trust fund and the military grant-aid funds. The Committee sees no reason to change how DSAA employees are paid and therefore recommends a reduction of $4,610,000.

DTRTCA—PARTNERSHIP FOR PEACE

The Committee recommends an increase of $1,000,000 for the Partnership for Peace program to expand the National Guard's involvement in military-to-military contacts and to establish Minuteman Fellow Exchanges.

DEPARTMENT OF DEFENSE EDUCATION ACTIVITY (DODEA)

The Department requested $1,347,718,000 for DoDEA. The Committee recommends $1,354,968,000, an increase of $7,250,000. Of this amount, $2,500,000 is only for a demonstration of desiccant based dehumidification, a process that can remove a wide range of airborne microorganisms and improve the quality of air in the schools. The budget also included a request for $3,850,000 to cover the increased cost of facility maintenance that results from privatization. The Committee believes that the Department should include cost savings as an integral part of its decision on when to privatize and therefore does not include funding for this purpose.

NEW PARENT SUPPORT PROGRAM

The Committee recommends an increase over the request of $5,600,000 for the New Parent Support Program. This family advocacy program is designed to prevent child abuse of young children by providing education and personal support to high-risk families.

JOINT CHIEFS OF STAFF

The Committee recommends a reduction of $4,800,000 from the budget request for headquarters and administrative expenses. None of this, or any other reduction, is to be taken against the Joint Staff's efforts in support of Joint Vision 2010.

OEA—AGILE PORT CAPABILITIES STUDY

The Committee bill includes $500,000 only to initiate a study and demonstration of the advanced "agile port" concept as a means to reduce transit and delivery times for seagoing shipments of military cargo. The Committee directs the Department to structure this effort to leverage the work of other agencies such as the U.S. Maritime Administration and advanced commercial practices to the fullest possible extent. The Committee believes the Port of Philadelphia represents an ideal demonstration site for this study because of its proximity to the sole Defense Logistics Agency distribution region headquarters in the eastern United States and its participation in related commercial initiatives.

OEA—PLANNING

The Committee recommends adding $1,000,000 to the Office of Economic Adjustment only for the planning and design of the replacement infrastructure necessary for Norton Air Force Base.

YOUTH DEVELOPMENT AND LEADERSHIP PROGRAM

The Committee recommends $400,000 only for operational costs of the youth development and leadership program initiated under P.L. 105–174.

OSD—NATIONAL PERFORMANCE REVIEW

The Committee has learned that the Department of Defense is providing the entire $1,300,000 needed to cover the administrative cost of the National Performance Review (NPR). Given that the NPR is a government-wide endeavor the Committee believes that it is inappropriate for the Department to bear the full cost of this effort. The Committee considers this an item of Congressional interest and directs that no more than $650,000 be used for this effort.

ADP LEGACY SYSTEMS EFFICIENCIES

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

ADMINISTRATIVE AND CONTRACTOR SUPPORT

The Committee is concerned about the Department's inability to significantly reduce its headquarters staff given the sizable drawdown in combat forces. For example, in the Joint Staff, programmed manpower reductions were later rescinded so that between 1995 and 1998, the size of the Joint Staff actually increased. In the Office of the Secretary of Defense (OSD), manpower reductions have not lived up to expectations. Those limited personnel reductions that can be identified are often offset by increases in contractor support. The Committee recommends a reduction of $40,000,000 for administrative and contractor support, and remains hopeful that the Department's implementation of the Defense Reform Initiative will represent a break from past practice.

MILITARY PERSONNEL INFORMATION SYSTEM

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

INDUSTRY SECURITY LOCKS

Federal Specification FF–L–2740A was established by the Inter-Agency Committee on Security Equipment as the standard for providing secure protection of sensitive classified material. The Committee has supported the Department of Defense's efforts to retrofit existing containers with security locks that conform to this specification and the Department's procurement of new conforming containers. However, the Committee is concerned that sensitive classified materials in the possession of defense contractors are not subject to the same protection. While new containers purchased by defense contractors must have locks which meet or exceed this specification, there remain a number of older containers which fall below the prescribed standard.

The Committee therefore directs the Under Secretary of Defense for Acquisition and Technology to develop and implement a plan to ensure that defense contractors in possession of classified material retrofit all security containers which do not have security locks which meet federal specification FF–L–2740A. The Committee further directs the Department to report to the defense committees no later than February 1, 1999 on the aspects and progress of this lock retrofit implementation.

NATIONAL IMAGERY AND MAPPING AGENCY

The Committee has included a general provision (section 8095) to clarify that the National Imagery and Mapping Agency (NIMA) utilize the qualification based selection (QBS) process (the Brooks Act) for private sector firms providing mapping, charting and geodesy services as provided in current law and followed by other Federal agencies. Identical language was included in the House-passed version of the fiscal year 1998 Department of Defense Appropriations bill. Subsequently, NIMA issued a policy affirming its use of the QBS process for all its geospatial production service contracts, including but not limited to mapping, charting and geodesy services under the requirements of previously enacted law and Congressional direction (Sec. 403 P.L. 101–574, Sec. 202(d), P.L. 102–366 and House Reports 104–617 and 104–863). NIMA also agreed to seek a revision to the Federal Acquisition Regulations (FAR) to this effect. NIMA is to be commended for its efforts to address these issues and seek revisions to the FAR. However, the Defense Federal Acquisition Regulatory (DFAR) Council did not implement these revisions. The Committee has repeated last year's House-passed general provision to ameliorate further regulatory and statutory conflicts.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	410,065	412,065	+2,000
17100 SPECIAL OPERATIONS COMMAND	1,149,328	1,154,978	+5,650
17150 TOTAL, BUDGET ACTIVITY 1	1,559,393	1,567,043	+7,650
17200 BUDGET ACTIVITY 2: MOBILIZATION			
17250 DEFENSE LOGISTICS AGENCY	38,934	38,934	---
17350 BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
17400 DEFENSE ACQUISITION UNIVERSITY	---	95,000	+95,000
17450 AMERICAN FORCES INFORMATION SERVICE	11,059	11,059	---
17600 SPECIAL OPERATIONS COMMAND	42,408	42,408	---
17650 TOTAL, BUDGET ACTIVITY 3	53,467	148,467	+95,000
17700 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
17750 AMERICAN FORCES INFORMATION SERVICE	93,815	93,815	---
17775 CIVIL MILITARY PROGRAMS	44,894	44,894	---
17800 CLASSIFIED AND INTELLIGENCE	3,803,561	3,845,018	+41,457
17900 DEFENSE CONTRACT AUDIT AGENCY	330,087	325,712	-4,375
17950 DEFENSE FINANCE AND ACCOUNTING SERVICE	83,277	48,711	-34,566
18000 DEFENSE HUMAN RESOURCES ACTIVITY	198,923	188,023	-10,900
18050 DEFENSE INFORMATION SYSTEMS AGENCY	771,106	751,706	-19,400
18150 DEFENSE LEGAL SERVICES AGENCY	9,027	9,027	---
18200 DEFENSE LOGISTICS AGENCY	1,140,137	1,147,122	+6,985
18300 DEFENSE POW /MISSING PERSONS OFFICE	14,110	14,110	---
18310 DEFENSE SECURITY ASSISTANCE AGENCY	4,610	---	-4,610
18320 DEFENSE SECURITY SERVICE	83,419	81,219	-2,200
18475 DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY	304,745	290,345	-14,400
18500 DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,347,718	1,354,968	+7,250
18600 JOINT CHIEFS OF STAFF	139,816	134,816	-4,800
18650 OFFICE OF ECONOMIC ADJUSTMENT	31,233	32,733	+1,500
18700 OFFICE OF THE SECRETARY OF DEFENSE	369,836	356,086	-13,750
18850 SPECIAL OPERATIONS COMMAND	47,117	47,117	---
18900 WASHINGTON HEADQUARTERS SERVICE	281,676	270,676	-11,000
18950 TOTAL, BUDGET ACTIVITY 4	9,098,907	9,036,098	-62,809
18975 FOREIGN CURRENCY FLUCTUATION	---	-6,000	-6,000
19100 UNDISTRIBUTED REDUCTION	-100	---	+100
19110 IMPACT AID	---	35,000	+35,000
19120 ADP LEGACY SYSTEMS EFFICIENCIES	---	-18,000	-18,000
19130 ADMINISTRATIVE AND CONTRACTOR SUPPORT	---	-40,000	-40,000
19230 MILITARY PERSONNEL INFORMATION SYSTEM	---	38,000	+38,000
19240 NIPC TECHNICAL SUPPORT	---	5,000	+5,000
19350 TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,750,601	10,804,542	+53,941

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—Mobility Enhancements	15,000
17050 JCS—Exercises	−13,000
17100 Special Operations Command	5,650
Budget Activity 3: Training and Recruiting:	
17400 DAU—Transfer	95,000
Budget Activity 4: Administration and Servicewide Activities:	
17775 National Guard Youth Challenge Program	10,000
17775 Innovative Readiness Training	−10,000
17800 Classified and Intelligence	41,457
17900 DCAA—Within Grade Increases	−2,375
17900 DCAA—Price Growth Error	−2,000
17950 DFAS—Executive and Professional Training	−34,566
18000 DHRA—Pay Rate Error	−3,900
18000 DHRA—DCPDS	−7,000
18050 DISA—GCSS	−10,900
18050 DISA—Lower Priority Program Increases	−6,700
18050 DISA—Management Headquarters Reduction	−1,800
18200 DLA—Blankets	−3,115
18200 DLA—Equipment Purchases	−14,900
18200 DLA—Warstopper Increase	−3,000
18200 DLA—Improved Cargo Methods and Technologies	2,000
18200 DLA—DPSC Agreement	1,000
18200 DLA—Automated Document Conversion	25,000
18310 Defense Security Assistance Agency	−4,610
18320 Defense Security Service	−2,200
18475 DTRTCA—Partnership for Peace	1,000
18475 DTRTCA—OSIA Treaty Requirements	−15,400
18500 DoDEA—Facility Maintenance Contract	−3,850
18500 DoDEA—New Parent Support Program	5,600
18500 DoDEA—Family Counseling and Crisis Services	3,000
18500 DoDEA—Desiccant Demo	2,500
18600 JCS—Management Headquarters Reduction	−4,800
18650 OEA—Agile Port Capabilities Study	500
18650 OEA—Planning	1,000
18700 OSD—Youth Development and Leadership Youth Program	400
18700 OSD—Lower Priority Program Increases	−13,500
18700 OSD—National Performance Review	−650
18900 WHS—Lower Priority Program Increases	−10,000
18900 WHS—White House Defense Fellows	−1,000
Other Adjustments:	
18975 Foreign Currency	−6,000
19110 Impact Aid	35,000
19120 ADP Legacy Systems Efficiencies	−18,000
19130 Administration and Contractor Support	−40,000
19230 Military Personnel Information System	38,000
19240 NIPC Technical Support	5,000

OPERATION AND MAINTENANCE, ARMY RESERVE

Fiscal year 1998 appropriation	$1,207,891,000
Fiscal year 1999 budget request	1,202,622,000
Committee recommendation	1,201,222,000
Change from budget request	−1,400,000

The Committee recommends an appropriation of $1,201,222,000 for Operation and maintenance, Army Reserve. The recommendation is a decrease of $6,669,000 below the $1,207,891,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
19500 OPERATION AND MAINTENANCE, ARMY RESERVE			
19550 BUDGET ACTIVITY 1: OPERATING FORCES			
19560 LAND FORCES			
19570 DIVISION FORCES	10,918	10,918	---
19580 CORPS COMBAT FORCES	17,890	17,890	---
19590 CORPS SUPPORT FORCES	165,897	165,897	---
19595 ECHELON ABOVE CORPS FORCES	86,565	86,565	---
19600 MISSION OPERATIONS			
19610 LAND FORCES OPERATIONS SUPPORT	227,856	227,856	---
19630 LAND FORCES READINESS			
19640 FORCES READINESS OPERATIONS SUPPORT	123,824	123,824	---
19650 LAND FORCES SYSTEM READINESS	13,757	13 757	---
19660 DEPOT MAINTENANCE	47,342	47,342	---
19670 LAND FORCES READINESS SUPPORT			
19680 BASE SUPPORT	305,760	305,760	---
19690 MAINTENANCE OF REAL PROPERTY	61,177	61,177	---
19710 UNIFIED COMMANDS	107	107	---
19720 MISCELLANEOUS ACTIVITIES	1,383	1,383	---
19900 TOTAL, BUDGET ACTIVITY 1	1,062,476	1,062,476	---
19950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
20000 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
20025 STAFF MANAGEMENT HEADQUARTERS	27,465	27,465	---
20050 INFORMATION MANAGEMENT	23,601	23,601	---
20060 PERSONNEL/FINANCIAL ADMINISTRATION	47,327	47,327	---
20070 RECRUITING AND ADVERTISING	41,753	41,753	---
20110 FUEL REPRICING	---	-1,400	-1,400
20300 TOTAL, BUDGET ACTIVITY 4	140,146	138,746	-1,400
20700 TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,202,622	1,201,222	-1,400

The adjustment to the budget activities for Operation and maintenance, Army Reserve is shown below:

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
20110 Fuel Repricing Savings	−1,400

ARMY/NAVY RESERVE CENTERS

The Committee understands that there are two Army Reserve Centers in Florida and one Youngstown, Ohio which are in extensive need of repair and renovation. In addition, the Navy Reserve has a facility located in Youngstown, Ohio, which is vacant and needs remediation. The Committee has provided additional funds for Real Property Maintenance for the Army Reserve and Navy Reserve, and directs that $2,000,000 be designated to each component to meet these requirements.

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, scrapers, and D–7 bulldozers for the Army Reserve and Army National Guard are approaching their service life threshold. The Committee directs the Department to examine the cost effectiveness of the remanufacture or rebuild of older items of equipment in the inventory in order to extend their service life and improve the effectiveness of this equipment.

OPERATION AND MAINTENANCE, NAVY RESERVE

Fiscal year 1998 appropriation	$921,711,000
Fiscal year 1999 budget request	928,639,000
Committee recommendation	949,039,000
Change from budget request	+20,400,000

The Committee recommends an appropriation of $949,039,000 for Operation and maintenance, Navy Reserve. The recommendation is an increase of $27,328,000 above the $921,711,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	300,682	300,682	---
21050 FLEET AIR TRAINING	484	484	---
21100 INTERMEDIATE MAINTENANCE	17,271	17,271	---
21150 AIR OPERATION AND SAFETY SUPPORT	3,044	3,044	---
21200 AIRCRAFT DEPOT MAINTENANCE	121,740	132,740	+11,000
21250 AIRCRAFT DEPOT OPS SUPPORT	323	323	---
21300 BASE SUPPORT	101,963	101,963	---
21350 MAINTENANCE OF REAL PROPERTY	24,370	24,370	---
21400 RESERVE SHIP OPERATIONS			
21450 MISSION AND OTHER SHIP OPERATIONS	61,924	71,924	+10,000
21500 SHIP OPERATIONAL SUPPORT AND TRAINING	611	611	---
21550 INTERMEDIATE MAINTENANCE	9,472	9,472	---
21600 SHIP DEPOT MAINTENANCE	79,257	79,257	---
21650 SHIP DEPOT OPERATIONS SUPPORT	1,459	1,459	---
21700 RESERVE COMBAT OPERATIONS SUPPORT			
21800 COMBAT SUPPORT FORCES	28,355	28,355	---
21850 BASE SUPPORT	34,411	34,411	---
21900 MAINTENANCE OF REAL PROPERTY	9,606	9,606	---
21950 RESERVE WEAPONS SUPPORT			
22000 WEAPONS MAINTENANCE	5,217	5,217	---
22050 TOTAL, BUDGET ACTIVITY 1	800,189	821,189	+21,000
22100 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
22150 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
22200 ADMINISTRATION	6,209	6,209	---
22250 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,015	1,015	---
22300 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,420	25,420	---
22400 SERVICEWIDE COMMUNICATIONS	50,534	50,534	---
22450 BASE SUPPORT	29,571	29,571	---
22500 MAINTENANCE OF REAL PROPERTY	7,182	7,182	---
22550 COMBAT/WEAPONS SYSTEMS	5,398	5,398	---
22600 GENERAL DEFENSE INTELLIGENCE PROGRAM	587	587	---
22605 LOGISTICS OPERATIONS AND TECHNICAL SUPPORT			
22610 AIR SYSTEMS SUPPORT	2,534	2,534	---
22750 TOTAL, BUDGET ACTIVITY 4	128,450	128,450	---
22780 FUEL REPRICING	---	-8,200	-8,200
22790 P-3 SQUADRONS	---	7,600	+7,600
23150 TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	928,639	949,039	+20,400

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/C–20 Repair	11,000
21450 Mission and Other Ship Operations/MCM steaming days	10,000
Other Adjustments:	
22780 Fuel Repricing Savings	−8,200
22790 P–3 Squadrons	7,600

NAVY RESERVE FORCES

Last year's House and conference reports expressed strong support for Naval Reserve components and a concern for the elimination or reduction of the hardware and combat/warfare missions of the Naval Reserve. The Committee reiterates its concern that such eliminations or reductions are unacceptable. Elimination of or serious reductions in the remaining 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.

It is for these reasons that the Committee has provided additional funding above the request to maintain the crews and operations support for at least seven P–3 aircraft in each of the Naval Reserve squadrons. The Committee is also disappointed in the extreme lack of budgetary support for Naval Reserve annual training and drill funding as well as peacetime contributory support. The Committee has also provided funds above the request for these purposes and expects the Secretary of the Navy and DoD in future budgets to fully fund, as required by law, Navy Selected Reserve endstrength for at least 48 scheduled drills and not less than 14 days active duty for training.

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 or the Secretary of Defense 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 as funded in this bill and fully expects the Secretary of the Navy and DoD to consult with Congress prior to any final recommendations that may further reduce Navy Reserve forces.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Fiscal year 1998 appropriation	$116,366,000
Fiscal year 1999 budget request	114,593,000
Committee recommendation	119,093,000
Change from budget request	+4,500,000

The Committee recommends an appropriation of $119,093,000 for Operation and maintenance, Marine Corps Reserve. The rec-

ommendation is an increase of $2,727,000 above the $116,366,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	14,435	14,435	---
23500 OPERATING FORCES	33,823	33,823	---
23550 BASE SUPPORT	16,272	16,272	---
23600 MAINTENANCE OF REAL PROPERTY	6,976	6,976	---
23650 DEPOT MAINTENANCE	2,821	2,821	---
23700 TOTAL, BUDGET ACTIVITY 1	74,327	74,327	---
23750 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
23800 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
23850 RECRUITING AND ADVERTISING	7,920	9,120	+1,200
23900 SPECIAL SUPPORT	11,080	11,080	---
23950 SERVICEWIDE TRANSPORTATION	4,714	4,714	---
24000 ADMINISTRATION	8,763	8,763	---
24050 BASE SUPPORT	7,789	7,789	---
24110 INCREASED USE OF GUARD AND RESERVE	---	1,200	+1,200
24120 ACTIVE DUTY FOR SPECIAL WORK	---	2,100	+2,100
24200 TOTAL, BUDGET ACTIVITY 4	40,266	44,766	+4,500
24600 TOTAL, O&M, MARINE CORPS RESERVE	114,593	119,093	+4,500

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

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
23850 Recruiting and Advertising	1,200
24110 Increased Use of Guard and Reserve	1,200
24120 Active Duty for Special Work	2,100

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Fiscal year 1998 appropriation	$1,632,030,000
Fiscal year 1999 budget request	1,744,696,000
Committee recommendation	1,735,996,000
Change from budget request	−8,700,000

The Committee recommends an appropriation of $1,735,996,000 for Operation and maintenance, Air Force Reserve. The recommendation is an increase of $103,966,000 above the $1,632,030,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	1,038,509	1,038,509	---
24950 MISSION SUPPORT OPERATIONS	40,926	40,926	---
25000 BASE SUPPORT	223,606	223,606	---
25050 MAINTENANCE OF REAL PROPERTY	61,616	61,616	---
25100 DEPOT MAINTENANCE	298,493	298,493	---
25150 TOTAL, BUDGET ACTIVITY 1	1,663,150	1,663,150	---
25200 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
25250 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
25300 ADMINISTRATION	46,002	46,002	---
25350 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,205	20,205	---
25400 RECRUITING AND ADVERTISING	8,350	11,350	+3,000
25450 OTHER PERSONNEL SUPPORT	6,366	6,366	---
25500 AUDIOVISUAL	613	613	---
25520 FUEL REPRICING	---	-11,700	-11,700
25550 TOTAL, BUDGET ACTIVITY 4	81,546	72,846	-8,700
25950 TOTAL, O&M, AIR FORCE RESERVE	1,744,696	1,735,996	-8,700

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

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
25400 Recruiting and Advertising	3,000
25520 Fuel Repricing Savings	−11,700

WC—130 WEATHER RECONNAISSANCE MISSION

The Committee continues to strongly support the operations of the 53rd Weather Reconnaissance Squadron (Hurricane Hunters) and has provided the funding requested to operate this squadron only as outlined in the fiscal year 1998 Defense Appropriations bill, House Report 105–206, page 72. The Committee has again included a general provision, Section 8029 which prohibits the reduction or disestablishment of any operations concerning the 53rd Weather Reconnaissance Squadron.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Fiscal year 1998 appropriation	$2,419,632,000
Fiscal year 1999 budget request	2,436,815,000
Committee recommendation	2,570,315,000
Change from budget request	+133,500,000

The Committee recommends an appropriation of $2,570,315,000 for Operation and maintenance, Army National Guard. The recommendation is an increase of $150,683,000 above the $2,419,632,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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			
26210 LAND FORCES	1,302,542	1,402,542	+100,000
26220 LAND FORCES READINESS	144,113	144,113	---
26230 LAND FORCES READINESS SUPPORT	839,066	843,266	+4,200
26550 TOTAL, BUDGET ACTIVITY 1	2,285,721	2,389,921	+104,200
26600 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
26650 ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
26800 PERSONNEL ADMINISTRATION	59,249	59,249	---
26850 STAFF MANAGEMENT	33,490	33,490	---
26860 INFORMATION MANAGEMENT	21,793	24,593	+2,800
26900 RECRUITING AND ADVERTISING	36,562	36,562	---
26905 TOTAL, BUDGET ACTIVITY 4	151,094	153,894	+2,800
26940 FUEL REPRICING	---	-3,500	-3,500
26950 MILITARY (CIVILIAN) TECHNICIANS	---	27,000	+27,000
26980 CONSEQUENCE MANAGEMENT	---	3,000	+3,000
27350 TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	2,436,815	2,570,315	+133,500

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:	
26210 Land Forces/Ground OPTEMPO	100,000
26230 Land Forces Readiness Support/Angel Gate Academy	4,200
Budget Activity 4: Administration and Servicewide Activities:	
26860 Information Management/Distance Learning	2,800
Other Adjustments:	
26940 Fuel Repricing Savings	−3,500
26950 Military (Civilian) Technicians	27,000
26980 Consequence Management	3,000

DISTANCE LEARNING DEMONSTRATION PROJECT

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

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Fiscal year 1998 appropriation	$3,013,282,000
Fiscal year 1999 budget request	3,093,933,000
Committee recommendation	3,075,233,000
Change from budget request	−18,700,000

The Committee recommends an appropriation of $3,075,233,000 for Operation and maintenance, Air National Guard. The recommendation is an increase of $61,951,000 above the $3,013,282,000 appropriated for fiscal year 1998.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

(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	1,935,880	1,937,380	+1,500
27700 MISSION SUPPORT OPERATIONS	340,884	340,884	---
27750 BASE SUPPORT	295,163	295,163	---
27800 MAINTENANCE OF REAL PROPERTY	82,633	82,633	---
27850 DEPOT MAINTENANCE	428,708	428,708	---
27900 TOTAL, BUDGET ACTIVITY 1	3,083,268	3,084,768	+1,500
27950 BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
28000 SERVICEWIDE ACTIVITIES			
28050 ADMINISTRATION	2,913	2,913	---
28100 RECRUITING AND ADVERTISING	7,752	10,752	+3,000
28110 FUEL REPRICING	---	-23,200	-23,200
28150 TOTAL, BUDGET ACTIVITY 4	10,665	-9,535	-20,200
28550 TOTAL, O&M, AIR NATIONAL GUARD	3,093,933	3,075,233	-18,700

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
Budget Activity 4: Administration and Servicewide Activities:	
28100 Recruiting and Advertising	3,000
28110 Fuel Repricing Savings	−23,200

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 1998 appropriation	$1,884,000,000
Fiscal year 1999 budget request	746,900,000
Committee recommendation	746.900,000
Change from budget request	

The Committee recommends an appropriation of $746,900,000 for the Overseas Contingency Operations Transfer Fund. The recommendation is a decrease of $1,137,100,000 below the amount appropriated for fiscal year 1998. The Committee recommendation provides funding as requested for ongoing DoD operations in Southwest Asia.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

Fiscal year 1998 appropriation	$6,952,000
Fiscal year 1999 budget request	7,324,000
Committee recommendation	7,324,000
Change from budget request	

The Committee recommends an appropriation of $7,324,000 for the United States Court of Appeals for the Armed Forces. The recommendation is an increase of $372,000 from the amount appropriated in fiscal year 1998.

ENVIRONMENTAL RESTORATION, ARMY

Fiscal year 1998 appropriation	$375,337,000
Fiscal year 1999 budget request	377,640,000
Committee recommendation	342,640,000
Change from budget request	−35,000,000

The Committee recommends an appropriation of $342,640,000 for Environmental Restoration, Army. The recommendation is a decrease of $32,697,000 from the amount appropriated in fiscal year 1998.

GOVERNMENT-OWNED, CONTRACTOR-OPERATED (GOCO) FACILITIES

The Committee is aware that the Army may be able to recover significant costs associated with the environmental restoration of GOCO facilities. The Committee is disappointed with the Army's limited efforts to address this opportunity. Since current law per-

mits the Army to keep any funds recovered from these efforts so they can be used to pay for future environmental clean up costs, the Committee recommends a reduction of $35,000,000 from the budget request.

The Committee directs the Army to build on its experience with the Twin Cities Army Ammunition Plant (TCAAP) recovery project in order to maximize the Army's ability to recover the cost for environmental restoration activities at other GOCO sites. Because of the time-sensitivity of such claims, the Army is directed to report to the Committee by November 1, 1998, on its comprehensive claim recovery evaluation and progress in this matter.

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 1998 appropriation	$275,500,000
Fiscal year 1999 budget request	281,600,000
Committee recommendation	281,600,000
Change from budget request	.....

The Committee recommends an appropriation of $281,600,000 for Environmental Restoration, Navy. The recommendation is an increase of $6,100,000 from the amount appropriated in fiscal year 1998.

ENVIRONMENTAL RESTORATION, AIR FORCE

Fiscal year 1998 appropriation	$376,900,000
Fiscal year 1999 budget request	379,100,000
Committee recommendation	379,100,000
Change from budget request	.....

The Committee recommends an appropriation of $379,100,000 for Environmental Restoration, Air Force. The recommendation is an increase of $2,200,000 from the amount appropriated in fiscal year 1998.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

Fiscal year 1998 appropriation	$26,900,000
Fiscal year 1999 budget request	26,091,000
Committee recommendation	26,091,000
Change from budget request	.....

The Committee recommends an appropriation of $26,091,000 for Environmental Restoration, Defense-Wide. The recommendation is a decrease of $809,000 from the amount appropriated in fiscal year 1998.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

Fiscal year 1998 appropriation	$242,300,000
Fiscal year 1999 budget request	195,000,000
Committee recommendation	195,000,000
Change from budget request	

The Committee recommends an appropriation of $195,000,000 for Environmental Restoration, Formerly Used Defense Sites. The recommendation is a decrease of $47,300,000 from the amount appropriated in fiscal year 1998.

WALLA WALLA HEADQUARTERS FACILITY

The Committee encourages the Department of the Army to support environmental remediation of the former district headquarters facility of the Corps of Engineers, located in Walla Walla, Washington.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

Fiscal year 1998 appropriation	$47,130,000
Fiscal year 1999 budget request	63,311,000
Committee recommendation	56,111,000
Change from budget request	−7,200,000

The Committee recommends an appropriation of $56,111,000 for Overseas Humanitarian, Disaster, and Civic Aid. The recommendation is an increase of $8,981,000 from the amount appropriated in fiscal year 1998.

FORMER SOVIET UNION THREAT REDUCTION

Fiscal year 1998 appropriation	$382,200,000
Fiscal year 1999 budget request	442,400,000
Committee recommendation	417,400,000
Change from budget request	−25,000,000

The appropriation provides funds for the Former Soviet Union Threat Reduction programs.

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
Strategic Offensive Arms Elimination—Russia	142,400	142,400	
Strategic Nuclear Arms Elimination—Ukraine	47,500	47,500	
Fissile Material Storage Facility—Russia	60,900	60,900	
Warhead Dismantlement Processing—Russia	9,400	9,400	
Weapons Transportation Security—Russia	10,300	10,300	
Weapons Storage Security—Russia	41,700	41,700	
Reactor Core Conversion—Russia	29,800	29,800	
Chemical Weapons Destruction—Russia	88,400	35,000	−53,400
BW Proliferation Prevention	2,000	2,000	
Defense and Military Contacts	2,000		−2,000
Administrative Support	8,000		−1,000

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Strategic Arms Elimination Activities—Russia/Ukraine	.....	31,400	+31,400
Total	442,400	417,400	−25,000

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

Fiscal year 1998 appropriation	$360,000,000
Fiscal year 1999 budget request	0
Committee recommendation	850,000,000
Change from budget request	+850,000,000

The Committee recommends an appropriation of $850,000,000 for Quality of Life Enhancements, Defense. The recommendation is an increase of $490,000,000 above the amount appropriated for fiscal year 1998.

The Committee recommends an increase of $850,000,000 for real property maintenance in this account. As described elsewhere in this report, the Committee continues to vigorously support improvement to the quality of life for service personnel. Accordingly, the Committee designates this increased funding as a special interest item, subject to normal prior approval reprogramming procedures.

TITLE III

PROCUREMENT

Estimates and Appropriation Summary

The fiscal year 1999 Department of Defense procurement budget request totals $47,849,546,000. The accompanying bill recommends $48,471,235,000. The total amount recommended is an increase of $621,689,000 above the fiscal year 1999 budget estimate and is $2,824,020,000 above the total provided in fiscal year 1998. The table below summarizes the budget estimates and the Committee's recommendations.

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
SUMMARY						
ARMY:						
AIRCRAFT		1,325,943		1,400,338		+74,395
MISSILES		1,205,768		1,140,623		-65,145
WEAPONS, TRACKED COMBAT VEHICLES		1,433,608		1,513,540		+79,932
AMMUNITION		1,008,855		1,099,155		+90,300
OTHER		3,198,811		3,101,130		-97,681
TOTAL, ARMY		8,172,985		8,254,786		+81,801
NAVY:						
AIRCRAFT		7,466,734		7,599,968		+133,234
WEAPONS		1,327,546		1,191,218		-136,328
AMMUNITION		429,539		473,803		+44,264
SHIPS		6,252,672		5,973,452		-279,220
OTHER		3,937,737		3,990,553		+52,816
MARINE CORPS		745,858		812,618		+66,760
TOTAL, NAVY		20,160,085		20,041,613		-118,472
AIR FORCE:						
AIRCRAFT		7,756,475		8,384,735		+628,260
MISSILES		2,359,803		2,191,527		-168,276
AMMUNITION		384,161		388,925		+4,764
OTHER		6,974,387		7,034,217		+59,830
TOTAL, AIR FORCE		17,474,826		17,999,404		+524,578
DEFENSE-WIDE		2,041,650		2,055,432		+13,782
NATIONAL GUARD AND RESERVE EQUIPMENT		---		120,000		+120,000
TOTAL PROCUREMENT		47,849,546		48,471,235		+621,689

CLASSIFIED PROGRAMS

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

RANGELESS TRAINING

The Navy and Air Force requested a total of $17,300,000 to continue the Joint Tactical Combat Training System (JTCTS). The fiscal year 1999 budget proposes a major restructure of the program, which would deliver less capability at later times than originally planned. The program has been de-scoped to the point where it is no longer worth pursuing. The Committee recommends it be terminated, and denies the budget request. Low cost upgrades to existing deployed training range equipment are a prudent alternative. The Committee therefore recommends a total of $15,000,000 for rangeless training in concert with the recommendations in the procurement section of the House-passed authorization bill. While the preliminary focus of JTCTS is for air-to-air combat training, the Committee notes that alternative upgrades to existing systems can eventually include existing underwater ranges leading to a total air-land-sea system for joint force training. The additional funds are only for the Large Area Tracking Range (LATR), the Kadena Interim Training System (KITS), and their integration. The Committee recommendations to eliminate funds for the Joint Tactical Combat Training System and to provide funds for low cost rangeless training upgrades to existing systems are as follows:

[In millions of dollars]

APAF (JTCTS) Miscellaneous Production Charges	−3,500
OPAF (JTCTS) Combat Training Ranges	−5,500
RDT&E, Navy (JTCTS) Consolidated Training Systems Development	−6,900
RDT&E, AF (JTCTS) Combat Training Ranges	−1,400
Subtotal	−17,300
OPN (LATR) Weapons Range Support	+5,000
OPAF (KITS) Combat Training Ranges	+5,000
RDT&E, Navy (LATR) Consolidated Training Systems Development	+5,000
Subtotal	+15,000
Grand total	−2,300

AIRCRAFT PROCUREMENT, ARMY

Fiscal year 1998 appropriation	$1,346,317,000
Fiscal year 1999 budget request	1,325,943,000
Committee recommendation	1,400,338,000
Change from budget request	+74,395,000

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, components 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 in accordance with House authorization action:

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
CH–47 Modifications	101,176	88,476	−12,700
C–12 Cargo Mods	2,658	9,658	+7,000
Kiowa Warrior	40,446	56,446	+16,000
Aircraft Survivability Equipment	5,144	12,544	+7,400

ROTARY WING

UH–60 BLACKHAWK

The Army requested $218,820,000 for UH–60 Blackhawk helicopters. The Committee recommends $297,320,000, an increase of $78,500,000. The additional funds are only to procure 8 additional Blackhawks for the National Guard. The Committee notes that that Army identified Blackhawks as a high priority unfunded requirement.

MODIFICATION OF AIRCRAFT

AH–64 MODIFICATIONS

The Army requested $52,902,000 for AH–64 modifications. The Committee recommends $55,902,000, an increase of $3,000,000 only for the Vibration Management Enhancement Program for the National Guard.

OTHER SUPPORT

AIRBORNE COMMAND AND CONTROL

The Army requested $24,421,000 for the Airborne Command and Control System. The Committee recommends no funds due to schedule delays. The Committee notes that a significant portion of the fiscal year 1998 funds remain unobligated.

COMMON GROUND EQUIPMENT

The Army requested $30,107,000 for common ground equipment. The Committee recommends $31,307,000, an increase of $1,200,000 only to equip the 258th Air Traffic Control Squadron Air Traffic Control Tower with a communications package and associated electronic equipment necessary to satisfy FAA requirements and compatibility.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following programs in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
AIRCRAFT PROCUREMENT, ARMY						
AIRCRAFT						
FIXED WING						
ARL (TIARA)	--	13,133	--	13,133	--	---
GUARDRAIL COMMON SENSOR (TIARA)	--	1,931	--	1,931	--	---
ROTARY						
UH-60 BLACKHAWK (MYP)	22	219,820	30	297,320	+8	+78,500
TOTAL, AIRCRAFT		233,884		312,384		+78,500
MODIFICATION OF AIRCRAFT						
GUARDRAIL MODS (TIARA)	--	36,079	--	36,079	--	---
AH1F MODS	--	812	--	812	--	---
AH-64 MODS	--	82,902	--	85,902	--	+3,000
CH-47 CARGO HELICOPTER MODS (MYP)	--	101,175	--	88,475	--	-12,700
C-12 CARGO AIRPLANE MODS	--	2,658	--	9,658	--	+7,000
OH-58 MODS	--	90	--	90	--	---
C-20 AIRCRAFT MODS	--	799	--	799	--	---
LONGBOW	--	570,096	--	570,096	--	---
LONGBOW (AP-CY)	--	41,683	--	41,683	--	---
UH-1 MODS	--	3,789	--	3,789	--	---
UH-60 MODS	--	21,657	--	21,657	--	---
KIOWA WARRIOR	--	40,446	--	56,446	--	+16,000
EH-60 QUICKFIX MODS	--	3,015	--	3,015	--	---
AIRBORNE AVIONICS	--	56,335	--	56,335	--	---
ASE MODS	--	2,743	--	2,743	--	---
MODIFICATIONS LESS THAN $2.0M	--	1,660	--	1,660	--	---
TOTAL, MODIFICATION OF AIRCRAFT		935,640		948,940		+13,300
SPARES AND REPAIR PARTS	--	36,047	--	36,047	--	---
SUPPORT EQUIPMENT AND FACILITIES						
GROUND SUPPORT AVIONICS						
AIRCRAFT SURVIVABILITY EQUIPMENT	--	5,144	--	12,544	--	+7,400
OTHER SUPPORT						
AIRBORNE COMMAND & CONTROL	--	24,421	--	---	--	-24,421
AVIONICS SUPPORT EQUIPMENT	--	2,885	--	2,885	--	---
COMMON GROUND EQUIPMENT	--	30,107	--	31,307	--	+1,200
AIRCREW INTEGRATED SYSTEMS	--	9,050	--	9,050	--	---
AIR TRAFFIC CONTROL	--	9,681	--	9,681	--	---
INDUSTRIAL FACILITIES	--	1,493	--	1,493	--	---
AIRBORNE COMMUNICATIONS	--	41,911	--	41,911	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		120,372		104,851		-15,821
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-1,584	--	-1,584
TOTAL, AIRCRAFT PROCUREMENT, ARMY		1,326,943		1,400,338		+74,395

MISSILE PROCUREMENT, ARMY

Fiscal year 1998 appropriation	$762,409,000
Fiscal year 1999 budget request	1,205,768,000
Committee recommendation	1,140,623,000
Change from budget request	−65,145,000

This appropriation provides for procurement 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

OTHER MISSILES

ENHANCED FIBER OPTIC GUIDED MISSILE (EFOGM)

The Army requested $13,716,000 to procure the Enhanced Fiber Optic Guided Missile (EFOGM). The Committee recommends no funds for this program, a decrease of $13,716,000. The Committee notes that EFOGM production was not authorized in the House-passed Defense Authorization bill.

HELLFIRE

The Army requested $360,625,000 for procurement of Hellfire Missiles and support equipment. The Committee recommends $313,325,000, a decrease of $47,300,000. This amount includes a decrease of $44,300,000 for Longbow Hellfire economic order quantities (EOQ) for a proposed four year multiyear program and a decrease of $3,000,000 as recommended in the House-passed Defense Authorization bill. The Committee specifically denies approval for the Longbow Hellfire multiyear program.

In recent years, the Army's track record with multiyear programs has been extremely poor. In fiscal year 1997, the Army failed to budget for the last year of the Avenger multiyear contract leading the Committee to add $60,000,000 for the last 93 units in the 3 year contract. Also in that year, the Army requested multiyear contracts for Laser Hellfire, ATACMS Block IA, and Javelin. One year later, the Army terminated the Laser Hellfire program and cancelled plans for the congressionally approved ATACMS Block IA multiyear program. Just one year after Congress approved a four year Javelin MYP, the Army decreased its missile buy to procure additional command launch units (CLUs). The multiyear contract was not broken because Congress provided additional funds for Marine Corps missiles.

The Committee is further concerned about the instability of the Longbow Hellfire's inventory requirement given that this requirement has been challenged by the General Accounting Office, DoD's Deep Attack Weapons Mix Study (DAWMS), and the Secretary of Defense's Offices for Policy (OSD(P)), Comptroller (OSD(C)), and Program Analysis and Evaluation (OSD(PA&E)). This latter office has taken the position that the Army's Longbow Hellfire inventory requirement exceeds the requirement for two Major Regional Contingencies (MRC) by the equivalent of four to six major wars' expenditure. Given the Army's poor track record with weapon multiyear programs and the uncertain Longbow inventory require-

ment, the Committee believes an annual procurement strategy is a more prudent approach for acquiring this system.

MULTIPLE LAUNCH ROCKET SYSTEM (MLRS) ROCKET

The Army requested $16,513,000 to procure MLRS–ER rockets. The Committee recommends $3,413,000, a decrease of $13,100,000. The Army no longer plans to procure these rockets in fiscal year 1999.

MULTIPLE LAUNCH ROCKET SYSTEM (MLRS) LAUNCHER SYSTEMS

The Army requested $85,387,000 to procure MLRS launchers. The Committee recommends $110,387,000, an increase of $25,000,000 only to procure launchers for the National Guard. The Committee encourages the Army to use the additional funds to procure the new M270A1 launcher.

MODIFICATION OF MISSILES

AVENGER

The Army requested $8,425,000 for Avenger slew-to-cue. The Committee recommends no funds for this program, a reduction of $8,425,000. The General Accounting Office indicates that the slew-to-cue design will not be complete until September 1998, and production will not begin until fiscal year 1999. Since the Army has prior year funds to initiate production, no additional funds are required in fiscal year 1999.

ITAS/TOW MODIFICATIONS

The Army requested $62,478,000 for modifications to the Improved Target Acquisition System (ITAS) and the Tow missile. The Committee recommendation approves this amount. However, the Committee notes that the Army's budget requests approval for a four year multiyear program for ITAS. Given the Army's poor track record for multiyear programs as discussed previously under the heading "Hellfire," the Committee specifically denies approval of the ITAS multiyear program. The Committee is further concerned with the instability in the program's costs. In the last three budget submissions, the Army's estimate for the average unit cost for ITAS (total buy) was $433,000 (1997 estimate), $549,000 (1998 estimate), and $519,000 (1999 estimate). These estimates represent yearly fluctuations of 37 percent and 18 percent over the three year period. Since cost stability is a key criteria for approval of multiyear programs, the Committee believes that ITAS is a poor candidate for such an acquisition strategy.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
MISSILE PROCUREMENT, ARMY						
OTHER MISSILES						
SURFACE-TO-AIR MISSILE SYSTEM						
ENHANCED FIBER OPTIC GUIDED MISSILE (EFOGM)	96	13,716	--	---	-96	-13,716
AVENGER SYSTEM SUMMARY	18	35,269	18	35,269	--	---
AIR-TO-SURFACE MISSILE SYSTEM						
HELLFIRE SYS SUMMARY	2,000	360,625	2,000	313,325	--	-47,300
ANTI-TANK/ASSAULT MISSILE SYSTEM						
JAVELIN (AAWS-M) SYSTEM SUMMARY	3,316	319,988	3,316	319,988	--	---
MLRS ROCKET	822	16,513	822	3,413	--	-13,100
MLRS LAUNCHER SYSTEMS	24	85,387	24	110,387	--	+25,000
ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	96	90,588	96	90,588	--	---
ATACMS/BAT	30	48,083	30	48,083	--	---
BAT	420	100,428	420	100,428	--	---
TOTAL, OTHER MISSILES		1,071,591		1,022,475		-49,116
MODIFICATION OF MISSILES						
MODIFICATIONS						
PATRIOT MODS	--	15,259	--	15,259	--	---
STINGER MODS	--	13,924	--	13,924	--	---
AVENGER MODS	--	8,425	--	---	--	-8,425
ITAS/TOW MODS	--	62,478	--	62,478	--	---
MLRS MODS	--	2,193	--	2,193	--	---
TOTAL, MODIFICATION OF MISSILES		102,279		93,854		-8,425
SPARES AND REPAIR PARTS	--	23,718	--	23,718	--	---
SUPPORT EQUIPMENT AND FACILITIES						
AIR DEFENSE TARGETS	--	2,534	--	2,534	--	---
ITEMS LESS THAN $2.0M (MISSILES)	--	922	--	922	--	---
MISSILE DEMILITARIZATION	--	1,466	--	1,466	--	---
PRODUCTION BASE SUPPORT	--	3,258	--	3,258	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		8,180		8,180		---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-7,604	--	-7,604
TOTAL, MISSILE PROCUREMENT, ARMY		1,205,768		1,140,623		-65,145

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Fiscal year 1998 appropriation	$1,298,707,000
Fiscal year 1999 budget request	1,433,608,000
Committee recommendation	1,513,540,000
Change from budget request	+79,932,000

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

TRACKED COMBAT VEHICLES

BRADLEY BASE SUSTAINMENT

The Army requested $285,844,000 for Bradley base sustainment. The Committee recommends $371,844,000, an increase of $86,000,000. Within this amount, $80,000,000 is only to modify Bradley A0 variants to the ODS variant for the National Guard and $6,000,000 is only for cordless Vehicular Intercommunications Systems (AN/VIC–3).

MODIFICATION OF TRACKED COMBAT VEHICLES

M1 ABRAMS TANK (MOD)

The Army requested $53,301,000 for the M1 Abrams tank modification program. The Committee recommends $58,301,000, an increase of $5,000,000 only for cordless Vehicular Intercommunications Systems (AN/VIC–3).

ABRAMS UPGRADE PROGRAM

The Army requested $412,661,000 for the Abrams upgrade program. The Committee recommends $403,661,000, a decrease of $9,000,000. Within that amount is a decrease of $20,000,000 for the M1A1D program and an increase of $11,000,000 to accelerate the System Enhancement Program (SEP).

ARMY TANK MODERNIZATION ISSUES

The Committee is concerned about the Army's plan to terminate its Abrams M1A2 tank modernization program after 2003. At that time, the Army will have modernized only 1,150 M1A1 tanks to the M1A2 configuration. This would equip only one of every three brigades in each of the Army's six heavy divisions with modern and up to date equipment. The remaining equipment would be made up of older and less capable M1A1 models that have significantly different crew training and maintenance requirements. With the advent of a next generation replacement tank at least 15 years away, the Committee has major reservations about the Army's plan to institutionalize a tank force that is multi-tiered in terms of capability, training requirements, and maintenance requirements.

Based on the justification presented to date, it appears to the Committee that the Army's plan for introducing the new M1A1D Abrams variant to the fleet is not based on any comprehensive assessment of armored systems modernization requirements, but is merely budget driven. Therefore, the Committee directs the Secretary of the Army to submit to Congress an armored systems modernization plan through 2020 with the fiscal year 2000 budget request. The plan is to include requirements, alternatives, cost, and schedule. The Army is to include M1A2 SEP "Step-1" program in its analysis. If the Army's armored systems modernization plan determines that M1A2 production should continue after fiscal year 1999, the Committee encourages the Army to enter into a second multiyear contract.

The Committee believes that until the armored systems modernization plan is submitted to the Congress, it is premature to begin the development of the next combat vehicle. Therefore, the Committee denies the Army's request for funds in research, development, test and evaluation for the future combat system. The Committee encourages the Army to include eyesafe laser rangefinders as part of the Abrams upgrade program because of safety considerations and benefits.

ARMY TANK PREPOSITIONING

With the dramatic reductions in force following the end of the Cold War, the Army has changed its war-fighting strategy to rely on a CONUS-based force depending on prepositioned overseas armor stocks. The Committee is concerned that these strategic equipment stocks will not be in the same configuration as needed by Army forces arriving from the U.S. This situation occurred in the early days of Desert Shield when the United States Marine Corps fell onto 1960's vintage M60A1 tanks that were inferior to the models provided to some of our allies. This tank should never have been used in this operation and has since been dropped from the force.

The Committee understands that the Army's current plan is to equip its prepositioned stocks with M1A1D tanks. This configuration will mean that a significant number of tank crews arriving from the U.S. will not be given equipment with which they are familiar. The Committee fails to see the logic in spending large sums to maintain prepositioned equipment stocks if that equipment is inferior to that used by many of our forces in CONUS and cannot be immediately used upon arrival in theater.

The Committee directs the Secretary of Defense to report to the congressional defense committees assessing the adequacy of plans and budget resources to rotate prepositioned equipment stocks to ensure commonality between the available equipment in these prepositioned stocks and the equipment U.S. forces are trained to fight with. This report shall explain the differences in crew training that will be required to operate and maintain the M1A1D tank versus the M1A2 SEP tank; the length of time it takes to requalify an M1A2 tank crew on the M1A1D; the projected performance of an M1A2 tank crew that had to fight with an M1A1D tank within a week of receiving it compared to how it would perform with an M1A2 tank; a description of the experiences of Army tank crews of

becoming proficient with the prepositioned tanks in the most recent Persian Gulf deployment; a comparison of the planned mix of tanks to be prepositioned in the next five years versus the planned numbers of crews to be deployed who are fully qualified to operate those tanks; and a description of any changes to the prepositioned equipment stocks that emanate from this review. The Secretary shall report the results of this review to Congress no later than March 1, 1999.

The Committee expects the Secretary of the Army to use the results of this report to assist in the review of the Army's armored systems modernization plan.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following programs in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT OF W&TCV, ARMY						
TRACKED COMBAT VEHICLES						
ABRAMS TRNG DEV MOD	--	8,536	--	8,536	--	---
BRADLEY BASE SUSTAINMENT	--	285,844	--	371,844	--	+86,000
BRADLEY FVS TRAINING DEVICES	--	12,728	--	12,728	--	---
HAB TRAINING DEVICES	--	386	--	386	--	---
BRADLEY FVS TRAINING DEVICES (MOD)	--	2,075	--	2,075	--	---
ABRAMS TANK TRAINING DEVICES	--	13,411	--	13,411	--	---
COMMAND & CONTROL VEHICLE	10	44,241	10	44,241	--	---
MODIFICATION OF TRACKED COMBAT VEHICLES						
CARRIER, MOD	--	54,454	--	54,454	--	---
FIST VEHICLE (MOD)	--	20,720	--	20,720	--	---
BFVS SERIES (MOD)	--	58,998	--	58,998	--	---
HOWITZER, MED SP FT 155MM M109A6 (MOD)	--	11,339	--	11,339	--	---
PAASV PIP TO FLEET	--	3,157	--	3,157	--	---
IMPROVED RECOVERY VEHICLE (M88 MOD)	--	38,175	--	38,175	--	---
HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	--	50,401	--	50,401	--	---
ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)	--	969	--	969	--	---
M1 ABRAMS TANK (MOD)	--	53,301	--	58,301	--	+5,000
ABRAMS UPGRADE PROGRAM	--	412,561	--	403,561	--	-9,000
ABRAMS UPGRADE PROGRAM (AP-CY)	--	262,942	--	262,942	--	---
SUPPORT EQUIPMENT AND FACILITIES						
ITEMS LESS THAN $2.0M (TCV-WTCV)	--	132	--	132	--	---
PRODUCTION BASE SUPPORT (TCV-WTCV)	--	8,861	--	8,861	--	---
TOTAL, TRACKED COMBAT VEHICLES		1,343,331		1,425,331		+82,000
WEAPONS AND OTHER COMBAT VEHICLES						
ARMOR MACHINE GUN, 7.62MM M240 SERIES	673	6,496	673	6,496	--	---
MACHINE GUN, 5.56MM (SAW)	1,525	4,494	1,525	4,494	--	---
GRENADE LAUNCHER, AUTO, 40MM, MK19-3	697	12,191	697	12,191	--	---
M16 RIFLE	16,067	6,829	16,067	6,829	--	---
5.56 CARBINE M4	6,310	4,230	6,310	4,230	--	---
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHI						
M4 CARBINE MODS	--	5,149	--	5,149	--	---
M119 MODIFICATIONS	--	4,812	--	4,812	--	---
M16 RIFLE MODS	--	6,241	--	6,241	--	---
MODIFICATIONS LESS THAN $2.0M (WOCV-WTCV)	--	1,128	--	1,128	--	---
SUPPORT EQUIPMENT AND FACILITIES						
ITEMS LESS THAN $2.0M (WOCV-WTCV)	--	1,184	--	1,184	--	---
PRODUCTION BASE SUPPORT (WOCV-WTCV)	--	9,140	--	9,140	--	---
INDUSTRIAL PREPAREDNESS	--	3,969	--	3,969	--	---
SMALL ARMS (SOLDIER ENH PROG)	--	5,233	--	5,233	--	---
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES		67,086		67,086		---
SPARE AND REPAIR PARTS						
SPARES AND REPAIR PARTS (WTCV)	--	23,211	--	23,211	--	---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-2,068	--	-2,068
TOTAL, PROCUREMENT OF W&TCV, ARMY		1,433,608		1,513,540		+79,932

PROCUREMENT OF AMMUNITION, ARMY

Fiscal year 1998 appropriation	$1,037,202,000
Fiscal year 1999 budget request	1,008,855,000
Committee recommendation	1,099,155,000
Change from budget request	+90,300,000

This appropriation finances the acquisition of ammunition, modification of inservice 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	91,620	97,220	+5,600
CTG, 7.62MM	10,463	14,463	+4,000
120MM M830A1	0	10,000	+10,000

SMALL/MEDIUM CALIBER AMMUNITION

25MM, ALL TYPES

The Army requested $59,618,000 for CTG, 25MM, All Types ammunition. The Committee recommends $80,418,000, an increase of $20,800,000 only for M919 ammunition.

MORTAR AMMUNITION

60MM MORTAR, PRACTICE

The Army requested no funds for CTG, Mortar, 60MM Practice ammunition. The Committee recommends $5,000,000 only for M766 ammunition.

120MM MORTAR, HE 934

The Army requested $29,087,000 for CTG, Mortar 120MM, HE M934 ammunition. The Committee recommends $38,087,000, an increase of $9,000,000 only for M934 ammunition.

120MM MORTAR, ILLUM XM930

The Army requested no funds for CTG, Mortar, 120MM Illumination XM930 ammunition. The Committee recommends $8,500,000 only for XM930 ammunition.

TANK AMMUNITION

120MM/M829A2

The Army requested $9,732,000 for 120MM M829A2 ammunition. The Committee recommends $19,732,000, an increase of $10,000,000 only for M829A2 ammunition to correct a critical

shortfall identified by the Army. The Committee understands that a total of $42,000,000 is required annually to produce the M829A2 at a minimum production rate. The Army has agreed to fund the remaining shortfall in fiscal year 1999. The Committee directs the Secretary of the Army to provide to the Committee no later than August 1, 1998 a plan for sustaining a minimum rate of production in fiscal year 1999. If the plan includes an internal reprogramming, the Committee directs that the report include the sources.

ARTILLERY AMMUNITION

105MM DPICM

The Army requested no funds for 105MM DPICM ammunition. The Committee recommends $7,500,000 only for 105MM DPICM ammunition.

105MM M927

The Army requested no funds for 105MM M927 ammunition. The Committee recommends $5,000,000 only to procure M927 ammunition for the National Guard.

SADARM

The Army requested $56,542,000 for SADARM. The Committee recommends $36,542,000, a decrease of $20,000,000. Recently, the Committee has learned that the SADARM program has experienced cost overruns and the Army will reduce the fiscal year 1998 procurement quantities to pay for those overruns. Additionally, the SADARM program has experienced reliability problems during testing that may not be resolved until as late as May 1999. Therefore, the Committee recommends that production in fiscal year 1999 be maintained at the revised fiscal year 1998 level.

155MM HE M107

The Army requested $25,650,000 for 155MM HE M107 ammunition. The Committee recommends $35,650,000, an increase of $10,000,000 only for M107 ammunition.

155MM HE M795E1

The Committee directs that the Army may spend no more than $7,000,000 of the fiscal year 1998 procurement funds to perform in-process improvements to the M795 to add an extended range capability.

ROCKETS

BUNKER DEFEATING MUNITION

The Army requested no funds for the bunker defeating munition program. The Committee recommends $10,000,000 only to procure additional Bunker Defeat Munitions for contingency operations and training to assure a sufficient quantity of munitions are available while the Army continues development of the MPIM/SRAW.

PRODUCTION BASE SUPPORT

PROVISION OF INDUSTRIAL FACILITIES

The Army requested $47,660,000 for the provision of industrial facilities. The Committee recommends $52,560,000, an increase of $4,900,000 only to execute the prove-out of the large caliber deep drawn cartridge case facility project.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following programs in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET 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	--	91,620	--	97,220	--	+5,600
CTG 5.56MM ARMOR PIERCING M995	1,314	1,926	1,314	1,926	--	---
CTG, 7.62MM, ALL TYPES	--	10,463	--	14,463	--	+4,000
CTG 7.62MM ARMOR PIERCING XM993	922	1,926	922	1,926	--	---
CTG, 9MM, ALL TYPES	--	1,907	--	1,907	--	---
CTG, .45 CAL, ALL TYPES	--	2	--	2	--	---
CTG, .50 CAL, ALL TYPES	--	18,544	--	18,544	--	---
CTG, 25MM, ALL TYPES	--	59,618	--	80,418	--	+20,800
CTG, 30MM, ALL TYPES	--	8,061	--	8,061	--	---
CTG, 40MM, ALL TYPES	--	38,618	--	38,618	--	---
CTG MORTAR 60MM PRACTICE M768	--	---	--	8,000	--	+8,000
CTG MORTAR 60MM SMOKE WP M722	--	378	--	378	--	---
MORTAR AMMUNITION						
CTG MORTAR 60MM HE M720/M720A1 W/M734 FUZE	47	20,528	47	20,528	--	---
CTG 81MM INFRARED (IR) ILLUM XM816	10	9,366	10	9,366	--	---
CTG MORTAR 120MM FULL RANGE PRACTICE M931	97	39,703	97	39,703	--	---
CTG MORTAR 120MM HE M934 W/MO FUZE	33	29,087	33	38,087	--	+9,000
CTG MORTAR 120MM ILLUM XM930 W/MTSQ F2	--	---	--	8,500	--	+8,500
TANK AMMUNITION						
CTG 120MM APFSDS-T M829A2/M829E3	2	9,732	2	19,732	--	+10,000
CTG 120MM HEAT-MP-T M830A1	--	---	--	10,000	--	+10,000
CTG TANK 120MM TP-T M831/M831A1	105	60,386	105	60,386	--	---
CTG TANK 120MM TPCSDS-T M865	240	129,914	240	129,914	--	---
ARTILLERY AMMUNITION						
CTG ARTY 75MM BLANK M337A1	34	1,565	34	1,565	--	---
CTG ARTY 105MM DPICM XM915	--	---	--	7,500	--	+7,500
CTG ARTY 105MM HERA M913	--	532	--	532	--	---
CTG ARTY 105 M927	--	---	--	5,000	--	+5,000
PROJ ARTY 155MM SADARM M898	550	56,542	300	36,542	-250	-20,000
PROJ ARTY 155MM HE M107	124	25,650	124	35,650	--	+10,000
ARTILLERY FUZES						
FUZE MULTI OPTION	2	1,514	2	1,514	--	---
MINES						
MINE, TRAINING, ALL TYPES	--	873	--	873	--	---
WIDE AREA MUNITIONS	65	9,625	65	9,625	--	---
ROCKETS						
BUNKER DEFEATING MUNITION (BDM)	--	---	--	10,000	--	+10,000
ROCKET, HYDRA 70, ALL TYPES	--	126,055	--	126,055	--	---
OTHER AMMUNITION						
DEMOLITION MUNITIONS, ALL TYPES	--	8,900	--	8,900	--	---
GRENADES, ALL TYPES	--	21,382	--	21,382	--	---
SIGNALS, ALL TYPES	--	12,985	--	12,985	--	---
SIMULATORS, ALL TYPES	--	4,651	--	4,651	--	---
MISCELLANEOUS						
AMMO COMPONENTS, ALL TYPES	--	7,241	--	7,241	--	---
CAD/PAD ALL TYPES	--	2,320	--	2,320	--	---
ITEMS LESS THAN $2.0 MILLION	--	1,009	--	1,009	--	---
AMMUNITION PECULIAR EQUIPMENT	--	10,368	--	10,368	--	---
FIRST DESTINATION TRANSPORTATION (AMMO)	--	6,174	--	6,174	--	---
TOTAL, AMMUNITION		827,163		912,563		+85,400
AMMUNITION PRODUCTION BASE SUPPORT						
PRODUCTION BASE SUPPORT						
PROVISION OF INDUSTRIAL FACILITIES	--	47,660	--	52,560	--	+4,900
LAYAWAY OF INDUSTRIAL FACILITIES	--	15,352	--	15,352	--	---
MAINTENANCE OF INACTIVE FACILITIES	--	15,626	--	15,626	--	---
CONVENTIONAL AMMO DEMILITARIZATION	--	97,983	--	97,983	--	---
AMMS INITIATIVE	--	4,861	--	4,861	--	---
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT		181,692		186,592		+4,900
TOTAL, PROCUREMENT OF AMMUNITION, ARMY		1,008,855		1,099,155		+90,300

OTHER PROCUREMENT, ARMY

Fiscal year 1998 appropriation	$2,679,130,000
Fiscal year 1999 budget request	3,198,811,000
Committee recommendation	3,101,130,000
Change from budget request	−97,681,000

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 communication equipment, (c) other support equipment such as chemical defensive 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 modification of in-service equipment, investment spares and repair parts, and production base support.

COMMITTEE RECOMMENDATION

AUTHORIZATION CHANGES

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

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
Common Imagery Grd/surface sys	0	2,508	+2,508
Pusher Tugs, Small	4,269	8,569	+4,300

TACTICAL AND SUPPORT VEHICLES

HIGH MOBILITY MULTI-PURPOSE WHEELED VEHICLES

The Army requested $12,144,000 for High Mobility Multi-purpose Wheeled Vehicles (HMMWV). The Committee recommends $58,476,000, an increase of $46,332,000 only for HMMWV's which the Army identified as a critical shortfall.

FAMILY OF MEDIUM TACTICAL VEHICLES

The Army requested $332,044,000 for the Family of Medium Tactical Vehicles (FMTV). The Committee recommends $312,424,000, a decrease of $19,620,000 for 2.5 ton tactical vehicles. Recently, there have been accidents involving new 2.5 ton cargo trucks which the Army believes may be due to failure of the rear driveshaft. The Army is currently working to correct this problem. In the interim, the Army has issued a safety message to all Army and Air Force units with FMTV 2.5 ton cargo trucks, affecting approximately 4,200 trucks. After a complete inspection of each new truck's driveshaft, it is returned to the fleet and can only be operated at speeds not exceeding 30 miles per hour until the Army has isolated the root cause of the problem and taken corrective action. The Committee has learned that over 100 of the inspected trucks were

parked for safety reasons until they could be repaired. The Committee finds this situation unacceptable and believes that no funds should be appropriated to procure additional 2.5 ton cargo trucks until the Army provides a detailed report to the Congress outlining: (1) the problem; (2) the solution; (3) the cost of the solution; (4) who is responsible for the cost of modifying the fielded trucks with the solution; (5) the schedule for the installing the fix in the fielded vehicles.

The Committee also directs that the Army may not enter into a new multiyear contract for FMTV's until the report has been submitted to the Congress.

LINE HAUL, ESP

The Army requested $4,883,000 for the line haul extended service program. The Committee recommends $4,983,000, an increase of $100,000 only for the collision warning system.

HIGH MOBILITY MULTI-PURPOSE WHEELED VEHICLE, EXTENDED SERVICE PROGRAM

The Army requested $24,832,000 for the High Mobility Multipurpose Wheeled Vehicle Extended Service Program (HMMWV–ESP). The Committee recommends no funds.

The Army's fiscal year 1998 budget requested funds for a follow-on HMMWV program and terminated HMMWV production. Since the Army had conducted no analysis to support its budget, the Congress denied the request for the follow-on program and added funds to continue HMMWV production. Additionally, the Congress directed that the Army provide a light tactical wheeled vehicle strategy by September 15, 1997. The plan was to outline light tactical wheeled vehicle alternatives and detailed cost analysis. The Army never submitted a plan to the Congress.

The Army's fiscal year 1999 budget proposes terminating HMMWV production in fiscal year 1999. The budget also proposes a new initiative, a HMMWV–ESP and continues funding research and development for the next-generation light tactical wheeled vehicle. For the second year in a row, the Army has developed a program strategy with no analysis to support its decision. Therefore, the Committee denies the funds for a HMMWV–ESP.

The Committee is frustrated with the Army's blatant disregard for the Congress' request for a light tactical wheeled vehicle strategy. Once again, the Committee directs that the Secretary of the Army submit a light tactical wheeled strategy with the fiscal year 2000 budget. The plan is to include the requirements, estimated development and acquisition costs, and estimated operation and support costs for each alternative.

SATELLITE COMMUNICATIONS

SMART–T SPACE

The Army requested $57,743,000 for Secure Mobile Anti-jam Reliable Tactical Terminal (SMART–T). The Committee recommends $33,143,000, a decrease of $24,600,000 based on contract delays. The Committee notes that over the last three years, the Army has

reprogrammed over $15,000,000 from this line item for higher priority programs.

COMBAT COMMUNICATIONS

ARMY DATA DISTRIBUTION SYSTEM

The Army requested $24,048,000 for the Army data distribution system. The Committee recommends $27,048,000, an increase of $3,000,000 only for Enhanced Position Location Reporting Systems (EPLRS).

SINCGARS FAMILY

The Army requested $13,212,000 for the SINCGARS family of radios. The Committee recommends $51,212,000, an increase of $38,000,000 only for "Tactical Internet" SINCGARS for the National Guard.

TACTICAL RADIO

The Committee has learned that the 82nd Airborne Division has an urgent requirement to replace its aging non-secure radios, especially the analog AN/PRC–104 radio. If the Army validates the requirement for a replacement radio, the Committee encourages the Army to procure off-the-shelf radios, such as the AN/PRC–138 and the AKLR/MBITR. The Army is directed to report back to the Committee not later than August 1, 1998 on the status of plans to meet the 82nd Airborne Division's requirements.

INFORMATION SECURITY

INFORMATION SYSTEM SECURITY PROGRAM

The Army requested $29,714,000 for the information system security program. The Committee recommends $31,714,000, an increase of $2,000,000 only for portable "uninterruptible" universal power supply systems.

ELECTRONIC EQUIPMENT—TIARA

JTT/CIBS

The Army requested $5,340,000 for JTT/CIBS–M. The Committee recommends $10,340,000, an increase of $5,000,000 only to procure additional JTT/CIBS–M.

IEW GROUND BASED SENSOR

The Army requested $25,388,000 for Ground Based Common Sensor. The Committee recommends $14,188,000, a decrease of $11,200,000 because full-rate production will be delayed. The remaining funds will be used only to implement hardware and software changes to the Limited Procurement Urgent (LPU) systems that will be fielded in fiscal year 1999; upgrade the communications architecture between GBCS and All Source Analysis System; support total package fielding for the LPUs; and provide interim contractor support for the fielded systems.

JOINT STARS

The Army requested $87,229,000 for Joint Stars. The Committee recommends $90,229,000, an increase of $3,000,000 only to procure additional workstations to augment the mobile Common Ground Station deployed to tactical commanders.

ELECTRONIC EQUIPMENT—ELECTRONIC WARFARE

SHORTSTOP

The Army requested no funding for Shortstop (SEPS). The Committee recommends $15,000,000 only to procure 14 SEPS for U.S. Forces, Korea, and 89 SEPS for the BDE Contingency Set.

NIGHT VISION DEVICES

The Army requested $29,636,000 for night vision devices. The Committee recommends $38,636,000, an increase of $9,000,000. The additional funds are only for night vision devices and priority should be for third generation 25mm tube upgrades for AN/PVS–4 and AN/TVS–5 night sights, AN/PEQ infrared target pointers, borelights, and pattern generators.

ELECTRONIC EQUIPMENT—TACTICAL SURVEILLANCE

MODIFICATION OF IN-SERVICE EQUIPMENT

The Army requested $5,477,000 for the modification of in-service equipment. The Committee recommends $23,227,000, an increase of $17,750,000. Of that amount, $16,000,000 is only for AN/TPQ–36 (V)8 fire finder systems and $1,750,000 is only for the automated integrated surveying instrument.

ELECTRONIC EQUIPMENT—TACTICAL C2 SYSTEMS

GUN LAYING AND POSITIONING SYSTEM

The Army requested $11,781,000 for the gun laying and positioning system. The Committee recommends $6,331,000, a decrease of $5,450,000 as recommended by the General Accounting Office.

IYSCON EQUIPMENT

The Army requested $34,175,000 for integrated system control (IYSCON) equipment. The Committee recommends $10,175,000, a decrease of $24,000,000. Since the system did not have a successful initial operational test and evaluation (IOT&E) in March, the Army has decided to continue with a "phase II" IOT&E in October 1998 and delay the Milestone III decision until January 1999. Furthermore, the fiscal year 1999 budget request represents a 232 percent increase over last year's appropriated amount. Given the delays in the program and the unresolved software issues, the Committee believes it is prudent to reduce the request to last year's appropriated level.

ELECTRONIC EQUIPMENT—AUTOMATION

ARMY TRAINING XXI AND MODERNIZATION

The Army requested $32,635,000 for Army Training XXI and modernization. The Committee recommends no funds. The Committee believes that the funding for this Army program, which is projected to cost over $100 million, should come from existing training budgets in the Army.

AUTOMATED DATA PROCESSING

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

COMBAT SERVICE SUPPORT EQUIPMENT

LANDWARRIOR

The Army requested $51,380,000 for Landwarrior. The Committee recommends no production funds due to delays in the development program. The Committee recommends additional funding in research, development, test and evaluation, Army to continue the development of the Landwarrior system.

CONSTRUCTION EQUIPMENT

HYDRAULIC EXCAVATOR

The Army requested $6,402,000 for hydraulic excavators. The Committee recommends $8,902,000, an increase of $2,500,000. Of that amount, $1,000,000 is only for hydraulic excavator systems for the active Army and $1,500,000 is only for hydraulic excavator systems for the Army Reserve.

RAIL, FLOAT, CONTAINERIZATION EQUIPMENT

FLOATING CRANE, 100–250 TON

The Army requested no funds for 100–250 ton floating cranes. The Committee recommends $15,000,000 only for one 115-ton floating crane.

GENERATORS

GENERATORS AND ASSOCIATED EQUIPMENT

The Army requested $82,749,000 for generators and associated equipment. The Committee recommends $69,049,000, a decrease of $13,700,000 for 3 kilowatt generators as recommended by the Committee's Survey and Investigations Staff. Originally, the Army had estimated a unit cost of approximately $5,000 for the 3 kilowatt generator. The 3 kilowatt generator, currently in development, now has an estimated unit cost of $9,000. This estimate is a much higher unit cost in comparison to other models. Until testing is complete, the Committee believes that it is premature to begin production of the 3 kilowatt generator.

MATERIAL HANDLING EQUIPMENT

ROUGH TERRAIN HANDLER

The Army requested $13,615,000 for rough terrain handlers. The Committee recommends $3,615,000, a decrease of $10,000,000 due to contracting delays.

TRAINING EQUIPMENT

TRAINING DEVICES, NONSYSTEM

The Army requested $56,755,000 for non-system training devices. The Committee recommends $67,755,000, an increase of $11,000,000. Of the additional funds $3,000,000 is only for computer controlled, propane (natural gas) firefighter trainers, $3,000,000 is only for the aerial weapons scoring system, and $5,000,000 is only to procure engagement skills trainers for the National Guard. The Committee directs the Army to provide funding in fiscal year 2000 to purchase the remainder of the required firefighter systems.

SIMNET/CLOSE COMBAT TACTICAL TRAINER

The Army requested $113,927,000 for the SIMNET/close combat tactical trainer. The Committee recommends $76,527,000, a decrease of $37,400,000. The fiscal year 1999 budget request represents a $60,600,000, or over 113 percent, increase over last year's appropriated amount. Since software problems have delayed the program by one year, the Committee does not believe such considerable program growth is warranted before the completion of a successful initial operational test and evaluation.

FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER

The Army requested $28,124,000 for the fire support combined arms tactical trainer. The Committee recommends no funds due to software problems that have resulted in schedule delays.

TEST MEASURE AND DIAGNOSTIC EQUIPMENT

INTEGRATED FAMILY OF TEST EQUIPMENT

The Army requested $54,051,000 for the integrated family of test equipment. The Committee recommends $69,051,000, an increase of $15,000,000 only for base shops sets and electro-optics test facility sets.

OTHER SUPPORT EQUIPMENT

MODIFICATION OF IN-SERVICE EQUIPMENT

The Army requested $17,667,000 for modification of in-service equipment. The Committee recommends $22,467,000, an increase of $4,800,000 only for laser leveling systems.

R–2000 ENGINE FLUSH SYSTEM

The Army requested no funds for the R–2000 engine flush system. The Committee recommends $5,000,000 only for R–2000 engine flush system for the Army National Guard.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
OTHER PROCUREMENT, ARMY						
TACTICAL AND SUPPORT VEHICLES						
TACTICAL VEHICLES						
TACTICAL TRAILERS/DOLLY SETS	--	11,948	--	11,948	--	---
SEMITRAILER FB BB/CONT TRANS 22 1/2 T	97	2,625	97	2,625	--	---
SEMITRAILER LB 40T M870A1 (CCE)	23	2,917	23	2,917	--	---
SEMITRAILER, TANK, 5000G	32	3,865	32	3,865	--	---
SEMITRAILER, TANK, 7500G, BULKHAUL	86	4,212	86	4,212	--	---
SEMITRAILER VAN CGO SUPPLY 12T 4WHL M128A2C	71	6,401	71	6,401	--	---
HI MOB MULTI-PURP WHLD VEH (HMMWV)	110	12,144	1,000	58,476	+890	+46,332
FAMILY OF MEDIUM TACTICAL VEH (FMTV)	2,038	332,044	2,038	312,424	--	-19,620
FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	--	189,617	--	189,617	--	---
TRUCK, TRACTOR, LINE HAUL, M915/M916	440	89,503	440	89,503	--	---
TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	87	4,883	87	4,883	--	---
MEDIUM TRUCK EXTENDED SVC PGM (ESP)	1,088	37,247	1,088	37,247	--	---
LINE HAUL ESP	82	4,883	82	4,983	--	+100
HMMWV ESP	387	24,832	387	---	--	-24,832
MODIFICATION OF IN SVC EQUIP	--	13,306	--	13,306	--	---
ITEMS LESS THAN $2.0M (TAC VEH)	--	186	--	186	--	---
NON-TACTICAL VEHICLES						
HEAVY ARMORED SEDAN	54	5,956	54	5,956	--	---
PASSENGER CARRYING VEHICLES	37	867	37	867	--	---
GENERAL PURPOSE VEHICLES	--	1,059	--	1,059	--	---
SPECIAL PURPOSE VEHICLES	--	1,060	--	1,060	--	---
SUPPORT EQUIPMENT AND FACILITIES						
SYSTEM FIELDING SUPPORT PEO	--	311	--	311	--	---
PROJECT MANAGEMENT SUPPORT	--	2,437	--	2,437	--	---
SYSTEM FIELDING SUPPORT (TACOM)	--	4,166	--	4,166	--	---
TOTAL, TACTICAL AND SUPPORT VEHICLES		726,438		728,418		+1,980
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
COMM - JOINT COMMUNICATIONS						
COMBAT IDENTIFICATION PROGRAM	--	4,890	--	4,890	--	---
JCSE EQUIPMENT (USREDCOM)	--	3,148	--	3,148	--	---
COMM - SATELLITE COMMUNICATIONS						
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC	--	94,616	--	94,616	--	---
SHF TERM	--	25,328	--	25,328	--	---
SAT TERM, EMUT (SPACE)	--	2,485	--	2,485	--	---
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	14	6,866	14	6,866	--	---
SMART-T (SPACE)	--	57,743	--	33,143	--	-24,600
SCAMP (SPACE)	--	4,708	--	4,708	--	---
GLOBAL BRDCST SVC - GBS	--	6,873	--	6,873	--	---
MOD OF IN-SVC EQUIP (TAC SAT)	--	1,474	--	1,474	--	---
COMM - C3 SYSTEM						
ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	--	20,562	--	20,562	--	---
COMM - COMBAT COMMUNICATIONS						
ARMY DATA DISTRIBUTION SYSTEM (ADDS)	--	24,048	--	27,048	--	+3,000
SINCGARS FAMILY	--	13,212	--	51,212	--	+38,000
JOINT TACTICAL AREA COMMS SYS	--	9,925	--	9,925	--	---
ACUS MOD PROGRAM (WIN-T/T)	--	97,080	--	97,080	--	---
C-E CONTINGENCY/FIELDING EQUIP	--	2,186	--	2,186	--	---
SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS	--	4,593	--	4,593	--	---
COMBAT SURVIVOR EVADER LOCATOR (CSEL)	--	13,712	--	13,712	--	---
MEDICAL COMM FOR CBT CASUALTY CARE (MC4)	--	9,440	--	9,440	--	---
COMM - INTELLIGENCE COMM						
CI AUTOMATION ARCHITECTURE	--	2,318	--	2,318	--	---
INFORMATION SECUTITY						
TSEC - ARMY KEY MGT SYS (AKMS)	--	10,315	--	10,315	--	---
INFORMATION SYSTEM SECURITY PROGRAM - ISSP	--	29,714	--	31,714	--	+2,000
COMM - LONG HAUL COMMUNICATIONS						
TERRESTRIAL TRANSMISSION	--	1,953	--	1,953	--	---
BASE SUPPORT COMMUNICATIONS	--	1,124	--	1,124	--	---
ARMY DISN ROUTER	--	3,614	--	3,614	--	---
ELECTROMAG COMP PROG (EMCP)	--	452	--	452	--	---
WW TECH CON IMP PROG (WWTCIP)	--	2,031	--	2,031	--	---
COMM - BASE COMMUNICATIONS						
INFORMATION SYSTEMS	--	91,213	--	91,213	--	---
DEFENSE MESSAGE SYSTEM (DMS)	--	16,723	--	16,723	--	---
LOCAL AREA NETWORK (LAN)	--	9,978	--	9,978	--	---
PENTAGON INFORMATION MGT AND TELECOM	--	39,195	--	39,195	--	---
ELECT EQUIP - NAT FOR INT PROG (NFIP)						
FOREIGN COUNTERINTELLIGENCE PROG (FCI)	--	876	--	876	--	---
GENERAL DEFENSE INTELL PROG (GDIP)	--	21,562	--	21,562	--	---
ELECT EQUIP - TACT INT REL ACT (TIARA)						
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	--	24,117	--	24,117	--	---
JTT/CIBS-M (TIARA)	56	5,340	56	10,340	--	+5,000
IEW - GND BASE COMMON SENSORS (TIARA)	--	25,388	--	14,188	--	-11,200
JOINT STARS (ARMY) (TIARA)	--	87,229	--	90,229	--	+3,000
INTEGRATED BROADCAST TERMINAL MODS (TIARA)	--	6,487	--	6,487	--	---
DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	13	21,230	13	21,230	--	---
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	--	1,680	--	1,680	--	---
JOINT TACTICAL GROUND STATION MODS	--	2,638	--	2,638	--	---
TROJAN (TIARA)	--	3,981	--	3,981	--	---
MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)	--	4,891	--	4,891	--	---
COMMON IMAGERY GRD/SURFACE SYS	--	---	--	2,508	--	+2,508
CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA)	--	3,700	--	3,700	--	---
ITEMS LESS THAN $2.0M (TIARA)	--	530	--	530	--	---
ELECT EQUIP - ELECTRONIC WARFARE (EW)						
SHORTSTOP	--	---	--	15,000	--	+15,000
COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES	--	1,725	--	1,725	--	---
ELECT EQUIP - TACTICAL SURV. (TAC SURV)						
SENTINEL (FAAD GBS)	23	58,247	23	58,247	--	---
TARGET LOCATION OBSERVATION SYSTEM (TLOS)	238	11,787	238	11,787	--	---
NIGHT VISION DEVICES	--	29,636	--	38,636	--	+9,000
LTWT VIDEO RECON SYSTEM (LWVRS)	110	3,364	110	3,364	--	---
NIGHT VISION, THERMAL WPN SIGHT	1,622	36,110	1,622	36,110	--	---
ARTILLERY ACCURACY EQUIP	--	11,004	--	11,004	--	---
MOD OF IN-SVC EQUIP (TAC SURV)	--	5,477	--	23,227	--	+17,750
INTEGRATED MET SYS SENSORS (IMETS) - TIARA	5	4,890	5	4,890	--	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
ELECT EQUIP - TACTICAL C2 SYSTEMS						
TACTICAL OPERATIONS CENTERS	--	26,703	--	26,703	--	---
ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	212	36,671	212	36,671	--	---
CMBT SVC SUPT CONTROL SYS (CSSCS)	122	9,332	122	9,332	--	---
FAAD C2	2	14,204	2	14,204	--	---
FORWARD ENTRY DEVICE (FED)	--	25,040	--	25,040	--	---
STRIKER-COMMAND AND CONTROL SYSTEM	15	6,025	15	6,025	--	---
LIFE CYCLE SOFTWARE SUPPORT (LCSS)	--	1,174	--	1,174	--	---
LOGTECH	--	3,238	--	3,238	--	---
TC AIMS II	--	445	--	445	--	---
GUN LAYING AND POS SYS (GLPS)	126	11,781	126	6,331	--	-5,450
ISYSCON EQUIPMENT	--	34,175	--	10,175	--	-24,000
MANEUVER CONTROL SYSTEM (MCS)	96	13,033	96	13,033	--	---
STAMIS TACTICAL COMPUTERS (STACOMP)	1,633	48,248	1,633	48,248	--	---
STANDARD INTEGRATED CMD POST SYSTEM	--	26,827	--	26,827	--	---
ELECT EQUIP - AUTOMATION						
ARMY TRAINING XXI MODERNIZATION	--	32,635	--	---	--	-32,635
AUTOMATED DATA PROCESSING EQUIP	--	130,712	--	120,712	--	-10,000
RESERVE COMPONENT AUTOMATION SYS (RCAS)	--	108,192	--	108,192	--	---
ELECT EQUIP - AUDIO VISUAL SYS (A/V)						
AFRTS	--	487	--	487	--	---
ITEMS LESS THAN $2.0M (A/V)	--	4,597	--	4,597	--	---
ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)						
ELECT EQUIP - SUPPORT						
PRODUCTION BASE SUPPORT (C-E)	--	403	--	403	--	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,516,331		1,503,704		-12,627
OTHER SUPPORT EQUIPMENT						
CHEMICAL DEFENSIVE EQUIPMENT						
GEN SMK MECH:MTRZD DUAL PURP M56	76	15,110	76	15,110	--	---
GENERATOR, SMOKE, MECH M58	38	10,622	38	10,622	--	---
LT VEH OBSCURANT SMK SYS	2,363	4,633	2,363	4,633	--	---
BRIDGING EQUIPMENT						
RIBBON BRIDGE	--	8,824	--	8,824	--	---
ENGINEER (NON-CONSTRUCTION) EQUIPMENT						
METALLIC MINE DETECTOR, VEHICLE MOUNTED	2	3,775	2	3,775	--	---
BN COUNTERMINE SIP	--	3,670	--	3,670	--	---
COMBAT SERVICE SUPPORT EQUIPMENT						
AIR CONDITIONERS VARIOUS SIZE/CAPACITY	--	4,850	--	4,850	--	---
KITCHEN, CONTAINERIZED, FIELD (CK)	77	7,439	77	7,439	--	---
SANITATION CENTER, FIELD FEEDING (FSC)	108	1,384	108	1,384	--	---
FIRETRUCKS	--	15,000	--	15,000	--	---
TRUCK, FIREFIGHTING, MULTI-PURPOSE	6	1,708	6	1,708	--	---
ARMY SPACE HEATER, 120,000 BTU (ASH)	110	1,061	110	1,061	--	---
LAUNDRY ADVANCED SYSTEM (LADS)	19	7,216	19	7,216	--	---
FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	113	1,844	113	1,844	--	---
SOLDIER ENHANCEMENT	--	4,832	--	4,832	--	---
LAND WARRIOR	255	51,380	--	---	-255	-51,380
FORCE PROVIDER	4	24,418	4	24,418	--	---
REFRIGERATION EQUIPMENT	--	1,930	--	1,930	--	---
ITEMS LESS THAN $2.0M (CSS-EQ)	--	4,749	--	4,749	--	---
PETROLEUM EQUIPMENT						
TANK ASSEMBLY FAB COLL POL 50000 G	17	7,393	17	7,393	--	---
PUMP ASSY, REGULATED, 350 GPM	10	358	10	358	--	---
INLAND PETROLEUM DISTRIBUTION SYSTEM	--	8,342	--	8,342	--	---
FORWARD AREA REFUELING SYS ADV AVIATION	18	5,329	18	5,329	--	---
ITEMS LESS THAN $2.0M (POL)	--	4,657	--	4,657	--	---
WATER EQUIPMENT						
SMALL MOBILE WATER CHILLER (SMWC)	310	2,897	310	2,897	--	---
ITEMS LESS THAN $2.0M (WATER EQ)	--	1,255	--	1,255	--	---
MEDICAL EQUIPMENT						
COMBAT SUPPORT MEDICAL	--	25,807	--	25,807	--	---
MAINTENANCE EQUIPMENT						
SHOP EQ CONTACT MAINTENANCE TRK MTD (MVP)	180	7,897	180	7,897	--	---
WELDING SHOP, TRAILER MTD	55	3,044	55	3,044	--	---
ITEMS LESS THAN $2.0M (MAINT EQ)	--	4,754	--	4,754	--	---
CONSTRUCTION EQUIPMENT						
DIST, BITUM MATERIAL 1500G TRK MTD	20	4,377	20	4,377	--	---
HYDRAULIC EXCAVATOR	26	6,402	26	8,902	--	+2,500
DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	9,388	23	9,388	--	---
TRUCK, DUMP, 20T (CCE)	66	13,305	66	13,305	--	---
CRUSHING/SCREENING PLANT, 150 TPH	2	3,801	2	3,801	--	---
CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	47	11,553	47	11,553	--	---
ITEMS LESS THAN $2.0M (CONST EQUIP)	--	1,929	--	1,929	--	---
RAIL FLOAT CONTAINERIZATION EQUIPMENT						
PUSHER TUG, SMALL	1	4,269	3	8,569	+2	+4,300
FLOATING CRANE, 100-250 TON	--	---	1	15,000	+1	+15,000
CONTAINERIZED MAINTENANCE FACILITY	1	5,300	1	5,300	--	---
CAUSEWAY SYSTEMS	--	17,083	--	17,083	--	---
RAILWAY CAR, FLAT, 100 TON	148	12,604	148	12,604	--	---
ITEMS LESS THAN $2.0M (FLOAT/RAIL)	--	3,235	--	3,235	--	---
GENERATORS						
GENERATORS AND ASSOCIATED EQUIP	--	82,748	--	69,048	--	-13,700
MATERIAL HANDLING EQUIPMENT						
TRUCK, FORK LIFT, DE, PT, RT, 60000 LB	101	20,598	101	20,598	--	---
ALL TERRAIN LIFTING ARTICULATING SYSTEM	47	15,228	47	15,228	--	---
ROUGH TERRAIN CONTAINER CRANE	30	13,615	30	3,615	--	-10,000
ITEMS LESS THAN $2.0M (MHE)	--	1,672	--	1,672	--	---
TRAINING EQUIPMENT						
COMBAT TRAINING CENTERS SUPPORT	--	47,395	--	47,395	--	---
TRAINING DEVICES, NONSYSTEM	--	56,755	--	67,755	--	+11,000
SIMNET/CLOSE COMBAT TACTICAL TRAINER	--	113,927	--	76,527	--	-37,400
FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	--	28,124	--	---	--	-28,124
TEST MEASURE AND DIG EQUIPMENT (TMD)						
CALIBRATION SETS EQUIPMENT	--	9,984	--	9,984	--	---
INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	--	54,051	--	69,051	--	+15,000
TEST EQUIPMENT MODERNIZATION (TEMOD)	--	13,797	--	13,797	--	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
OTHER SUPPORT EQUIPMENT						
RECONFIGURABLE SIMULATORS	--	1,967	--	1,967	--	---
PHYSICAL SECURITY SYSTEMS (OPA3)	--	16,164	--	16,164	--	---
SYSTEM FIELDING SUPPORT (OPA-3)	--	7,143	--	7,143	--	---
BASE LEVEL COM'L EQUIPMENT	--	9,697	--	9,697	--	---
ELECTRONIC REPAIR SHELTER	2	3,694	2	3,694	--	---
MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)	--	17,567	--	22,467	--	+4,900
PRODUCTION BASE SUPPORT (OTH)	--	2,274	--	2,274	--	---
SPECIAL EQUIPMENT FOR USER TESTING	--	15,062	--	15,062	--	---
MA8075	--	6,020	--	6,020	--	---
TOTAL, OTHER SUPPORT EQUIPMENT		877,073		788,069		-89,004
SPARE AND REPAIR PARTS						
INITIAL SPARES - TSV	--	4,433	--	4,433	--	---
INITIAL SPARES - C&E	--	73,362	--	73,362	--	---
INITIAL SPARES - OTHER SUPPORT EQUIP	--	1,174	--	1,174	--	---
TOTAL, SPARE AND REPAIR PARTS		78,969		78,969		---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-4,030	--	-4,030
R-2000 ENGINE FLUSH SYSTEM	--	---	--	5,000	--	+5,000
TOTAL, OTHER PROCUREMENT, ARMY		3,198,811		3,101,130		-97,681

AIRCRAFT PROCUREMENT, NAVY

Fiscal year 1998 appropriation	$6,535,444,000
Fiscal year 1999 budget request	7,466,734,000
Committee recommendation	7,599,968,000
Change from budget request	+133,234,000

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 the House authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
AV–8B (V/STOL) Harrier	282,713	279,513	−3,200
T–45 (Trainer) Goshawk	282,667	267,167	−15,500
KC–130J	0	112,400	+112,400
EA–6 Modifications	75,735	114,735	+39,000
ES–3 Modifications	5,172	0	−5,172
E–6 Modifications	64,660	60,060	−4,600
Spares and Repair Parts	727,838	719,438	−8,400
Common Ground Equipment	330,952	315,552	−15,400
Aircraft Industrial Facilities	13,753	11,953	−1,800

MULTIYEAR PROCUREMENT

The Navy requested authority to enter into multiyear contracts for T–45 and E–2C aircraft, which the Committee approves in section 8008 of the bill. The Committee encourages the Navy to pursue engine multiyear contracts within this authority for the E–2C program, if cost-effective. The Committee also encourages the Navy to structure the E–2C contract to allow the movement of at least one aircraft between fiscal years, if cost-effective.

COMBAT AIRCRAFT

F/A–18E/F HORNET

The Navy requested $2,787,783,000 to procure 30 F/A–18E/F Hornet aircraft. The Committee recommends $2,568,083,000 to procure 27 aircraft, a decrease of $219,700,000 and 3 aircraft. This includes a decrease of $204,700,000 for 3 aircraft as recommended in the House-passed authorization bill, and a decrease of $15,000,000 since the Navy has used the F/A–18 program as a reprogramming source in a number of previous fiscal years.

V–22 (MEDIUM LIFT)

The Navy requested $610,766,000 to procure 7 V–22 aircraft. The Committee recommends $696,266,000, an increase of $85,500,000 and 1 aircraft. This includes $78,000,000 for 1 additional aircraft

as recommended in the House-passed authorization bill, and an increase of $7,500,000 to address support equipment shortfalls. Without additional funds for support equipment in this fiscal year, the first two scheduled V–22 deployments will not have any intermediate level maintenance capability, jeopardizing the mission-capable rates of the aircraft for an extended period of time.

CH–60 HELICOPTER

The Navy requested $106,027,000 for CH–60 helicopters. The Committee recommends $144,027,000, an increase of $38,000,000 only to procure two CH–60 helicopters for the Navy Reserve.

KC–130J TANKER AIRCRAFT

The Navy requested no funds for procurement of KC–130J aircraft. The Committee recommends $112,400,000 for 2 aircraft. The KC–130F is the Marine Corps' tactical aerial refueling aircraft. It comprises about half of the Marine Corps total force inventory and over 70 percent of the active force inventory. By 2000, the KC–130F fleet will be 40 years old. Procurement of KC–130J aircraft allows retirement of older model aircraft, increases safety in an aging tanker fleet, increases aircraft performance, and reduces life cycle costs.

MODIFICATION OF AIRCRAFT

DEPOT MAINTENANCE

The Navy requested $70,000,000 in Research, Development, Test and Evaluation, Navy in a new line item entitled Depot Maintenance for projects which historically have been spent in the modification programs in Aircraft Procurement, Navy. The Committee denies this request, and has instead provided the following increases in this account:

[In thousands of dollars]

AV–8B series	+11,000
S–3 series	+23,800
P–3 series	+28,700
Common avionics changes	+6,500

AV–8 SERIES

The Navy requested $99,109,000 for AV–8 aircraft modifications. The Committee recommends $112,409,000, an increase of $13,300,000 of which $11,000,000 is a transfer from Research, Development, Test and Evaluation, Navy as described above and $2,300,000 is for AV–8B antennas. The Commandant of the Marine Corps identified the lack of current-generation AV–8B antennas as a serious deficiency. AV–8B aircraft currently use Vietnam-era antennas on radar warning receiver equipment. The additional $2,300,000 will procure 145 ALR–67 antenna sets, which increase accuracy of threat detection by a factor of two and are five times more reliable than current equipment.

F–14 SERIES

The Navy requested $223,661,000 for F–14 aircraft modifications. The Committee recommends $224,361,000, an increase of $700,000. This includes an increase of $8,000,000 for LANTIRN and a decrease of $7,300,000 as recommended in the House-passed authorization bill. The Chief of Naval Operations identified the lack of LANTIRN equipment as a serious deficiency. The additional funds will procure the last LANTIRN system needed to meet fleet inventory objectives and support equipment needed to effectively operate deployed LANTIRN systems.

F–18 SERIES

The Navy requested $198,049,000 for F–18 aircraft modifications. The Committee recommends $211,149,000, an increase of $13,100,000. This includes an increase of $17,000,000 only for modification of Naval Reserve aircraft, and a decrease of $3,900,000 as recommended in the House-passed authorization bill.

AH–1W SERIES

The Navy requested $22,394,000 for AH–1 helicopter modifications. The Committee recommends $27,894,000, an increase of $5,500,000 only for night targeting systems. The Committee notes that the Commandant of the Marine Corps include the AH–1 night targeting systems on his list of unfunded reuqirements.

H–1 SERIES

The Navy requested $18,220,000 for H–1 helicopter modifications. The Committee recommends $30,220,000, an increase of $12,000,000 only for AN/AAQ–22 thermal imaging systems upgrades.

EP–3 SERIES

The Navy requested $5,437,000 for EP–3 aircraft modifications. The Committee recommends $6,937,000, an increase of $1,500,000 only to procure EP–3 flat panel displays.

P–3 SERIES

The Navy requested $268,633,000 for P–3 aircraft modifications. The Committee recommends $341,033,000, an increase of $72,400,000. Within the increase $28,700,000 is transferred from Research, Development, Test and Evaluation, Navy as discussed above; $10,000,000 is only for the Lightweight Environmentally Sealed Parachute Assembly as recommended in the House-passed authorization bill; $12,200,000 is only for 1 additional Anti-Submarine Warfare Improvement Program (AIP) kit; $15,000,000 is only for specific emitter identification; and $6,500,000 is only for procurement of 28 advanced digital recorders for 3 P–3 squadrons. Additional funds for specific emitter identification complete the initiative begun last year to provide 40 forward deployed P–3s with the ability to "fingerprint" ships for wartime, intelligence, or counter-drug operations. Additional funds for advanced digital recorders allow replacement of 25 year old, obsolescent acoustic data

recorders to provide increased mission capability and operating cost savings.

E–2 SERIES

The Navy requested $91,502,000 for E–2 aircraft modifications. The Committee recommends $96,502,000, an increase of $5,000,000 only for the Lightweight Environmentally Sealed Parachute Assembly as recommended in the House-passed authorization bill.

COMMON ECM EQUIPMENT

The Navy requested $37,375,000 for common electronic warfare equipment. The Committee recommends $33,075,000, a decrease of $4,300,000. This includes an increase of $5,000,000 only for AN/ALR–67(V)2 radar warning receiver upgrades and a decrease of $9,300,000 to transfer funds for the integrated defensive electronic countermeasures system to Research, Development, Test and Evaluation, Navy due to recent restructuring of the program. The AN/ALR–67(V)2 is the standard radar warning receiver installed on all Navy and Marine Corps front-line tactical strike and fighter aircraft. The system performs well against the threats for which it was designed, but has become deficient against modern surface and airborne threats. Additional funds will allow low-cost performance upgrades to existing systems which provide significantly greater survivability for combat aircrews while also lowering life cycle cost.

COMMON AVIONICS CHANGES

The Navy requested $104,697,000 for common avionics changes. The Committee recommends $109,197,000, an increase of $4,500,000. This includes an increase of $6,500,000 which is a transfer from Research, Development, Test and Evaluation, Navy as discussed previously and a decrease of $2,000,000 as recommended in the House-passed authorization bill.

RESCISSIONS

The Committee recommends rescissions of $28,500,000 from several fiscal year 1998 Other Procurement, Navy programs due to recent budget execution data identified by the General Accounting Office or the Committee's Surveys and Investigations Staff. This includes: $15,000,000 due to delays in the Nulka decoy program, $3,600,000 for pollution control equipment on ships which now are to be decommissioned, $3,000,000 due to cancelled requirements for Type 8B Mod 3 periscopes, $2,300,000 for contract savings on the AN/SQQ–62 sonobouy, $1,700,000 due to contract savings in other navigation equipment, $1,500,000 due to cancelled WLQ–4 requirements, and $1,400,000 due to battle force tactical trainer contract savings.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
AIRCRAFT PROCUREMENT, NAVY						
COMBAT AIRCRAFT						
AV-8B (V/STOL)HARRIER	12	282,713	12	279,513	--	-3,200
AV-8B (V/STOL)HARRIER (AP-CY)	--	55,686	--	55,686	--	---
F/A-18E/F (FIGHTER) HORNET	30	2,787,783	27	2,568,083	-3	-219,700
F/A-18E/F (FIGHTER) HORNET (AP-CY)	--	109,438	--	109,438	--	---
V-22 (MEDIUM LIFT)	7	610,766	8	696,266	+1	+85,500
V-22 (MEDIUM LIFT) (AP-CY)	--	54,020	--	54,020	--	---
E-2C (EARLY WARNING) HAWKEYE	3	206,384	3	206,384	--	---
E-2C (EARLY WARNING) HAWKEYE (AP-CY)	--	182,847	--	182,847	--	---
TOTAL, COMBAT AIRCRAFT		4,288,737		4,152,337		-137,400
AIRLIFT AIRCRAFT						
CH-60	4	106,027	6	144,027	+2	+38,000
CH-60 (AP-CY)	--	26,160	--	26,160	--	---
TOTAL, AIRLIFT AIRCRAFT		132,187		170,187		+38,000
TRAINER AIRCRAFT						
T-45TS (TRAINER) GOSHAWK	15	282,667	15	267,167	--	-15,500
T-45TS (TRAINER) GOSHAWK (AP-CY)	--	60,159	--	60,159	--	---
TOTAL, TRAINER AIRCRAFT		342,826		327,326		-15,500
OTHER AIRCRAFT						
KC-130J	--	---	2	112,400	+2	+112,400
MODIFICATION OF AIRCRAFT						
EA-6 SERIES	--	75,735	--	114,735	--	+39,000
AV-8 SERIES	--	99,109	--	112,409	--	+13,300
F-14 SERIES	--	223,661	--	224,361	--	+700
ADVERSARY	--	1,292	--	1,292	--	---
ES-3 SERIES	--	5,172	--	---	--	-5,172
F-18 SERIES	--	198,049	--	211,149	--	+13,100
H-46 SERIES	--	31,863	--	31,863	--	---
AH-1W SERIES	--	22,394	--	27,894	--	+5,500
H-53 SERIES	--	37,828	--	37,828	--	---
SH-60 SERIES	--	137,987	--	137,987	--	---
H-1 SERIES	--	18,220	--	30,220	--	+12,000
H-3 SERIES	--	34	--	34	--	---
EP-3 SERIES	--	5,437	--	6,937	--	+1,500
P-3 SERIES	--	268,633	--	341,033	--	+72,400
S-3 SERIES	--	45,987	--	68,787	--	+23,800
E-2 SERIES	--	91,502	--	96,502	--	+5,000
TRAINER A/C SERIES	--	7,399	--	7,399	--	---
C-2A	--	18,113	--	18,113	--	---
C-130 SERIES	--	4,040	--	4,040	--	---
FEWSG	--	557	--	557	--	---
CARGO/TRANSPORT A/C SERIES	--	27,179	--	27,179	--	---
E-6 SERIES	--	64,660	--	60,060	--	-4,600
EXECUTIVE HELICOPTERS SERIES	--	26,147	--	26,147	--	---
SPECIAL PROJECT AIRCRAFT	--	17,729	--	17,729	--	---
T-45 SERIES	--	8,499	--	8,499	--	---
POWER PLANT CHANGES	--	15,283	--	15,283	--	---
COMMON ECM EQUIPMENT	--	37,375	--	33,075	--	-4,300
COMMON AVIONICS CHANGES	--	104,697	--	109,197	--	+4,500
TOTAL, MODIFICATION OF AIRCRAFT		1,594,602		1,771,330		+176,728
AIRCRAFT SPARES AND REPAIR PARTS						
SPARES AND REPAIR PARTS	--	727,838	--	719,438	--	-8,400
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
COMMON GROUND EQUIPMENT	--	330,962	--	315,562	--	-15,400
AIRCRAFT INDUSTRIAL FACILITIES	--	13,753	--	11,953	--	-1,800
WAR CONSUMABLES	--	11,187	--	11,187	--	---
OTHER PRODUCTION CHARGES	--	7,652	--	7,652	--	---
SPECIAL SUPPORT EQUIPMENT	--	14,377	--	14,377	--	---
FIRST DESTINATION TRANSPORTATION	--	1,713	--	1,713	--	---
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE		379,544		362,344		-17,200
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-15,394	--	-15,394
TOTAL, AIRCRAFT PROCUREMENT, NAVY		7,466,734		7,599,968		+133,234

WEAPONS PROCUREMENT, NAVY

Fiscal year 1998 appropriation	$1,102,193,000
Fiscal year 1999 budget request	1,327,545,000
Committee recommendation	1,191,219,000
Change from budget request	−136,326,000

This appropriation provides for 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
Tomahawk	129,758	33,258	−96,500
Standard Missile	225,702	205,702	−20,000
Aerial Targets	75,474	72,774	−2,700
Weapons Industrial Facilities	27,113	24,333	−2,800
MK–48 Torpedo	52,813	50,613	−2,200
CIWS	2,778	6,778	+4,000

TACTICAL MISSILES

AMRAAM

The Navy requested $62,641,000 to procure 115 AMRAAMs. The Committee recommends $55,641,000, a decrease of $7,000,000. These funds are available based on savings from the recent merger between the two competing prime contractors.

JSOW

The Navy requested $125,207,000 to procure JSOW munitions. The Committee recommends $110,207,000, a decrease of $15,000,000 for JSOW tooling. The Navy request includes $24,600,000 for additional JSOW tooling. The Navy has not adequately justified such a large expenditure on tooling in fiscal year 1999.

SLAM–ER

The Navy requested $39,506,000 to procure SLAM–ER in the Harpoon Modification line-item. The Committee approves this request, but has created a separate SLAM–ER line-item to provide better visibility for this program. The Committee directs the Navy to use this new line-item for future budget requests for SLAM–ER.

PENGUIN

The Navy requested no funds for procurement of Penguin missiles. The Committee recommends $10,000,000 only for additional procurement of Penguin missiles.

AERIAL TARGETS

The Committee is aware of the need to replace the current Vandal target missile with a follow-on supersonic seaskimming target (SSST) missile. The Committee believes that the Navy should conduct a full and open competition for the new target missile taking into account the full range of performance parameters that meet the requirements of the new target missile.

HARPOON MODIFICATIONS

The Navy requested $39,506,000 for Harpoon Modifications. As noted previously, the Committee has transferred these funds to a new SLAM–ER line-item.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
WEAPONS PROCUREMENT, NAVY						
BALLISTIC MISSILES						
TRIDENT II	5	260,652	5	260,652	--	---
TRIDENT II (AP-CY)	--	62,800	--	62,800	--	---
SUPPORT EQUIPMENT AND FACILITIES						
MISSILE INDUSTRIAL FACILITIES	--	198	--	198	--	---
TOTAL, BALLISTIC MISSILES		323,650		323,650		---
OTHER MISSILES						
STRATEGIC MISSILES						
TOMAHAWK	114	129,758	--	33,258	-114	-96,500
ESSM	20	38,672	20	38,672	--	---
TACTICAL MISSILES						
AMRAAM	115	62,641	100	55,641	-15	-7,000
JSOW	328	128,207	328	110,207	--	-18,000
SLAM-ER	--	---	54	39,506	+54	+39,506
STANDARD MISSILE	120	225,702	120	205,702	--	-20,000
RAM	100	44,766	100	44,766	--	---
PENGUIN	--	---	--	10,000	--	+10,000
AERIAL TARGETS	--	75,474	--	72,774	--	-2,700
DRONES AND DECOYS	--	296	--	296	--	---
OTHER MISSILE SUPPORT	--	15,238	--	15,238	--	---
MODIFICATION OF MISSILES						
HARPOON MODS	--	39,506	--	---	--	-39,506
STANDARD MISSILES MODS	--	45,303	--	45,303	--	---
SUPPORT EQUIPMENT AND FACILITIES						
WEAPONS INDUSTRIAL FACILITIES	--	27,133	--	24,333	--	-2,800
ORDNANCE SUPPORT EQUIPMENT						
ORDNANCE SUPPORT EQUIPMENT	--	6,210	--	6,210	--	---
TOTAL, OTHER MISSILES		832,908		698,908		-134,000
TORPEDOES AND RELATED EQUIPMENT						
ASW TARGETS	--	4,152	--	4,152	--	---
MOD OF TORPEDOES AND RELATED EQUIP						
MK-46 TORPEDO MODS	--	15	--	15	--	---
MK-48 TORPEDO ADCAP MODS	--	52,813	--	50,613	--	-2,200
SUPPORT EQUIPMENT						
TORPEDO SUPPORT EQUIPMENT	--	24,206	--	24,206	--	---
ASW RANGE SUPPORT	--	14,672	--	14,672	--	---
DESTINATION TRANSPORTATION						
FIRST DESTINATION TRANSPORTATION	--	1,979	--	1,979	--	---
TOTAL, TORPEDOES AND RELATED EQUIPMENT		97,837		95,637		-2,200
OTHER WEAPONS						
GUNS AND GUN MOUNTS						
SMALL ARMS AND WEAPONS	--	874	--	874	--	---
MODIFICATION OF GUNS AND GUN MOUNTS						
CIWS MODS	--	2,778	--	6,778	--	+4,000
5/54 GUN MOUNT MODS	--	909	--	909	--	---
MK-75 76MM GUN MOUNT MODS	--	1,951	--	1,951	--	---
MODS UNDER $2.0 MILLION	--	1,279	--	1,279	--	---
OTHER						
PIONEER	--	19,441	--	19,441	--	---
TOTAL, OTHER WEAPONS		27,232		31,232		+4,000
SPARES AND REPAIR PARTS	--	45,918	--	45,918	--	---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-4,126	--	-4,126
TOTAL, WEAPONS PROCUREMENT, NAVY		1,327,545		1,191,219		-136,326

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

Fiscal year 1998 appropriation	$397,547,000
Fiscal year 1999 budget request	429,539,000
Committee recommendation	473,803,000
Change from budget request	+44,264,000

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

COMMITTEE RECOMMENDATION

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
5.56MM, All types	25,750	26,350	+600
7.62MM, All types	196	896	+700
120MM M865.5	0	500	+500
120MM M831.7	0	700	+700
25MM, All types	3,860	4,760	+900
9MM, All types	2,332	3,132	+800
Grenades, All types	4,893	8,093	+3,200
Rockets, All types	21,346	38,346	+17,000
Demolition munitions, all types	7,737	8,337	+600

PROCUREMENT AMMUNITION, NAVY

PRACTICE BOMBS

The Navy requested $40,134,000 for practice bombs. The Committee recommends $60,134,000, an increase of $20,000,000. Of the additional amount, $10,000,000 is only for laser guided training rounds and $10,000,000 is only for laser guided training rounds in the minimum collateral damage weapon variant.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP						
PROC AMMO, NAVY						
NAVY AMMUNITION						
GENERAL PURPOSE BOMBS	--	22,904	--	22,904	--	---
JDAM	896	41,363	896	41,363	--	---
2.75 INCH ROCKETS	--	16,147	--	16,147	--	---
MACHINE GUN AMMUNITION	--	8,816	--	8,816	--	---
PRACTICE BOMBS	--	40,134	--	60,134	--	+20,000
CARTRIDGES & CART ACTUATED DEVICES	--	25,982	--	25,982	--	---
AIRCRAFT ESCAPE ROCKETS	--	10,370	--	10,370	--	---
AIR EXPENDABLE COUNTERMEASURES	--	29,059	--	29,059	--	---
MARINE LOCATION MARKERS	--	1,350	--	1,350	--	---
JATOS	--	3,893	--	3,893	--	---
5 INCH/54 GUN AMMUNITION	--	21,853	--	21,853	--	---
EXTENDED RANGE GUIDED MUNITIONS (ERGM)	--	27,453	--	27,453	--	---
CIWS AMMUNITION	--	860	--	860	--	---
76MM GUN AMMUNITION	--	3,761	--	3,761	--	---
OTHER SHIP GUN AMMUNITION	--	4,548	--	4,548	--	---
SMALL ARMS & LANDING PARTY AMMO	--	7,752	--	7,752	--	---
PYROTECHNIC AND DEMOLITION	--	8,938	--	8,938	--	---
MINE NEUTRALIZATION DEVICES	--	7,884	--	7,884	--	---
TOTAL, PROC AMMO, NAVY		282,866		302,866		+20,000
PROC AMMO, MC						
MARINE CORPS AMMUNITION						
5.56 MM, ALL TYPES	--	25,750	--	26,350	--	+600
7.62 MM, ALL TYPES	--	196	--	896	--	+700
LINEAR CHARGES, ALL TYPES	--	7,603	--	7,603	--	---
.50 CALIBER	--	1,180	--	1,180	--	---
40 MM, ALL TYPES	--	11,565	--	11,565	--	---
81MM, ALL TYPES	--	16,076	--	16,076	--	---
120MM, ALL TYPES	--	14,054	--	14,054	--	---
120MM TPCSDS-T M865	--	---	--	500	--	+500
120 MM TP-T M831	--	---	--	700	--	+700
CTG 25MM, ALL TYPES	--	3,860	--	4,760	--	+900
9 MM ALL TYPES	--	2,332	--	3,132	--	+800
GRENADES, ALL TYPES	--	4,893	--	8,093	--	+3,200
ROCKETS, ALL TYPES	--	21,346	--	38,346	--	+17,000
DEMOLITION MUNITIONS, ALL TYPES	--	7,737	--	8,337	--	+600
FUZE, ALL TYPES	--	13,645	--	13,645	--	---
NON LETHALS	--	984	--	984	--	---
AMMO MODERNIZATION	--	12,007	--	12,007	--	---
ITEMS LESS THAN $2 MIL	--	3,446	--	3,446	--	---
TOTAL, PROC AMMO, MC		146,673		171,673		+25,000
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-736	--	-736
TOTAL, PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP		429,539		473,803		+44,264

SHIPBUILDING AND CONVERSION, NAVY

Fiscal year 1998 appropriation	$8,235,591,000
Fiscal year 1999 budget request	6,252,672,000
Committee recommendation	5,973,452,000
Change from budget request	−279,220,000

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 request	Committee recommendation	Change from request
Strategic Sealift (LMSR)	251,400	0	−251,400
LCAC Landing Craft	0	16,000	16,000
Post Delivery	123,277	114,977	−8,300

RECOGNITION OF VICE ADMIRAL CONNOLLY

The Committee recognizes Vice Admiral Thomas F. Connolly's significant contributions to the United States Navy and urges the Secretary of the Navy to acknowledge his service by appropriate means, including the naming of a ship or facility in his honor.

AIRCRAFT CARRIER REPORTING

The Department of Defense submits annual Selected Acquisition Reports (SAR) to Congress providing detailed cost and schedule status of major weapon system programs. Reports are not submitted once a program is late in the production cycle. The most recent SAR report for Nimitz class carriers indicates that it is the last one to be submitted. The Committee believes that aircraft carriers are different from other programs, like tanks and aircraft, that are produced in high annual quantities. The Committee would like to continue to receive information on Nimitz class carriers until CVN–77, the last ship of the class, is well into construction. In addition, the Navy's change in approach to CVX may extend the Nimitz class indefinitely. For these reasons, the Committee directs that the Secretary of Defense continue to annually submit SAR reports on Nimitz class aircraft carriers until further notice.

OTHER WARSHIPS

DDG—51

The Navy requested $2,672,078,000 to procure 3 DDG–51 destroyers. The Committee recommends $2,662,078,000, a decrease of $10,000,000 since the Navy has used the DDG–51 program as a reprogramming source in a number of prior fiscal years.

AMPHIBIOUS SHIPS

LPD–17

The Committee concurs with the direction provided by the House National Security Committee in House Report 105–532 regarding the evaluation of combat system and ship self-defense alternatives for the LPD–17 class amphibious assault ships, except that the Committee directs the Navy to report the results of the evaluation on these systems to the congressional defense committees by October 30, 1998, before proceeding with procurement.

AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAMS

LCAC LANDING CRAFT

The Navy requested no funds for LCAC landing craft. The Committee recommends $16,000,000, as provided in the House-passed authorization bill. Of this amount, $1,000,000 shall be used for TF–40B integrated logistics support concurrent with sea trials and a subsequent determination of engine requirements for enhanced performance benefits for the service life extension program.

OUTFITTING

The Navy requested $95,680,000 for outfitting ships. The Committee recommends $80,680,000, a decrease of $15,000,000. Subsequent to submission of the President's budget for fiscal year 1999, the Navy requested approval to reprogram $31,782,000 in fiscal year 1997 funding and $20,000,000 in fiscal year 1998 funding for outfitting costs. These actions were not forecast in the President's budget for fiscal year 1999. The Committee assumes that some savings will accrue in fiscal year 1999 that were not anticipated when the budget was formulated or that the Navy could again reprogram funds should actual ship delivery schedules dictate the need for outfitting funds beyond what the Committee recommends.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
SHIPBUILDING & CONVERSION, NAVY						
OTHER WARSHIPS						
CARRIER REPLACEMENT PROGRAM (AP-CY)	--	124,515	--	124,515	--	---
NEW SSN	1	1,498,165	1	1,498,165	--	---
NEW SSN (AP-CY)	--	504,736	--	504,736	--	---
CVN REFUELING OVERHAULS (AP-CY)	--	274,980	--	274,980	--	---
DDG-51	3	2,672,078	3	2,662,078	--	-10,000
DDG-51 (AP-CY)	--	7,396	--	7,396	--	---
TOTAL, OTHER WARSHIPS		5,081,870		5,071,870		-10,000
AMPHIBIOUS SHIPS						
LPD-17	1	638,780	1	638,780	--	---
TOTAL, AMPHIBIOUS SHIPS		638,780		638,780		---
AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR						
AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAM COS						
OCEANOGRAPHIC SHIPS	1	60,341	1	60,341	--	---
STRATEGIC SEALIFT	1	251,400	--	---	-1	-251,400
LCAC LANDING CRAFT	--	---	--	16,000	--	+16,000
OUTFITTING	--	95,680	--	80,680	--	-15,000
POST DELIVERY	--	123,277	--	114,977	--	-8,300
FIRST DESTINATION TRANSPORTATION	--	1,324	--	1,324	--	---
TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR		532,022		273,322		-258,700
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-10,520	--	-10,520
TOTAL, SHIPBUILDING & CONVERSION, NAVY		6,252,672		5,973,452		-279,220

OTHER PROCUREMENT, NAVY

Fiscal year 1998 appropriation	$3,144,205,000
Fiscal year 1999 budget request	3,937,737,000
Committee recommendation	3,990,553,000
Change from budget request	+52,816,000

This appropriation provides funds for the procurement of major equipment and weapons other than ships, aircraft, missiles, and torpedoes. Such equipment ranges from the latest electronic sensors for updating 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 request	Committee recommendation	Change from request
Pollution Control Equipment	149,669	130,269	−19,400
HM&E Items Under $2 million	58,121	55,021	−3,100
Reactor Power Units	227,338	200,038	−27,300
Reactor Components	211,382	200,882	−10,500
Nuclear Alterations	96,752	90,752	−6,000
AN/SSQ–89 Surface ASW Combat System	27,432	18,732	−8,700
SSN Acoustics	133,535	132,335	−1,200
Sonar Switches and Transducers	12,785	11,785	−1,000
Cooperative Engagement Capability	47,332	82,332	+35,000
Common Imagery Ground/Surface System	0	65,827	+65,827
Strategic Platform Support Equipment	12,687	11,687	−1,000
Ship Communications Items Under $2 million	24,220	22,320	−1,900
Satellite Communications Ship Terminals (Space)	145,193	155,193	+10,000
Integrated Broadcast System	0	10,271	+10,271
Naval Shore Communications	113,546	110,546	−3,000
Engagement Systems Support	307	0	−307
Strategic Missile Systems Equipment	283,612	278,612	−5,000
Pollution Control Equipment	28,039	22,539	−5,500
Special Purpose Supply Systems	95,711	68,631	−27,080
Training Support Equipment	2,174	7,174	+5,000

NAVIGATION EQUIPMENT

OTHER NAVIGATION EQUIPMENT

The Navy requested $45,259,000 for other navigation equipment. The Committee recommends $63,259,000, an increase of $18,000,000 of which $12,000,000 is only for the WSN–7 ring laser gyro navigation system and $6,000,000 is only for the WQN–2 doppler sonar velocity log as recommended in the House-passed authorization bill.

COMMUNICATIONS AND ELECTRONIC EQUIPMENT

RADAR SUPPORT

The Navy requested $1,260,000 for radar support. The Committee recommends $23,260,000, an increase of $22,000,000 of which $9,000,000 is only for the AN/BPS–15(H) submarine radar naviga-

tion system as recommended in the House-passed authorization bill and $13,000,000 is only for the AN/SPS–73 surface search radar.

ELECTRONIC WARFARE EQUIPMENT

C3 COUNTERMEASURES

The Navy requested $6,080,000 for C3 countermeasures. The Committee recommends $12,580,000, an increase of $6,500,000 only for OUTLAW BANDIT surface ship radar signature reduction kits. These funds are for installation of previously purchased equipment on 3 CG–47 cruisers. The total amount is of special interest for the purpose of the Base for Reprogramming (DD Form 1414).

OTHER SHIP ELECTRONIC EQUIPMENT

NAVY TACTICAL DATA SYSTEM

The Navy requested $34,000 for the Navy tactical data system. The Committee recommends $10,034,000, an increase of $10,000,000 only to continue the acquisition and installation of low cost emulator systems at land based sites for which validated requirements exist.

MINESWEEPING SYSTEM REPLACEMENT

The Navy requested $32,934,000 for minesweeping systems replacement. The Committee recommends $17,034,000, a decrease of $15,900,000 due to a program restructure and schedule slip in the remote minehunting system for surface ships. The Committee has provided an additional $7,500,000 in Research, Development, Test and Evaluation, Navy for increased development costs of the remote minehunting system.

AVIATION ELECTRONIC EQUIPMENT

NATIONAL AIRSPACE SYSTEM

The Navy requested $28,201,000 for the National Airspace System. The Committee recommends no funds due a restructure and schedule slip in the program.

IDENTIFICATION SYSTEMS

The Navy requested $15,330,000 for identification systems. The Committee recommends $13,430,000, a decrease of $1,900,000 due to canceled requirements for MK–12 field changes.

OTHER SHORE ELECTRONIC EQUIPMENT

JMCIS TACTICAL/MOBILE

The Navy requested $3,982,000 for JMCIS Tactical/Mobile. The Committee recommends $25,982,000, an increase of $22,000,000 of which $12,000,000 is only for the procurement of a littoral surveillance system and $10,000,000 is only for Mobile Inshore Undersea Warfare van upgrades. Funds for the littoral surveillance system are to design specific improvements into an existing AN/SQR–17A(V)3 signal processing system and procure an engineering development model for operational use. These littoral warfare im-

provements increase the capability to detect small submerged devices and swimmers; provide a semi-automatic alert capability to cue system operators to potential airborne, surface, and subsurface threats; and allow rapid deployment of passive barriers and active acoustic arrays tailored for a particular harbor's characteristics and mission operational requirements.

SHORE ELECTRONIC ITEMS UNDER $2 MILLION

The Navy requested $2,559,000 for shore electronic items under $2 million. The Committee recommends $10,559,000, an increase of $8,000,000 only for AN/UYQ–70 shipboard display equipment support.

SHORE COMMUNICATIONS

JEDMICS

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

AIRCRAFT SUPPORT EQUIPMENT

WEAPONS RANGE SUPPORT EQUIPMENT

The Navy requested $8,064,000 for weapons range support equipment. The Committee recommends $13,064,000, an increase of $5,000,000 only for a deployable rangeless air combat training as recommended in the House-passed authorization bill.

AIRCRAFT LAUNCH AND RECOVERY EQUIPMENT

The Navy requested $39,749,000 for aircraft launch and recovery equipment. The Committee recommends $35,649,000, a decrease of $4,100,000 related to revised pricing or reduction in quantity of equipment after the budget was submitted. The equipment includes service change kits for launching systems, visual aids, recovery systems, an information data management and control system, and carrier and shore based improved optical landing systems.

METEOROLOGICAL EQUIPMENT

The Navy requested $32,892,000 for meteorological equipment. The Committee recommends $28,492,000, a decrease of $4,400,000 due to unjustified cost growth in a satellite receiver/recorder and the tactical environmental support system.

ORDNANCE EQUIPMENT

SHIP GUN SYSTEM EQUIPMENT

GUN FIRE CONTROL EQUIPMENT

The Navy requested $20,203,000 for gun fire control equipment. The Committee recommends $35,203,000, an increase of $15,000,000 only for procurement of 4 additional AN/SPQ–9B radars. The additional funds, when combined with the funds already in the budget for procurement of these radars, will result in lower unit costs. They also accelerate fielding of capability to Aegis cruis-

ers and aircraft carriers to detect and defend themselves from modern low-flying anti-ship cruise missiles.

SHIP MISSILE SYSTEMS EQUIPMENT

SHIP SELF DEFENSE SYSTEM

The Navy requested $22,944,000 for the ship self defense system. The Committee recommends $43,944,000, an increase of $21,000,000 only for procurement of 3 ship self-defense MK1 systems for LSD-class amphibious assault ships and one shore based system. This equipment is critical for providing these front-line combat ships with the ability to detect and defeat anti-ship cruise missiles. The Chief of Naval Operations identified the lack of ship self-defense equipment for LSD ships as a serious deficiency.

AEGIS SUPPORT EQUIPMENT

The Navy requested $83,169,000 for Aegis support equipment. The Committee recommends $85,169,000, an increase of $2,000,000 only to install and test a shipboard network of wireless sensors as part of the automated maintenance environment project.

SURFACE TOMAHAWK SUPPORT EQUIPMENT

The Navy requested $90,209,000 for Tomahawk support equipment. The Committee recommends $103,009,000, an increase of $12,800,000. This amount includes an increase of $10,000,000 only for upgrades to the Afloat Planning System and $2,800,000 for equipment associated with the Navy's new plan to procure Tactical Tomahawk.

FLEET BALLISTIC MISSILE SUPPORT EQUIPMENT

ANTI-SHIP MISSILE DECOY SYSTEM

The Navy requested $21,504,000 for anti-ship missile decoy systems for surface ships. The Committee recommends $8,004,000, a decrease of $13,500,000 for the NULKA decoy, which has not successfully passed operational testing.

OTHER EXPENDABLE ORDNANCE

SURFACE TRAINING DEVICE MODIFICATIONS

The Navy requested $5,891,000 for surface training device modifications. The Committee recommends $6,891,000, an increase of $1,000,000 only for the electronic warfare trainer component of the Battle Force Tactical Trainer.

PERSONNEL AND COMMAND SUPPORT EQUIPMENT

COMMAND SUPPORT EQUIPMENT

The Navy requested $17,916,000 for command support equipment. The Committee recommends $19,916,000, an increase of $2,000,000 only for the Advanced Technical Information System.

OPERATING FORCES SUPPORT EQUIPMENT

The Navy requested $4,684,000 for operating forces support equipment. The Committee recommends $6,184,000, an increase of $1,500,000 only for procurement of 33LL manual reverse osmosis desalinator equipment used in life raft survival gear.

OTHER

SPARES AND REPAIR PARTS

The Navy requested $279,028,000 for spares and repair parts. The Committee recommends $247,528,000, a decrease of $31,500,000 due to fiscal constraints. The budget requests growth of about 30 percent compared to the current fiscal year 1998 funding level. The Committee recommendation provides 15 percent growth.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
OTHER PROCUREMENT, NAVY						
SHIPS SUPPORT EQUIPMENT						
SHIP PROPULSION EQUIPMENT						
LM-2500 GAS TURBINE	--	8,700	--	8,700	--	---
ALLISON 501K GAS TURBINE	--	6,737	--	6,737	--	---
STEAM PROPULSION IMPROVEMENT	--	617	--	617	--	---
OTHER PROPULSION EQUIPMENT	--	10,336	--	10,336	--	---
GENERATORS						
OTHER GENERATORS	--	9,637	--	9,637	--	---
PUMPS						
OTHER PUMPS	--	1,017	--	1,017	--	---
PROPELLERS						
SUBMARINE PROPELLERS	--	7,937	--	7,937	--	---
OTHER PROPELLERS AND SHAFTS	--	2,460	--	2,460	--	---
NAVIGATION EQUIPMENT						
OTHER NAVIGATION EQUIPMENT	--	45,259	--	63,259	--	+18,000
UNDERWAY REPLENISHMENT EQUIPMENT						
UNDERWAY REPLENISHMENT EQUIPMENT	--	7,658	--	7,658	--	---
PERISCOPES						
SUB PERISCOPES & IMAGING EQUIP	--	31,864	--	31,864	--	---
OTHER SHIPBOARD EQUIPMENT						
FIREFIGHTING EQUIPMENT	--	10,067	--	10,067	--	---
COMMAND AND CONTROL SWITCHBOARD	--	9,787	--	9,787	--	---
POLLUTION CONTROL EQUIPMENT	--	149,669	--	130,269	--	-19,400
SUBMARINE SILENCING EQUIPMENT	--	3,456	--	3,456	--	---
SUBMARINE BATTERIES	--	8,651	--	8,651	--	---
SSN21 CLASS SUPPORT EQUIPMENT	--	15,475	--	15,475	--	---
STRATEGIC PLATFORM SUPPORT EQUIP	--	10,345	--	10,345	--	---
DSSP EQUIPMENT	--	10,470	--	10,470	--	---
MINESWEEPING EQUIPMENT	--	394	--	394	--	---
MINOR ITEMS UNDER $2.0 MILLION	--	58,121	--	55,021	--	-3,100
SURFACE IMA	--	661	--	661	--	---
MINI/MICROMINI ELECTRONIC REPAIR	--	518	--	518	--	---
REACTOR PLANT EQUIPMENT						
REACTOR POWER UNITS	--	227,338	--	200,038	--	-27,300
REACTOR COMPONENTS	--	211,382	--	200,882	--	-10,500
OCEAN ENGINEERING						
DIVING AND SALVAGE EQUIPMENT	--	5,688	--	5,688	--	---
EOD UNDERWATER EQUIPMENT	--	8,174	--	8,174	--	---
SMALL BOATS						
STANDARD BOATS	--	1,389	--	1,389	--	---
TRAINING EQUIPMENT						
OTHER SHIPS TRAINING EQUIPMENT	--	1,842	--	1,842	--	---
PRODUCTION FACILITIES EQUIPMENT						
OPERATING FORCES IPE	--	673	--	673	--	---
OTHER SHIP SUPPORT						
NUCLEAR ALTERATIONS	--	96,752	--	90,752	--	-6,000
TOTAL, SHIPS SUPPORT EQUIPMENT		963,074		914,774		-48,300
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
SHIP RADARS						
AN/SPS-40	--	23	--	23	--	---
AN/SPS-49	--	1,036	--	1,036	--	---
MK-23 TARGET ACQUISITION SYSTEM	--	1	--	1	--	---
RADAR SUPPORT	--	1,260	--	23,260	--	+22,000
TISS	--	11,756	--	11,756	--	---
SHIP SONARS						
SURFACE SONAR SUPPORT EQUIPMENT	--	15	--	15	--	---
AN/SQQ-89 SURF ASW COMBAT SYSTEM	--	27,432	--	18,732	--	-8,700
SSN ACOUSTICS	--	133,535	--	132,335	--	-1,200
SURFACE SONAR WINDOWS AND DOME	--	1	--	1	--	---
SONAR SUPPORT EQUIPMENT	--	8,915	--	8,915	--	---
SONAR SWITCHES AND TRANSDUCERS	--	12,785	--	11,785	--	-1,000
ASW ELECTRONIC EQUIPMENT						
SUBMARINE ACOUSTIC WARFARE SYSTEM	--	7,326	--	7,326	--	---
SSTD	--	836	--	836	--	---
ACOUSTIC COMMUNICATIONS	--	401	--	401	--	---
FIXED SURVEILLANCE SYSTEM	--	9,553	--	9,553	--	---
SURTASS	--	12,712	--	12,712	--	---
ASW OPERATIONS CENTER	--	2,658	--	2,658	--	---
CARRIER ASW MODULE	--	443	--	443	--	---
ELECTRONIC WARFARE EQUIPMENT						
AN/SLQ-32	--	1,468	--	1,468	--	---
AN/WLR-1	--	1,809	--	1,809	--	---
INFORMATION WARFARE SYSTEMS	--	4,312	--	4,312	--	---
C-3 COUNTERMEASURES	--	6,080	--	12,580	--	+6,500
RECONNAISSANCE EQUIPMENT						
SHIPBOARD CRYPTOLOGIC SYSTEMS	--	40,238	--	40,238	--	---
BATTLE GROUP PASSIVE HORIZON EXTEN	--	73,542	--	73,542	--	---
SUBMARINE SURVEILLANCE EQUIPMENT						
AN/WLQ-4	--	2,858	--	2,858	--	---
SUBMARINE SUPPORT EQUIPMENT PROG	--	3,936	--	3,936	--	---
OTHER SHIP ELECTRONIC EQUIPMENT						
NAVY TACTICAL DATA SYSTEM	--	34	--	10,034	--	+10,000
COOPERATIVE ENGAGEMENT CAPABILITY	--	47,332	--	82,332	--	+35,000
JMCIS AFLOAT	--	38,324	--	38,324	--	---
COMMON IMAGERY GRD/SURFACE SYS	--	----	--	85,827	--	+85,827
NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)	--	73,333	--	73,333	--	---
ATDLS	--	33,021	--	33,021	--	---
MINESWEEPING SYSTEM REPLACEMENT	--	32,934	--	17,034	--	-15,900
SHALLOW WATER MCM	--	8,813	--	8,813	--	---
NAVSTAR GPS RECEIVERS (SPACE)	--	9,542	--	9,542	--	---
ARMED FORCES RADIO AND TV	--	16,069	--	16,069	--	---
STRATEGIC PLATFORM SUPPORT EQUIP	--	12,687	--	11,687	--	-1,000

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
TRAINING EQUIPMENT						
OTHER SPAWAR TRAINING EQUIPMENT	--	1,040	--	1,040	--	---
OTHER TRAINING EQUIPMENT	--	29,424	--	29,424	--	---
AVIATION ELECTRONIC EQUIPMENT						
MATCALS	--	10,123	--	10,123	--	---
SHIPBOARD AIR TRAFFIC CONTROL	--	8,588	--	8,588	--	---
AUTOMATIC CARRIER LANDING SYSTEM	--	10,095	--	10,095	--	---
NATIONAL AIR SPACE SYSTEM	--	28,201	--	---	--	-28,201
AIR STATION SUPPORT EQUIPMENT	--	6,776	--	6,776	--	---
MICROWAVE LANDING SYSTEM	--	5,249	--	5,249	--	---
FACSFAC	--	4,633	--	4,633	--	---
ID SYSTEMS	--	15,330	--	13,430	--	-1,900
SURFACE IDENTIFICATION SYSTEMS	--	5,321	--	5,321	--	---
TAC A/C MISSION PLANNING SYS(TAMPS)	--	23,668	--	23,668	--	---
OTHER SHORE ELECTRONIC EQUIPMENT						
JMCIS ASHORE	--	4,517	--	4,517	--	---
JMCIS OED	--	343	--	343	--	---
TADIX-B	--	12,377	--	12,377	--	---
JMCIS TACTICAL/MOBILE	--	3,982	--	25,982	--	+22,000
RADIAC	--	4,035	--	4,035	--	---
GPETE	--	9,659	--	9,659	--	---
INTEG COMBAT SYSTEM TEST FACILITY	--	4,482	--	4,482	--	---
CALIBRATION STANDARDS	--	1,871	--	1,871	--	---
EMI CONTROL INSTRUMENTATION	--	7,536	--	7,536	--	---
SHORE ELEC ITEMS UNDER $2.0 MILLION	--	2,559	--	10,559	--	+8,000
SHIPBOARD COMMUNICATIONS						
SHIPBOARD TACTICAL COMMUNICATIONS	--	34,397	--	34,397	--	---
PORTABLE RADIOS	--	10,913	--	10,913	--	---
SINCGARS	--	27,888	--	27,888	--	---
SHIP COMMUNICATIONS AUTOMATION	--	90,638	--	90,638	--	---
SHIP COMM ITEMS UNDER $2.0 MILLION	--	24,220	--	22,320	--	-1,900
SUBMARINE COMMUNICATIONS						
SHORE LF/VLF COMMUNICATIONS	--	13,028	--	13,028	--	---
SUBMARINE COMMUNICATION EQUIPMENT	--	64,583	--	64,583	--	---
ADVANCED VLF RECEIVER	--	17,171	--	17,171	--	---
SATELLITE COMMUNICATIONS						
SATCOM SHIP TERMINALS (SPACE)	--	145,193	--	155,193	--	+10,000
SATCOM SHORE TERMINALS (SPACE)	--	71,077	--	71,077	--	---
SHORE COMMUNICATIONS						
JCS COMMUNICATIONS EQUIPMENT	--	3,363	--	3,363	--	---
INTEGRATED BROADCAST SERVICE	--	---	--	10,271	--	+10,271
NSIPS	--	7,707	--	7,707	--	---
JEDMICS	--	---	--	8,000	--	+8,000
GCCS EQUIPMENT	--	2,944	--	2,944	--	---
NAVAL SHORE COMMUNICATIONS	--	113,846	--	110,846	--	-3,000
CRYPTOGRAPHIC EQUIPMENT						
INFO SYSTEMS SECURITY PROGRAM (ISSP)	--	45,990	--	45,990	--	---
CRYPTOLOGIC EQUIPMENT						
CRYPTOLOGIC COMMUNICATIONS EQUIP	--	21,216	--	21,216	--	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		1,530,802		1,662,599		+131,797
AVIATION SUPPORT EQUIPMENT						
SONOBUOYS						
AN/SSQ-36 (BT)	--	1,360	--	1,360	--	---
AN/SSQ-53 (DIFAR)	--	37,257	--	37,257	--	---
AN/SSQ-57 (SPECIAL PURPOSE)	--	2,435	--	2,435	--	---
AN/SSQ-62 (DICASS)	--	20,698	--	20,698	--	---
AN/SSQ-101 (ADAR)	--	16,550	--	16,550	--	---
SIGNAL, UNDERWATER SOUND (SUS)	--	1,302	--	1,302	--	---
AIRCRAFT SUPPORT EQUIPMENT						
WEAPONS RANGE SUPPORT EQUIPMENT	--	8,064	--	13,064	--	+5,000
EXPEDITIONARY AIRFIELDS	--	5,019	--	5,019	--	---
AIRCRAFT REARMING EQUIPMENT	--	12,912	--	12,912	--	---
AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	--	39,749	--	35,649	--	-4,100
METEOROLOGICAL EQUIPMENT	--	32,892	--	28,492	--	-4,400
OTHER PHOTOGRAPHIC EQUIPMENT	--	623	--	623	--	---
AVIATION LIFE SUPPORT	--	22,277	--	22,277	--	---
AIRBORNE MINE COUNTERMEASURES	--	39,406	--	39,406	--	---
REWSON PHOTOGRAPHIC EQUIPMENT	--	855	--	855	--	---
OTHER AVIATION SUPPORT EQUIPMENT	--	4,264	--	4,264	--	---
TOTAL, AVIATION SUPPORT EQUIPMENT		245,663		242,163		-3,500
ORDNANCE SUPPORT EQUIPMENT						
SHIP GUN SYSTEM EQUIPMENT						
GUN FIRE CONTROL EQUIPMENT	--	20,203	--	35,203	--	+15,000
SHIP MISSILE SYSTEMS EQUIPMENT						
MK-92 FIRE CONTROL SYSTEM	--	961	--	961	--	---
TARTAR SUPPORT EQUIPMENT	--	1	--	1	--	---
POINT DEFENSE SUPPORT EQUIPMENT	--	38	--	38	--	---
ENGAGEMENT SYSTEMS SUPPORT	--	307	--	---	--	-307
NATO SEASPARROW	--	8,186	--	8,186	--	---
RAM GMLS	--	58,760	--	58,760	--	---
SHIP SELF DEFENSE SYSTEM	--	22,944	--	43,944	--	+21,000
AEGIS SUPPORT EQUIPMENT	--	83,168	--	85,168	--	+2,000
SURFACE TOMAHAWK SUPPORT EQUIPMENT	--	90,209	--	103,009	--	+12,800
SUBMARINE TOMAHAWK SUPPORT EQUIP	--	3,961	--	3,961	--	---
VERTICAL LAUNCH SYSTEMS	--	7,791	--	7,791	--	---
FBM SUPPORT EQUIPMENT						
STRATEGIC PLATFORM SUPPORT EQUIP	--	2,972	--	2,972	--	---
STRATEGIC MISSILE SYSTEMS EQUIP	--	283,612	--	278,612	--	-5,000
ANTI-SHIP MISSILE DECOY SYSTEM	--	21,504	--	8,004	--	-13,500
ASW SUPPORT EQUIPMENT						
SSN COMBAT CONTROL SYSTEMS	--	17,460	--	17,460	--	---
SUBMARINE ASW SUPPORT EQUIPMENT	--	3,740	--	3,740	--	---
SURFACE ASW SUPPORT EQUIPMENT	--	4,967	--	4,967	--	---
ASW RANGE SUPPORT EQUIPMENT	--	4,562	--	4,562	--	---
OTHER ORDNANCE SUPPORT EQUIPMENT						
EXPLOSIVE ORDNANCE DISPOSAL EQUIP	--	7,274	--	7,274	--	---
UNMANNED SEABORNE TARGET	--	1,954	--	1,954	--	---
INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT)	--	1,034	--	1,034	--	---
STOCK SURVEILLANCE EQUIPMENT	--	1,421	--	1,421	--	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
OTHER EXPENDABLE ORDNANCE						
FLEET MINE SUPPORT EQUIPMENT	--	11	--	11	--	---
SURFACE TRAINING DEVICE MODS	--	5,881	--	6,881	--	+1,000
SUBMARINE TRAINING DEVICE MODS	--	23,801	--	23,801	--	---
TOTAL, ORDNANCE SUPPORT EQUIPMENT		674,703		707,686		+32,983
CIVIL ENGINEERING SUPPORT EQUIPMENT						
ARMORED SEDANS	--	255	--	255	--	---
PASSENGER CARRYING VEHICLES	248	3,224	248	3,224	--	---
SPECIAL PURPOSE VEHICLES	--	4,120	--	4,120	--	---
CONSTRUCTION & MAINTENANCE EQUIP	--	2,322	--	2,322	--	---
FIRE FIGHTING EQUIPMENT	--	1,034	--	1,034	--	---
TACTICAL VEHICLES	--	1,251	--	1,251	--	---
AMPHIBIOUS EQUIPMENT	--	27,688	--	27,688	--	---
COMBAT CONSTRUCTION SUPPORT EQUIP	--	1,125	--	1,125	--	---
MOBILE UTILITIES SUPPORT EQUIPMENT	--	425	--	425	--	---
OCEAN CONSTRUCTION EQUIPMENT	--	419	--	419	--	---
POLLUTION CONTROL EQUIPMENT	--	28,039	--	22,539	--	-5,500
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT		69,902		64,402		-5,500
SUPPLY SUPPORT EQUIPMENT						
MATERIALS HANDLING EQUIPMENT	--	6,824	--	6,824	--	---
OTHER SUPPLY SUPPORT EQUIPMENT	--	1,951	--	1,951	--	---
FIRST DESTINATION TRANSPORTATION	--	4,419	--	4,419	--	---
SPECIAL PURPOSE SUPPLY SYSTEMS	--	95,711	--	68,631	--	-27,080
TOTAL, SUPPLY SUPPORT EQUIPMENT		108,906		81,826		-27,080
PERSONNEL AND COMMAND SUPPORT EQUIPMENT						
TRAINING DEVICES						
TRAINING SUPPORT EQUIPMENT	--	2,174	--	7,174	--	+5,000
COMMAND SUPPORT EQUIPMENT						
COMMAND SUPPORT EQUIPMENT	--	17,916	--	19,916	--	+2,000
MEDICAL SUPPORT EQUIPMENT	--	2,536	--	2,536	--	---
INTELLIGENCE SUPPORT EQUIPMENT	--	21,684	--	21,684	--	---
OPERATING FORCES SUPPORT EQUIPMENT	--	4,684	--	6,184	--	+1,500
ENVIRONMENTAL SUPPORT EQUIPMENT	--	16,666	--	16,666	--	---
TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT		65,660		74,160		+8,500
OTHER						
SPARES AND REPAIR PARTS	--	279,028	--	247,528	--	-31,500
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-4,594	--	-4,594
TOTAL, OTHER PROCUREMENT, NAVY		3,937,737		3,990,553		+52,816

PROCUREMENT, MARINE CORPS

Fiscal year 1998 appropriation	$482,398,000
Fiscal year 1999 budget request	745,858,000
Committee recommendation	812,618,000
Change from budget request	+66,760,000

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.

INTELLIGENCE/COMMUNICATIONS EQUIPMENT

ITEMS LESS THAN $2.0 MILLION (INTEL)

The Marine Corps requested no funding for intelligence items less than $2,000,000. The Committee recommends $2,000,000, of which $1,000,000 is only to purchase imagery tools and high quality large format printers and $1,000,000 is only to procure additional tactical remote sensor systems (TRSS).

OTHER SUPPORT

COMMAND POST SYSTEMS

The Marine Corps requested $7,134,000 for command post systems. The Committee recommends $12,134,000, an increase of $5,000,000 only to build the first article Joint Task Force Enhanced Core Communications system for environmental and fielding testing support to USMC Joint Task Force communications requirements.

COMMUNICATIONS AND ELECTRONIC INFRASTRUCTURE SUPPORT

The Marine Corps requested $57,862,000 for communications and electronic infrastructure support. The Committee recommends $89,862,000, an increase of $32,000,000 only for base telecommunications upgrades at MCB Quantico, MCB Twentynine Palms, and MCB Barstow. The Committee notes that the Marine Corps identified base telecommunications infrastructure as a high priority unfunded requirement.

TACTICAL VEHICLES

MEDIUM TACTICAL VEHICLE REPLACEMENT

The Marine Corps requested $83,717,000 for the medium tactical vehicle replacement program. The Committee recommends $69,717,000, a decrease of $14,000,000 for trainers. In Section 8008 of the bill, the Committee approves the Marine Corps' request to enter into a multiyear contract for the medium tactical vehicle replacement program.

LIGHT TACTICAL VEHICLE REMANUFACTURE

The Marine Corps requested $39,263,000 for the light tactical vehicle remanufacture program. The Committee recommends $72,763,000, an increase of $33,500,000 only for new High Mobility Multi-purpose Wheeled Vehicles (HMMWV). The Committee notes

that the Marine Corps identified HMMWV's as a high priority unfunded requirement.

MATERIALS HANDLING EQUIPMENT

COMMAND SUPPORT EQUIPMENT

The Marine Corps requested $514,000 for command support equipment. The Committee recommends $4,914,000, an increase of $4,400,000. Of the additional funds, $1,000,000 is only for laser leveling systems and $3,400,000 is only to procure 19 MIC–120 UBM systems.

MATERIAL HANDLING EQUIPMENT

The Marine Corps requested $6,453,000 for material handling equipment. The Committee recommends $11,453,000, an increase of $5,000,000 only for the rough terrain container handlers product improvement program.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT, MARINE CORPS						
WEAPONS AND COMBAT VEHICLES						
TRACKED COMBAT VEHICLES						
AAV7A1 PIP	--	89,934	--	89,934	--	---
LAV PIP	--	1,384	--	1,384	--	---
MODIFICATION KITS (TRKD VEH)	--	5,726	--	5,726	--	---
ITEMS UNDER $2.0M (TRKD VEH)	--	97	--	97	--	---
ARTILLERY AND OTHER WEAPONS						
MOD KITS (ARTILLERY)	--	1,809	--	1,809	--	---
ITEMS UNDER $2.0M (ALL OTHER)	--	105	--	105	--	---
MARINE ENHANCEMENT PROGRAM	--	2,075	--	2,075	--	---
WEAPONS						
155MM LIGHTWEIGHT TOWED HOWITZER	--	10,002	--	10,002	--	---
TOTAL, WEAPONS AND COMBAT VEHICLES		111,132		111,132		---
GUIDED MISSILES AND EQUIPMENT						
GUIDED MISSILES						
HAWK MOD	--	981	--	981	--	---
JAVELIN	741	82,842	741	82,842	--	---
PEDESTAL MOUNTED STINGER (PMS) (MYP)	--	218	--	218	--	---
OTHER SUPPORT						
TOTAL, GUIDED MISSILES AND EQUIPMENT		84,041		84,041		---
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
REPAIR AND TEST EQUIPMENT						
AUTO TEST EQUIP SYS	--	19,312	--	19,312	--	---
GENERAL PURPOSE ELECTRONIC TEST EQUIP	--	9,240	--	9,240	--	---
INTELL/COMM EQUIPMENT (NON-TEL)						
AN/TPQ-36 FIRE FINDER RADAR UPGRADE	--	155	--	155	--	---
INTELLIGENCE SUPPORT EQUIPMENT	--	10,363	--	10,363	--	---
MOD KITS (INTEL)	--	4,791	--	4,791	--	---
ITEMS LESS THAN $2.0M (INTELL)	--	---	--	2,000	--	+2,000
REPAIR AND TEST EQUIPMENT (NON-TEL)						
GENERAL PURPOSE MECHANICAL TMDE	--	4,416	--	4,416	--	---
OTHER COMM/ELEC EQUIPMENT (NON-TEL)						
NIGHT VISION EQUIPMENT	--	11,563	--	11,563	--	---
OTHER SUPPORT (NON-TEL)						
COMMAND POST SYSTEMS	--	7,134	--	12,134	--	+5,000
MANEUVER C2 SYSTEMS	--	19,307	--	19,307	--	---
RADIO SYSTEMS	--	52,902	--	52,902	--	---
COMM SWITCHING & CONTROL SYSTEMS	--	75,781	--	75,781	--	---
COMM & ELEC INFRASTRUCTURE SUPPORT	--	57,862	--	89,862	--	+32,000
MOD KITS MAGTF C4I	--	27,427	--	27,427	--	---
ITEMS LESS THAN $2.0M MAGTF C4I	--	2,436	--	2,436	--	---
ITEMS LESS THAN $2.0M (OTHER)	--	4,332	--	4,332	--	---
AIR OPERATIONS C2 SYSTEMS	--	11,505	--	11,505	--	---
TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT		318,526		357,526		+39,000
SUPPORT VEHICLES						
ADMINISTRATIVE VEHICLES						
COMMERCIAL PASSENGER VEHICLES	37	1,248	37	1,248	--	---
COMMERCIAL CARGO VEHICLES	--	8,821	--	8,821	--	---
TACTICAL VEHICLES						
5/4T TRUCK HMMWV (MYP)	--	1,745	--	1,745	--	---
MEDIUM TACTICAL VEHICLE REPLACEMENT	240	83,717	240	69,717	--	-14,000
LT TACTICAL VEHICLE REMANUFACTURE (LTRV)	--	39,263	--	72,763	--	+33,500
LOGISTICS VEHICLE SYSTEM REP	--	3,106	--	3,106	--	---
OTHER SUPPORT						
ITEMS LESS THAN $2 MIL	--	3,594	--	3,594	--	---
TOTAL, SUPPORT VEHICLES		141,494		160,994		+19,500
ENGINEER AND OTHER EQUIPMENT						
ENVIRONMENTAL CONTROL EQUIP ASSORT	--	3,013	--	3,013	--	---
ADVANCED DEMOLITION KITS	--	2,949	--	2,949	--	---
POWER EQUIPMENT ASSORTED	--	5,097	--	5,097	--	---
SHOP EQ CONTACT MAINTENANCE (SECM)	--	5,972	--	5,972	--	---
MATERIALS HANDLING EQUIPMENT						
COMMAND SUPPORT EQUIPMENT	--	514	--	4,914	--	+4,400
AMPHIBIOUS RAID EQUIPMENT	--	3,723	--	3,723	--	---
PHYSICAL SECURITY EQUIPMENT	--	1,856	--	1,856	--	---
GARRISON MOBILE ENGR EQUIP	--	5,509	--	5,509	--	---
WAREHOUSE MODERNIZATION	--	1,495	--	1,495	--	---
MATERIAL HANDLING EQUIP	--	6,453	--	11,453	--	+5,000
FIRST DESTINATION TRANSPORTATION	--	1,864	--	1,864	--	---
GENERAL PROPERTY						
FIELD MEDICAL EQUIPMENT	--	2,184	--	2,184	--	---
TRAINING DEVICES	--	3,308	--	3,308	--	---
CONTAINER FAMILY	--	7,074	--	7,074	--	---
OTHER SUPPORT						
MODIFICATION KITS	--	1,228	--	1,228	--	---
ITEMS LESS THAN $2 MIL	--	1,853	--	1,853	--	---
TOTAL, ENGINEER AND OTHER EQUIPMENT		54,089		63,489		+9,400
SPARES AND REPAIR PARTS	--	36,576	--	36,576	--	---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-1,140	--	-1,140
TOTAL, PROCUREMENT, MARINE CORPS		745,858		812,618		+66,760

AIRCRAFT PROCUREMENT, AIR FORCE

Fiscal year 1998 appropriation	$6,480,983,000
Fiscal year 1999 budget request	7,756,475,000
Committee recommendation	8,384,735,000
Change from budget request	+628,260,000

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 to the budget request in accordance with House authorization action.

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
F–16	0	60,000	+60,000
EC–130J	0	51,500	+51,500
C–130J	63,782	237,782	+174,000
WC–130J	0	59,700	+59,700
JSTARS ADV PROCUREMENT	0	72,000	+72,000

TACTICAL FORCES

F–22

The Air Force requested $595,094,000 to procure the first two F–22 production aircraft. The Committee recommends $525,094,000, a decrease of $70,000,000. After submission of the President's budget, the Defense Acquisition Executive decided to delay Low Rate Production (LRIP) of the F–22 until fiscal year 2000 and to convert the two fiscal year 1999 aircraft to so-called Production Representative Test Vehicles (PRTVs). These two aircraft will still be used for Independent Operational Test and Evaluation (IOT&E). However, the Air Force's fiscal year 1999 request also includes funding to initiate the stand-up of the F–22's support infrastructure. Though the Committee supports the F–22 program, the Committee nevertheless believes it is premature to procure the support infrastructure for a weapon system that has not been approved for production. Instead, the Air Force should use support equipment already procured using F–22 research, development, test and evaluation funding to allow the Production Representative Test Vehicles to participate in IOT&E. When and if the F–22 program is approved for production and these PRTV aircraft are later delivered to Air Combat Command for operational use, additional support equipment will be available from the fiscal year 2000 Low Rate Initial Production buy.

OPERATIONAL TRAINERS

JPATS

The Air Force requested $107,086,000 for 19 JPATS aircraft and associated support equipment. The Committee recommends $102,186,000, a net decrease of $4,900,000. This amount includes a $9,100,000 increase for three additional JPATS aircraft and a decrease of $14,000,000 for the Training Integration Management System (TIMS). The Committee believes that the Air Force plan to procure the entire inventory of TIMS in the first year of production (fiscal year 1999) adds too much risk to the program. The Committee recommends that procurement of 4 of the 6 TIMS be deferred to future years.

MISSION SUPPORT AIRCRAFT

CIVIL AIR PATROL

The Air Force requested $2,619,000 to procure Civil Air Patrol aircraft. The Committee recommends $3,000,000, an increase of $381,000. The Committee designates this program as a special interest item.

PREDATOR UNMANNED AERIAL VEHICLE (UAV)

The Predator continues to be the only operational endurance UAV available to support DoD tactical intelligence requirements. With increased emphasis on worldwide contingency operations, the Committee is concerned that an adequate number of Predator UAV systems are not available to meet this global requirement.

The Air Force should be mindful that the Predator UAV will increasingly operate over populated areas and interact with commercial and military air traffic. The Committee urges the Air Force to initiate a product improvement program to develop a redundant flight control system on the Predator UAV program.

Additionally, the Committee believes there is a need for quick global response to small-scale contingencies with real time tactical intelligence support. Therefore, the Air Force should consider establishing a Rapid Response Predator System. The Committee also believes that the other services should have complete use of the real time imagery produced by the Predator UAV.

MODIFICATION OF INSERVICE AIRCRAFT

F–15 MODIFICATIONS

The Air Force requested $196,579,000 to procure F–15 modifications. The Committee recommends $241,579,000, an increase of $45,000,000. This amount includes an increase of $20,000,000 for "E" kit engine modifications and an increase of $25,000,000 for procurement of the ALQ–135 low band jammer.

F–16 MODIFICATIONS

The Air Force requested $229,319,000 for F–16 modifications. The Committee recommends $235,319,000, an increase of $6,000,000 only for 600 gallon fuel tanks.

C–5 MODIFICATIONS

The Air Force requested $63,635,000 to procure C–5 modifications. The Committee recommends $98,635,000, an increase of $35,000,000 only for C–5 High Pressure Turbine (HPT) engine modifications. The Committee notes this modification has been identified by the Air Force as a high priority unfunded requirement.

T–38 MODIFICATIONS

The Air Force requested $53,570,000 to procure T–38 modifications. The Committee recommends $46,570,000, a decrease of $7,000,000. The Committee notes that the pricing of fiscal year 1999 avionics upgrade installations is out of line with other fiscal years.

C–130 MODIFICATIONS

The Air Force requested $119,592,000 for C–130 aircraft modifications. The Committee recommends $148,292,000, an increase of $28,700,000. This amount includes an increase of $24,700,000 only for EC–130 modifications and an increase of $4,000,000 only for an aluminum mesh system in C–130 aircraft that can prevent fuel tank explosions.

C–135 MODIFICATIONS

The Air Force requested $291,070,000 for C–135 modifications. The Committee recommends $341,070,000, an increase of $50,000,000 only to reengine two KC–135 aircraft.

E–3 MODIFICATIONS

The Air Force requested $114,181,000 to procure E–3 AWACS modifications. The Committee recommends $107,181,000, a decrease of $7,000,000 for the Radar System Improvement Program (RTIP). The Committee notes that the fiscal year 1999 unit cost of RTIP equipment is out of line with the unit cost expected in fiscal year 1998.

PASSENGER SAFETY MODIFICATIONS

The Air Force did not request funds in the Passenger Safety Modifications line-item. The Committee recommends an additional $50,000,000 only to procure additional aircraft safety modifications.

AIRCRAFT SPARES AND REPAIR PARTS

SPARES AND REPAIR PARTS

The Air Force requested $524,829,000 to procure aircraft spares and repair parts. The Committee recommends $522,398,000, a decrease of $2,431,000 for the Pacer Coin program.

AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES

COMMON SUPPORT EQUIPMENT

The Air Force requested $152,109,000 to procure common support equipment. The Committee recommends $158,109,000, an increase of $6,000,000 only for procurement of the Modular Airborne Firefighting System for the Air National Guard.

B–2 POST PRODUCTION SUPPORT

The Air Force requested $189,869,000 for B–2 post production support. The Committee recommends $275,869,000, an increase of $86,000,000 only for the following upgrades identified by the Air Force: low observable repair verification tools; low observable enhanced tiles; center instrument displays; defensive management system software fixes; aircraft autothrottles; and Wind Corrected Munitions Dispenser integration.

The Panel to Review Long-Range Air Power was established by congressional direction in Section 8131 of the Defense Appropriations Act for fiscal year 1998. The legislation directed the Panel to recommend whether additional funds for the B–2 should be used for continued low-rate production of the B–2 or for upgrades to improve the deployability, survivability and maintainability of the existing fleet.

The Panel recommended using additional funds for the B–2 for upgrades to improve the B–2's deployability, survivability and maintainability. The Panel further determined that the current force of bombers, if supported with a sustained series of investments, will provide warfighters with high leverage combat capabilities in a wide range of contingencies through the remainder of the force's useful life. Accordingly, the Panel recommended a carefully phased and funded investment plan to upgrade and sustain the B–2 as well as the rest of the bomber force structure. The Committee agrees with these recommendations and has provided the additional funds for these upgrades. In addition, the Panel found current DoD planning regarding future bomber production inadequate and recommended that the Department develop a plan for replacing the current force over time.

Accordingly, the Committee directs the DoD to present to the Congress no later than March 1, 1999, a comprehensive plan for the future long-range bomber force. This plan should be based on the findings and recommendations of the Long-Range Air Power Panel and should be comprised of two parts. The first should describe the integrated and phased investment plan recommended by the Panel needed to upgrade and sustain the existing Long Range Air Power force structure, with particular emphasis on those upgrades needed to fully leverage the potential of the B–2. The second part should describe DoD's plan to replace the existing bomber force structure over time including planned investment for such a system and timeliness associated with production of additional aircraft.

F–16 POST PRODUCTION SUPPORT

The Air Force requested $27,289,000 to procure F–16 post production support. The Committee recommends $42,289,000, an increase of $15,000,000 only for the F–16 Intermediate Avionics Improvement Shop (IAIS) for the Air National Guard.

MISCELLANEOUS PRODUCTION CHARGES

The Air Force requested $221,464,000 for miscellaneous production charges. The Committee recommends $207,864,000, a decrease of $13,600,000. This amount includes a decrease of $10,100,000 for HARM Targeting System (HTS) as proposed in the House-passed defense authorization bill and a decrease of $3,500,000 for Joint Tactical Combat Training System (JTCTS) as discussed elsewhere in this report.

COMMON ECM EQUIPMENT

The Air Force requested $4,963,000 to procure common ECM equipment. The Committee recommends $20,663,000, an increase of $15,700,000. This amount includes an increase of $10,000,000 only for ALQ–184 sustainment and an increase of $5,700,000 only for ALE–50 decoys.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
AIRCRAFT PROCUREMENT, AIR FORCE						
COMBAT AIRCRAFT						
STRATEGIC OFFENSIVE						
TACTICAL FORCES						
ADVANCED TACTICAL FIGHTER (F-22)	2	596,094	2	526,094	--	-70,000
ADVANCED TACTICAL FIGHTER (F-22) (AP-CY)	--	190,210	--	190,210	--	---
F-16 C/D (MYP)	--	---	2	60,000	+2	+60,000
TOTAL, COMBAT AIRCRAFT		786,304		776,304		-10,000
AIRLIFT AIRCRAFT						
TACTICAL AIRLIFT						
C-17 (MYP)	13	2,596,992	13	2,596,992	--	---
C-17 (MYP) (AP-CY)	--	303,500	--	303,500	--	---
EC-130J	--	---	1	51,500	+1	+51,500
OTHER AIRLIFT						
C-130H	--	11,176	--	11,176	--	---
C-130J	1	63,782	4	237,782	+3	+174,000
WC-130	--	---	1	59,700	+1	+59,700
TOTAL, AIRLIFT AIRCRAFT		2,975,450		3,260,650		+285,200
TRAINER AIRCRAFT						
OPERATIONAL TRAINERS						
JPATS	19	107,086	22	102,186	+3	-4,900
OTHER AIRCRAFT						
HELICOPTERS						
V-22 OSPREY	--	22,276	--	22,276	--	---
MISSION SUPPORT AIRCRAFT						
CIVIL AIR PATROL A/C	27	2,619	27	3,000	--	+381
C-32A	2	160,901	2	160,901	--	---
E-8C	2	463,051	2	463,051	--	---
E-8C (AP-CY)	--	---	--	72,000	--	+72,000
PREDATOR UAV	15	114,492	15	114,492	--	---
TOTAL, OTHER AIRCRAFT		763,339		835,720		+72,381
MODIFICATION OF INSERVICE AIRCRAFT						
STRATEGIC AIRCRAFT						
B-2A	--	15,881	--	15,881	--	---
B-1B	--	91,514	--	91,614	--	---
B-52	--	38,308	--	38,308	--	---
F-117	--	25,654	--	25,654	--	---
TACTICAL AIRCRAFT						
A-10	--	31,088	--	31,088	--	---
F-15	--	196,579	--	241,579	--	+45,000
F-16	--	229,319	--	235,319	--	+6,000
T/AT-37	--	90	--	90	--	---
AIRLIFT AIRCRAFT						
C-5	--	63,635	--	98,635	--	+35,000
C-9	--	9,462	--	9,462	--	---
C-17A	--	45,704	--	45,704	--	---
C-21	--	59,936	--	59,936	--	---
C-32	--	180	--	180	--	---
C-141	--	93,413	--	93,413	--	---
TRAINER AIRCRAFT						
T-1	--	7,739	--	7,739	--	---
T-3 (EFS) AIRCRAFT	--	95	--	95	--	---
T-38	--	53,570	--	46,570	--	-7,000
T-41 AIRCRAFT	--	95	--	95	--	---
T-43	--	2,233	--	2,233	--	---
OTHER AIRCRAFT						
KC-10A (ATCA)	--	43,710	--	43,710	--	---
C-12	--	3,820	--	3,820	--	---
C-18	--	354	--	354	--	---
C-20 MODS	--	6,610	--	6,610	--	---
VC-25A MOD	--	7,424	--	7,424	--	---
C-130	--	119,592	--	148,292	--	+28,700
C-135	--	281,070	--	341,070	--	+60,000
DARP	--	139,242	--	139,242	--	---
E-3	--	114,181	--	107,181	--	-7,000
E-4	--	13,987	--	13,987	--	---
E-8	--	44,179	--	44,179	--	---
H-1	--	1,911	--	1,911	--	---
H-60	--	17,224	--	17,224	--	---
OTHER AIRCRAFT	--	17,702	--	17,702	--	---
PREDATOR MODS	--	3,469	--	3,469	--	---
OTHER MODIFICATIONS						
CLASSIFIED PROJECTS	--	7,517	--	7,517	--	---
PASSENGER SAFETY MODIFICATIONS	--	---	--	50,000	--	+50,000
TOTAL, MODIFICATION OF INSERVICE AIRCRAFT		1,736,388		1,937,088		+200,700
AIRCRAFT SPARES AND REPAIR PARTS						
SPARES AND REPAIR PARTS	--	524,829	--	522,398	--	-2,431
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
COMMON SUPPORT EQUIPMENT	--	152,109	--	158,109	--	+6,000
POST PRODUCTION SUPPORT						
A-10	--	11,414	--	11,414	--	---
B-2A	--	189,869	--	275,869	--	+86,000
C-5	--	28,502	--	28,502	--	---
F-15 POST PRODUCTION SUPPORT	--	7,651	--	7,651	--	---
F-16 POST PRODUCTION SUPPORT	--	27,269	--	42,269	--	+15,000
INDUSTRIAL PREPAREDNESS	--	19,109	--	19,109	--	---
WAR CONSUMABLES	--	49,396	--	49,396	--	---
MISC PRODUCTION CHARGES	--	221,464	--	207,964	--	-13,500
COMMON ECM EQUIPMENT	--	4,063	--	20,663	--	+16,700
DARP	--	152,113	--	141,813	--	-10,300
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		864,079		952,879		+88,800
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-11,490	--	-11,490
TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE		7,756,475		8,384,735		+628,260

MISSILE PROCUREMENT, AIR FORCE

Fiscal year 1998 appropriation	$2,394,202,000
Fiscal year 1999 budget request	2,359,803,000
Committee recommendation	2,191,527,000
Change from budget request	−168,276,000

This appropriation provides for 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
Maverick	0	3,000	+3,000
Inertial Upper Stages	48,012	46,012	−2,000
Titan Space Boosters	578,540	550,540	−28,000
Medium Launch Vehicle	188,406	177,406	−11,000
Special Programs	616,271	576,271	−40,000

TACTICAL

AMRAAM

The Air Force requested $114,627,000 to procure 180 AMRAAMs. The Committee recommends $93,727,000, a decrease of $20,900,000 for savings associated with the merger of the system's prime contractors.

MODIFICATION OF INSERVICE MISSILES

MINUTEMAN III MODIFICATIONS

The Air Force requested $90,618,000 to procure Minuteman III modifications. The Committee recommends $136,618,000, an increase of $46,000,000 only for additional Minuteman III Guidance Replacement Program (GRP) upgrades.

SPACE PROGRAMS

GLOBAL POSITIONING SYSTEM—ADVANCE PROCUREMENT

The Air Force requested $77,400,000 for advance procurement for the next multiyear block of GPS Satellites. The Committee recommends no funding, a decrease of $77,400,000. The Committee at this time also denies the Air Force's proposal to award a multiyear contract for Block IIF GPS satellites.

In making this recommendation the Committee notes that an excessive buildup of on-ground GPS satellite inventory will enable

the Air Force to defer the multiyear contract until the fiscal year 2000 timeframe. Additionally, the uncertainties surrounding the final design of the NAVWAR upgrades for GPS suggest that one of the principal criteria for a multiyear program, "stability and maturity of design" has yet to be achieved.

When the GPS program is ready to proceed to a multiyear contract, the Committee urges the Air Force to examine multiyear production profiles of lesser length and quantity then has been the case to date. Rapidly cycling technologies in the space and electronics industry should preclude any acquisition organization from making investment commitments for excessive lengths of time.

DEFENSE SUPPORT PROGRAM

The Air Force requested $89,904,000 for the Defense Support Program. The Committee recommends $82,904,000, a decrease of $7,000,000. It is the Committee's understanding that funds excess to program requirements are available as a result of the consolidation of Defense Support Program post-production service contracts. Accordingly, this recommendation is made without prejudice.

SPECIAL PROGRAMS

Details of the Committee's recommendation are discussed in the classified annex to this report.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
MISSILE PROCUREMENT, AIR FORCE						
BALLISTIC MISSILES						
MISSILE REPLACEMENT EQ-BALLISTIC	--	5,654	--	5,654	--	---
OTHER MISSILES						
STRATEGIC						
ADVANCED CRUISE MISSILE	--	1,395	--	1,395	--	---
TACTICAL						
JOINT STANDOFF WEAPON	100	52,142	100	52,142	--	---
AMRAAM	180	114,627	180	93,727	--	-20,900
AGM-130 POWERED GBU-15	--	341	--	341	--	---
TARGET DRONES	--	36,263	--	36,263	--	---
INDUSTRIAL FACILITIES	--	3,152	--	3,152	--	---
TOTAL, OTHER MISSILES		207,920		187,020		-20,900
MODIFICATION OF INSERVICE MISSILES						
CLASS IV						
CONVENTIONAL ALCM	--	10,034	--	10,034	--	---
PEACEKEEPER (M-X)	--	9,615	--	9,615	--	---
MM III MODIFICATIONS	--	90,618	--	136,618	--	+46,000
AGM-65H MAVERICK	--	---	--	3,000	--	+3,000
MODIFICATIONS UNDER $2.0M	--	219	--	219	--	---
TOTAL, MODIFICATION OF INSERVICE MISSILES		110,486		159,486		+49,000
MISSILE SPARES + REPAIR PARTS						
SPARES AND REPAIR PARTS	--	38,047	--	38,047	--	---
OTHER SUPPORT						
SPACE PROGRAMS						
SPACEBORNE EQUIP (COMSEC)	--	9,485	--	9,485	--	---
GLOBAL POSITIONING (MYP) SPACE	--	97,395	--	97,395	--	---
GLOBAL POSITIONING (MYP) SPACE (AP-CY)	--	77,400	--	---	--	-77,400
NUDET DETECTION SYSTEM	--	2,949	--	2,949	--	---
INERTIAL UPPER STAGES SPACE	--	48,012	--	46,012	--	-2,000
TITAN SPACE BOOSTERS SPACE	--	578,540	--	550,540	--	-28,000
MEDIUM LAUNCH VEHICLE SPACE	5	188,406	5	177,406	--	-11,000
DEF METEOROLOGICAL SAT PROG SPACE	--	36,066	--	36,066	--	---
DEFENSE SUPPORT PROGRAM SPACE	--	89,904	--	82,904	--	-7,000
DEFENSE SATELLITE COMM SYSTEM SPACE	--	28,969	--	28,969	--	---
SPECIAL PROGRAMS						
SPECIAL UPDATE PROGRAMS	--	224,299	--	204,999	--	-19,300
SPECIAL PROGRAMS	--	616,271	--	576,271	--	-40,000
TOTAL, OTHER SUPPORT		1,997,696		1,812,996		-184,700
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-11,676	--	-11,676
TOTAL, MISSILE PROCUREMENT, AIR FORCE		2,359,803		2,191,527		-168,276

PROCUREMENT OF AMMUNITION, AIR FORCE

Fiscal year 1998 appropriation	$398,534,000
Fiscal year 1999 budget request	384,161,000
Committee recommendation	388,925,000
Change from budget request	+4,764,000

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

COMMITTEE RECOMMENDATIONS

PRACTICE BOMBS

The Air Force requested no funds for practice bombs. The Committee recommends $5,000,000 only for laser guided training rounds.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT OF AMMUNITION, AIR FORCE						
PROCUREMENT OF AMMO, AIR FORCE						
ROCKETS						
2.75 INCH ROCKET MOTOR	6,139	3,399	6,139	3,399	--	---
2.75 IN ROCKET, FLARE IR	2,530	2,693	2,530	2,693	--	---
ITEMS LESS THAN $2.0M	--	2,042	--	2,042	--	---
CARTRIDGES						
5.56 MM	20,026	5,394	20,026	5,394	--	---
30 MM TRAINING	769	5,495	769	5,495	--	---
CARTRIDGE CHAFF RR-180	795	11,661	795	11,661	--	---
CARTRIDGE CHAFF RR-188	675	2,648	675	2,648	--	---
SIGNAL MK-4 MOD 3	260	760	260	760	--	---
ITEMS LESS THAN $2.0M	--	5,447	--	5,447	--	---
BOMBS						
MK-82 INERT/BDU-50	29,368	22,490	29,368	22,490	--	---
GBU-28 HARD TARGET PENETRATOR	163	24,256	163	24,256	--	---
GBU - 37	10	977	10	977	--	---
BOMB PRACTICE 25 POUND	266,801	3,842	266,801	3,842	--	---
2000 LB HE BOMB MK-84	1,928	9,391	1,928	9,391	--	---
MK-84 BOMB-EMPTY	2,894	7,138	2,894	7,138	--	---
SENSOR FUZED WEAPON	295	125,992	295	125,992	--	---
JOINT DIRECT ATTACK MUNITION	2,187	53,157	2,187	53,157	--	---
WIND CORRECTED MUNITIONS DISPENSER	676	13,862	676	13,862	--	---
ITEMS LESS THAN $2.0M	--	2,149	--	2,149	--	---
PRACTICE BOMBS	--	---	--	5,000	--	+5,000
ITEMS LESS THAN $2,000,000						
FLARE, IR MJU-7B						
ASTE (INFRARED EXPENDABLE)	34,154	4,886	34,154	4,886	--	---
FLARE, IR MJU-7B	355,826	8,882	355,826	8,882	--	---
MJU-10B	198,602	10,373	198,602	10,373	--	---
M-206 CARTRIDGE FLARE	881,944	11,430	881,944	11,430	--	---
CAD/PAD	--	14,275	--	14,275	--	---
LUU-19 FLARE	3,926	4,338	3,926	4,338	--	---
REPLENISHMENT SPARES	--	1,896	--	1,896	--	---
MODIFICATIONS	--	49	--	49	--	---
ITEMS LESS THAN $2.0M	--	4,447	--	4,447	--	---
FUZES						
JOINT PROGRAMMABLE FUSE(JPF)	3,861	15,326	3,861	15,326	--	---
TOTAL, AMMUNITION		378,896		383,896		+5,000
WEAPONS						
SMALL ARMS						
M-16 A2 RIFLE	--	4,450	--	4,450	--	---
9MM COMPACT PISTOL	345	232	345	232	--	---
M-9 PISTOL	1,576	767	1,576	767	--	---
ITEMS LESS THAN $2.0M	--	117	--	117	--	---
TOTAL, WEAPONS		5,566		5,566		---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-236	--	-236
TOTAL, PROCUREMENT OF AMMUNITION, AIR FORCE		384,161		389,926		+4,764

OTHER PROCUREMENT, AIR FORCE

Fiscal year 1998 appropriation	$6,592,909,000
Fiscal year 1999 budget request	6,974,387,000
Committee recommendation	7,034,217,000
Change from budget request	+59,830,000

This appropriation provides for the procurement of weapon 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 to the budget request in accordance with House authorization action.

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
Intelligence Comm Equipment	5,697	8,697	+3,000
TAC SIGINT Support	1,883	0	−1,883
Intelligence Production Activity	72,605	71,605	−1,000
Common Imagery GRD/Surface Sys	0	5,681	+5,681
DARP RC–135	12,656	16,456	+3,800

CARGO AND UTILITY VEHICLES

CAP VEHICLES

The Air Force requested $744,000 for Civil Air Patrol (CAP) vehicles. The Committee recommends $1,400,000, an increase of $656,000. The Committee designates this program as a special interest item.

INTELLIGENCE PROGRAMS

INTELLIGENCE DATA HANDLING SYSTEM

The Air Force requested $17,574,000 for the Intelligence Data Handling System. The Committee recommends $21,174,000, an increase of $3,600,000 only to provide JSAS to Air Force battle labs.

ELECTRONICS PROGRAMS

THEATER AIR CONTROL SYSTEMS IMPROVEMENT

The Air Force requested $30,002,000 to procure Theater Air Control Systems Improvement. The Committee recommends $32,502,000, a net increase of $2,500,000. This amount includes an increase of $8,000,000 only for the Mobile Radar Approach Control (RAPCON) for the Air National Guard and a decrease of $5,500,000 based on recently realized contract savings for components of the Air Force Mission Planning System.

SPECIAL COMMUNICATIONS ELECTRONICS PROJECTS

AUTOMATIC DATA PROCESSING EQUIPMENT

The Air Force requested $33,190,000 to procure Automatic Data Processing Equipment. The Committee recommendation provides for this amount. However, the amount provided includes an increase of $3,000,000 only to establish a collaborative network between Air Force Battle Labs. Funds are to be used for procurement of hardware/software databases and necessary training and support plans for a collaborative high speed networking capability. This amount also includes a decrease of $3,000,000 to reflect economies available in purchasing commercially available equipment.

AF GLOBAL COMMAND AND CONTROL

The Air Force requested $5,819,000 to procure Air Force Global Command and Control systems upgrades. The Committee recommends $4,519,000, a decrease of $1,300,000 based on lower than expected costs to modernize the command and control systems at Air Force installations.

COMBAT TRAINING RANGES

The Air Force requested $13,194,000 to procure equipment for Combat Training Ranges. The Committee recommends $12,694,000, a net decrease of $500,000. This amount includes an increase of $5,000,000 only for procurement of the Kadena Interim Training System (KITS) and a decrease of $5,500,000 for the Joint Tactical Combat Training System (JTCTS) as discussed elsewhere in this report.

JOINT SURVEILLANCE SYSTEM

The Air Force requested $11,137,000 to initiate procurement of upgrades to Regional/Sector Air Operations Centers (R/SAOCs). The Committee recommends no procurement funds for this program. The Committee notes that development of the R/SAOC has experienced delays resulting in the inability to initiate procurement in fiscal year 1999. The Committee has transferred a portion of these funds to the Air Force Research, Development, Test and Evaluation account to fund further development of this system prior to procurement.

AIR FORCE COMMUNICATIONS

BASE INFORMATION INFRASTRUCTURE

The Air Force requested $159,383,000 for procurement of Base Information Infrastructure systems. The Committee recommends $180,383,000, an increase of $21,000,000. This amount includes an increase of $20,000,000 only to further improve Air Force base information protection systems and an increase of $1,000,000 only for the Air Force Office of Security and Investigation (OSI) for equipment to support computer crime investigations.

DISA Programs

AIR FORCE SATELLITE CONTROL NETWORK

The Air Force requested $26,007,000 for the Air Force Satellite Control Network. The Committee recommends $23,007,000, a decrease of $3,000,000. The availability of prior year program balances makes this reduction possible without prejudice to the program.

Organization and Base

TACTICAL C–E EQUIPMENT

The Air Force requested $31,064,000 to procure tactical communications-electronics equipment. The Committee recommends $27,364,000, a decrease of $3,700,000. The Committee notes that the Air Force no longer intends to use the funds to buy V5 Pacer Speak radios as budgeted. Prior year funds are available to procure the V3+ radios as now planned.

COMBAT SURVIVOR/EVADER LOCATOR RADIO

The Air Force requested $13,757,000 for the first year of production of the newly developed combat survivor/evader radio. The Committee recommends no funds for this program. The Committee notes that testing of the new radio will extend through much of fiscal year 1999 and that initial production should be delayed until early in the next fiscal year to provide adequate time to correct any system deficiencies before a commitment is made for the first major purchase.

CAP COMMUNICATIONS AND ELECTRONICS

The Air Force requested $378,000 for Civil Air Patrol Communications and Electronics equipment. The Committee recommends $450,000, an increase of $72,000. The Committee designates this program as a special interest item.

Personal Safety and Rescue Equipment

NIGHT VISION GOGGLES

The Air Force requested $8,118,000 to procure night vision goggles. The Committee recommends $6,118,000, a decrease of $2,000,000 based on problems experienced in development of the new AN/AVS–8(V)2 night vision goggles.

Base Support Equipment

BASE PROCURED EQUIPMENT

The Air Force requested $5,644,000 for base procured equipment. The Committee recommends $10,224,000, an increase of $4,600,000. This amount includes an increase of $1,800,000 only to procure Ultimate Building Machines for the Air National Guard, an increase of $800,000 only to procure the ultimate building machine for the active Air Force, and an increase of $2,000,000 only for fielding the Automated Integrated Surveying Instrument.

PRODUCTIVITY INVESTMENTS

The Air Force requested $12,304,000 for productivity investments. The Committee recommends $17,304,000, an increase of $5,000,000 for the Supply Asset Tracking System (SATS). Information on this project can be found in the Information Resources Management section of this report.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
OTHER PROCUREMENT, AIR FORCE						
VEHICULAR EQUIPMENT						
PASSENGER CARRYING VEHICLES						
SEDAN, 4 DR 4X2	54	780	54	780	--	---
STATION WAGON, 4X2	22	413	22	413	--	---
BUSES	92	5,174	92	5,174	--	---
AMBULANCES	4	306	4	306	--	---
LAW ENFORCEMENT VEHICLE	95	1,817	95	1,817	--	---
ARMORED SEDAN	1	239	1	239	--	---
CARGO + UTILITY VEHICLES						
TRUCK, CARGO-UTILITY, 3/4T, 4X4	225	5,160	225	5,160	--	---
TRUCK, CARGO-UTILITY, 1/2T, 4X2	104	2,613	104	2,613	--	---
TRUCK, PICKUP, 1/2T, 4X2	222	3,379	222	3,379	--	---
TRUCK, PICKUP, COMPACT	196	2,445	196	2,445	--	---
TRUCK MULTI-STOP 1 TON 4X2	315	5,706	315	5,706	--	---
TRUCK CARRYALL	160	3,898	160	3,898	--	---
HIGH MOBILITY VEHICLE (HMV)	75	4,172	75	4,172	--	---
TRUCK TRACTOR, OVER 5T	55	3,611	55	3,611	--	---
TRUCK, UTILITY	124	3,347	124	3,347	--	---
CAP VEHICLES	--	744	--	1,400	--	+656
ITEMS LESS THAN $2.0M	--	3,843	--	3,843	--	---
SPECIAL PURPOSE VEHICLES						
TRACTOR, TOW, FLIGHTLINE	279	6,001	279	6,001	--	---
ITEMS LESS THAN $2.0M	--	12,680	--	12,680	--	---
FIRE FIGHTING EQUIPMENT						
TRUCK CRASH P-19	13	6,023	13	6,023	--	---
ITEMS LESS THAN $2.0M	--	2,287	--	2,287	--	---
MATERIALS HANDLING EQUIPMENT						
TRUCK, F/L 6000 LB	84	2,328	84	2,328	--	---
TRUCK, F/L 10,000 LB	56	4,295	56	4,295	--	---
60K A/C LOADER	60	89,179	60	89,179	--	---
ITEMS LESS THAN $2.0M	--	3,200	--	3,200	--	---
BASE MAINTENANCE SUPPORT						
RUNWAY SNOW REMOV AND CLEANING EQUIP	41	3,928	41	3,928	--	---
MODIFICATIONS	--	900	--	900	--	---
ITEMS LESS THAN $2.0M	--	7,663	--	7,663	--	---
TOTAL, VEHICULAR EQUIPMENT		192,133		192,788		+656
ELECTRONICS AND TELECOMMUNICATIONS EQUIP						
COMM SECURITY EQUIPMENT(COMSEC)						
COMSEC EQUIPMENT	--	30,311	--	30,311	--	---
MODIFICATIONS (COMSEC)	--	487	--	487	--	---
INTELLIGENCE PROGRAMS						
INTELLIGENCE DATA HANDLING SYS	--	17,574	--	21,174	--	+3,600
INTELLIGENCE TRAINING EQUIPMENT	--	5,735	--	5,735	--	---
INTELLIGENCE COMM EQUIP	--	5,697	--	8,697	--	+3,000
ELECTRONICS PROGRAMS						
NATIONAL AIRSPACE SYSTEM	--	45,308	--	45,308	--	---
THEATER AIR CONTROL SYS IMPROVEMENT	--	30,007	--	32,507	--	+2,500
WEATHER OBSERV/FORECAST	--	15,581	--	15,581	--	---
STRATEGIC COMMAND AND CONTROL	--	10,848	--	10,848	--	---
CHEYENNE MOUNTAIN COMPLEX	--	896	--	896	--	---
TAC SIGINT SUPPORT	--	1,883	--	---	--	-1,883
SPECIAL COMM-ELECTRONICS PROJECTS						
AUTOMATIC DATA PROCESSING EQUIP	--	33,190	--	33,190	--	---
AF GLOBAL COMMAND & CONTROL SYS	--	5,819	--	4,519	--	-1,300
MOBILITY COMMAND AND CONTROL	--	7,844	--	7,844	--	---
AIR FORCE PHYSICAL SECURITY SYSTEM	--	26,965	--	26,965	--	---
COMBAT TRAINING RANGES	--	13,184	--	12,684	--	-500
MINIMUM ESSENTIAL EMERGENCY COMM NET	--	1,545	--	1,545	--	---
C3 COUNTERMEASURES	--	10,228	--	10,228	--	---
JOINT SURVEILLANCE SYSTEM	--	11,137	--	---	--	-11,137
BASE LEVEL DATA AUTO PROGRAM	--	28,875	--	28,875	--	---
THEATER BATTLE MGT C2 SYS	--	44,654	--	44,654	--	---
AIR FORCE COMMUNICATIONS						
INFORMATION TRANSMISSION SYSTEMS	--	10,792	--	10,792	--	---
BASE INFORMATION INFRASTRUCTURE	--	159,383	--	180,383	--	+21,000
USCENTCOM	--	4,458	--	4,458	--	---
AUTOMATED TELECOMMUNICATIONS PRG	--	14,884	--	14,884	--	---
DISA PROGRAMS						
NAVSTAR GPS SPACE	--	1,447	--	1,447	--	---
DEFENSE METEOROLOGICAL SAT PROG SPAC	--	10,735	--	10,735	--	---
NUDET DETECTION SYS (NDS) SPACE	--	1,278	--	1,278	--	---
AF SATELLITE CONTROL NETWORK SPACE	--	26,007	--	23,007	--	-3,000
EASTERN/WESTERN RANGE I&M SPACE	--	93,848	--	93,848	--	---
MILSATCOM SPACE	--	28,233	--	28,233	--	---
SPACE MODS SPACE	--	7,917	--	7,917	--	---
ORGANIZATION AND BASE						
TACTICAL C-E EQUIPMENT	--	31,064	--	27,364	--	-3,700
COMBAT SURVIVOR/EVADER LOCATER RADIO	--	13,787	--	---	--	-13,787
RADIO EQUIPMENT	--	12,203	--	12,203	--	---
TV EQUIPMENT (AFRTV)	--	1,984	--	1,984	--	---
CCTV/AUDIOVISUAL EQUIPMENT	--	3,195	--	3,195	--	---
BASE COMM INFRASTRUCTURE	--	27,829	--	27,829	--	---
CAP COM & ELECT	--	378	--	450	--	+72
ITEMS LESS THAN $2.0M	--	7,106	--	7,106	--	---
MODIFICATIONS						
COMM ELECT MODS	--	67,701	--	67,701	--	---
TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP		864,973		859,868		-5,105
OTHER BASE MAINTENANCE AND SUPPORT EQUIP						
TEST EQUIPMENT						
BASE/ALC CALIBRATION PACKAGE	--	11,021	--	11,021	--	---
PRIMARY STANDARDS LABORATORY PACKAGE	--	1,064	--	1,064	--	---
ITEMS LESS THAN $2.0M	--	6,706	--	6,706	--	---
PERSONAL SAFETY AND RESCUE EQUIP						
NIGHT VISION GOGGLES	--	5,118	--	5,118	--	-2,000
ITEMS LESS THAN $2.0M	--	3,828	--	3,828	--	---
DEPOT PLANT + MATERIALS HANDLING EQ						
MECHANIZED MATERIAL HANDLING EQUIP	--	14,518	--	14,518	--	---
ITEMS LESS THAN $2.0M	--	4,124	--	4,124	--	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
ELECTRICAL EQUIPMENT						
GENERATORS-MOBILE ELECTRIC	--	1,411	--	1,411	--	---
FLOODLIGHTS	--	10,714	--	10,714	--	---
ITEMS LESS THAN $2.0M	--	2,356	--	2,356	--	---
BASE SUPPORT EQUIPMENT						
BASE PROCURED EQUIPMENT	--	5,644	--	10,244	--	+4,600
MEDICAL/DENTAL EQUIPMENT	--	8,703	--	8,703	--	---
ENVIRONMENTAL PROJECTS	--	873	--	873	--	---
AIR BASE OPERABILITY	--	5,363	--	5,363	--	---
PALLET AIR CARGO	--	2,001	--	2,001	--	---
NET ASSEMBLY, 108"X88"	--	1,916	--	1,916	--	---
BLADDERS FUEL	--	1,329	--	1,329	--	---
AERIAL BULK FUEL DELIVERY SYSTEM	--	4,320	--	4,320	--	---
PHOTOGRAPHIC EQUIPMENT	--	5,576	--	5,576	--	---
PRODUCTIVITY INVESTMENTS	--	12,304	--	17,304	--	+5,000
MOBILITY EQUIPMENT	--	35,973	--	35,973	--	---
DEPLOYMENT/EMPLOYMENT CONTAINERS	--	2,258	--	2,258	--	---
AIR CONDITIONERS	--	10,668	--	10,668	--	---
ITEMS LESS THAN $2.0M	--	16,844	--	16,844	--	---
SPECIAL SUPPORT PROJECTS						
INTELLIGENCE PRODUCTION ACTIVITY	--	72,605	--	71,605	--	-1,000
TECH SURV COUNTERMEASURES EQ	--	2,035	--	2,035	--	---
COMMON IMAGERY GRD/SURFACE SYS	--	---	--	5,681	--	+5,681
DARP RC135	--	12,686	--	15,486	--	+3,800
DARP, MRIGS	--	79,813	--	79,813	--	---
SELECTED ACTIVITIES	--	5,322,644	--	5,405,644	--	+83,000
SPECIAL UPDATE PROGRAM	--	179,813	--	149,813	--	-30,000
INDUSTRIAL PREPAREDNESS	--	1,162	--	1,162	--	---
MODIFICATIONS	--	170	--	170	--	---
FIRST DESTINATION TRANSPORTATION	--	16,442	--	16,442	--	---
TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP		5,964,570		5,933,661		+69,091
SPARE AND REPAIR PARTS						
SPARES AND REPAIR PARTS	--	52,712	--	52,712	--	---
ADVISORY AND ASSISTANCE SERVICES	--	---	--	-4,802	--	-4,802
TOTAL, OTHER PROCUREMENT, AIR FORCE		5,974,387		7,034,217		+59,830

PROCUREMENT, DEFENSE-WIDE

Fiscal year 1998 appropriation	$2,106,444,000
Fiscal year 1999 budget request	2,041,650,000
Committee recommendation	2,055,432,000
Change from budget request	+13,782,000

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 House authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Major equipment, DSPO	16,214	0	−16,214
Patriot PAC–3	343,235	303,235	−40,000
Maritime equipment MODS	26,012	22,012	−4,000

MAJOR EQUIPMENT, OSD

The Department requested $100,245,000 for Major Equipment, OSD. The Committee recommends $137,245,000, an increase of $37,000,000. Of that amount, the Committee recommends an increase of $10,000,000 only for the Mentor-Protégé program and an increase of $27,000,000 only for High Performance Computing.

The Committee is concerned that budget plans of the High Performance Computing Modernization Program (HPCMP) continue to place greater emphasis on sustainment of operations and related services than on the purchase of new supercomputers for DoD. As a result, major shortfalls are developing in the program's ability to meet projected user requirements, as the March 1998 DoD HPC Modernization Plan attests. Therefore, the Committee believes that a more equal balance between procurement and research and development, test and evaluation funds is appropriate and that sustainment of operations and related services should not dominate the program budgets.

The Committee directs therefore that no less than $109,455,000 or forty-eight percent of the total funds appropriated for the High Performance Computing Modernization Program be used for the procurement of high performance computing hardware. The Committee directs that future budgets include a budget share of no less than fifty percent for procurement for high performance computing hardware.

AUTOMATIC DOCUMENT CONVERSION SYSTEM

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

PATRIOT PAC–3

The Department requested $343,235,000 for Patriot PAC–3. The Committee recommends $303,235,000, a decrease of $40,000,000.

The Committee has transferred this amount to the Research, Development, Test and Evaluation, Defense-Wide account as recommended in the House-passed Defense Authorization bill.

SPECIAL OPERATIONS COMMAND

The Special Operations Command requested $73,991,000 for Classified Programs. The Committee recommends $79,084,000, an increase of $5,093,000 only for a program discussed in the classified annex accompanying this report.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

CONSEQUENCE MANAGEMENT

The Department requested no funding for consequence management. The Committee recommends $15,000,000 only for consequence management.

MILITARY PERSONNEL INFORMATION SYSTEM

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 in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
PROCUREMENT, DEFENSE-WIDE						
MAJOR EQUIPMENT						
MAJOR EQUIPMENT, OSD/WHS						
MOTOR VEHICLES	--	302	--	302	--	---
MAJOR EQUIPMENT, OSD	--	100,248	--	137,248	--	+37,000
MAJOR EQUIPMENT, WHS	--	28,123	--	28,123	--	---
ARMED FORCE INFORMATION SERVICE	--	5,456	--	5,456	--	---
DEPARTMENT OF DEFENSE EDUCATION ACTIVITY	--	1,590	--	1,590	--	---
DARP	--	77,435	--	3,419	--	-74,016
MAJOR EQUIPMENT, NSA						
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	--	11,988	--	8,569	--	-3,419
MAJOR EQUIPMENT, DSWA						
MAJOR EQUIPMENT, DISA						
MOBILE SATELLITE SYSTEM TECHNOLOGIES	--	7,932	--	7,932	--	---
INFORMATION SYSTEMS SECURITY	--	18,364	--	18,364	--	---
CONTINUITY OF OPERATIONS	--	4,060	--	4,060	--	---
DEFENSE MESSAGE SYSTEM	--	43,372	--	43,372	--	---
GLOBAL COMMAND AND CONTROL SYSTEM	--	4,378	--	4,378	--	---
GLOBAL COMBAT SUPPORT SYSTEM	--	6,711	--	6,711	--	---
STANDARD TACTICAL ENTRY POINT	--	11,956	--	11,956	--	---
ITEMS LESS THAN $2.0 MILLION	--	14,383	--	14,383	--	---
MAJOR EQUIPMENT, DLA						
DEFENSE SUPPORT ACTIVITIES	--	68,682	--	68,682	--	---
AUTOMATIC DOCUMENT CONVERSION SYSTEM	--	---	--	25,000	--	+25,000
MAJOR EQUIPMENT, DSS						
VEHICLES	267	3,200	267	3,200	--	---
OTHER CAPITAL EQUIPMENT	--	1,682	--	1,682	--	---
MAJOR EQUIPMENT, DCAA						
ITEMS LESS THAN $2.0 MILLION	--	3,667	--	3,667	--	---
MAJOR EQUIPMENT, DSPO						
MAJOR EQUIPMENT, DSPO	--	16,214	--	---	--	-16,214
MAJOR EQUIPMENT, TJS						
MAJOR EQUIPMENT, TJS	--	33,536	--	33,536	--	---
ON-SITE INSPECTION AGENCY						
BALLISTIC MISSILE DEFENSE ORGANIZATION						
PATRIOT PAC-3	60	343,235	40	303,235	-20	-40,000
C4I	--	22,827	--	22,827	--	---
NAVY AREA TBDM PROGRAM	21	43,319	21	43,319	--	---
DEFENSE COMMISSARY AGENCY						
DEF THREAT RED & TREATY COMP AGCY						
VEHICLES	--	134	--	134	--	---
OTHER MAJOR EQUIPMENT	--	29,029	--	29,029	--	---
DEFENSE SECURITY ASSISTANCE AGENCY						
OTHER MAJOR EQUIPMENT	--	73	--	73	--	---
TOTAL, MAJOR EQUIPMENT		901,793		830,144		-71,649
SPECIAL OPERATIONS COMMAND						
AVIATION PROGRAMS						
SOF ROTARY WING UPGRADES	--	46,990	--	46,990	--	---
SOF TRAINING SYSTEMS	--	6,053	--	6,053	--	---
CV-22 SOF MODIFICATION	--	3,983	--	3,983	--	---
MC-130H COMBAT TALON II	--	18,985	--	18,985	--	---
AC-130U GUNSHIP ACQUISITION	--	29,600	--	29,600	--	---
C-130 MODIFICATIONS	--	58,359	--	58,359	--	---
AIRCRAFT SUPPORT	--	878	--	878	--	---
SHIPBUILDING						
ADVANCED SEAL DELIVERY SYSTEM (ASDS)	--	10,251	--	10,251	--	---
ADVANCED SEAL DELIVERY SYSTEM (ASDS) (AP-CY)	--	293	--	293	--	---
MK VIII MOD 1 - SEAL DELIVERY VEHICLE	--	589	--	589	--	---
SUBMARINE CONVERSION	--	5,990	--	5,990	--	---
AMMUNITION PROGRAMS						
SOF ORDNANCE ACQUISITION	--	15,707	--	15,707	--	---
SOF ORDNANCE REPLENISHMENT	--	28,784	--	28,784	--	---
OTHER PROCUREMENT PROGRAMS						
MARITIME EQUIPMENT MODIFICATIONS	--	26,012	--	22,012	--	-4,000
NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT	--	15,606	--	15,606	--	---
SPARES AND REPAIR PARTS	--	40,237	--	40,237	--	---
COMM EQUIPMENT & ELECTRONICS	--	68,064	--	68,064	--	---
SOF INTELLIGENCE SYSTEMS	--	19,148	--	19,148	--	---
SOF SMALL ARMS & WEAPONS	--	15,421	--	15,421	--	---
SOF MARITIME EQUIPMENT	--	2,060	--	2,060	--	---
MISCELLANEOUS EQUIPMENT	--	8,714	--	8,714	--	---
SOF PLANNING AND REHEARSAL SYSTEM	--	1,027	--	1,027	--	---
CLASSIFIED PROGRAMS	--	73,991	--	79,084	--	+5,093
PSYOP EQUIPMENT	--	9,518	--	9,518	--	---
TOTAL, SPECIAL OPERATIONS COMMAND		506,260		507,353		+1,093
CHEMICAL/BIOLOGICAL DEFENSE						
CBDP						
INDIVIDUAL PROTECTION	--	128,423	--	128,423	--	---
DECONTAMINATION	--	10,982	--	10,982	--	---
JOINT BIO DEFENSE PROGRAM	--	27,847	--	27,847	--	---
COLLECTIVE PROTECTION	--	20,452	--	20,452	--	---
CONTAMINATION AVOIDANCE	--	96,199	--	96,199	--	---
CONSEQUENCE MANAGEMENT	--	---	--	15,000	--	+15,000
TOTAL, CHEMICAL/BIOLOGICAL DEFENSE		283,903		298,903		+15,000
CLASSIFIED PROGRAMS	--	349,694	--	407,032	--	+57,338
MILITARY PERSONNEL INFORMATION SYSTEM	--	---	--	12,000	--	+12,000
TOTAL, PROCUREMENT, DEFENSE-WIDE		2,041,650		2,055,432		+13,782

NATIONAL GUARD AND RESERVE EQUIPMENT

Fiscal year 1998 appropriation	$653,000,000
Fiscal year 1999 budget request	.....
Committee recommendation	120,000,000
Change from budget request	+120,000,000

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

COMMITTEE RECOMMENDATIONS

In all accounts throughout the bill, the Committee recommends a total of $2,166,600,000 for procurement of National Guard and Reserve equipment, a net increase of $803,000,000 above the budget request.

The Committee commends the Department of Defense for this year having substantially increased the request for equipment to be provided to the National Guard and Reserve components. Elsewhere in this report, the Committee has recommended funding in the procurement accounts of each of the military services, totaling $1,334,100,000 as identified in the table below.

Appropriation	*Cost (millions)*
Aircraft, Army	$110,200,000
Missiles, Army	35,300,000
Weapons and Tracked Combat Vehicles, Army	12,300,000
Ammunition, Army	182,300,000
Other Procurement, Army	476,300,000
Aircraft, Navy	41,800,000
Ammunition, Navy/USMC	17,300,000
Other Procurement, Navy	3,600,000
Procurement, USMC	39,900,000
Aircraft, USAF	290,900,000
Ammunition, USAF	30,400,000
Other Procurement, USAF	84,500,000
NG&RE, Other Procurement	9,300,000
Total	$1,334,100,000

The budget request is still inadequate to provide the National Guard and Reserve components the equipment needed to respond to increasing deployments. Therefore, the Committee further recommends an increase of $712,500,000 in the procurement accounts of the services for National Guard and Reserve equipment and has specifically identified the following aircraft and aircraft modifications as shown in the table below:

UH–60 Blackhawk (8)	$78,000,000
CH–60 (2)	38,000,000
F–18 modifications	17,000,000
WC–130J (1)	59,700,000
EC–130J (1)	76,200,000
C–130J (3)	174,000,000
KC–135 Reengining	50,000,000

PROGRAM RECOMMENDED

The Committee further recommends an increase of $120,000,000 to the budget request for the National Guard and Reserve Equipment appropriation, which will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST QTY	BUDGET REQUEST AMOUNT	COMMITTEE RECOMMENDED QTY	COMMITTEE RECOMMENDED AMOUNT	CHANGE FROM REQUEST QTY	CHANGE FROM REQUEST AMOUNT
NATIONAL GUARD & RESERVE EQUIPMENT						
RESERVE EQUIPMENT						
ARMY RESERVE						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
NAVY RESERVE						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
MARINE CORPS RESERVE						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
AIR FORCE RESERVE						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
TOTAL, RESERVE EQUIPMENT		---		80,000		+80,000
NATIONAL GUARD EQUIPMENT						
ARMY NATIONAL GUARD						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
AIR NATIONAL GUARD						
MISCELLANEOUS EQUIPMENT	--	---	--	20,000	--	+20,000
TOTAL, NATIONAL GUARD EQUIPMENT		---		40,000		+40,000
TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT		---		120,000		+120,000

The Committee believes that the Chiefs of the Reserve and National Guard components should exercise control of modernization funds provided in this account and directs that they provide a separate submission of a detailed assessment of their modernization requirements and priorities to the congressional defense committees. The Committee expects the component commanders to give priority consideration for funding in this appropriation of the following items: Reconfigurable Mission Simulator, Mobile Backscatter Radar, F–16 ALR–56M RWR, P–3C Reserve Modernization, AN/PVS–7 and AN/PVS–14 Night Vision Devices, C–17 Simulator, Early Production and Fielding Program, F–15 Night Vision Imaging Systems, Frequency Hopping Multiplexer, Full Mission Trainer Upgrades, MIDS System Integration, D7 Tractor Bulldozer PIP, D7 Tractor Bulldozer, IREMBASS, Sandbagger, and CH–47 Internal Crashworthy Fuel Cells.

INFORMATION RESOURCES MANAGEMENT

The Department requested $11,315,159,000 for Information Resources Management. The Committee recommends $11,065,959,000, a decrease of $249,200,000 as explained below:

[In thousands of dollars]

Operation and Maintenance, Army:	
Supercomputing Work	6,000
JCALS	−40,000
ADP Legacy Systems Efficiencies	−96,660
Operation and Maintenance, Navy:	
ADP Legacy Systems Efficiencies	−87,820
Operation and Maintenance, Air Force:	
ADP Legacy Systems Efficiencies	−95,620
FIRST	−7,000
Operation and Maintenance, Defense-Wide:	
DCPDS	−7,000
GCSS	−10,900
Automated Document Conversion	25,000
ADP Legacy Systems Efficiencies	−18,000
Military Personnel Information System	38,000
Operation and Maintenance, Army National Guard:	
Distance Learning Demonstration Project	2,800
Other Procurement, Army:	
Ammunition AIT	10,000
JCALS	−20,000
Other Procurement, Navy:	
JEDMICS	5,000
Other Procurement, Air Force:	
Supply Asset Tracking System	5,000
Procurement, Defense-Wide:	
Automated Document Conversion	25,000
Military Personnel Information System	12,000
Research, Development, Test and Evaluation, Navy:	
Advanced Distributed Learning	5,000
Total	−249,200

SUPERCOMPUTING WORK

The Army requested $5,400,000 in Operation and Maintenance, Army for the Army's High Performance Computing Research efforts. The Committee recommends $11,400,000, an increase of $6,000,000 only to enable the Army to continue its supercomputing efforts at a level consistent with last year.

JOINT COMPUTER-AIDED ACQUISITION AND LOGISTICS SUPPORT

The Army requested $160,501,000 for Joint Computer-Aided Acquisition and Logistics Support (JCALS). The Committee recommends $100,501,000, which includes decreases of $40,000,000 in Operation and Maintenance, Army and $20,000,000 in Other Procurement, Army. The JCALS program was started back in 1991 to provide an infrastructure capable of integrating digitized technical data that supports a weapons system's acquisition and logistics life cycle. Milestone III for the Joint Technical Manual (JTM) was originally scheduled for November, 1995. It was then moved to June, 1996 then to 4th quarter, 1997, then again to April, 1998. The JTM failed to get full Milestone III approval in April and is scheduled for another review later this summer. During this time JCALS has invested significant resources into creating a common infrastructure for use by the Acquisition and Logistics Community. Although this equipment was supposed to be fielded to support the applications under development, this infrastructure now supports 16,000 users while the JTM (which was to be the first of many software applications) remains under development. In addition, the Committee has determined that approximately $19,600,000 of the funds appropriated for JCALS is being used for pilot projects not related to the JCALS effort and directed by officials outside the program.

As a consequence of these and other issues, the Committee believes that JCALS has lost its focus. The Committee specifically denies the $19,600,000 being used for pilot projects and directs that no funds be used for that effort. Those projects need to be identified and defended on their own merits and not under the auspices of the JCALS program. In addition, the Committee believes that accelerating the fielding of the infrastructure, as proposed in the budget, is inappropriate given the delays that have occurred in the development of the software applications it was designed to support. The Committee therefore recommends the Department apply these reductions to limit the rate at which additional infrastructure is fielded. Should the Department believe that fielding the infrastructure is vital regardless of the fate of the software program that was used to justify it, then the Committee recommends that these initiatives be divided in the next President's budget and the two justified separately.

ADP LEGACY SYSTEMS EFFICIENCIES

The Committee supports the reductions recommended in the House-passed defense authorization bill. The continued use of legacy systems after their scheduled termination date diverts limited resources to low priority information technology systems. In addition, to the extent that these legacy systems share data with other systems their continued use creates a significant risk of generating Year 2000 date calculation errors that could spread to and disrupt the functioning of other systems.

FINANCIAL INFORMATION RESOURCES SYSTEM (FIRST)

The Committee agrees with the actions taken in the House-passed defense authorization bill to eliminate the funding for the

development of the Financial Information Resources System (FIRST), an Air Force-unique system which duplicates the existing Program, Budget and Accounting System (PBAS). The Committee believes this problem could have been avoided if the Air Force Materiel Command had taken a more active role in reviewing the information technology development efforts of its field activities and ensuring their programs were in compliance with the Information Technology Management Reform Act of 1996 (ITMRA). The Committee recommends no funds for the FIRST program and requests a report by February 15, 1999, indicating how the Air Force will implement ITMRA and ensure better control over its Information Technology systems.

DEFENSE CIVILIAN PERSONNEL DATA SYSTEM

The fielding schedule for the Defense Civilian Personnel Data System has slipped by six months which will reduce the funding required for sustainment in fiscal year 1999. Accordingly, the Committee recommends a reduction of $7,000,000 in Operation and Maintenance, Defense-Wide.

GLOBAL COMBAT SUPPORT SYSTEM (GCSS)

The budget requested an increase of $10,900,000 for the Global Combat Support System in Operation and Maintenance, Defense-Wide. However, this request has not been substantiated by either DISA's budget briefings or its IT–43 submission which show that the funding requirement for GCSS is level or declining. Given the absence of any requirement for these funds, the Committee recommends a reduction of $10,900,000.

AUTOMATED DOCUMENT CONVERSION

The Committee recognizes that the Automated Document Conversion program continues to perform a critical role in the attainment of the Department's goal for achieving a paperless, integrated, digital environment by the year 2002. The Committee applauds the Department's efforts, as articulated in the Defense Reform Initiative, and urges the Department to use this valuable program to achieve these goals. Given the significant conversion requirement remaining in each service and the need to continue the service efforts, the Committee believes additional funding is required to digitize legacy engineering documents.

The Committee agrees to provide a total of $50,000,000 only for software, hardware, conversion services and drawing system solutions, of which $25,000,000 is in Operation and Maintenance, Defense-Wide and $25,000,000 is in Procurement, Defense-Wide. These funds are to be directly managed by the Office of the Assistant Deputy Undersecretary of Defense for Logistics, Reinvention and Modernization.

The Committee further directs the Department of Defense to begin incorporating the automated document conversion requirements into the service budgets, beginning with its fiscal year 2000 budget submission.

MILITARY PERSONNEL INFORMATION SYSTEMS

The Committee continues to strongly support the fiscal year 1998 conference and House report direction regarding DoD-wide military personnel information systems and the Navy Standard Integrated Personnel System (NSIPS). The Committee understands that the central design activity (CDA) transfers directed by the Committee last year have not been completed and that some transfers will not occur for some time. The Committee directs the Navy and DoD to immediately finalize and implement all the CDA manpower management, resources and support function transfers to the Naval Reserve.

The Committee recommends $25,289,000, for the NSIPS program and $44,600,000 for the Defense Integrated Military Human Resources System (DIMHRS) as requested in the President's budget. The Committee understands that DoD and OMB have recommended making DIMHRS the initial program for implementing provisions of the Clinger-Cohen Act (the Information Technology Management Reform Act of 1996), the Paperwork Reduction Act, and other initiatives based on the Government Performance Results Act and the National Performance Review. The Committee endorses such efforts and strongly believes that additional recommendations from the Defense Reform Initiative directives regarding information management should be followed. The Committee strongly recommends that the Office of the Deputy Secretary of Defense, using a revised DIMHRS program as the model prototype, immediately implement a program to streamline and cut future costs for military manpower and personnel information systems, through business process improvement, innovative acquisition techniques, performance-based and results-based management, modular contracting, COTS technology, and the consolidation and integration of existing manpower and personnel information systems. These information system programs should be implemented in an enterprise level strategic approach instead of single information system applications, with DIHMRS to provide the enterprise level strategy for managing the development of all DoD-wide manpower and personnel information systems. Within this approach, application development should be done in small and modular (usable) segments in keeping with Clinger-Cohen and OMB direction. This enterprise strategy should provide for the entire life cycle and legacy system maintenance of military manpower and personnel information systems including, but not limited to, personnel, manpower, training, compensation, dependents, and health affairs. The Committee directs that funding provided for DIHMRS be redirected to implement this military manpower and personnel information program and enterprise strategy and that full funding be provided in future budget requests and in the future year defense plan for these efforts.

In using DIMHRS as the model for this priority program for military manpower and personnel information, the Deputy Secretary of Defense is directed to maintain the current project and program management and executive agent responsibility as established for DIMHRS by the Department in 1997 and as directed in the fiscal year 1998 Defense Appropriations House and conference reports.

The Committee directs the Deputy Secretary of Defense to report back to the Committee, before conference committee action on this bill, on a plan to implement this military manpower and personnel information program, for consolidating the budgets of associated legacy systems, and for centralizing control of configuration management for the life cycle of military manpower and personnel systems including, but not limited to, personnel, manpower, training, compensation, dependents, and health affairs.

The Committee has provided an additional $38,000,000 in Operation and Maintenance, Defense-Wide and $12,000,000 in Procurement, Defense-Wide for the Military Personnel Information System and directs DoD to provide these funds only for and under the management and control of the Commander, Naval Reserve and the Naval Reserve's Systems Executive Office. The Committee directs the DoD Comptroller and DoD to allocate these funds within 35 days of enactment of this bill to the Commander, Naval Reserve Forces and the Naval Reserve's Systems Executive Office. The Committee directs that these funds shall be used only for: (1) implementing the enterprise level strategy and military manpower and personnel information program; (2) developing a proof of concept and prototype using DIMHRS as the model and strategy for the manpower and personnel enterprise management program; (3) addressing modernization and migration systems support; (4) completing the establishment of an application control center; (5) providing initial outfitting, equipment, communications, local area network (LAN) equipment, software, hardware and related infrastructure support requirements for information system facilities; (6) completing Naval Support Activity and Joint Reserve base cable plant upgrades; and (7) accelerating the development of the state model for a national system of electronic health records under the Government Computerized Patient Record program. The Committee expects DoD and the services to discontinue developing single or stove-pipe military personnel and manpower information system applications and to coordinate any new system developments in these areas with the Naval Reserve Systems Executive Office and the revised DIMHRS and military personnel and manpower information program. In order to support this initiative, the Committee expects the DoD and the Navy to create, within the office of the Commander, Naval Reserve Forces, a Deputy Systems Executive Officer (SEO) position, at the civilian SES level. This deputy may be designated by the Commander, Naval Reserve Forces, as the Systems Executive Officer for Manpower and Personnel.

DISTANCE LEARNING DEMONSTRATION PROJECT

The Committee recommends $2,800,000 to be made available only to continue efforts to demonstrate cost effective ways to use the National Guard Distance Learning Network to meet DoD training requirements. Funds are provided: (1) to conduct a technical evaluation of the National Guard Bureau (NGB) Distributive Technical Training Program (DTTP) network to establish performance measures to quantify the earned value of the network; (2) to develop distance education technology methods to improve the state of the practice for the conversion of courseware to distance learning format; and (3) to conduct other high priority activities to better in-

tegrate distance learning networks into National Guard training requirements.

AMMUNITION AUTOMATED IDENTIFICATION TECHNOLOGY

The Committee recommends providing $10,000,000 in Other Procurement, Army to be used only for the completion of the ongoing Radio-Frequency Tagging/In-transit Visibility program at the remaining Army Ammunition Depots and related Ammunition Supply Points and Ports.

JOINT ENGINEERING DATA MANAGEMENT INFORMATION AND CONTROL SYSTEM

The Navy requested $8,765,000 for the Joint Engineering Data Management Information and Control System (JEDMICS). The Committee recommends $13,765,000, an increase of $5,000,000 in Other Procurement, Navy to be used only to acquire and integrate an information security solution to protect sensitive but unclassified data being transmitted to remote users via the internet.

SUPPLY ASSET TRACKING SYSTEM (SATS)

The Committee recommends $5,000,000 in Other Procurement, Air Force only for the procurement and installation of the Air Force Supply Asset Tracking System at Air Mobility Command and Air Combat Command installations.

ADVANCED DISTRIBUTED LEARNING

The Committee is concerned that the significant cost saving advantages of Advanced Distributed Learning (ADL) systems have not been fully realized because each military component has developed proprietary architectures, courseware, and software that are incompatible and become obsolete as soon as changes are made to the underlying platform and operating system software. The Committee believes that significant cost savings can be achieved through the development of a common DoD open architecture standard in ADL courseware and software. To accomplish this, the Committee directs the Secretary to designate the Department of the Navy as the executive agent for a joint service working group to be chaired by the Under Secretary of Defense (Personnel and Readiness) to (1) review the consistency of functional requirements and specifications of the DoD distributed training community, (2) test and validate newly developed tools and learning content, and (3) recommend methods to improve commonality and interoperability. The Committee has provided $5,000,000 under Research, Development, Test and Evaluation, Navy (PE 0603707N) to support this effort. Section 8097 of the General Provisions requires the Secretary to report to Congress on the results of this review by no later than June 30, 1999.

ON-LINE COMPUTER-BASED LEARNING

The Committee believes that the Department of Defense should take advantage of the significant cost savings associated with the rapid advances in online, computer-based, learning and teaching. Accordingly, the Committee recommends the Department acceler-

ate the acquisition of advanced learning management systems for centrally controlling online learning activities, including course delivery, learner access, collaboration and performance tracking using the World Wide Web. The Committee also recommends the Department accelerate acquisition of learning authoring systems that can be used by both expert and novice users and that support the creation of content based on Internet standards.

INFORMATION TECHNOLOGY—43 REPORT FORMATS

The Committee supports the new IT–43 report formats used in preparation of the Information Technology Budget submission. As the Department continues its revision of the IT budget formats in preparation for its fiscal year 2000 budget submission, the Committee directs the Department to include the following: (1) tables that show for each IT system how its funding is broken out by R–1, P–1 or subactivity so that it can be cross referenced with the President's budget; (2) the Acquisition Program Baseline associated with the establishment of the program along with any rebaselining; (3) the Y2K status of each system, its level of certification (as defined in the DoD Year 2000 Management Plan), and the status of its contingency plan; (4) in all dollar tables, a column for at least one year beyond the budget; and (5) if a systems name has been changed, the earlier name of the system.

SOFTWARE PROGRAM MANAGERS NETWORK

The Committee continues to support service programs and related activities provided by the Software Program Managers Network (SPMN). The Committee directs the Department to provide funds within the budget, including carryover funding, to maintain this important effort. The Committee directs that operational control of the SPMN be maintained under the Assistant Secretary of the Navy for Research, Development and Acquisition.

SOFTWARE ENGINEERING BEST PRACTICES

For many years, the Software Engineering Institute (SEI) at Carnegie Mellon University has worked effectively with the Department to identify "best practices" to reduce the cost, schedule, technical and performance risks associated with acquiring and building quality software. The Committee recognizes that although many Department organizations have adopted the SEI best practices, there remains a large gap between these best practices and the Department's actual practices. Accordingly, the Committee directs the Office of the Secretary of Defense to require the military services and defense agencies to plan proactively for the use of software engineering best practices.

INFORMATION TECHNOLOGY MANAGEMENT

The Committee is concerned about the adequacy of the Department's oversight of its information technology systems. In reviewing the budgets of individual systems it is clear that agencies and departments are using Operation and maintenance funds for purposes inconsistent with that appropriation. For example, the Department is spending about $780,000,000 in Operation and mainte-

nance on the development and modernization of information technology systems. According to the Financial Management Regulation (FMR) "Development and Modernization" including "Program costs for new AIS's" and "any change or modification to an existing AIS which is intended to result in improved capability or performance". However, the same FMR defines the cost of new equipment or systems, the replacement of equipment or systems, and even software changes designed "to improve system performance" as "Investments" if, in total value, they exceed the current $100,000 expense/investment threshold. Thus, they should be paid for with either Procurement or Research, Development, Test and Evaluation funds. The Committee directs the DoD to correct this problem in its fiscal year 2000 budget submission. The Committee is fully prepared to require prior approval reprogramming procedures for such transfers absent the needed corrections.

The Committee believes that ensuring the use of the correct appropriation is but the first step in the proper oversight of information technology systems. The Committee strongly endorses the provisions of the Information Technology Management Reform Act (ITMRA) as essential to improving this process. The Department is apparently considering abolishing the Major Automated Information System Review Council (MAISRC), an organization with potential, but one that fails to meet and instead delegates its review role to working groups. However, given the Department's enormous investment in new information technology systems, it is important that the replacement structure strengthen the process and ensure a level of review and oversight compatible with the ITMRA and closer to that used for weapon systems. The Committee therefore directs the Department to report back on its plans for the MAISRC, or its replacement, before this bill is considered in conference.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1999 Department of Defense research, development, test and evaluation budget request totals $36,078,577,000. The accompanying bill recommends $35,918,042,000. The total amount recommended is a decrease of $160,535,000 below the fiscal year 1999 budget estimate and is $1,973,282,000 below the total provided in fiscal year 1998. 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	4,780,545	4,967,446	+186,901
RDTE, NAVY	8,108,923	8,297,986	+189,063
RDTE, AIR FORCE	13,598,093	13,577,441	-20,652
RDTE, DEFENSE-WIDE	9,314,665	8,776,318	-538,347
DEVELOPMENTAL TEST AND EVALUATION	251,106	263,606	+12,500
OPERATIONAL TEST AND EVALUATION	25,245	35,245	+10,000
GRAND TOTAL, RDTE	36,078,577	35,918,042	-160,535

BASIC RESEARCH

The Department of Defense requested $1,111,227,000 for basic research in fiscal year 1999, an increase of $69,338,000 or seven percent compared to the current fiscal year 1998 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 1999 defense budget such funding growth is unwarranted. As in past years, this year's budget submission included large unfunded shortfalls in training and readiness accounts. Each of the service chiefs identified major funding shortfalls in funding for operations, readiness, and modernization accounts, many of which are addressed by the Committee elsewhere in this report. In this context, the Committee continues to question whether budget growth in basic research is warranted. The Committee recommends reductions to the requested amounts for basic research funding to maintain this program at the 1998 level.

DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The Committee recommends the transfer of funding for certain programs under the Defense Airborne Reconnaissance Program from the Defense-Wide account to Army, Navy and Air Force accounts. Details are found in a classified annex accompanying this report.

TACTICAL RADIOS

The Committee directs that no more than 25 percent of the funds appropriated for the research and development of tactical radios may be obligated until the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence certifies to the congressional defense committees that the development program meets interoperability requirements, is not duplicative of other developmental efforts, and is fully funded in the budget.

FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS)

The Committee notes that the Department of Defense's fiscal year 1999 spending plan for FFRDCs is well over the limitation set by Congress in 1996. The Department estimates that it will spend $1,212,800,000 for Federally Funded Research and Development Centers (FFRDCs) in 1999. This is an increase in spending of five percent over the baseline for FFRDC expenditures of $1,162,650,000 established in the Defense Appropriations Act for 1996.

Congress has demonstrated through previous years' appropriations action that it does not support increasing FFRDC expenditures. Yet, the Department continues to attempt to increase its use of FFRDCs and proposes higher expenditures. For example, the Department's recent estimates for 1998 are that it will spend an additional $30,000,000 above the amounts forecast last year, bringing the total 1998 expenditures to $1,215,400,000. The Committee believes that this trend is not in the right direction and is contrary to prior congressional action.

In addition to increased expenditures, the Committee reiterates its concerns regarding the poor management of FFRDCs. The Com-

mittee underscores the importance of the 1997 recommendations of the Defense Science Board (DSB). The DSB report concluded that FFRDCs are overused and do not provide the "best available service at the most reasonable cost." The DSB report also recommended that work being done by FFRDCs should be more "carefully defined and limited," that competition be introduced and that management practices be changed beginning in 1998 to accommodate report recommendations. The Committee notes that the DSB report recommendations have largely been ignored and that management practices continue to be lax.

In addition, with regard to management the Committee also cites a March 6, 1998 DoD Inspector General audit that reported that one of the largest FFRDCs is not complying with requirements to file timely audits. The report stated:

> Consequently, there is no assurance that . . . expenditures of Federal awards are in compliance with the specific requirements of types of services allowed or unallowed, claims for advances or reimbursements, amounts claimed for matching, level of effort and/or earmarking, special reporting, and special tests and provisions.

In light of these considerations, the Committee recommends a reduction of $62,000,000 for FFRDCs. The Committee fully expects the Department to comply with the recommendations of the DSB and to control FFRDC costs in the future.

ADVISORY AND ASSISTANCE SERVICES

The Committee recommends a reduction of $240,000,000 for Advisory and Assistance Services in accordance with the House-passed Defense Authorization bill. Of that amount, the Committee recommends a reduction of $80,000,000 for procurement and $160,000,000 for research and development accounts.

The Committee is concerned about the conclusions of a May 1998 General Accounting Office (GAO) report that confirmed the continued underreporting of Advisory and Assistance Services by the Department of Defense. The report stated:

> DoD officials also indicated that there is a tendency to report costs for these services (Advisory and Assistance Services) in the miscellaneous category to avoid the closer scrutiny and spending limitations on contract services identified as advisory and assistance services. DoD-wide problems with the management of advisory and assistance services, including accurate identification and reporting of costs, have been documented since 1985. Despite Congressional action requiring detailed reporting of advisory and assistance service costs, problems continue.

According to GAO, DoD continues to report expenditures of approximately $3,000,000,000 for Advisory and Assistance Services. However, GAO has identified approximately $12,000,000,000 in Advisory and Assistance Services expenditures and confirmed the inaccurate reporting of these services in the miscellaneous services category. The Committee believes that the Department should review its Advisory and Assistance Services reporting procedures and

submit a more accurate accounting of these costs in its fiscal year 2000 budget submission.

DUAL USE PROGRAMS

The Department requested $169,000,000 for dual use programs, an increase of $47,700,000 over the 1998 enacted level. Within this amount, the Department requested $65,600,000 for dual use programs and $103,400,000 for Commercial Savings and Support Initiative (COSSI) programs. The Committee recommends $121,300,000, a reduction of $47,700,000. Within this amount, $59,600,000 is for dual use programs and $61,700,000 is for Commercial Savings and Support Initiative (COSSI) programs.

To date, the Congress has appropriated $2,068,251,000 for dual use programs. The Committee is concerned that hundreds of projects have been initiated with little apparent benefit to the warfighter. Furthermore, the Committee believes that a forty percent increase in funding over the prior year is in excess of requirements and therefore recommends funding sufficient to retain the current level of effort.

NATO RESEARCH AND DEVELOPMENT

The Department requested a total of $44,044,000 for NATO Research and Development. The Department requested: $11,161,000 for the Army; $11,004,000 for the Navy; $11,117,000 for the Air Force; and $10,762,000 for the Defense-Wide program.

The Committee believes that the NATO Research and Development program is an example of a well-intentioned federal program that once established, never ends. The program has produced few results since it was started in fiscal year 1986 at the height of the Cold War. Few if any projects financed by this appropriation have resulted in fielded systems for the U.S. military. In addition, projects started with these funds require the military services to finance the out year costs.

Given the current fiscal environment, the Committee believes that this program is of low priority and is no longer affordable, particularly as the Services are trying to find ways to finance higher priority programs in areas such as readiness and modernization. Therefore, the Committee recommends no appropriation.

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 1998 appropriation	$5,156,507,000
Fiscal year 1999 budget request	4,780,545,000
Committee recommendation	4,967,466,000
Change from budget request	+186,901,000

This appropriation finances the research, development, test and evaluation activities for the Department of Army.

COMMITTEE RECOMMENDATIONS

AUTHORIZATION CHANGES

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

[In thousands of dollars]

Item	Budget request	Committee recommended	Change from request
Tactical exploitation of national capabilities	44,674	40,074	−4,600
Aircraft engine component improvement program	2,948	11,948	+9,000
Special Army Program	6,537	7,537	+1,000
Information systems security program	7,433	12,433	+5,000

ANTI-TANK WEAPONS MASTER PLAN

In the face of extreme funding shortfalls in the Army's operation and maintenance and procurement accounts, the Committee is dismayed with the Cold War-mind set of this service to develop an ever-growing mix of weapons to kill tanks. The Committee is aware of at least 40 DoD weapons systems, currently in various phases of acquisition, which can be used to kill tanks. The Committee questions the need to procure so many tank-killing systems in a period in which our potential adversaries possess significantly smaller tank forces as compared to the threat faced during the Cold War. For example, rather than addressing critical shortfalls in training, vehicle maintenance, base operations, and real property maintenance, the Army instead continues to develop expensive tank-killing projects like MSTAR, LOSAT, and EFOGM. The Committee believes that the Office of Secretary of Defense and the Joint Staff must do a better job in reviewing these programs to preserve resources for other priorities, especially those affecting the near-term readiness of U.S. forces. Accordingly, the Committee directs the Secretary of Defense, with cooperation from the Chairman of the Joint Chiefs of Staff, to develop an Anti-Tank Weapons Master Plan to be submitted with the fiscal year 2000 budget. This plan should identify the projected armor threat and the projected quantities of all DoD weapon systems with an anti-tank capability, whether fielded or in development, with the purpose of identifying and eliminating excess capabilities. The Committee recommends termination of MSTAR, LOSAT, and EFOGM because of this proliferation of anti-tank development programs, and in order to fund critical Army readiness shortfalls.

ALTERNATIVE PROPULSION TECHNOLOGY.

The Committee directs that of the available funds for Army research, development, test and evaluation, $10,000,000 is only to continue the development of alternative vehicle propulsion technologies.

BASIC RESEARCH

DEFENSE RESEARCH SCIENCES

The Army requested $137,399,000 for defense research sciences. The Committee recommends $121,827,000, a decrease of

$15,572,000 as explained in the beginning of this section. Additionally, the Committee directs that within the available funds, $3,700,000 is available only for nutrition research.

APPLIED RESEARCH

SENSORS AND ELECTRONIC SURVIVABILITY

The Army requested $18,738,000 for sensors and electronic survivability. The Committee recommends the requested amount. The Committee continues to support the development of the Projectile Detection and Cueing program (PDCUE). The Committee encourages the Army to transition the PDCUE program from an Army Research Lab effort to an Army, Research, Development and Engineering Center effort in fiscal year 2000 and the outyears.

MISSILE TECHNOLOGY

The Army requested $25,180,000 for missile technology. The Committee recommends $24,880,000, a reduction of $300,000 based on termination of MLRS Smart Tactical Rocket (MSTAR) program. MSTAR is a new Army program to integrate an anti-tank weapon like BAT or SADARM on an MLRS rocket. The Committee notes that MLRS launchers will already have an anti-tank capability with ATACMS Block II.

MODELING AND SIMULATION TECHNOLOGY

The Army requested $27,981,000 for modeling and simulation technology. The Committee recommends $22,531,000, a decrease of $5,450,000 for the Army After Next Applied Research project.

COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY

The Army requested $40,107,000 for combat vehicle and automotive technology. The Committee recommends $30,107,000, a decrease of $10,000,000. The Committee recommendation includes a decrease of $5,000,000 for the next generation light truck and a decrease of $5,000,000 for the future combat system. Further details are provided in the Other Procurement, Army and the Weapons and Tracked Combat Vehicles, Army sections of this report.

WEAPONS AND MUNITIONS TECHNOLOGY

The Army requested $29,489,000 for weapons and munitions technology. The Committee recommends $25,689,000, a decrease of $3,800,000 for Sense and Destroy Armament Missile (SADARM) sensor improvements, due to unresolved reliability issues with the basic SADARM program.

ELECTRONICS AND ELECTRONIC DEVICES

The Army requested $22,329,000 for electronics and electronic devices. The Committee recommends $29,829,000, an increase of $7,500,000 only to advance the development of Micro Electro Mechanical Systems (MEMS) for deep silicon etching process technology.

HUMAN FACTORS ENGINEERING TECHNOLOGY

The Army requested $13,369,000 for human factors engineering. The Committee recommends $21,169,000, an increase of $7,800,000. Of that amount, $4,800,000 is only for Medical Teams and $3,000,000 is only for Life Support Trauma and Transport (LSTAT).

ENVIRONMENTAL QUALITY TECHNOLOGY

The Army requested $13,842,000 for environmental quality technology. The Committee recommends $42,342,000, an increase of $28,500,000. Of this amount $3,000,000 is only for the Plasma Energy Pyrolysis System, a transportable system capable of destroying hazardous, chemical and medical waste streams. In addition, $5,000,000 is only to support the Sustainable Green Manufacturing Initiative, which supports research and development for cost-effective and environmentally sustainable manufacturing, maintenance and logistics. The Committee recommends $3,000,000 only to continue efforts to develop a computer-based land management model for the Army to reduce time and costs attributable to military training area recovery and restoration. Further, $2,000,000 is only for the Army Research Office to research ways to conduct on-site chemical and hazardous material disposal in an environmentally acceptable manner.

The Committee also provides $7,500,000 only for the continuation of the Commercialization of Technologies to Lower Defense Costs Initiative. This initiative integrates technology commercialization infrastructure components to: (a) find solutions to U.S. government and industry problems by transitioning key federal laboratory technologies; (b) increase the number of federal laboratory technologies taken to market; and (c) increase the supply of military critical technologies. Finally, $8,000,000 is only for Electronic Equipment Demanufacturing through the National Defense Center for Environmental Excellence. The Committee encourages the Army to continue conducting environmental compliance research projects using the personnel and technologies at the Western Environmental Technology Office facility. The Committee directs that $500,000 from within available funds shall be used only for the evaluation of an EPA approved field test kit that provides quantitative and qualitative analysis of soil and water samples in the field using a lightweight spectrophotometer system, and a soil and water contamination analysis technique based on an aromatic alkylation reaction.

COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY

The Army requested $19,746,000 for command, control, and communications technology. The Committee recommends $22,546,000, an increase of $2,800,000 only for the multi-media communications device.

MILITARY ENGINEERING TECHNOLOGY

The Army requested $37,488,000 for military engineering technology. The Committee recommends $42,488,000, an increase of $5,000,000 only for further technology development to enhance the

military capabilities and economic efficiency of fuel cells at the U.S. Army Construction Engineering Research Laboratories.

MEDICAL TECHNOLOGY

The Army requested $67,255,000 for medical technology. The Committee recommends $155,740,000, an increase of $88,485,000. Of that amount, $15,000,000 is only for continued neurofibromatosis research, $25,000,000 is only for neurotoxin exposure treatment, $3,000,000 is only for diagnostic and surgical breast imaging, $3,000,000 is only for the portable cardiopulmonary bypass pump and oxygenator, $3,000,000 is only for musculoskeletal injuries, $9,985,000 is only for Disaster Relief and Emergency Medical Services (DREAMS), $15,000,000 is only for minimally invasive surgery, $5,000,000 is only for osteoporosis, $1,000,000 is only for pain management, $2,000,000 is only for technology roadmaps for telemedicine, $3,500,000 is only for continuation of advanced cancer detection and $3,000,000 is only for continuation of cooperative teleradiology.

The Committee has previously funded technology roadmap activities that have identified a methodology for determining those medical applications for which technology can drive down DoD medical infrastructure costs. The Committee has provided $2,000,000 only for the existing team to demonstrate the cost reduction potential and information security aspects of telemedicine applications and efforts by DoD.

ADVANCE TECHNOLOGY DEVELOPMENT

WARFIGHTER ADVANCED TECHNOLOGY

The Army requested $32,969,000 for warfighter advanced technology. The Committee recommends $27,369,000, a decrease of $5,600,000 for Landwarrior future technology development.

MEDICAL ADVANCED TECHNOLOGY

The Army requested $11,012,000 for Medical Advanced Technology. The Committee recommends $179,012,000, an increase of $168,000,000. Of that amount, $135,000,000 is only for the Army peer-reviewed Breast Cancer Research Program, $11,000,000 is only for the National Medical Testbed, $9,000,000 is only for continuation of the diabetes research program, $5,000,000 is only for portable digital x-ray technology, and $8,000,000 is only for assistive technology to support innovative applied technology programs for veterans, service members and their families at the Assistive Technology and Research Center at the National Rehabilitation Hospital.

DIABETES RESEARCH

The Committee directs that priority consideration be given to proposals of the Diabetes Institute of Pittsburgh to support expanded research efforts in the field of immunogenetics, diabetes mellitus for children, HLA-related research, and clinical histocompatibility and transplantation.

AVIATION ADVANCED TECHNOLOGY

The Army requested $30,048,000 for Aviation Advanced Technology. The Committee recommends $40,048,000, an increase of $10,000,000 only for a side-by-side test between Starstreak and Stinger on the Apache helicopter.

WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY

The Army requested $24,555,000 for weapons and munitions advanced technology. The Committee recommends $27,055,000, an increase of $2,500,000. The Committee recommendation includes a decrease of $2,500,000 based on termination of MSTAR and an increase of $5,000,000 for an electro-rheological fluid recoil concept demonstration.

COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY

The Army requested $20,109,000 for command, control and communications technology. The Committee recommends $28,109,000, an increase of $8,000,000 for Army Global Broadcast System (GBS) certification and for the integration of the GBS/Information Management (IM) system into the Army Warfighter Information Network architecture. The Committee encourages the Army to adequately fund GBS/IM in future budget submissions to ensure that this capability is fully integrated into the digitized force structure.

MISSILE AND ROCKET ADVANCED TECHNOLOGY

The Army requested $86,096,000 for missile and rocket advanced technology. The Committee recommends $47,896,000, a decrease of $38,200,000. This amount includes a decrease of $35,700,000 based on termination of Enhanced Fiber Optic Guided Missile (EFOGM) and a decrease of $2,500,000 based on termination of MSTAR. The Committee notes that EFOGM was terminated in the House-passed defense authorization bill.

LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY

The Army requested $21,944,000 for landmine warfare and barrier advanced technology. The Committee recommends $24,944,000, an increase of $3,000,000 only to continue the development, demonstration, and testing of the stand-off forward looking ground penetrating radar technology to detect, classify and identify land mines.

JOINT SERVICE SMALL ARMS PROGRAM

The Army requested $5,173,000 for the joint service small arms program. The Committee recommends $10,673,000, an increase of $5,500,000. Of the increase, $2,000,000 is only for the Objective Individual Combat Weapon and $3,500,000 is only for the Objective Crew Served Weapon.

LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION

The Army requested $20,099,000 for the Line-of-Sight Technology (LOSAT) program. The Committee recommends no funds for this anti-tank concept demonstration program as discussed pre-

viously. The Committee notes that the Army is already developing the follow-on to LOSAT, called the Compact Kinetic Energy Missile (CKEM). While the Army considers LOSAT to be a "niche" anti-tank weapon, CKEM is more likely to be proliferated within the Army. CKEM is a much smaller weapon which can be fired on the move with greater lethality, greater field of regard, and a smaller signature. The Committee, despite reservations about funding another new anti-tank weapon, has fully funded CKEM and believes such a program is a more viable approach than LOSAT for a kinetic energy missile.

STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM

The Army budget submission included $54,419,000 for the Strategic Environmental Research and Development Program. As this program is designed to support the entire Department of Defense, the Committee recommends transferring this entire program back to the Research, Development, Test and Evaluation, Defense-Wide account where it has been funded since its inception.

JOINT TACTICAL RADIO

The Army requested $15,600,000 for the Joint Tactical Radio System (JTRS). The Committee approves the request. JTRS, based on a common communications system architecture, will meet airborne, ground, mobile, fixed station, maritime and personnel communications requirements. Although it will be interoperable with legacy communications, the JTRS will be capable of future technology insertions. The basic radio, which will be fielded in fiscal year 2000, will meet DoD's narrow band requirements. However, based on the current schedule, the Army's digitized battlefield requirement for a wide band capability will not be met until fiscal year 2002. In the interim, the Army must use less capable radios. The Committee encourages the Army to accelerate the development of the JTRS to meet its wide band requirements.

DEMONSTRATION AND VALIDATION

ARMY MISSILE DEFENSE SYSTEMS INTEGRATION

The Army requested $12,240,000 for Army missile defense system integration. The Committee recommends $21,240,000, an increase of $9,000,000 only for the Space and Strategic Defense Command's battle lab.

ARMAMENT ENHANCEMENT INITIATIVE

The Army requested $26,526,000 for the armament enhancement initiative. The Committee recommends $46,526,000, an increase of $20,000,000 only for the Tank Extended Range Munition—Kinetic Energy.

ARMY DATA DISTRIBUTION SYSTEM

The Army requested $17,281,000 for the Army data distribution system. The Committee recommends $6,281,000, a decrease of $11,000,000 for the Near Term Digital Radio (NTDR). The NTDR is intended to be a "gap filler" radio until the Joint Tactical Radio

System (JTRS) is fielded. Touted by the Army as a low cost, interim, non-developmental radio, the original $10,000,000 NTDR development contract has experienced cost growth of over 300 percent. The Army has stated it is not sure that the NTDR is even capable of providing the mobile networked data radio backbone required for the digitized force's tactical internet.

The NTDR acquisition strategy has been described as "flawed" by the Office of the Assistant Secretary of Defense for Command, Control, and Communications (ASDC3I). Additionally, the ASDC3I and the Army believe the JTRS will satisfy Army requirements for the digitized battlefield. The basic JTRS will be fielded in fiscal year 2000 and DOD believes that it will meet the Army's requirements for the digital battlefield in 2002. In the interim, the Army's requirements can be satisfied with existing radios, such as EPLRS.

Therefore, the Committee has recommended no funding for the NTDR. The Committee also recommends rescinding unobligated fiscal year 1998 NTDR funds. Additionally, the Committee believes that any outyear funds budgeted for the NTDR should be used to accelerate the JTRS. The Committee has also provided additional funds in Other Procurement, Army for additional EPLRS.

NATO RESEARCH AND DEVELOPMENT

The Army requested $11,161,000 for NATO research and development. The Committee recommends no funds. Details are provided in the beginning of the research and development section of this report.

AVIATION ADVANCED DEVELOPMENT

The Army requested $7,487,000 for aviation advanced development. The Committee recommends $12,487,000, an increase of $5,000,000 only for the virtual cockpit optimization program.

ARTILLERY SYSTEMS DEVELOPMENT

The Army requested $313,166,000 for artillery systems development. The Committee recommends the budget request. The Committee continues to support the Crusader program and believes that it has the potential to increase future artillery and maneuver force effectiveness.

ENGINEERING AND MANUFACTURING DEVELOPMENT

COMANCHE

The Army requested $367,823,000 for Comanche. The Committee recommends $391,823,000, an increase of $24,000,000 only for mission equipment package risk reduction and to accelerate the development of the second prototype aircraft. The Committee notes that the Army identified Comanche as a high priority unfunded requirement.

EW DEVELOPMENT

The Army requested $85,989,000 for electronic warfare development. The Committee recommends $90,989,000, an increase of $5,000,000 only to complete the integration of the Advanced Threat

Infrared Countermeasures/Common Missile Warning System on the Longbow Apache helicopter.

ALL SOURCE ANALYSIS SYSTEM

The Army requested $28,081,000 for the all source analysis system. The Committee recommends $36,081,000, an increase of $8,000,000 for Multi-Adaptive Single Source software development.

FAMILY OF HEAVY TACTICAL VEHICLES

The Army requested no funds for the family of heavy tactical vehicles. The Committee recommends $3,000,000 only to modernize the existing fleet of trailers in the Army inventory.

ENGINEER MOBILITY EQUIPMENT DEVELOPMENT

The Army requested $63,069,000 for engineer mobility equipment development. The Committee recommends $76,069,000, an increase of $13,000,000 to procure one additional GRIZZLY counter-mine, counter-obstacle prototype system to collect RAM data necessary to support a production decision.

COMBAT FEEDING, CLOTHING, AND EQUIPMENT

The Army requested $62,218,000 for combat feeding, clothing, and equipment. The Committee recommends $82,218,000, an increase of $20,000,000 only to continue development and testing of the Landwarrior program. Although the Army views Landwarrior as a successful program, the Committee is concerned with a number of technical issues which the Army must resolve before the system is fielded. Weight and power management are two major areas of concern that continue to put risk in the program. As a result of the outstanding technical issues, the Initial Operational Test and Evaluation (IOT&E) that was scheduled for fiscal year 1998 has been delayed to fiscal year 1999.

The Committee has also learned that the Landwarrior research and development program is not fully funded. According to the Army, the program has experienced 9 percent cost growth due to cost overruns and additional requirements levied by the Army. For example, the Army has not fully funded Landwarrior digitization efforts, one of the Army's top modernization priorities.

The Army budget request includes funds to begin the first year of low rate production for Landwarrior. Since the program has slipped, the Committee believes that it is premature to begin production in fiscal year 1999. Instead, the Committee has provided additional funds to conduct testing and resolve these outstanding technical issues.

AUTOMATIC TEST EQUIPMENT DEVELOPMENT

The Army requested $7,030,000 for automatic test equipment development. The Committee recommends $12,030,000, an increase of $5,000,000 only to continue the development of the Integrated Family of Test Equipment pre-planned product improvements and the electro-optics test facility technology.

BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)

The Army requested $134,858,000 for Brilliant Anti-Armor Submunition (BAT). The Committee recommends $128,858,000, a decrease of $6,000,000 associated with delays in the ATACMS Block IIA Program.

AVIATION—ENGINEERING DEVELOPMENT

The Army requested $6,599,000 for aviation engineering development. The Committee recommends $12,599,000, an increase of $6,000,000 only for the Comanche helicopter "Pilot Vehicle Interface" helmet display systems.

WEAPONS AND MUNITIONS—ENGINEERING DEVELOPMENT

The Army requested $37,725,000 for weapons and munitions—engineering development. The Committee recommends $40,725,000, an increase of $3,000,000 only for the trajectory correctable munition.

LANDMINE WARFARE

The Army requested $46,905,000 for landmine warfare. The Committee recommends $41,405,000, a decrease of $5,500,000 for the remote anti-armor mine system program. The Committee notes that the Army submitted a reprogramming action in September 1997 which was recently approved. Since the program has slipped, the Committee recommends no funds for the Remote Anti-Armor Mine System Program in fiscal year 1999.

SENSE AND DESTROY ARMAMENT MISSILE

The Army requested $20,813,000 for the Sense and Destroy Armament Missile (SADARM). The Committee recommends no funds for the development of the product improvement program for SADARM due to reliability issues with the basic SADARM program.

DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS

The Army requested $33,600,000 for DUAP commercial operations and support savings. The Committee recommends $19,700,000, a decrease of $13,900,000. Details are provided in the beginning of the research and development section of this report.

ARTILLERY SYSTEMS—EMD

The Army requested $100,000 for artillery systems—engineering and manufacturing development. The Committee recommends $2,600,000, an increase of $2,500,000 only for the lightweight 155mm howitzer.

RDT&E Management Support

ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS

The Army requested $33,439,000 for Army technical test instrumentation and targets. The Committee recommends $43,439,000, an increase of $10,000,000 only for national test range and evalua-

tion-related instrumentation and infrastructure upgrades at the White Sands Missile Range.

SURVIVABILITY LETHALITY ANALYSIS

The Army requested $30,498,000 for survivability and lethality analysis. The Committee recommends $36,498,000, an increase of $6,000,000 only to expand the current information warfare vulnerability assessments program to determine the exploitable weaknesses in the first digitized division.

DOD HIGH ENERGY LASER TEST FACILITY

The Army requested $15,022,000 for the high energy laser test facility. The Committee recommends $28,022,000, an increase of $13,000,000. Of the increase, $8,000,000 is only for the solid state laser program and $5,000,000 is only for the hybrid-high mobility multi-purpose vehicle.

MUNITIONS STANDARDIZATION, EFFECTIVENESS, AND SAFETY

The Army requested $8,497,000 for Munitions Standardization, Effectiveness, and Safety. The Committee recommends $11,497,000, an increase of $3,000,000 only for the continued development and commercialization of environmentally sound technologies for the demilitarization of ammunition.

ENVIRONMENTAL COMPLIANCE

The Army requested $44,116,000 for environmental compliance. The Committee recommends $47,116,000, an increase of $3,000,000 only for the U.S. Army Construction Engineering Research Laboratories to conduct a demonstration of low emission natural gas boiler technology.

OPERATIONAL SYSTEMS DEVELOPMENT

MLRS PRODUCT IMPROVEMENT PROGRAM

The Army requested $20,244,000 for the MLRS Product Improvement Program. The Committee recommends $32,744,000, a net increase of $12,500,000. This amount includes an increase of $8,300,000 only for commercial component usage and joint service communications, an increase of $6,000,000 only for HIMARS, an increase of $3,200,000 only for the Improved Launcher Mechanical System (ILMS), and a decrease of $5,000,000 for savings associated with the recently signed Guided MLRS Memorandum of Understanding with foreign participants.

AEROSTAT

The Army requested $103,937,000 for Aerostat. The Committee recommends no funds. Further details are provided in the classified annex accompanying this report.

COMBAT VEHICLE IMPROVEMENT PROGRAMS

The Army requested $94,756,000 for combat vehicle improvement programs. The Committee recommends $101,856,000, an increase of $7,100,000 only to complete the field emission display program.

FORCE XXI, WARFIGHTING RAPID ACQUISITION PROGRAM

The Army requested $99,528,000 for Force XXI, Warfighting Rapid Acquisition Program (WRAP). The Committee recommends $64,528,000, a decrease of $35,000,000. The Committee notes that fiscal year 1998 appropriated funds remain unobligated. Additionally, programs initiated with WRAP funds, such as the airborne command and control, gun laying, and avenger slew to cue systems, have experienced schedule delays. The Committee believes that given the critical shortfalls in the Army's operation and maintenance and procurement accounts, this initiative is not as high a priority to the Army's current or future readiness and, accordingly, recommends this reduction to the Force XXI, WRAP initiative.

As in the previous two fiscal years, the Committee directs that no funds may be obligated from the Force XXI, WRAP initiative without prior notification to the congressional defense subcommittees. Notification is to include the supporting criteria outlining technical merit and maturity; criticality and priority to warfighter requirements; affordability; effectiveness; and sustainability in future budget submissions. The Committee directs that none of the WRAP funds may be used for technologies included in the budget request, such as applique, night vision equipment, and radios. Instead, WRAP funds are to be reprogrammed, with prior notification, to the account for obligation.

MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM

The Army requested $11,252,000 for Missile/Air Defense Product Improvement Program. The Committee recommends $19,252,000, an increase of $8,000,000 only for the Stinger Block II Program.

END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES

The Army requested $30,511,000 for end item industrial preparedness activities. The Committee recommends $59,711,000, an increase of $29,200,000. Of the increase, $13,200,000 is only for munitions manufacturing technology, $9,000,000 is only for the Totally Integrated Munitions Enterprise program, $4,000,000 is only for the Instrumented Factory for Gears, $1,000,000 is only for Composite Armored Vehicle manufacturing technology, and $2,000,000 is only for the Center of Optics Manufacturing.

CONSEQUENCE MANAGEMENT

Further details are provided under the heading Domestic Response to Weapons of Mass Destruction.

TACTICAL VEHICLES

The Committee understands that the Army has a requirement for an airdrop-capable, multi-utility, commercially available vehicle for the movement of supplies and injured personnel in rugged terrain. The Committee encourages the Army to give favorable consideration to the military GATOR in meeting this mission requirement.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL ARMY			
BASIC RESEARCH			
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,902	13,678	-1,224
DEFENSE RESEARCH SCIENCES	137,399	121,827	-15,572
UNIVERSITY AND INDUSTRY RESEARCH CENTERS	48,459	45,138	-3,321
TOTAL, BASIC RESEARCH	200,760	180,643	-20,117
APPLIED RESEARCH			
TRACTOR ROSE	6,000	6,000	---
MATERIALS TECHNOLOGY	10,137	10,137	---
SENSORS AND ELECTRONIC SURVIVABILITY	18,738	18,738	---
TRACTOR HIP	11,685	11,685	---
AVIATION TECHNOLOGY	29,746	29,746	---
EW TECHNOLOGY	16,249	16,249	---
MISSILE TECHNOLOGY	25,180	24,880	-300
MODELING AND SIMULATION TECHNOLOGY	27,981	22,531	-5,450
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	30,107	-10,000
BALLISTICS TECHNOLOGY	31,115	31,115	---
CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	5,116	5,116	---
JOINT SERVICE SMALL ARMS PROGRAM	5,229	5,229	---
WEAPONS AND MUNITIONS TECHNOLOGY	29,489	25,689	-3,800
ELECTRONICS AND ELECTRONIC DEVICES	22,329	29,829	+7,500
NIGHT VISION TECHNOLOGY	19,157	19,157	---
COUNTERMINE SYSTEMS	10,715	10,715	---
HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	21,169	+7,800
ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	42,342	+28,500
COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	19,746	22,546	+2,800
COMPUTER AND SOFTWARE TECHNOLOGY	2,185	2,185	---
MILITARY ENGINEERING TECHNOLOGY	37,488	42,488	+5,000
MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	8,602	8,602	---
WARFIGHTER TECHNOLOGY	18,661	18,661	---
MEDICAL TECHNOLOGY	67,255	155,740	+88,485
ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,164	1,164	---
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	---
TOTAL, APPLIED RESEARCH	511,285	631,820	+120,535
ADVANCED TECHNOLOGY DEVELOPMENT			
WARFIGHTER ADVANCED TECHNOLOGY	32,969	27,369	-5,600
MEDICAL ADVANCED TECHNOLOGY	11,012	179,012	+168,000
AVIATION ADVANCED TECHNOLOGY	30,048	40,048	+10,000
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	27,055	+2,500
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	54,435	54,435	---
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	20,109	28,109	+8,000
MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,021	3,021	---
TRACTOR HIKE	9,873	9,873	---
TRACTOR DIRT	57	57	---
TRACTOR RED	4,590	4,590	---
TRACTOR ROSE	2,016	2,016	---
MILITARY HIV RESEARCH	5,710	5,710	---
GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECH.	9,973	9,973	---
EW TECHNOLOGY	11,508	11,508	---
MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	47,896	-38,200
TRACTOR CAGE	4,408	4,408	---
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	21,944	24,944	+3,000
JOINT SERVICE SMALL ARMS PROGRAM	5,173	10,673	+5,500
LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	20,099	---	-20,099
NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	---
MILITARY ENGINEERING ADVANCED TECHNOLOGY	13,564	13,564	---
ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECH	18,456	18,456	---
TACTICAL TOWED ARRAY SONAR (H)	54,419	---	-54,419
JOINT TACTICAL RADIO	15,600	15,600	---
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	483,595	562,277	+78,682
DEMONSTRATION & VALIDATION			
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION	12,240	21,240	+9,000
LANDMINE WARFARE AND BARRIER - ADV DEV	6,778	6,778	---
ARMAMENT ENHANCEMENT INITIATIVE	26,526	46,526	+20,000
ADVANCED TANK ARMAMENT SYSTEM (ATAS)	8,928	8,928	---
ARMY DATA DISTRIBUTION SYSTEM	17,281	6,281	-11,000
SOLDIER SUPPORT AND SURVIVABILITY	7,581	7,581	---
NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	2,681	2,681	---
NATO RESEARCH AND DEVELOPMENT	11,161	---	-11,161
AVIATION - ADV DEV	7,487	12,487	+5,000
LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	17,478	17,478	---
COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION	14,353	14,353	---
MEDICAL SYSTEMS - ADV DEV	11,414	11,414	---
TRACTOR CAGE (DEM/VAL)	966	966	---
ARTILLERY SYSTEMS - DEM/VAL	313,166	313,166	---
SCAMP BLOCK II DEM/VAL	7,969	7,969	---
TOTAL, DEMONSTRATION & VALIDATION	466,009	477,848	+11,839

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
ENGINEERING & MANUFACTURING DEVELOPMENT			
AIRCRAFT AVIONICS	7,878	7,878	---
COMANCHE	367,823	391,823	+24,000
EW DEVELOPMENT	85,989	90,989	+5,000
ALL SOURCE ANALYSIS SYSTEM	28,081	36,081	+8,000
FOLLOW-ON TO TOW	48,106	48,106	---
TRACTOR CAGE	1,788	1,788	---
SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	706	706	---
JAVELIN	5,277	5,277	---
LANDMINE WARFARE	23,189	23,189	---
FAMILY OF HEAVY TACTICAL VEHICLES	---	3,000	+3,000
AIR TRAFFIC CONTROL	1,737	1,737	---
TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,468	2,468	---
ARMORED SYSTEMS MODERNIZATION (ASM)-ENG DEV	4,500	4,500	---
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	76,069	+13,000
NIGHT VISION SYSTEMS - ENG DEV	21,311	21,311	---
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	82,218	+20,000
NON-SYSTEM TRAINING DEVICES - ENG DEV	64,035	64,035	---
TERRAIN INFORMATION - ENG DEV	2,999	2,999	---
INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,790	1,790	---
INTEGRATED BROADCAST SERVICE	4,447	4,447	---
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE	6,476	6,476	---
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	12,030	+5,000
DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS)	2,766	2,766	---
TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES	44,674	40,074	-4,600
BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	134,858	128,858	-6,000
JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	5,503	5,503	---
POSITIONING SYSTEMS DEVELOPMENT (SPACE)	379	379	---
COMBINED ARMS TACTICAL TRAINER (CATT) CORE	7,533	7,533	---
AVIATION - ENG DEV	6,599	12,599	+6,000
WEAPONS AND MUNITIONS - ENG DEV	37,725	40,725	+3,000
LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	26,002	26,002	---
COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	16,404	16,404	---
MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT	5,338	5,338	---
LANDMINE WARFARE/BARRIER - ENG DEV	46,905	41,405	-5,500
SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	20,813	---	-20,813
COMBAT IDENTIFICATION	13,471	13,471	---
ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	32,929	32,929	---
RADAR DEVELOPMENT	2,786	2,786	---
FIREFINDER	19,822	19,822	---
DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS	33,600	19,700	-13,900
ARTILLERY SYSTEMS - EMD	100	2,600	+2,500
TOTAL, ENGINEERING & MANUFACTURING DEVELOPMENT	1,269,124	1,307,811	+38,687
RDT&E MANAGEMENT SUPPORT			
THREAT SIMULATOR DEVELOPMENT	11,935	11,935	---
TARGET SYSTEMS DEVELOPMENT	13,127	13,127	---
MAJOR T&E INVESTMENT	40,284	40,284	---
RAND ARROYO CENTER	16,718	16,718	---
ARMY KWAJALEIN ATOLL	142,710	142,710	---
CONCEPTS EXPERIMENTATION PROGRAM	17,441	17,441	---
ARMY TEST RANGES AND FACILITIES	119,553	119,553	---
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	43,439	+10,000
SURVIVABILITY/LETHALITY ANALYSIS	30,498	36,498	+6,000
DOD HIGH ENERGY LASER TEST FACILITY	15,022	28,022	+13,000
AIRCRAFT CERTIFICATION	2,924	2,924	---
METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,691	6,691	---
MATERIEL SYSTEMS ANALYSIS	9,711	9,711	---
EXPLOITATION OF FOREIGN ITEMS	4,031	4,031	---
SUPPORT OF OPERATIONAL TESTING	66,320	66,320	---
ARMY EVALUATION CENTER	25,526	25,526	---
DISTRIB/IMAGERY COMMON GRD SYSTEMS	---	8,912	+8,912
PROGRAMWIDE ACTIVITIES	64,588	64,588	---
TECHNICAL INFORMATION ACTIVITIES	16,251	16,251	---
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	11,497	+3,000
ENVIRONMENTAL CONSERVATION	3,195	3,195	---
POLLUTION PREVENTION	8,694	8,694	---
ENVIRONMENTAL COMPLIANCE	44,116	47,116	+3,000
MINOR CONSTRUCTION (RPM) - RDT&E	4,205	4,205	---
MAINTENANCE AND REPAIR (RPM) - RDT&E	49,233	49,233	---
REAL PROPERTY SERVICES (RPS) - RDT&E	87,172	87,172	---
BASE OPERATIONS - RDT&E	230,029	230,029	---
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,683	4,683	---
TOTAL, RDT&E MANAGEMENT SUPPORT	1,076,593	1,120,505	+43,912

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
OPERATIONAL SYSTEMS DEVELOPEMENT			
MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	32,744	+12,500
AEROSTAT JOINT PROJECT OFFICE	103,937	---	-103,937
AIRBORNE RECONNAISSANCE SYSTEMS	---	7,500	+7,500
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	---
COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	101,856	+7,100
MANEUVER CONTROL SYSTEM	28,923	28,923	---
AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	26,681	26,681	---
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	+9,000
DIGITIZATION	45,007	45,007	---
FORCE XXI BATTLE COMMAND, BRIGADE AND BELOW (FBCB2)	52,469	52,469	---
FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION	99,528	64,528	-35,000
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	11,252	19,252	+8,000
OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,248	1,248	---
TRACTOR CARD	3,993	3,993	---
JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	35,941	35,941	---
JOINT TACTICAL GROUND SYSTEM	12,229	12,229	---
SPECIAL ARMY PROGRAM	6,537	7,537	+1,000
INFORMATION SYSTEMS SECURITY PROGRAM	7,433	12,433	+5,000
SATCOM GROUND ENVIRONMENT (SPACE)	53,897	53,897	---
WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	17,543	17,543	---
SECURITY AND INVESTIGATIVE ACTIVITIES	950	950	---
TACTICAL UNMANNED AERIAL VEHICLES	75,636	53,636	-22,000
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	59,711	+29,200
NATO JOINT STARS	6,405	6,405	---
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	773,179	691,542	-81,637
ADVISORY AND ASSISTANCE SERVICES	---	-20,000	-20,000
CONSEQUENCE MANAGEMENT	---	15,000	+15,000
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,780,545	4,967,446	+186,901

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Fiscal year 1998 appropriation	$8,115,686,000
Fiscal year 1999 budget request	8,108,923,000
Committee recommendation	8,297,986,000
Change from budget request	+189,063,000

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 the House authorization action:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Undersea Warfare Weaponry Technology	34,856	36,856	+2,000
Air Systems and Weapons Advanced Technology	48,143	46,143	−2,000
Surface Ship and Submarine HM&E Advanced Technology	39,264	47,264	+8,000
Surface and Shallow Water Mine Countermeasures	73,491	80,491	+7,000
Shipboard System Component Development	27,725	28,725	+1,000
Marine Corps Assault Vehicles	104,822	108,822	+4,000
Marine Corps Ground Combat/Support System	37,133	39,633	+2,500
S–3 Weapon System Improvement	31,469	4,376	−27,093
RDT&E Ship and Aircraft Support	57,421	55,421	−2,000
HARM Improvement	18,921	33,921	+15,000

ELECTROMAGNETIC PROPULSION SYSTEMS

The Committee is aware of the Navy's need to refine technologies for the purpose of increasing ship speed and efficiencies. Recognizing that such goals could be met through electromagnetic propulsion systems, the Committee encourages the Navy to consider utilizing the National Science Foundation's Magnetic Laboratory and related resources located in Tallahassee, Florida.

APPLIED RESEARCH

AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY

The Navy requested $37,140,000 for air and surface launched weapons technology. The Committee recommends $41,140,000, an increase of $4,000,000 of which $3,000,000 is only for rotary valved multiple combustor pulse detonation engines and $1,000,000 is only for the development of environmentally safe energetic materials and advanced explosive compositions and related technologies as recommended in the House-passed authorization bill.

SHIP, SUBMARINE, AND LOGISTICS TECHNOLOGY

The Navy requested $43,177,000 for ship, submarine, and logistics technology. The Committee recommends $45,177,000, an increase of $2,000,000 only for the development of ship machinery component level intelligent distributed control systems for autonomous underwater vehicles.

AIRCRAFT TECHNOLOGY

The Navy requested $23,229,000 for aircraft technology. The Committee recommends $27,029,000, an increase of $3,800,000 of which $2,000,000 is only for the Vectored Thrust Ducted Propeller program in preparation for a flight demonstration in 2002 and $1,800,000 is only to develop the advanced 1000-plus line resolution charged coupled device II night vision camera to be applied to the Crusader helmet mounted display. The Committee continues to support the flight demonstration of the VDTP compound helicopter technology and recognizes that a timely flight demonstration will maximize the opportunity to transition this technology to a number of DoD aircraft.

MARINE CORPS LANDING FORCE TECHNOLOGY

The Marine Corps requested $12,132,000 for landing force technology. The Committee recommends $13,632,000, an increase of $1,500,000 only for the coastal battlefield reconnaissance and analysis advanced technology demonstration.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The Navy requested $4,699,000 for historically black colleges and universities. The Committee recommends $6,699,000, an increase of $2,000,000 only for the teaching and study of urban education in science, engineering, and mathematics.

COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE TECHNOLOGY

The Navy requested $65,033,000 for communications, command and control, and intelligence technology. The Committee recommends $60,033,000, a decrease of $5,000,000. This includes an increase of $1,000,000 only for the hybrid wireless fiber optic communications system recommended in the House-passed authorization bill; a $1,000,000 decrease with prejudice for development of infrared search and track technology; and a decrease of $5,000,000 due to fiscal constraints. The Committee has provided sufficient funds for infrared search and track technology in aircraft carrier development as discussed below.

HUMAN SYSTEMS TECHNOLOGY

The Navy requested $29,722,000 for human systems technology. The Committee recommends $31,722,000, an increase of $2,000,000 only for the smart aircrew integrated life support system to integrate physiological monitoring with biofeedback support for aircrew performance.

MATERIALS, ELECTRONICS, AND COMPUTER TECHNOLOGY

The Navy requested $77,617,000 for materials, electronics, and computer technology. The Committee recommends $80,617,000, an increase of $3,000,000. This includes a decrease of $7,000,000 due to excessive budget growth and the following increases recommended in the House-passed authorization bill: $3,000,000 only for development of superconducting waveform generator and ana-

log-to-digital converter technology; $1,000,000 only for carbon-carbon materials for reentry bodies; $3,500,000 only for silicon-carbide semiconductor substrates; and $2,500,000 only for ultra-high thermal conductivity fibers. Within the total amount provided, $1,800,000 is only for further development of Terfenol-D, a specially formulated iron-alloy which changes shape in the presence of a magnetic field for actuators, transducers, vibration control systems, micropositioning systems, sonar systems, and other military applications.

ELECTRONIC WARFARE TECHNOLOGY

The Navy requested $23,849,000 for electronic warfare technology. The Committee recommends $22,849,000, a decrease of $1,000,000 due to fiscal constraints.

UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY

The Navy requested $50,619,000 for undersea warfare surveillance technology. The Committee recommends $51,119,000, an increase of $500,000 only for development of lithium carbon monoflouride batteries for mine applications.

OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY

The Navy requested $56,722,000 for oceanographic and atmospheric technology. The Committee recommends $70,222,000, an increase of $13,500,000. Within that amount, $10,000,000 is only to continue autonomous underwater vehicle and sensor development as recommended in the House-passed authorization bill; $2,750,000 is only for the Naval Surface Warfare Center South Florida Test Facility to continue collaborative marine vehicle research efforts; and $750,000 is only for the PM–10 clean air study. In addition, the Committee encourages the Navy to accelerate transfer of the research ship USNS Hayes from Cape Canaveral to the South Florida Test Facility as soon as possible.

DUAL USE APPLICATIONS

The Navy requested $20,000,000 for dual use applications. The Committee approves the request, and directs that $15,000,000 of the amount provided be available only for projects with the National Technology Alliance Program to provide cross-agency, cross-program sharing of advanced commercial and consumer information technology solutions for end-users in the Intelligence Community and the Department of Defense. Funds for projects funded through the Program may only be obligated if approved in advance by the Navy's Director of Space Information Warfare Command and Control.

PROJECT M

The Committee supports the language on Project M contained in the report accompanying the House-passed authorization bill.

ADVANCED TECHNOLOGY DEVELOPMENT

PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY

The Navy requested $58,306,000 for precision strike and air defense technology. The Committee recommends $62,306,000, an increase of $4,000,000. This includes an increase of $5,000,000 only for mobile off-shore basing and a decrease of $1,000,000 due to fiscal constraints. Within the amount provided for the mobile off-shore base, the Committee directs the Navy to provide $1,000,000 to the Joint Warfighting Capabilities Assessment initiative (PE 0902298J) and $1,000,000 to the OSD Office of Acquisition and Technology (PE 0603728D) for joint community MOB assessments and studies.

MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION

The Marine Corps requested $41,931,000 for advanced technology demonstration. The Committee recommends $51,931,000, an increase of $10,000,000. Of the increase, $5,000,000 is only for BURRO project and $5,000,000 is only to continue the SMAW product improvement program.

MEDICAL DEVELOPMENT

The Navy requested $18,728,000 for medical development. The Committee recommends $69,028,000, an increase of $50,300,000. Of that amount, $34,000,000 is only for the Bone Marrow Donor Program, $3,000,000 is only for the Naval Blood Research Laboratory, $4,000,000 is only for dental research, $1,800,000 is only for the National Biodynamics Lab, $4,500,000 is only for the Medical Readiness Telemedicine Initiative to continue development of a centralized organization capable of delivering integrated and interoperable advanced medical care services to remote locations on a timely basis and $3,000,000 is only for rural health.

BONE MARROW REGISTRY

The Committee provides $34,000,000 to be administered by the C.W. Bill Young Marrow Donor Recruitment and Research Program, also known, and referred to, within the Naval Medical Research Institute, as the Bone Marrow Registry. This DoD donor center has recruited more than 150,000 DoD volunteers, and provides more marrow donors per week than any other donor center in the Nation. The Committee is aware of the continuing success of this life saving program for military contingencies and civilian patients, which now includes more than 3,000,000 potential volunteer donors, and encourages agencies involved in contingency planning to include the C.W. Bill Young Marrow Donor Recruitment and Research Program in the development and testing of their contingency plans. DD Form 1414 shall show this as a special congressional interest item, and the Committee directs that all of the funds appropriated for this purpose be released to the C.W. Bill Young Marrow Donor Recruitment and Research Program within 60 days of enactment of this bill.

MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY DEVELOPMENT

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

ADVANCED TECHNOLOGY TRANSITION

The Navy requested $74,392,000 for advanced technology transition. The Committee recommends $59,392,000, a reduction of $15,000,000 due to fiscal constraints. The reduction eliminates about half of the funds budgeted to initiate new projects in fiscal year 1999. The Committee directs that none of the reduction be applied to the anti-torpedo project.

C3 ADVANCED TECHNOLOGY

The Navy requested $22,294,000 for C3 advanced technology. The Committee recommends $28,294,000, an increase of $6,000,000 only for the dominant battlespace command initiative.

DEMONSTRATION AND VALIDATION

AIR/OCEAN TACTICAL APPLICATIONS

The Navy requested $28,824,000 for air/ocean tactical applications. The Committee recommends $25,824,000, a decrease of $3,000,000 due to excessive budget growth.

AVIATION SURVIVABILITY

The Navy requested $8,164,000 for aviation survivability. The Committee recommends $13,164,000, an increase of $5,000,000 of which $3,000,000 is only for the escape system dynamic flow test facility as recommended in the House-passed authorization bill and $2,000,000 is only for the helicopter aircrew integrated life support system.

ASW SYSTEMS DEVELOPMENT

The Navy requested $20,184,000 for ASW systems development. The Committee recommends $35,184,000, an increase of $15,000,000. Within that amount, $9,000,000 is only for RAINBOW/BEARTRAP acoustic processors for SH–60B LAMPS helicopters; $3,000,000 is only to continue the development and testing of advanced anti-submarine warfare technologies on the BEARTRAP platform; and $3,000,000 is only for reassessment of SSQ–62 sonobouy at-sea performance by evaluating prototypes in tactically significant operating areas, investigating neckdown of passive sonobouys into a unibouy configuration, and sonobouy GPS integration analysis and prototype development.

ADVANCED COMBAT SYSTEMS TECHNOLOGY

The Navy requested $8,653,000 for advanced combat systems technology. The Committee recommends $6,653,000, a decrease of $2,000,000 due to fiscal constraints.

ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT

The Navy requested $68,402,000 for advanced submarine combat systems development. The Committee recommends $75,802,000, an increase of $7,400,000 only for the lightweight wide aperture array to support the conformal array velocity sensor project.

SURFACE SHIP TORPEDO DEFENSE

The Navy requested no funds for surface ship torpedo defense. The Committee recommends $6,000,000. The Committee notes that the OSD-chartered independent IDA study of the surface ship torpedo defense program finds that a torpedo defense capability is required for all surface ships and recommends that the Navy continue the program in collaboration with the Royal Navy of the United Kingdom. These additional funds are only to continue a joint collaborative program with the United Kingdom to develop promising technologies identified during the recent demonstration/validation phase of the program, such as the mobile expendable acoustic decoy, concept one countermeasures, and improved processing and sensors. This funding is also intended to conduct system simulation modeling, in consort with the current United Kingdom effort, that will identify the most cost effective torpedo defense capability for surface ships. The Navy is directed to initiate upgrading the current torpedo countermeasure winch and tow capability for littoral operations.

CARRIER SYSTEMS DEVELOPMENT

The Navy requested $154,307,000 for carrier systems development. The Committee recommends $64,307,000, a decrease of $90,000,000. In the fiscal year 1999 budget, $190,150,000 is requested for aircraft carrier development funds in this and another budget line. The budget envisioned development of a new (CVX) class of ships to replace the existing Nimitz-class. In recent internal budget deliberations, the Navy is considering changing its acquisition strategy to an evolutionary approach where the Nimitz hull-form would be retained and improvements would be incrementally fielded as new ships are built. The Committee supports a robust aircraft technology development program, but given the uncertainty of the Navy's direction, recommends $100,000,000 to continue technology development. The Committee notes that many of the areas for technology development contained in the carrier systems development budget might no longer be pursued under the Navy's new approach, which is evolving and has not yet been approved by the Secretary of Defense. The Committee questions the wisdom of narrowly focusing all future carrier component technology development beyond CVN–77 on a limited number of propulsion and power technologies at the expense of all others. The Committee expects that the CVX budget and plan submitted to the Congress for fiscal year 2000 will contain a fully-funded and well balanced program that best meets the most urgent warfighting, operational effectiveness, and cost-reduction requirements for a future class of aircraft carriers.

Since the early 1990s, congressional committees have expressed concern about the Navy's inability to field an infrared search and

track system for protection of surface ships from anti-ship cruise missile attack. As radar signatures of enemy missiles decrease over time, heat signatures will play a growing importance in defeating such threats. Last year, the Chief of Naval Operations testified to the Committee that theater commanders-in-chief want infrared search and track (IRST) devices on their ships. The fiscal year 1999 budget requests no funds for continued IRST development, even though over $51 million has been invested to date in the technology and it has demonstrated impressive performance capability. After the fiscal year 1999 budget was submitted, the Navy announced a major reorganization of its Program Executive Offices under which many ship self-defense programs have been assigned to the office responsible for aircraft carriers and logistics ships. This offers an opportunity to reinvigorate the infrared search and track program under new management. The Committee directs that of the amount provided in this bill for aircraft carrier technology development, $10,000,000 is only for engineering manufacturing development of infrared search and track. The Committee recommends bill language that precludes obligation of more than $50,000,000 of the funds provided in the bill for aircraft carrier technology development until the Secretary of the Navy certifies in writing to the congressional defense committees that the Navy has a fully-funded program for development and installation of an infrared search and track device on CVN–77 prior to its acceptance by the Navy from the shipbuilder.

SHIP CONCEPT ADVANCED DESIGN

The Navy requested $14,900,000 for ship concept advanced design. The Committee recommends $19,900,000, an increase of $5,000,000 only for an integrated bioenvironmental hazards research program that focuses primarily on the development of biosensors and biomarkers of exposure for human and ecological bioenvironmental problems relevant to the Navy.

ADVANCED SURFACE MACHINERY SYSTEMS

The Navy requested $58,419,000 for advanced surface machinery systems. The Committee recommends $34,919,000, a reduction of $23,500,000 to terminate the intercooled recuperated (ICR) gas turbine engine development program.

Non-nuclear ships today use jet engines for propulsion. The ICR program, underway for nearly a decade, seeks to develp a system which attaches a recuperator device to a turbine engine to recover energy from the exhaust and reinject it back into the engine-intake to increase fuel inefficiency. The Navy always managed this as a stand-alone program, isolated from any ship acquisition program. For example, in April, 1998 the Navy reorganized its program executive offices to stand-up a new office to manage DD–21. Ship component development programs were placed under this office, but not ICR, which remains a bureaucratic orphan.

In 1995, the Committee recommended that this program be terminated due to severe technical problems, cost growth, and the fact that it would take 76 years (twice the service life) to pay back the investment if the Navy installed it on DDG–51 destroyers. Navy documents showed the ICR engine development cost $500,000,000

and the installation on DDG–51 ships cost $249,000,000. During initial testing, the recuperator suffered a catastrophic failure after only 17 hours of a planned 500 hour test, causing the need for a redesign of the device. The Congress allowed the program to continue, and the Navy successfully completed the 500 hour test in September, 1997. However, recent Navy analysis of the test results and decisions related to the new DD–21 class of destroyers clearly show that the program is in worse condition than in 1995 in terms of cost, schedule, technical performance, and platform integration:

U.S. Navy Requirement. In the early 1990s a number of Congressional Committees questioned the Navy on which ship the ICR engine would be installed. The Navy formally budgeted to put ICR on a number of DDG–51s in 1994. However, the DDG–51 Selected Acquition Report dated December 1997 shows that the "P3I" (ICR) engine is now deleted from the program because "it is not cost-effective". Regarding the use of the ICR engine on future ships, the Committee notes that the request-for-proposals to industry for DD–21 does not require ICR to be used. The Navy has no intention of dictating that ICR be used for DD–21 or any other ship acquisition program. After nearly a decade, the Navy cannot answer the fundamental question that if the nation invests $500,000,000 in the ICR engine, on which United States ship will it be used?

The Committee believes that theater commanders, who would be most affected by introduction of the ICR engines into their fleets, have not had a sufficient opportunity to express their views on the merit of continued investment in the troubled ICR development program. The Committee directs the Commander in Chief of the U.S. Atlantic Command and the Commander in Chief of the U.S. Pacific Command to certify in writing to the congressional defense committees by July 20, 1998 whether they have an operational requirement for the ICR engine on surface ships.

Cost. The Navy has invested $326,000,000 in ICR through fiscal year 1998, and there is another $60,000,000 in the fiscal year 1999 budget and accompanying outyear plan to conduct a 3,000 hour test. But, another $128,000,000 more than is budgeted in the current outyear plan is needed over the next four years to complete development and full qualification trials on the engine. The $326,000,000 sunk-cost includes $150,000,000 of overruns and cost-growths since the program was begun. After the fiscal year 1999 budget was submitted, the Navy discovered a $28,000,000 funding shortfall in fiscal years 1998 and 1999, which will either require reprogramming of funds from higher priority Navy weapons programs or will result in at least another 18 month schedule delay. Installation costs on DDG–51 would have exceeded $19,000,000 per ship. Yet, no cost estimates have been developed or budgeted for installation of ICR on future Navy ships.

Poor Technical Performance. Until this point, the Navy has struggled with issues related to the ICR recuperator device. However, based on recent analysis of the 500 hour tests, the Navy indicates that not only are there new failure modes in the recuperator, but also there are new problems with corrosion and limited life in the engine's combustor cans, compressor vane cracking and high-cycle fatigue in the turbine engine, and turbine cooling and longevity issues. The discovery of flaws in the engine itself is very trou-

bling. It undermines the premise that ICR is based on a proven, off-the-shelf commercial aircraft engine. The fleet is concerned about ICR engine reliability which is jeopardized by the engine's complexity and that the life of the combustion section of about 400 hours must be improved to at least 5,000 hours. For example, current ship propulsion engines do not use combuster cans; the need to replace combuster cans at sea due to short life would cause a Navy ship to shut down for a number of days to service them.

Life Cycle Cost. The DD–21 request for proposals does not require the use of the ICR engine. While ICR may save fuel, it may not have the lowest life cycle cost due to high manpower requirements and spares consumption. In June, 1998 the Navy informed the Committee that while the ICR engine will save fuel, the acquisition cost will be significantly more than the current engine and the reliability costs of ICR are unknown.

Payback of Investment. The Department of Defense justification for continuation of the ICR engine development program suggests that payback of the investment occurs in 2028, under the most favorable assumptions for ICR: the largest population of ships with ICR engines (80 DD–21 equivalents) and a zero discount rate (out year savings not penalized for time value). Payback occurs in 2037 under less favorable assumptions. The Committee is compelled to observe that this analysis is premised on several dubious assumptions. For example, the $328 million in sunk costs for development were not considered in the analysis. The Committee notes that in order to obtain any reasonable payback for this investment, the Navy would have to install ICR on all 32 DD–21 ships and entire classes of follow–up on ships as well. It remains clear that when all costs are considered, there is no likely scenario where ICR savings justify the investment.

After consideration of the preceding issues, the Committee finds it original 1995 judgment about this program has regrettably been affirmed. The ICR program faces the prospect of continued technical problems, cost overruns, and delays; it lacks a firm commitment for production and installation on a ship; and it is not supported by credible cost-effective analysis. When all costs are considered, the program costs more than it saves. The Navy does not need the engine, and the Office of the Secretary of Defense remains its only advocate. The Navy and the Committee should not be forced to cut other needed programs to pay for what is at least a $128,000,000 future shortfall in the program just to complete development testing and full qualification trials, with no assurance that the engine will go into service. The Committee therefore recommends that this troubled program be terminated.

CONVENTIONAL MUNITIONS

The Navy requested $39,775,000 for conventional munitions. The Committee recommends $42,775,000, an increase of $3,000,000 only for environmentally-safe energetic materials as recommended in the House-passed authorization bill.

MARINE CORPS MINE/COUNTERMEASURES SYSTEMS—ADV DEV

The Marine Corps requested $1,958,000 for advanced development of mine/countermeasures systems. The Committee rec-

ommends $2,958,000, an increase of $1,000,000 only for an international cooperative research and development program initiative applying Norwegian mine clearing vehicle technology.

COOPERATIVE ENGAGEMENT CAPABILITY

The Navy requested $131,623,000 for cooperative engagement capability. The Committee recommends $186,123,000, an increase of $54,500,000. The cooperative engagement capability (or CEC) program should fund only the development of core technologies. Programs for individual weapon system platforms should bear their own unique costs for integration of cooperative engagement capability into their systems. The Committee has therefore transferred $12,500,000 of funds requested in the cooperative engagement development budget to other programs: $9,500,000 for integration on DDG–51 ships has been provided in Surface Combatant Combat Systems Engineering and $3,000,000 for development of a new LAMPS data link has been provided in Other Helo Development. The Committee notes that the LAMPS/CEC datalink interference issue was recognized when cooperative engagement was fielded, but the redesign of the helicopter's datalink is an issue independent from cooperative engagement capability. The Committee directs that future budget submissions to Congress provide Navy weapons cooperative engagement capability integration costs in platform development budgets.

The Committee recommends an additional $67,000,000 for cooperative engagement capability and related requirements identified by the Navy after the budget was submitted. These additional requirements became known after analysis of at-sea test results conducted in 1997. This includes an additional $20,000,000 only to conduct additional developmental and operational testing to resolve battlegroup interoperability issues; $15,000,000 only for design agent transition; $13,000,000 only to develop large network capability; $10,000,000 only to develop a low cost common equipment set; and $9,000,000 only to establish a land based network.

The Committee notes that the Navy has not used additional funds provided by Congress in this program during the past two years as the Committee intended. The Committee also notes that the Navy has realigned fiscal year 1998 inflation funds from other programs to the benefit of the F/A–18 development program, and believes that the cooperative engagement program is of equal priority. The Committee therefore has included bill language to require that the total amount appropriated for cooperative engagement capability be spent only for that purpose.

ENVIRONMENTAL PROTECTION

The Navy requested $59,438,000 for environmental protection. The Committee recommends $73,138,000, an increase of $13,700,000. Within this amount, $2,700,000 is only for aviation depot maintenance technology as recommended in the House-passed authorization bill, $7,000,000 is only for the Resource Recovery Technology Center, and $4,000,000 is only to complete the evaluation of an asbestos thermo-chemical conversion technology, to be used in conjunction with the ongoing submarine inactivation program at Puget Sound Naval Shipyard. The funds for aviation

maintenance technology are only for Naval Aviation Depot, Jacksonville.

NAVY LOGISTICS PRODUCTIVITY

The Navy requested no funds for Navy logistics productivity. The Committee recommends $3,000,000 only for rapid retargeting of electronic circuits using virtual prototyping.

SHIP SELF-DEFENSE

The Navy requested $12,337,000 for ship self-defense, which is approved by the Committee and designated as special interest for the purpose of the Base of Reprogramming (DD Form 1414).

LAND ATTACK TECHNOLOGY

The Navy requested $110,104,000 for land attack technology. The Committee recommends $103,104,000, a reduction of $7,000,000 for the vertical gun system whose funding was reduced in both the House and Senate authorization bills. The Committee directs the Director, Operational Test and Evaluation (DOT&E) to review the Navy's analysis of Land Attack Standard Missile (LASM) lethality and report his assessment of this analysis to the congressional defense committees. The Committee directs that no fiscal year 1999 funds for LASM may be obligated prior to submission of this report. This report should draw on DOT&E's recent experience with lethality analysis on the ATACMS Block IA program.

NON-LETHAL WEAPONS TECHNOLOGY

The Marine Corps requested $22,592,000 for non-lethal weapons. The Committee recommends $25,092,000, an increase of $2,500,000 only to support the expansion of the role and missions of the Joint Non-Lethal Directorate's Human Effects Panel to review Department-wide weapons development in this sensitive area.

ENGINEERING AND MANUFACTURING DEVELOPMENT

OTHER HELO DEVELOPMENT

The Navy requested $231,120,000 for other helicopter development. The Committee recommends $231,620,000, an increase of $500,000. Within this amount, an additional $15,000,000 is for CH–60 mine countermeasures identified by the Chief of Naval Operations as a serious deficiency; $3,000,000 is for the LAMPS data link as discussed previously; and $1,000,000 is only to upgrade the ship ground station at the Naval Air Warfare Center Aircraft Division and provide the capability for ship, air, and ground systems interoperability for research, development, testing, evaluation, and training support. The Committee recommends that $18,500,000 for operational evaluation and post-testing correction of deficiencies for the advanced low frequency sonar be denied based on analysis from the General Accounting Office that such testing has been delayed until 2001. The Committee also encourages the Navy to test the capabilities of the SH–60R helicopter with the Joint Synthetic Evaluation and Battle space system using the Air Interoperability Center Fiber Optic Network.

AV–8B AIRCRAFT

The Navy requested $13,787,000 for AV–8B aircraft engineering development. The Committee recommends $50,387,000, an increase of $36,600,000. Within that amount, an additional $31,500,000 is for the open systems core avionics requirement and $5,100,000 is for the landing signal officer automated shipboard operating bulletin. The Commandant of the Marine Corps identified both these items as serious deficiencies. The open systems core avionics requirement provides AV–8B mission computer enhancement using commercial off-the-shelf processors and rewrites legacy assembly language software into a higher order language. This will significantly enhance the capability of AV–8B software, significantly lower the cost of future software upgrades, and facilitate integration of future weapons on the aircraft. The landing signal officer automated shipboard operating bulletin software upgrades will make the system easier to operate by providing more accurate weight, balance, and center-of-gravity calculations; ordnance configurations; and take-off parameters.

H–1 UPGRADES

The Navy requested $98,542,000 for H–1 helicopter upgrades. The Committee recommends $122,542,000, an increase of $24,000,000 only to accelerate the H–1 upgrade program. The Committee notes that the Marine Corps identified the H–1 program as a high priority unfunded requirement for fiscal year 1999.

ACOUSTIC SEARCH SENSORS

The Navy requested $29,637,000 for acoustic search sensors. The Committee recommends $31,637,000, an increase of $2,000,000 only for cost reduction technology insertions to the air deployed active receiver/improved extended echo ranging system and advanced active processing upgrades to sonobuoys.

AIR CREW SYSTEMS DEVELOPMENT

The Navy requested $9,454,000 for air crew systems development. The Committee recommends $12,454,000, an increase of $3,000,000. The Committee is encouraged with efforts to date regarding joint ejection seat testing of front line fighter/trainer aircraft (FLEET program). These tests have verified deficiencies in aircraft escape systems, particularly for the smaller aircrew at higher speeds. The bill includes $3,000,000 only to address stability deficiencies identified in FLEET 1 testing and to demonstrate improvements through dynamic testing.

ELECTRONIC WARFARE DEVELOPMENT

The Navy requested $128,586,000 for electronic warfare development. The Committee recommends $137,886,000, an increase of $9,300,000 for the integrated defensive electronic countermeasures system which is transferred from Aircraft Procurement, Navy due to a recent program restructure.

SURFACE COMBATANT COMBAT SYSTEMS ENGINEERING

The Navy requested $132,561,000 for surface combatant combat systems engineering. The Committee recommends $169,061,000, an increase of $36,500,000. Within this amount, $9,500,000 is transferred from CEC, and an additional $27,000,000 is for Aegis baseline software development, integration of cooperative engagement capability into Aegis baseline upgrades, and resolution of battlegroup interoperability issues. The Committee directs that no funds, whether in the budget or the additional funds provided herein, for Aegis baseline 6, phase 1 or subsequent phases may be obligated unless the Navy certifies in writing to the House and Senate Appropriations Committees that such baselines include cooperative engagement capability. Finally, $9,000,000 is only for development of the high dynamic range, low cost, towed array receiver and beamformer sonar system.

NAVY THEATER BALLISTIC MISSILE DEFENSE

The House-passed authorization bill recommends $50,000,000 for Aegis ship combat system upgrades to support theater ballistic missile defense missions. These funds are for evolution of the SPY–1D radar system. The Committee recommends no additional funds in the Navy appropriation, but recommends additional funds in the Defense-Wide appropriation which could be used by the Ballistic Missile Defense Organization to develop an advanced combat system for Aegis ships. Noting that there are alternative technical approaches, namely evolution of SPY–1D or development of high power discriminator systems, the Navy and BMDO will have to reconcile the technical and competitive requirements for developing an advanced combat system for Aegis ships. Given these events, the funds provided to the Navy in the fiscal year 1998 bill for high power discriminator development are premature. The Committee therefore recommends a rescission of $15,000,000.

AIRBORNE MINE COUNTERMEASURES

The Navy requested $24,967,000 for airborne mine countermeasures. The Committee recommends $30,967,000, an increase of $6,000,000, of which $4,000,000 is only to complete development, test and evaluation of electrodynamic acoustic projector technology in the shallow water influence mine system and $2,000,000 is only to support an autonomous solution during engineering manufacturing development of the CH–60 helicopter-borne mine destruction technology.

SSN-688 AND TRIDENT MODERNIZATION

The Navy requested $50,300,000 for SSN-688 and Trident modernization. The Committee recommends $60,300,000, an increase of $10,000,000 only for acoustic rapid COTS insertion/multi-purpose processor software-build development as recommended in the House-passed authorization bill. The Committee directs the Secretary of Defense to conduct an analysis of converting some of the Trident SSBN submarines to SSGN configuration for conventional missions, in the event that some of these boats become no longer needed to support strategic missions if strategic arms reduction

treaties enter into force. It should identify the parameters for such a conversion, such as feasibility, desirability, cost, schedule, technical approach, and a concept of operations. This analysis should be submitted to the congressional defense committees no later than March 1, 1999.

NEW DESIGN SUBMARINE

The Navy requested $218,816,000 for the new design submarine. The Committee recommends $240,816,000, an increase of $22,000,000. Within that amount, $10,000,000 is only for submarine technology insertion; $7,000,000 is only for glass reinforced plastic and rubber sandwich sonar domes; and $5,000,000 is only for non-propulsion electronics. These increases are recommended in the House-passed authorization bill.

SSN–21 DEVELOPMENTS

The Navy requested $27,456,000 for SSN–21 developments. The Committee recommends $22,456,000, a decrease of $5,000,000 for a system-level shock testing of the SSN–21 Seawolf submarine. Live-fire testing legislation (10 U.S.C. 2366) requires realistic live-fire testing of major Department of Defense weapon systems. The intent of the legislation is to conduct tests early in the production cycle of a weapon system in order to ensure adequacy of design and to allow incorporation of design changes, if any, as a program moves into full rate production. Because the waiver authority of this legislation is very narrow, the Defense Department has concluded that it must conduct live-fire system-level tests of the SSN–21 submarine at an estimated cost of $47 million. However, of the 3 boats now planned in the program, SSN–21 is already at sea; SSN–22 is over 87 percent complete; and SSN–23 is over 34 percent complete. The Navy has conducted significant component-level shock testing for major items on the SSN–21, and has conducted sophisticated, high-fidelity modeling of system-level shock tests. Live-fire tests inherently present risk of damage to the ship and its components, injury to the crew, and add cost and program disruption for conducting post-test repairs. The *Seawolf* live-fire test as currently planned would be conducted at only one-half shock factor, due to potential risk to the crew and ship. The Committee strongly questions the value of spending $47 million for this purpose. Recognizing that system-level live-fire tests on the *Seawolf* class might have some value for the New Attack Submarine program, the Committee notes that the Navy plans to conduct system-level live-fire tests on that class of submarines starting in 2002 at an estimated cost of $71 million. The Committee concludes that funding for Seawolf system-level live-fire shock testing in fiscal year 1999 is unwarranted, and recommends that $5,000,000 budgeted for this purpose be eliminated. The Committee has included bill language that allows system-level live-fire testing on the SSN–21 class only if the Commander in Chief of the Atlantic Command, who will operate the three Seawolf class of submarines once they are fielded, certifies to the congressional defense committees that such tests must be conducted to fulfill operational requirements for the boats. If such certification is made, then the Navy may submit a prior ap-

proval reprogramming request to the congressional defense committees in order to proceed with any tests.

SHIP CONTRACT DESIGN/LIVE FIRE TEST AND EVALUATION

The Navy requested $133,645,000 for ship contract design and live fire test and evaluation. The Committee recommends $60,845,000, a decrease of $72,800,000. This includes decreases of $68,872,000 due to delays in the DD–21 development program and $5,928,000 to eliminate funds for a proposed new-start development program for the ADC(X) class of ships due to fiscal constraints. Within the amount provided, an additional $2,000,000 is only for the smart propulsor product model.

The Committee is not convinced that the Navy has adequately addressed the DD–21 combat system architecture, and the opportunity to capitalize on the investment made by its submarine community in acoustic rapid COTS insertion with multi-purpose processors and middle-ware software. The Navy's submarine community is incrementally fielding advanced commercial-based computers to its fleet to attain dramatic performance increases in processing of acoustic data while attaining dramatic life cycle cost reduction compared to military specification software and hardware. The approach uses computers that are independent of the software applications that run on them, and the same hardware and software is fielded on different classes of ships. The Committee is concerned that the Navy will simply issue a DD–21 request for proposals to industry that would allow a new combat system to be built from scratch without capitalizing on the investment made by the submarine community. The Committee also believes that there is a strategic opportunity to field common hardware and software to the submarine and surface ship communities, which process similar types of acoustic information for underwater warfare. The Committee believes the Navy should use acoustic rapid COTS on multipurpose processors and middle-ware software for at least the acoustic processing component, if not all, of the DD–21 combat system. The Committee directs the Secretary of the Navy to submit a report to the congressional defense committees by February 1, 1999 describing how this objective can be accomplished.

The Navy requested $5,928,000 for ADC(X) ship contract design. The Navy indicated to the Committee after the budget was submitted that these funds can not be spent in this budget line due to the immaturity of the ADC(X) program. The Committee notes that the fiscal year 1999 President's budget and outyear plan conforms with the language in the Committee's fiscal year 1998 report that was subsequently adopted in conference with the Senate requiring that budgets for construction of ADC(X) ships be funded in the Shipbuilding and Conversion appropriation. The Committee reaffirms this policy.

NAVY TACTICAL COMPUTER RESOURCES

The Navy requested $8,249,000 for tactical computer resources. The Committee recommends $44,749,000, an increase of $36,500,000. Within that amount, an additional $17,000,000 is only for development of UYQ–70 display improvements and to incorporate a technology refresh capability; $14,500,000 is only for vir-

tual prototyping of electronic circuits; and $5,000,000 is only for development and three prototype systems of the computer aided dead reckoning tracer (CA/DRT).

JOINT STANDOFF WEAPON SYSTEM

The Navy requested $73,022,000 for development of Joint Standoff Weapons Systems. The Committee recommends $8,022,000, a decrease of $65,000,000 based on the Committee's recommendation to terminate the Navy's $4,300,000,000 program to procure 7800 unitary warhead variants of the JSOW munition.

JSOW-Unitary was originally conceived as an inexpensive, level-of-effort weapon used in the later phases of an air campaign when enemy long range area defenses have been destroyed. For the early high threat phase of an air campaign, the Department is acquiring more potent weapons like SLAM–ER, Tactical Tomahawk, and JASSM. By most measures, the JSOW-Unitary, as currently designed, is more expensive and significantly less capable than these other weapon systems. The average unit cost of the initial lot of JSOW-Unitary is at least fifty percent higher than the unit cost of the initial lot of SLAM–ER, Tactical Tomahawk, or JASSM. Further, JSOW-Unitary is a 40+ nautical mile weapon with a 520 pound warhead. By comparison, SLAM–ER is a 150+ nautical mile weapon with a 550 pound warhead, Tactical Tomahawk is a 1,000+ nautical mile weapon with a 750 pound warhead, and JASSM is a 250+ nautical mile weapon with a 1000 pound warhead. Each of these latter weapons are significantly more survivable than the glide-only JSOW-Unitary.

The Committee agrees with the Navy that there is a need for an inexpensive, level-of-effort stand-off weapon. The Committee is also aware of alternative programs that use low-cost wing adapter kits to greatly extend the range of existing inventory "dumb bombs." One approach being explored by the Navy is to use a wing-kit adapter and a JDAM tail kit (for guidance) to extend the range of the 2000 pound JDAM. Another approach being explored by the Air Force is to use the Longshot wing-kit adapter with self-contained guidance. The Committee understands that such weapons can be easily procured for less than $50,000 per copy and provide capabilities similar to JSOW-Unitary. Accordingly, the Committee recommends termination of the JSOW-Unitary program and further recommends creation of a new, Low Cost Stand-Off Weapon program.

LOW COST STANDOFF WEAPON

The Committee recommends $10,000,000 to initiate a new Low Cost Stand-Off Weapon program. The Committee directs that this program be structured using a competitive acquisition strategy similar to that used for the JDAM and the Wind Corrected Munition Dispensor (WCMD) programs. The objective of this program should be to develop an accurate stand-off weapon that can be procured for less than $50,000 per unit. The Committee directs that the Navy submit a report on its acquisition plans for the Low Cost Stand-Off Weapon program no later than December 1, 1998.

MEDICAL DEVELOPMENT

The Navy requested $4,321,000 for Medical Development. The Committee recommends $9,721,000, an increase of $5,400,000. Of that amount, $2,000,000 is only for development of filtration materials with high-flow biocide characteristics and $3,400,000 is only to modify the Voice Instructional Device for use as a tool for shipboard medical personnel or others in the field to collect, process, store, and forward critical medical information for treatment of combat casualties.

DISTRIBUTED SURVEILLANCE SYSTEM

The Navy requested $42,017,000 for the distributed surveillance system. The Committee recommends $55,417,000, an increase of $13,400,000 of which $6,700,000 is only to continue the development and testing of the all-optical deployable system into the Advanced Deployable System (ADS), and $6,700,000 is only to continue the planned introduction of automation and data fusion capability for the ADS demonstration system.

RDT&E Management Support

MAJOR T&E INVESTMENT

The Navy requested $17,281,000 for major T&E investment. The Committee recommends $23,281,000, an increase of $6,000,000 only for continued development of the East Coast communications network at the Naval Aircraft Warfare Center Aircraft Division, Patuxent River.

STUDIES AND ANALYSIS SUPPORT

The Navy requested $10,132,000 for studies and analysis support. The Committee recommends $6,132,000, a reduction of $4,000,000 to keep the program at the fiscal year 1998 appropriated level.

MANAGEMENT, TECHNICAL, AND INTERNATIONAL SUPPORT

The Navy requested $28,690,000 for management, technical, and international support. This is an increase of about 49 percent over the fiscal year 1998 appropriated level. The Committee recommends $17,690,000, a decrease of $11,000,000.

RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT

The Navy requested $64,455,000 for science and technology management. The Committee recommends $54,455,000, a decrease of $10,000,000 due to fiscal constraints.

T&E SUPPORT

The Navy requested $260,601,000 for test and evaluation support. The Committee recommends $256,801,000, a decrease of $3,800,000. This includes a decrease of $5,800,000 as recommended in the House-passed authorization bill and an increase of $2,000,000 only for development of a man-overboard indicator.

SEW SURVEILLANCE/RECONNAISSANCE SUPPORT

The Navy requested $13,185,000 for SEW surveillance/reconnaissance support. The Committee recommends $15,185,000, an increase of $2,000,000 only for the integration and support of COTS visualization software and database servers.

MARINE CORPS PROGRAM WIDE SUPPORT

The Marine Corps requested $7,132,000 for program wide support. The Committee recommends $14,632,000, an increase of $7,500,000. Of the additional funds, $4,000,000 is only to support phase III of the ongoiong Marine Corps effort to develop and field an interim biological agent detection system to fill CBIRF requirements and $3,500,000 is only for the probable cause detection system to detect chemical effects on personnel when there are no obvious signs.

OPERATIONAL SYSTEMS DEVELOPMENT

SSBN SECURITY PROGRAM

The Navy requested $33,588,000 for the SSBN security program. The amount requested is 36 percent higher than the fiscal year 1998 appropriated level. The Committee recommends $28,588,000, a decrease of $5,000,000 due to fiscal constraints.

F/A–18 SQUADRONS

The Navy requested $357,214,000 for F/A–18 development. The Committee recommends $288,805,000, a decrease of $68,409,000. This includes decreases of $43,409,000 to transfer the Super Hornet Advanced Reconnaissance Pod from this budget line to Manned Reconnaissance Systems (program element 0305207N) and $25,000,000 due to excessive budget growth. The budget request for development of the new model F/A–18 is about $88,000,000 or 68 percent higher than forecast a year ago. The Navy has recently informed the Committee that its estimate to complete the development contract will be revised downward now that the wing-drop issue has been resolved, the contract remains in an underrun status, and additional funds have been made available to the F/A–18 program in fiscal year 1998 due to allocation of inflation savings from other programs after the President's budget was submitted.

TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER

The Navy requested $66,727,000 for the Tomahawk and Tomahawk Mission Planning Center. The Committee recommends $165,300,000, an increase of $98,573,000 only for the Tactical Tomahawk Program.

CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT

The Navy requested $28,390,000 for consolidated training systems development. The Committee recommends $32,490,000, an increase of $4,100,000. This includes increases of $5,000,000 only for the large area tracking range and $6,000,000 only to convert the battle force team trainer to the Windows operating environment;

and a decrease of $6,900,000 to terminate the Joint Tactical Combat Training System.

AVIATION IMPROVEMENTS

The Navy requested $64,956,000 for aviation improvements. The Committee recommends $61,956,000, a decrease of $3,000,000 to limit growth in engine component improvement. The Committee directs that none of this reduction be applied to advanced boresight equipment.

MARINE CORPS COMMUNICATIONS SYSTEMS

The Marine Corps requested $50,594,000 for communications systems. The Committee recommends $56,390,000, an increase of $5,796,000. Of the increase, $5,000,000 is only for Joint Task Force Enhanced Communications for integration and production transition testing to meet JTF operational and environmental requirements, and $796,000 is only to continue the development of the Marine Corps Tactical Control and Analysis Center.

TACTICAL UNMANNED AERIAL VEHICLES

The Navy requested no funding for the Tactical Unmanned Aerial Vehicle Program. The Committee recommends $14,008,000 for the Navy to continue the multiple-participant competitive demonstration through the shipboard phase, and $8,000,000 for the Marine Corps to continue the development of a close-range tactical UAV. The Committee also recommends $4,000,000 for the continued development of the UAV multi-function self-aligned gate array technology development and demonstration program. Funding for the Common Systems Development in the amount of $5,048,000 and funding for the Tactical Control System (TCS) in the amount of $32,144,000 are transfers from RDT&E, Defense-Wide.

MANNED RECONNAISSANCE SYSTEMS

The Navy requested $342,000 for manned reconnaissance systems. The Committee recommends $42,751,000, an increase of $42,409,000 transferred from the funding line for F/A–18 squadrons.

SHARED RECONNAISSANCE POD

The Committee strongly supports the Navy's Shared Reconnaissance Pod (SHARP) program and is pleased that the Navy has decided to meet its 15-year old, manned tactical reconnaissance requirement with a reconnaissance pod employing state-of-the-art imagery technologies. However, the Committee is concerned with an apparent decision by the Chief of Naval Operations to not support this program in future year budgets. This is disturbing particularly when considering the successful demonstration of the F–14 Tactical Airborne Reconnaisance Podded System (TARPS) Completely Digital (CD) on June 2, 1998. The display clearly demonstrated modern off-the-shelf electro-optic (EO) framing technologies employed in a reconnaissance pod.

Moreoever, the Committee agrees with the Navy's stated position that SHARP will provide superior imagery more cost effectively

than the older Advanced Tactical Air Reconnassiance System (ATARS) technology. The Committee believes the most prudent expenditure of limited funding is on modern imagery technologies that provide our troops the greatest opportunity for mission success, minimizing crew and aircraft exposure to hostile action and allowing for flexible employment on multiple aircraft types. SHARP provides these qualities and capabilities. Therefore, the Committee strongly recommends that the Navy include the SHARP program in future budgets.

INTEGRATED BROADCAST SERVICE

The Committee recommends the transfer of $14,580,000 from various accounts into this account to be managed by the IBS Executive Agent, Director, Space Information Warfare Command and Control.

DEPOT MAINTENANCE

The Navy requested $69,967,000 for depot maintenance activities which historically have been performed in procurement. The Committee denies this request and has provided funds instead in Aircraft Procurement, Navy.

INDUSTRIAL PREPAREDNESS

The Navy requested $59,060,000 for industrial preparedness. The Committee recommends $69,060,000, an increase of $10,000,000 to alleviate program shortfalls.

RESCISSIONS

The Committee recommends rescissions of $2,500,000 from two fiscal year 1998 Research, Development, Test and Evaluation, Navy programs due to recent budget execution data identified by the General Accounting Office. These include $1,500,000 for contract savings on the lightweight torpedo and $1,000,000 in navigation/identification systems no longer needed by the Navy.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL NAVY			
BASIC RESEARCH			
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,734	14,248	-486
DEFENSE RESEARCH SCIENCES	347,945	324,495	-23,450
TOTAL, BASIC RESEARCH	362,679	338,743	-23,936
APPLIED RESEARCH			
AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,140	41,140	+4,000
SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	45,177	+2,000
AIRCRAFT TECHNOLOGY	23,229	27,029	+3,800
MARINE CORPS LANDING FORCE TECHNOLOGY	12,132	13,632	+1,500
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES	4,699	6,699	+2,000
COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE	65,033	60,033	-5,000
HUMAN SYSTEMS TECHNOLOGY	29,722	31,722	+2,000
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	80,617	+3,000
ELECTRONIC WARFARE TECHNOLOGY	23,849	22,849	-1,000
UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	50,619	51,119	+500
MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	45,928	45,928	---
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	70,222	+13,500
UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,856	36,856	+2,000
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	---
TOTAL, APPLIED RESEARCH	524,723	553,023	+28,300
ADVANCED TECHNOLOGY DEVELOPMENT			
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	-2,000
PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	62,306	+4,000
ADVANCED ELECTRONIC WARFARE TECHNOLOGY	17,169	17,169	---
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	+8,000
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	51,931	+10,000
MEDICAL DEVELOPMENT	18,728	69,028	+50,300
MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	21,042	26,042	+5,000
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOG	20,919	20,919	---
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	56,827	---
MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	41,710	41,710	---
ADVANCED TECHNOLOGY TRANSITION	74,392	59,392	-15,000
C3 ADVANCED TECHNOLOGY	22,294	28,294	+6,000
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	460,725	527,025	+66,300
DEMONSTRATION & VALIDATION			
AIR/OCEAN TACTICAL APPLICATIONS	28,824	25,824	-3,000
AVIATION SURVIVABILITY	8,164	13,164	+5,000
ASW SYSTEMS DEVELOPMENT	20,184	35,184	+15,000
TACTICAL AIRBORNE RECONNAISSANCE	1,479	1,479	---
ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	6,653	-2,000
SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	73,491	80,491	+7,000
ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	68,402	75,802	+7,400
SURFACE SHIP TORPEDO DEFENSE	---	6,000	+6,000
CARRIER SYSTEMS DEVELOPMENT	154,307	64,307	-90,000
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	+1,000
SHIP COMBAT SURVIVABILITY	7,595	7,595	---
PILOT FISH	117,094	117,094	---
RETRACT JUNIPER	11,055	11,055	---
RADIOLOGICAL CONTROL	3,600	3,600	---
SURFACE ASW	11,871	11,871	---
ADVANCED SUBMARINE SYSTEM DEVELOPMENT	60,520	60,520	---
SUBMARINE TACTICAL WARFARE SYSTEMS	4,676	4,676	---
SHIP CONCEPT ADVANCED DESIGN	14,900	19,900	+5,000
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	42,668	---
ADVANCED NUCLEAR POWER SYSTEMS	118,342	118,342	---
ADVANCED SURFACE MACHINERY SYSTEMS	58,419	34,919	-23,500
CHALK EAGLE	122,031	122,031	---
COMBAT SYSTEM INTEGRATION	9,654	9,654	---
CONVENTIONAL MUNITIONS	39,775	42,775	+3,000
MARINE CORPS ASSAULT VEHICLES	104,822	108,822	+4,000
MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV	1,958	2,958	+1,000
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39,633	+2,500
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	10,756	10,756	---
COOPERATIVE ENGAGEMENT	131,623	186,123	+54,500
OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	15,257	15,257	---
ENVIRONMENTAL PROTECTION	59,438	73,138	+13,700
NAVY ENERGY PROGRAM	4,592	4,592	---
FACILITIES IMPROVEMENT	1,861	1,861	---
CHALK CORAL	97,552	97,552	---
NAVY LOGISTICS PRODUCTIVITY	---	3,000	+3,000
RETRACT MAPLE	117,186	115,686	-1,500
LINK PLUMERIA	22,123	22,123	---
RETRACT ELM	11,665	22,165	+10,500
SHIP SELF DEFENSE - DEM/VAL	12,337	12,337	---
SPECIAL PROCESSES	81,743	81,743	---
NATO RESEARCH AND DEVELOPMENT	11,004	---	-11,004
LAND ATTACK TECHNOLOGY	110,104	103,104	-7,000
JOINT STRIKE FIGHTER (JSF) - DEM/VAL	463,402	463,402	---
NONLETHAL WEAPONS - DEM/VAL	22,592	25,092	+2,500
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,827	9,827	---
SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE	17,955	17,955	---
TOTAL, DEMONSTRATION & VALIDATION	2,358,359	2,361,455	+3,096

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
ENGINEERING & MANUFACTURING DEVEL			
TRAINING SYSTEM AIRCRAFT	595	595	---
OTHER HELO DEVELOPMENT	231,120	231,620	+500
AV-8B AIRCRAFT - ENG DEV	13,787	50,387	+36,600
STANDARDS DEVELOPMENT	51,987	51,987	---
S-3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	-27,093
AIR/OCEAN EQUIPMENT ENGINEERING	6,162	6,162	---
P-3 MODERNIZATION PROGRAM	3,046	3,046	---
TACTICAL COMMAND SYSTEM	50,713	50,713	---
H-1 UPGRADES	98,542	122,542	+24,000
ACOUSTIC SEARCH SENSORS	29,637	31,637	+2,000
V-22A	355,142	355,142	---
AIR CREW SYSTEMS DEVELOPMENT	9,454	12,454	+3,000
EW DEVELOPMENT	128,586	137,886	+9,300
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	169,061	+36,500
LPD-17 CLASS SYSTEMS INTEGRATION	1,343	1,343	---
TRI-SERVICE STANDOFF ATTACK MISSILE	2,064	2,064	---
STANDARD MISSILE IMPROVEMENTS	1,320	1,320	---
AIRBORNE MCM	24,967	30,967	+6,000
SSN-688 AND TRIDENT MODERNIZATION	50,300	60,300	+10,000
AIR CONTROL	4,198	4,198	---
ENHANCED MODULAR SIGNAL PROCESSOR	1,599	1,599	---
SHIPBOARD AVIATION SYSTEMS	8,531	8,531	---
SHIP SURVIVABILITY	6,196	6,196	---
COMBAT INFORMATION CENTER CONVERSION	4,704	4,704	---
SUBMARINE COMBAT SYSTEM	11,710	11,710	---
NEW DESIGN SSN	218,816	240,816	+22,000
SSN-21 DEVELOPMENTS	27,456	22,456	-5,000
SUBMARINE TACTICAL WARFARE SYSTEM	28,573	28,573	---
SHIP CONTRACT DESIGN/ LIVE FIRE T&E	133,645	60,845	-72,800
NAVY TACTICAL COMPUTER RESOURCES	8,249	44,749	+36,500
MINE DEVELOPMENT	15	15	---
UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	5,183	5,183	---
LIGHTWEIGHT TORPEDO DEVELOPMENT	8,106	8,106	---
MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	3,855	3,855	---
JOINT DIRECT ATTACK MUNITION	11,738	11,738	---
JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	7,037	7,037	---
PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,235	1,235	---
NAVY ENERGY PROGRAM	5,544	5,544	---
BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	5,770	5,770	---
JOINT STANDOFF WEAPON SYSTEMS	73,022	8,022	-65,000
LOW COST STAND-OFF WEAPON	---	10,000	+10,000
SHIP SELF DEFENSE - EMD	148,165	148,165	---
MEDICAL DEVELOPMENT	4,321	9,721	+5,400
NAVIGATION/ID SYSTEM	42,301	42,301	---
DISTRIBUTED SURVEILLANCE SYSTEM	42,017	55,417	+13,400
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	28,500	14,600	-13,900
TOTAL, ENGINEERING & MANUFACTURING DEVEL	2,063,281	2,094,688	+31,407
RDT&E MANAGEMENT SUPPORT			
THREAT SIMULATOR DEVELOPMENT	24,400	24,400	---
TARGET SYSTEMS DEVELOPMENT	54,800	54,800	---
MAJOR T&E INVESTMENT	17,281	23,281	+6,000
STUDIES AND ANALYSIS SUPPORT - NAVY	10,132	6,132	-4,000
CENTER FOR NAVAL ANALYSES	44,201	44,201	---
FLEET TACTICAL DEVELOPMENT	2,748	2,748	---
TECHNICAL INFORMATION SERVICES	8,513	8,513	---
DISTRIB/IMAGERY COMMON GRD SYSTEMS	---	4,966	+4,966
MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	28,690	17,690	-11,000
STRATEGIC TECHNICAL SUPPORT	2,213	2,213	---
RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,455	54,455	-10,000
RDT&E INSTRUMENTATION MODERNIZATION	8,530	8,530	---
RDT&E SHIP AND AIRCRAFT SUPPORT	57,421	55,421	-2,000
TEST AND EVALUATION SUPPORT	260,601	256,801	-3,800
OPERATIONAL TEST AND EVALUATION CAPABILITY	9,194	9,194	---
NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	3,477	3,477	---
SEW SURVEILLANCE/RECONAISSANCE SUPPORT	13,185	15,185	+2,000
AIRBORNE RECONNAISSANCE SYS	---	16,448	+16,448
MARINE CORPS PROGRAM WIDE SUPPORT	7,132	14,632	+7,500
TOTAL, RDT&E MANAGEMENT SUPPORT	616,973	623,087	+6,114
OPERATIONAL SYSTEMS DEVELOPEMENT			
HARPOON MODIFICATIONS	1,965	1,965	---
STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	56,604	56,604	---
SSBN SECURITY TECHNOLOGY PROGRAM	33,588	28,588	-5,000
SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	8,328	8,328	---
F/A-18 SQUADRONS	357,214	288,805	-68,409
E-2 SQUADRONS	47,797	47,797	---
FLEET TELECOMMUNICATIONS (TACTICAL)	16,297	16,297	---
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,300	+98,573
INTEGRATED SURVEILLANCE SYSTEM	19,772	19,772	---
AMPHIBIOUS TACTICAL SUPPORT UNITS	1,945	1,945	---
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	32,490	+4,100
ELECTRONIC WARFARE (EW) READINESS SUPPORT	3,716	3,716	---
HARM IMPROVEMENT	18,921	33,921	+15,000
TACTICAL DATA LINKS	49,757	49,757	---
SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
MK-48 ADCAP	17,550	17,550	---
AVIATION IMPROVEMENTS	64,956	61,956	-3,000
F-14 UPGRADE	12,947	12,947	---
OPERATIONAL NUCLEAR POWER SYSTEMS	54,183	54,183	---
MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	56,390	+5,796
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	14,699	---
MARINE CORPS COMBAT SERVICES SUPPORT	4,634	4,634	---
TACTICAL AIM MISSILES	65,855	65,855	---
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	4,862	4,862	---
TACTICAL UAV	---	55,200	+55,200
TACTICAL UAV (MC)	---	8,000	+8,000
SATELLITE COMMUNICATIONS (SPACE)	18,188	18,188	---
INFORMATION SYSTEMS SECURITY PROGRAM	22,201	22,201	---
WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	469	469	---
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	11,671	11,671	---
JOINT C4ISR BATTLE CENTER (JBC)	5,352	5,352	---
JOINT MILITARY INTELLIGENCE PROGRAMS	2,302	2,302	---
MANNED RECONNAISSANCE SYSTEMS	342	42,751	+42,409
INTEGRATED BROADCAST SERVICE	---	14,580	+14,580
NAVAL SPACE SURVEILLANCE	399	399	---
DEPOT MAINTENANCE (NON-IF)	69,967	---	-69,967
INDUSTRIAL PREPAREDNESS	59,060	69,060	+10,000
CLASSIFIED PROGRAMS	521,541	542,041	+20,500
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	1,722,183	1,849,965	+127,782
ADVISORY AND ASSISTANCE SERVICES	---	-50,000	-50,000
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL NAVY	8,108,923	8,297,986	+189,063

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Fiscal year 1998 appropriation	$14,507,804,000
Fiscal year 1999 budget request	13,598,093,000
Committee Recommendation	13,577,441,000
Change from budget request	−20,652,000

This appropriation funds the research, development, test and evaluation activities of the Department of the Air Force.

COMMITTEE RECOMMENDATIONS

DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The Committee recommends the transfer of funding for certain programs under the Defense Airborne Reconnaissance Program from Defense-Wide accounts to Air Force accounts. Details are found in a classified annex accompanying this report.

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
Space-Based Laser	35,000	25,000	−10,000
Test and Evaluation Support	370,168	376,168	+6,000
Rocket Systems Launch Program	7,865	18,865	+11,000
Seek Eagle	17,590	19,590	+2,000
Missile and Space Tech Collection	18,595	26,595	+8,000
Information Systems Security Program	8,420	10,420	+2,000
Spacetrack	39,532	38,532	−1,000

BASIC RESEARCH

DEFENSE RESEARCH SERVICES

The Air Force requested $209,395,000 for Defense Research Sciences. The Committee recommends $202,751,000, a net decrease of $6,644,000. This amount includes an increase of $3,500,000 only for coal derived jet fuel, an increase of $3,000,000 only for the Center for Adaptive Optics, and a decrease of $13,100,000 as discussed under the heading "Basic Research" elsewhere in this report. 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 congressional interest.

APPLIED RESEARCH

MATERIALS

The Air Force requested $62,578,000 for materials. The Committee recommends $72,578,000, an increase of $10,000,000 only for additional advanced materials research.

AEROSPACE PROPULSION

The Air Force requested $69,061,000 for Aerospace Propulsion. The Committee recommends $74,061,000, an increase of $5,000,000 only for the variable displacement vane pump.

COMMAND, CONTROL, AND COMMUNICATIONS

The Air Force requested $65,175,000 for Command, Control, and Communications. The Committee recommends $67,675,000, an increase of $2,500,000 only for continued research in protein memory.

LOGISTICS SYSTEMS TECHNOLOGY

The Air Force requested $8,677,000 for logistics systems technology. The Committee recommends $9,677,000, an increase of $1,000,000 only for the Passive Aircraft Status System (PASS).

ADVANCED TECHNOLOGY DEVELOPMENT

ADVANCED MATERIALS FOR WEAPON SYSTEMS

The Air Force requested $21,006,000 for Advanced Materials for Weapons Systems. The Committee recommends $37,006,000, an increase of $16,000,000. This includes an increase of $9,000,000 only for advanced low observable coatings and an increase of $7,000,000 only for dual use technology programs through the National Center for Industrial Competitiveness including composite affordability and chrome plating alternative technologies.

CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY

The Air Force requested $16,603,000 for Crew Systems and Personnel Protection Technology. The Committee recommends $22,603,000, an increase of $6,000,000. This amount includes $3,000,000 only for ejection seat technology and an increase of $3,000,000 only for laser eye protection.

ELECTRONIC COMBAT TECHNOLOGY

The Air Force requested $25,553,000 for Electronic Combat Technology. The Committee recommends $31,553,000, an increase of $6,000,000 only for the Precision Location and Identification (PLAID) system.

SPACE AND MISSILE ROCKET PROPULSION

The Air Force requested $21,121,000 for space and missile rocket propulsion. The Committee recommends $25,121,000, an increase of $4,000,000 only for the high payoff rocket propulsion technology initiative.

BALLISTIC MISSILE TECHNOLOGY

The Air Force requested no funds for Ballistic Missile Technology. The Committee recommends $16,000,000 only to continue missile and GPS range safety technology development and demonstrations in realistic flight environments.

ADVANCED SPACECRAFT TECHNOLOGY

The Air Force requested $42,571,000 for advanced spacecraft technology. The Committee recommends $54,571,000, an increase of $12,000,000. Within this amount, $5,000,000 is only for the continuation of the Scorpius low cost expendable launch vehicle technology program and $7,000,000 is only for the miniature satellite threat reporting system.

ADVANCED WEAPONS TECHNOLOGY

The Air Force requested $40,153,000 for advanced weapons technology. The Committee recommends $50,153,000, an increase of $10,000,000 only for Geo Space Object Imaging.

DEMONSTRATION AND VALIDATION

ADVANCED MILSATCOM

The Committee is concerned about the current program schedule in place for the advanced milsatcom program. Under present planning the first launch of an advanced EHF Milstar follow-on satellite will not occur until 2006, four years after the launch of the last Milstar satellite. After the investment of several billion dollars since the inception of the Milstar program there are indications that communications capability will begin to degrade until the advanced capability is launched in 2006. The Committee is concerned that the Defense Department is not giving adequate attention to the operational risk during this transition period, including consideration that hundreds of Milstar terminals will be fielded by this timeframe.

The Committee, therefore, directs the Secretary of Defense to provide a report by March 31, 1999 to the congressional defense committees on (1) the effects of Milstar communications degradation during the 2003 to 2006 transition period, and (2) suggested alternatives to minimize any adverse operational effects, such as adjusting the launch schedules for Milstar II and accelerating the launch schedule for an advanced capability.

NATO RESEARCH AND DEVELOPMENT

The Air Force requested $11,117,000 for NATO Research and Development. The Committee recommends no funds for this program as discussed under the heading "NATO Research and Development" earlier in this report.

INTERCONTINENTAL BALLISTIC MISSILE DEM/VAL

The Air Force requested $29,360,000 for Intercontinental Ballistic Missile Demonstration/Validation. The Committee recommends $42,360,000, an increase of $13,000,000 only for the Conventional Ballistic Missile Advanced Concept Technology Demonstration.

GLOBAL BROADCAST SERVICE

The Air Force requested $70,147,000 for the Global Broadcast Service. The Committee recommends $67,947,000, a decrease of $2,200,000. Budgetary resources excess to program requirements in fiscal year 1998 make this reduction possible without prejudice.

AIR FORCE/NRO PARTNERSHIP

The Air Force requested $17,645,000 for the Air Force—National Reconnaissance Office Partnership. The Committee recommends no funding, a decrease of $17,645,000. The details of this recommendation are discussed in the classified annex to this report.

SPACE BASED INFRARED SYSTEM (SBIRS)

The Committee understands that the Defense Department's current plan to transition from the Defense Support Program (DSP) to the Space Based Infrared System (SBIRS) may result in capabilities that are too robust, meaning that there would be more satellites in orbit than are required or could be accommodated by ground processing facilities.

The Committee therefore directs the Secretary of Defense to identify and assess the alternatives to the current DSP and SBIRS transition plan. The assessment should consider (1) deployment schedules that optimize existing DSP and planned SBIRS capabilities, (2) the cost of each alternative, and (3) the effectiveness of each alternative in terms of meeting both strategic and theater ballistic missile threats. The report should be provided to the Committee no later than April 30, 1999.

ENGINEERING AND MANUFACTURING DEVELOPMENT

EW DEVELOPMENT

The Air Force requested $90,126,000 for Electronic Warfare Development. The Committee recommends $95,126,000, an increase of $5,000,000 only for advanced flares for the B–1 and C–17 aircraft.

LIFE SUPPORT SYSTEMS

The Air Force requested $3,744,000 for Life Support Systems. The Committee recommends $6,744,000, an increase of $3,000,000 only for engineering and manufacturing development efforts to incorporate inflatable restraint concepts for seats tested during FLEET 1. The Committee is encouraged with the efforts to date regarding joint ejection seat testing of front line fighter/trainer aircraft (FLEET program).

COMBAT TRAINING RANGES

The Air Force requested $14,581,000 for Combat Training Ranges. The Committee recommends $13,181,000, a decrease of $1,400,000 for Joint Tactical Combat Training System as discussed elsewhere in this report.

COMPUTER RESOURCE TECHNOLOGY TRANSITION

The Air Force requested $200,000 for Computer Resource Technology Transition. The Committee recommends $4,200,000, an increase of $4,000,000 only for the National Product Line Asset Center.

COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE

The Air Force requested $27,937,000 for Commercial Operations and Support Savings Initiative. The Committee recommends $14,037,000, a decrease of $13,900,000 as discussed under the heading, "Dual Use Programs" earlier in this report.

EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM

The Air Force requested $280,297,000 for the evolved expendable launch vehicle program (EELV). The Committee recommends $230,297,000, a decrease of $50,000,000. Program restructuring and the likelihood that the Air Force will award development contracts to the EELV offerors below levels estimated in the budget request make this reduction possible.

The Committee remains fully supportive of the EELV program and its goal of dramatically reducing recurring launch costs for DoD and commercial payloads. The Committee does, however, have concerns about several aspects of the EELV program acquisition strategy. The primary purpose of the EELV program is to reduce the recurring launch costs of all payloads in the national mission model through fiscal year 2020 by 25 to 50 percent. The Committee is concerned that due to considerable fluctuations in the national mission model the results of cost savings analysis based on the model may be suspect. Further, the Committee believes that the Air Force's methodology to assess savings from the EELV program may be inadequate because it does not include nonrecurring investment costs that the Air Force plans to incur to achieve savings. A more appropriate measure of the costs savings achieved on the EELV program, which includes all sunk costs to the government, may be a net present value analysis.

The Committee also has serious reservations about the Air Force's proposed use of "other transaction authority" instruments instead of contracts to develop the new EELV system. Under such agreements traditional safeguards which protect the government's interest in large acquisition programs are largely absent. These safeguards include such items as guaranteed system performance, assurances of cost reasonableness, enforceable schedules and other requirements. In addition the government would have no outside audit authority to monitor program performance.

Despite these reservations, the Committee believes the EELV program should go forward. The Committee directs, however, that no more than 50 percent of the funds appropriated for the EELV development program in fiscal year 1999 may be obligated until (1) the Under Secretary of Defense for Acquisition and Technology and the Defense Department Inspector General certifies to the congressional defense committees that the use of "other transaction authority" is appropriate for the EELV program and that adequate safeguards exist to protect the government's interest and monitor program performance, and (2) the Air Force conducts a net present value analysis of the costs savings to be achieved on the EELV program. This analysis should be performed for the time periods 1997 to 2010 and 1997 to 2020. The analysis should consider all sunk costs to the government for the EELV program.

The Committee also directs that the Secretary of Defense and the prime contractors under the EELV program shall provide the Comptroller General with such information on the program as the Comptroller General considers necessary to conduct continued review of the program in response to congressional direction.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION MANAGEMENT SUPPORT

THREAT SIMULATOR DEVELOPMENT

The Air Force requested $32,582,000 for Threat Simulator Development. The Committee recommends $29,582,000, a decrease of $3,000,000 for delays in development of the Joint Modeling and Simulation System (JMASS).

MAJOR TEST AND EVALUATION INVESTMENT

The Air Force requested $34,518,000 for Major Test and Evaluation Investment. The Committee recommends $42,018,000, an increase of $7,500,000. This amount includes $5,000,000 only for improvements to the Santa Rosa Island range complex and $2,500,000 only to ensure availability of electronic combat operational test and training capabilities on the Eglin Air Force Base Range Complex.

TEST AND EVALUATION SUPPORT

This research and development line-item provides for the operation and maintenance of Air Force test facilities. Like operation and maintenance funding generally, this line-item should obligate 100 percent by the end of the first year of availability. However, the Air Force's current projections are that $14,000,000 of fiscal year 1998 funds will be unobligated at year end. The Committee recommends a rescission of $10,000,000 of fiscal year 1998 funds for this activity, and expects the Air Force to streamline its Test and Evaluation Support operations to execute funding more like the operations and maintenance accounts.

OPERATIONAL SYSTEMS DEVELOPMENT

REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION

The Air Force requested $13,592,000 for Region/Sector Operation Control Center Modernization. The Committee recommends $21,792,000, an increase of $8,200,000 transferred from Air Force procurement at the request of the Air Force to fund additional development activities.

AMRAAM

The Air Force requested $45,078,000 for AMRAAM. The Committee recommends $15,078,000, a decrease of $30,000,000 to defer initiation of the Phase III Pre-planned Product Improvement EMD program for AMRAAM. The Committee strongly supports the need for the planned improvements, but is concerned about the significant level of remaining risk identified by the Air Force. The Committee therefore recommends the Air Force conduct further risk re-

duction efforts prior to initiation of the EMD program. The Committee addresses this issue further in the classified annex accompanying this report.

AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM (CIP)

The Air Force requested $92,069,000 for Aircraft Engine CIP. The Committee recommends $117,069,000, an increase of $25,000,000. The Committee is concerned with the growing engine problems experienced by the Air Force and believes that additional development of safety, reliability, and maintainability upgrades for engines is a prudent investment. The Committee designates this program as an item of special congressional interest.

SENSOR FUSED WEAPONS

The Air Force requested $3,551,000 for Sensor Fused Weapons. The Committee recommends $7,551,000, an increase of $4,000,000 only for additional development on this Sensor Fused Weapons Pre-Planned Production Improvement program.

JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)

The Air Force requested $132,870,000 for the JASSM program. The Committee recommends $129,870,000, a decrease of $3,000,000 based on expected program cost savings. The Committee notes that the Air Force budget requested 52 test missiles to support the JASSM test program. Based largely on lower than expected cost estimates, the Air Force now plans to procure 69 test missiles. Even under a revised test plan, 8 of these missiles are excess to the testing needs of the program. Accordingly, the Committee recommends a reduction which eliminates these excess missiles.

JSTARS

The Air Force requested $123,793,000 for JSTARS. The Committee recommends $98,193,000, a decrease of $25,600,000. This amount includes a decrease of $5,600,000 as recommended by the House-passed defense authorization bill and a $20,000,000 decrease for the Radar Technology Improvement Program (RTIP). The Committee supports the RTIP program, but notes that the Air Force has identified a funding shortfall of $428,000,000 in fiscal year 2000 and out. The shortfall in fiscal year 2000 alone is $163,000,000. Given the uncertain status of this program, the Committee believes it is prudent to reduce the level of resources applied to RTIP in fiscal year 1999 pending submission of a fully funded budget by the Air Force.

TACTICAL INFORMATION PROGRAM

The Air Force requested $10,685,000 for the Tactical Information Program. The Committee recommends transferring these funds for the Tactical Information Broadcast Service to the Navy so that it can be managed by the Integrated Broadcast Service Executive Agent, the Director, Naval Space Information Warfare Command and Control.

DEFENSE SATELLITE COMMUNICATION SYSTEM

The Air Force requested $15,641,000 for the defense satellite communications system (DSCS). The Committee recommends $13,141,000, a decrease of $2,500,000 due to excessive costs budgeted for DSCS integration on the EELV.

The Committee also notes its concern with the state of development of the operational requirements document (ORD) for the DSCS follow-on system. It is the Committee's understanding that important technical trade off issues and integration problems with the existing network management system have yet to be worked out prior to the release of the request for proposal (RFP) for the DSCS follow-on program. The Committee directs the Air Force to report to the Committee on the resolution of these difficulties prior to the release of any RFP for the DSCS follow-on. The Committee believes that the DSCS follow-on program should be as close to a commercial communications satellite design as possible and that commercial acquisition practices should be utilized to the fullest extent practicable to include the use of firm fixed price procurement contracts.

SECURITY AND INVESTIGATIVE ACTIVITIES

The Air Force requested $458,000 for Security and Investigative Activities. The Committee recommends $1,458,000, an increase of $1,000,000 only for improvements to the Air Force Office of Security and Investigations (OSI) computer crime investigations capability.

DEFENSE METEOROLOGICAL SATELLITE PROGRAM

The Air Force requested $20,432,000 for the defense meteorological satellite program. The Committee recommends $17,932,000, a decrease of $2,500,000. In making this recommendation the Committee notes program growth over prior year levels for supplies and equipment.

NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)

The Air Force requested $67,238,000 for the NAVSTAR global positioning system user equipment segment. The Committee recommends $62,238,000, a decrease of $5,000,000. The Air Force has been unable to support its request for funding for the GPS NAVWAR upgrade program with any well-defined pricing methodology. The Committee makes its recommendation accordingly.

The Committee also urges the Air Force to consider all available technology solutions to the NAVWAR upgrade program and not focus exclusively on modifications to the GPS satellite.

INDUSTRIAL PREPAREDNESS

The Air Force requested $50,997,000 for Industrial Preparedness. The Committee approves this amount; however, of the amount provided, $1,000,000 is made available only for the Wright Technology Network.

COMPASS CALL

The Air Force requested no funds for Compass Call. The Committee recommends $20,000,000 only to support the upgrade of the 43rd Electronic Combat Squadron's EC–130H aircraft to the Block 35 configuration.

TACTICAL AIR RECONNAISSANCE SYSTEM

The Committee is concerned with the Air Force's purchase of the Medium Altitude Electro-Optical (MAEO) for the Tactical Air Reconnaissance System (TARS) pods on Air National Guard F–16 aircraft. The Air Force has decided to procure five MAEO sensors; one for each of the four Air National Guard units and one spare to share among those widely separated units. The committee does not understand the rationale for this deployment decision considering the large cost of the MAEO and its support equipment.

Furthermore, the Committee has learned that the Air Force has determined that any follow-on TARS sensor must be capable of all-weather and day/night operations. This suggests a synthetic aperture radar (SAR) or, at a minimum, an infrared capability. The MAEO provides neither of these functions. Additionally, the Committee notes that the TARS program is limited by law to a funding cap of $50,000,000 for procuring TARS sensors. For these reasons, the Committee does not support the purchase of additional MAEO sensors.

HIGH ALTITUDE ENDURANCE UAV

GLOBAL HAWK UAV

The Committee is encouraged by recent successful flight tests of the Global Hawk High Altitude Endurance (HAE) unmanned aerial vehicle. Currently, the Department is funded to procure a total of five air vehicles to conduct military utility tests. The Committee is aware that under the current plan, a two to three year gap exists between delivery of the final test vehicle and delivery of the first production vehicle. This delivery gap may result in program instability, cost increases and poor program performance.

The Committee directs the Air Force to certify that its current testing and acquisition plan will not jeopardize the financial well-being of the Global Hawk program and its industrial base. The Committee shall consider a proposed reprogramming of funds into the Global Hawk program should the Air Force determine that its current plan is financially and programmatically detrimental to the program.

PROGRAM RECOMMENDED

The total recommended in the bill will provide the following program in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL AF			
BASIC RESEARCH			
DEFENSE RESEARCH SCIENCES	209,395	202,751	-6,644
APPLIED RESEARCH			
MATERIALS	62,578	72,578	+10,000
AEROSPACE FLIGHT DYNAMICS	64,932	64,932	---
ARMSTRONG LAB EXPLORATORY DEVELOPMENT	60,805	60,805	---
AEROSPACE PROPULSION	69,061	74,061	+5,000
AEROSPACE AVIONICS	65,549	65,549	---
HYPERSONIC TECHNOLOGY PROGRAM	16,649	16,649	---
PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	---
CONVENTIONAL MUNITIONS	41,529	41,529	---
COMMAND CONTROL AND COMMUNICATIONS	65,175	67,675	+2,500
DUAL USE APPLICATIONS PROGRAM	19,606	19,606	---
TOTAL, APPLIED RESEARCH	582,023	599,523	+17,500
ADVANCED TECHNOLOGY DEVELOPMENT			
LOGISTICS SYSTEMS TECHNOLOGY	8,677	9,677	+1,000
ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	37,006	+16,000
AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,814	30,814	---
ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,442	26,442	---
FLIGHT VEHICLE TECHNOLOGY	7,035	7,035	---
AEROSPACE STRUCTURES	12,494	12,494	---
AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,984	38,984	---
PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	6,636	6,636	---
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	22,603	+6,000
FLIGHT VEHICLE TECHNOLOGY INTEGRATION	7,674	7,674	---
ADVANCED AVIONICS INTEGRATION	10,536	10,536	---
ELECTRONIC COMBAT TECHNOLOGY	25,553	31,553	+6,000
SPACE AND MISSILE ROCKET PROPULSION	21,121	25,121	+4,000
BALLISTIC MISSILE TECHNOLOGY	---	16,000	+16,000
ADVANCED SPACECRAFT TECHNOLOGY	42,571	54,571	+12,000
SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	3,457	3,457	---
CONVENTIONAL WEAPONS TECHNOLOGY	23,244	23,244	---
ADVANCED WEAPONS TECHNOLOGY	40,153	50,153	+10,000
WEATHER SYSTEMS TECHNOLOGY	1,568	1,568	---
ENVIRONMENTAL ENGINEERING TECHNOLOGY	2,663	2,663	---
C3I SUBSYSTEM INTEGRATION	11,025	11,025	---
ADVANCED COMPUTING TECHNOLOGY	7,827	7,827	---
C3 ADVANCED DEVELOPMENT	13,235	13,235	---
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	379,318	450,318	+71,000
DEMONSTRATION & VALIDATION			
INTELLIGENCE ADVANCED DEVELOPMENT	4,615	4,615	---
AIRBORNE LASER PROGRAM	292,219	292,219	---
ADVANCED MILSATCOM (SPACE)	54,413	54,413	---
POLAR ADJUNCT (SPACE)	41,508	41,508	---
NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL	64,732	64,732	---
SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL	160,262	160,262	---
COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,770	7,770	---
COMBAT IDENTIFICATION TECHNOLOGY	6,177	6,177	---
NATO RESEARCH AND DEVELOPMENT(H)	11,117	---	-11,117
JOINT STRIKE FIGHTER	456,137	456,137	---
INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	29,360	42,360	+13,000
GLOBAL BROADCAST SERVICE	70,147	67,947	-2,200
AIR FORCE/NRO PARTNERSHIP (AFNP)	17,645	---	-17,645
JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL	22,057	22,057	---
SPACE-BASED LASER	35,000	25,000	-10,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,803	9,803	---
TOTAL, DEMONSTRATION & VALIDATION	1,282,962	1,255,000	-27,962
ENGINEERING & MANUFACTURING DEVELOPMENT			
INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	10,762	10,762	---
NUCLEAR WEAPONS SUPPORT	4,977	4,977	---
B-1B	195,385	195,385	---
TRAINING SYSTEMS DEVELOPMENT	1,961	1,961	---
SPECIALIZED UNDERGRADUATE PILOT TRAINING	55,563	55,563	---
F-22 EMD	1,582,217	1,582,217	---
B-2 ADVANCED TECHNOLOGY BOMBER	131,247	131,247	---
EW DEVELOPMENT	90,126	95,126	+5,000
SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	538,438	538,438	---
SPACE BASED INFRARED SYSTEM (SBIRS) LOW EMD	33,328	33,328	---
MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	550,940	550,940	---
GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	62,591	62,591	---
MUNITIONS DISPENSER DEVELOPMENT	7,559	7,559	---
ARMAMENT/ORDNANCE DEVELOPMENT	12,037	12,037	---
SUBMUNITIONS	4,805	4,805	---
AIR BASE OPERABILITY	2,503	2,503	---
JOINT DIRECT ATTACK MUNITION	12,204	12,204	---
AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	3,336	3,336	---
LIFE SUPPORT SYSTEMS	3,744	6,744	+3,000
CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,715	2,715	---
JOINT STANDOFF WEAPONS SYSTEMS	15,134	15,134	---
COMBAT TRAINING RANGES	14,581	13,181	-1,400
COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	200	4,200	+4,000
INTELLIGENCE EQUIPMENT	1,300	1,300	---

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	[illegible]	[illegible]	---
COMMON LOW OBSERVABLES VERIFICATION SYSTEM (CLOVERS)	7,956	7,956	---
JOINT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL	4,901	4,901	---
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	5,823	5,823	---
INTERCONTINENTAL BALLISTIC MISSILE - EMD	27,937	14,037	-13,900
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)	81,546	81,546	---
RDT&E FOR AGING AIRCRAFT	280,297	230,297	-50,000
	4,901	4,901	---
TOTAL, ENGINEERING & MANUFACTURING DEVELOPMENT	3,751,014	3,697,714	-53,300
RDT&E MANAGEMENT SUPPORT			
THREAT SIMULATOR DEVELOPMENT	32,582	29,582	-3,000
TARGET SYSTEMS DEVELOPMENT	1,666	1,666	---
MAJOR T&E INVESTMENT	34,518	42,018	+7,500
RAND PROJECT AIR FORCE	21,168	21,168	---
RANCH HAND II EPIDEMIOLOGY STUDY	4,408	4,408	---
INITIAL OPERATIONAL TEST & EVALUATION	24,541	24,541	---
TEST AND EVALUATION SUPPORT	370,168	376,168	+6,000
DEVELOPMENT PLANNING	6,075	6,075	---
POLLUTION PREVENTION	1,673	1,673	---
ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,865	18,865	+11,000
SPACE TEST PROGRAM (STP)	45,933	45,933	---
INTERNATIONAL ACTIVITIES	3,752	3,752	---
TOTAL, RDT&E MANAGEMENT SUPPORT	554,349	575,849	+21,500
OPERATIONAL SYSTEMS DEVELOPEMENT			
B-52 SQUADRONS	6,436	6,436	---
JOINT SURVEILLANCE SYSTEM	2,175	2,175	---
REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION	13,592	21,792	+8,200
NORTH ATLANTIC DEFENSE SYSTEM	615	615	---
A-10 SQUADRONS	2,312	2,312	---
F-16 SQUADRONS	125,076	125,076	---
F-15E SQUADRONS	104,207	104,207	---
MANNED DESTRUCTIVE SUPPRESSION	2,443	2,443	---
F-117A SQUADRONS	5,147	5,147	---
TACTICAL AIM MISSILES	52,966	52,966	---
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	45,078	15,078	-30,000
AF TENCAP	6,447	6,447	---
SPECIAL EVALUATION PROGRAM	92,551	72,551	-20,000
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	92,069	117,069	+25,000
SENSOR FUSED WEAPONS	3,551	7,551	+4,000
JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	132,870	129,870	-3,000
THEATER AIR CONTROL SYSTEMS	431	431	---
COMBAT INTELLIGENCE SYSTEM	9,802	9,802	---
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	28,189	28,189	---
ADVANCED COMMUNICATIONS SYSTEMS	2,348	2,348	---
EVALUATION AND ANALYSIS PROGRAM	84,950	84,950	---
ADVANCED PROGRAM TECHNOLOGY	74,707	79,707	+5,000
THEATER BATTLE MANAGEMENT (TBM) C4I	27,292	27,292	---
AIRBORNE RECON SYSTEMS	---	47,362	+47,362
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	123,793	98,193	-25,600
SEEK EAGLE	17,590	19,590	+2,000
ADVANCED PROGRAM EVALUATION	272,914	260,914	-12,000
USAF MODELING AND SIMULATION	14,899	14,899	---
WARGAMING AND SIMULATION CENTERS	5,287	5,287	---
MISSION PLANNING SYSTEMS	17,090	17,090	---
TACTICAL INFORMATION PROGRAM (TIP)	10,685	---	-10,685
INFORMATION WARFARE SUPPORT	1,375	1,375	---
WAR RESERVE MATERIEL - EQUIPMENT/SECONDARY ITEMS	1,470	1,470	---
THEATER MISSILE DEFENSES	31,057	31,057	---
TECHNICAL EVALUATION SYSTEM	113,040	113,040	---
SPECIAL EVALUATION SYSTEM	61,119	61,119	---
FOREIGN TECHNOLOGY DIVISION	1,234	1,234	---
MISSILE AND SPACE TECHNICAL COLLECTION	18,595	26,595	+8,000
MANAGEMENT HEADQUARTERS GDIP	1,241	1,241	---
E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	4,233	4,233	---
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	15,641	13,141	-2,500
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK	39,230	39,230	---
INFORMATION SYSTEMS SECURITY PROGRAM	8,420	10,420	+2,000
GLOBAL COMBAT SUPPORT SYSTEM	17,973	17,973	---
GLOBAL COMMAND AND CONTROL SYSTEM	13,675	13,675	---
MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	2,352	2,352	---
SELECTED ACTIVITIES	3,000	3,000	---
GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	27,056	27,056	---
SATELLITE CONTROL NETWORK (SPACE)	56,622	56,622	---
WEATHER SERVICE	10,649	10,649	---
AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM	4,729	4,729	---
MEDIUM LAUNCH VEHICLES (SPACE)	7,375	7,375	---
SECURITY AND INVESTIGATIVE ACTIVITIES	458	1,458	+1,000
NATIONAL AIRSPACE SYSTEM (NAS) PLAN	1,881	1,881	---
INERTIAL UPPER STAGE (IUS)	558	558	---
TITAN SPACE LAUNCH VEHICLES (SPACE)	87,443	87,443	---
TACTICAL TERMINAL	237	237	---
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	20,432	17,932	-2,500
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	67,238	62,238	-5,000
NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL)	21,155	21,155	---
EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	24,578	24,578	---
ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	+178,668
MANNED RECONNAISSANCE SYSTEMS	---	25,800	+25,800
DISTRIBUTED COMMON GROUND/SURFACE SYSTEM INTEROPERABIL	---	14,701	+14,701
NCMC - TW/AA SYSTEM	7,878	7,878	---
SPACETRACK (SPACE)	39,532	38,532	-1,000

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
DEFENSE SUPPORT PROGRAM (SPACE)	12,037	12,037	---
NUDET DETECTION SYSTEM (SPACE)	13,314	13,314	---
SPACE ARCHITECT	13,714	13,714	---
EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)	3,316	3,316	---
MODELING AND SIMULATION SUPPORT	1,093	1,093	---
C-5 AIRLIFT SQUADRONS	47,940	47,940	---
C-17 AIRCRAFT	123,069	123,069	---
AIR CARGO MATERIAL HANDLING (463-L) (NON-IF)	512	512	---
KC-135S	11,093	11,093	---
DEPOT MAINTENANCE (NON-IF)	1,500	1,500	---
INDUSTRIAL PREPAREDNESS	50,997	50,997	---
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN	970	970	---
JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	16,086	16,086	---
SUPPORT SYSTEMS DEVELOPMENT	23,010	23,010	---
CIVILIAN COMPENSATION PROGRAM	6,756	6,756	---
CLASSIFIED PROGRAMS	4,420,330	4,188,138	-232,192
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	6,839,032	6,816,286	-22,746
ADVISORY AND ASSISTANCE SERVICES	---	-40,000	-40,000
COMPASS CALL	---	20,000	+20,000
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF	13,598,093	13,577,441	-20,652

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

Fiscal year 1998 appropriation	$9,821,760,000
Fiscal year 1999 budget request	9,314,665,000
Committee recommendation	8,776,318,000
Change from budget request	−538,347,000

This appropriation provides funds for the research, development, test and evaluation, defense-wide activities of centrally managed programs and the Defense Agencies.

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
Next generation Internet	40,000	53,000	+13,000
Tactical technology	188,995	151,995	−37,000
Integrated command and control	34,000	40,000	+6,000
Explosives demilitarization technology	11,650	13,650	+2,000
Command, control and communications	200,100	172,600	−27,500
Land warfare technology	108,490	96,890	−11,600
Partnership for peace	1,957	5,957	+4,000

BASIC RESEARCH

UNIVERSITY RESEARCH INITIATIVES

The Department requested $216,320,000 for University Research Initiatives (URI). The Committee recommends $218,400,000, an increase of $2,080,000. This amount includes an increase of $15,000,000 only for the Department of Defense Experimental Program to Stimulate Competitive Research (DEPSCoR), an increase $1,800,000 only for research on a photoacoustic detection device, an increase of $1,600,000 only for research on medical ultrasound technology, and a reduction of $16,320,000 due to program growth. The Committee also recommends $9,000,000 from within available funds only for the Military Family Research Institute.

GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH

The Department requested $9,870,000 for Government and Industry Co-sponsorship of University Research (GICUR). The Committee notes that this program is aimed at encouraging cooperation and collaboration between the government, industry and universities regarding semiconductor electronics. The Committee agrees that semiconductors are a high priority for the Department. However, the Committee believes that the Department's prior year investment of $840,000,000 has been more than adequate to meet the challenges presented to the semiconductor industry over the last decade. In fact, the sizable DoD investment has allowed the semiconductor industry to flourish; and, SEMATECH has shown its ability to be successful in the absence of federal funding. In a letter to the Committee, March 16, 1998, SEMATECH's Director stated:

> We can take pride in the fact that SEMATECH has matured to the point where we can now rely solely on member company financial support. SEMATECH received its final matching federal appropriation in FY 96. When we began 10 years ago as an experiment in American industry and government cooperation, the matching funds were critical. Today, we have two important segments of our economy—the U.S. semiconductor manufacturers and the U.S. equipment and materials suppliers again in positions of world market leadership.

The Committee also notes the Department's considerable request of $1,111,227,000 for Basic Research and $3,019,851,000 for Applied Research. These funds provide for ample research into areas such as materials, advanced electronics and lithography—all of interest to industry, to academe and the military.

Therefore, given the extent of the Department's investment for the advancement of semiconductors, materials, advanced electronics and lithography, the Committee believes that this particular request is well in excess of requirements and recommends no appropriation.

APPLIED RESEARCH

NEXT GENERATION INTERNET

The Department requested $40,000,000 for the Next Generation Internet. The Committee recommends $53,000,000, an increase of $13,000,000 as recommended in the House-passed defense authorization bill.

SUPPORT TECHNOLOGIES—APPLIED RESEARCH

The Department requested $86,866,000 for Support Technologies—Applied Research. The Committee recommends $81,866,000, a net reduction of $5,000,000. Within this amount, the Committee recommends an increase of $5,000,000 only for wideband gap technology. In addition, the Committee recommends a reduction of $10,000,000 for the Space-Based Laser program as recommended in the House-passed defense authorization bill.

MEDICAL FREE ELECTRON LASER

The Department requested $9,706,000 for the Medical Free Electron Laser. The Committee recommends $17,206,000, an increase of $7,500,000.

COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY

The Department requested $417,723,000 for Computing Systems and Communications Technology, an increase of twenty-eight percent over the prior year level. The Committee recommends $390,723,000, a net reduction of $27,000,000. Within this amount, the Committee recommends an increase of $5,000,000 only for Multi-Spectral Imaging and $2,000,000 only for Computer Security. In addition, the Committee recommends a reduction of $34,000,000 for computer networking within Project ST–19, High Performance and Global Scale Systems. The Department requested $34,300,000

for Networking, a sixty percent increase over the 1998 enacted level. The Committee believes this is excessive and that some activities within this project duplicate efforts in other accounts. The Committee agrees with the Department's overall priority regarding advanced computing networks and computer security initiatives. However, the Committee believes there is duplication of effort in the area of high speed networks. The Committee therefore recommends a reduction of $34,000,000 for Networking.

TACTICAL TECHNOLOGY

The Department requested $188,995,000 for Tactical Technology. The Committee recommends $151,995,000, a reduction of $37,000,000. Within this amount, the Committee recommends an increase of $2,000,000, only for the continuation of simulation based design and virtual reality efforts, in a collaborative program with the private industry, for the Gulf Coast Region Maritime Technology Center. The Committee also recommends a reduction of $5,600,000 for High Performance Algorithm Development, a reduction of $8,000,000 for Advanced Fire Support System and a reduction $25,400,000 due to program growth as recommended in the House-passed defense authorization bill.

The Committee notes that the Department is requesting $8,000,000 in project TT–04, Advanced Land Systems, to continue initial studies and to develop detailed designs for a containerized, remotely operated, unmanned missile artillery system known as Advanced Fire Support System, or AFSS. The concept is to develop an artillery system that requires fewer personnel, decreased logistical support, lower life-cycle costs and that is more survivable than existing systems. The Committee is concerned that this concept may not meet Army requirements and may be limited with respect to its range, logistics and ability to enhance the Army's capabilities on the battlefield. The AFSS is expected to have a range of 20 to 40 km and as currently configured, may be less capable than present systems.

Furthermore, the Army has not identified a requirement for AFSS and has not funded development of this system in the current Future Years Defense Plan or in its Program Objective Memorandum. The Committee notes DARPA's experience with Arsenal Ship—a similar concept for a sea-based capability—and its ultimate termination. The Committee believes that the AFSS program faces similar problems with regard to Service support and therefore recommends a reduction of $8,000,000.

INTEGRATED COMMAND AND CONTROL TECHNOLOGY

The Department requested $34,000,000 for Integrated Command and Control Technology. The Committee recommends $40,000,000. Of this amount, the Committee recommends an increase of $6,000,000 only for the High Definition Display program.

MATERIALS AND ELECTRONICS TECHNOLOGY

The Department requested $244,408,000 for Materials and Electronics Technology. The Committee recommends $253,408,000, an increase of $9,000,000.

Of that amount, $4,000,000 is only for nanophase magnetic particle and advanced material research at the advanced materials research institute and to further explore the potential benefits of macromosaics to military systems and $5,000,000 is only for the continued development of polymer materials and processing, and for the development of integrated sensor devices for acoustic, electrical and chemical applications.

WMD Related Technologies

The Department requested $203,598,000 for WMD Related Technologies. The Committee recommends $204,598,000, an increase of $1,000,000 only for facial recognition technology.

NUCLEAR STEWARDSHIP PROGRAM

The Committee is concerned with the Department's commitment to the sustainment of its nuclear stewardship program. In particular, the Committee is concerned that insufficient resources and attention are being paid to ensure the continued survivability of weapon platforms and supporting C3I systems from the effects of a nuclear explosion—particularly in light of India and Pakistan's recent nuclear testing.

The Committee notes that funding for nuclear programs has been reduced substantially and remaining funds have largely been redirected to non-nuclear programs. The Committee believes it is imperative that the Department, through the Defense Threat Reduction Agency, strengthen its capability to test, verify and assure system survivability in a nuclear environment. Critical to this effort is a robust investment in simulators, simulator technology, and support modeling capability necessary to compensate for the loss of underground nuclear testing. The Committee recommends that the Department provide funding in future budgets for improving its testing-based capability.

Advanced Technology Development

EXPLOSIVES DEMILITARIZATION TECHNOLOGY

The Department requested $11,650,000 for Explosives Demilitarization Technology. The Committee recommends $13,650,000, an increase of $2,000,000 as recommended in the House-passed defense authorization bill.

COUNTERPROLIFERATION SUPPORT

The Department requested $70,611,000 for Counterproliferation Support. The Committee recommends $55,611,000, a net reduction of $15,000,000. Of this amount, the Committee recommends an increase of $10,000,000 only for the Counterproliferation Analysis and Planning System (CAPS) and $25,000,000 is transferred to U.S. SOCOM, under Special Operations Advanced Technology Development (PE 1160402BB) to initiate the Special Reconnaissance Capabilities Program.

SUPPORT TECHNOLOGIES—ADVANCED TECHNOLOGY DEVELOPMENT

The Department requested $166,676,000 for Support Technologies—Advanced Technology Development. The Committee recommends $193,676,000, an increase of $27,000,000. Within this amount, $22,000,000 is only for Advanced Interceptor Technology in accordance with the House-passed defense authorization bill and $5,000,000 is only for Scorpius.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM—ADVANCED DEVELOPMENT

The Department requested $42,762,000 for the Chemical and Biological Defense Program. The Committee recommends $55,262,000, an increase of $12,500,000. Of this amount, $2,500,000 is only for biocide-based protective ensembles and $10,000,000 is only to continue the study of the effects of long term exposure to low levels of chemical agents and to evaluate future medical sensitivity to sub-chronic exposures.

COUNTERMEASURES AGAINST BIOLOGICAL WEAPONS PATHOGENS

The Committee believes that there is a great need to accelerate efforts to develop countermeasures against biological weapons pathogens given recent trends and the potential threat of biological weapons. Research studies that have a high probability of identifying pharmaceutical agents to lessen the devastating consequences of biological pathogens are a priority. In particular, the Department should intensify efforts to develop single antidotes that are effective against a broad range of biological pathogens. The Committee has been informed of the potential of Alpha-Beta technology in this respect, and encourages the Department to investigate its efficacy.

VERIFICATION TECHNOLOGY DEMONSTRATION

The Department requested $63,052,000 for Verification Technology Demonstration. The Committee recommends $48,052,000, a net reduction of $15,000,000. Of this amount, the Committee recommends an increase of $10,000,000 only for nuclear detection, analysis and forensics systems and a reduction of $25,000,000 as recommended in the House-passed defense authorization bill. Within the increase, $5,000,000 is only for the continuation of an industry-based program for developing and integrating systems using advances in enhanced electronic solid state nuclear nonproliferation and counter-terrorism; and $5,000,000 is only for the accelerated development of nuclear detection systems and analytical techniques, including specialized cryocoolers for portable and remote operations, portable analytical and forensics systems, and advanced monitoring needed to enhance the nuclear nonprolifertion capability of the United States. In addition, the Committee recommends $12,000,000 from within available funds only for peer reviewed basic and applied research to support nuclear test monitoring.

The recent nuclear tests in South Asia raise serious concerns about the Department's ability to support a robust operational nuclear test monitoring program. The Committee directs that from within available funds, $12,000,000 shall be available only for peer

reviewed basic and applied research to support operational nuclear test monitoring. Of this amount, $3,200,000 shall be available only for peer-reviewed seismic research; and $8,800,000 shall be available only for peer-reviewed basic research—$7,800,000 of which is only for explosion seismology research. The Committee directs that the applied seismic research program address the specific prioritized research topics recommended to the Department by the National Research Council.

The Committee directs the Nuclear Treaty Programs Office to award these funds through a competitive peer panel review process; to segregate the basic and applied research funds for this program into clearly identifiable projects within the 6.1 and 6.2 budget categories; and to improve integration of the basic and applied components of the program. Further, the Committee directs the Department to provide, by December 1, 1998, a detailed report to the Committee on the plan for obligating these funds. Finally, the Committee directs the Department to sustain funding for these activities in future budgets to ensure the expertise needed in this critical operational program.

GENERIC LOGISTICS RESEARCH AND DEVELOPMENT

The Department requested $17,788,000 for Generic Logistics R&D Technology Demonstrations. The Committee recommends $25,388,000, an increase of $7,600,000 only for the Computer Assisted Technology Transfer Program (CATT).

STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM

The Department requested no funds in this account for the Strategic Environmental Research and Development Program (SERDP). The Committee recommends $59,419,000. Of this amount $54,419,000 is transferred from amounts requested in the budget under Research, Development, Test and Evaluation, Army. The Committee is concerned that the Department of Defense will incur an increase in future costs associated with meeting environmental requirements if SERDP is not able to complete ongoing military unique technology projects nor continue development of emergent technologies of national significance to meet evolving regulatory issues. Therefore the Committee directs that not less than $59,419,000 shall be available only for the SERDP and that future budget submissions include SERDP as a Defense-Wide account to ensure the proper visibility as a multi-service program. Of this amount, $2,000,000 is only 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 technologies to field use. In addition, the Committee recommends $3,000,000 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 waste sites. This research should im-

prove DoD capabilities for site specific remediation of toxic chemical.

COOPERATIVE DOD/VA MEDICAL RESEARCH

The Department requested no funds for the Cooperative DoD/VA Medical Research program. The Committee recommends $11,000,000.

ADVANCED ELECTRONICS TECHNOLOGIES

The Department requested $244,737,000 for Advanced Electronics Technologies. The Committee recommends $264,537,000, an increase of $19,800,000. Of this amount, the Committee recommends an increase of $9,500,000 only for cryogenic electronics, an increase of $7,000,000 only to continue development of laser plasma x-ray source technology to exploit the use of these devices for future aircraft systems and other defense applications and an increase of $3,300,000 only for nanotechnology and crystalline control arrays. In addition, the Committee recommends from within available funds, $4,000,000 only for the development of microdevice manufacturing processes including the immediate evaluation and acquisition of extremely small, very light, energy efficient, high speed processing state of the art gas chromatography (GC) based detectors using high aspect ratio microstructure (HARM) machining techniques made possible by X-ray lithography. These GC devices shall be used for detection of chemical agents and other battlefield and anti-terrorism purposes. The Committee directs the Department to implement these processes and development and provide this funding only through the prototyping and production of strategic defense related technologies at the Center for Advanced Microstructures and Devices.

NANOTECHNOLOGY RESEARCH

The Committee recommends $3,300,000 only to support nanotechnology research for the development of nanoscale and mesoscale materials for novel chemical sensing, novel optical switching, and optical limiting materials, and materials for thin 2–D display devices for Department of Defense applications as chemical sensors for environmentally hazardous species such as heavy metals and chemical warfare agents. The major approach to be used involves crystalline colloidal self assembly for preparing periodic materials that can be polymerized and further processed for use as diffracting materials.

ADVANCED CONCEPT TECHNOLOGY DEMONSTRATION

The Department requested $116,330,000 for Advanced Concept Technology Demonstrations. The Committee recommends $81,076,000, a reduction of $35,254,000 due to program growth. The Committee directs that none of these funds can be used for LOSAT or EFOGM.

HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM

The Department requested $140,927,000 for the High Performance Computing Modernization Program. The Committee rec-

ommends $120,927,000, a reduction of $20,000,000. The Committee notes that the Department's request is substantially more than the fiscal year 1998 budget request of $126,211,000 and more than the 1998 House recommended level of $124,880,000. The Committee continues to be concerned about the imbalance between sustainment and operations and procurement of additional supercomputing hardware.

The Committee therefore has recommended in Procurement, Defense-Wide an increase of $27,000,000 only for procurement of additional supercomputing hardware. The Committee notes that the recommended level will provide for a more properly balanced program and help meet the requirements of the DoD user community.

COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS

The Department requested $200,100,000 for Command, Control and Communications Systems. The Committee recommends $172,600,000, a reduction of $27,500,000 as recommended in the House-passed defense authorization bill.

SENSOR AND GUIDANCE TECHNOLOGY

The Department requested $213,154,000 for Sensor and Guidance Technology. The Committee recommends $203,654,000, a net reduction of $9,500,000. Within the amounts provided, the Committee recommends an increase of $6,500,000 only for the continuation of the GPS Guidance Package as a competitive program and an increase of $11,000,000 only for enhanced testing of the GeoSAR program incorporating complimentary technologies.

In addition, the Committee recommends a reduction of $27,000,000 with prejudice for the Tactical Radar program and the Discoverer II program. Discoverer II is a technology demonstration program to develop two small satellites with Synthetic Aperture Radar (SAR) that will operate in a low earth orbit (LEO) to meet military requirements. As proposed, the program funding responsibilities would be shared among three organizations: DARPA, the Air Force and the National Reconnaissance Office. Each organization has identified approximately $23,900,000 in fiscal year 1998 funds that they propose to initiate this new program and $62,700,000 in fiscal year 1999 funds to continue this effort. The Committee believes this program was not properly notified and identified to Congress as a new start, especially in light of the estimated cost of $592,400,000 for this technology demonstration. Therefore, the Committee recommends a rescission of $6,000,000 of fiscal year 1998 funds, and no funding for Discoverer II, Starlite, and related technology in 1999.

LAND WARFARE TECHNOLOGY

The Department requested $108,490,000 for Land Warfare Technology. The Committee recommends $96,890,000, a reduction of $11,600,000 as recommended in the House-passed defense authorization bill.

CLASSIFIED DARPA PROGRAMS

The Department requested $55,500,000 for DARPA classifed programs. The Commttee recommends $42,000,000, a reduction of $13,500,000 for the Unmanned Combat Air Vehicle (UCAV).

DEMONSTRATION AND VALIDATION

CALS INITIATIVE

The Department requested $1,863,000 for the CALS Initiative. The Committee recommends $11,363,000, an increase of $9,500,000. Of this amount, the Committee recommends an increase of $4,000,000 only for Continuous Acquisition and Life-Cycle Support, an increase of $3,000,000 only for commodity management system consolidation and an increase of $2,500,000 only to support efforts initiated under the Secretary's Defense Reform Initiative to implement paper-free contract administration and finance operations.

BALLISTIC MISSILE DEFENSE

The Department requested $3,178,940,000 for the Ballistic Missile Defense Organization's (BMDO) research and development programs. The Committee recommends $2,984,940,000, a net reduction of $194,000,000. In addition, the Department requested $409,380,000 for BMDO procurement programs. The Committee recommends $369,380,000, a reduction of $40,000,000, as explained in this report under the heading "Procurement, Defense-Wide".

The Committee recommends specific changes in ballistic missile defense research and development programs from the budget request as detailed in the table below.

BALLISTIC MISSILE DEFENSE

[In thousands of dollars]

	Budget request	Committee recommendation	Change from request
Support Technology	253,542	275,542	+22,000
Theater High-Altitude Area Defense Dem/Val	497,752	392,752	−105,000
Theater High-Altitude Area Defense EMD	323,942	22,942	−301,000
Navy Upper Tier	190,446	340,446	+150,000
PAC–3	137,265	177,265	+40,000

THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM

The Department requested a total of $821,694,000 for the Theater High-Altitude Area Defense (THAAD) program. Of that amount, the Department requested $497,752,000 for Demonstration and Validation (DEM/VAL) and $323,942,000 for Engineering, Manufacturing and Development (EMD). The Committee recommends a total of $415,694,000, a reduction of $406,000,000.

The THAAD program has undertaken eight flight tests over the last three years. The first four flight tests took place in 1995. The first flight test demonstrated the missile's propulsion, kill vehicle separation, the seeker, the radar and safety functions. The second flight demonstrated the missile's guidance, control and kill vehicle maneuver capabilities. The third flight demonstrated the seeker,

the communications links and fire control functions. The fourth flight objective was to intercept a target. This flight and the subsequent four flights all failed to achieve an intercept.

Analysis of each of the tests showed that the problems were not design flaws but were failures due to quality control. Flight test four failed due to an avionics software problem. Flight test five failed due to an electrical power failure during the booster/kill vehicle separation. Flight test six failed because of contamination in the seeker. Flight test seven failed due to contamination of a battery connector. Preliminary analysis of the most recent flight test, FT–8, suggests that an electrical malfunction in the Thrust Vector Control (TVC) system assembly caused the failure.

All told, these failures have resulted in several restructures of the THAAD program, cost increases—approaching $2 billion for the total program—and schedule delays of 36 months. The Committee is extremely concerned about the performance of the prime contractor in meeting its obligations under the contract and reiterates the concerns expressed in the House-passed defense authorization legislation that the Ballistic Missile Defense Organization (BMDO) consider an alternate contractor.

Given these failures, and the lack of a viable system at present that could serve as a prototype capability, the Committee recommends a rescission of $67,000,000 in fiscal year 1998 funds and a reduction of $105,000,000 in fiscal year 1999 funds. These amounts were intended to provide for the award of a prime contract for 40 User Operational Evaluation System (UOES) missiles. The UOES missiles would have provided an initial prototype system for use in a contingency. With the failure of flight test 8, the Department will be unable to execute this contract in this fiscal year due to a requirement that THAAD intercept at least one target prior to the contract award. In addition to the problems of program execution, the GAO and the Welch panel have raised questions about the advisability of the UOES plan. The Committee agrees with these concerns and believes that prior to the award of a UOES contract, this plan be extensively reviewed.

Furthermore, the Committee recommends $22,942,000, a reduction of $301,000,000 for the EMD phase of the program. Prior to FT–8, the THAAD schedule for completing the Program Design and Risk Reduction flight test program was based on achieving three intercepts of five flight tests. The program acquisition plan requires three intercepts for the program to meet its exit criteria. Because of the failure of FT–8, the Committee views it as highly unlikely that THAAD will achieve three intercepts before July of 1999 and therefore recommends a reduction of $301,000,000 to account for the schedule slip.

NAVY THEATER WIDE

The Department requested $190,446,000 for the Navy Theater Wide program. The Committee recommends $340,446,000, an increase of $150,000,000. With the continued problems associated with the Theater High-Altitude Area Defense System (THAAD), the only viable near-term alternative program is the sea-based Navy Theater Wide system. The Committee is pleased that the Ballistic Missile Defense Organization (BMDO) and the Navy have re-

cently arrived at a viable, coherent program technology demonstration plan for the Navy Theater Wide program (also known as the Navy Upper Tier program) that will result in a prototype capability in 2005. The Committee is further encouraged by the progress of this program toward a Defense Acquisition Board (DAB) review that will formalize the joint BMDO/Navy plan.

The Committee continues to believe in the inherent advantages of developing a sea-based theater missile defense capability. Furthermore, the Committee believes that the lower risks associated with developing a weapon system using extant sea-based assets (e.g. Aegis-class ships and the Standard missile) should help the program avoid some of the problems now being experienced in the THAAD program.

The Committee understands the risks associated with the Navy Theater Wide program and specifically, the Lightweight Exoatmospheric Projectile (LEAP) kill vehicle. However, the Committee believes that these risks can be mitigated with a cautious acquisition program that includes stable resources and a rigorous test and evaluation program. The Committee also continues to believe in the urgency of the program and the need to deploy this capability at the earliest possible date. Therefore, in order to provide sufficient funding for the 2005 option, as proposed by BMDO and the Navy, the Committee recommends $340,446,000, an increase of $150,000,000 over the budget request.

The Committee continues to believe that the Navy Theater Wide program will provide a substantial defense capability for our military and civilian populations as well as our allies. Therefore, the Committee recommends, for the third year in a row, a funding increase to support the actual deployment of this critical program. Bill language has been included to ensure deployment at the earliest feasible time following Aegis LEAP intercept flight tests. The Committee directs the Department to report back to the Committees on Appropriations on: (1) actions being taken to deploy a block I Naval Theater Wide program in accordance with the Joint Requirements Oversight Council (JROC) approved operational requirements document; (2) the earliest deployment that can be done responsibly given ground testing and flight test preparations as specified in the Welch report; and (3) identification of funding in the outyears to develop and deploy the Navy Theater Wide system.

HUMANITARIAN DEMINING

The Department requested $17,234,000 for Humanitarian Demining. This is an increase of over two times the prior year request of $7,663,000 for this activity. The Committee notes that although the military is assisting in the development of mine clearing technologies, the primary purpose of this program is for non-defense, civilian purposes. The Committee recognizes the humanitarian value of these efforts. Nonetheless, the Committee is concerned that there is little military value in this effort and that increases in these activities further deplete resources available for higher priority Department of Defense requirements. Therefore, the Committee recommends $8,234,000, a reduction of $9,000,000 from the request. The Committee notes that this amount still provides

an increase of seven and one-half percent over the prior year request.

ENGINEERING AND MANUFACTURING DEVELOPMENT

PATRIOT PAC–3

The Department requested $137,265,000 for Patriot PAC–3. The Committee recommends $177,265,000, an increase of $40,000,000. The Committee has transferred these funds from the Procurement, Defense-Wide account as recommended in the House-passed defense authorization bill.

MANAGEMENT SUPPORT

INDUSTRIAL CAPABILITIES ASSESSMENTS

The Department requested $2,937,000 for Industrial Capabilities Assessments. According to the justification, these funds would be used to assist the Department in: (1) examining the effectiveness of the Department's acquisition strategies; and (2) identifying policies, practices and investment strategies to maintain industrial capabilities.

The Committee recognizes the need for the Department to understand how its policies, practices and investment strategies affect the industrial base. However, the Committee notes that the Department has requested $30,021,000 in PE 605104D8Z for Technical Studies, Support and Analysis. The Committee believes that this line provides sufficient funds to include industrial capabilities studies. In addition, the Committee notes the Department's $1.2 billion funding estimate for FFRDC's. Between both activities the Committee believes the Department has sufficient resources to undertake this type of analysis and therefore recommends no funding.

OPERATIONAL SYSTEMS DEVELOPMENT

PARTNERSHIP FOR PEACE ACTIVITIES

The Department requested $1,957,000 for Partnership For Peace Activities. The Committee recommends $5,957,000, an increase of $4,000,000. Of this amount, $4,000,000 is only for the International Medical Programs Global Satellite Surveillance System (IMPGSS) as recommended in the House-passed defense authorization bill.

SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT

The Special Operations Command requested $8,020,000 for Advanced Technology Development. The Committee recommends $34,020,000, an increase of $26,000,000. Of this amount $1,000,000 is only to secure weapon classification and to prepare for low rate initial production of the Advanced Lightweight Grenade Launcher and $25,000,000 is only for the Special Reconnaissance Capabilities Program.

SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT

The Special Operations Command requested $1,805,000 for Special Operations Intelligence Systems Development. The Committee recommends $10,805,000, an increase of $9,000,000. Of this

amount $5,000,000 is only for the development of the SOF Intelligence Vehicle and $4,000,000 is only for the development of the Joint Threat Warning System.

SPECIAL OPERATIONS FORCE OPERATIONAL ENHANCEMENTS

The Special Operations Command requested $33,799,000 for Operational Enhancements. The Committee recommends $47,604,000, an increase of $13,805,000. Of this amount, $6,000,000 is only for Advanced Special Warefare Craft/VSV and $7,805,000 is only for a program discussed in the classified annex accompanying this report.

DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The Committee recommends the transfer of funding for the Defense Airborne Reconnaissance Program to various accounts of the Services. Details are found in the classified annex accompanying this report.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE			
BASIC RESEARCH			
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,173	2,173	---
DEFENSE RESEARCH SCIENCES	55,102	55,102	---
UNIVERSITY RESEARCH INITIATIVES	216,320	218,400	+2,080
GULF WAR ILLNESS	19,646	19,646	---
GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEAR	9,870	---	-9,870
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,282	25,282	---
TOTAL, BASIC RESEARCH	338,393	330,603	-7,790
APPLIED RESEARCH			
NEXT GENERATION INTERNET	40,000	53,000	+13,000
SUPPORT TECHNOLOGIES - APPLIED RESEARCH	86,866	81,866	-5,000
MEDICAL FREE ELECTRON LASER	9,706	17,206	+7,500
LINCOLN LABORATORY RESEARCH PROGRAM	19,641	19,641	---
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	390,723	-27,000
BIOLOGICAL WARFARE DEFENSE	88,000	88,000	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	---
TACTICAL TECHNOLOGY	188,995	151,995	-37,000
INTEGRATED COMMAND AND CONTROL TECHNOLOGY	34,000	40,000	+6,000
MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	253,408	+9,000
WMD RELATED TECHNOLOGIES	203,598	204,598	+1,000
MEDICAL TECHNOLOGY	9,239	9,239	---
COMMAND AND CONTROL RESEARCH	1,961	1,961	---
TOTAL, APPLIED RESEARCH	1,401,820	1,359,320	-32,500
ADVANCED TECHNOLOGY DEVELOPMENT			
MEDICAL ADVANCED TECHNOLOGY	2,136	2,136	---
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	+2,000
ALTERNATIVE TO LANDMINES	4,753	4,753	---
COUNTERTERROR TECHNICAL SUPPORT	35,813	35,813	---
COUNTERPROLIFERATION SUPPORT - ADV DEV	70,611	55,611	-15,000
SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT	166,676	193,676	+27,000
JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	13,447	13,447	---
AUTOMATIC TARGET RECOGNITION	5,081	5,081	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADVANCED DEV	42,762	55,262	+12,500
SPECIAL TECHNICAL SUPPORT	11,337	11,337	---
VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	48,052	-15,000
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,788	25,388	+7,600
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	---	59,419	+59,419
JOINT WARFIGHTING PROGRAM	23,700	23,700	---
COOPERATIVE DOD/VA MEDICAL RESEARCH	---	11,000	+11,000
ADVANCED ELECTRONICS TECHNOLOGIES	244,737	264,537	+19,800
MARITIME TECHNOLOGY	15,000	15,000	---
ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	116,330	81,076	-35,254
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	120,927	-20,000
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	-27,500
COMMUNICATION AND SIMULATION TECHNOLOGY	56,114	56,114	---
SENSOR AND GUIDANCE TECHNOLOGY	213,154	203,654	-9,500
MARINE TECHNOLOGY	24,788	24,788	---
LAND WARFARE TECHNOLOGY	108,490	96,890	-11,600
CLASSIFIED DARPA PROGRAMS	55,500	42,000	-13,500
DUAL USE APPLICATION PROGRAMS	6,000	---	-6,000
JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	70,696	70,696	---
TOTAL, ADVANCED TECHNOLOGY DEVELOPMENT	1,720,642	1,706,607	-14,035
DEMONSTRATION & VALIDATION			
PHYSICAL SECURITY EQUIPMENT	31,792	31,792	---
INTEGRATED DIAGNOSTICS	3,436	3,436	---
JOINT ROBOTICS PROGRAM	16,217	16,217	---
ADVANCED SENSOR APPLICATIONS PROGRAM	15,147	15,147	---
CALS INITIATIVE	1,863	11,363	+9,500
NATO RESEARCH AND DEVELOPMENT	10,762	---	-10,762
ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	17,051	17,051	---
ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM	13,014	13,014	---
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD	497,752	392,752	-105,000
NAVY THEATER WIDE	190,446	340,446	+150,000
MEADS CONCEPTS - DEM/VAL	43,027	43,027	---
NATIONAL MISSILE DEFENSE - DEM/VAL	950,473	950,473	---
JOINT THEATER MISSILE DEFENSE - DEM/VAL	176,846	176,846	---
FAMILY-OF SYSTEMS ENGINEERING AND INTEGRATION	96,915	96,915	---
BMD TECHNICAL OPERATIONS	190,147	190,147	---
INTERNATIONAL COOPERATIVE PROGRAMS	50,676	50,676	---
THREAT AND COUNTERMEASURES	22,113	22,113	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	60,404	60,404	---
HUMANITARIAN DEMINING	17,234	8,234	-9,000
TECHNICAL STUDIES, SUPPORT AND ANALYSIS	980	980	---
CRITICAL TECHNOLOGY SUPPORT	2,618	2,618	---
TOTAL, DEMONSTRATION & VALIDATION	2,408,913	2,443,651	+34,738

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
ENGINEERING & MANUFACTURING DEVEL			
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	125,312	125,312	---
JOINT ROBOTICS PROGRAM - ENG DEV	11,307	11,307	---
ADVANCED IT SERVICES JOINT PROGRAM OFFICE (AITS-JPO)	15,588	15,588	---
JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	30,512	30,512	---
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	13,410	13,410	---
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	323,942	22,942	-301,000
PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION	137,265	177,265	+40,000
NAVY AREA THEATER MISSILE DEFENSE - EMD	245,796	245,796	---
TOTAL, ENGINEERING & MANUFACTURING DEVELOPMENT	903,132	642,132	-261,000
RDT&E MANAGEMENT SUPPORT			
UNEXPLODED ORDNANCE DETECTION AND CLEARANCE	1,273	1,273	---
ASSESSMENTS AND EVALUATIONS	3,916	3,916	---
TECHNICAL STUDIES, SUPPORT AND ANALYSIS	30,021	30,021	---
BLACK LIGHT	5,000	5,000	---
FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	35,035	35,035	---
INDUSTRIAL CAPABILITIES ASSESSMENTS	2,937	---	-2,937
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	---
CLASSIFIED PROGRAMS	13,755	13,755	---
CLASSIFIED PROGRAM USD(P)	---	3,387	+3,387
COUNTERPROLIFERATION SUPPORT	9,874	9,874	---
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	24,922	24,922	---
CLASSIFIED PROGRAMS - C3I	439	439	---
SMALL BUSINESS INNOVATION RESEARCH ADMINISTRATION	1,820	1,820	---
DEFENSE TECHNOLOGY ANALYSIS	5,010	5,010	---
DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,469	46,469	---
R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVAL	8,248	8,248	---
MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	38,611	38,611	---
C3I INTELLIGENCE PROGRAMS	1,657	1,657	---
TOTAL, RDT&E MANAGEMENT SUPPORT	246,410	246,860	+450
OPERATIONAL SYSTEMS DEVELOPEMENT			
C3 INTEROPERABILITY	26,296	26,296	---
JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	1,847	1,847	---
NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	1,189	1,189	---
DEFENSE INFO INFRASTRUCTURE ENGINEERING AND INTEGRATIO	4,975	4,975	---
LONG-HAUL COMMUNICATIONS (DCS)	11,561	11,561	---
SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,428	4,428	---
MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK	3,061	3,061	---
INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	---
C4I FOR THE WARRIOR	2,819	2,819	---
C4I FOR THE WARRIOR	3,675	3,675	---
JOINT SPECTRUM CENTER	8,839	8,839	---
DEFENSE IMAGERY AND MAPPING PROGRAM	114,417	109,417	-5,000
DISTRIB/IMAGERY COMMON GRD SYS	---	9,358	+9,358
DISTRIB COMMON GRD SYS	---	2,540	+2,540
FOREIGN COUNTERINTELLIGENCE ACTIVITIES	418	418	---
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	30,617	-9,887
C3I INTELLIGENCE PROGRAMS	8,015	8,015	---
TACTICAL UNMANNED AERIAL VEHICLES	37,192	---	-37,192
ENDURANCE UNMANNED AERIAL VEHICLES	178,668	---	-178,668
AIRBORNE RECONNAISSANCE SYSTEMS	162,666	---	-162,666
MANNED RECONNAISSANCE SYSTEMS	10,840	---	-10,840
MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	---
DISTRIBUTED COMMON GROUND SYSTEMS	34,985	---	-34,985
DARP INTEGRATION AND SUPPORT	15,701	---	-15,701
TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	201,810	+97,300
INDUSTRIAL PREPAREDNESS	26,231	26,231	---
MANAGEMENT HEADQUARTERS (OJCS)	9,617	9,617	---
JOINT SIMULATION SYSTEM	24,775	24,775	---
PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	+4,000
SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	4,026	4,026	---
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	34,020	+26,000
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	106,238	---
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	10,805	+9,000
SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,015	2,015	---
SOF OPERATIONAL ENHANCEMENTS	33,799	47,604	+13,805
CLASSIFIED PROGRAMS	1,057,100	1,141,826	+84,726
TOTAL, OPERATIONAL SYSTEMS DEVELOPEMENT	2,295,355	2,087,145	-208,210
ADVISORY AND ASSISTANCE SERVICES	---	-50,000	-50,000
TOTAL, RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE	9,314,665	8,776,318	-538,347

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

Fiscal year 1998 appropriation	$258,183,000
Fiscal year 1999 budget request	251,106,000
Committee recommendation	263,606,000
Change from budget request	12,500,000

This appropriation provides funds for the developmental test and evaluation, defense activities of centrally managed programs and the defense agencies.

CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT

The Department requested $122,169,000 for Central Test And Evaluation Investment Development. The Committee recommends $134,669,000, an increase of $12,500,000. Of this amount, $9,500,000 is only for the Airborne Separation Video System and $3,000,000 is only for the Roadway Simulator.

The Committee notes that a previously funded feasibility study has shown that commercial roadway simulator technology can be adapted to the scale needed to test large military trucks and tractor trailers. This technology could significantly reduce development costs, shorten production schedules and produce safer military vehicles. The Committee provides $3,000,000 only for design work for Phase I of the Army Roadway Simulator in PE 060494D. The Committee directs that these funds are only available for the simulator design phase and that none of these funds shall be used for purposes of military construction at the Aberdeen Test Center.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

[In thousands of dollars]

	Budget request	Committee recommended	Change from request
Developmental Test and Eval, Defense:			
Central test and evaluation investment development	122,169	134,669	+12,500
Foreign comparative testing	32,684	32,684	.....
Development test and evaluation	96,253	96,253	.....
Total, Developmental Test and Eval, Defense	251,106	263,606	+12,500

OPERATIONAL TEST AND EVALUATION, DEFENSE

Fiscal year 1998 appropriation	$31,384,000
Fiscal year 1999 budget request	25,245,000
Committee recommendation	35,245,000
Change from budget request	10,000,000

This appropriation provides funds for the Office of the Director, operational test and evaluation.

LIVE FIRE TESTING

The Department requested $9,934,000 for Live Fire Testing. The Committee recommends $19,934,000, an increase of $10,000,000. Of this amount, the Committee recommends an increase of $4,000,000 only for vulnerability assessments, as recommended in

the House-passed defense authorization bill. In addition, the Committee recommends an increase of $6,000,000 only for modeling and simulation.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

[In thousands of dollars]

	Budget request	Committee recommended	Change from request
Operational Test and Evaluation, Defense:			
Operational test and evaluation	15,311	15,311	.....
Live fire testing	9,934	19,934	+10,000
Total, Operations Test and Evaluation	25,245	35,245	+10,000

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

Fiscal year 1998 appropriation	$971,952,000
Fiscal year 1999 budget request	94,500,000
Committee recommendation	94,500,000
Change from budget request	0

The Committee recommends an appropriation of $94,500,000 for the Defense Working Capital Funds. The recommendation is a decrease of $877,452,000 below the amount appropriated for fiscal year 1998.

COMMISSARY SUBSIDY DIVESTITURE

The Committee is aware that the fiscal year 1999 budget request distributes the subsidy for operation of military commissaries to the Operation and maintenance accounts of the military services. This change is responsible for the substantial decrease in the funding requested in Title V. While the Committee recognizes that this change is intended to give the military services more control over commissaries, the Committee has serious concerns that this change in funding effectively reverses the DoD effort to consolidate the commissaries under the Defense Commissary Agency. Therefore, the Committee recommends including a general provision, Section 8104, that requires funding for the commissary subsidy to be transferred from the military services' operation and maintenance accounts to the Defense Working Capital Funds. In addition, the Committee directs that the Secretary of Defense submit a report, not later than February 15, 1999, which details the missions and responsibilities of the Defense Commissary Agency (DeCA) and the Military Services concerning the operation of DoD commissaries.

RECOVERY OF OPERATING GAINS AND LOSSES

The Committee is aware that during fiscal year 1998 the Department implemented a significant change to the policy governing pricing for depot maintenance products and services. This policy change requires periodic reviews of the depot maintenance activities' financial performance. If significant unbudgeted operating losses become apparent during these reviews, the Committee understands that DoD will require the depots to increase prices to recover such unbudgeted losses. The Committee shares the concerns underlying this change. The recent history of the depot maintenance activities has been chronic operating losses that, in part, have lead to the need for advance billing to maintain solvency of the working capital funds.

However, the Committee is also concerned that this policy may negatively impact funding in the Operation and maintenance accounts. The Committee has consistently supported increased funding in the operation and maintenance accounts to cover unbudgeted depot maintenance workload, and reduce backlogs. The Committee would strongly object to a policy that would result in Operation and maintenance funded customers of DoD depot maintenance activities paying higher prices, but not receiving increased levels of workload commensurate with congressional intent. Further, it is not clear to the Committee whether this policy change is intended to be permanent, or how this change interacts with related issues such as rate stabilization, the calculation of operating gains and losses, and the usual policy for recovery of operating gains and losses. Therefore, the Committee directs the Secretary of Defense to submit a report to the congressional defense committees not later than February 15, 1999, providing a detailed description of the following working capital fund policies and their implementation specific to each of the working capital funds: accumulated operating results (AOR) normalization for depot maintenance activities; recovery of operating gains and losses; rate stabilization policy; and a complete description of the methods used to calculate accumulated and net operating gains and losses.

RESERVE MOBILIZATION INCOME INSURANCE FUND

Fiscal year 1998 appropriation	.....
Fiscal year 1999 budget request	$37,000,000
Committee recommendation	.....
Change from budget request	−37,000,000

This appropriation pays claims and administration costs for participating members of the insurance program.

The Committee recommends a reduction of $37,000,000 since the termination costs for this program were funded in the Fiscal Year 1998 Supplemental Appropriations and Recissions Act, recently signed into law.

NATIONAL DEFENSE SEALIFT FUND

Fiscal year 1998 appropriation	$1,074,948,000
Fiscal year 1999 budget request	418,166,000
Committee recommendation	673,366,000
Change from budget request	+255,200,000

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 requested $100,000,000 in the National Defense Sealift Fund for LMSR ship acquisition. The Committee recommends $366,400,000, an increase of $266,400,000. This includes transfer of $251,400,000 for construction of the last LMSR ship from Shipbuilding and Conversion, Navy as recommended in the House-passed defense authorization bill, and an increase of $15,000,000 only to restore funds for cargo-space temperature and humidity

control equipment on the last 6 LMSR ships. The bill also proposes a transfer of $28,000,000 million to "Alteration of Bridges" only to alter the obstructive League Island liftbridge to provide critically needed access for larger naval vessels. The Committee directs this transfer to be completed within 30 days of enactment of this act. The Committee understands that the Office of the Secretary of Defense removed funds from the LMSR ship construction budget needed to provide air-conditioning and dehumidification equipment on some LMSR ships. This can only have an adverse effect on LMSR operations and limit the flexibility of theater commanders during wartime. At this late stage of ship construction it would cost more than it saves to remove the equipment from the ships, based on actual data submitted by the shipyards. The Committee recommends $15,000,000 to restore these funds, and directs that no contracting action be taken to remove HVAC equipment from LMSR ships.

DEFENSE FEATURES

In fiscal year 1997, Congress made $50,000,000 of the National Defense Sealift Fund available for inclusion of defense features during construction of commercial ships. The Navy conducted a competition for these funds, received only one bid, and made an award to a shipbuilder. The Committee recommends a reduction of $40,000,000 since the Navy has made a good-faith effort to execute the defense features program and now intends to reprogram the funds for other purposes.

LIGHTERAGE ABOARD SHIP (LASH) VESSEL CHARTERS

The Committee considered including a new general provision prohibiting the use of funds to replace LASH (Lighterage Aboard Ship) vessels currently under charter to the Military Sealift Command (MSC) for the Department of the Army's prepositioned afloat ammunition program in Diego Garcia, or to prematurely terminate such MSC charters for these LASH vessels. The Committee did not support newly-emerging Army or MSC proposals to cancel, or to not exercise options in, contracts for prepositioned ammunition LASH vessels that were competitively procured, in order to immediately transition to container ships. The Army and MSC have reevaluated the proposal to immediately make such a transition to container ships and have notified the Committee that plans to exercise contract options and not to terminate contracts are proceeding.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

Fiscal year 1998 appropriation	$10,369,075,000
Fiscal year 1999 budget request	10,055,822,000
Committee recommendation	10,127,622,000
Change from budget request	+71,800,000

DEFENSE HEALTH PROGRAM

The Department requested $10,055,822,000 for the Defense Health Program, $9,653,435,000 for Operation and maintenance and $402,387,000 for Procurement.

The Committee recommends $10,127,622,000. Of this amount, $9,725,235,000 is for Operation and maintenance, an increase of $71,800,000 over the budget request; and $402,387,000 is for Procurement, the budgeted amount.

Of the amounts added for Operation and maintenance, $10,000,000 is only for prostate cancer research, $10,000,000 is only for ovarian cancer research, $25,000,000 is only for breast cancer treatment for military families, $1,500,000 is only for brain injury treatment, $1,000,000 is only for post-polio syndrome research, $5,000,000 is only to continue nervous system studies relating to the treatment of central nervous system injury (brain trauma, spinal cord injury, stroke, and Alzheimer's Disease) and cognitive dysfunction under Cooperative Agreement DAMD 17–93–V–3018, $6,000,000 is only for proton beam scanning technology research, $4,000,000 is only for molecular genetics research in association with the National Medical Testbed, $1,000,000 is only for Prisoner of War Studies, $1,000,000 is only for epidermolysis bullosa and $7,300,000 is only for the personal identification carrier.

BREAST CANCER

The Department requested no funds for breast cancer research. The Committee recommends $160,000,000. Of this amount, $135,000,000 is for the Army's peer-reviewed Breast Cancer research program, and $25,000,000 is in operation and maintenance is only to continue the Defense Health Program's breast cancer treatment program to improve quality of care for military members and their families.

PROSTATE DISEASE

The bill includes $10,000,000 only 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. The Committee directs that of these funds, not more than $2,500,000 shall be available only for a non-invasive prostate and coronary disease reversal program.

OVARIAN CANCER

The bill includes $10,000,000 only to continue the Department's Ovarian Cancer Research Program in support of a comprehensive program that includes prevention, implementation and development planning. Recognizing that many worthy ovarian cancer research projects cannot be supported within available funds, the Committee urges the Department to give priority consideration to institutions designated as comprehensive cancer centers by the National Cancer Institute of the National Institutes of Health. Eligible institutions should demonstrate an outreach relationship with regional hospitals or academic health centers, and with ovarian cancer advocacy groups.

GENERAL MEDICAL OFFICERS

The Committee directs the Department of Defense to phase out the use of General Medical Officers (GMO) and to replace them with Board Eligible primary care specialists within the next six years. In addition, the Committee directs the Assistant Secretary of Defense for Health Affairs, in coordination with the Surgeons General, to submit a report to the congressional defense committees by February 1, 1999 on the Department's plan to phase out the use of GMOs.

TRAUMA TRAINING

The Committee recommends the Army establish an additional trauma training center in accordance with the American College of Surgeons standards for trauma centers to ensure higher levels of medical readiness.

POST-POLIO SYNDROME

The Committee has included $1,000,000 to support important research on the effects of post-polio syndrome and possible treatments for polio survivors who are suffering from increasing pain and weakness related to overuse of arm muscles. Research should focus on improved symptom assessment of post-polio patients, identification of rehabilitation alternatives for post-polio syndrome patients, and application to other muscular disorders. The Committee is aware of the research done on this subject by Albert Einstein Memorial Hospital in Philadelphia and commends it to the Department for close review.

SMOKING AND TOBACCO CESSATION

The Committee supports the stated goals of the Department of Defense to reduce smoking prevalence and to meet Health 2000 goals. However, the Committee is concerned that current efforts lack the coordination required to meet these ambitious goals and directs that the Department of Defense implement a comprehensive smoking and tobacco cessation program.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

Fiscal year 1998 appropriation	$600,700,000
Fiscal year 1999 budget request	855,100,000
Committee recommendation	796,100,000
Change from budget request	−59,000,000

COMMITTEE RECOMMENDATIONS

PROGRAM REDUCTIONS

The Army requested $855,100,000 for the destruction of chemical agents and munitions. The Committee recommends $796,100,000, a decrease of $59,000,000 due to slow obligation rates.

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following in fiscal year 1999:

[In thousands of dollars]

	Budget request	Committee recommended	Change from request
Chem Agents and Munitions Destruction, Army:			
Chem demilitarization—O&M	531,650	508,650	−23,000
Chem demilitarization—Proc	140,670	124,670	−16,000
Chem demilitarizatin—RD&E	182,780	162,780	−20,000
Total, Chem Agents and Munitions Destruction, Army	855,100	796,100	−59,000

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

Fiscal year 1998 appropriation	$712,882,000
Fiscal year 1999 budget request	727,582,000
Committee recommendation	764,595,000
Change from budget request	+37,013,000

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 RECOMMENDATIONS

The Department of Defense requested $727,582,000 for Drug Interdiction and Counter-Drug Activities. The Committee recommends $764,595,000, an increase of $37,013,000, to fund three important new initiatives for detection of aerial/maritime transit of illegal drugs into the United States, and to address shortfalls for programs which are not adequately funded in the budget.

AUTHORIZATION CHANGES

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

[In thousands of dollars]

Item	Budget request	Committee recommendation	Change from request
National Guard Cargo/Mail Inspection	$29,000	0	−$29,000
Southern Air Forces Counter-drug Support	26,416	$7,416	−19,000
Joint Interagency Task Force South	23,063	7,663	−15,400

PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1999:

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES DEFENSE

[Dollars in thousands]

	Budget request	Committee recommended	Change from request
Educate America's Youth	$12,830	$13,730	+900
Young Marines	500	1,400	+900
Increase Safety of Citizens	86,669	112,069	+25,400
Indiana HIDTA	0	500	+500
Kentucky HIDTA	0	5,200	+5,200
Gulf States Counter-drug Initiative C3I	1,147	10,147	+9,000
Gulf States Counter-drug Initiative RCTA	2,209	3,209	+1,000
Multi-Jurisdictional Counter-drug Task Force	2,007	6,207	+4,200
C–26 Aircraft Photo Reconnaissance Upgrade	0	5,500	+5,500
Reduce Health and Social Costs	72,936	72,936	0
Shield America's frontiers	301,334	325,334	+24,000
National Guard Cargo/Mail Inspection	29,000	0	−29,000
National Guard General Support	118,620	158,620	+40,000
Southwest Border Fence	0	5,000	+5,000
Caribbean/Eastern Pacific Surface Interdiction	8,500	12,500	+4,000
Southwest Border Information Systems	0	4,000	+4,000
Break Drug Sources of Supply	253,813	240,526	−13,287
Southern Air Forces Counter-drug Support	26,416	7,416	−19,000
Joint Interagency Task Force South	23,063	7,663	−15,400
Operation CAPER FOCUS	0	10,500	+10,500
Civil Air Patrol	1,187	3,800	+2,613
SOUTHCOM Observation/Spray Aircraft	0	8,000	+8,000
Total	727,582	764,595	+37,013

EDUCATE AMERICA'S YOUTH

The Committee recommends $1,400,000 for the Young Marines Program, an increase of $900,000. While primarily a function of other federal agencies, educating America's youth about the danger of drug abuse is an important component of the overall National Drug Control Strategy. The Young Marines Program educates and inspires the youth within our communities by promoting a healthy and drug-free lifestyle. The Committee compliments the Marine Corps and the hundreds of volunteers who contribute to the success of this program.

INCREASE SAFETY OF CITIZENS

INDIANA HIGH INTENSITY DRUG TRAFFICKING AREA

The Committee recommends $500,000 only for the Indiana National Guard to conduct counter-drug activities in the Indiana High Intensity Drug Trafficking Area. The Committee expects these funds will enable the Indiana National Guard to successfully complete the unique missions begun in fiscal year 1998.

KENTUCKY HIGH INTENSITY DRUG TRAFFICKING AREA

The Committee recommends $5,200,000 only for the Kentucky National Guard to conduct counter-drug activities in the Appalachian High Intensity Drug Trafficking Area. Eastern Kentucky is now considered the second largest source of domestic marijuana cultivation in the United States, and additional funding for the Kentucky National Guard is needed for marijuana eradication and other counter-drug responsibilities.

GULF STATES COUNTER-DRUG INITIATIVE

The Committee recommends $13,356,000 only for the Gulf States Initiative (GSCI), an increase of $10,000,000, of which $1,000,000 is only for the Regional Counter-drug Training Academy (RCTA), and $9,000,000 shall be used only for sustainment costs, improvements to existing processing and analysis centers, and for broadening the GSCI C3I focus. The Committee has funded this program in the Drug Interdiction and Counter-drug account, but directs that the GSI C3I program be held in the office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (OASDC3I) Joint Military Intelligence Program (JMIP). The Committee directs the Senior Civilian Official, OASDC3I to report back to the Committee on Appropriations prior to conference on this bill on the Department's plans to provide future adequate budget support for the GSI.

MULTI-JURISDICTIONAL COUNTER-DRUG TASK FORCE

The Committee recommends $6,207,000 only for the Multi-Jurisdictional Counter-Drug Task Force, an increase of $4,200,000.

C–26 AIRCRAFT PHOTO RECONNAISSANCE UPGRADE

The Committee recommends $5,500,000 only for the C–26 aircraft photo-reconnaissance upgrade, an increase of $5,500,000. The Committee expects that this funding, in combination with funds provided last year, will enable the Air Force National Guard to complete the photo reconnaissance upgrade of its C–26 aircraft with electro-optical framing capability.

SHIELD AMERICA'S FRONTIERS

NATIONAL GUARD STATE PLANS

The Committee recommends $158,620,000 only for National Guard General Support, an increase of $40,000,000 when combined with the reduction of $29,000,000 from the Cargo/Mail Inspection program. While the National Guard plays an important role in the

Cargo Inspection program, the resource positions it provides should more properly be manned by employees of the U.S. Customs Service or other law enforcement entities. With the funds provided in this project and elsewhere in this account for the National Guard, a total of $180,000,000 will be available to the National Guard for Counter-drug activities.

SOUTHWEST BORDER FENCE PROJECT

The Committee recommends $5,000,000 only for the Southwest Border Fence project, an increase of $5,000,000.

CARIBBEAN/EASTERN PACIFIC SURFACE INTERDICTION

The Committee recommends $12,500,000 only for the Caribbean/Eastern Pacific Surface Interdiction project, an increase of $4,000,000. The Committee has transferred $4,000,000 from the Special Operations Operation and Maintenance accounts to this project to allow the increased deployment of Patrol Coastal Craft to the Caribbean and Eastern Pacific. These deployments will provide a substantial Naval presence in the Southern Command theater of operations with which to increase surface interdiction targeted at suspected narco-traffickers. The Committee understands that additional funding may be required to enable the Commander-in-Chief of the Southern Command to fully utilize these assets and expects the Department of Defense to make those funds, as needed, available through the normal reprogramming process.

SOUTHWEST BORDER INFORMATION SYSTEMS

The Committee recommends $4,000,000 only for the Southwest Border Information Systems project, an increase of $4,000,000.

BREAK DRUG SOURCES OF SUPPLY

SOUTHERN AIR FORCES COUNTER-DRUG SUPPORT

The Committee recommends $7,416,000 for Southern Air Forces counter-drug support, a decrease of $19,000,000 as proposed in the House-passed defense authorization bill.

JOINT INTERAGENCY TASK FORCE SOUTH

The Committee recommends $7,663,000 for Joint Interagency Task Force South, a decrease of $15,400,000 as proposed in the House-passed defense authorization bill.

OPERATION CAPER FOCUS

The Committee recommends $10,500,000 only for Operation CAPER FOCUS, an increase of $10,500,000. The Committee is aware of a shortage of detection, monitoring and tracking assets in the Eastern Pacific where a cocaine transit pipeline feeds Mexico and ultimately the United States. The execution phase of CAPER FOCUS was designed to provide counter-drug coverage in this strategic drug transit area but was cancelled. The Committee expects the Department of Defense to use the funds provided along with any other assets necessary to help stop the flow of narcotics trafficking in this region.

CIVIL AIR PATROL

The Committee recommends $3,800,000 only for the Civil Air Patrol, an increase of $2,613,000.

SOUTHCOM OBSERVATION/SPRAY AIRCRAFT

The Committee recommends $8,000,000 only for the U.S. Southern Command to lease or procure aircraft that would provide reconnaissance in support of Colombian and Peruvian counter-drug intelligence needs, as well as directly support operations against river/coastal drug shipments and drug laboratories. These assets will provide an important element to the Riverine program initiated by the Committee in fiscal year 1998 and other counter-drug activities in South America.

OFFICE OF THE INSPECTOR GENERAL

Fiscal year 1998 appropriation	$138,380,000
Fiscal year 1999 budget request	132,064,000
Committee recommendation	132,064,000
Change from budget request	0

The Committee recommends an appropriation of $132,064,000 for the Office of the Inspector General. The recommendation is a decrease of $6,316,000 below the amount appropriated for fiscal year 1998.

[In thousands of dollars]

	Budget request	Committee recommended	Change from request
Office of the Inspector General:			
Operation and maintenance	130,764	130,764	.....
Procurement	1,300	1,300	.....
Total, Office of the Inspector General	132,064	132,064	.....

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 for the Central Intelligence Agency, Defense Intelligence Agency, National Reconnaissance Office, National Security Agency, National Imagery and Mapping Agency, intelligence services of the Departments of the Army, Navy and the Air Force, Intelligence Community Management Staff and 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 directions in the classified annex accompanying the fiscal year 1999 Defense Appropriations Bill.

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

Fiscal year 1998 appropriation	$196,900,000
Fiscal year 1999 budget request	201,500,000
Committee recommendation	201,500,000
Change from budget request	.....

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 1998 appropriation	$121,080,000
Fiscal year 1999 budget request	138,623,000
Committee recommendation	136,123,000
Change from budget request	−2,500,000

This appropriation provides funds for the activities that support the Director of Central Intelligence (DCI) and the Intelligence Community.

COMMITTEE RECOMMENDATION

The budget requested $138,623,000 for the Intelligence Community Management Account. The Committee recommends $136,123,000, a decrease of $2,500,000. Details of adjustments to this account are included in the classified annex accompanying this report.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

Fiscal year 1998 appropriation	$35,000,000
Fiscal year 1999 budget request	15,000,000
Committee recommendation	15,000,000
Change from budget request	.....

The Committee recommends an appropriation of $15,000,000 for Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund. The recommendation is a decrease of $20,000,000 below the amount appropriated for fiscal year 1998.

NATIONAL SECURITY EDUCATION TRUST FUND

Fiscal year 1998 appropriation	$2,000,000
Fiscal year 1999 budget request	5,000,000
Committee recommendation	3,000,000
Change from budget request	−2,000,000

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 $5,000,000. The Committee recommends $3,000,000, a decrease of $2,000,000.

TITLE VIII

GENERAL PROVISIONS

Title VIII of the accompanying bill includes 106 general provisions. Most of these provisions were included in the Department of Defense Appropriations Act for fiscal year 1998 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, 1998, 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.

CIVIL AIR PATROL

The Committee recommends a total of $28,347,000 to support operations of the Civil Air Patrol (CAP). This includes $3,800,000 to support the CAP counterdrug program, and $4,850,000 for procurement of equipment. The Civil Air Patrol, as an all-volunteer Air Force auxiliary, performs 85 percent of the air search and rescue missions each year saving many lives. It also performs low level route surveys for the Air Force and flies drug surveillance missions supporting several different federal agencies. The Committee is disturbed by actions of the Air Force attempting to administratively shift funds the Congress had intended for operational support of the non-profit Civil Air Patrol corporation to support other related internal Air Force activities. The bill includes a general provision (section 8033), which prohibits the Air Force from diverting these funds in the future.

RESERVE COMPONENT MAINTENANCE CAPABILITY

The Committee has included a general provision (section 8099) which prohibits any Reserve Component from establishing new activities to perform depot level maintenance or remanufacture of any equipment unless the Secretary first certifies that certain conditions are met. The Secretary must certify (a) that insufficient workload capacity is available at existing government or private sector depot maintenance facilities currently used by the Reserve Components for similar work; and (b) an in-depth analysis has been performed on a case-by-case basis comparing the cost of any proposed expansion of depot facilities versus the cost of performing the same work at existing depot facilities or by the private sector.

The Committee was surprised to learn that the Army National Guard plans to establish two new depot maintenance facilities to remanufacture 2.5 ton trucks. This work is currently being performed for the Department by a private sector contractor. In addition, the Committee understands that the National Guard envisions expanding its depots to perform work on other wheeled vehicles, tracked vehicles, computers, missile launching devices, and calibration.

The Committee is deeply troubled by this proposal. The Secretary of Defense has repeatedly testified that excess capacity exists within the current depot system and has requested Congress authorize two additional Base Closure and Realignment rounds. In addition, it is longstanding Department policy to maximize the utility of the private sector for maintenance of equipment when it is cost effective to do so. The Army National Guard proposal is totally contrary to the Secretary of Defense's recommendations and policies.

The Committee has, therefore, included this provision to ensure that no new government depot maintenance capacity is established unless the Secretary first determines on a case-by-case basis that existing capacity is insufficient from a workload and cost perspective.

TRICARE Managed Care Contracts

As one of the largest health care providers in the nation, the Department of Defense has experienced many of the same challenges as the private sector health care industry—including rising costs, problems with access to care and lack of a uniform benefit. The TRICARE managed care program was initiated in 1993 to address these challenges and to improve health care for our nation's active duty military personnel, military retirees and their families.

Under TRICARE, the military health care system is centrally managed and organized by region. Currently, there are 12 TRICARE regions and each region contains military medical treatment facilities and clinics. In addition, civilian support contracts (TRICARE managed care contracts) supplement the care provided by the military medical system.

To date, seven multi-billion dollar TRICARE contracts have been awarded to private sector health care companies. Each support contract is awarded to a single large private sector health care company responsible for all contracted health services in a given region. The contracts are awarded for a five-year period (one year plus four option years), and the successful implementation of these, and subsequent TRICARE contracts, are vital to an efficient and well-run managed care program for the military.

However, the TRICARE contracting process has proven to be complex, costly, and time-consuming. In some cases, TRICARE implementation in a specific region has been temporarily delayed due to bid protests (the GAO has upheld three protests in the seven regions), causing delay, extra cost, and most important, confusion and frustration among beneficiaries. In other cases, DoD has permitted the contractor to begin services with the understanding that further arbitration may cause a change in contracts. Today, five years after TRICARE was started, the last of the seven contract awards is still not finalized.

Though unintended, the delays and disruptions experienced as TRICARE is being implemented have proven frustrating to many military beneficiaries. If not managed properly, these problems as well as other aspects of TRICARE implementation could have an adverse impact on the delivery of care to military beneficiaries. The Committee has heard from many beneficiaries as each new region is converted to TRICARE and new, often confusing, administrative policies and procedures are implemented. Many TRICARE beneficiaries are just now becoming familiar with their new administrative system and with their physicians. Yet the Department is about to embark on awarding a new round of managed care contracts as the first contracts awarded in 1993 are coming due.

Given the turbulence which has affected the military health system over the last decade, the Committee believes there is a need for greater stability in the delivery of health care services, at least over the near-term. The Committee therefore recommends a new general provision (section 8100) granting the Secretary of Defense permissive authority to negotiate two year extensions to the existing managed care contracts if terms can be agreed to that are in the best interest of the government. The Committee expects that the health care price for any extension period would not exceed the

health care price in the fifth option period after adjustment for inflationary factors as measured by the BPA. The administrative price and the phase out prices for any extension period would be expected not to exceed such prices in the fifth option period after adjustments for the annual percentage change in the CPI–U. Section 8100 also provides that all future TRICARE managed care support contracts replacing contracts in effect, or in the final stages of acquisition as of September 30, 1998, may include a base contract period for up to seven years (in one year option periods). The Committee believes that the provision of this new, discretionary authority will give the Department an important tool to help it manage its health care contracts and to ensure high quality health care for military families.

TITLE IX

EMERGENCY APPROPRIATIONS FOR INFORMATION SYSTEMS TECHNOLOGY AND SECURITY

OPERATION AND MAINTENANCE

INFORMATION SYSTEMS TECHNOLOGY AND SECURITY TRANSFER ACCOUNT

Fiscal year 1998 appropriation	.....
Fiscal year 1999 budget request	.....
Committee recommendation	$1,600,000,000
Change from budget request	+1,600,000,000

COMMITTEE RECOMMENDATION

The Committee recommends an emergency appropriation of $1,600,000,000 to ensure that the information technology and national security systems of the Department of Defense and the Intelligence Community are prepared for the year 2000 (or Y2K) date change and are secure against unwanted intrusion. In addition, the Committee recommends two general provisions that relate to ensuring year 2000 compliance and to evaluating year 2000 compliance in major military exercises.

While it operates over two million separate computers, the Department of Defense relies on over 25,000 distinct computer systems (defined as unique information technology systems, programs, or major system applications) to conduct its mission. Of those, the Department has identified 2,800 systems which it believes are "critical to direct fulfillment of military or intelligence missions", which "if not functional, would preclude the CINC from conducting missions across the full spectrum of operations".

These computer systems are not simply embedded in weapons systems, the category which DoD suggests is best prepared to meet the year 2000 problem. These systems are also integral parts of command and control systems; satellite systems; the Global Positioning System; highly specialized inventory management and transportation management systems; medical equipment; and systems for payment and personnel records. DoD also operates a multitude of military bases, which are much like small towns where the infrastructure is also vulnerable to year 2000 problems. Power grids, heating systems, air filtration units, automatic locking devices, chronometers on ships and airplanes, and any timed device contain embedded chips that may not be Y2K compliant. Simply put, if the Department's mission critical systems are not prepared to deal with the year 2000 computer problem, then the U.S. military may not be mission-capable in the year 2000.

Unfortunately, the Department's own reports indicate that repairs to many of its mission critical systems are running behind schedule. In addition, both the DoD Inspector General and the GAO have concluded that the Department's official reports overstate the actual level of completed Y2K corrective actions.

The same reliance on computers that makes our military and intelligence communities potentially vulnerable to the Y2K problem also makes these agencies vulnerable to unauthorized penetration of their information networks. Recently reported instances of "hackers" attempting to access, and in some instances, manipulate information within DoD computer networks bear testament to the problems which have arisen with the advent of globally-linked, readily-accessed networks. The "Eligible Receiver" exercise conducted last year confirmed that there are indeed serious vulnerabilities and weaknesses in the DoD's information systems which can be exploited. The Committee notes with concern reports that DoD and other agencies, in their efforts to rapidly introduce Y2K fixes into computer and other information systems, may in fact be creating additional system vulnerabilities, making unwanted intrusions easier.

With such obvious implications for national security, the Committee believes it is essential that both the defense and intelligence communities secure their systems from both computer error and unauthorized intrusion. This effort is extensive and costly in terms of both dollars and manpower. During fiscal year 1998 alone, DoD has had to divert over $1,000,000,000 from other high priority efforts just to address Y2K software and hardware fixes. Unfortunately, the fiscal year 1999 budget request once again includes no dedicated funding for software and hardware Y2K fixes, as well as no funds for end to end functional testing, joint exercises that include Y2K simulations, additional DoD IG audits, a test augmentation force, or the development of contingency plans. In the area of information assurance, there are significant unmet requirements for the purchase and integration of firewalls, guards, FORTEZZA products, command and control protection tools, Computer Emergency Response Teams, vulnerability assessments, 'red team' exercises, accelerated training of network administrators and the upgrade of base information infrastructure. In addition, the recently released Presidential Decision Directive 63 places additional responsibilities on the DoD for ensuring the protection of its critical systems.

From the time of Committee action on this bill, there are only eighteen months remaining during which the year 2000 problem will be transformed from hypothesis to reality. The Committee believes it would be irresponsible not to make available, as soon as possible, additional resources which could be used during fiscal year 1999 to implement and test essential fixes to national security-related information systems, as well as the development of contingency plans to ensure continuity of essential operations in the event needed fixes are not in place.

Therefore, the Committee recommends $1,600,000,000 in a new appropriations account ("Information Systems Technology and Security Transfer Account"), only for efforts associated with achieving year 2000 compliant systems as well as improved information as-

surance and protection for those systems operated by the Department of Defense and the Intelligence Community. The Committee bill designates these funds as an emergency appropriation, which shall only be available for obligation to the extent the President designates these funds as emergency appropriations and submits an official budget request to Congress delineating the use of these funds. The Committee expects there to be a coordinated effort between the Secretary of Defense, the Director of Central Intelligence, and the Director of the Office of Management and Budget in identifying program and funding requirements. The Committee also fully expects these officials to move as rapidly as possible in taking the actions needed to secure necessary funding should the Committee recommendation be enacted into law.

Recognizing that the actual funding requirements associated with this problem will become more apparent as fiscal year 1999 progresses, the Committee expresses its intent that any funds requested by the President need not be requested all at once, or in one lump-sum, but rather as soon as requirements emerge. The Committee stands ready to work with the Department of Defense, the Intelligence Community, and the Office of Management and Budget in developing a common approach to meeting these needs as they are identified. Additional discussion regarding this initiative is contained in the classified annex accompanying this report.

GENERAL PROVISIONS—THIS TITLE

The Committee also proposes two new general provisions that relate to ensuring year 2000 compliance and for the evaluation of year 2000 compliance in major military exercises. Section 9001 requires that no funds in this bill can be spent on developing or modernizing any information technology or national security system until that system has been independently certified as Y2K compliant. This provision also requires the Department to develop contingency plans, not just for each individual system, but for the overall function that a collection of systems perform. For example, the intent is to put in place a mechanism to ensure personnel will continue to be paid even if there were a failure in any part of the payroll process. In addition, this provision requires the DoD to report on how it plans to test each system for Y2K compliance (individually, as a function group and as part of large scale exercises); how DoD plans to ensure that it has adequate tools and testing facilities to accommodate the large number of systems requiring testing; and the DoD criteria for certifying systems as compliant. This provision also directs the DoD IG to selectively audit systems certified as compliant to see if they do indeed operate correctly under year 2000 conditions.

Section 9002 requires the DoD to move beyond merely testing individual systems and functions to the conduct of full scale tests of all of its systems, as part of large scale exercises. The Committee believes the only way to know if the DoD and its military components are ready to move out of the testing laboratories and onto the battlefield is to do so through actual exercises, to take place before the end of fiscal year 1999. It is the Committee's intent that the 25 exercises required in the bill be viewed as the minimum number the Department should conduct. While the portion of these exer-

cises dedicated to simulating the year 2000 may be limited at the start, the Committee directs the Department to expand on the Y2K exercise component until it has conducted several large exercises with all the systems in a simulated year 2000 for the full length of the exercise. Only by conducting tough, realistic, year 2000 exercises can the Department assure itself and the National Command Authority of the readiness of our military forces.

Addressing the Y2K problem also involves significant personnel management issues. The Committee strongly encourages the Department to make the administrative changes necessary to ensure that program managers and other key personnel are not rotated to new jobs between now and the resolution of the Y2K problem. In addition, the Committee believes it may be appropriate for the DoD to require that personnel evaluation forms include a section addressing the individual's success or failure in preparing their organization or program for the year 2000. Finally, the Committee encourages the Department to examine financial incentives, and how they might be used to ensure continuity of effort on critical systems and to reward exemplary work in addressing this issue.

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 each 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 1999 bill, which might be interpreted as changing existing law, are as follows:

APPROPRIATIONS LANGUAGE

Language has been amended in "Operation and Maintenance, Army" which changes the amount provided for emergency and extraordinary expenses, and language has been deleted which earmarked funds for conventional ammunition care and maintenance.

Language has been amended in "Operation and Maintenance, Navy" which changes the amount provided for emergency and extraordinary expenses.

Language has been amended in "Operation and Maintenance, Air Force" which changes the amount provided for emergency and extraordinary expenses.

Language has been amended in "Operation and Maintenance, Defense-Wide" which changes the amount provided for emergency and extraordinary expenses.

Language has been amended in "Overseas Contingency Operations Transfer Fund" which allows for additional transfer authority for the Defense Health Program and procurement accounts.

Language has been deleted in "Environmental Restoration, Army" which limited obligations for environmental re-mediation by the Corps of Engineers.

Language has been deleted in "Former Soviet Union Threat Reduction" which earmarked funds for the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East, and which earmarked funds for the Arctic Military Environmental Cooperation Program.

Language has been amended in "Quality of Life Enhancements, Defense" to include funding for the Reserve components.

Language has been included in "Other Procurement, Army" which allows for the purchase of passenger vehicles for replacement, for the purchase of passenger vehicles for physical security of personnel and which limits the unit cost of the vehicles.

Language has been amended in "Shipbuilding and Conversion, Navy" which provides a lump sum appropriation instead of specific project-level funding.

Language has been amended in "Other Procurement, Navy" which changes the number of passenger vehicles for replacement, and which limits the unit cost of the vehicles.

Language has been amended in "Procurement, Marine Corps" which changes the number of passenger vehicles for replacement.

Language has been deleted in "Aircraft Procurement, Air Force" which earmarked funds for long-lead activities related to additional B–2 bombers.

Language has been amended in "Other Procurement, Air Force" which changes the number of passenger vehicles for replacement, and allows for the purchase of passenger vehicles for physical security of personnel and limits the unit cost of the vehicles.

Language has been amended in "Procurement, Defense-Wide" which changes the number of passenger vehicles for replacement, includes language for the purchase of passenger vehicles for physical security of personnel and limits the unit cost of the vehicles, and includes language which earmarks funds only for the procurement of high performance computing hardware.

Language has been included in "Research, Development, Test and Evaluation, Army" which earmarks funds for certain operational tests of the Starstreak and Stinger missiles, and prohibits obligation of these funds until certain conditions are met.

Language has been included in "Research, Development, Test and Evaluation, Navy" which prohibits the expenditure of funds for certain tests on the SSN–21 unless certain conditions are met, includes language which limits the amount which can be spent on certain studies, research, and development for future aircraft carriers until certain conditions are met, and earmarks funds made available in fiscal year 1998 for cooperative engagement capability.

Language has been deleted in "Research, Development, Test and Evaluation, Air Force" which earmarked funds for the development of coal-derived jet fuel technologies.

Language has been deleted in "Research, Development, Test and Evaluation, Defense-Wide" which extended the availability of fiscal

year 1997 funds for the Dual-Use Applications Program, and includes language which earmarks funds for research, development and deployment systems engineering for an initial Block I capability.

Language has been included in "Defense Working Capital Funds", which allows $350,000,000 to be transferred from the National Defense Stockpile Fund.

Language has been included in "National Defense Sealift Fund" which provides funds for transfer to "Alterations of Bridges".

Language has been included to change the name of the "Chemical Agents and Munitions Destruction, Defense" appropriation to "Chemical Agents and Munitions Destruction, Army", and language has been deleted which earmarked funds for the Johnston Atoll off-island leave program.

Language has been amended in "Office of the Inspector General" which changes the amount available for emergency and extraordinary expenses.

Language has been amended in "Intelligence Community Management Account" which changes the earmark for Advanced Research and Development Committee, and deletes the amount earmarked for the Environmental Intelligence and Applications Program.

GENERAL PROVISIONS

Section 8005 has been amended to delete language concerning reprogramming authority for the Reserve Mobilization Income Insurance Program.

Section 8008 has been amended to include multiyear procurement contracts for the E–2C aircraft, T–45 aircraft, and the Medium Tactical Vehicle Replacement (MTVR) vehicle programs.

Section 8017 has been amended to change the word "handicapped" to "persons with disabilities."

Section 8024 has been amended to extend the availability of funds appropriated in fiscal year 1998 for the Indian Financing Act Incentive payments program.

Section 8033 has been amended to designate funds exclusively for use by the Civil Air Patrol Corporation.

Section 8034 has been amended to reduce funds for Federally Funded Research and Development Centers (FFRDC's) by $62,000,000.

Section 8048 has been amended to allow funds credited to the Central Intelligence Agency Central Services Working Capital Fund to remain available until expended.

Section 8056 has been included to rescind funds from the following programs:

	(Rescissions)
Missile Procurement, Army:	
EFOGM	$13,300,000
Procurement of Weapons and Tracked Combat Vehicles, Army:	
M1A1D	6,700,000
Other Procurement, Army:	
NATO AGS	24,000,000
Weapons Procurement, Navy:	
MA–31 target delay	2,000,000
Procurement of Ammunition, Navy and Marine Corps:	
JDAM	12,000,000

	(Rescissions)
Other Procurement, Navy:	
NULKA decoy delay	15,000,000
WLQ–4	1,500,000
Type 8B Mod 3 periscopes	3,000,000
Other navigation equipment	1,700,000
Pollution control equipment	3,600,000
BFTT	1,400,000
AN/SQQ–62 sonobouy	2,300,000
Aircraft Procurement, Air Force:	
F–15 advance procurement	15,000,000
Missile Procurement, Air Force:	
AMRAAM merger savings	14,000,000
Classified Program	5,840,000
Other Procurement, Air Force:	
Classified Program	4,160,000
Research, Development, Test and Evaluation, Army:	
Near Term Digital Radio	18,000,000
Research, Development, Test and Evaluation, Navy:	
High Power Discriminator	15,000,000
Lightweight torpedo	1,500,000
Navigation/ID systems	1,000,000
Research, Development, Test and Evaluation, Air Force:	
T&E Support execution	10,000,000
South Birk Facility	3,750,000
AAIS	3,200,000
Discoverer	3,000,000
NATO JSTARS	7,000,000
Classified Program	7,420,000
Research, Development, Test and Evaluation, Defense-Wide:	
STARLITE	6,000,000
THAAD	67,000,000

Section 8060 has been amended to clarify which activities Reserve component members can provide in support of intelligence or counterintelligence.

Section 8077 has been amended to change the amount of funds that would be available for transfer from operation and maintenance accounts to military personnel accounts for the Innovative Readiness Training program.

Section 8086 has been amended to make permanent, language concerning use of the Government travel card by military and civilian employees.

Section 8089 has been amended to make permanent, language concerning submission of the "M–1" budget justification document.

Section 8094 has been added which limits the amounts for payment of satellite on-orbit incentive fees until the fees are paid.

Section 8095 has been added which clarifies that the National Imagery and Mapping Agency (NIMA) utilize the qualification based selection (QBS) process for private sector firms providing services.

Section 8096 has been added which allows funds provided under "Drug Interdiction and Counter-Drug Activities, Defense" to be available for the Civil Air Patrol, requires the establishment of a distance learning program, and waives reimbursement from the Federal, State, and local government agencies for the use of these funds.

Section 8097 has been added which directs the review of all distributed learning education and training programs and requires a report by July 30, 1999.

Section 8098 has been added which requires that cross deck pendants for arresting aircraft on U.S. Navy aircraft carriers be manufactured in the United States from components that are substantially manufactured in the United States.

Section 8099 has been added which prohibits any Reserve component from establishing new activities to perform depot level maintenance and remanufacture of any equipment in inventory until certain conditions are met.

Section 8100 has been added which authorizes a 2-year extension of TRICARE contracts under certain conditions.

Section 8101 has been added which reduces the budget request by $204,100,000 to reflect savings from revised economic assumptions.

Section 8102 has been added which authorizes the transfer of specific ships under certain conditions, as requested by the Administration.

Section 8103 has been added which prohibits the compensation of employees who initiate new start programs without notification, as required by DOD financial management regulations.

Section 8104 has been added which directs the transfer of funds from selected Operation and maintenance accounts to the "Defense Working Capital Funds" for the purpose of funding operations of Department of Defense commissaries. The Committee recommends transferring such funds to ensure that the Department of Defense continues to obtain the efficiencies resulting from consolidated commissary operations.

Section 8105 has been added which provides funds to address claims resulting from the accident on February 3, 1998, involving U.S. Marine Corps A–6 aircraft near Cavalese, Italy.

Section 8106 has been added which prohibits the expenditure of funds to initiate or conduct offensive military operations by U.S. forces except in accordance with the war powers clause of the Constitution.

A new title IX has been added which provides $1.6 billion in contingent emergency funds to address efforts aimed at insuring that the information technology and national security systems of the Department are prepared for the year 2000 date change and for information assurance programs.

Section 9001 has been added which prohibits the expenditure of funds on developing or modernizing any information technology or national security system until that system has been independently certified as year 2000 (Y2K) compliant.

Section 9002 has been added which requires that at least 25 of the Department's major military exercises include a simulated Year 2000 as part of the exercise.

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
Overseas Humanitarian, Disaster, and Civic Aid
Former Soviet Union Threat Reduction
Quality of Life Enhancements, Defense
Aircraft Procurement, Army
Missile Procurement, Army
Procurement of Weapons and Tracked Combat Vehicles, Army
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 Working Capital Funds
National Defense Sealift Fund
Defense Health Program

Chemical Agents and Munitions Destruction, Army
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
Sec. 8105
Title IX

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 for 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 and 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 "Defense Working Capital Funds" which provides for the transfer of $350,000,000 from the National Defense Stockpile Transaction Fund, and which requires that the same amount be transferred out of the "Defense Working Capital Funds" back to the National Defense Stockpile Transaction Fund not later than September 30, 1999.

Language has been included in the "National Defense Sealift Fund" which provides for the transfer of $28,800,000 to "Alteration of Bridges".

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 8104 has been included which transfers funds as follows:

Appropriations to which transfer is made:	
Defense Working Capital Funds	$982,071,000
Appropriations from which transfer is made:	
Operation and maintenance, Army	338,400,000
Operation and maintenance, Navy	255,000,000
Operation and maintenance, Marine Corps	86,600,000
Operation and maintenance, Air Force	302,071,000
Total	982,071,000

Section 8105 has been included which provides for the transfer of $20,000,000 in emergency contingent funds appropriated to "Operation and Maintenance, Defense-Wide" to "Funds Appropriated to the President."

Seven provisions (Sections 8005, 8006, 8015, 8040, 8062, 8064, and 8077) contain language which allows the transfer of funds between accounts.

Title IX contains language which provides for the transfer of funds made available in that title to other appropriations accounts of the Department of Defense.

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.

Missile Procurement, Army 1998/2000	$13,300,000
Procurement of Weapons and Tracked Combat Vehicles, Army 1998/2000	6,700,000
Other Procurement, Army 1998/2000	24,000,000
Weapons Procurement, Navy 1998/2000	2,000,000
Procurement of Ammunition, Navy and Marine Corps 1998/2000	12,000,000
Other Procurement, Navy 1998/2000	28,500,000
Aircraft Procurement, Air Force 1998/2000	15,000,000
Missile Procurement, Air Force 1998/2000	19,840,000
Other Procurement, Air Force 1998/2000	4,160,000
Research, Development, Test and Evaluation, Army 1998/1999	18,000,000
Research, Development, Test and Evaluation, Navy 1998/1999	17,500,000
Research, Development, Test and Evaluation, Air Force 1998/1999	34,370,000
Research, Development, Test and Evaluation, Defense-Wide 1998/1999	73,000,000

CONSTITUTIONAL AUTHORITY

Clause 2(l)(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 302(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]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	250,526	244,992	252,146	245,269
Mandatory	202	202	202	202

FOOTNOTE: The amounts in this bill are technically in excess of the subcommittee section 302(b) suballocation. However, pursuant to section 314 of the Congressional Budget Act of 1974, as amended, increases to the Committee's section 302(a) allocation are authorized for funding in the reported bill designated as emergency requirements. After the bill is reported to the House, the Chairman of the Committee on the Budget will provide an increased section 302(a) allocation consistent with the funding provided in the bill. That new allocation will eliminate the technical difference prior to floor consideration.

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93–944), 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 bill	252,347
1999	169,932
2000	51,220
2001	17,314
2002	7,480
2003	5,331

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) 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.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 17, 1998.
Measure: Defense Appropriations Bill, FY 1999.
Motion by: Mr. Skaggs.
Description of motion: To prevent funding of any offensive military operation except in accordance with the war powers clause of the Constitution.
Results: Adopted 30 yeas to 25 nays.

Members Voting Yea	*Members Voting Nay*
Mr. Aderholt	Mr. Cramer
Mr. Bonilla	Ms. DeLauro
Mr. Callahan	Mr. Dicks
Mr. Cunningham	Mr. Dixon
Mr. Fazio	Mr. Edwards
Mr. Forbes	Mr. Hefner
Mr. Frelinghuysen	Mr. Hoyer
Mr. Hobson	Mr. Knollenberg
Mr. Istook	Mrs. Lowey
Ms. Kaptur	Mr. McDade
Mr. Kingston	Mrs. Meek
Mr. Kolbe	Mr. Mollohan
Mr. Latham	Mr. Moran
Mr. Livingston	Mr. Murtha
Mr. Miller	Mr. Obey
Mr. Nethercutt	Mr. Olver
Mr. Neumann	Mr. Packard
Mrs. Northup	Mr. Pastor
Ms. Pelosi	Mr. Porter
Mr. Regula	Mr. Price
Mr. Rogers	Mr. Sabo
Mr. Serrano	Mr. Stokes
Mr. Skaggs	Mr. Visclosky
Mr. Skeen	Mr. Wicker
Mr. Taylor	Mr. Yates
Mr. Tiahrt	
Mr. Torres	
Mr. Wamp	
Mr. Wolf	
Mr. Young	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
TITLE I					
MILITARY PERSONNEL					
Military Personnel, Army	20,452,057,000	21,002,051,000	20,908,851,000	+456,794,000	-93,200,000
Military Personnel, Navy	16,493,518,000	16,613,053,000	16,560,253,000	+66,735,000	-52,800,000
Military Personnel, Marine Corps	6,137,899,000	6,272,089,000	6,241,189,000	+103,290,000	-30,900,000
Military Personnel, Air Force	17,102,120,000	17,311,683,000	17,201,583,000	+99,463,000	-110,100,000
Reserve Personnel, Army	2,032,046,000	2,152,075,000	2,171,675,000	+139,629,000	+19,600,000
Reserve Personnel, Navy	1,376,601,000	1,387,379,000	1,427,979,000	+51,378,000	+40,600,000
Reserve Personnel, Marine Corps	391,770,000	401,888,000	403,513,000	+11,743,000	+1,625,000
Reserve Personnel, Air Force	815,915,000	856,176,000	850,576,000	+34,661,000	-5,600,000
National Guard Personnel, Army	3,333,867,000	3,404,595,000	3,413,195,000	+79,328,000	+8,600,000
National Guard Personnel, Air Force	1,334,712,000	1,376,097,000	1,372,997,000	+38,285,000	-3,100,000
Total, title I, Military Personnel	69,470,505,000	70,777,086,000	70,551,811,000	+1,081,306,000	-225,275,000
TITLE II					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	16,754,306,000	17,223,063,000	16,936,503,000	+182,197,000	-286,560,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	.....	.....
Operation and Maintenance, Navy	21,617,766,000	21,877,202,000	21,638,999,000	+21,233,000	-238,203,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	.....	.....
Operation and Maintenance, Marine Corps	2,372,635,000	2,523,703,000	2,585,118,000	+212,483,000	+61,415,000

Operation and Maintenance, Air Force	18,492,883,000	19,127,004,000	19,024,233,000	+531,350,000	-102,771,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	.....	.....
Operation and Maintenance, Defense-Wide	10,369,740,000	10,750,601,000	10,804,542,000	+434,802,000	+53,941,000
Operation and Maintenance, Army Reserve	1,207,891,000	1,202,622,000	1,201,222,000	-6,669,000	-1,400,000
Operation and Maintenance, Navy Reserve	921,711,000	928,639,000	949,039,000	+27,328,000	+20,400,000
Operation and Maintenance, Marine Corps Reserve	116,366,000	114,593,000	119,093,000	+2,727,000	+4,500,000
Operation and Maintenance, Air Force Reserve	1,632,030,000	1,744,696,000	1,735,996,000	+103,966,000	-8,700,000
Operation and Maintenance, Army National Guard	2,419,632,000	2,436,815,000	2,570,315,000	+150,683,000	+133,500,000
Operation and Maintenance, Air National Guard	3,013,282,000	3,093,933,000	3,075,233,000	+61,951,000	-18,700,000
Overseas Contingency Operations Transfer Fund	1,884,000,000	746,900,000	746,900,000	-1,137,100,000	.....
United States Court of Appeals for the Armed Forces	6,952,000	7,324,000	7,324,000	+372,000	.....
Environmental Restoration, Army	375,337,000	377,640,000	342,640,000	-32,697,000	-35,000,000
Environmental Restoration, Navy	275,500,000	281,600,000	281,600,000	+6,100,000	.....
Environmental Restoration, Air Force	376,900,000	379,100,000	379,100,000	+2,200,000	.....
Environmental Restoration, Defense-Wide	26,900,000	26,091,000	26,091,000	-809,000	.....
Environmental Restoration, Formerly Used Defense Sites	242,300,000	195,000,000	195,000,000	-47,300,000	.....
Overseas Humanitarian, Disaster, and Civic Aid	47,130,000	63,311,000	56,111,000	+8,981,000	-7,200,000
Former Soviet Union Threat Reduction	382,200,000	442,400,000	417,400,000	+35,200,000	-25,000,000
Quality of Life Enhancements, Defense	360,000,000	.....	850,000,000	+490,000,000	+850,000,000
Total, title II, Operation and maintenance	82,895,461,000	83,542,237,000	83,942,459,000	+1,046,998,000	+400,222,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
TITLE III					
PROCUREMENT					
Aircraft Procurement, Army	1,346,317,000	1,325,943,000	1,400,338,000	+54,021,000	+74,395,000
Missile Procurement, Army	762,409,000	1,205,768,000	1,140,623,000	+378,214,000	-65,145,000
Procurement of Weapons and Tracked Combat Vehicles, Army	1,298,707,000	1,433,608,000	1,513,540,000	+214,833,000	+79,932,000
Procurement of Ammunition, Army	1,037,202,000	1,008,855,000	1,099,155,000	+61,953,000	+90,300,000
Other Procurement, Army	2,679,130,000	3,198,811,000	3,101,130,000	+422,000,000	-97,681,000
Aircraft Procurement, Navy	6,535,444,000	7,466,734,000	7,599,968,000	+1,064,524,000	+133,234,000
Weapons Procurement, Navy	1,102,193,000	1,327,545,000	1,191,219,000	+89,026,000	-136,326,000
Procurement of Ammunition, Navy and Marine Corps	397,547,000	429,539,000	473,803,000	+76,256,000	+44,264,000
Shipbuilding and Conversion, Navy	8,235,591,000	6,252,672,000	5,973,452,000	-2,262,139,000	-279,220,000
Other Procurement, Navy	3,144,205,000	3,937,737,000	3,990,553,000	+846,348,000	+52,816,000
Procurement, Marine Corps	482,398,000	745,858,000	812,618,000	+330,220,000	+66,760,000
Aircraft Procurement, Air Force	6,480,983,000	7,756,475,000	8,384,735,000	+1,903,752,000	+628,260,000
Missile Procurement, Air Force	2,394,202,000	2,359,803,000	2,191,527,000	-202,675,000	-168,276,000
Procurement of Ammunition, Air Force	398,534,000	384,161,000	388,925,000	-9,609,000	+4,764,000
Other Procurement, Air Force	6,592,909,000	6,974,387,000	7,034,217,000	+441,308,000	+59,830,000
Procurement, Defense-Wide	2,106,444,000	2,041,650,000	2,055,432,000	-51,012,000	+13,782,000
National Guard and Reserve Equipment	653,000,000	.....	120,000,000	-533,000,000	+120,000,000
Total, title III, Procurement	45,647,215,000	47,849,546,000	48,471,235,000	+2,824,020,000	+621,689,000

TITLE IV					
RESEARCH, DEVELOPMENT, TEST AND EVALUATION					
Research, Development, Test and Evaluation, Army	5,156,507,000	4,780,545,000	4,967,446,000	-189,061,000	+186,901,000
Research, Development, Test and Evaluation, Navy	8,115,686,000	8,108,923,000	8,297,986,000	+182,300,000	+189,063,000
Research, Development, Test and Evaluation, Air Force	14,507,804,000	13,598,093,000	13,577,441,000	-930,363,000	-20,652,000
Research, Development, Test and Evaluation, Defense-Wide	9,821,760,000	9,314,665,000	8,776,318,000	-1,045,442,000	-538,347,000
Developmental Test and Evaluation, Defense	258,183,000	251,106,000	263,606,000	+5,423,000	+12,500,000
Operational Test and Evaluation, Defense	31,384,000	25,245,000	35,245,000	+3,861,000	+10,000,000
Total, title IV, Research, Development, Test and Evaluation	37,891,324,000	36,078,577,000	35,918,042,000	-1,973,282,000	-160,535,000
TITLE V					
REVOLVING AND MANAGEMENT FUNDS					
Defense Working Capital Funds	971,952,000	94,500,000	94,500,000	-877,452,000	.....
Transfer stockpile balances to working capital fund	.....	(350,000,000)	(350,000,000)	(+350,000,000)	.....
Reserve mobilization income insurance fund	.....	37,000,000	.....	.....	-37,000,000
National Defense Sealift Fund:					
Ready Reserve Force	302,000,000	311,266,000	311,266,000	+9,266,000	.....
Acquisition	772,948,000	106,900,000	362,100,000	-410,848,000	+255,200,000
Transfer out	.....	.....	(28,800,000)	(+28,800,000)	(+28,800,000)
Total	1,074,948,000	418,166,000	673,366,000	-401,582,000	+255,200,000
Total, title V, Revolving and Management Funds	2,046,900,000	549,666,000	767,866,000	-1,279,034,000	+218,200,000
(By transfer)	.....	(350,000,000)	(350,000,000)	(+350,000,000)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
TITLE VI					
OTHER DEPARTMENT OF DEFENSE PROGRAMS					
Defense Health Program:					
Operation and maintenance	10,095,007,000	9,653,435,000	9,725,235,000	-369,772,000	+71,800,000
Procurement	274,068,000	402,387,000	402,387,000	+128,319,000	.....
Total, Defense Health Program	10,369,075,000	10,055,822,000	10,127,622,000	-241,453,000	+71,800,000
Chemical Agents & Munitions Destruction, Army: 1/					
Operation and maintenance	462,200,000	531,650,000	508,650,000	+46,450,000	-23,000,000
Procurement	72,200,000	140,670,000	124,670,000	+52,470,000	-16,000,000
Research, development, test, and evaluation	66,300,000	182,780,000	162,780,000	+96,480,000	-20,000,000
Total, Chemical Agents	600,700,000	855,100,000	796,100,000	+195,400,000	-59,000,000
Drug Interdiction and Counter-Drug Activities, Defense	712,882,000	727,582,000	764,595,000	+51,713,000	+37,013,000
Office of the Inspector General	138,380,000	132,064,000	132,064,000	-6,316,000	.....
Total, title VI, Other Dept of Defense Programs	11,821,037,000	11,770,568,000	11,820,381,000	-656,000	+49,813,000

TITLE VII					
RELATED AGENCIES					
Central Intelligence Agency Retirement and Disability System Fund	196,900,000	201,500,000	201,500,000	+4,600,000	.....
Intelligence Community Management Account	121,080,000	138,623,000	136,123,000	+15,043,000	-2,500,000
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	35,000,000	15,000,000	15,000,000	-20,000,000	.....
National Security Education Trust Fund	2,000,000	5,000,000	3,000,000	+1,000,000	-2,000,000
Total, title VII, Related agencies	354,980,000	360,123,000	355,623,000	+643,000	-4,500,000
TITLE VIII					
GENERAL PROVISIONS					
Additional transfer authority (sec. 8005)	(2,000,000,000)	(2,000,000,000)	(2,000,000,000)	.....	.....
Indian Financing Act incentives (sec. 8024)	8,000,000	2,000,000	2,000,000	-6,000,000	.....
Disposal & lease of DOD real property (sec. 8040)	64,000,000	25,000,000	25,000,000	-39,000,000	.....
Overseas Military Fac Investment Recovery (sec. 8044)	30,000,000	38,000,000	38,000,000	+8,000,000	.....
Export loan guarantee PGM	1,000,000	.....	.....	-1,000,000	.....
Rescissions (sec. 8056)	-176,100,000	.....	-268,370,000	-92,270,000	-268,370,000
Flying Hour/readiness offset	-1,253,000,000	.....	.....	+1,253,000,000	.....
FFRDC's/consultants (sec. 8034)	-71,800,000	.....	-62,000,000	+9,800,000	-62,000,000
Advisory and assistance services	-300,000,000	.....	.....	+300,000,000	.....
RDT&E, Def-Wide dual-use program	2,000,000	.....	.....	-2,000,000	.....
Fisher Houses (sec. 8085)	1,000,000	1,000,000	1,000,000	.....	.....
Travel Cards (sec. 8086)	5,000,000	5,000,000	5,000,000	.....	.....
Warranties	-75,000,000	.....	.....	+75,000,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Excess Inventory	-100,000,000	.....	.....	+100,000,000	.....
National Missile Defense Offset	-474,000,000	.....	.....	+474,000,000	.....
Intrepid	13,000,000	.....	.....	-13,000,000	.....
Expiring Balances	-100,000,000	.....	.....	+100,000,000	.....
National Security Strategy Study Group	3,000,000	.....	.....	-3,000,000	.....
Lexington Bluegrass	4,000,000	.....	.....	-4,000,000	.....
Ship Transfers (sec. 8102)	.....	.....	-636,850,000	-636,850,000	-636,850,000
Inflation Savings (sec. 8101)	.....	.....	-204,100,000	-204,100,000	-204,100,000
Total, title VIII	-2,418,900,000	71,000,000	-1,100,320,000	+1,318,580,000	-1,171,320,000
EMERGENCY FUNDING					
Bosnia (Emergency Funding)	.....	1,858,600,000	.....	.....	-1,858,600,000
Claims (Contingent Emergency) (sec. 8105)	.....	.....	20,000,000	+20,000,000	+20,000,000
Information systems technology/security (Contingent Emergency)	.....	.....	1,600,000,000	+1,600,000,000	+1,600,000,000
Supplemental (P.L. 105-174) (emergency funding)	2,834,775,000	.....	.....	-2,834,775,000	.....
Total, Emergency funding	2,834,775,000	1,858,600,000	1,620,000,000	-1,214,775,000	-238,600,000

BUDGET SCOREKEEPING ADJUSTMENTS					
Adjustment for unapprop'd balance transfer (Stockpile)	150,000,000	150,000,000	150,000,000	.....	.....
Stockpile collections (unappropriated)	-150,000,000	-150,000,000	-150,000,000	.....	.....
Total adjustments	.....	.....	.....	.....	.....
Total, Department of Defense	247,708,522,000	250,998,803,000	250,727,097,000	+3,018,575,000	-271,706,000
Emergency funding	2,834,775,000	1,858,600,000	1,620,000,000	-1,214,775,000	-238,600,000
Grand total (including emergency funding)	250,543,297,000	252,857,403,000	252,347,097,000	+1,803,800,000	-510,306,000
Allocation recap (sec. 302b):					
Mandatory	196,900,000	201,500,000	201,500,000	+4,600,000	.....
Discretionary:					
Domestic	27,000,000	27,000,000	27,000,000	.....	.....
Defense	250,319,397,000	252,628,903,000	252,118,597,000	+1,799,200,000	-510,306,000
Total discretionary	250,346,397,000	252,655,903,000	252,145,597,000	+1,799,200,000	-510,306,000
Grand total	250,543,297,000	252,857,403,000	252,347,097,000	+1,803,800,000	-510,306,000

1/ Included in Budget under Procurement title.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
RECAPITULATION					
Title I - Military Personnel	69,470,505,000	70,777,086,000	70,551,811,000	+1,081,306,000	-225,275,000
Title II - Operation and Maintenance	82,895,461,000	83,542,237,000	83,942,459,000	+1,046,998,000	+400,222,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....
Title III - Procurement	45,647,215,000	47,849,546,000	48,471,235,000	+2,824,020,000	+621,689,000
Title IV - Research, Development, Test and Evaluation	37,891,324,000	36,078,577,000	35,918,042,000	-1,973,282,000	-160,535,000
Title V - Revolving and Management Funds	2,046,900,000	549,666,000	767,866,000	-1,279,034,000	+218,200,000
(By transfer)	.....	(350,000,000)	(350,000,000)	(+350,000,000)	.....
Title VI - Other Department of Defense Programs	11,821,037,000	11,770,568,000	11,820,381,000	-656,000	+49,813,000
Title VII - Related agencies	354,980,000	360,123,000	355,623,000	+643,000	-4,500,000
Title VIII - General provisions	-2,418,900,000	71,000,000	-1,100,320,000	+1,318,580,000	-1,171,320,000
Total, Department of Defense	247,708,522,000	250,998,803,000	250,727,097,000	+3,018,575,000	-271,706,000
Emergency funding	2,834,775,000	1,858,600,000	1,620,000,000	-1,214,775,000	-238,600,000
Grand total (including emergency funding)	250,543,297,000	252,857,403,000	252,347,097,000	+1,803,800,000	-510,306,000

DISSENTING VIEWS OF HON. DAVE OBEY

The Committee has once again produced a military spending bill directing substantial sums for lower priority items, while short-changing several programs important to our national security. In particular, the Nunn-Lugar reduction program and the Navy's number one budget priority to replace aging F–14's with new F/A–18 E/F aircraft have been cut to make room for other items. This bill is filled with congressional directed spending projects selected more on the basis of whose district the money will be spent in rather than how the product will be used by our fighting forces.

Further, this bill clearly demonstrates that the Republican leadership has not been genuine in its advocacy of strict budget discipline and holding down government spending. They have taken a number of steps that appear to be at variance with the recommendations of the Budget Committee and its chairman, and seem to show that they want to make spending decisions on an ad hoc basis rather than in conformance with an overall budget plan. Ultimately this means that each spending decision, whether it is for highways, weapons procurement, or some other recently rediscovered priority is made on an ad hoc basis in the same way Congress operated prior to the 1974 Budget Act.

One of the most remarkable aspects of this National Security Appropriations bill is that a selected amount of outlays from certain accounts will be scored on the basis calculated by OMB instead of by CBO (so-called "directed scoring"). What this means is that the House Republican leadership chose to ignore the professional judgment of the CBO on how to account for the spending in this bill. The result is to simply not count billions in military spending that the CBO determined should be counted.

Just two-and-a-half years ago this same Republican leadership even went so far as to shut down the government over its insistence that the President and the Congress use no other spending assumptions than those made by the CBO. What a difference two-and-a-half years have made.

Besides relying on the Speaker's "directed scoring" order that CBO simply not count billions in military spending, this bill employs two other ways to spend another $1.93 billion more than would be technically counted against the defense budget caps enacted into law by the Balanced Budget Act. Legislative language has been inserted to shift the accounting of asset sales of surplus Navy ships to allow the Pentagon to re-spend the proceeds, and two appropriations in the bill were designated to be "emergency" items, thereby excluding them from the official bill totals.

When all the accounting gimmicks are pushed aside and the real spending in this bill is added up, we find that it spends nearly $4.4 billion more for fiscal year 1999 then called for under the Balanced

Budget outlay cap (embodied in the 302b outlay allocation) enacted by Congress less than a year ago.

FY 1999 Spending Levels

[Defense discretionary outlays in billions of dollars]

This bill	Scoring by CBO before leadership intervention	Scoring after house leadership intervention
All appropriation accounts	$249.34	$249.34
Budget Cap (302b-defense disc.)	244.96	244.96
Total Spending over Cap	+4.38	+4.38
Minus Accounting Conventions:		
Outlays not counted due to directed scoring	.....	−3.46
Asset (ship) sale accounting shift	−0.64	−0.64
Appropriations designated ''emergency''	−1.29	−1.29
Subtotal, special spending offsets	(−1.93)	(−5.39)
Estimated Spending Over/Under Budget Cap	+2.45	−1.01

The above exercise shows what can be done with a little accounting manipulation, converting the exact same bill from a $2.45 billion budget buster to a bill that is $1 billion under the budget.

INVISIBLE INK

The main budget-busting gimmick used by the Republican leadership is quite simple. The Speaker simply ordered the Budget Committee Chairman to instruct the Congressional Budget Office to look the other way and not count nearly $3.5 billion of military spending it had planned to score against this bill (so-called "directed scoring").

This is truly ironic. Just a little over two years ago this Republican leadership shut down the Government over this same issue, only from the other side. They created a political firestorm over their non-negotiable demand that the President use only spending estimates of the CBO when negotiating a budget deal. At that time, they insisted on "no smoke and mirrors" and no "wiggle room." Today their high-sounding rhetoric appears a bit hollow as this same Republican leadership "wiggles" out from under the budget caps that they themselves wrote into law.

This is actually the second large spending bill this year in which the Republican leadership has used this "invisible ink" technique to add billions in extra spending. The recent highway bill unfolded under a similar scenario, when the Republicans decided to cut off disability payments for veterans with smoking-related illnesses. Not only did the Republican leadership decree that disabled veterans must pay part of the price for a bloated highway bill (characterized as a "Hog" by some Republicans), it also ordered the CBO to ignore its professional judgment and count this provision as saving $6.5 billion more than it projected.

All told, in the last month this Republican leadership has used smoke and mirrors accounting tactics to shovel an extra $10 billion in highway and military spending above the budget caps they pledged to keep. Much of this extra spending is for unproductive

pork barrel projects in the states represented by this leadership. It is little wonder that Sen. John McCain, one of the lone Republican members left who still vigorously opposes pork barrel spending, is quoted by the Associated Press to have said the following at the conclusion of the last congressional session:

> It was my party that promised in 1994 that we would stop these practices, it's getting steadily worse * * * It's the same old mutual back scratching that we've seen in years past. (AP, 11–24–97)

SHIP SALE WINDFALL

This bill also invents a brand new legislative sleight of hand shifting the accounting for the sale of $637 million worth of surplus Navy ships so that proceeds can be spent again instead of being applied to pay down the national debt. Under traditional budget accounting, proceeds from the sale of an asset are not allowed to be spent again by an agency. They are instead credited to the General Fund of the Treasury to buy down the national debt.

But Section 8102 of this bill changes this long held practice. It mandates the sale, grant, or lease of 48 Navy ships to 11 countries and then spending the proceeds on other military spending items. These ships (mainly frigates and destroyers) will go to the following countries:

Country	*Number of ships*
Turkey	14
Greece	11
Taiwan	10
Brazil	3
Chile	2
Mexico	2
Spain	2
Argentina	1
Philippines	1
Portugal	1
Venezuela	1

This new spending gimmick is cause for concern not only from the budget perspective of allowing more backdoor spending, but from the global national security perspective as well.

It is unsettling to create a very large fiscal incentive for the Pentagon to spread its lethal technology around the world. Under this approach, the more sophisticated weapons the Pentagon can sell to other countries, the more it can spend on its own weaponry. This is a highly counterproductive policy in this post-cold war world in which most policy makers consider arms proliferation as the number one threat to world peace and stability. I especially question the wisdom of pouring gasoline on the flames in the Eastern Mediterranean region right now by selling a substantial number of warships to Greece and to Turkey at bargain basement prices. With tensions increasing over Cyprus and in the Balkans, giving the Pentagon a large incentive to pour more arms into this region is bad policy.

Y2K/INFORMATION SECURITY EMERGENCY APPROPRIATION

This bill also contains a large $1.6 billion emergency appropriation to support efforts of the Defense department and the Intel-

ligence Agencies to modify its critical computer systems to handle the Year 2000 (Y2K) date change and to better secure its computer systems from unwanted intruders. These funds are added above the budget and above the budget caps enacted into law last year.

The Y2K issue is truly a national security priority and I strongly support this appropriation. But the question must once again be asked: Why does the Republican leadership appear to be following a double standard by not paying for this emergency appropriation with other spending reductions?

Just a month ago, House Republican leaders insisted on rescinding $2.35 billion in housing assistance funds for the poor and the elderly in order to pay for needed emergency disaster relief around the country. This large housing cut, if not restored in full for Fiscal Year 1999, will put more than 900,000 elderly and poor people in jeopardy of losing their homes this coming year.

In this bill, we have another large emergency appropriation, but this time it is not paid for with other spending reductions.

By its deeds, this Republican Congress has said that it is willing to play Russian roulette with the homes of 900,000 Americans in order to remain faithful to a Republican Party budget principle, but it will ignore that same principle to protect defense contractors. This is a morally bankrupt policy.

When making judgments about emergency spending, I would propose Congress get back to adhering to the principles spelled out by the Bush Administration in 1990 when the emergency concept was first conceived. Instead of picking and choosing among political favorites—punishing some groups of Americans and rewarding others—the Bush principle deems an emergency appropriation justified if it supports a high priority need that was unforeseen, unplanned, and unbudgeted. I think these are reasonable guidelines whether for domestic, defense, or international programs. In this case, I believe the Committee's recommendation for an emergency appropriation of $1.6 billion for Y2K repairs meets the test and I support it.

MILITARY BUDGET IS CAPPED BY CONGRESS NOT THE PRESIDENT

Many proponents of this bill believe that our military is underfunded. They give strong and impassioned speeches blaming the President for not proposing military funding levels they believe to be adequate. But proponents of more military spending choose to ignore a very important fact. The President's military budget is capped by the Balanced Budget Act that most of them voted for less than a year ago.

The Balanced Budget Act set into law discretionary spending caps for the next five years. All Members knew when they choose to vote for this Act that it called for continuing a declining level of defense spending through 2002, whether measured against inflation or measured against GDP. The law they voted for set into place military spending (outlay) levels that drop as a percentage of GDP from 3.4% in FY 1997 to 3.0% in FY 2002. The FY 2002 defense budget (outlays) called for under that Act will be about $25 billion or 8.2 percent short of what is expected to be needed to keep up with inflation since FY 1998.

The situation for non-defense discretionary programs is far worse. The fiscal year 2002 outlay cap for our critical non-defense programs, as modified by the House Budget Resolution, is projected to be $51 billion or 16 percent below the level needed to keep pace with inflation since FY 1998.

The fact is that the Republican Balanced Budget Act sets discretionary spending levels that will not be supported over time by the American People or by Congress. This bill proves it. The Republican Leadership has repudiated its own budget policies and has sanctioned spending nearly $4.4 billion more than the total specified for 1999 under the Balanced Budget Act. The pressure to subvert the Balanced Budget Act will only get worse in the next several years because the Balanced Budget Act spending caps require much deeper discretionary spending cuts in the years ahead.

REPUBLICAN LEADERSHIP SHOULD BE CONSISTENT WHEN SUBVERTING SPENDING CAPS

The moral test will be whether this Republican leadership will choose to look the other way as it did on this bill when appropriations bills for our critical domestic programs begin to move through the process. The same budget gimmickry employed for this bill can also be used for education programs, biomedical research, National Parks, clean water programs, crime prevention programs, agricultural programs, scientific research, housing assistance for the elderly, and veterans health care programs that directly effect the quality of life in America. To date I see no sign that this Republican leadership intends to give the same relief to our critical programs that help all American citizens that it gives to programs of importance to defense contractors.

CUT MILITARY WASTE BEFORE ADDING MORE MONEY

Despite the pleas of some close to the military that the Pentagon is having trouble living on a quarter of a trillion dollars a year, public opinion polls show that the public looks askance at more military spending. This should not be surprising. The public knows what some in Washington refuse to see, that there are still massive amounts of wasteful, inefficient, or totally unnecessary military spending that should be cleaned up first before consideration is given to adding more funding.

For instance, all agree that the military has far more facilities than it needs. Even after completion of several rounds of base closures, the Pentagon calculates that it still has a 23% excess base capacity. This drains off billions in unnecessary expenditures to keep these bases open. The reason more bases aren't being closed is that Congressional Members with parochial interests to keep unneeded bases open sit on the committees that must decide on the process for closure. But as "Archy the cockroach" said to "Mehitabel the cat": *hells bells mehitabel that's just an explanation not an excuse.* Limp excuses have been offered as to why a new base closure round cannot be allowed to go forward. And it is Members from these same committees who call for more tax dollars to support military spending for these unneeded bases.

The public also sees reports of the Pentagon being unable to track more than $10 billion of its disbursements against specific

contracts. Other reports from the GAO charge the Pentagon with major deficiencies in keeping track of its $1.2 trillion inventory of property, plant, and equipment, to include major weapons systems that cannot be unaccounted for.

And of course we all still see reports that the Pentagon is still paying $75 for 57-cent screws and $38,000 for $1,500 worth of aircraft springs.

For all of the time and money spent on investigations in this Congress, there is a cold silence when it comes to serious congressional oversight to force the financial belt tightening that should occur at the Pentagon.

C–130 TRANSPORT AIRCRAFT

In fact, this Congress seems to have a much bigger desire to add to low priority military spending than to get rid of it. Last year, excesses in this bill sponsored in the Senate earned the Senate majority leader an "Oinker" award entitled "Piracy on the Potomac" from the Citizens Against Government Waste. The prime candidate for this year's award should be the sponsor of the $431 million added in this bill for seven C–130 aircraft that were not requested by the Pentagon. This is a continuation of a past practice of adding substantial sums for these planes that are built in Georgia.

The C–130 situation is best summed up by Senator John McCain, in his Additional Views printed as part of the Senate Armed Services Committee Report (105–189) accompanying the FY 1999 Defense Authorization Bill. Senator McCain commented on the Senate authorization of four C–130J aircraft as follows:

> The problem of continued procurement of C–130 aircraft despite an enormous surplus of such platforms in the Air Force inventory solely to provide federal tax dollars for specific congressional districts is worse than ever. During the very time when it is incumbent upon Congress to deal responsibly with the budget for national defense, the addition of four C–130J aircraft (2 C–130Js, 1 EC–130J, 1 WC–130J) is irresponsible. To add these aircraft in the same bill the accompanying report for which is highly critical of the C–130J program for cost overruns and development delays is a disgrace. These aircraft represent real money, over $200 million, at a time when the majority party is supposed to be concerned about inadequate force structure, readiness, missile defense, counterproliferation, and the federal deficit, this addition completely defies logic and portrays Congress in the worst light. (P.445)

The Senate Armed Services Committee Report (105–189) accompanying the FY 1999 Senate Defense Authorization Bill said the following about the C–130J program:

> The committee views with concern the slow progress of the C–130J program, the increased expense of developing the aircraft, which could be borne by the Department in higher prices for production C–130Js, and notes the Department's failure to provide a report on remanufacture of existing C–130 airframes. The C–130J program was initiated by the manufacturer as a commercial development,

> which would produce an inexpensive, pragmatic, and rapidly developed follow-on to previous C–130 models. Development costs were to be spread over the first 120 aircraft sold, rather than billed to the government as a developmental program. Development costs were initially estimated at $350 million, and introduction of the new model forecast to begin in mid-1997. Since the program is a commercial one, exact cost accounting has not been available to the Department to date. However, it has been estimated that the program has cost more than $900 million and is over two years behind schedule. Considering the delay in the development of the aircraft and reported overruns in developmental costs, the committee views with concern the future of the C–130J program. (pp. 108–109)

The unit cost of the C–130J is astounding. We now are appropriating about $60 million per plane, which is higher than the $48 million flyaway cost for a state of the art F–15E fighter. Costs may even go higher as press reports indicate that C–130J development problems related to ice formation on the vertical tail might still exist. Of the reported 28 planes on order by the U.S. military, not one has been delivered. A Lockheed spokesman explained these delays in this way:

> The program is behind schedule primarily because we underestimated the complexity of the flight test program. The C–130J is essentially a new aircraft requiring a more extensive flight test program than originally envisioned. (April 17, 1998, Bloomberg News).

Hard questions should be asked as to how this program was allowed to evolve from what was supposed to be a routine upgrade to a major development effort for what a Lockheed official terms a "new aircraft." Questions should also be asked whether the U.S. military is bearing the brunt of the enormous cost overruns for this program in order to suppress the price to foreign buyers. And serious consideration should be given to a May 8, 1998 Defense Department report which projected that the Air Force could remanufacture *seven* existing C–130 E and C–130 H airframes into new "X" configurations that fully meet all military requirements for the cost of a single "J" aircraft.

It certainly seems reasonable that with the substantial cost increases for the J model, the continuing development problems, and the substantial number of planes already on order, the $431 million in this bill for more C–130J aircraft could be put to higher use.

I proposed in full committee an amendment to transfer funds in the bill earmarked for four of the seven C–130J planes and use those funds to

> (1) restore funding for three Navy F/A 18 E/F aircraft the committee had cut out from the budget request to make room for unrequested C–130J aircraft; and
>
> (2) start a $35 million C–130X remanufacture program to upgrade existing C–130 planes instead of buy expensive new models.

While this amendment was not agreed to, I was able to secure a promise from subcommittee leaders that they will ensure that the three Navy F/A 18 E/F aircraft are restored in conference.

WHY IS THE FEDERAL BUDGET BALANCED?

Fiscal Year 1998 will mark the first balanced budget in 29 years. On May 5, 1998 the Congressional Budget Office revised its surplus estimate once gain predicting that the 1998 surplus will be between *$43 billion and $63 billion.* The OMB's Mid-Session Review issued on May 26, 1998 predicts a 1998 surplus of *$39 billion.* This is a remarkable turnabout given that as recently as FY 1992, the federal deficit was $290 billion. This surplus—

is the culmination of six years in a row of successively improved fiscal balances, the longest such period of improvement in history;

will cause the debt burden to shrink for the fourth year in a row (i.e., debt held by the public as a share of GDP); and

will cause mandatory net interest payments to start shrinking as a share of the budget and as a share of the economy—leaving more room in the budget for productive activities.

Soon after these new surplus projections were released, the Majority Party issued a flurry of press releases making the claim that so-called "Balanced Budget" legislation and other bills enacted by Congress last year are responsible for this turnabout. Such claims are simply not credible. Just as it took years of fiscal imprudence in the 1980's and early 1990's to build up a $290 billion deficit by 1992, it took years of adhering to disciplined and responsible fiscal and monetary policies since 1992 to dig out of this deficit position.

WHAT CAUSED THE 1998 SURPLUS?—CBO'S EXPLANATION

So what are the precise reasons for this dramatic turnaround since President Bush left office with a $290 billion deficit? The CBO has issued data that answers this question objectively and decisively.

According to the CBO data, the remarkable fiscal turnabout has been due to three primary factors:

An improved economy with six years of sustained growth;

Legislation passed by the 103rd Democratic Congress in 1993 and 1994;

A slower rise in the cost of medical care (e.g., Medicare/Medicaid) than projected.

Conspicuously absent from CBO's analysis of reasons for the 1998 surplus is the fiscal effect of laws enacted by Republican congresses between 1995 and the present date. The reason for this is that the CBO actually totes up legislation enacted in the period that Republicans have been in control of Congress as raising the deficit by more than it cut in 1998. The sum total of laws passed by the 104th and 105th Republican congresses will cost the Treasury roughly $11,000,000,000 more in FY 1998 than they saved.

In January 1993 when President Clinton took office, CBO made the alarming prediction that the federal deficit for the next five years would go through the roof—to $357 billion by fiscal 1998. This was despite the fact that the economy was expected to im-

prove over that five-year timeframe. Since then, we have been able to wipe out this $357 billion deficit and build a surplus of $43 billion—a net change of $400 billion.

The CBO attributes this astounding turnaround to the following major reasons:

Major reasons for the FY 1998 surplus

[In billions of dollars]

	CBO estimate
Projected FY 1998 Deficit (Jan. 1993 CBO forecast)	$357
Major Factors for Fiscal Change Since 1992:	
Improved economy (revenues higher/entitlement costs lower than 1993 forecast) (min)	−210
Democratic Congress (budgetary effect of legislation passed in 1993 & 1994)	−141
Health care costs (lower cost increases for Medicare/other health care programs than 1993 forecast)	−60
Total Deficit Reduction	−411
Republican Congresses (budgetary effect of legislation passed 1995-present)	+11
Total Fiscal Change	−400

Despite claims to the contrary, CBO data show that the combined fiscal effect of the laws enacted by the 104th and 105th Republican Congresses is to add $11,000,000,000 more to the deficit than it cut in Fiscal Year 1998.

Clearly the CBO numbers confirm that the major credit for creating the 1998 surplus must go to actions of the 103rd Democratic Congress, which not only produced real net savings of $141 billion, but created the conditions necessary to adopt pro-growth monetary policies that have been very successful. The centerpiece of this effort, the deficit reduction bill passed in 1993, was described as follows by Federal Reserve Chairman Greenspan:

> There's no question that the impact of bringing the deficit down [through the 1993 budget bill] set in place a series of events—a virtuous cycle, if I may put it that way—which has led us to where we are. (In testimony before the House Budget Committee, March 4, 1998.)

The facts show that the 1998 budget is balanced despite Republican legislative efforts, not because of them.

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